PERAK
CORPORATION
BERHAD

(210915-U)

Incorporated in Malaysia

ANNUAL REPORT
2009

PERAK CORPORATION BERHAD

210915-U (Incorporated in Malaysia)

ANNUAL REPORT 2009

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting of the Company will be held at Dewan Persidangan, Tingkat 4, Wisma Wan Mohamed, Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak Darul Ridzuan on **Wednesday, 26 May 2010**, at **12.00 noon** to transact the following businesses:

AGENDA

1.	To receive, consider and adopt the Audited Financial Statements for the year ended 31 December 2009 together with the Report of the Directors and Auditors thereon.	**Resolution 1**
2.	To approve the payment of a first and final dividend of 2.5 sen per share less income tax for the year ended 31 December 2009.	**Resolution 2**
3.	To approve the payment of Directors' fees for the year ended 31 December 2009.	**Resolution 3**
4.	To re-elect Tuan Haji Ab Rahman bin Mohammed who retires in accordance with Article 80 of the Company's Articles of Association.	**Resolution 4**
5.	To re-elect the following Directors who retire in accordance with Article 87 of the Company's Articles of Association:	
	a) YB Dato' Nasarudin bin Hashim	**Resolution 5**
	b) YB Dr Wan Norashikin bt Wan Noordin	**Resolution 6**
	c) Dato' Dr Vasan a/l Sinnadurai	**Resolution 7**
	d) Dato' Abd Karim bin Ahmad Tarmizi	**Resolution 8**
6.	To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.	**Resolution 9**

As special business to consider and, if thought fit, to pass the following Resolutions:

7. **A. Ordinary Resolution – Proposed Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** **Resolution 10**

"**THAT** approval be and is hereby given pursuant to Paragraph 10.09, Part E of Chapter 10 of Bursa Malaysia Securities Berhad Main Market Listing Requirements for the Company and/or its subsidiaries to enter into the Recurrent Related Party Transactions of a revenue or trading nature which are necessary for day to day operations with the Related Parties, as detailed in Section 2.1.2 of the Circular to Shareholders of the Company dated 28 April 2010, subject to the following:

(a) the transactions are carried out in the ordinary course of business on terms not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of the Company; and

(b) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholder mandate during the financial year based on the following information:

(i) the type of the Recurrent Related Party Transactions made; and

(ii) the names of the Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the Company.

THAT the approval given in the paragraph above shall only continue to be in force until:

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the said AGM, the authority is renewed;

(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to section 143(1) of the Companies Act, 1965, ("the Act"), but must not extend to such extension as may be allowed pursuant to section 143(2) of the Act; or

(c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier.

AND THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

B. Special Resolution – Proposed Amendments to the Articles of Association of the Company **Resolution 11**

"**THAT** the proposed amendments to the Articles of Association of the Company as set out in Appendix II of the Circular to Shareholders of the Company dated 28 April 2010 be and are hereby approved."

8. To transact any other business appropriate to an AGM of which due notice shall have been given in accordance with the Act and the Company's Articles of Association.

By order of the Board

Cheai Weng Hoong
Company Secretary

Ipoh
28 April 2010

NOTICE OF FIRST AND FINAL DIVIDEND PAYMENT AND CLOSURE OF REGISTER

Subject to the approval of the shareholders, a first and final dividend of 2.5 sen per share less 25% income tax will be paid on 15 July 2010.

Notice is hereby given that the Register of Members of the Company will be closed on 30 June 2010, to determine shareholders' entitlement to the dividend payment.

A depositor will qualify for entitlement only in respect of:

a) Share transferred into the Depositors' Securities account before 4.00 p.m. on 30 June 2010 in respect of ordinary transfers; and

b) Share bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

Notes:

1. *A member entitled to attend and vote at the AGM is entitled to appoint a proxy/proxies who may but need not be a member/members of the Company to attend and vote in his/her stead and Section 149 (1)(b) of the Act shall not apply.*
2. *When a member appoints more than one proxy the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.*
3. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.*
5. *The instrument appointing a proxy must be deposited at the Registered Office of the Company at D-3-7, Greentown Square, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan at least forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof.*
6. *The registration for the above Meeting will commence on Wednesday, 26 May 2010 at 11.30 a.m.*

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Resolution 4 to 8

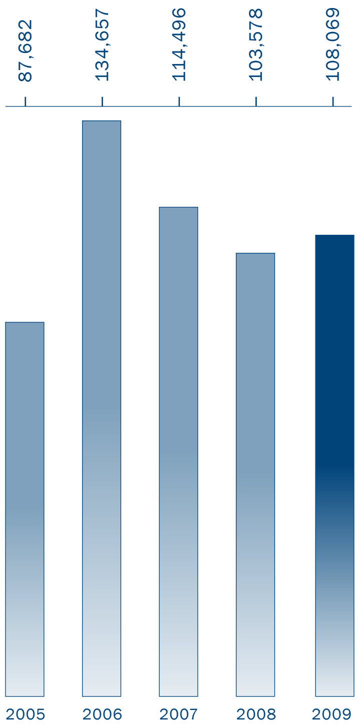
The profiles of the Directors standing for re-election are disclosed on pages 10 to 12 of the Annual Report and the details of their interests in the securities of the Company are disclosed under Analysis of Shareholdings on page 36 of the Annual Report.

Explanatory Note

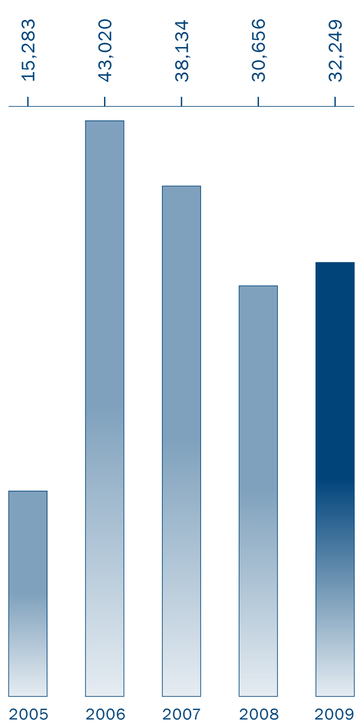
Resolution 10 and 11

Please refer to the Circular to Shareholders dated 28 April 2010 which is enclosed together with the Annual Report of the Company.

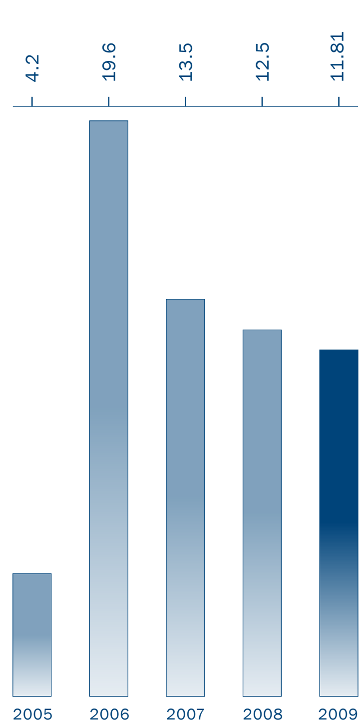
Financial Highlights 31 December



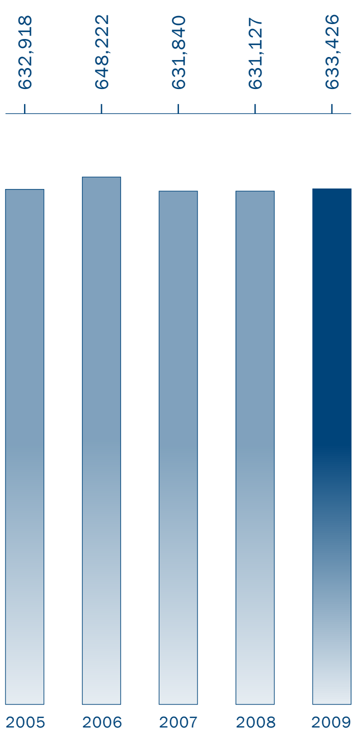
Revenue
(RM'000)



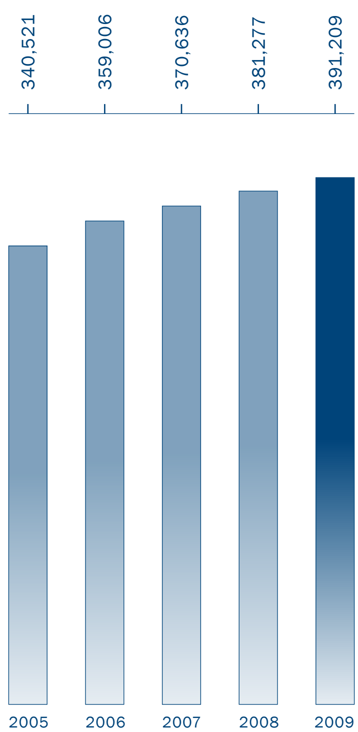
Profit Before Taxation
(RM'000)



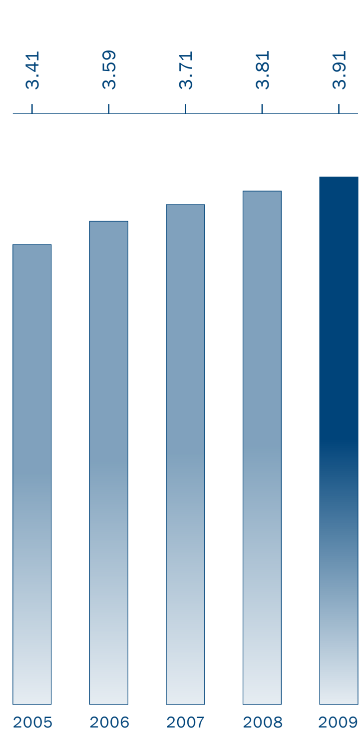
Earnings per Share
(sen)



Total Assets
(RM'000)



Equity Holders' Funds
(RM'000)



Net Assets per Share
(RM)

Corporate Structure as at 31 December 2009

Perak Corporation Berhad
Management Services & Others

- **PCB Development Sdn Bhd** — 100% — Township and Property Development
  - **PCB Transportation Travel & Tours Sdn Bhd** — 100% — Hotel, Tourism and Related Services
  - **PCB Trading & Manufacturing Sdn Bhd** — 100% — Trading of Building Materials
- **Magni D'Corp Sdn Bhd** — 100% — Township and Property Development
- **Premium Meridian Sdn Bhd** — 100% — Township and Property Development
- **Taipan Merit Sdn Bhd** — 100% — Management Services and Others
  - **Lumut Maritime Terminal Sdn Bhd** — 50% +1 share — Infrastructure
    - **LMT Capital Sdn Bhd** — 100% — Dormant
  - **Cash Hotel Sdn Bhd** — 61.16% — Hotel, Tourism and Related Services
    - **Silveritage Corporation Sdn Bhd** — 100% — Hotel, Tourism and Related Services
      - **Cash Complex Sdn Bhd** — 50.48% — Management Services and Others
- **Trans Bid Sdn Bhd** — 51% — Infrastructure
- **Konsortium LPB Sdn Bhd** — 12.19% — Infrastructure

Corporate Information

BOARD OF DIRECTORS

YB Dato' Nasarudin bin Hashim (Chairman)
Non-Independent Non-Executive

Encik Wan Hashimi Albakri bin Wan Ahmad Amin Jaffri
Non-Independent Non-Executive

Tuan Haji Ab Rahman bin Mohammed
Independent Non-Executive

Dato' Abd Karim bin Ahmad Tarmizi
Independent Non-Executive

Dato' Dr Vasan a/l Sinnadurai
Independent Non-Executive

YB Dr Wan Norashikin binti Wan Noordin
Independent Non-Executive

GROUP OFFICERS

Dato' Samsudin bin Hashim DPMP, PMP, AMP
Group Chief Executive Officer
Perak Corporation Berhad

Mr Harbhajan Singh a/l Ujagar Singh AMP, PPT
Group Chief Financial Officer
Perak Corporation Berhad

Tuan Haji Hamsidi bin Haji Shaharah
Group GM, Business Development
Perak Corporation Berhad

Hajah Sharifah Nor Hashimah bt Syed Kamaruddin AMP, PPT
Group GM, Land and Property
Perak Corporation Berhad

Tuan Haji Ibrahim bin Yaacob AMP, PPT
Chief Executive Officer
PCB Development Sdn Bhd

Encik Amin bin Halim Rasip
Chief Executive Officer
Lumut Maritime Terminal Sdn Bhd

Ms Chow Mun Lan
Manager
Cash Hotel Sdn Bhd

PRINCIPAL PLACE OF BUSINESS

2nd Floor, Wisma Wan Mohamed
Jalan Panglima Bukit Gantang Wahab
30000 Ipoh, Perak Darul Ridzuan
Tel : (05) 242 7277, 242 7279
Fax : (05) 242 7290
Email : pcb@pkcorp.com.my
Website : www.pkcorp.com.my

COMPANY SECRETARY

Mr Cheai Weng Hoong (LS 05624)

AUDITORS

Ernst & Young (AF : 0039)
Chartered Accountants

SOLICITORS

Rusnah Loh Ng & Co.
Rodney Koh & Associates

PRINCIPAL BANKERS

CIMB Bank Berhad
Malayan Banking Berhad

REGISTERED OFFICE

D-3-7, Greentown Square
Jalan Dato' Seri Ahmad Said
30450 Ipoh, Perak Darul Ridzuan
Tel : (05) 241 7762, 253 0760
Fax : (05) 241 6761

REGISTRAR

Shared Services & Resources Sdn Bhd
D-3-7, Greentown Square
Jalan Dato' Seri Ahmad Said
30450 Ipoh, Perak Darul Ridzuan
Tel : (05) 241 7762, 253 0760
Fax : (05) 241 6761

STOCK EXCHANGE LISTING

Main Market,
Bursa Malaysia Securities Berhad
Name : PRKCORP
Stock Code : 8346

Board of Directors

1. YB DATO' NASARUDIN BIN HASHIM
2. ENCIK WAN HASHIMI ALBAKRI BIN WAN AHMAD AMIN JAFFRI
3. TUAN HAJI AB RAHMAN BIN MOHAMMED
4. DATO' ABD KARIM BIN AHMAD TARMIZI
5. YB DR WAN NORASHIKIN BT WAN NOORDIN
6. DATO' DR VASAN A/L SINNADURAI

Profile of Directors

YB DATO' NASARUDIN BIN HASHIM

Non-Independent Non-Executive Director, Malaysian, aged 59 years

YB Dato' Nasarudin bin Hashim was first appointed to the Board on 25 August 2009 and thereafter as the Chairman of the Board and also Chairman of the Finance and Business Development Committee on 26 August 2009.

He graduated with a Bachelor of Arts with Honours from University of Malaya. He also holds a Certificate in Urban and Rural Planning, United Kingdom.

He has previously served as an Administrative and Diplomatic Services Officer for 23 years at state and federal level. He was a member of Parliament (Parit) from 2004 to 2008 and has been appointed as a member of the State Legislative Assembly (Bota, Perak) since 2008. He was previously the Chairman of FELCRA Bhd (2006-2008) and is currently the Chairman of Technology Park Malaysia Corporation Sdn Bhd. He is the Executive Director of PCB Development Sdn Bhd, a wholly owned subsidiary of the Company, since 1 September 2009.

He attended both Board of Directors' meetings held from the date of his appointment to the end of the financial year ended 31 December 2009. He does not have any family relationship with any director and/or major shareholder and has no conflict of interest with the Company. He has no conviction for any offence within the past 10 years.

ENCIK WAN HASHIMI ALBAKRI BIN WAN AHMAD AMIN JAFFRI

Non Independent Non-Executive Director, Malaysian, aged 51 years

Encik Wan Hashimi Albakri bin Wan Ahmad Amin Jaffri was first appointed to the Board on 18 June 2008. He was appointed as the Chairman of the Nomination and Remuneration Committee on 2 November 2009.

He graduated with a Bachelor of Science in Civil Engineering. He sits on the Board on behalf of Sime Darby Property Berhad, a major shareholder of the Company where he is Head of Township Operations. Previously, he has served as Geotechnical Design & Research Engineer with Public Works Department, Ikram Bangi, Regional Geotechnical Engineer with Pengurusan Lebuhraya Bhd, Senior Project Manager with I & P Berhad, General Manager with General Lumber Construction Sdn Bhd, Executive Director with Irat Management Services Sdn Bhd, General Manager, Property Division with Putrajaya Holdings Sdn Bhd, Chief Operating Officer with Putrajaya Homes Sdn Bhd and Chief Executive Officer with Negara Properties (M) Bhd.

He attended all 4 out of 4 Board of Directors' meetings held during the financial year ended 31 December 2009. He does not have any family relationship with any director and/or major shareholder and has no conflict of interest with the Company. He has no conviction for any offence within the past 10 years.

TUAN HAJI AB RAHMAN BIN MOHAMMED

Independent Non-Executive Director, Malaysian, aged 64 years

Tuan Haji Ab Rahman bin Mohammed was first appointed to the Board on 7 August 2007. He was appointed as a member and thereafter the Chairman of the Audit Committee on 29 August 2007 and 26 August 2009 respectively. He was also appointed as a member of the Nomination and Remuneration Committee on 27 February 2009 where he has resigned as a member on 2 November 2009.

He graduated with a Bachelor of Economics with Honours from University of Malaya in 1969. He obtained Masters in Business Management from Asian Institute of Management, Philippines in 1997. He is a Chartered Member of the Institute of Internal Auditors, Malaysia.

He sat on the Board on behalf of Permodalan Nasional Berhad, then a major shareholder of the Company. He has been redesignated as an Independent Non Executive Director on 26 August 2009. He has served in various Government Departments and Statutory Bodies for 30 years. He has served as Deputy Auditor General of Jabatan Audit Negara (1996 – 2000) and Chief Internal Auditor for Tenaga Nasional Berhad (2001 – 2005).

He attended all 4 out of 4 Board of Directors' meetings held during the financial year ended 31 December 2009. He does not have any family relationship with any director and/or major shareholder and has no conflict of interest with the Company. He has no conviction for any offence within the past 10 years.

He has an indirect interest via his spouse's shareholding of 5,000 ordinary shares of the Company.

DATO' ABD KARIM BIN AHMAD TARMIZI

Independent Non-Executive Director, Malaysian, aged 60 years

Dato' Abd Karim bin Ahmad Tarmizi was first appointed to the Board and as a member of the Finance and Business Development Committee on 2 November 2009.

He graduated with a Bachelor of Economics from North Queensland University, Australia. An Australian trained Chartered Accountant, he is also a member of the Malaysian Institute of Accountants.

In 1976-1980, he served the government in the Accountant General's Office in a senior position. He left for the private sector initially joining Paremba/Sime UEP Bhd. Thereafter he held a few senior corporate positions in the Sime Darby Group. He ended his professional corporate career as the Group Managing Director of Land & General Berhad. In 2001, he initiated the management buyout of Industrial Resins (Malaysia) Sdn Bhd and spearheaded its operation and listing in 2005 as Chairman/ CEO of IRM Group Berhad. He has previously served in the boards of Land and General Bhd, SPPK Bhd, RHB Bhd and as a Council member of the Malaysian Timber Council. He was active in the Petrochemical Industry as past President of the Plastic Resins Producers Group (PRPG) and Vice President of the Malaysian Petrochemical Association (MPA). He also laid the foundation as initial Chairman for the formation of the Malaysian Plastic Forum (MPF), a plastic advocacy group.

He attended the only Board of Directors' meeting held from the date of his appointment to the end of the financial year ended 31 December 2009. He does not have any family relationship with any director and/or major shareholder and has no conflict of interest with the Company. He has no conviction for any offence within the past 10 years.

YB DR WAN NORASHIKIN BT WAN NOORDIN
Independent Non-Executive Director, Malaysian, aged 37 years

YB Dr Wan Norashikin bt Wan Noordin was first appointed to the Board, a member of the Audit Committee and a member of the Nomination and Remuneration Committee on 2 November 2009.

She graduated with a Bachelor of Dental Surgery (BDS) from University of Malaya. She had previously served in the Ministry of Health as a Government Dental Officer from 1997 before she became a private dental practitioner in 2005. In 2008, she contested and won a State seat in the Malaysian General Elections held in that year. She is currently the Perak State Assemblywoman for Kampung Gajah.

She attended the only Board of Directors' meeting held from the date of her appointment to the end of the financial year ended 31 December 2009. She does not have any family relationship with any director and/or major shareholder and has no conflict of interest with the Company. She has no conviction for any offence within the past 10 years.

DATO' DR VASAN A/L SINNADURAI
Independent Non-Executive Director, Malaysian, aged 46 years

Dato' Dr Vasan a/l Sinnadurai was first appointed to the Board, a member of the Audit Committee and a member of the Nomination and Remuneration Committee on 2 November 2009.

He graduated with Bachelor of Medicine and Bachelor of Surgery from University of Madras, India in 1991. He received the M.MED Orthopaedic from University Science Malaysia (USM) in 2001. He also holds various fellowships, among others, Fellowship in Foot and Ankle Reconstruction (Australia), Fellowship in Sport and Shoulder (Korea), American Orthopaedic Travelling (USA) and is a Certified Medical Independent Assessor (CMIA).

He is currently the Consultant of Orthopaedic and Adult Reconstruction Surgeon at Pantai Hospital Ipoh. He has provided medical services for 16 years. He was the Head of Orthopaedic Department, Taiping Hospital for 4 years before he left for the private sector.

He attended the only Board of Directors' meeting held from the date of his appointment to the end of the financial year ended 31 December 2009. He does not have any family relationship with any director and/or major shareholder and has no conflict of interest with the Company. He has no conviction for any offence within the past 10 years.

Profile of Group CEO

DATO' SAMSUDIN BIN HASHIM
Malaysian, aged 53 years

Dato' Samsudin bin Hashim was first appointed as a Group Chief Executive Officer of the Company on 1 September 1997.

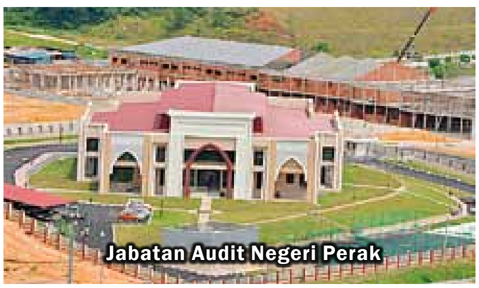
He graduated from Universiti Kebangsaan Malaysia with a Bachelor in Business Administration (Hons) majoring in Finance & Marketing. He joined Perbadanan Kemajuan Negeri Perak (PKNP) in 1982, and has since held various posts including Project Officer, Director of Planning and Corporate Affairs and currently he is the Chief Executive of PKNP, a position held since 1 January 1998.

He holds directorships in a number of companies under the PKNP Group and the Company's subsidiaries. He does not have any family relationship with any director and/or major shareholder and has no conflict of interest with the Company. He has no conviction for any offence within the past 10 years.

He holds 18,750 ordinary shares of the Company.

Group Officers & Activities

Township Development


Jabatan Audit Negeri Perak


Double-storey shophouses


Bangunan SPRM


Hotel & Convention Centre (artist impression)


ICT Hub (artist impression)

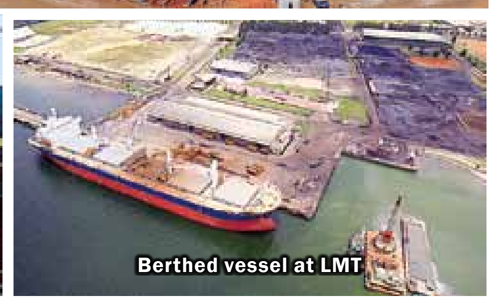

Mydin Hypermarket (artist impression)

Infrastructure


Handling liquid bulk cargo

Steel fabrication plant for oil and gas at Lumut Maritime Terminal (LMT)


Loading of dry bulk cargo


Berthed vessel at LMT

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of PERAK CORPORATION BERHAD for the financial year ended 31 December 2009

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan PERAK CORPORATION BERHAD bagi tahun kewangan berakhir 31 Disember 2009

OVERVIEW

The Group activities in 2009 remained focus on its core businesses of township development of real property and ancillary services, hospitality services and maritime services and sales of port related land.

The township and property development activities softened whereas the hospitality services segment which continued to incur a loss after taxation has ceased its operations as a hotelier and restaurateur. However, the consistent returns from maritime services have enabled the Group to achieve favourable results for the financial year under review. The Group will continue to build on its strengths in all of its business segments to remain competitive to achieve favourable results in the foreseeable future.

TINJAUAN KESELURUHAN

Aktiviti Kumpulan di dalam 2009 masih tertumpu ke atas perniagaan-perniagaan utama didalam pembangunan bandar baru bagi hartanah dan perkhidmatan-perkhidmatan sampingan, perkhidmatan perhotelan dan perkhidmatan maritim dan penjualan tanah berkaitan aktiviti pelabuhan.

Pembangunan hartanah dan bandar baru telah berkurangan manakala segmen perkhidmatan perhotelan yang terus mengalami kerugian selepas cukai telah dihentikan beroperasi sebagai pihak pemberi perkhidmatan perhotelan dan restoran. Namun begitu, pulangan yang konsisten dari perkhidmatan maritim telah membolehkan Kumpulan mencapai keputusan yang memberansangkan bagi tahun kewangan berkenaan. Kumpulan akan terus meningkatkan keupayaannya di dalam semua segmen perniagaannya untuk kekal berdaya saing bagi mencapai keputusan yang menggalakkan pada masa hadapan yang boleh diramalkan.

FINANCIAL REVIEW

For the financial year ended 31 December 2009, the Group's revenue from continuing operations increased by 9% to RM95.14 million (2008: RM87.63 million) mainly due to the township development and the infrastructure segments. Accordingly, the Group achieved a pretax profit of RM34.59 million for the year under review in comparison to RM30.98 million recorded in the year 2008 whilst a loss from discontinued operations totalled RM2.34 million (2008: loss RM0.32 million). Net profit attributable to shareholders was RM11.81 million in comparison to RM12.49 million earned in the previous year.

Net assets per share attributable to ordinary equity holders of the parent as at 31 December 2009 improved to RM3.91 (2008: RM3.81) based on the ordinary shares in issue of RM1.00 each of 100 million (2008: 100 million) units.

TINJAUAN SEMULA KEWANGAN

Bagi tahun kewangan berakhir 31 Disember 2009, perolehan pendapatan Kumpulan telah meningkat sebanyak 9% ke RM95.14 juta (2008: RM87.63 juta) yang disumbangkan oleh segmen pembangunan bandar baru dan infrastruktur. Seterusnya, Kumpulan memperolehi keuntungan sebelum cukai yang berjumlah RM34.59 juta untuk tahun yang dinilai berbanding dengan RM30.98 juta yang dicatat bagi tahun 2008 manakala kerugian yang dialami daripada operasi dihentikan berjumlah RM2.34 juta (2008: Kerugian RM0.32 juta). Keuntungan bersih yang boleh diagihkan kepada pemegang-pemegang saham adalah sebanyak RM11.81 juta berbanding dengan RM12.49 juta diperolehi pada tahun sebelumnya.

Agihan aset bersih sesaham kepada pemegang ekuiti biasa syarikat induk pada 31 Disember 2009 telah meningkat kepada RM3.91 (2008: RM3.81), berasas kepada syer biasa yang diterbitkan pada RM1.00 seunit untuk 100 juta (2008: 100 juta) unit.

For the year under review, the Company achieved revenue of RM11.29 million resulting in pretax profits of RM9.37 million as compared to revenue of RM6.22 million with pretax profits of RM6.88 million recorded in the year 2008. Profit after taxation was recorded at RM6.75 million as against RM5.30 million achieved in the year 2008. The increase in profits was largely attributable to higher dividends received from a subsidiary for the year under review.

OPERATIONS REVIEW

Hospitality and Tourism

The Group interest in the hospitality segment has ceased for the time being with the disposal of the hotel property, Impiana Casuarina Hotel Ipoh, by its subsidiary, Cash Hotel Sdn Bhd (CHSB) on 2 December 2009 to Impiana Hotel Ipoh Sdn Bhd for RM44.0 million and the reversion of the property trading as Casuarina Inn Taiping on 28 February 2010 to Pejabat Daerah Taiping upon the expiry of the lease.

CHSB has not departed from the hospitality industry as it is looking into the construction of a new hotel property in the township of Bandar Meru Raya and the management of a 2,000 seater convention centre. The project is in its planning stages and barring any unforeseen circumstances, construction may commence by at the end of year 2010 with the completion targeted to be at the end of 1st quarter of 2012.

This segment has achieved a revenue of RM12.93 million (2008: RM15.95 million) but the loss suffered before taxation was RM2.34 million (2008: RM0.32 million) due to the loss on discontinued operations which included the writing off of the sewerage treatment plant, retrenchment benefits, reversal of provision for retirement benefits and higher operating cost.

Township Development

The Group's main contributor of this segment is its wholly owned subsidiary, PCB Development Sdn Bhd (PCBD).

PCBD's township development known as "Bandar Meru Raya" (BMR), is located in the north of the City of Ipoh Perak which has received the MSC

Bagi tahun yang dinilai, Syarikat telah mencapai perolehan sebanyak RM11.29 juta yang menghasilkan keuntungan sebelum cukai RM9.37 juta berbanding dengan perolehan RM6.22 juta dengan keuntungan sebelum cukai RM6.88 juta dicatatkan bagi tahun 2008. Keuntungan selepas cukai dicatatkan pada RM6.75 juta berbanding RM5.30 juta yang dicapai pada tahun 2008. Peningkatan keuntungan adalah disumbangkan oleh peningkatan penerimaan dividen daripada salah satu subsidiari bagi tahun yang dinilai.

TINJAUAN SEMULA AKTIVITI-AKTIVITI

Perhotelan dan Pelancongan

Kepentingan Kumpulan didalam segmen hospitaliti telah dihentikan buat sementara dengan penjualan hartanah hotel, Impiana Casuarina Hotel, Ipoh, oleh subsidiari, Cash Hotel Sdn Bhd (CHSB) pada 2 Disember 2009 kepada Impiana Hotel Ipoh Sdn Bhd pada RM44.0 juta dan pengembalian semula hartanah perniagaan Casuarina Inn Taiping pada 28 Februari 2010 kepada Pejabat Daerah Taiping dengan tamatnya tempoh pajakan.

CHSB belum lagi berundur daripada industri hospitaliti dengan adanya cadangan pembinaan hartanah hotel yang baru di Bandar Meru Raya serta mengurus sebuah pusat konvensyen dengan 2,000 tempat duduk. Projek ini masih lagi diperingkat perancangan dan sekiranya keadaan mengizinkan, pembinaan akan bermula pada akhir tahun 2010 dan dijangkakan dapat disiapkan pada akhir sukutahun pertama 2012.

Segmen ini telah mencapai perolehan sebanyak RM12.93 juta (2008: RM15.95 juta) tetapi telah mengalami kerugian sebelum cukai RM2.34 juta (2008: RM0.32 juta) adalah disebabkan pemberhentian operasi yang merangkumi hapuskira loji pembetungan, faedah penamatan, faedah persaraan yang diperuntukkan semula dan kos kendalian yang tinggi.

Pembangunan Bandar Baru

Bagi Kumpulan, penyumbang utama segmen ini ialah subsidiari milik penuh, PCB Development Sdn Bhd (PCBD).

Pembangunan bandar baru PCBD yang dikenali sebagai "Bandar Meru Raya" (BMR), terletak di utara Bandar Ipoh, Perak yang telah menerima

Malaysia Cybercentre Status Certificate for having fulfilled the necessary set of criteria towards meeting the vision of MSC Malaysia. Currently, various purchasers of developed lands from PCBD have completed 118 double storey shophouses in BMR and another 33 units are being constructed. To date, 2,600 residential houses have been completed whereas another 2,000 such units are in various stages of construction. Also in the pipeline is the construction of a hotel and convention centre. Mydin Wholesale Cash & Carry Sdn Bhd which has purchased 16 acres of developed land is set to construct a hypermarket, distribution centre and related facilities which is expected to begin in the second half of year 2010. Among the government institutions being located in BMR, Bangunan Jabatan Audit Negara (Cawangan Perak) has been completed. In addition, Jabatan Ketua Pengarah Tanah dan Galian Persekutuan Negeri Perak, Arkib Negara, Pejabat Tanah dan Galian Negeri Perak and Yayasan Perak have purchased developed lands to site their administrative offices in BMR.

This segment has achieved a revenue of RM22.39 million (2008: RM18.87 million) with profit before taxation of RM1.32 million (2008: RM2.38 million) for the year under review.

Infrastructure

The Group's contributor in this segment is via its subsidiary, Lumut Maritime Terminal Sdn. Bhd. (LMTSB). LMTSB is a terminal owner, operator and land developer.

Lumut Maritime Terminal (LMT) is a terminal that provides total integrated port services and facilities with capability to berth vessels up to 40,000 dead weight tones to handle a whole range of cargo from dry bulk, liquid bulk, general and project cargoes. The year 2009 saw a 8% growth in cargo throughput at the Terminal of 3.27 million tons, as compared to 3.03 million tons in 2008. Export cargo accounted for 73% of the throughput composed of mainly cement, clinkers, limestone and liquid cargo. Bulk palm oil accounted for 17% of the total exports. Import cargos are mainly coal and petcoke for the cement plants.

Sijil "MSC Malaysia Cybercentre Status' diatas pencapaian menyempurnakan segala kriteria kearah memenuhi visi MSC Malaysia. Terkini, pelbagai pembeli tanah yang dimajukan oleh PCBD telah menyiapkan 118 unit rumah kedai dua tingkat di BMR dan 33 unit lagi masih diperingkat pembinaan. Sehingga kini, 2,600 unit rumah kediaman telah disiapkan manakala sebanyak 2,000 unit lagi masih dipelbagai peringkat pembinaan. Di samping itu, pembinaan sebuah hotel dan pusat konvensyen sedang dirancang. Mydin Wholesale Cash & Carry Sdn Bhd telah membeli 16 ekar tanah pembangunan untuk membangunkan sebuah pasaraya, pusat agihan dan fasiliti terbabit yang dijangka akan bermula pada setengah tahun kedua 2010. Antara institusi kerajaan yang ditempatkan di BMR adalah Bangunan Jabatan Audit Negara (Cawangan Perak) yang telah siap. Di samping itu, Jabatan Ketua Pengarah Tanah dan Galian Persekutuan Negeri Perak, Arkib Negara, Pejabat Tanah dan Galian Negeri Perak dan Yayasan Perak telah membeli tanah pembangunan untuk mendirikan pejabat pentadbiran di BMR.

Segmen ini telah mencapai perolehan sebanyak RM22.39 juta (2008: RM18.87 juta) dengan keuntungan sebelum cukai RM1.32 juta (2008: RM2.38 juta) bagi tahun yang dinilai.

Infrastruktur

Sumbangan Kumpulan dalam segmen ini ialah melalui subsidiari, Lumut Maritime Terminal Sdn Bhd (LMTSB). LMTSB ialah pemilik terminal, operator dan pemaju tanah.

LMTSB adalah terminal yang menyediakan perkhidmatan pelabuhan yang bersepadu dengan kemudahan yang berupaya melabuh bagi kapal-kapal sehingga 40,000 "dead weight tonnes" bagi pengendalian berbagai jenis kargo dari pukal kering, pukal cecair, kargo awam dan kargo khusus. Pengendalian kargo di Terminal bagi tahun 2009 mencatat pertumbuhan 8% berjumlah 3.27 juta tan berbanding dengan 3.03 juta tan pada 2008. Kargo ekspot merupakan 73% daripada jumlah pengendalian kargo yang utamanya simen 'clinkers', batu kapur dan kargo cecair. Eksport minyak sawit pukal kekal pada 17% dari jumlah eksport. Kargo import yang utama ialah arangbatu dan "petcoke" bagi loji-loji simen.

For the year 2010, LMT is expected to handle a moderate cargo growth of about 10% due to new cargoes being handled namely petroleum products. Pipe gantries for the user to lay their pipelines connecting their plants and the Terminal have been completed. Further improvements to the cargo handling systems are being put in place with the necessary infrastructures.

LMTSB is also the operator and manager of Lekir Bulk Terminal (LBT), a deep water seaport with a natural draft of 20 metres. LBT is a dedicated terminal to handle coal for the Janakuasa Sultan Azlan Shah in Sri Manjung. In the year 2009, it handled 5.3 million tons (2008: 5.5 million tons) of coal and is expected to handle throughput in the year 2010 to match that of 2009.

LMTSB's, Lumut Port Industrial Park (LPIP) which is adjacent to the LMT develops and sells industrial land on lease for 89 years for heavy, medium and light industries at competitive prices. The selling price of the land depends on the location, total acreage purchased and most importantly the usage of port facilities. Currently, it has about 212 acres of land available for sale. Foreign ownership is permitted. Being located next to the Terminal makes it a very attractive for investors.

This infrastructure segment has contributed to the Group's revenue by achieving RM70.55 million (2008: RM66.56 million) with profit before taxation totalling RM33.62 million (2008: RM27.30 million) for the year under review.

CORPORATE REVIEW

On 28 January 2010, the Company has mutually agreed with Putera Capital Berhad to rescind the Conditional Sale and Purchase Agreement dated 21 August 2008 in respect of the disposal of its entire equity interest in its associate, Konsortium LPB Sdn Bhd.

CORPORATE GOVERNANCE

Statements of Corporate Governance and Internal Control have been included in the Annual Report. These affirm the Board's commitment in ensuring

Bagi tahun 2010, LMT menjangka pertumbuhan kargo yang sederhana sebanyak 10% hasil dari pengendalian kargo baru iaitu produk-produk petroleum. Paip gantri bagi pengguna-pengguna talian paip yang menghubungi loji-loji mereka dengan Terminal telah siap pembinaannya. Peningkatan tambahan kepada sistem pengendalian kargo berserta infrastruktur yang diperlukan sedang diuruskan.

LMTSB juga adalah operator dan pengurus Lekir Bulk Terminal (LBT), pelabuhan laut yang mendalam dengan kedalaman semulajadi 20 meter. LBT secara khusus mengendalikan arang batu bagi Janakuasa Sultan Azlan Shah di Seri Manjung. Dalam tahun 2009, sebanyak 5.3 juta tan arang batu dikendalikan (2008: 5.5 juta tan) dan dijangka akan mengurus pengendalian bagi tahun 2010, yang setanding dengan 2009.

Lumut Port Industrial Park (LPIP) kepunyaan LMTSB yang bersebelahan dengan LMT memajukan dan menjual tanah industri di atas pajakan 89 tahun untuk industri berat, sederhana dan ringan pada harga yang kompetitif. Harga jualan tanah berdasar kepada lokasi, keluasan tanah dibeli dan yang terpenting ialah penggunaan kemudahan pelabuhan. Pada masa kini, terdapat 212 ekar tanah telah sedia untuk dijual. Pemilikan asing dibenarkan. Lokasi yang bersebelahan dengan Terminal menjadikan ia satu tarikan kepada pelabur.

Segmen infrastruktur ini telah menyumbang kepada perolehan Kumpulan dengan pencapaian RM70.55 juta (2008: RM66.56 juta) dan keuntungan sebelum cukai berjumlah RM33.62 juta (2008: RM27.30 juta) bagi tahun bawah kajian.

TINJAUAN KORPORAT

Pada 28 Januari 2010, Syarikat telah bersefahaman dengan Putera Capital Berhad untuk membatalkan satu perjanjian Bersyarat Jualbeli bertarikh 21 Ogos 2008 bagi penjualan keseluruhan kepentingan ekuiti di dalam syarikat bersekutu, Konsortium LPB Sdn Bhd.

URUS TADBIR KORPORAT

Penyata Urus Tadbir Korporat dan Penyata Kawalan Dalaman adalah termasuk di dalam Laporan Tahunan. Dengan ini, Lembaga menyempurnakan that good corporate governance compliance is practiced throughout the Group.

PROSPECTS FOR THE YEAR 2010

The Group may be able to achieve satisfactory results for the financial year 2010 though its overall results may be affected by the global economic environment.

DIVIDEND

The Board of Directors recommends a final dividend of 2.5 sen per share less 25% taxation (2008: 2.5 sen per share less 25% taxation), totalling RM1.875 million (2008: RM1.875 million) for the financial year ended 31 December 2009, for approval by shareholders at the forthcoming Annual General Meeting ("AGM").

The recommended dividend shall be paid on 15 July 2010, upon approval by shareholders in the forthcoming AGM.

APPRECIATION

On behalf of the Board of Directors, I would like to take this opportunity to express my gratitude to Dr. Ab Wahab bin Ismail, Dato' Mohammed Zabidi bin Dasuki, Haji Asmuni bin Awi and Mr. Wong Yoon Choong, who have resigned from the Board, for their invaluable services and contributions during their tenures.

I would also like to extend my sincere appreciation to our shareholders, clients, suppliers and business associates, bankers and various government authorities for their support and confidence in the Group. My appreciation is also extended to the management and staff for all their dedication and commitment in their work.

YB DATO' NASARUDIN BIN HASHIM
DIMP, AMP, BPC, BCM
Chairman

28 April 2010

komitmen sepenuhnya untuk memastikan kepatuhan urus tadbir korporat yang baik diamalkan di seluruh Kumpulan.

PROSPEK BAGI TAHUN 2010

Kumpulan berkemampuan mencapai keputusan yang munasabah bagi tahun kewangan 2010 sungguhpun prestasi keseluruhan mungkin terdesak daripada kesan persekitaran ekonomi global.

DIVIDEN

Ahli Lembaga Pengarah mencadangkan dividen akhir 2.5 sen sesaham ditolak 25% cukai (2008: 2.5 sen sesaham ditolak 25% cukai), berjumlah RM1.875 juta (2008: RM1.875 juta) bagi tahun kewangan berakhir 31 Disember 2009, tertakluk kepada kelulusan para pemegang saham di Mesyuarat Agung Tahunan ("AGM") yang akan datang.

Dividen yang dicadangkan akan dibayar pada 15 Julai 2010 setelah kelulusan diperolehi daripada para pemegang saham di AGM akan datang.

PENGHARGAAN

Saya bagi pihak Lembaga Pengarah, mengambil kesempatan ini untuk merakamkan penghargaan kepada Dr Ab Wahab bin Ismail, Dato' Mohammed Zabidi bin Dasuki, Haji Asmuni bin Awi dan Encik Wong Yoon Choong, yang telah meletak jawatan dalam Lembaga, diatas perkhidmatan dan sumbangan yang tidak ternilai sepanjang tempoh perkhidmatan mereka.

Seterusnya, saya menyampaikan ucapan terima kasih kepada pemegang-pemegang saham, pelanggan-pelanggan, pembekal-pembekal dan rakan-rakan niaga, ahli-ahli perbankan dan pelbagai penguatkuasa kerajaan atas sokongan dan keyakinan pada Kumpulan ini. Ucapan penghargaan juga saya rakamkan kepada pihak pengurusan dan staf di atas dedikasi dan komitmen dalam menjalankan tugas.

YB DATO' NASARUDIN BIN HASHIM
DIMP, AMP, BPC, BCM
Pengerusi

28 April 2010

Statement of Corporate Governance

The Board welcomes the Malaysian Code on Corporate Governance (the "Code") as it sets out principles (Part 1) and best practices (Part 2) on structures and processes the Group may use in their operations towards achieving the optimal framework in the discharge of its responsibilities to protect and enhance shareholders value and the financial performance of the Group.

The Code first issued in March 2000 and then revised in October 2007 had been incorporated into the Bursa Malaysia Securities Berhad ("BMSB") Main Market Listing Requirements. The principles of the Code are divided into four sections:

Section 1:	Directors
Section 2:	Directors' Remuneration
Section 3:	Shareholders
Section 4:	Accountability and Audit

In preparing this report, the Board has considered the manner in which it has applied these Principles of the Code and the extent to which it has complied with the Best Practices of the Code.

SECTION 1: DIRECTORS

Composition of the Board

The Board has six members as at the date of this Statement, all of whom are Non-Executive Directors. Of these, four are Independent and the rest are Non-Independent. No individual or group of individuals dominates the Board's decision making and the number of directors fairly reflects the nominees of each of the Company's major shareholders.

Y.B. Dato' Nasarudin bin Hashim is the Chairman of the Board while Dato' Samsudin bin Hashim, who is a non-board member, leads the management team. There is a clear division of responsibility between these two roles and between the Non-Executive Board members and the executive management team to ensure a balance of power and authority.

The Company considers that its complement of Non-Executive Directors provide an effective Board with a mix of industry-specific knowledge and business and commercial experience. This balance enables the Board to provide clear and effective leadership to the Company and to bring informed and independent judgement to many aspects of the Company's strategy and performance so as to ensure that the Company maintains the highest standard of conduct and integrity. The profile of the Board members is set out on pages 10 to 12.

Two third of the Board members are Independent Directors since the Company recognises the contribution of Independent Directors as equal Board members in the development of the Company's strategy, the importance of representing the interest of public shareholders and providing a balanced and independent view to the Board. The Independent Directors are independent of management and free from any relationship that could interfere with their independent judgement.

Board Responsibilities

The Board retains full and effective control of the Company. This includes responsibility for determining the Company's overall strategic direction as well as development and control of the Group. Key matters, such as approval of annual and interim results, material acquisitions and disposals, as well as material agreements are reserved for the Board.

The Board has a minimum of four regularly scheduled meetings annually, with additional meetings convened when urgent and important decisions need to be taken between scheduled meetings. In 2009, the Board held meetings on the following dates: 27 February, 27 May, 26 August, and 25 November. At each scheduled meeting, there is a full financial and business review and discussion, including trading and financial performance to date against annual budget and financial plan previously approved by the Board for that year. The details of meeting attendance of each individual director is as follows:

	Meeting Attendance In 2009
YB Dato' Nasarudin bin Hashim (Chairman) (appointed on 25.8.2009)	2/2
Tuan Haji Ab Rahman bin Mohammed	4/4
En. Wan Hashimi Albakri bin Wan Ahmad Amin Jaffri	4/4
Dato' Abd Karim bin Ahmad Tarmizi (appointed on 2.11.2009)	1/1
YB Dato' Dr Vasan a/l Sinnadurai (appointed on 2.11.2009)	1/1
YB Dr Wan Norashikin binti Wan Noordin (appointed on 2.11.2009)	1/1
Dr Haji Ab Wahab bin Ismail (resigned on 15.8.2009)	2/2
Tuan Haji Asmuni bin Awi (resigned on 15.8.2009)	2/2
Dato' Mohammed Zabidi bin Dasuki (resigned on 15.8.2009)	2/2
Mr. Wong Yoon Choong (resigned on 15.8.2009)	2/2

The Board has also delegated certain responsibilities to other Board committees, which operate within clearly defined terms of reference. Standing committees of the Board include the Audit Committee (please refer to the Report on Audit Committee set out on pages 29 to 32), and Nomination and Remuneration Committee.

The Board has also set up a Finance and Business Development Committee ("FBDC") to assist the Board to evaluate major operating issues which arise out of the ordinary course of business and new businesses being assessed. The FBDC also reviews Annual Budgets before they are submitted to the Board and annual salary reviews of the employees of the Company. The FBDC comprises an Independent Non-Executive Director, the Group Chief Executive Officer (the Group Chief Financial Officer as his alternate) and headed by the Chairman of the Board. During the financial year, FBDC meetings were held on 15 April and 26 October.

Middle Management is constantly being informally appraised to assess their capability of taking over the Senior Management positions within the organisation.

Supply of Information

Each Board member receives quarterly operating results, including comprehensive review and analysis. Prior to each Board meeting, directors are sent an agenda and a full set of Board papers for each agenda item to be discussed at the meeting. This is issued in sufficient time to enable the directors to obtain further explanations, where necessary, in order to be properly informed before the meeting.

Directors have access to all information within the Company whether as full board members or in their individual capacity, in furtherance to their duties. Directors have also direct access to the services of the Company Secretary who is responsible for ensuring that the Board procedures are followed.

Appointments of the Board and Re-election

The Nomination and Remuneration Committee ("NRC") comprises three Non-Executive Directors, two of whom are independent. The Committee is headed by En. Wan Hashimi Albakri bin Wan Ahmad Amin Jaffri and other members are Y.B. Dr Wan Norashikin binti Wan Noordin and Dato' Dr. Vasan a/l Sinnadurai. The NRC is empowered to bring to the Board recommendations as to the appointment of any new executive or non-executive director upon evaluation of the candidate's ability to discharge the expected responsibilities.

The Board through the NRC ensures that it recruits to the Board individuals of sufficient calibre, knowledge, integrity, professionalism and experience to fulfill the duties of a director. The Chairman of the Board together with the Group Chief Executive Officer shall give informal briefings to the new directors. All the Directors have attended the Mandatory Accreditation Programme as prescribed by BMSB on their appointment as directors of the Company as part of the induction exercise on joining the Board.

The NRC shall evaluate annually the effectiveness of each individual director and of the Board as a whole.

In addition, all directors are encouraged to continuously undertake training and regularly update and refresh their skills and knowledge to enable them to effectively discharge their duties. In this connection, the directors have adopted the Guidelines for Directors' Training Needs as recommended by the NRC. The guidelines require each director to attend at least one (1) seminar/ course/ workshop during the financial year.

The Company has organised site visits and briefings by the management of the core subsidiaries to give the directors a better understanding of their operations. In addition, some of the directors have also attended talks, seminars and conferences to further enhance their skills and knowledge.

The directors have direct access to the advice and the services of the Company Secretary, who is responsible for ensuring that all appointments are properly made and all necessary information is obtained from directors, both for the Group's own records and for the purposes of complying with the requirements of the Companies Act 1965, BMSB Main Market Listing Requirements and other regulatory requirements. Upon appointment, directors are advised of their legal and other obligations as a director of a public listed company.

In accordance with the Company's Articles of Association, all directors who are appointed by the Board are subject to re-election at the next Annual General Meeting ("AGM") after their appointment. The Articles also provided that at least one-third of the Board is subject to re-election at regular intervals of at least once every three years. In addition, pursuant to Section 129(6) of the Companies Act, 1965, directors who are over the age of 70 years are required to submit themselves for re-appointment annually.

During the financial year, NRC meetings were held on 25 March and 25 November which were attended by all its members.

SECTION 2: DIRECTORS' REMUNERATION

Remuneration Policy and Procedure

For the remuneration policy, the Committee reviews the annual fees, attendance allowance and other benefits for the directors of the Company. The decision to determine the level of remuneration shall be the responsibility of the Board as a whole after considering recommendations from the NRC with ultimate approval of shareholders at the AGM.

Directors' Remuneration

The aggregate remuneration of the current directors, all of whom are non-executives of the Company for the financial year ended 31 December 2009 is as follows:-

	RM
Company: fees and attendance allowances	61,614
Subsidiary companies: salaries, allowances and benefits-in-kind	44,336
Total	105,950

Band of remuneration for the financial year ended 31 December 2009 is as follows:

Band of remuneration	**Non-Executive Directors**
Below RM50,000	6

Certain directors who resigned during the financial year ended 31 December 2009 were paid ex-gratia allowances for their services. These are not included in the directors' remuneration. For details of appointment and resignation of directors, please refer page 20 of the Annual Report.

The Board of Directors is of the opinion that the non-disclosure of the individual remuneration of each Director will not significantly affect the understanding and evaluation of the Group governance.

SECTION 3: SHAREHOLDERS

Investor Relations and Shareholders Communication

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company through the Annual Report, AGM and extraordinary general meeting (if required). Announcements and release of financial results on a quarterly basis, semi annual returns and business acquisitions and disposals, provide the shareholders and the investing public with an overview of the Group's performance, operations and directions. Members of the public can obtain the full financial results and the Company's announcements from the BMSB's website and the Company's website [www.pkcorp.com.my].

In addition, nominees of the Company's substantial shareholders sit on the Board. This provides a platform for interactions and direct communications between the Board, management and shareholders. Any queries from other shareholders are communicated through the Company Secretary.

Annual General Meeting ("AGM")

The AGM is the principal forum for dialogue with shareholders. Notice of the AGM and Annual Reports are sent out to shareholders at least 21 days before the date of meeting.

Besides the usual agenda for the AGM, the Board provides opportunities for shareholders to raise questions pertaining to the business activities of the Group. The directors and the Group Chief Executive Officer are available to provide responses to questions from the shareholders during the meeting.

For re-election of directors, the Board shall ensure that full information shall be disclosed through the notice of meeting regarding directors who are retiring and who are willing to serve if re-elected.

An explanatory statement to facilitate full understanding and evaluation of the issues involved shall accompany items of special business included in the notice of the meeting.

SECTION 4: ACCOUNTABILITY AND AUDIT

Financial Reporting

For financial reporting through quarterly reports to BMSB and the annual report to shareholders, the directors have a responsibility to present a fair assessment of the Group's position and prospects. The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness. The Statement of Directors' Responsibilities pursuant to Section 169 of the Companies Act, 1965 is set out on page 38 of this Annual Report.

Internal Control

The Board takes responsibility for the Group's internal control system and risk management and for reviewing its adequacy and integrity. The Board is of the view that the current system of internal control in place throughout the Group is sufficient to safeguard the Group's assets and shareholders' investment. The Group has in place an adequately resourced internal audit department of the Company's ultimate holding corporation.

The Statement on Internal Control as set out on pages 25 to 28 in this Annual Report provides an overview of the state of internal controls within the Group.

Relationship with Auditors

The role of the Audit Committee in relation to the auditors can be found in the Report of Audit Committee set out on pages 29 to 32. The Company has always maintained a close and transparent relationship with its auditors in seeking professional advice and ensuring compliance with accounting standards in Malaysia.

SECTION 5: CORPORATE SOCIAL RESPONSIBILITY

The Company has established a Corporate Social Responsibilities ("CSR") framework which places a firm commitment towards achieving a balance between profitability and contributions in CSR activities.

With the CSR framework in place, the Company and its subsidiaries strive to integrate CSR initiatives in every aspect of its business focusing on its employees, its shareholders, its customers, the environment and society as a whole, in addition to complying with all applicable legal and regulatory requirements.

The Group has contributed and shall continuously endeavour to play a positive role towards the following CSR activities :-

(a) The Bandar Meru Raya township with the MSC Malaysia Cyber Centre status shall provide the community with improved and higher quality standard of living through enhancements of new infrastructure and a cleaner environment.

(b) The establishment of LMT BioHub shall provide the beneficial impact of the gradual changeover from high pollution fossil fuels to clean biofuels, which are renewable resources, on the overall reduction of carbon dioxide emissions and global warming.

(c) The commitment towards the community by supporting and donating to charitable causes and disaster relief funds organised by the local governments and non-profitable organizations, besides providing financial assistance in the nurturing of youths with the potential to excel in sporting activities.

(d) The development of Bumiputra skills in management and entrepreneurship in the various core activities of the Group.

(e) Local communities being encouraged and assisted to participate actively in tourism products such as the Homestay visitors programmes in Perak.

(f) To promote a healthy balance between personal and career development of employees of the Group by them attending seminars and training. In addition, they are encouraged to perform voluntary duties in various social activities.

This Statement is made in accordance with a resolution of the Board dated 16 April 2010.

Statement on Internal Control

INTRODUCTION

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets.

Paragraph 15.26(b) of Bursa Malaysia Securities Berhad ("BMSB") Main Market Listing Requirements require directors of listed companies to include a statement in annual reports on the state of the internal control of the listed issuer as a group. In this respect the Statement on Internal Controls: Guidance for Directors of Public Listed Companies ("the Internal Control Guidance") provides guidelines to assist listed issuers in making disclosure in their annual reports on the state of internal control in compliance with BMSB Main Market Listing Requirements. Set out below is the Board's Statement on Internal Control, which has been prepared in accordance with the Internal Control Guidance.

BOARD RESPONSIBILITY

The Board of Directors recognises the importance of sound internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Group's system of internal controls and risk management, and for reviewing the adequacy and integrity of those systems. Due to the limitations that are inherent in any system of internal control, the system is designed to manage rather than eliminate the risk of failure to achieve corporate objectives. Accordingly, the system can provide only reasonable and not absolute assurance against material misstatement or loss. The system of internal control covers, inter alia, risk management and financial, organisational, operational and compliance controls.

The Board confirms that there is an on-going process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of the Group's business objectives, which has been in place during the year and up to the date of approval of the annual report and financial statements. The Board shall regularly review this process and accords with the Internal Control Guidance.

RISK MANAGEMENT FRAMEWORK

The Board fully supports the contents of the Internal Control Guidance. The terms of reference of the Audit Committee has been extended to assist the Board towards the compliance of their responsibility. With the assistance of the internal audit department of the ultimate holding corporation, a structured risk management framework for the Group has been put in place. The recommended risk framework, which was previously presented to the Audit Committee for adoption by the Group, involves the following:

1. **Group Risk Management Committee**

   The Group Risk Management Committee is responsible to identify continuously and communicate to the Audit Committee, which in turn would report to the Board, the critical risks the Group faces, their changes and the management action plans to manage the risks.

2. **Risk Management Policies and Procedures Manual**

   This manual serves to outline the risk management framework for the Group and would offer practical guidance to all employees on risk management issues.

3. Key Management Staff

Nomination of key management staff in each operating unit to prepare action plans, with implementation time-scales to address any risk and control issues.

4. Risk Management Reporting

Regular risk management reporting by the head of operating units/ key management staff to the Group Risk Management Committee.

The above risk management framework has been fully implemented for the past four years to effectively address critical business risks.

For the financial year under review, it has been established at the Group level that the review of the adequacy and integrity of the system of internal control shall include the following: -

- Assess the competency and suitability of the members of respective subsidiaries risk management committee;
- Require regular risk management reporting (at least once every quarter) from each company within the Group to the holding company according to pre-determined schedule;
- Action plans to be submitted by the respective risk management committees;
- To receive and discuss reports and executive summaries from the companies and thereafter to discuss these reports at the Audit Committee meeting of the Company on a quarterly basis.
- To incorporate progressively the use of benchmarking and key performance indicators as effective operational and financial performance measures.

INTERNAL AUDIT

The Group, via the ultimate holding corporation's internal audit department provides support to the Audit Committee in discharging its duties with respect to the adequacy and integrity of the system of internal controls within the Group. During the financial year under review, the Internal Auditors carried out audits of the operating units including subsidiaries based on an internal audit plan approved by the Audit Committee. The audit reports were tabled at the Audit Committee meetings, where Audit Committee members reviewed the findings with management. Internal auditors ensured that recommendations to improve controls were implemented by management. These initiatives, together with management's adoption of the external auditors' recommendations for improvement on internal controls noted during their annual audit, provide reasonable assurance that control procedures are in place.

The scope of work of the internal audit department did not extend to an associate of the Company, Konsortium LPB Sdn. Bhd. ("KLPB"), as it has yet to commence operations. A representative of the management of the Company sits as a Board member of KLPB to ensure that implementation shall be carried out in a proper manner and risk assessment shall be undertaken by KLPB.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Apart from key risk management and internal audit, the Group has in place the following key elements of internal control:

1. Organisational Structure

The Group has in place an organisational structure with clearly defined lines of accountability and delegated authority.

2. Policies and Operating Procedures Manual

There is an Operating Procedures Manual that sets out the policies, procedures and practices covering activities including the following: -

2.1 Financial Authority Limits

The Financial Authority Limits define financial limits of purchases of goods/services and capital expenditure for each level of management within the Group.

2.2 Budgeting

Budgets are generated annually at each operating unit. The budgets will then be reviewed by the Finance and Business Development Committee and thereafter presented to the Board for final review and approval.

2.3 Tender Committee

Major purchases of goods and services and contract works are required to be tendered out and submitted to the Board Tender Committee at subsidiary companies' level for review and approval.

3. Management Financial Report

Quarterly financial and performance reports are submitted to the Board which include the monitoring of results against budget, with major variances being explained and management action taken for improvement of results. This involves the inclusion of the Group Balance Sheet, the Group Statement of Changes in Equity and Group Cash Flow Statement being presented to the Board.

4. Investment Appraisal

Investment proposals covering acquisition of property and long term investments shall be thoroughly appraised by the Board. Post implementation reviews on these investments are conducted and reported to the Board on a regular basis. Likewise, similar action is taken in respect of disposal of property/ long term investments/ subsidiaries.

5. Group Financial Management Meeting

Group Financial Management Meetings are held to monitor the progress and performance of each business unit and copy of the minutes are circulated to the Group Chief Executive Officer for his information.

CONCLUSION

A number of minor structural weaknesses were identified during the period, all of which have been addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's annual report.

This Statement is made in accordance with a resolution of the Board dated 16 April 2010.

Report of Audit Committee

COMPOSITION

	Meeting attendance in 2009
Tuan Haji Ab Rahman bin Mohamed (Chairman) *Independent Non-Executive*	4/4
YB Dr Wan Norashikin binti Wan Noordin (appointed on 2.11.2009) *Independent Non-Executive*	1/1
Dato' Dr Vasan a/l Sinnadurai (appointed on 2.11.2009) *Independent Non-Executive*	1/1
Dato' Mohammed Zabidi bin Dasuki (resigned on 15.8.2009) *Independent Non-Executive*	3/3
Mr Wong Yoon Choong (resigned on 15.8.2009) *Independent Non-Executive*	3/3

All members of the Committee have a working familiarity with basic finance and accounting practices.

MEETINGS

The Committee meets at least four times annually, or more frequently as circumstances dictate. As part of its duty to foster open communications, the Group Chief Executive Officer, the Group Chief Financial Officer and the Head of Internal Audit of the Company's ultimate holding corporation and a representative of the external auditors (if required) will normally attend the meetings. Other Board members may attend meetings upon invitation by the Committee.

The Committee met 4 times during the financial year under review for the following purposes:

- To review the financial statements before the quarterly announcements to Bursa Malaysia Securities Berhad ("BMSB");
- To review the year end financial statements together with external auditors' management letter and management's response;
- To discuss with the external auditors, the audit plan and scope for the year, as well as the audit procedures to be utilised;
- To discuss with the internal auditors on its scope of work, adequacy of resources and coordination with the external auditors;
- To review the reports prepared by the internal auditors on the state of internal control of the Group.

In 2009, the Committee held meetings on the following dates: 26 February, 25 March, 26 May, and 25 November. The attendance of the members is as shown above.

RESPONSIBILITIES AND DUTIES

Besides the duties stated under the Terms of Reference stated below, the Audit Committee shall:

- Consider the appointment of the external auditors, the audit fees and any questions of their resignation or dismissal;
- Review the adequacy and effectiveness of risk management, internal controls and governance systems;
- Review any other activities, as authorised by the Board.

INTERNAL AUDIT FUNCTION

The Audit Committee is supported adequately by the internal audit department from the Company's ultimate holding corporation, which would outsource any consultant or professional firm if there was a requirement to do so. The main role of the internal audit function is to review the effectiveness of the system of internal control and this is performed with impartiality, proficiency and due professional care.

The internal audit activities have been carried out according to the internal audit plan, which has been approved by the Audit Committee. In 2009, a series of review of the risk management framework of the Group and the audits of the operating units including subsidiaries were carried out. The audit reports were tabled at the Audit Committee Meeting, where Audit Committee members reviewed the findings with management. Internal Auditors ensured that recommendations to improve controls were implemented by management. These initiatives, together with management's adoption of the external auditors' recommendations for improvement on internal controls noted during their annual audit, provide reasonable assurance that control procedures are in place. The cost incurred by the Company for the internal audit function amounted to RM100,000 in respect of the annual fee paid to the Company's ultimate holding corporation for the year 2009.

Further details of the activities of the internal audit function are set out in the Statement on Internal Control on pages 25 to 28.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Membership

The Audit Committee shall be appointed by the Board of Directors from amongst their members (who are not alternate directors or executive directors), comprising at least three (3) members with a majority of them being independent directors. All members of the Committee shall be financially literate and at least one member of the Committee shall be a member of the Malaysian Institute of Accountants or a member of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967 or fulfils such other requirements as prescribed or approved by BMSB.

The term of office and performance of the committee and each of its members shall be reviewed by the Board of Directors at least once every three years.

Chairman

The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an independent director.

Vacancy, retirement and resignation

All members, including the Chairman, will hold office only as long as they serve as Directors of the Company. If for any reason the membership of the Committee fails to comply with the membership requirements, the Board shall within three (3) months of the event, appoint such number of new members as may be required to fill the vacancy.

Authority

The Audit Committee is authorised by the Board to investigate any activities within its terms of reference. It can seek outside legal or other independent professional assistance if it considers necessary.

The Audit Committee shall in principle have full, free and unrestricted access to any information pertaining to the Company and its Group in carrying out their duties.

Duties

(a) To recommend to the Board the appointment and reappointment of the external auditors, audit fees and any question of their resignation or dismissal.

(b) To discuss with the external auditors before the audit commences, the audit plan, their evaluation of the system of internal control and the audit reports on the financial statements and the assistance given by the Company's officers to the external auditors.

(c) To review the quarterly financial reports and annual financial statements before submission to the Board focusing particularly on :-

- Changes in or implementation of major accounting policy changes;
- Significant and unusual events; and
- Compliance with accounting standards and other legal requirements.

(d) To discuss the outcome of the interim and final audit, and any matters the auditors may wish to discuss ensuring that no management restrictions are being placed on the scope of their examinations.

(e) To review the adequacy of the scope, function, competency and resources and the effectiveness of the internal audit function.

(f) To review the internal audit programme, processes, the results of the internal audit programme, process or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.

(g) To review the Risk Management Framework of the Group, the significant risks identified for the Group and the findings highlighted by the Internal Auditors.

(h) To review any related party transaction and conflict of interest situation that may arise within the Company and the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

(i) To maintain, through regularly scheduled meetings, a direct line of communication between the Board and the External Auditors as well as Internal Auditors.

(j) To prepare an Audit Committee Report, for the consideration of the Board at the end of each financial year, for inclusion in the Annual Report of the Company.

(k) To report to BMSB where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of BMSB Main Market Listing Requirements.

Meetings

The Audit Committee shall meet at least four (4) times a year, although additional meetings may be called at any time at the Chairman's discretion and if requested by any member or internal or external auditors. The Committee may convene meetings with the external auditors, the internal auditors or both excluding the attendance of other directors and employees of the Company, whenever deemed necessary. The Committee may invite any person to be in attendance at each meeting.

The Chairman of the Audit Committee shall engage on a continuous basis with senior management, such as the Chairman of the Company, the Chief Executive Officer, the Finance Director (if any), the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company.

A meeting shall be called by notice in writing of not less than seven (7) days or such shorter notice as may be agreed by the members.

The quorum for each meeting shall be two (2) members, the majority of members present must be independent members.

Minutes

Minutes of each meeting shall be kept and distributed to each member of the Committee and the Board. The Chairman shall report on each meeting to the Board. The minutes' book shall be opened to the inspection of any director of the Company. The secretary to the Committee shall be the Company Secretary.

Recurrent Related Party Transactions ("RRPTs") of Revenue Nature

RRPTs of revenue nature conducted during the financial year are as follows:

Type of RRPT	*Name of Related Party*	*Relationship with the Company*	*Actual Value Period: 1/1/09 – 31/12/09 (RM)*
Rental of office premises from the Company	Perbadanan Kemajuan Negeri Perak ("PKNP")	Ultimate Holding Corporation	2,023,549
Management services provided to the Company	PKNP	Ultimate Holding Corporation	276,000
Project services provided to the Company	PKNP	Ultimate Holding Corporation	1,304,000
Rental and disbursements payable by the Company	PKNP	Ultimate Holding Corporation	426,171
Management services provided to a subsidiary, Lumut Maritime Terminal Sdn Bhd ("LMT")	Integrax Berhad ("ITB")	See note 1 below	600,000
Operation and maintenance provided by a subsidiary, LMT	Lekir Bulk Terminal Sdn Bhd ("LBT")	See note 2 below	26,673,540
Tug boat services provided to a subsidiary, LMT	Radikal Rancak Sdn Bhd ("RR")	See note 3 below	5,883,000

Relationship with the Company:

1. Kuda Sejati Sdn. Bhd. ("KS") is a wholly owned subsidiary of PKNP, which holds 8.41% of the equity interest of ITB, LMT is an associated company of Pelabuhan Lumut Sdn. Bhd. ("PL") which holds 50% less 1 share of its equity. PL is a wholly owned subsidiary of ITB.

2. LBT is a subsidiary of PL, which holds 80% of its equity interest, whereas the remaining equity interest of 20% is held by Tuah Utama Sdn. Bhd., an unrelated company to PCB Group and its Directors.

3. RR is a wholly owned subsidiary of PT Indoexchange TBK, a limited company listed on the Indonesia Stock Exchange which in turn is a 70.32% subsidiary of ITB.

Material Contracts

There were no material contracts other than in the ordinary course of business entered into by the Company or its subsidiaries involving the interest of the Directors and major shareholders.

Impositions of Sanctions/Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by relevant authorities.

Non-Audit Fees

There were non-audit fees of RM5,000 (2008:RM5,000) and RM18,000 (2008:RM18,000) payable by the Company and its subsidiaries to the External Auditors of the Company and to a corporation affiliated to them respectively.

Summary of Properties as at 31 December 2009

Location	*Approximate Land Area (acres)*	*Tenure*	*Description*	*Date of Acquisition Approx. Age (Buildings) Net Book Value*	*Existing Use*
Lot 6407N (PN 67134) Bandar Ipoh, Mukim Ulu Kinta, District of Kinta, Perak Darul Ridzuan.	0.73	Leasehold (99 years) expiring year 2081	9-storey office tower	10.01.1997 29 years RM10,087,067	Rented to Perbadanan Kemajuan Negeri Perak except for second, seventh and eighth floor occupied by the Company
Part of Lot 140407, 15437, 25459, 33004, 52566, 21310, 18202 Mukim Ulu Kinta, District of Kinta, Perak Darul Ridzuan.	189.62	Freehold	Agricultural land with approval for mixed development from Pejabat Pengarah Tanah & Galian	31.12.1997 RM23,242,502	Agriculture (proposed for mixed development)
No. HSD 98757, PT 167585 Negeri Perak, Mukim Ulu Kinta, District of Kinta, Perak Darul Ridzuan.	5.00	Freehold	3-storey institutional building	1.1.2002 8 years RM3,983,056	Currently vacant
Lot PT 2273, Mukim Lumut, Daerah Manjung, Perak Darul Ridzuan.	27.46	Leasehold (99 years) expiring year 2094	Waterbody	30.9.1995 RM751,069	Port operations
Lot PT 6973, Mukim Lumut, Daerah Manjung, Perak Darul Ridzuan.	72.54	Leasehold (99 years) expiring year 2094	Wharf, warehouse & office complex building, and port land area	10.4.1997 14 years RM83,751,165	Port operations

Analysis of Shareholdings as at 31 March 2010

Authorised Capital	:	RM500,000,000
Issued and Fully Paid-Up Capital	:	RM100,000,000
Class of Shares	:	Ordinary shares of RM1.00 each fully paid
Voting Rights	:	One vote per shareholder on a show of hands
		One vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDERS
(Based on the Record of Depositors)

No. of holders	*Holdings*	*Total shareholdings*	*%*
233	Less than 100	11,260	0.01
147	100 to 1,000	92,323	0.09
1,992	1,001 to 10,000	6,521,567	6.52
328	10,001 to 100,000	8,965,275	8.97
54	100,001 to 4,999,999	26,778,325	26.78
2	5,000,000* and above	57,631,250	57.63
2,756		100,000,000	100.00

*Notes: * Denotes 5% of the issued capital*

SUBSTANTIAL SHAREHOLDERS (EXCLUDING BARE TRUSTEES)
(Based on the Company's Register of Substantial Shareholders)

		No. of shares held			
No.	*Name of holders*	*Direct*	*%*	*Deemed*	*%*
1.	Perbadanan Kemajuan Negeri Perak	52,271,253 *1	52.27	270,000 *2	0.27
2.	Sime Darby Property Berhad	6,125,000	6.13	–	–

Notes :

**1. 52,266,250 shares held through CIMB Group Nominees (Tempatan) Sdn Bhd and OSK Nominees (Tempatan) Sdn Bhd*

**2. Deemed interest through its wholly owned subsidiaries, Sergap Berkat Sdn Bhd (240,000 shares held through OSK Nominees (Tempatan) Sdn Bhd), Cherry Blossom Sdn Bhd and Kuda Sejati Sdn Bhd*

DIRECTORS' SHAREHOLDINGS
(Based on the Company's Register of Directors Shareholdings)

		No. of shares held			
No.	*Name of holders*	*Direct*	*%*	*Deemed*	*%*
1.	Tuan Haji Ab Rahman bin Mohammed	–	–	5,000 *1	0.01

*Note: *1. Deemed interest through his spouse*

THIRTY LARGEST SHAREHOLDERS (Based on the Record of Depositors)

No.	*Name*	*No. of shares held*	*%*
1	CIMB Group Nominees (Tempatan) Sdn Bhd *Perak Corporation Berhad for Perbadanan Kemajuan Negeri Perak*	51,506,250	51.51
2	Sime Darby Property Berhad	6,125,000	6.13
3	Ke-Zan Nominees (Asing) Sdn Bhd *Kim Eng Securities Pte Ltd For Horizon Growth Fund N.V.*	4,860,000	4.86
4	KAF Trustee Berhad *KAF Fund Management Sdn Bhd for KAF Seagroatt & Campbell Berhad*	4,378,000	4.38
5	Citigroup Nominees (Asing) Sdn Bhd *Citigroup GM Inc for SC Fundamental Value Fund LP*	2,393,096	2.39
6	Citigroup Nominees (Asing) Sdn Bhd *Citigroup GM Inc for SC Fundamental Value BVI Ltd*	2,106,934	2.11
7	OSK Nominees (Tempatan) Sdn Berhad *OSK Capital Sdn Bhd for Perbadanan Kemajuan Negeri Perak*	760,000	0.76
8	Lim Pay Kaon	627,000	0.63
9	PM Nominees (Tempatan) Sdn Bhd *PCB Asset Management Sdn Bhd For MUI Continental Insurance Berhad*	600,000	0.60
10	Tan Jin Tuan	565,500	0.56
11	Citigroup Nominees (Asing) Sdn Bhd *Citigroup GM Inc for SC Asian Opportunity Fund, L.P.*	517,770	0.52
12	Tan Jin Tuan	449,600	0.45
13	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chee Sai Mun (E-KLC)*	366,700	0.36
14	KAF Trustee Berhad *KAF Fund Management Sdn Bhd for Yayasan Istana Abdul Aziz*	360,000	0.36
15	Ng Lai Chiek	357,150	0.36
16	KAF Trustee Berhad *KAF Fund Management Sdn Bhd for DYMM Tuanku Bainun Mohd Ali*	351,000	0.35
17	Wong Shak On	326,450	0.32
18	Cheong Kwan Choong	309,100	0.31
19	Wong Siow Hu	302,000	0.30
20	TCL Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Hoo Pak @ Hor Ker Pay*	300,000	0.30
21	Foo Lim Get	290,000	0.29
22	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ngiow Ching Fong (E-KLC)*	270,000	0.27
23	Cheong Chong Lok & Sons Sdn Bhd	268,000	0.27
24	Citigroup Nominees (Asing) Sdn Bhd *Citigroup GM Inc for SC Fundamental LLC Employee Savings and Profit Savings Plan*	264,500	0.26
25	Cheong Yoke Choy	250,000	0.25
26	Wong Wun Pen @ Wong Voon Phew	250,000	0.25
27	Lim Ah Waa	242,000	0.24
28	OSK Nominees (Tempatan) Sdn Berhad *OSK Capital Sdn Bhd for Sergap Berkat Sdn Bhd*	240,000	0.24
29	Lee Choon Hoong	239,000	0.24
30	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Teh Kian Lang (CEB)*	238,300	0.24
		80,113,350	80.11

Statement of Directors' Responsibilities

In Respect Of The Annual Audited Financial Statements

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

In preparing the financial statements, the Directors have:

- Complied with the applicable MASB approved accounting standards in Malaysia.
- Adopted and consistently applied appropriate accounting policies.
- Made judgments and estimates that are prudent and reasonable.

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

The Directors have general responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.

PERAK CORPORATION BERHAD
210915-U (Incorporated in Malaysia)

ANNUAL REPORT 2009

FINANCIAL STATEMENTS

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Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2009.

Principal activities

The principal activities of the Company consist of property and investment holding, real property development and provision of management services.

The principal activities of the subsidiaries are described in Note 14 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year except for the discontinuance of the hotel operations as disclosed in Note 8 to the financial statements.

Results

	Group RM	Company RM
Profit for the year from continuing operations	25,238,500	6,746,726
Loss for the year from discontinued operations	(2,339,038)	–
Profit for the year	22,899,462	6,746,726
Attributable to:		
Equity holders of the Company	11,807,061	6,746,726
Minority interests	11,092,401	–
	22,899,462	6,746,726

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

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

Dividend

The amount of dividend paid by the Company since 31 December 2008 was as follows:

	RM
In respect of the financial year ended 31 December 2008 as reported in the directors’ report of that year:	
Ordinary final dividend of 2.5% less 25% taxation, on 100,000,000 ordinary shares, approved on 27 May 2009 and paid on 17 July 2009	1,875,000

At the forthcoming Annual General Meeting, a final dividend in respect of the current financial year ended 31 December 2009, of 2.5% less 25% taxation on 100,000,000 ordinary shares, amounting to a dividend payable of RM1,875,000 (1.88 sen net per ordinary share) will be proposed for shareholders’ approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the next financial year ending 31 December 2010.

Directors

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

Tuan Haji Ab Rahman Bin Mohammed
Wan Hashimi Albakri Bin Wan Ahmad Amin Jaffri
YB Dato' Nasarudin Bin Hashim *(appointed on 25 August 2009)*
YB Dr Wan Norashikin Bt Wan Noordin *(appointed on 2 November 2009)*
Dato' Dr Vasan A/L Sinnadurai *(appointed on 2 November 2009)*
Dato' Abd Karim Bin Ahmad Tarmizi *(appointed on 2 November 2009)*
Tuan Haji Dr Ab Wahab Bin Ismail *(resigned on 15 August 2009)*
Tuan Haji Asmuni Bin Awi *(resigned on 15 August 2009)*
Dato' Mohammed Zabidi Bin Dasuki *(resigned on 15 August 2009)*
Wong Yoon Choong *(resigned on 15 August 2009)*

Directors' benefits

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 5 to the financial statements or the fixed salary of a full time employee of the Company or its related corporations) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Directors' interests

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

	Number of ordinary shares of RM1 each			
The Company	**1 January 2009**	**Bought**	**Sold**	**31 December 2009**
Tuan Haji Ab Rahman Bin Mohammed				
– indirect*	5,000	–	–	5,000

* *deemed interest through his spouse/issue*

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

Other statutory information

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

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

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

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

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

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

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

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

Other statutory information (contd.)

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

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

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

(f) In the opinion of the directors:

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

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

Significant and/or recurring events

The significant and/or recurring events during the financial year are as disclosed in Note 33 to the financial statements.

Auditors

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 16 April 2010.

YB Dato' Nasarudin Bin Hashim **Tuan Haji Ab Rahman Bin Mohammed**

Ipoh, Perak Darul Ridzuan, Malaysia

Statement by Directors

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

We, YB Dato' Nasarudin Bin Hashim, and Tuan Haji Ab Rahman Bin Mohammed, being two of the directors of Perak Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 47 to 140 are drawn up in accordance with applicable Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 16 April 2010.

YB Dato' Nasarudin Bin Hashim

Tuan Haji Ab Rahman Bin Mohammed

Ipoh, Perak Darul Ridzuan, Malaysia

Statutory Declaration

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

I, Harbhajan Singh A/L Ujagar Singh, AMP, PPT, being the officer primarily responsible for the financial management of Perak Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 47 to 140 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed Harbhajan Singh
A/L Ujagar Singh, AMP, PPT at Ipoh
in the State of Perak Darul Ridzuan
on 16 April 2010.

Harbhajan Singh A/L Ujagar Singh,
AMP, PPT

Before me,

Mohd Yusof bin Haron
No. A112
Commissioner for Oaths
Ipoh, Perak Darul Ridzuan,
Malaysia.

Independent Auditors’ Report

to the members of Perak Corporation Berhad (Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Perak Corporation 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 year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 47 to 140.

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity’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 entity’s internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on other legal and regulatory requirements

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

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

(b) We have considered the financial statements and the auditors' report of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 14 to the financial statements.

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

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

Other matters

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

Ernst & Young
AF: 0039
Chartered Accountants

Loke Siew Heng
No. 2871/07/11 (J)
Chartered Accountant

Ipoh, Perak Darul Ridzuan, Malaysia

Date: 16 April 2010

Income Statements

For the year ended 31 December 2009

	Note	Group 2009 RM	Group 2008 RM (Restated)	Company 2009 RM	Company 2008 RM
Continuing operations					
Revenue	3	95,135,706	87,633,293	11,285,429	6,224,252
Cost of sales	4	(39,538,452)	(36,182,395)	(593,880)	–
Gross profit		55,597,254	51,450,898	10,691,549	6,224,252
Other operating income		4,111,262	5,519,360	1,550,559	4,095,309
Sales and marketing expenses		(9,380)	(79,360)	–	–
Administrative expenses		(8,427,525)	(9,845,234)	(1,195,625)	(841,637)
Other operating expenses		(12,536,785)	(12,504,512)	(1,679,034)	(2,492,219)
Profit from operations	5	38,734,826	34,541,152	9,367,449	6,985,705
Finance costs	6	(4,143,599)	(4,342,449)	(4,835)	(110,561)
Share of (loss)/profit of associates		(3,505)	779,975	–	–
Profit before taxation		34,587,722	30,978,678	9,362,614	6,875,144
Taxation	7	(9,349,222)	(8,810,147)	(2,615,888)	(1,570,855)
Profit for the year from continuing operations		25,238,500	22,168,531	6,746,726	5,304,289
Discontinued operations					
Loss for the year from discontinued operations	8	(2,339,038)	(322,414)	–	–
		22,899,462	21,846,117	6,746,726	5,304,289
Attributable to:					
Equity holders of the Company		11,807,061	12,490,401	6,746,726	5,304,289
Minority interests		11,092,401	9,355,716	–	–
		22,899,462	21,846,117	6,746,726	5,304,289
Earnings per share attributable to equity holders of the Company (sen):					
Basic, for profit from continuing operations	9	14.15	12.81		
Basic, for loss from discontinued operations	9	(2.34)	(0.32)		
Basic, for profit for the year	9	11.81	12.49		

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

Balance Sheets

as at 31 December 2009

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Assets					
Non-current assets					
Property, plant and equipment	10	38,730,034	74,226,715	10,205,410	10,388,687
Port facilities	11	74,359,015	73,176,998	–	–
Prepaid land lease payments	12	12,755,312	25,701,705	–	–
Land held for property development	13	18,948,975	26,780,170	–	–
Investments in subsidiaries	14	–	–	6,702,000	6,702,000
Investments in associate	15	1,986,999	1,990,504	3,992,793	3,992,793
Other investments	16	16,341	–	16,341	–
Intangible assets	17	23,811,003	23,811,003	–	–
Other receivables	19	–	–	214,418,922	214,181,069
Deferred tax assets	27	2,319	729,394	–	–
		170,609,998	226,416,489	235,335,466	235,264,549
Current assets					
Property development costs	13	145,533,696	141,104,866	58,277,348	57,395,098
Inventories	18	5,988,563	15,432,495	–	–
Trade and other receivables	19	167,685,997	158,154,861	107,791,309	106,990,269
Tax recoverable		1,631,727	1,684,430	665,302	665,689
Other investments	16	8,655,546	8,528,831	–	–
Cash and bank balances	20	133,320,071	79,805,426	8,915,539	8,902,114
		462,815,600	404,710,909	175,649,498	173,953,170
Total assets		633,425,598	631,127,398	410,984,964	409,217,719

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	21	100,000,000	100,000,000	100,000,000	100,000,000
Share premium		172,770,440	172,770,440	172,770,440	172,770,440
Retained earnings	22	118,438,617	108,506,556	57,373,034	52,501,308
		391,209,057	381,276,996	330,143,474	325,271,748
Minority interests		76,185,344	76,342,943	–	–
Total equity		467,394,401	457,619,939	330,143,474	325,271,748
Non-current liabilities					
Other payables	28	–	–	1,215,977	1,215,977
Borrowings	23	45,379,829	50,551,030	42,478	57,970
Retirement benefits	26	183,964	1,511,969	–	–
Deferred tax liabilities	27	5,158,366	5,543,075	–	–
		50,722,159	57,606,074	1,258,455	1,273,947
Current liabilities					
Retirement benefits	26	17,840	265,874	–	–
Borrowings	23	65,268,001	65,243,059	60,015,492	60,014,269
Trade and other payables	28	47,008,921	49,152,149	19,567,543	22,657,755
Tax payable		3,014,276	1,240,303	–	–
		115,309,038	115,901,385	79,583,035	82,672,024
Total liabilities		166,031,197	173,507,459	80,841,490	83,945,971
Total equity and liabilities		633,425,598	631,127,398	410,984,964	409,217,719

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

Statements of Changes in Equity

For the year ended 31 December 2009

		Attributable to Equity Holders of the Company					
Group	**Note**	**Share capital RM**	**Non distributable Share premium RM**	**Distributable Retained earnings RM**	**Total RM**	**Minority interests RM**	**Total Equity RM**
At 1 January 2008		100,000,000	172,770,440	97,866,155	370,636,595	71,986,227	442,622,822
Profit for the year, representing total recognised income and expense for the year		–	–	12,490,401	12,490,401	9,355,716	21,846,117
Dividend	30	–	–	(1,850,000)	(1,850,000)	–	(1,850,000)
Dividend paid by a subsidiary to a minority shareholder		–	–	–	–	(4,999,000)	(4,999,000)
At 31 December 2008		100,000,000	172,770,440	108,506,556	381,276,996	76,342,943	457,619,939
At 1 January 2009		100,000,000	172,770,440	108,506,556	381,276,996	76,342,943	457,619,939
Profit for the year, representing total recognised income and expense for the year		–	–	11,807,061	11,807,061	11,092,401	22,899,462
Dividend	30	–	–	(1,875,000)	(1,875,000)	–	(1,875,000)
Dividend paid by a subsidiary to a minority shareholder		–	–	–	–	(11,250,000)	(11,250,000)
At 31 December 2009		100,000,000	172,770,440	118,438,617	391,209,057	76,185,344	467,394,401

Company	Note	Share capital RM	Non distributable Share premium RM	Distributable Retained earnings RM	Total equity RM
At 1 January 2008		100,000,000	172,770,440	49,047,019	321,817,459
Profit for the year, representing total recognised income and expense for the year		–	–	5,304,289	5,304,289
Dividend	30	–	–	(1,850,000)	(1,850,000)
At 31 December 2008		100,000,000	172,770,440	52,501,308	325,271,748
At 1 January 2009		100,000,000	172,770,440	52,501,308	325,271,748
Profit for the year, representing total recognised income and expense for the year		–	–	6,746,726	6,746,726
Dividend	30	–	–	(1,875,000)	(1,875,000)
At 31 December 2009		100,000,000	172,770,440	57,373,034	330,143,474

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

Cash Flow Statements

For the year ended 31 December 2009

	Group		Company	
	2009	2008	2009	2008
	RM	RM (Restated)	RM	RM
Cash flows from operating activities				
Profit/(loss) before taxation from:				
Continuing operations	34,587,722	30,978,678	9,362,614	6,875,144
Discontinued operations	(2,339,038)	(322,414)	–	–
Profit before taxation	32,248,684	30,656,264	9,362,614	6,875,144
Adjustments for:				
Continuing operations				
Allowance for doubtful debts	123,028	220,886	–	–
Amortisation of prepaid land lease payments	148,937	148,936	–	–
Bad debt written off	1,181	1,373,375	–	–
Depreciation				
– Property, plant and equipment	577,407	594,881	183,277	173,012
– Port facilities	2,236,348	3,020,671	–	–
Property, plant and equipment written off	1	1	–	1
Dividend income	(126,715)	(148,690)	(8,500,000)	(4,053,703)
Reversal of impairment loss on investment in an associate	–	–	–	(1,255,000)
Reversal for diminution in value of other investments	(16,341)	–	(16,341)	–
Impairment loss on investment in subsidiary	–	–	–	509
Loss/(Gain) on disposal of an associate	–	457,439	–	(1,000,000)
Loss on disposal of property,plant and equipment	1,336,639	–	–	–
Interest expenses	5,507,256	5,950,285	597,166	1,185,479
Interest income	(2,142,665)	(3,660,911)	(1,498,266)	(1,796,841)
Provision for liquidated damages (net)	–	(78,345)	–	–
Provision for retirement benefits	41,208	24,993	–	–
Share of loss/(profit) of associate	3,505	(779,975)	–	–
Write down of carrying amount of non-current asset held for sale upon reversal to property, plant and equipment	–	181,404	–	–
Operating profit carried forward	39,938,473	37,961,214	128,450	128,601

	Group 2009 RM	Group 2008 RM (Restated)	Company 2009 RM	Company 2008 RM
Cash flows from operating activities				
Operating profit brought forward	39,938,473	37,961,214	128,450	128,601
Discontinued operations				
Amortisation of prepaid land lease payments	171,856	187,444	–	–
Depreciation	1,756,965	1,445,640	–	–
Property, plant and equipment written off	196,848	–	–	–
Prepaid land lease payments written off	1,624,721			
Interest income	(3,388)	(2,592)	–	–
Provision for retrenchment benefits	1,670,777	–	–	–
Reversal of allowance for doubtful debts	(45,530)	–	–	–
(Reversal of)/provision for retirement benefits	(1,233,557)	374,280	–	–
Operating profit before working capital changes	44,077,165	39,965,986	128,450	128,601
Working capital changes:				
Property development costs	3,402,365	(4,733,793)	(882,250)	(1,399,019)
Inventories	9,443,932	(3,799,995)	–	–
Payables	(1,379,373)	(2,766,144)	(3,682,543)	(1,207,587)
Receivables	(10,688,587)	16,189,951	331,373	(1,571,887)
Cash generated from/(used in) operations	44,855,502	44,856,005	(4,104,970)	(4,049,892)
Liquidated damages paid	–	(451,305)	–	–
Retirement benefits paid	(383,690)	(254,354)	–	–
Retrenchment benefits paid	(1,459,251)	–	–	–
Taxes paid	(7,180,180)	(10,110,005)	(490,501)	(527,000)
Net cash generated from/(used in) operating activities	35,832,381	34,040,341	(4,595,471)	(4,576,892)
Cash flows from investing activities				
Dividends received	126,715	148,690	6,375,000	2,999,740
Interest received	775,787	2,292,571	128,000	425,908
Proceeds from disposal of property, plant and equipment	44,020,000	–	–	–
Proceeds from disposal of an associate	–	21,000,000	–	21,000,000
Investing activities carried forward	44,922,502	23,441,261	6,503,000	24,425,648

	Group 2009 RM	Group 2008 RM (Restated)	Company 2009 RM	Company 2008 RM
Cash flows from investing activities				
Investing activities brought forward	44,922,502	23,441,261	6,503,000	24,425,648
Purchase of other investments	(126,715)	(5,148,690)	–	–
Purchase of port facilities	(3,418,365)	(11,501,090)	–	–
Purchase of property, plant and equipment	(1,280,300)	(1,593,845)	–	(46,726)
Net cash generated from investing activities	40,097,122	5,197,636	6,503,000	24,378,922
Cash flows from financing activities				
Dividend paid	(1,875,000)	(1,850,000)	(1,875,000)	(1,850,000)
Dividend paid to minority interests	(11,250,000)	(4,999,000)	–	–
Interest paid	(4,143,599)	(4,342,449)	(4,835)	(110,561)
Uplift/(placement) of bank balances pledged	1,204,478	(3,648,065)	–	–
(Placement)/uplift of deposits pledged	(102,689)	12,490	–	–
Repayment of				
– hire purchase and lease financing	(146,259)	(313,217)	(14,269)	(7,761)
– revolving credit	–	(11,500,000)	–	(11,500,000)
– BaiDs	(5,000,000)	–	–	–
Net cash used in financing activities	(21,313,069)	(26,640,241)	(1,894,104)	(13,468,322)
Net increase in cash and cash equivalents	54,616,434	12,597,736	13,425	6,333,708
Cash and cash equivalents at 1 January	69,835,625	57,237,889	8,902,114	2,568,406
Cash and cash equivalents at 31 December	124,452,059	69,835,625	8,915,539	8,902,114
Cash and cash equivalents comprise:				
Cash and bank balances	11,568,295	5,007,786	915,539	1,152,114
Deposits with licensed banks	121,751,776	74,797,640	8,000,000	7,750,000
	133,320,071	79,805,426	8,915,539	8,902,114
Deposits pledged for guarantees and other banking facilities granted to certain subsidiaries	(551,974)	(449,285)	–	–
Bank balances pledged	(8,316,038)	(9,520,516)	–	–
	124,452,059	69,835,625	8,915,539	8,902,114

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

Notes to the Financial Statements

31 December 2009

1. Corporate information

The principal activities of the Company consist of property and investment holding, real property development and provision of management services. The principal activities of the subsidiaries are described in Note 14. There have been no significant changes in the nature of these principal activities during the financial year except for the discontinuance of the hotel operations as disclosed in Note 8 to the financial statements.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at D-3-7, Greentown Square, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan. The principal place of business of the Company is located at 2nd Floor, Wisma Wan Mohamed, Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak Darul Ridzuan.

The immediate and ultimate holding corporation of the Company is Perbadanan Kemajuan Negeri Perak, a body corporate established under Perak Enactment No. 3 of 1967.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 16 April 2010.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies and comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM").

2.2 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

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

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

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

(a) Subsidiaries and basis of consolidation (contd.)

(ii) Basis of consolidation

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

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

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

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

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

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

(b) Associates

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

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

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

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

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

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

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the income statement.

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

(c) Intangible assets

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(d) Property, plant and equipment and depreciation

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

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

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

Buildings	2%
Leasehold land and buildings - finance lease	2%
Plant and machinery	10% - 20%
Other assets	
Equipment, furniture and fittings	5% - 25%
Computer	20%
Motor vehicles	10% - 25%
Refurbishment and renovations	20%

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in the income statement.

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

(e) Port facilities

Port facilities are stated at cost less accumulated depreciation and impairment losses.

All expenditure incurred, associated with development of port facilities inclusive of interest cost, are capitalised in accordance with Note 2.2(o)(v) and amortised over the estimated useful life.

The principal annual rates of depreciation are:

Port structure	over 50 years
Port equipment	over 10 - 20 years

Amortisation of the port structure is based on the revenue method where the cost is amortised based on the total actual revenue in the year over total expected revenue to be generated from the port operations during the period of its estimated useful life.

(f) Land held for property development and property development costs

(i) Land held for property development

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

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

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

(f) Land held for property development and property development costs (contd.)

(ii) Property development costs

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

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

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

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

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

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

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

(g) Impairment of non-financial assets

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

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

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

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

An impairment loss is recognised in the income statement in the period in which it arises.

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

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

(h) Inventories

Inventories are stated at lower of cost and net realisable value.

Cost is determined using the weighted average basis. The cost of raw materials, sundry supplies and food and beverages comprises costs of purchase and cost of bringing the inventories to their present location.

Completed properties held for sale are stated at lower of cost and net realisable value. Cost is determined on the specific identification basis and includes cost of land, construction and appropriate development overheads.

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.

(i) Leases

(i) Classification

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

(a) Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease; and

(b) Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

(i) Leases (contd.)

(ii) Finance leases – the Group as lessee

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

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

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

(iii) Operating leases – the Group as lessee

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

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

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

(i) Leases (contd.)

(iv) Operating leases – the Group as lessor

Assets leased out under operating leases are presented on the balance sheets according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease (Note 2.2 (m) (vii)). Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(j) Income tax

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

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

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

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

(k) Provisions

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

(l) Employee benefits

(i) Short term benefits

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

(ii) Defined contribution plans

As required by law, the Group makes contributions to the statutory pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

(iii) Defined benefit plans

A subsidiary operates an unfunded defined benefit scheme for its eligible employees, (“The Scheme”) under a Collective Agreement with the National Union of Hotel, Bar and Restaurant Workers, Peninsular Malaysia. The Group’s obligation under the scheme, calculated using Projected Benefit Valuation Method, is determined by an actuarial valuation carried out every three years by a qualified actuary, through which the amount of benefit that employees have earned in return for their service in the current and prior years is estimated.

That benefit is discounted in order to determine its present value. Actuarial gains and losses are recognised as income or expense over the expected average remaining working lives of the participating employees. Past service costs are recognised immediately to the extent that the benefits are already vested, and otherwise are amortised on a straight-line basis over the average period until the amended benefits become vested.

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

(l) Employee benefits (contd.)

(iii) Defined benefit plans (contd.)

The amount recognised in the balance sheet represents the present value of the defined benefit obligations adjusted for unrecognised actuarial gains and losses and unrecognised past service costs. Any asset resulting from this calculation is limited to the net total of any unrecognised actuarial losses and past service costs. The last valuation of the Scheme was carried out in March 2006.

(iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits as a liability and an expense when the Group has a detailed formal plan for the termination and without realistic possibility of withdrawal.

Termination benefits of a subsidiary are provided based on existing contractual obligations under a Collective Agreement with the National Union of Hotel, Bar and Restaurant Workers, Peninsular Malaysia.

(m) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

(i) Dividend income

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

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

(m) Revenue (contd.)

(ii) Hotel related operations

Revenue from hotel related operations comprising rental of hotel rooms, sale of food and beverage and other related income are recognised when the services are provided.

(iii) Management fees

Management fees in respect of the management services provided by the Company are recognised when the services are provided.

(iv) Mobilisation fees

Mobilisation fees are recognised on receivable basis.

(v) Port services

Revenue from port services and provision of container services are measured at fair value of the consideration receivable and are recognised in the income statement on rendered basis.

Revenue from Operation and Maintenance of deepwater bulk terminal and facility is recognised in the income statement on an accrual basis.

(vi) Proceeds from bus fare collection and provision of charter and tour related services

Proceeds received from bus fare collection and provision of charter and tour related services are recognised when services are rendered.

(vii) Rental income

Rental income is recognised over the term of the tenancy.

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

(m) Revenue (contd.)

(viii) Sale of goods

Revenue relating to sale of goods is recognised net of discounts and rebates when transfer of risks and rewards have been completed.

(ix) Sale of completed properties

Sale of completed properties is recognised when transfer of risks and rewards have been completed.

(x) Sale of developed lands

Revenue relating to sale of port development land is recognised on a percentage of completion basis.

Revenue relating to sale of other vacant land is recognised when the risks and rewards of ownership has been transferred upon finalisation of the sales and purchase agreements.

(xi) Sale of development properties

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

(n) Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable FRSs. Then, on initial classification as held for sale, non-current assets are measured in accordance with FRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in the income statement.

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

(n) Non-current assets held for sale and discontinued operations (contd.)

A component of the Group is classified as a discontinued operations when it has been disposed of and as such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

(o) Financial instruments

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

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

(i) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank and deposits with licensed financial institutions, but do not include deposits with licensed financial institutions which have been pledged for guarantee and other bank facilities granted to the Group and the Company as collaterals, and net of outstanding bank overdrafts.

(ii) Other non-current investments

Other non-current investments are stated at cost less allowance for diminution in value. On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is recognised in the income statement.

(iii) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iv) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

(o) Financial instruments (contd.)

(v) Interest-bearing borrowings

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

Borrowings are reported at their face values. Borrowing costs directly attributable to the acquisition and construction of development properties and port facilities are capitalised as part of the cost of those assets, until:

(i) port construction is completed and ready for use; or
(ii) properties under development are brought to their saleable position.

All other borrowing costs are charged to the income statement as an expense in the period in which they are incurred.

(vi) Bai Bithaman Ajil Islamic Debt Securities ("BaIDS")

The BaIDS are bonds issued in accordance with the Islamic finance concept of Bai Bithaman Ajil and accordingly excluded from the disclosure and presentation requirements of FRS 132 - Financial Instruments : Disclosure and Presentation. In accordance with such concept, the subsidiary sold certain assets to a trustee, and will repurchase them back at a pre-agreed price inclusive of profit margin. The payment of the purchase price is deferred in accordance with the maturities of the BaIDS, whilst the profit element is paid half yearly.

BaIDS are initially recognised at cost, being the fair value of the consideration received. After initial recognition, the profit element attributable to the BaIDS in each period are recognised in the income statement as finance cost, at a constant rate to the maturity of each series respectively.

(vii) Equity instruments

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

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

(p) Segmental information

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. Most segment assets can be directly attributed to the segments on a reasonable basis. Segment assets and liabilities do not include income tax assets and liabilities respectively.

(q) Intersegment transfers

Segment revenues, expenses and results include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the economic entity at an arm's length transactions. These transfers are eliminated on consolidation.

2.3 Standards and Interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following new FRSs and Interpretations, and amendments to certain Standards and Interpretations were issued but not yet effective and have not been applied by the Group and the Company, which are :

Effective for financial periods beginning on or after 1 July 2009
FRS 8 : Operating Segments

Effective for financial periods beginning on or after 1 January 2010
FRS 4 : Insurance Contracts
FRS 7 : Financial Instruments : Disclosures
FRS 101 : Presentation of Financial Statements (revised)
FRS 123 : Borrowing Costs
FRS 139 : Financial Instruments : Recognition and Measurement
Amendments to FRS 1 : First-time adoption of Financial Reporting Standards and FRS 127 : Consolidated and Separate Financial Statements : Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2 : Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 132 : Financial Instruments : Presentation
Amendments to FRS 139 : Financial Instruments : Recognition and Measurement, FRS 7 : Financial Instruments : Disclosures and IC Interpretation 9 : Reassessment of Embedded Derivatives
Amendments to FRSs 'Improvements to FRSs (2009)'
IC Interpretation 9 : Reassessment of Embedded Derivatives
IC Interpretation 10 : Interim Financial Reporting and Impairment
IC Interpretation 11 : FRS 2 : Group and Treasury Share Transactions
IC Interpretation 13 : Customer Loyalty Programmes
IC Interpretation 14 : FRS 119 : The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TR i - 3 : Presentation of Financial Statements of Islamic Financial Institutions

2. Significant accounting policies (contd.)

2.3 Standards and Interpretations issued but not yet effective (contd.)

Effective for financial periods beginning on or after 1 March 2010
Amendments to FRS 132 : Financial Instruments : Presentation

Effective for financial periods beginning on or after 1 July 2010
FRS 1 : First-time Adoption of Financial Reporting Standards
FRS 3 : Business Combinations (revised)
FRS 127 : Consolidated and Separate Financial Statements (amended)
Amendments to FRS 2 : Share-based Payment
Amendments to FRS 5 : Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138 : Intangible Assets
Amendments to IC Interpretation 9 : Reassessment of Embedded Derivatives
IC Interpretation 12 : Service Concession Arrangements
IC Interpretation 15 : Agreements for the Construction of Real Estate
IC Interpretation 16 : Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17 : Distributions of Non-cash Assets to Owners

Effective for financial periods beginning on or after 1 January 2011
Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters (Amendment to FRS 1)
Improving Disclosures about Financial Instruments (Amendments to FRS 7)

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

(a) FRS 3 : Business combination (revised) and
FRS 127 : Consolidated and Separate Financial Statements (amended)

FRS 3 (revised) introduces a number of changes to the accounting for business combinations occurring on or after 1 July 2010. These include changes that affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

FRS 127 (amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners and to be recorded in equity. Therefore, such transaction will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended Standard changes the accounting for losses incurred by the subsidiary as well as loss of control of a subsidiary.

The changes by FRS 3 (revised) and FRS 127 (amended) will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with non-controlling interests.

2. Significant accounting policies (contd.)

2.3 Standards and Interpretations issued but not yet effective (contd.)

(b) FRS 8 : Operating Segment

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

(c) FRS 101 : Presentation of Financial Statements (revised)

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

(d) FRS 123 : Borrowing Costs

This Standard supersedes FRS 123_{2004}: Borrowing Costs that removes the option of expensing borrowing costs and requires capitalisation of such costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense. The Group's current accounting policy is outlined in Note 2.2 (o) (v). In accordance with the transitional provisions of the Standard, the Group will apply the change in accounting policy prospectively for which the commencement date for capitalisation of borrowing cost on qualifying assets is on or after the financial period 1 January 2010.

2. Significant accounting policies (contd.)

2.3 Standards and Interpretations issued but not yet effective (contd.)

(e) FRS 139 : Financial Instruments : Recognition and Measurement, FRS 7 : Financial Instruments : Disclosures and Amendments to FRS 139 : Financial Instruments : Recognition and Measurement, FRS 7 : Financial Instruments : Disclosures

The new Standard on FRS 139 : Financial Instruments : Recognition and Measurement establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Requirements for presenting information about financial instruments are in FRS 132 : Financial Instruments: Presentation and the requirements for disclosing information about financial instruments are in FRS 7 : Financial Instruments : Disclosures.

FRS 7 : Financial Instruments : Disclosures is a new Standard that requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Group's and Company's exposure to risks, enhanced disclosure regarding components of the Group's and Company's financial position and performance, and possible changes to the way of presenting certain items in the financial statements.

In accordance with the respective transitional provisions, the Group and the Company are exempted from disclosing the possible impact to the financial statements upon the initial application.

(f) Amendments to FRSs 'Improvements to FRSs (2009)'

- FRS 5 Non-current Assets Held for Sale and Discontinued Operations: Clarifies that the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations are only those described by the Standard. The disclosures requirements from other FRSs only apply if specifically required for such non-current assets held for sale and disposal group or discontinued operations.

- FRS 7 Financial Instruments : Disclosures : Clarifies on the presentation of finance costs whereby interest income is not a component of finance costs.

- FRS 8 Operating Segments : Clarifies that segment information with respect to total asset is required only if they are included in measures of segment profit or loss that are used by the 'chief operating decision maker'.

- FRS 101 Presentation of Financial Statements : Clarifies that financial instruments classified as held for trading in accordance with FRS 139 Financial Instruments : Recognition and Measurement are not automatically presented as current in the balance sheet. The amendment further clarifies that the classification of the liability component of a convertible instrument as current or non-current is not affected by the terms that could, at the option of the holder, result in settlement of the liability by the issue of equity instruments.

2. Significant accounting policies (contd.)

2.3 Standards and Interpretations issued but not yet effective (contd.)

(f) Amendments to FRSs 'Improvements to FRSs (2009)' (contd.)

- FRS 107 Statement of Cash Flows (formerly known as Cash Flow Statements) : Clarifies that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows.

- FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors : Clarifies that only implementation guidance that is an integral part of an FRS is mandatory when selecting accounting policies.

- FRS 110 Events after the Reporting Period (formerly known as Events After the Balance Sheet Date) : Clarifies that dividends declared after the end of the reporting period are not liabilities as at the balance sheet date.

- FRS 116 Property, Plant and Equipment : The amendment replaces the term "net selling price" with "fair value less costs to sell". It also clarifies that items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale.

- FRS 117 Leases : Clarifies on the classification of leases of land and buildings. The Group is still assessing the potential implication as a result of the reclassification of its unexpired land leases as operating or finance leases. For those land element held under operating leases that are required to be reclassified as finance leases, the Group shall recognise a corresponding asset and liability in the financial statements which will be applied retrospectively upon initial application. However, in accordance with the transitional provision, the Group is permitted to reassess lease classification on the basis of the facts and circumstances existing on the date it adopts the amendments; and recognise the asset and liability related to a land lease newly classified as a finance lease at their fair values on that date; any difference between those fair values is recognised in retained earnings. The Group is currently in the process of assessing the impact of this amendment.

- FRS 118 Revenue : The amendment provides additional guidance on whether an entity is acting as a principal or an agent. It also aligns the definition of costs incurred in originating a financial asset that should be deferred and recognised as an adjustment to the effective interest by replacing the term 'direct costs' with 'transaction costs' as defined in FRS 139.

2. Significant accounting policies (contd.)

2.3 Standards and Interpretations issued but not yet effective (contd.)

(f) Amendments to FRSs 'Improvements to FRSs (2009)' (contd.)

- FRS 119 Employee Benefits : The amendment revises the definition of 'past service costs', 'return on plan assets' and 'short term' and 'other long-term' employee benefits. It clarifies that the costs of administering the plan may be either recognised in the rate of return on plan assets or included in the actuarial assumptions used to measure the defined benefit obligation. The amendment further clarifies that amendment to plans that result in a reduction in benefits related to future services are curtailments. It also deleted the reference to the recognition of contingent liabilities to ensure consistency with FRS 137 Provisions, Contingent Liabilities and Contingent Assets.

- FRS 123 Borrowing Costs : The definition of borrowing costs is aligned with FRS 139 by referring to the use of effective interest rate as a component of borrowing cost.

- FRS 127 Consolidated and Separate Financial Statements : The amendment clarifies that when a parent entity accounts for a subsidiary at fair value in accordance with FRS 139 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale.

- FRS 128 Investments in Associates : The amendment clarifies that if an associate is accounted for at fair value in accordance with FRS 139, only the requirement of FRS 128 to disclose the nature and extent of any significant restrictions on the ability of the associate to transfer funds to the investor in the form of cash or repayment of loans applies. It further clarifies that an investment in an associate is treated as a single asset for the purpose of impairment testing. Therefore, any impairment loss is not separately allocated to the goodwill included in the investment balance.

- FRS 136 Impairment of Assets : Clarifies that when discounted cash flows are used to estimate 'fair value less cost to sell' additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate 'value in use'. The amendment further clarifies that the largest cash-generating unit for group of units to which goodwill should be allocated for purposes of impairment testing is an operating segment as defined in FRS 8.

- FRS 138 Intangible Assets : Clarifies that expenditure on advertising and promotional activities is recognised as an expense when the Group either has the right to access the goods or has received the service. The amendments also provide guidance regarding valuation techniques to measure the fair value of an intangible asset acquired in a business combination when there is no active market for the asset. In addition, the reference to "there being rarely, if ever, persuasive evidence to support an amortisation method of intangible assets other than a straight-line method" has been removed.

2. Significant accounting policies (contd.)

2.3 Standards and Interpretations issued but not yet effective (contd.)

(f) Amendments to FRSs 'Improvements to FRSs (2009)' (contd.)

– FRS 139 Financial Instruments : Recognition and Measurement: Clarifies that changes in circumstances relating to derivatives are not reclassifications and therefore may be either removed from, or included in, the 'fair value through profit or loss' classification after initial recognition. It also clarifies on the scope exemption for business combination contracts. The amendments remove the reference in FRS 139 to a 'segment' when determining whether an instrument qualifies as a hedge and requires the use of the revised effective interest rate when remeasuring a debt instrument on the cessation of fair value hedge accounting. It also provides additional guidance on determining whether loan prepayment penalties result in an embedded derivates that needs to be separated. In addition, the amendments state that the gains or losses on a hedged instrument should be reclassified from equity to profit or loss during the period that the hedged forecast cash flows impact profit or loss.

(g) Amendments to FRS 5 : Non-current Assets Held for Sale and Discontinued Operations

FRS 5 also applies to non-current assets (or disposal group) that is classified as held for distribution to owners acting in their capacity as owners (held for distribution to owners). The amendment further clarifies that all assets and liabilities of a subsidiary shall be classified as held for sale if an entity has a sale plan involving loss of control of the subsidiary, regardless of whether the entity will retain non-controlling interest (e.g., an interest in an associate) in its former subsidiary after the sale.

(h) Amendments to FRS138 : Intangible Assets

The amendments clarify that an intangible asset must be recognised separately from goodwill even if it is separable only together with a related contract, identifiable asset, or liability. Also, if an intangible asset is separable only together with another intangible asset, those assets can be recognised together as a single asset, and if the individual assets in a group of complementary intangible assets have similar useful lives, those assets can be recognised together as a single asset.

(i) IC Interpretation I5 : Agreements for the Construction of Real Estate

This IC requires that when the real estate developer is providing construction services to the buyer's specifications, revenue can be recorded only as construction progresses. Otherwise, revenue should be recognised on completion of the relevant real estate unit. The Group is currently in the process of making an assessment of the impact of this interpretation on the results and financial position of the Group.

2. Significant accounting policies (contd.)

2.4 Significant accounting estimates and judgements

(a) Critical judgements made in applying accounting policies

The following are the judgements 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:-

Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 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.

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.

(b) Key sources of estimation uncertainty

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

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill as at 31 December 2009 was RM23,811,003 (2008 : RM23,811,003). Further details are disclosed in Note 17.

2. Significant accounting policies (contd.)

2.4 Significant accounting estimates and judgements (contd.)

(b) Key sources of estimation uncertainty (contd.)

(ii) Property development

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

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

(iii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised capital allowances of the Group was RM Nil (2008 : RM987,732) and the unrecognised business losses and unabsorbed capital allowances of the Group was RM1,016,565 (2008 : RM8,806,590).

(iv) Depreciation of property, plant and equipment

The cost of property, plant and equipment are depreciated on a straight-line basis over the asset's useful life. Management estimates the useful life of plant and machinery to be 5 to 10 years while 50 years for building, based on the level of expected usage. Management also estimates that these assets will have minimal residual values at the end of its useful life. 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.

(v) Allowance for doubtful debts

The Group provides for allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management's judgement is guided by the past experiences to evaluate the adequacy of the allowance for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

3. Revenue

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM (Restated)**	**RM**	**RM**
Dividend income from unquoted shares in Malaysia				
– subsidiary	–	–	8,500,000	4,053,703
Sale of development properties	983,248	3,236,274	–	–
Sale of developed land	14,093,324	14,217,231	593,880	–
Sale of completed properties	12,226,500	3,430,200	–	–
Rental of rooms	189,108	169,728	–	–
Management fees	–	–	132,000	132,000
Port services	63,690,527	63,939,190	–	–
Proceeds received from bus fare collections and provision of charter services	85,101	74,000	–	–
Sales of goods	1,368,357	136,481		
Tour related services	–	58,890	–	–
Project management fees	439,992	332,750	–	–
Rental income	2,059,549	2,038,549	2,059,549	2,038,549
	95,135,706	87,633,293	11,285,429	6,224,252

4. Cost of sales

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM (Restated)**	**RM**	**RM**
Property development costs(Note 13 (b))	8,654,785	11,445,860	593,880	–
Cost of completed properties sold	9,779,155	2,719,643	–	–
	18,433,940	14,165,503	593,880	–
Cost of goods sold	1,278,242	109,866	–	–
Cost of services rendered	19,826,270	21,907,026	–	–
	39,538,452	36,182,395	593,880	–

5. Profit from operations

	Group		Company	
	2009 RM	2008 RM (Restated)	2009 RM	2008 RM
This is stated after charging/(crediting):				
Allowance for doubtful debts	123,028	220,886	–	–
Amortisation of prepaid land lease payments	148,937	148,936	–	–
Auditors' remuneration Statutory audits				
– current year	95,900	89,400	22,000	20,000
– other services	41,228	58,339	5,000	5,000
Bad debt written off	1,181	1,373,375	–	–
Directors' remuneration*				
Directors of the Company:				
Fees	53,364	115,827	53,364	115,827
Other emoluments	48,250	226,647	8,250	15,400
Other directors:				
Fees	218,395	172,530	–	–
Employees Provident Fund	–	9,720	–	–
Other emoluments	12,860	397,664	–	–
Depreciation				
– property, plant and equipment	577,407	594,881	183,277	173,012
– port facilities	2,236,348	3,020,671	–	–
Impairment loss on investment in subsidiary	–	–	–	509
Reversal of impairment loss on investment in an associate	–	–	–	(1,255,000)
Reversal for diminution in value of other investments	(16,341)	–	(16,341)	–
Interest on late payment	1,363,657	1,607,836	592,331	1,074,918

5. Profit from operations (contd.)

	Group		Company	
	2009 RM	**2008 RM (Restated)**	**2009 RM**	**2008 RM**
This is stated after charging/(crediting) (contd.):				
Provision for liquidated damages				
– current year	–	5,810	–	–
– overprovision in prior years	–	(84,155)	–	–
Provision for retirement benefits	41,208	24,993	–	–
Property, plant and equipment written off	1	1	–	1
Rental of port equipment and office equipment	6,104,675	6,538,627	–	–
Rental of premises	215,009	339,502	194,509	194,542
Staff costs**	7,602,552	7,373,989	804,227	676,667
Write down of carrying amount of non-current asset held for sale upon reversal to property, plant and equipment	–	181,404	–	–
Dividend income from quoted investment	(126,715)	(148,690)	–	–
Loss/(gain) on disposal of an associate	–	457,439	–	(1,000,000)
Loss on disposal of property, plant and equipment	1,336,639	–	–	–
Interest income	(2,142,665)	(3,660,911)	(1,498,266)	(1,796,841)
Rental income	(2,074,909)	(2,073,756)	(2,059,549)	(2,038,549)

* The estimated monetary value of other benefits not included in the above received by a director of the Group and of the Company is RM4,336 (2008 : RM9,600).

5. Profit from operations (contd.)

The number of directors of the Company whose total remuneration during the year fall within the following bands are as follows:

	Number of directors	
	2009	**2008**
Non-executive directors:		
Below RM50,000	6	6
RM50,001 - RM100,000	–	–
RM100,001 - RM150,000	–	–
RM150,001 - RM200,000	–	–
RM200,001 - RM250,000	–	1

** Staff costs (excluding directors' remuneration) comprised:

	Group		Company	
	2009 RM	**2008 RM (Restated)**	**2009 RM**	**2008 RM**
Salaries and wages	6,866,616	6,556,520	751,355	640,693
Employees Provident Fund contributions	676,518	753,167	44,262	35,236
Social Security Fund contributions	14,120	30,569	1,509	738
Other staff related expenses	45,298	33,733	7,101	–
	7,602,552	7,373,989	804,227	676,667

6. Finance costs

	Group		Company	
	2009 RM	**2008 RM**	**2009 RM**	**2008 RM**
BaIDS financing cost	4,093,750	4,125,000	–	–
Interest on overdraft	–	56,105	–	–
Interest on hire purchase and finance lease liabilities	49,849	54,166	4,835	3,383
Interest on revolving credit	–	107,178	–	107,178
	4,143,599	4,342,449	4,835	110,561

7. Taxation

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Continuing operations				
Current tax:				
Tax expense for the year	9,392,990	8,731,091	2,589,000	1,570,000
(Over)/under provision in prior years	(386,134)	(296,625)	26,888	855
	9,006,856	8,434,466	2,615,888	1,570,855
Deferred tax (Note 27):				
Relating to origination and reversal of temporary differences	342,366	236,952	–	–
Under provision in prior years	–	138,729	–	–
	342,366	375,681	–	–
Tax expense for the year	9,349,222	8,810,147	2,615,888	1,570,855

Current income tax is calculated at the statutory tax rate of 25% (2008 : 26%) of the estimated assessable profit for the year. In prior year, certain subsidiaries of the Company, being Malaysian resident companies with paid up capital of RM2.5 million or less qualified for the preferential tax rates under Paragraph 2A, Schedule 1 of the Income Tax Act, 1967 as follows:

On the first RM500,000 of chargeable income : 20%
In excess of RM500,000 of chargeable income : Malaysian corporate statutory tax rate

However, pursuant to Paragraph 2B, Schedule 1 of the Income Tax Act, 1967 that was introduced with effect from the year assessment 2009, these subsidiaries no longer qualify for the above preferential tax rates.

7. Taxation (contd.)

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

	Group 2009 RM	Group 2008 RM
Profit/(loss) before taxation:		
Continuing operations	34,587,722	30,978,678
Discontinued operations (Note 8)	(2,339,038)	(322,414)
	32,248,684	30,656,264
Taxation at applicable tax rate	8,062,171	7,970,629
Effect on opening deferred tax of reduction in income tax	–	(187,913)
Expenses not deductible for tax purposes	3,832,086	1,839,174
Income not subject to tax	(26,626)	(658,032)
Other items	(405)	6,576
Utilisation of previously unrecognised hotel tax credit	(230,857)	–
Utilisation of previously unrecognised tax losses	(925,483)	–
Utilisation of previously unrecognised unabsorbed capital allowances	(1,025,981)	(2,391)
Deferred tax assets not recognised on retirement benefit	50,451	–
Under provision of deferred tax in prior years	–	138,729
Over provision of current tax in prior years	(386,134)	(296,625)
Tax expense for the year	9,349,222	8,810,147

	Company 2009 RM	Company 2008 RM
Profit before taxation	9,362,614	6,875,144
Taxation at applicable tax rate	2,340,654	1,787,537
Income not subject to tax	–	(619,373)
Expenses not deductible for tax purposes	248,346	401,836
Under provision of current tax in prior years	26,888	855
Tax expense for the year	2,615,888	1,570,855

8. Discontinued operations

On 10 September 2009, Cash Hotel Sdn. Bhd. ("CHSB"), a 61.16%-owned subsidiary of the Company's wholly owned subsidiary, Taipan Merit Sdn. Bhd., entered into a conditional Sale and Purchase Agreement with Impiana Hotel Ipoh Sdn. Bhd. (formerly known as Visi Juara Sdn. Bhd.), to dispose a piece of leasehold land together with a commercial building erected thereon and more particularly known as Impiana Casuarina Hotel Ipoh for a total consideration of RM44.0 million.

On 24 December 2009, the disposal of Impiana Casuarina Hotel Ipoh was completed and accordingly, CHSB has substantially ceased its operations as a hotelier and restaurateur. The results from the operations of Impiana Casuarina Hotel Ipoh has been presented separately on the income statement of the Group as discontinued operations. As required by FRS 5 – Non-current Assets Held for Sale and Discontinued Operations, certain comparatives of the Group have been re-presented due to the current financial year's discontinued operations. The effects on the consolidated income statement for the year ended 31 December 2008 are set out in Note 34.

An analysis of the result of discontinued operations is as follows:

	Group	
	2009 RM	2008 RM
Revenue	12,932,826	15,944,691
Cost of sales	(6,236,737)	(7,834,179)
Gross profit	6,696,089	8,110,512
Other income	48,918	2,592
Sales and marketing expenses	(231,379)	(336,496)
General and administrative expenses	(912,239)	(944,533)
Other operating expenses	(7,940,427)	(7,154,489)
Loss for the year from discontinued operations	(2,339,038)	(322,414)

The following amounts have been included in arriving at loss for the year from discontinued operations:

	Group	
	2009 RM	2008 RM
Amortisation of prepaid land lease payments	171,856	187,444
Depreciation	1,756,965	1,445,640
Staff costs **	3,788,151	4,575,991
Interest income	(3,388)	(2,592)
Property, plant and equipment written off	196,848	–
Prepaid land lease payments written off	1,624,721	–
Provision for retrenchment benefit	1,670,777	–
Reversal of allowances for doubtful debts	(45,530)	–
(Reversal of)/provision for retirement benefits	(1,233,557)	374,280

8. Discontinued operations (contd.)

	Group 2009 RM	Group 2008 RM
** Staff costs comprised:		
Salary, wages, bonus and overtime	3,390,489	4,064,528
Employees' Provident Fund contributions	330,539	430,723
Social Security contributions	67,123	80,740
	3,788,151	4,575,991
The cash flows attributable to the disposal group are as follows:		
Operating cash flows	2,231	1,428,004
Investing cash flows	(3,388)	(2,592)
Total cash flows	(1,157)	1,425,412

9. Earnings per share

(a) Basic

The basic earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2009 RM	2008 RM
Profit from continuing operations attributable to ordinary equity holders of the Company (RM)	14,146,099	12,812,815
Loss from discontinued operations attributable to ordinary equity holders of the Company (RM)	(2,339,038)	(322,414)
	11,807,061	12,490,401
Weighted average number of ordinary shares in issue	100,000,000	100,000,000
Basic earnings per share (sen) for:		
Profit from continuing operations	14.15	12.81
Loss from discontinued operations	(2.34)	(0.32)
Profit for the year	11.81	12.49

(b) Diluted

There is no dilutive effects on earnings per share as the Company has no potential issue of ordinary shares.

10. Property, plant and equipment

	Land and buildings* RM	Plant and machinery RM	Other assets** RM	Total RM
Group				
At 31 December 2009				
Cost				
At 1 January 2009	84,836,560	3,803,144	14,286,961	102,926,665
Additions	–	–	1,390,300	1,390,300
Disposal	(45,265,467)	(3,803,144)	(10,632,368)	(59,700,979)
Write off	(364,533)	–	(108,656)	(473,189)
At 31 December 2009	39,206,560	–	4,936,237	44,142,797
Accumulated depreciation				
At 1 January 2009	14,785,461	2,728,494	11,185,995	28,699,950
Depreciation charge for the year	1,025,623	240,628	1,068,121	2,334,372
Disposal	(13,749,465)	(2,969,122)	(8,626,632)	(25,345,219)
Write off	(167,685)	–	(108,655)	(276,340)
At 31 December 2009	1,893,934	–	3,518,829	5,412,763
Net carrying amount	37,312,626	–	1,417,408	38,730,034
At 31 December 2008				
Cost				
At 1 January 2008	80,806,502	2,724,737	13,634,633	97,165,872
Additions	–	412,407	1,330,438	1,742,845
Write off	–	–	(73,000)	(73,000)
Reclassification	–	666,000	(666,000)	–
Reclassification from assets held for sale	4,030,058	–	60,890	4,090,948
At 31 December 2008	84,836,560	3,803,144	14,286,961	102,926,665
Accumulated depreciation				
At 1 January 2008	13,730,789	2,473,334	10,528,305	26,732,428
Depreciation charge for the year	1,054,672	255,160	730,689	2,040,521
Write off	–	–	(72,999)	(72,999)
At 31 December 2008	14,785,461	2,728,494	11,185,995	28,699,950
Net carrying amount	70,051,099	1,074,650	3,100,966	74,226,715

10. Property, plant and equipment (contd.)

* Land and buildings

	Freehold land RM	Buildings RM	Leasehold land and buildings – Finance lease RM	Total RM
Group				
At 31 December 2009				
Cost				
At 1 January 2009	24,922,500	47,980,060	11,934,000	84,836,560
Disposal	–	(45,265,467)	–	(45,265,467)
Write off	–	(364,533)	–	(364,533)
At 31 December 2009	24,922,500	2,350,060	11,934,000	39,206,560
Accumulated depreciation				
At 1 January 2009	–	13,080,600	1,704,861	14,785,461
Depreciation charge for the year	–	883,551	142,072	1,025,623
Disposal	–	(13,749,465)	–	(13,749,465)
Write off	–	(167,685)	–	(167,685)
At 31 December 2009	–	47,001	1,846,933	1,893,934
Net carrying amount	24,922,500	2,303,059	10,087,067	37,312,626
At 31 December 2008				
Cost				
At 1 January 2008	23,242,502	45,630,000	11,934,000	80,806,502
Reclassification from assets held for sale	1,679,998	2,350,060	–	4,030,058
At 31 December 2008	24,922,500	47,980,060	11,934,000	84,836,560
Accumulated depreciation				
At 1 January 2008	–	12,168,000	1,562,789	13,730,789
Depreciation charge for the year	–	912,600	142,072	1,054,672
At 31 December 2008	–	13,080,600	1,704,861	14,785,461
Net carrying amount	24,922,500	34,899,460	10,229,139	70,051,099

10. Property, plant and equipment (contd.)

**** Other assets**

Group	Equipment, furniture and fittings RM	Motor vehicles RM	Refurbishment and renovation RM	Total RM
At 31 December 2009				
Cost				
At 1 January 2009	10,703,159	1,867,872	1,715,930	14,286,961
Additions	669,408	131,717	589,175	1,390,300
Disposal	(7,934,449)	(512,029)	(2,185,890)	(10,632,368)
Write off	–	(108,656)	–	(108,656)
At 31 December 2009	3,438,118	1,378,904	119,215	4,936,237
Accumulated depreciation				
At 1 January 2009	8,475,885	1,651,261	1,058,849	11,185,995
Depreciation charge for the year	618,650	55,542	393,929	1,068,121
Disposal	(6,690,650)	(512,028)	(1,423,954)	(8,626,632)
Write off	–	(108,655)	–	(108,655)
At 31 December 2009	2,403,885	1,086,120	28,824	3,518,829
Net carrying amount	1,034,233	292,784	90,391	1,417,408

10. Property, plant and equipment (contd.)

**** Other assets (contd.)**

Group	**Equipment, furniture and fittings RM**	**Motor vehicles RM**	**Refurbishment and renovation RM**	**Total RM**
At 31 December 2008				
Cost				
At 1 January 2008	10,138,738	1,748,699	1,747,196	13,634,633
Additions	509,381	192,173	628,884	1,330,438
Write off	–	(73,000)	–	(73,000)
Reclassification	–	–	(666,000)	(666,000)
Reclassification from assets held for sale	55,040	–	5,850	60,890
At 31 December 2008	10,703,159	1,867,872	1,715,930	14,286,961
Accumulated depreciation				
At 1 January 2008	7,911,737	1,689,023	927,545	10,528,305
Depreciation charge for the year	564,148	35,237	131,304	730,689
Write off	–	(72,999)	–	(72,999)
At 31 December 2008	8,475,885	1,651,261	1,058,849	11,185,995
Net carrying amount	2,227,274	216,611	657,081	3,100,966

10. Property, plant and equipment (contd.)

	Leasehold land and building – Finance lease RM	Equipment, furniture and fittings RM	Motor vehicles RM	Total RM
Company				
At 31 December 2009				
At cost				
At 1 January 2009 and 31 December 2009	11,934,000	176,615	248,940	12,359,555
Accumulated depreciation				
At 1 January 2009	1,704,861	96,658	169,349	1,970,868
Depreciation charge for the year	142,072	23,185	18,020	183,277
At 31 December 2009	1,846,933	119,843	187,369	2,154,145
Net carrying amount	10,087,067	56,772	61,571	10,205,410
At 31 December 2008				
At cost				
At 1 January 2008	11,934,000	139,988	231,841	12,305,829
Additions	–	36,627	90,099	126,726
Write off	–	–	(73,000)	(73,000)
At 31 December 2008	11,934,000	176,615	248,940	12,359,555
Accumulated depreciation				
At 1 January 2008	1,562,789	76,229	231,837	1,870,855
Depreciation charge for the year	142,072	20,429	10,511	173,012
Write off	–	–	(72,999)	(72,999)
At 31 December 2008	1,704,861	96,658	169,349	1,970,868
Net carrying amount	10,229,139	79,957	79,591	10,388,687

10. Property, plant and equipment (contd.)

(a) Net book values of property, plant and equipment held under hire purchase and finance lease arrangements are as follows:

	Group		Company	
	2009 RM	**2008 RM**	**2009 RM**	**2008 RM**
Other assets:				
Equipment, furniture and fittings	–	417,952	–	–
Motor vehicles	243,833	79,597	61,571	79,591

(b) During the year, the property, plant and equipment of the Group and of the Company were acquired by means of:

	Group		Company	
	2009 RM	**2008 RM**	**2009 RM**	**2008 RM**
Cash payments	1,280,300	1,593,845	–	46,726
Finance lease arrangements	110,000	149,000	–	80,000
	1,390,300	1,742,845	–	126,726

(c) Included in the property, plant and equipment of the Group and of the Company are the following costs of fully depreciated assets which are still in use:

	Group		Company	
	2009 RM	**2008 RM**	**2009 RM**	**2008 RM**
Plant and machinery	–	2,172,684	–	–
Other assets:				
Equipment, furniture and fittings	846,339	6,356,077	55,592	48,138
Motor vehicles	796,199	955,499	158,841	158,841
	1,642,538	9,484,260	214,433	206,979

11. Port facilities

	Port structure RM	Port equipment RM	Total RM
Group			
At 31 December 2009			
Cost			
At 1 January 2009	80,316,982	10,222,163	90,539,145
Additions	2,946,972	471,393	3,418,365
At 31 December 2009	83,263,954	10,693,556	93,957,510
Accumulated depreciation			
At 1 January 2009	9,757,032	7,605,115	17,362,147
Depreciation charge for the year	1,760,000	476,348	2,236,348
At 31 December 2009	11,517,032	8,081,463	19,598,495
Net carrying amount	71,746,922	2,612,093	74,359,015
At 31 December 2008			
Cost			
At 1 January 2008	69,758,602	9,039,453	78,798,055
Additions	10,558,380	1,182,710	11,741,090
At 31 December 2008	80,316,982	10,222,163	90,539,145
Accumulated depreciation			
At 1 January 2008	7,127,032	7,214,444	14,341,476
Depreciation charge for the year	2,630,000	390,671	3,020,671
At 31 December 2008	9,757,032	7,605,115	17,362,147
Net carrying amount	70,559,950	2,617,048	73,176,998

(a) Net book values of port facilities held under hire purchase and finance lease arrangements are as follows:

	Group	
	2009 RM	**2008 RM**
Port equipment	463,470	558,033

11. Port facilities (contd.)

(b) In accordance with financing procedure under Bai Bithaman Ajil, a subsidiary has agreed to enter into an asset purchase agreement dated 22 November 2004 with a bank to sell the port structure at RM60,000,000. Subsequent to the execution of this agreement, the said subsidiary entered into an asset sale agreement dated 22 November 2004 with the bank to repurchase the port structure at RM99,937,500.

(c) During the year, the property, port facilities of the Group were acquired by means of:

	Group	
	2009	**2008**
	RM	**RM**
Cash payments	3,418,365	11,501,090
Finance lease arrangements	–	240,000
	3,418,365	11,741,090

12. Prepaid land lease payments

	Group	
	2009	**2008**
At cost	**RM**	**RM**
At 1 January	30,087,465	30,087,465
Disposal	(13,037,477)	–
Write off	(2,305,264)	–
At 31 December	14,744,724	30,087,465
Accumulated amortisation		
At 1 January	4,385,760	4,049,380
Amortisation charge for the year	320,793	336,380
Disposal	(2,036,598)	–
Write off	(680,543)	–
At 31 December	1,989,412	4,385,760
Net carrying amount	12,755,312	25,701,705
Analysed as		
Long term leasehold land	12,755,312	25,701,705

Included in the prepaid land lease payments is leasehold port land with unexpired lease period of more than 50 years.

13. Land held for property development and property development costs

(a) Land held for property development

	Group	
	2009	2008
Freehold land	RM	RM
Carrying amount		
At 1 January	26,780,170	33,295,004
Transfer to property development costs	(7,831,195)	(6,514,834)
At 31 December	18,948,975	26,780,170

(b) Property development costs

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Property development costs at 1 January:				
Freehold land	79,706,409	77,733,368	41,171,594	26,864,513
Leasehold land	27,152,827	15,657,908	–	–
Development costs	117,258,121	119,630,191	16,223,504	29,131,566
	224,117,357	213,021,467	57,395,098	55,996,079
Costs incurred during the year:				
Freehold land	–	–	–	1,399,019
Leasehold land	2,916,238	11,494,919		
Development costs	10,264,780	9,011,573	1,476,130	–
	13,181,018	20,506,492	1,476,130	1,399,019
Reversal of costs arising from completed phases:				
Freehold land	–	(4,900)	–	–
Development costs	–	(4,059,704)	–	–
	–	(4,064,604)	–	–
Reversal of costs arising from completed sale of land:				
Freehold land	(4,121,459)	(4,536,893)	–	–
Development costs	(1,537,494)	(2,997,103)	(593,880)	–
	(5,658,953)	(7,533,996)	(593,880)	–
Reversal of costs arising from land surrendered:				
Freehold land	(7,928,598)	–	–	–

13. Land held for property development and property development costs (contd.)

(b) Property development costs (contd.)

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Costs recognised as an expense in income statement:				
At 1 January	(83,012,491)	(83,165,231)	–	–
Costs recognised in income statement (Note 4)	(8,654,785)	(11,445,860)	(593,880)	–
Costs recognised for land surrendered	(7,928,598)	–	–	–
Reversal of costs arising from completed phases	–	4,064,604	–	–
Reversal of costs arising from completed sale of land	5,658,953	7,533,996	593,880	–
Reversal of costs arising from land surrendered	7,928,598	–	–	–
At 31 December	(86,008,323)	(83,012,491)	–	–
Transfers:				
From land held for property development	7,831,195	6,514,834	–	–
To inventories	–	(4,326,836)	–	–
	7,831,195	2,187,998	–	–
Property development costs at 31 December	145,533,696	141,104,866	58,277,348	57,395,098

Titles of certain land costing RM13,865,000 (2008 : RM13,865,000) have yet to be issued to certain subsidiaries.

14. Investments in subsidiaries

	Company 2009 RM	Company 2008 RM
Unquoted shares, at cost		
Ordinary shares	1,602,509	1,602,509
Preference shares	5,100,000	5,100,000
	6,702,509	6,702,509
Less: Accumulated impairment losses	(509)	(509)
	6,702,000	6,702,000

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Equity interest held (%) 2009	Equity interest held (%) 2008	Principal activities
Magni D'Corp Sdn. Bhd.	Malaysia	100	100	Property investment
PCB Development Sdn. Bhd.	Malaysia	100	100	Investment holding and real property development
Premium Meridian Sdn. Bhd.	Malaysia	100	100	Property development and project management
Taipan Merit Sdn. Bhd.	Malaysia	100	100	Investment holding
Trans Bid Sdn. Bhd.	Malaysia	51	51	Distribution, operation and management of water supply services
Held by PCB Development Sdn. Bhd.				
PCB Trading & Manufacturing Sdn. Bhd.	Malaysia	100	100	Trading and manufacture of building materials
PCB Transportation Travel & Tours Sdn. Bhd.	Malaysia	100	100	Provision of transport and travel services

14. Investments in subsidiaries (contd.)

Name of subsidiaries	Country of incorporation	Equity interest held (%) 2009	Equity interest held (%) 2008	Principal activities
Held by Taipan Merit Sdn. Bhd.				
Lumut Maritime Terminal Sdn. Bhd.*	Malaysia	50 plus 1 share	50 plus 1 share	Development of an integrated privatised project encompassing ownership and operations of multipurpose port facilities, operation and maintenance of a bulk terminal, sales and rental of port related land and other ancillary activities
Cash Hotel Sdn. Bhd.	Malaysia	61.16	61.16	Hotelier, restaurateur and property developer
Held by Lumut Maritime Terminal Sdn. Bhd.				
LMT Capital Sdn. Bhd.*	Malaysia	100	100	Issuance and redemption of Redeemable Preference Shares. The Redeemable Preference Shares were fully redeemed in 2003. The company is currently dormant
Held by Cash Hotel Sdn. Bhd.				
Silveritage Corporation Sdn. Bhd.	Malaysia	100	100	Development of tourism projects
Held by Silveritage Corporation Sdn. Bhd.				
Cash Complex Sdn. Bhd.	Malaysia	50.48	50.48	Investment holding

* Audited by firm of auditors other than Ernst & Young

The directors are of the opinion that the fair values of the subsidiaries are not less than their carrying values as at 31 December 2009. The Company and its ultimate holding corporation will continue to assist in the development of the projects undertaken by the respective subsidiaries as and when required.

15. Investments in associate

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
At cost:				
Unquoted shares in Malaysia	3,992,793	3,992,793	3,992,793	3,992,793
Share of post-acquisition reserves	(2,005,794)	(2,002,289)	–	–
	1,986,999	1,990,504	3,992,793	3,992,793

The Group's interest in the associate is analysed as follows:

	2009	**2008**
	RM	**RM**
Share of net assets	1,986,999	1,990,504

Details of the associate are as follows:

Name of associate	**Country of incorporation**	**Equity interest held (%) 2009**	**Equity interest held (%) 2008**	**Principal activities**
Konsortium LPB Sdn. Bhd.* (Note 33 (b))	Malaysia	12.19	12.19	To construct, operate and manage the operation of the privatised project West Coast Highway for a 30-year concession period

* Although the Group currently holds less than 20% of the voting power in Konsortium LPB Sdn. Bhd. ("KLPB"), the Group exercises significant influence by virtue of its contractual right to appoint two directors to the Board of this associate and equity interest of 20% if the Group subscribes to its entitlement before KLPB signs the concession agreement with the relevant authorities.

The financial statements of KLPB, which have a financial year end of 31 January to conform with its holding company's financial year end, are not coterminous with those of the Group. For the purpose of applying the equity method of accounting, the financial statements of KLPB for the period ended 31 December 2009 have been used.

15. Investments in associate (contd.)

The summarised financial information of the associate is as follows:

	2009 RM	2008 RM
Assets and liabilities		
Current assets	8,071,484	8,617,918
Non-current assets	5,081	6,484
Total assets	8,076,565	8,624,402
Current liabilities	1,213,137	1,757,470
Non-current liabilities	4,876,000	4,876,000
Total liabilities	6,089,137	6,633,470
Results		
Revenue	–	–
(Loss)/Profit for the year	(3,505)	322,536

16. Other investments

	Group		Company	
	2009 RM	2008 RM (Restated)	2009 RM	2008 RM
Current				
At cost				
Quoted unit trusts in Malaysia	8,655,546	8,528,831	–	–
Market value of quoted unit trusts	8,697,602	8,579,314	–	–
Non-current				
At cost:				
Unquoted shares in Malaysia	25,000	25,000	25,000	25,000
Less: Allowance for diminution in value	(8,659)	(25,000)	(8,659)	(25,000)
	16,341	–	16,341	–

17. Intangible assets

	Group 2009 RM	Group 2008 RM
Goodwill		
Cost		
At 1 January and at 31 December	23,829,682	23,829,682
Accumulated impairment loss		
At 1 January and at 31 December	18,679	18,679
Net carrying amount		
At 31 December	23,811,003	23,811,003

The carrying amount of goodwill is attributable to the acquisition of Lumut Maritime Terminal Sdn. Bhd. ("LMTSB"), which is a 50% + one share subsidiary of Taipan Merit Sdn. Bhd. which in turn is a wholly owned subsidiary of the Company. The principal activity of LMTSB is described in Note 14.

The annual impairment test of goodwill was based on its recoverable amount. The recoverable amount is determined based on value-in-use which was assessed by management using the estimated future net operating cashflows of the various strategic business units within LMTSB with annual growth rates ranging between 3% to 8% discounted at 4% annually to their present value covering a period of 5 years.

There is no impairment of goodwill as at balance sheet date as the recoverable amount of the cashflows was in excess of its carrying amount.

18. Inventories

	Group 2009 RM	Group 2008 RM
At cost:		
Completed properties	1,893,073	11,638,230
Food and beverage	–	134,885
Sundry supplies	–	117,129
Tools and spares	4,095,490	3,542,251
	5,988,563	15,432,495

19. Trade and other receivables

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Current				
Trade receivables				
Third parties	19,133,777	33,152,058	4,200,000	4,200,000
Companies in which certain directors of certain subsidiaries have or deemed to have substantial interests	9,978,948	9,575,060	–	–
	29,112,725	42,727,118	4,200,000	4,200,000
Less: Allowance for doubtful debts	(774,178)	(696,680)	–	–
Trade receivables, net	28,338,547	42,030,438	4,200,000	4,200,000
Other receivables				
Amount due from related parties:				
Ultimate holding corporation	6,738,814	4,059,268	–	200,959
Subsidiaries	–	–	50,409	45,687
Fellow subsidiaries of ultimate holding corporation	103,806,102	102,506,373	103,512,577	102,506,373
	110,544,916	106,565,641	103,562,986	102,753,019
Deposits	96,910	94,950	250	250
Deposit paid for purchase of land	14,257,103	7,257,103	–	–
Deposit for purchase of shares in subsidiary (Note 33(d))	5,650,500	–	–	–
Prepayments	469,952	232,580	–	–
Other receivables	8,328,069	1,974,149	28,073	37,000
	139,347,450	116,124,423	103,591,309	102,790,269
	167,685,997	158,154,861	107,791,309	106,990,269
Non-current				
Other receivables				
Amount due from subsidiaries	–	–	214,418,922	214,181,069

19. Trade and other receivables (contd.)

(a) Trade receivables

Included in trade receivables of the Group and of the Company are amounts of RM4,200,000 (2008 : RM5,355,651) and RM4,200,000 (2008 : RM4,200,000) respectively payable by means of contra for works performed as negotiated by a subsidiary and the Company.

The Group's and the Company's normal trade credit terms range from 30 to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposure to a single debtor or to groups of debtors.

(b) Other receivables (current)

The amounts due from certain related parties of the Group and of the Company are unsecured, interest free and have no fixed terms of repayment.

Included in the amounts due from fellow subsidiaries of the ultimate holding corporation under the Group and of the Company are advances together with accrued interest amounting to RM100,987,361 (2008 : RM99,981,157) which are unsecured, bear interest rates of 3% (2008 : 3%) per annum, and have no fixed terms of repayment. The amounts due from fellow subsidiaries of the Group and of the Company have been long outstanding. Based on the information available at the date of the financial statements, the directors are of the opinion that these amounts are fully recoverable as the ultimate holding corporation has undertake to provide financial support to these fellow subsidiaries to meet the payment obligations.

The Group has no other significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

(c) Deposit paid for purchase of land

This represents the progressive payments made towards the purchase of land for future development by a subsidiary as disclosed in Note 32(iii).

(d) Other receivables (Non-current)

The amounts due from subsidiaries are unsecured, interest free and not repayable or due within the next twelve months except for an amount due from a subsidiary totalling RM1,411,344 (2008 : RM2,075,000) which bears an interest rate of 7.2% (2008 : 7.2%) per annum.

20. Cash and bank balances

	Group 2009 RM	Group 2008 RM (Restated)	Company 2009 RM	Company 2008 RM
Cash on hand and at bank	11,568,295	5,007,786	915,539	1,152,114
Deposits with licensed banks	121,751,776	74,797,640	8,000,000	7,750,000
	133,320,071	79,805,426	8,915,539	8,902,114

Included in the deposits with licensed banks of the Group are amounts of RM551,974 (2008: RM449,285) pledged for guarantees and other bank facilities granted to certain subsidiaries as referred to in Note 23.

The average interest rates of the deposits with licensed banks during the financial year range between 1.80% to 3.65% (2008 : 2.0% to 3.65%) per annum and the maturities of the deposits as at 31 December 2009 were between 1 day to 12 months (2008 : 1 day to 12 months).

Cash deposited in the designated disbursement account of a subsidiary amounting to RM8,316,038 (2008 : RM9,520,516) is not available for use by the Group as these amounts are reserved for the redemption of Bai Bithaman Ajil Islamic Debt Securities ("BaIDS") as disclosed in Note 25.

21. Share capital

	Number of ordinary shares of RM1 each 2009	Number of ordinary shares of RM1 each 2008	Amount 2009 RM	Amount 2008 RM
Authorised	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid	100,000,000	100,000,000	100,000,000	100,000,000

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

22. Retained earnings

As at 31 December 2009, the Company has tax exempt profits available for distribution of tax exempt dividends of approximately RM1,134,000 (2008 : RM1,134,000).

Prior to year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholders as defined under the Finance Act 2007.

As at 31 December 2009, the Company has sufficient credit in the 108 balance and balance in the tax exempt income account to pay dividends amounting to approximately RM26,559,000 (2008 : RM28,434,000) out of its retained earnings. The Company may distribute the balance of the retained earnings of approximately RM30,814,000 (2008 : RM24,067,000) as dividends under the single tier system.

23. Borrowings

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Short term borrowings				
Secured:				
Hire purchase and finance lease liabilities (Note 24)	268,001	243,059	15,492	14,269
Bai Bithaman Ajil Islamic Debt Securities ("BaIDS") (Note 25)	5,000,000	5,000,000	–	–
	5,268,001	5,243,059	15,492	14,269
Unsecured:				
Revolving credits	60,000,000	60,000,000	60,000,000	60,000,000
	65,268,001	65,243,059	60,015,492	60,014,269

23. Borrowings (contd.)

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Long term borrowings				
Secured:				
Hire purchase and finance lease liabilities (Note 24)	379,829	551,030	42,478	57,970
Bai Bithaman Ajil Islamic Debt Securities ("BaIDS") (Note 25)	45,000,000	50,000,000	–	–
	45,379,829	50,551,030	42,478	57,970
Total borrowings				
Revolving credits	60,000,000	60,000,000	60,000,000	60,000,000
Hire purchase and finance lease liabilities (Note 24)	647,830	794,089	57,970	72,239
Bai Bithaman Ajil Islamic Debt Securities ("BaIDS") (Note 25)	50,000,000	55,000,000	–	–
	110,647,830	115,794,089	60,057,970	60,072,239
Maturity of borrowings (excluding hire purchase and finance lease and BaIDS):				
Within one year	60,000,000	60,000,000	60,000,000	60,000,000

The applicable interest rates per annum during the financial year for borrowings, excluding hire purchase and finance lease and BaIDS, were as follows:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	%	**%**	**%**	**%**
Revolving credits	5.90	5.60–5.90	5.90	5.60–5.90

24. Hire purchase and finance lease liabilities

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Future minimum payments:				
Not later than 1 year	306,170	256,190	19,104	19,104
Later than 1 year and not later than 5 years	415,259	682,046	46,168	65,272
	721,429	938,236	65,272	84,376
Less: Finance charges	(73,599)	(144,147)	(7,302)	(12,137)
	647,830	794,089	57,970	72,239
Analysis of present value of hire purchase and finance lease liabilities:				
Amount due within 12 months (Note 23)	268,001	243,059	15,492	14,269
Amount due after 12 months (Note 23)	379,829	551,030	42,478	57,970
	647,830	794,089	57,970	72,239

The hire purchase payables of the Group and of the Company bear interest at the balance sheet date of between 2.35% to 3.88% (2008 : 3.50% to 3.88%) per annum.

25. Bai Bithaman Ajil Islamic Debt Securities ("BaIDS")

	Group 2009 RM	Group 2008 RM
Primary bonds (Note 23)	50,000,000	55,000,000
Secondary bonds	18,187,500	22,312,500
	68,187,500	77,312,500
Less: Secondary bonds	(18,187,500)	(22,312,500)
	50,000,000	55,000,000

25. Bai Bithaman Ajil Islamic Debt Securities ("BaIDS") (contd.)

	2009		2008	
	Primary bonds RM	**Secondary bonds RM**	**Primary bonds RM**	**Secondary bonds RM**
Maturity of BaIDS:				
Not later than 1 year	5,000,000	3,750,000	5,000,000	4,125,000
Later than 1 year and not later than 5 years	20,000,000	11,250,000	20,000,000	12,750,000
Later than 5 years	25,000,000	3,187,500	30,000,000	5,437,500
	45,000,000	14,437,500	50,000,000	18,187,500
	50,000,000	18,187,500	55,000,000	22,312,500

Pursuant to the financing procedure under the Syariah principle of Bai Bithaman Ajil, a subsidiary has entered into an asset sale and re-purchase agreement on 22 November 2004 under which a bank has agreed to grant the subsidiary BaIDS facility with an aggregate face value of RM60 million. The BaIDS are constituted by a Trust Deed dated 22 November 2004 between the subsidiary and the Trustee for the holders of the BaIDS.

The BaIDS are of negotiable value, non-interest bearing secured Primary Bonds together with non-detachable Secondary Bonds. The Primary Bonds were issued in 10 series, with maturities between 2007 to 2017.

Each series of BaIDS comprise Primary BaIDS with a face value of between RM5 million and RM10 million each, to which shall be attached an appropriate number of Secondary Bonds, the face value of which represents the semi-annual profit of the bonds. The Secondary Bonds are redeemable every 6 months commencing from the issue date and the last of which shall be payable on the maturity date. The face value of the Secondary Bonds are computed based on the profit rates of 7.5% per annum.

The BaIDS are secured by way of:

(i) an assignment of the subsidiary’s rights under the operations and maintenance agreements (“OMA”) with Lekir Bulk Terminal Sdn. Bhd. (“LBT”);

(ii) a charge over a Designated Account of the subsidiary into where only the Fixed Project Consideration received from LBT under the OMA will be paid; and

(iii) a Power of Attorney from the subsidiary for the appointment by the security trustee for the BaIDS, of a competent port operator as a sub-contractor of the subsidiary to fulfill in the event of non-performance by the subsidiary under the OMA.

25. Bai Bithaman Ajil Islamic Debt Securities ("BaIDS") (contd.)

The major covenants of the BaIDS are as follows:

Positive Covenants

The subsidiary shall:

(i) maintain a debt to equity ratio of not exceeding 70:30;

(ii) maintain all insurance necessary for its business as required under the OMA;

(iii) cause and ensure that the current shareholders remain unchanged unless with the prior consent of the Trustee; and

(iv) perform and carry out all and any of its obligations under the OMA.

Negative Covenants

The subsidiary shall not without the prior written consent of the Trustee:

(i) reduce its authorised and/or issued ordinary shares save and except for redemption of preference share capital and any decrease in its issued capital resulting from purchases of its own shares;

(ii) incur, assume, guarantee or permit to exist any debt that will in aggregate exceed its Debt to Equity Ratio of 70:30;

(iii) save for the Leasehold Industrial Land, dispose of any such assets which will materially and adversely affect its business operations;

(iv) amend the OMA so as to affect the Fixed Project Consideration; and

(v) declare, pay dividends or make any distribution to equity investors or payment on any subordinated debt if an event default has occurred or the proceeds accounts is at any time less than the profit and principal payment due within the next six months.

26. Retirement benefits

	Group 2009 RM	Group 2008 RM
At 1 January	1,777,843	1,616,709
Provision for retirement benefits	41,208	399,273
Retirement benefits paid	(383,690)	(238,139)
Reversal of retirement benefits	(1,233,557)	–
At 31 December	201,804	1,777,843
Analysed as:		
Current	17,840	265,874
Non-current	183,964	1,511,969
	201,804	1,777,843

A subsidiary of the Company operates an unfunded defined benefit scheme for its eligible employees ("the Scheme"). Under the Scheme, eligible employees are entitled to retirement benefits based on 15 days pay based on the last drawn basic salary for every completed year of service on attainment of retirement age of 58.

The summary analysis of the defined benefit scheme based on actuarial valuation performed were as follows:

	Group 2009 RM	Group 2008 RM
(i) Balance sheet		
The amounts recognised in the balance sheet are determined as follows:		
Present value of unfunded defined benefits obligations	201,804	2,121,681
Unrecognised actuarial losses	–	(168,147)
Unrecognised past service costs	–	(175,691)
Net liability	201,804	1,777,843
Analysed as:		
Current	17,840	265,874
Non-current	183,964	1,511,969
	201,804	1,777,843

26. Retirement benefits (contd.)

	Group 2009 RM	Group 2008 RM
(i) Balance sheet (contd.)		
Movement in the present value of the defined benefit obligations over the year is as follows:		
At 1 January	2,121,681	2,122,635
Deficit at start	–	(252,193)
Current service cost	9,419	248,459
Interest cost	8,846	95,046
Actuarial (gains)/losses	–	5,967
Past service cost	22,943	75,975
Transition obligation	–	80,146
Cancellation of defined benefit plan	(1,577,395)	–
Benefits paid by the plan	(383,690)	(254,354)
At 31 December	201,804	2,121,681
(ii) Income statement		
The amounts recognised in the income statement are as follows:		
Current service cost	9,419	143,459
Reversal of retirement benefits	(1,233,557)	–
Interest cost	8,846	102,111
Past service cost recognised	22,943	73,557
Transition obligation recognised	–	80,146
Expense recognised in income statement	(1,192,349)	399,273
The amounts recognised in the income statement are included in the following line items:		
Other operating expenses		
Continuing operations	41,208	24,993
Discontinued operations	(1,233,557)	374,280

26. Retirement benefits (contd.)

(iii) Actuarial assumption

The principal actuarial assumptions used for the purposes of the actuarial valuation were as follows:

	2009 %	2008 %
Discount rate	4.0	5.8
Expected rate of salary increases	5.0	5.0

27. Deferred tax

	Group	
	2009 RM	2008 RM
At 1 January	4,813,681	4,438,000
Recognised in income statement (Note 7)	342,366	375,681
At 31 December	5,156,047	4,813,681
Presented after appropriate offsetting as follows:		
Deferred tax assets	(2,319)	(729,394)
Deferred tax liabilities	5,158,366	5,543,075
	5,156,047	4,813,681

27. Deferred tax (contd.)

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

Deferred tax assets of the group:

	Provision for liquidated damages RM	Retirement benefits RM	Unabsorbed capital allowances RM	Other provisions RM	Total RM
At 1 January 2009	–	(444,461)	(246,933)	(38,000)	(729,394)
Recognised in income statement	–	444,461	246,933	35,681	727,075
At 31 December 2009	–	–	–	(2,319)	(2,319)
At 1 January 2008	(132,000)	(410,083)	(467,345)	–	(1,009,428)
Recognised in income statement	132,000	(34,378)	220,412	(38,000)	280,034
At 31 December 2008	–	(444,461)	(246,933)	(38,000)	(729,394)

27. Deferred tax (contd.)

Deferred tax liabilities of the group:

	Port facilities and property, plant and equipment RM
At 1 January 2009	5,543,075
Recognised in income statement	(384,709)
At 31 December 2009	5,158,366
At 1 January 2008	5,447,428
Recognised in income statement	95,647
At 31 December 2008	5,543,075

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

	Group 2009 RM	Group 2008 RM
Unutilised business losses	1,016,565	4,718,497
Unabsorbed capital allowances	–	4,088,093
Other deductible temporary differences	201,804	–
	1,218,369	8,806,590
Potential deferred tax benefit @ 25% (2008 : 25%)	304,592	2,201,648

28. Trade and other payables

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Current				
Trade payables				
Third parties	7,510,260	3,485,578	–	–
Other payables				
Amount due to related parties:				
Ultimate holding corporation	535,992	262,265	273,727	–
Subsidiary	–	–	830,000	590,000
Fellow subsidiaries of ultimate holding corporation	303,594	303,594	303,594	303,594
Other related parties	3,343,492	3,253,492	972,442	862,442
	4,183,078	3,819,351	2,379,763	1,756,036
Deposits received	6,635,845	4,766,402	6,324,397	4,454,954
Advances from purchasers	2,002,868	2,757,368	–	–
Tender deposits received from contractors	170,690	215,025	–	–
Accruals	2,820,110	5,212,842	343,464	592,393
Amount payable for the purchase of land	11,901,640	15,854,372	10,519,919	15,854,372
Funds for Operations and Maintenance (O & M)	10,841,411	10,816,961	–	–
Provision for retrenchment benefits	211,526	–	–	–
Sundry payables	731,493	2,224,250	–	–
	39,498,661	45,666,571	19,567,543	22,657,755
	47,008,921	49,152,149	19,567,543	22,657,755
Non-current				
Amount due to a subsidiary	–	–	1,215,977	1,215,977

28. Trade and other payables (contd.)

(a) Trade payables

The normal trade credit terms granted to the Group range from 7 to 90 days.

(b) Other payables (current)

The amounts due to related parties of the Group and of the Company are unsecured, interest free and have no fixed terms of repayment.

The Funds for Operations and Maintenance (O&M) represent advances from Lekir Bulk Terminal Sdn. Bhd. ("LBT") to a subsidiary for expenses and sole purposes of procuring parts/tools and equipment as stipulated under Clause 6.7 of the Operations and Maintenance Agreement dated 30 June 2000 between the subsidiary and LBT.

Included in sundry payables of the Group is an amount of RM1,011,161 (2008 : RM1,011,161) representing the balance of amount due arising from the acquisition of certain properties. The amount will be classified as Class B preference shares of the subsidiary when approval from the relevant authorities is obtained.

(c) Other payables (non-current)

The amount due to a subsidiary is unsecured, interest free and not repayable or due within the next twelve months.

(d) Provision for retrenchment benefits

	Group	
	2009	**2008**
	RM	**RM**
At 1 January	–	–
Provision for retrenchment benefits	1,670,777	–
Retrenchment benefits paid	(1,459,251)	–
At 31 December	211,526	–

The provision for retrenchment benefits is made for the eligible employees of Impiana Casuarina Hotel Ipoh upon the disposal of hotel property as disclosed in Notes 8 and 33 (c).

29. Provision for liabilities

	Group 2009 RM	Group 2008 RM
At 1 January	–	529,650
Additional provision	–	5,810
Overprovision in prior years	–	(84,155)
	–	451,305
Payments made	–	(451,305)
At 31 December	–	–

The provision in the previous year was with regard to liquidated damages in respect of projects undertaken by a subsidiary. The provision was recognised for expected liquidated damages claims based on the terms of the applicable sale and purchase agreements.

30. Dividend

	Group and Company				
	Dividend in respect of Year			Dividends Recognised in Year	
	2009 RM	2008 RM	2007 RM	2009 RM	2008 RM
Final dividend for 2008:					
2.5% less 25% taxation (2007 : 2.5% less 26% taxation) on 100,000,000 ordinary shares [1.87 (2007 : 1.85 sen) sen per ordinary share]	–	1,875,000	1,850,000	1,875,000	1,850,000
Proposed for approval at AGM (not recognised as at 31 December):					
Final dividend for 2009: 2.5% less 25% taxation, on 100,000,000 ordinary shares (1.88 sen per ordinary share)	1,875,000	–	–	–	–
	1,875,000	1,875,000	1,850,000	1,875,000	1,850,000

At the forthcoming Annual General Meeting, a final dividend in respect of the current financial year ended 31 December 2009 of 2.5% less 25% taxation on 100,000,000 ordinary shares, amounting to a dividend payable of RM1,875,000 (1.88 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders will be accounted for in equity as an appropriation of retained earnings in the next financial year ending 31 December 2010.

31. Related party disclosures

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Transactions with the ultimate holding corporation				
Advances paid	(3,651,352)	–	–	–
Disbursements	49,279	135,820	49,279	135,820
Management fee expense	276,000	296,000	276,000	296,000
Project expenditure	1,304,000	911,327	1,304,000	1,304,000
Rental payable	321,502	321,502	321,502	321,502
Project management income	(121,271)	(16,812)	–	–
Rental income	(2,023,549)	(2,023,549)	(2,023,549)	(2,023,549)
Repayment of advances	1,439,572	(57,364)	547,454	(57,364)
Transactions with subsidiaries				
Repayment of advances	–	–	723,656	65,150
Advances received/(paid)	–	–	46,941	(304,312)
Accounting fees	–	–	(35,762)	(25,056)
Interest income	–	–	(128,934)	(149,400)
Management fee income	–	–	(132,000)	(132,000)
Sale of land	–	–	(593,880)	–
Transfer of land costs	–	–	97,405	–
Transactions with fellow subsidiaries of the ultimate holding corporation				
Interest income	(878,793)	(2,663,792)	(878,793)	(2,663,792)
Advances paid	(127,411)	(840,758)	(127,411)	(840,758)
Management fees	(240,000)	–	–	–
Repayment of advances	–	999,698	–	999,698

31. Related party disclosures (contd.)

Transactions with related parties

Companies in which certain directors, Amin bin Halim Rasip and Harun bin Halim Rasip, of a subsidiary, Lumut Maritime Terminal Sdn. Bhd., have substantial interests:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Management fee expense	600,000	600,000	–	–
Port services payable	5,883,000	5,883,000	–	–
Fixed monthly charges	108,000	108,000	–	–
Port services receivable	(26,673,540)	(25,801,336)	–	–

Account balances with significant related parties of the Group and of the Company at year end are as follows:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Account balances with the ultimate holding corporation				
Receivables	6,738,814	4,059,268	–	200,959
Payables	(535,992)	(262,265)	(273,727)	–
Account balances with subsidiaries				
Receivables	–	–	214,469,331	214,226,756
Payables	–	–	(2,045,977)	(1,805,977)
Account balances with fellow subsidiaries of ultimate holding corporation				
Receivables	103,806,102	102,506,373	103,512,577	102,506,373
Payables	(303,594)	(303,594)	(303,594)	(303,594)

31. Related party disclosures (contd.)

A corporate shareholder of a subsidiary, Lumut Maritime Terminal Sdn Bhd, a company in which certain directors of the subsidiary, Amin bin Halim Rasip and Harun bin Halim Rasip, have substantial interests:

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Integrax Bhd	(100,000)	–	–	–

Companies in which certain directors, Amin bin Halim Rasip and Harun bin Halim Rasip, of a subsidiary, Lumut Maritime Terminal Sdn. Bhd., have substantial interests:

Receivables	9,978,948	9,575,060	–	–
Payables	(3,343,492)	(3,253,492)	(972,442)	(862,442)

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

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Salaries and allowances	1,302,367	1,257,096	463,093	503,381

Included in the total remuneration of key management personnel are:

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Directors' remuneration	101,614	342,474	61,614	131,227

32. Capital commitments

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
(i) Authorised but not contracted for:				
Property, plant and equipment	60,000	1,913,000	10,000	15,000
Port facilities	12,468,340	13,490,500	–	–
Purchase of additional shares in a subsidiary from minority interest	2,228,850	–	–	–
	14,757,190	15,403,500	10,000	15,000
(ii) Contracted but not provided for:				
Port facilities	620,943	–	–	–

(iii) Purchase of land

On 23 January 2007, a wholly owned subsidiary, PCB Development Sdn. Bhd. ("PCBD") entered into a sale and purchase agreement ("the Agreement") with I & P Seriemas Sdn. Bhd. (presently known as Seriemas Development Sdn. Bhd.) to purchase several pieces of land for a total consideration of RM24,326,304 for future development purposes.

Upon execution of the Agreement, PCBD paid a deposit of RM2,342,630. The remaining balance of the consideration is to be settled within thirty six months via twelve quarterly instalments effective from 1 April 2007.

As at 31 December 2009, the total amount paid by PCBD was RM14,257,103 (inclusive of deposit) and the acquisitions have yet to be completed.

33. Significant and/or recurring events

(a) On 27 June 2006, PCB Development Sdn. Bhd. ("PCBD"), a subsidiary of the Company entered into a Conditional Sale and Purchase Agreement with Smart K-Worker Professional Consortium Sdn. Bhd. ("SKPC"), for the proposed sale of a piece of land held under HSD 98757 PT 167585 Mukim Hulu Kinta, Daerah Kinta, Perak measuring approximately in area 20,234 square metres together with a three storey Institutional Building for a total consideration of RM8,500,001. The sale is to be satisfied by way of cash of RM1 and 5,000,000 fully paid ordinary shares (effectively a shareholding of 17.9%) and 1,538,462 preference shares in SKPC.

The principal activities of SKPC are developing, implementing and managing e-trainings for k-worker professionals as well as to promote the said business as the parties may mutually agree in writing. This agreement is conditional and shall only take effect upon SKPC having within one year from the date of the agreement obtained the written approval from Economic Planning Unit of the Prime Ministers' Department and all other relevant government authorities.

On 27 June 2006, PCBD also entered into a Shareholder Agreement with Perak E-Organisations Sdn. Bhd. ("PEO"), a private limited liability company wholly owned by Perak State Economic Development Corporation, Multi Media Synergy Corporation Sdn. Bhd. ("MMSC"), a private limited liability company, primarily involved in the business developing e-Learning solutions, Bijak Inovasi Sdn. Bhd. ("BISB"), an investment holding company, MMSC Management Sdn. Bhd. ("MMSB"), a private limited liability company currently owned by staff at the management level of MMSC in SKPC, to regulate the relationship of the shareholders of SKPC to carry out the business. As at 31 December 2008, the proposed sale of land together with the building was still uncompleted since approval from the relevant authorities was still pending.

As at 31 December 2008, the disposal of the land and building are still pending approval from the relevant authority. Due to the extension of time, the carrying amount of the asset of RM4,090,948 (Note 10) has been reclassified to property, plant and equipment as the timing of disposal cannot be ascertained with reasonable certainty in previous financial year.

On 5 February 2009, PCBD has consented to an extension of time up to 28 March 2009 for SKPC to obtain the required approval from the relevant authorities.

On 26 August 2009, PCBD has agreed not to give further formal extension to SKPC and consideration to cancel the agreement will be executed if SKPC is still unable to obtain the required approval from the relevant authorities by 31 October 2009. No further extension has been given and the directors of PCBD have considered that the agreement to be considered as null and void.

33. Significant and/or recurring events (contd.)

(b) On 21 August 2008, the Company has entered into a Conditional Sale and Purchase Agreement with Putera Capital Berhad ("Putera") to dispose of its entire equity interest in an associate, Konsortium LPB Sdn. Bhd. ("KLPB"), comprising 3.31 million ordinary shares @ RM1.00 each, representing 12.19% of the issued and paid up share capital of KLPB for a total consideration of RM6 million ("the Proposed Disposal"), subject to fulfillment of certain Condition Precedent. Upon completion of the Proposed Disposal, KLPB shall cease to be an associate of the Company.

On 28 January 2010, the Company has mutually agreed with Putera Capital Berhad to rescind the Conditional Sale and Purchase Agreement due to the conditions precedent have not been fulfilled within the stipulated time frame.

(c) On 10 September 2009, Cash Hotel Sdn Bhd, a 61.16% -owned subsidiary of the Company's wholly owned subsidiary, Taipan Merit Sdn. Bhd., entered into a conditional Sale and Purchase Agreement with Impiana Hotel Ipoh Sdn. Bhd. (formerly known as Visi Juara Sdn. Bhd.), to dispose a piece of leasehold land together with a commercial building erected thereon and more particularly known as Impiana Casuarina Hotel Ipoh for a total consideration of RM44.0 million.

On 24 December 2009, the disposal of Impiana Casuarina Hotel Ipoh was completed. The financial effect on the disposal of Impiana Casuarina Hotel Ipoh on the Group's financial position is disclosed in Note 8.

(d) During the financial year, Taipan Merit Sdn. Bhd., a subsidiary of the Company entered into:

(i) a share sale agreement with Tasek Corporation Berhad to acquire 3,936,000 ordinary shares of RM1 each, representing 9.2% equity interest in Cash Hotel Sdn. Bhd. ("CHSB"), for a total cash consideration of RM3,936,000; and

(ii) a share sale agreement with Zarib Holding Sdn. Bhd. to acquire 1,714,500 ordinary shares of RM1 each, representing 4.0% equity interest in CHSB, for a total cash consideration of RM1,714,500.

Subsequent to the financial year end, the above acquisitions have been completed. Upon completion of the acquisition, the equity interest in CHSB has been increased from 61.16% to 74.36%.

34. Comparative figures

The following comparative figures have been re-presented due to the current financial year's discontinued operations as disclosed in Note 8.

	As previously stated RM	Adjustments RM	As restated RM
Group			
Income statement for the financial year ended 31 December 2008			
Revenue	103,577,984	(15,944,691)	87,633,293
Cost of sales	(44,016,574)	7,834,179	(36,182,395)
Gross profit	59,561,410	(8,110,512)	51,450,898
Other income	5,521,952	(2,592)	5,519,360
Sales and marketing expenses	(415,856)	336,496	(79,360)
General and administrative expenses	(10,789,767)	944,533	(9,845,234)
Other operating expenses	(19,659,001)	7,154,489	(12,504,512)
Loss for the year from discontinued operations	34,218,738	322,414	34,541,152

The following comparative figures have been also reclassified to conform with current year's presentation:

	As previously stated RM	Adjustments RM	As restated RM
Group			
Balance sheet as at 31 December 2008			
Current assets			
Other investments	3,528,831	5,000,000	8,528,831
Cash and bank balances	84,805,426	(5,000,000)	79,805,426
Cash flows statements			
Cash flows from investing activities			
Purchase of other investments	(148,690)	(5,000,000)	(5,148,690)
Cash and cash equivalents			
Cash and bank balances	84,805,426	(5,000,000)	79,805,426

35. Segmental information

Segment information is presented in respect of the Group's business segments. No geographical segment analysis is prepared as the Group's business activities are predominantly located in Malaysia.

The Group is organised into four major business segments:

(i) Hotel and Tourism

Hospitality services in respect of the operation of hotels and development of tourism projects;

(ii) Infrastructure

Maritime services in respect of the development of an integrated privatised project and encompassing operations of multipurpose port facilities, operation and maintenance of a bulk terminal, sales and rental of port related land and other ancillary activities;

(iii) Township Development

The township development of real property and ancillary services; and

(iv) Management services and others

Provision of management services and other business segments which include property investment and distribution, none of which are of a sufficient size to be reported separately.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on negotiated terms.

35. Segmental information (contd.)

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

	Continuing Operations					Discontinued Operations	
	Infrastructure RM	Township development RM	Management services and others RM	Eliminations RM	Total RM	Hotel and tourism RM	Total operations RM
31 December 2009							
Revenue							
External revenue	70,548,721	22,338,330	2,842,537	(593,882)	95,135,706	12,932,826	108,068,532
Inter-segment revenue	–	–	23,632,001	(23,632,001)	–	–	–
Total revenue	70,548,721	22,338,330	26,474,538	(24,225,883)	95,135,706	12,932,826	108,068,532
Results							
Segment results	37,729,378	1,454,073	23,180,310	(23,628,935)	38,734,826	(2,339,038)	36,395,788
Finance costs	(4,111,740)	(132,127)	(28,666)	128,934	(4,143,599)	–	(4,143,599)
Share of profit of associates	–	–	–	–	(3,505)	–	(3,505)
Profit/(loss) before taxation	33,617,638	1,321,946	23,151,644	(23,500,001)	34,587,722	(2,339,038)	32,248,684
Taxation	(8,134,622)	(525,223)	(6,564,377)	5,875,000	(9,349,222)	–	(9,349,222)
Profit/(loss) for the year					25,238,500	(2,339,038)	22,899,462

35. Segmental information (contd.)

31 December 2009 (contd.)

	Continuing Operations					Discontinued Operations	
	Infrastructure RM	Township development RM	Management services and others RM	Eliminations RM	Total RM	Hotel and tourism RM	Total operations RM
Assets and liabilities							
Segment assets	185,305,950	151,378,018	593,766,409	(300,635,681)	629,814,696	–	629,814,696
Investment in associates	–	–	3,992,793	(2,005,794)	1,986,999	–	1,986,999
Unallocated assets	–	958,494	665,409	–	1,623,903	–	1,623,903
Total assets					633,425,598	–	633,425,598
Segment liabilities	(64,878,151)	(123,059,709)	(186,486,003)	216,565,308	(157,858,555)	–	(157,858,555)
Unallocated liabilities	(8,038,427)	(80,922)	(53,293)	–	(8,172,642)	–	(8,172,642)
Total liabilities					(166,031,197)	–	(166,031,197)
Other segment information							
Amortisation of prepaid land lease payments	148,937	–	–	–	148,937	171,856	320,793
Bad debts written off/(recovered)	1,181	–	–	–	1,181	(45,530)	(44,349)
Capital expenditure	3,563,937	142,993	1,101,735	–	4,808,665	–	4,808,665
Depreciation	2,405,278	165,824	242,653	–	2,813,755	1,756,965	4,570,720
(Gain)/Loss on disposal of property, plant and equipment	–	(19,999)	1,356,638	–	1,336,639	–	1,336,639
Property, plant and equipment written off	–	1	–	–	1	1,821,569	1,821,570
Impairment losses and diminution in other investment	–	–	(16,341)	–	(16,341)	–	(16,341)
Other significant non-cash expenses:							
Provisions	–	–	123,028	–	123,028	–	123,028
Provision for retrenchment benefits	–	–	–	–	–	1,670,777	1,670,777
Increase/(decrease) in liability for defined benefit plan	–	–	41,208	–	41,208	(1,233,557)	(1,192,349)

35. Segmental information (contd.)

	Continuing Operations					Discontinued Operations	
	Infrastructure RM	Township development RM	Management services and others RM	Eliminations RM	Total RM	Hotel and tourism RM	Total operations RM
31 December 2008							
Revenue							
External revenue	66,559,228	18,865,788	2,208,277	–	87,633,293	15,944,691	103,577,984
Inter-segment revenue	–	–	10,942,460	(10,942,460)	–	–	–
Total revenue	66,559,228	18,865,788	13,150,737	(10,942,460)	87,633,293	15,944,691	103,577,984
Results							
Segment results	31,420,082	2,590,698	14,202,012	(13,671,640)	34,541,152	(322,414)	34,218,738
Finance costs	(4,141,508)	(206,255)	(144,086)	149,400	(4,342,449)	–	(4,342,449)
Share of profit of associates	–	–	–	–	779,975	–	779,975
Profit/(loss) before taxation	27,278,574	2,384,443	14,057,926	(13,522,240)	30,978,678	(322,414)	30,656,264
Taxation	(7,379,238)	(684,409)	(3,213,402)	2,466,902	(8,810,147)	–	(8,810,147)
Profit/(loss) for the year					22,168,531	(322,414)	21,846,117

35. Segmental information (contd.)

31 December 2008 (contd.)

	Continuing Operations						Discontinued Operations	
	Hotel and tourism RM	Infrastructure RM	Township development RM	Management services and others RM	Eliminations RM	Total RM	Hotel and tourism RM	Total operations RM
Assets and liabilities								
Segment assets	62,804,776	186,066,841	147,053,478	530,953,117	(300,155,140)	626,723,072	–	626,723,072
Investment in associates	–	–	–	3,992,793	(2,002,289)	1,990,504	–	1,990,504
Unallocated assets						2,413,822	–	2,413,822
Total assets						631,127,398	–	631,127,398
Segment liabilities	(7,330,153)	(70,787,063)	(119,519,096)	(185,172,537)	216,084,767	(166,724,082)	–	(166,724,082)
Unallocated liabilities						(6,783,377)	–	(6,783,377)
Total liabilities						(173,507,459)	–	(173,507,459)
Other segment information								
Amortisation of prepaid land lease payments	–	148,936	–	–	–	148,936	187,444	336,380
Bad debts written off	–	1,373,375	–	–	–	1,373,375	–	1,373,375
Capital expenditure	1,097,779	12,253,409	6,020	126,727	–	13,483,935	–	13,483,935
Depreciation	249,779	3,111,015	81,746	173,012	–	3,615,552	1,445,640	5,061,192
(Gain)/Loss on disposal of an associate	–	–	–	(1,000,000)	1,457,439	457,439	–	457,439
Property, plant and equipment written off	–	–	–	1	–	1	–	1

35. Segmental information (contd.)

31 December 2008 (contd.)

	Continuing Operations						Discontinued Operations	
	Hotel and tourism RM	Infrastructure RM	Township development RM	Management services and others RM	Eliminations RM	Total RM	Hotel and tourism RM	Total operations RM
Other segment information (contd.)								
Impairment losses on investment in an associate	–	–	–	(1,255,000)	1,255,000	–	–	–
Impairment losses and diminution in subsidiary	–	–	–	509	(509)	–	–	–
Other significant non-cash expenses:								
Provisions	68,738	152,148	(78,345)	–	–	142,541	–	142,541
Write down of carrying amount of non-current asset held for sale upon reversal to property, plant and equipment	–	–	181,404	–	–	181,404	–	181,404
Increase in liability for defined benefit plan	24,993	–	–	–	–	24,993	374,280	399,273

36. Financial instruments

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange, liquidity and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

(i) Interest rate risk

The Group's primary interest rate risk relates to interest-bearing debts, as the Group had no substantial long-term interest-bearing assets as at 31 December 2009. The investment in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits or occasionally, in short term commercial papers which yield better returns than cash at bank.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

36. Financial instruments (contd.)

(a) Financial risk management objectives and policies (contd.)

(i) Interest rate risk (contd.)

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

	Note	WAEIR %	Within 1 year RM	1–2 years RM	2–3 years RM	3 – 4 years RM	4 – 5 years RM	More than 5 years RM	Total RM
At 31 December 2009									
Group									
Fixed rate									
Amount due from fellow subsidiaries of ultimate holding corporation	19	3.0	100,987,361	–	–	–	–	–	100,987,361
Deposits with licensed banks	20	3.7	121,751,776	–	–	–	–	–	121,751,776
Hire purchase and finance lease liabilities	24	4.5	(268,001)	(299,573)	(40,615)	(31,531)	(8,110)	–	(647,830)
Bai Bithaman Ajil Islamic Debt Securities	25	7.5	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(25,000,000)	(50,000,000)
Floating rate									
Revolving credits	23	5.9	(60,000,000)	–	–	–	–	–	(60,000,000)

36. Financial instruments (contd.)

(a) Financial risk management objectives and policies (contd.)

(i) Interest rate risk (contd.)

	Note	WAEIR %	Within 1 year RM	1–2 years RM	2–3 years RM	3 – 4 years RM	4 – 5 years RM	More than 5 years RM	Total RM
At 31 December 2009									
Company									
Fixed rate									
Amount due from fellow subsidiaries of ultimate holding corporation	19	3.0	100,987,361	–	–	–	–	–	100,987,361
Amount due from a subsidiary	19	7.2	–	–	–	–	–	1,411,344	1,411,344
Hire purchase and finance lease liabilities	24	3.9	(15,492)	(16,711)	(17,934)	(7,833)			(57,970)
Deposits with licensed banks	20	2.8	8,000,000	–	–	–	–	–	8,000,000
Floating rate									
Revolving credits	23	5.9	(60,000,000)	–	–	–	–	–	(60,000,000)

36. Financial instruments (contd.)

(a) Financial risk management objectives and policies (contd.)

(i) Interest rate risk (contd.)

	Note	WAEIR %	Within 1 year RM	1–2 years RM	2–3 years RM	3 – 4 years RM	4 – 5 years RM	More than 5 years RM	Total RM
At 31 December 2008									
Group									
Fixed rate									
Amount due from fellow subsidiaries of ultimate holding corporation	19	3.0	99,981,157	–	–	–	–	–	99,981,157
Deposits with licensed banks	20	2.8	74,797,640	–	–	–	–	–	74,797,640
Hire purchase and finance lease liabilities	24	5.2	(243,059)	(247,354)	(204,377)	(65,358)	(33,941)	–	(794,089)
Bai Bithaman Ajil Islamic Debt Securities	25	7.5	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(30,000,000)	(55,000,000)
Floating rate									
Revolving credits	23	5.9	(60,000,000)	–	–	–	–	–	(60,000,000)

36. Financial instruments (contd.)

(a) Financial risk management objectives and policies (contd.)

(i) Interest rate risk (contd.)

	Note	WAEIR %	Within 1 year RM	1–2 years RM	2–3 years RM	3 – 4 years RM	4 – 5 years RM	More than 5 years RM	Total RM
At 31 December 2008									
Company									
Fixed rate									
Amount due from fellow subsidiaries of ultimate holding corporation	19	3.0	99,981,157	–	–	–	–	–	99,981,157
Amount due from a subsidiary	19	7.2	–	–	–	–	–	2,075,000	2,075,000
Hire purchase and finance lease liabilities	24	3.7	14,269	32,203	25,767	–	–	–	72,239
Deposits with licensed banks	20	2.8	7,750,000	–	–	–	–	–	7,750,000
Floating rate									
Revolving credits	23	5.9	(60,000,000)	–	–	–	–	–	(60,000,000)

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 6 months except for revolving credits which are repriced annually. Interest on financial instruments at fixed rates are fixed until the maturity of the instrument. The other financial instruments of the Group and of the Company that are not included in above tables are not subject to interest rate risks.

36. Financial instruments (contd.)

(a) Financial risk management objectives and policies (contd.)

(ii) Foreign exchange risk

The Group's sales transactions are mainly in Malaysian Ringgit and are thus not exposed to foreign exchange risk.

(iii) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

(iv) Credit risk

The Group's credit policy and guidelines assess, evaluate and monitor credit risk of trade receivables. Credit risk is controlled via credit worthiness checking, credit limits, credit term setting and approval and credit risk exception reporting. Trade receivables are monitored on an ongoing basis as well as on a case by case basis, especially for the purchasers of land.

The Group does not have any significant credit risk exposure to any individual customer or groups of customers. The maximum exposures to credit risk are represented by the carrying amounts of the financial assets and liabilities in the balance sheets.

36. Financial instruments (contd.)

(b) Fair values

The aggregate net fair values of financial assets and financial liabilities which are not carried at fair value on the balance sheets of the Group and of the Company are represented as follows:

	Group		Company	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Financial assets				
At 31 December 2009:				
Unquoted investment in associate	1,986,999	*	3,992,793	*
Due from related corporations and other related parties	120,523,864	**	317,931,499	**
Due to related corporations and other related parties	4,183,078	**	3,595,740	**
Bai Bithaman Ajil Islamic Debt Securities ("BaIDs")	50,000,000	#	–	–
Hire purchase and finance lease liabilities	647,830	645,935	57,970	57,632
At 31 December 2008:				
Unquoted investment in associate	1,990,504	*	3,992,793	*
Due from related corporations and other related parties	116,140,701	**	316,934,088	**
Due to related corporations and other related parties	3,819,351	**	2,972,013	**
Bai Bithaman Ajil Islamic Debt Securities ("BaIDS")	55,000,000	#	–	–
Hire purchase and finance lease liabilities	794,089	827,541	72,239	72,032

36. Financial instruments (contd.)

(b) Fair values (contd.)

* it is not practical to estimate the fair value of the unquoted investment because of the lack of quoted market price and the inability to estimate the fair value without incurring excessive costs. However, the Group and the Company believe that the carrying amount represents the recoverable value.

** it is not practical to estimate the fair values of amounts due from/to related corporations, associates and other related parties due principally to lack of fixed repayment term entered by the parties involved and without incurring excessive costs. However, the Group does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

it is not practical to estimate the fair value of this financial liability representing the nominal amount of BaIDS issued by the subsidiary. The liability is carried at its original cost of RM50,000,000 (2008 : RM55,000,000) in the balance sheet.

The main covenants of the BaIDS are disclosed in Note 25.

(i) Hire purchase and finance lease liabilities

Fair value has been determined using discounted estimated cash flows. The discount rates used are the current market incremental lending rates for similar types of leasing arrangement.

In respect of cash and cash equivalents, trade and other receivables, trade and other payables and short term borrowings, the carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

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FORM OF PROXY

PERAK CORPORATION BERHAD
(Incorporated in Malaysia) (210915-U)

I/We ____
(FULL NAME IN BLOCK CAPITALS)

of ____
(FULL ADDRESS)

being a member/members of **PERAK CORPORATION BERHAD**, hereby appoint ____________________

____
(FULL NAME IN BLOCK CAPITALS)

of ____
(FULL ADDRESS)

or failing him/her, ____

of ____

as my/our proxy to vote for me/us and on my/our behalf, at the **NINETEENTH ANNUAL GENERAL MEETING** of the Company to be held at Dewan Persidangan, Tingkat 4, Wisma Wan Mohamed, Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak Darul Ridzuan on Wednesday, 26 May 2010 at 12.00 noon or at any adjournment thereof in the manner indicated below:

No.	Resolutions	For	Against
1.	To receive, consider and adopt the Audited Financial Statements for the year ended 31 December 2009 together with the Report of the Directors and Auditors thereon.		
2.	To approve the payment of a first and final dividend of 2.5 sen per share less income tax for the year ended 31 December 2009.		
3.	To approve the payment of Directors' fees for the year ended 31 December 2009.		
4	To re-elect Tuan Haji Ab Rahman bin Mohammed who retires in accordance with Article 80 of the Company's Articles of Association.		
5	To re-elect YB Dato' Nasarudin bin Hashim who retires in accordance with Article 87 of the Company's Articles of Association.		
6	To re-elect YB Dr Wan Norashikin bt Wan Noordin who retires in accordance with Article 87 of the Company's Articles of Association.		
7	To re-elect Dato' Dr Vasan a/l Sinnadurai who retires in accordance with Article 87 of the Company's Articles of Association.		
8	To re-elect Dato' Abd Karim bin Ahmad Tarmizi who retires in accordance with Article 87 of the Company's Articles of Association.		
9.	To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.		
10.	As special Business: Proposed Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		
11.	As special Business: Proposed Amendments to the Articles of Association of the Company.		

(Please indicate with an "X" in the appropriate box above how you wish to cast your vote. If this form is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he/she thinks fit.)

Dated this _____ day of __________________ in the year ______.

Number of ordinary shares held

____
Signature/Seal

1. *A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies who may but need not be a member/members of the Company to attend and vote in his/her stead and Section 149 (1)(b) of the Companies Act, 1965 shall not apply.*
2. *When a member appoints more than one proxy the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.*
3. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.*
5. *The instrument appointing a proxy must be deposited at the Registered Office of the Company at D-3-7, Greentown Square, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan at least forty-eight (48) hours before the time appointed for holding the Annual General Meeting or any adjournment thereof.*
6. *The registration for the above Meeting will commence on Wednesday, 26 May 2010 at 11.30 a.m.*

First Fold

stamp

THE SECRETARY

PERAK CORPORATION BERHAD Co. No. 210915-U

D-3-7, Greentown Square,

Jalan Dato' Seri Ahmad Said,

30450 Ipoh,

Perak Darul Ridzuan, Malaysia.

Second Fold

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