



PPB GROUP BERHAD



WE CARE

2009
ANNUAL REPORT

WE CARE

The key to our growth and success as a Group means having the passion to CARE for every detail in the delivery of objectives. PPB Group is committed to strengthen capacity and capability to grow core businesses domestically and regionally along with downstream activities that are synergistic to core operations.





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care

and commitment
to quality

The Corporation

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CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of PPB Group Berhad, it gives me great pleasure to present to you the Annual Report and audited Financial Statements of the Company and the Group for the year ended 31 December 2009.

Group Results

PPB Group achieved another year of robust results to record a profit for the year of RM1.63 billion, a 26% improvement over the previous year despite operating under difficult market conditions.

The stronger profits were driven by the significant profit contribution from our 18.4% associate, Wilmar International Limited (Wilmar) of RM1.21 billion which was an increase of RM317 million from the year before. The success of Wilmar is testament to the increased synergies obtained through the integration of the agribusiness group. Higher profit contribution from our sugar division of RM220 million also added to the improved results.

Revenue from continuing operations of RM2.01 billion however was down 19% from the previous year due to lower revenue registered by the flour and feed milling businesses in line with the lower prices of soft commodities, the chemicals trading and manufacturing divisions.

Profit attributable to shareholders increased to RM1.62 billion from RM1.29 billion which translates to an earnings per share of RM1.36 compared with RM1.09 the year before. The stronger profits enhanced net assets per share to RM11.88 from RM10.32 the previous year.



GSC's latest 9-screen multiplex at East Coast Mall, Kuantan

Major Corporate Exercise Completed

In January 2010, PPB Group completed the disposal of its sugar assets to Felda Global Ventures Holdings Sdn Bhd (Felda) comprising 100% of its equity interest in Malayan Sugar Manufacturing Company Berhad for a cash consideration of RM1.22 billion, 50% of its equity interest in Kilang Gula Felda Perlis Sdn Bhd for a cash consideration of RM26.31 million and parcels of land in Chuping of approximately 5,797 hectares for a cash consideration of RM45 million. PPB's 49% associate, Grenfell Holdings Sdn Bhd, also disposed of 20% equity interest in Tradewinds (M) Berhad to Felda for a cash consideration of RM207.53 million.

The above disposals generated cash of RM1.5 billion to the Group and recorded a gain of approximately RM857 million which will be reflected in the 2010 financial results.

Dividends

In view of the strong financial performance, the Board is pleased to recommend for shareholders' approval a final single-tier dividend of 18 sen per share for the financial year ended 31 December 2009 payable on Tuesday, 8 June 2010.

The Company had also paid a special single-tier dividend of 50 sen per share on 15 March 2010 in consideration of the cash flow and profits generated from the sale of the Group's sugar assets.

Together with the interim single-tier dividend of 5 sen per share paid on 25 September 2009, the total dividend for the financial year ended 31 December 2009 would be 73 sen per share.

The total net dividend payment for the financial year under review would amount to RM865 million compared with RM817 million paid for financial year 2008.

Overview Of Operations

FOOD MANUFACTURING ACTIVITIES

The grains trading, flour and feed milling division under FFM Berhad faced a challenging year. Revenue was affected by the lower selling prices of flour and animal feed in line with the sharp drop in soft commodity prices. Operating profits were down due to lower profit margins as a result of the weaker selling prices and higher priced stocks acquired prior to the drop in market prices.

At present, the Group has four (4) flour mills located at Prai, Port Klang, Pasir Gudang and Kuching with a total wheat milling capacity of 2,330 mt per day. In East Malaysia, construction of a new flour mill in Kota Kinabalu with a wheat milling capacity of 220 mt per day is scheduled for commercial production in the 4th quarter of 2010. With the commissioning of the Kota Kinabalu mill, the Group will have strategically located mills to serve its customers throughout the country with much greater efficiency.

In October 2009, FFM Berhad's 51% subsidiary, PT Pundi Kencana, commenced commercial production of its 1,000 mt per day wheat flour mill in Cilegon, Indonesia. Operating at 65% capacity currently, this new mill is expected to make a significant contribution to group revenue going forward. Overseas, this would be the third country in which the Group has market presence in addition to its operations in Vietnam and Thailand.

Towards the end of 2007, the Group invested downstream into food processing to create a selection of niche frozen food products for the Malaysian market including ready-to-eat premium poultry sausages, nuggets and burgers. In 2009, its products under the popular "Marina" and "Sri Murni" brands were listed in major hypermarkets and supermarkets which received encouraging response. Riding on this favourable response, will be the production of bone-in products, fully cooked delicacies and ready-to-eat foods which will establish for the Group yet another complementary new business activity. Next in the pipeline will be the commissioning of a bakery situated next to FFM Berhad's current flour mill complex at Pulau Indah by the end of this year to produce loaf breads and buns.



Top: FFM Farms' popular antibiotic-free table eggs

Bottom: Frozen food produced by FFM Further Processing Sdn Bhd

LIVESTOCK FARMING

The farming operations turned around in 2009 to contribute profits of RM4 million on the back of a revenue of RM91 million. The turnaround was attributable to better margins from lower feed costs. Nevertheless, this division will continue to face greater competition from other high producing farms and pressure on selling prices of table eggs and day-old chicks.

ENVIRONMENTAL ENGINEERING, WASTE MANAGEMENT AND UTILITIES

For the year under review, the Group's environmental engineering, waste management and utility business performed satisfactorily. This division remains focused on its core expertise in water treatment, sewage treatment, flood mitigation and solid waste management. In February 2009, this division commenced Module 1 of the operations and maintenance of the Putrajaya Sewage Treatment Plant which will continue into 2013. At the same time, it started construction of the plant's Module 2. Its Flood Mitigation Project at Kepala Batas comprising a 9.6 ha flood detention pond is currently underway and targeted for completion in the first quarter of 2010. In 2009, the division also secured three water projects with a total contract value of approximately RM100 million in Negeri Sembilan and Selangor.



FFM's "Cap Sauh" flour is popular for making roti canai

FILM EXHIBITION AND DISTRIBUTION

The film exhibition and distribution operations delivered another record year to achieve profits of RM29 million, up 17% from the previous year, on the back of a higher revenue of RM206 million. The better results were driven by the opening of new cinemas and the strong performance of movie titles released during the year.

Amid a slower economy, the Group's cinema chain, Golden Screen Cinemas Sdn Bhd, managed to increase admissions to 20.4 million from 18.4 million with the opening of two new multiplexes located at Tropicana City, Petaling Jaya and East Coast Mall, Kuantan. Additional screens were also added to GSC's existing cinemas at Alamanda Shopping Centre, Putrajaya and IOI Mall, Puchong.

This year, GSC will be opening a 9-screen multiplex at Suria Sabah in downtown Kota Kinabalu to complement its other 8-screen multiplex at 1 Borneo Hypermall located 7 km from the Kota Kinabalu city centre. In the face of keener competition and greater expectations of today's consumers, GSC continues to emphasize on improving the cinema going experience for its movie-goers with new offerings such as 3D and 2D films as well as value added services like its various e-Ticketing options and wide selection of concession offerings.

PROPERTY INVESTMENT AND DEVELOPMENT

With no new property launches in the year under review, this division recorded lower profits of RM12.5 million as compared with RM21 million the year before due to the drop in revenue from property sales. However, the reduction in revenue from property sales was partly compensated by increased project management income and higher rental income from Cheras Leisure Mall and Cheras Plaza. The renovation of the food centre at Cheras Leisure Mall, now known as "Cravings Lane" has been completed and is now fully occupied by a good mix of higher-end life-style food and beverage outlets.

Phase 1 of the Taman Tanah Aman project at Bukit Tengah, Seberang Prai comprising 24 units of "build-and-sell" double-storey semi-detached houses was completed towards the end of last year. Plans are underway to develop Phase 2 of the Masera Bukit Segar project in Kuala Lumpur comprising 13 units of 2½ storey bungalows.

The Group's property division is currently looking for new land bank in strategic locations to ensure future business growth and profitability.



FFM's Flour Mill Complex at Pulau Indah.

Corporate Social Responsibility

The Group recognizes that long term business success depends not only on delivering profits to shareholders but also on its ability to balance economic returns with positive and sustainable contributions to society and the environment.

We are committed to pursue this principle in line with our core values, decision making, operations and products. During the year under review, the Group embarked on various CSR projects which are detailed on pages 40 and 41 of the Annual Report.

On the same note, the Group's statements on corporate governance and internal controls are set out in separate sections in the Annual Report.

Prospects And Challenges For 2010

The Malaysian economy is projected to grow by 4.5% - 5.5% in 2010 underpinned by strengthening domestic demand and the improving external environment. Growth is expected to be driven by greater private sector activity and more robust external demand from the regional countries. The underlying strong fundamentals, the healthy private sector financial position and a strong financial system will provide support for a private sector-led recovery. Additionally, the supportive monetary environment including continued access to financing will foster recovery in private sector activity (Source : The 2009 Bank Negara Malaysia Annual Report).

Although the strengthening of the domestic and global markets will benefit our Group's businesses, the Group will nevertheless continue to face fluctuating commodity prices and freight rates. However, with a proven track record in its core competencies, a strong balance sheet and prudent management, the Group is poised to manage these inherent business risks.

The Group will continue to invest in building new capacity and capability to grow our core businesses both domestically and regionally along with the downstream activities. In addition, cash from the sale of the sugar assets will position the Group well to capitalize on investment opportunities in businesses which the Group has technical expertise or which are synergistic with our core operations.

Riding on the strong growth in the economies of China, India and Indonesia where Wilmar has presence, PPB Group's performance for this year should be satisfactory.



PT Pundi Kencana's 1,000 mt flour mill in Cilegon, Indonesia.

Directorate

During the year, there were several changes to the composition of the Board as follows:-

- On 15 May 2009, Datuk Rajasingam a/l Mayilvaganam retired as a Director of the Company.
- On 4 February 2010, Dato' Lim Chee Wah resigned as Deputy Chairman and Director of the Company following the Company's sale of Malayan Sugar Manufacturing Company Berhad in which he was Executive Chairman.

On behalf of the Board, I wish to record our thanks and appreciation to Datuk Rajasingam and Dato' Lim for their past services and contributions to the Group.

- On 22 June 2009, we were pleased to welcome Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid who joined the Board as an Independent Non-Executive Director. Dato' Capt. Sufian has also been appointed as a member of the Audit Committee.

Appreciation

The financial achievement for the year and continued success of the Group would not have been possible without the hard work and dedication of the employees of the Group to whom I wish to express my heartfelt thanks.

I would also like to thank my fellow Board colleagues for their efforts and invaluable contributions during the year. On behalf of the Board of Directors, I wish to thank our customers, business associates and last but not least our shareholders for their ongoing support.

Datuk Oh Siew Nam
Chairman
9 April 2010

GROUP FINANCIAL HIGHLIGHTS

INCOME STATEMENT

	2009 RM' Million	2008 RM' Million	% Change
Revenue	3,412.404	3,462.024	-1.4
Profit before tax	1,732.477	1,400.642	23.7
Profit for the year	1,629.039	1,293.424	25.9
Profit attributable to shareholders of the Company	1,615.964	1,286.509	25.6

BALANCE SHEET

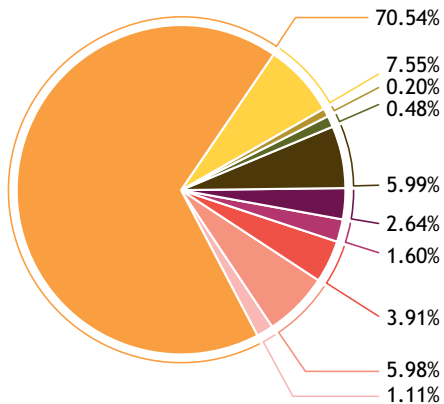
Equity attributable to shareholders of the Company	14,086.542	12,232.791	15.2
Total equity	14,259.359	12,392.879	15.1

RATIOS

Return on net assets attributable to shareholders of the Company	%	11.47	10.52	
Earnings per share	sen	136.31	108.52	25.6
Interest coverage	times	221.92	164.98	34.5
Current ratio	times	3.52	2.53	39.1
Total borrowings/Equity	%	1.75	3.08	
Long term borrowings/Equity	%	0.58	0.53	
Net assets per share attributable to shareholders of the Company	RM	11.88	10.32	15.1
Operating cash flow per share	sen	39.89	20.43	95.3
PE ratio	times	11.71	8.57	36.6
Net dividend per share	sen	73.00	68.88	6.0
31 December closing price	RM	15.96	9.30	71.6

SIMPLIFIED GROUP BALANCE SHEETS

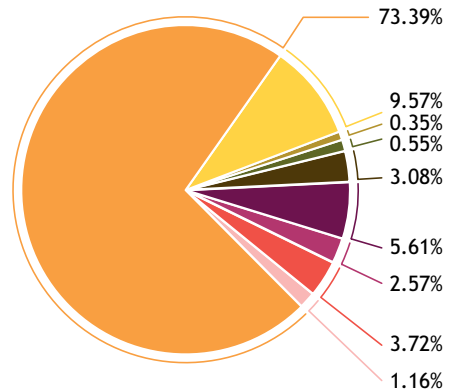
ASSETS 2009



NON-CURRENT ASSETS

- Property, plant and equipment, investment properties, biological assets, prepaid lease payments and other intangible assets
- Associates
- Joint venture
- Goodwill
- Other non-current assets

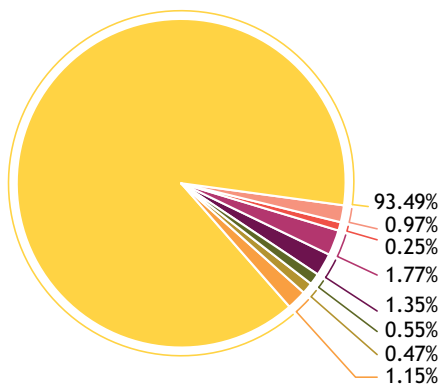
ASSETS 2008



CURRENT ASSETS

- Inventories, biological assets and other intangible assets
- Trade receivables
- Cash, bank balances and deposits
- Disposal group classified as held for sale
- Other current assets

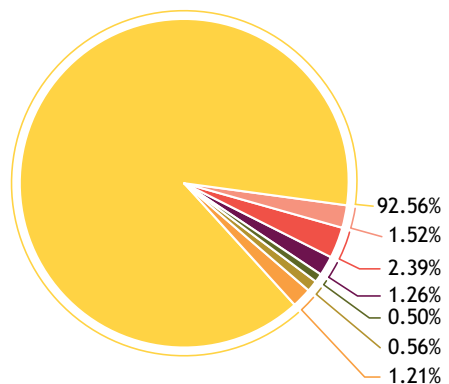
EQUITY & LIABILITIES 2009



CURRENT LIABILITIES

- Trade payables
- Short term borrowings
- Liabilities directly associated with disposal group classified as held for sale
- Other current liabilities

EQUITY & LIABILITIES 2008



NON-CURRENT LIABILITIES AND EQUITY

- Long term borrowings
- Other non-current liabilities
- Minority interests
- Equity attributable to shareholders of the Company

DIRECTORS' PROFILES



Seated [L-R]

Tan Gee Sooi,
Datuk Oh Siew Nam,
Dato Sri Liang Kim Bang

Standing [L-R]

Cheang Kwan Chow,
YM Raja Dato' Seri Abdul Aziz bin Raja Salim,
Lim Soon Huat,
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid

Datuk Oh Siew Nam, 71

CHAIRMAN

Non-Independent Executive Director
Member of Remuneration Committee

Date of Appointment

Director - 2 March 1988
Executive Chairman - 1 July 2004
Chairman - 1 February 2008

Qualifications and Experience

- Bachelor of Engineering (Honours) degree in Electrical Engineering from the University of Canterbury, New Zealand.
- Assistant Controller of Telecom Malaysia for 5 years before joining FFM Berhad Group in 1968.
- Managing Director of FFM Berhad from 1982 to 2002 and Executive Chairman from 2002 to 2006.
- Board member of Bank Negara Malaysia since 1989.
- Served as a member of the Capital Issues Committee and the National Economic Consultative Council II (MAPEN II).
- Chairman of PPB Oil Palms Berhad from 2004 to 2007.

Other Directorships in Public Companies

Kuok Foundation Berhad

Tan Gee Sooi, 65

MANAGING DIRECTOR

Non-Independent Executive Director

Date of Appointment

Director - 28 July 2004
Managing Director - 1 February 2008

Qualifications and Experience

- Bachelor of Engineering (Honours) degree in Electrical Engineering from the University of Malaya.
- Held several senior managerial positions in the FFM Berhad Group and is presently the Executive Chairman of FFM Berhad.

Other Directorships in Public Companies

FFM Berhad

Dato Sri Liang Kim Bang, 73

Independent Non-Executive Director

Chairman of Audit and Remuneration Committees
Member of Nomination Committee

Date of Appointment

4 January 1995

Qualifications and Experience

- Bachelor of Arts and Bachelor of Arts (Honours) degrees from the University of Malaya, Singapore.
- Postgraduate Course in Public Administration at Cambridge University, England.
- Sarawak State Civil Service (1961-1994). Held various senior positions including Permanent Secretary, Ministry of Communication and Works, Deputy State Financial Secretary and Chairman/Director/Member in several government statutory bodies and government linked companies. State Financial Secretary (1984-1994).

Other Directorships in Public Companies

Cahaya Mata Sarawak Berhad
CMS Trust Management Berhad
UBG Berhad

DIRECTORS' PROFILES

YM Raja Dato' Seri Abdul Aziz bin Raja Salim, 71

Independent Non-Executive Director
Chairman of Nomination Committee
Member of Audit Committee

Cheang Kwan Chow, 57

Non-Independent Non-Executive Director

Lim Soon Huat, 45

Non-Independent Non-Executive Director
Member of Nomination and Remuneration Committees

Date of Appointment
12 May 2003

Qualifications and Experience

- Fellow of the Chartered Association of Certified Accountants, United Kingdom.
- Fellow of the Chartered Institute of Management Accountants, United Kingdom.
- Member of the Malaysian Institute of Accountants.
- Honorary Fellow of the Malaysian Institute of Taxation.
- Former Director-General of Inland Revenue, Malaysia.
- Former Accountant-General of Malaysia.

Other Directorships in Public Companies

Amanah Saham Mara Berhad
Jerneh Asia Berhad
Jerneh Insurance Berhad
K & N Kenanga Holdings Berhad
Kenanga Investment Bank Berhad
Kenanga Fund Management Berhad
Gamuda Berhad
Panasonic Manufacturing Malaysia Berhad
Southern Steel Berhad
Hong Leong Industries Berhad

Date of Appointment
29 May 2008

Qualifications and Experience

- Member of the Chartered Institute of Arbitrators, London, United Kingdom.
- Sits on the Panel of Arbitrators of The Palm Oil Refiners Association of Malaysia.
- Diploma in Marketing from Redditch College, Worcestershire, England.
- Postgraduate Diploma in Export Marketing and Diploma in Export from Buckinghamshire College, England.
- Master of Arts Communications Management from University of South Australia, Adelaide.
- Joined the Kuok Group of companies in 1980 and had over the years, held various senior management positions in Malaysia and Singapore.

Other Directorships in Public Companies

Jerneh Asia Berhad

Date of Appointment
29 May 2008

Qualifications and Experience

- Bachelor of Science (Honours) degree in Statistics from Universiti Kebangsaan Malaysia.
- Has more than 15 years financial and corporate management experience with the Kuok Group of companies in Singapore, Thailand, Hong Kong and China.
- Currently oversees the Kuok Group's investments and operations in Indonesia which include flour milling, sugar cane plantations, sugar milling and hotels.

Other Directorships in Public Companies

Nil

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid, 60

Independent Non-Executive Director
Member of Audit Committee

Date of Appointment

22 June 2009

Qualifications and Experience

- Qualified as a Master Mariner with a Master Foreign-Going Certificate of Competency from the United Kingdom (UK) in 1974.
- Obtained a Diploma in Applied International Management from the Swedish Institute of Management in 1984.
- Attended the Advanced Management Program at Harvard University in 1993.
- Fellow of the Nautical Institute (UK), the Chartered Institute of Logistics and Transport and the Institut Kelautan Malaysia.
- Has over 35 years of experience in the international maritime industry.

Other Directorships in Public Companies

WCT Berhad
Malaysian Bulk Carriers Berhad
Alam Maritim Resources Berhad
GD Express Carrier Berhad

NOTES

1. All the Directors are Malaysians.
2. None of the Directors has any family relationship with any other Director and/or major shareholder of the Company, nor any conflict of interest with the Company.
3. None of the Directors had any convictions for any offences within the past ten (10) years.

CORPORATE STRUCTURE

as at 22 March 2010



PPB GROUP BERHAD

FFM BHD

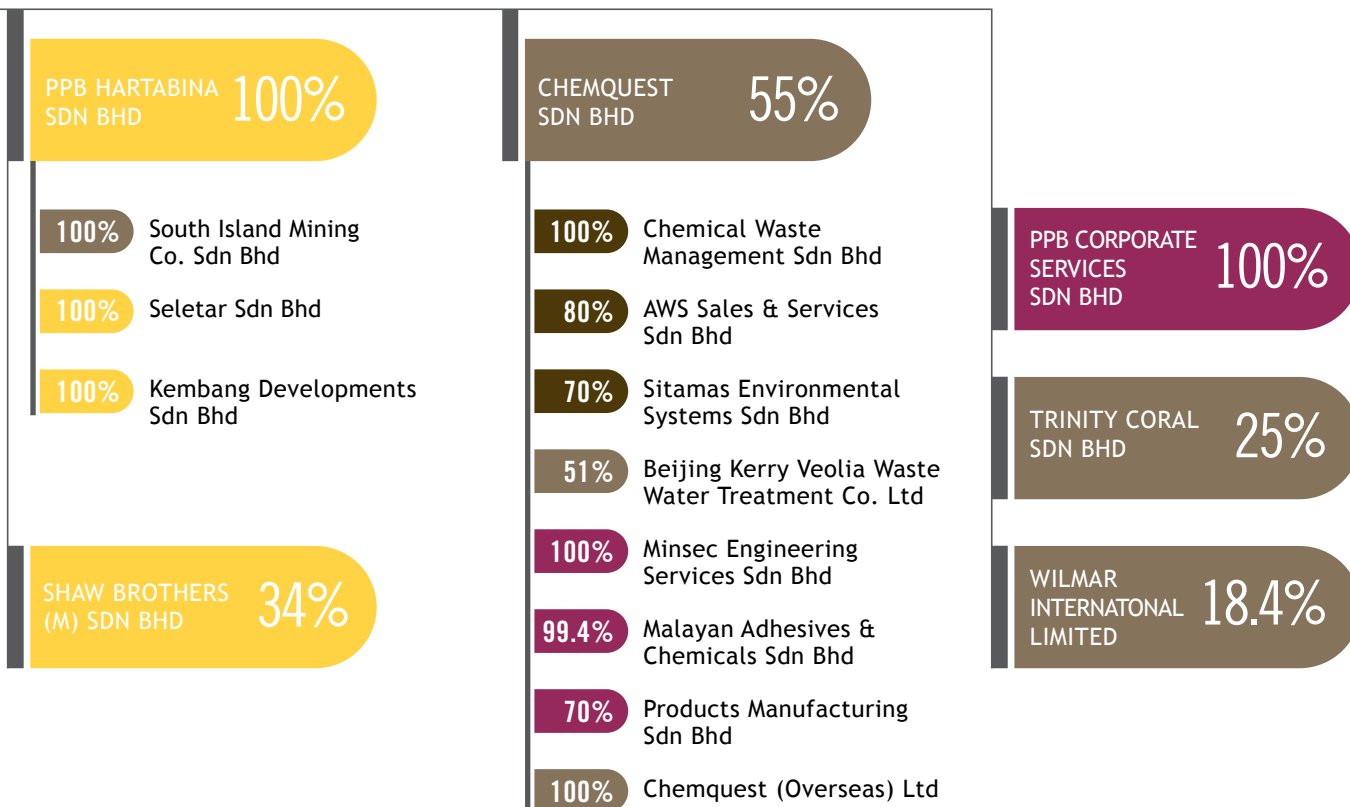
100%

- 100% Johor Bahru Flour Mill Sdn Bhd
- 100% FFM Flour Mills (Sarawak) Sdn Bhd
- 100% Vietnam Flour Mills Ltd
- 100% FFM (Sabah) Sdn Bhd
- 43.4% Kerry Flour Mills Limited
- 75% FFM Feedmills (Sarawak) Sdn Bhd
- 51% PT Pundi Kencana
- 100% FFM Farms Sdn Bhd
- 100% Katella Sdn Bhd
- 79.9% Tego Sdn Bhd
- 100% FFM Marketing Sdn Bhd
- 100% FFM Further Processing Sdn Bhd (formerly known as Mantap Hijau Sdn Bhd)

PPB LEISURE HOLDINGS SDN BHD

100%

- 99% Golden Screen Cinemas Sdn Bhd
- 50% Berjaya-GSC Sdn Bhd
- 50% Kerry Leisure Concepts Sdn Bhd
- 66.2% Cathay Screen Cinemas Sdn Bhd
- 60% Easi (M) Sdn Bhd



This chart features the main operating companies and does not include dormant and inactive companies.

Percentages shown indicate the Group's equity interest held.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Oh Siew Nam
Chairman

Tan Gee Sooi
Managing Director

Dato Sri Liang Kim Bang
Independent Non-Executive Director

YM Raja Dato' Seri Abdul Aziz bin Raja Salim
Independent Non-Executive Director

Cheang Kwan Chow
Non-Independent Non-Executive Director

Lim Soon Huat
Non-Independent Non-Executive Director

Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid
Independent Non-Executive Director

AUDIT COMMITTEE

Dato Sri Liang Kim Bang
Chairman

YM Raja Dato' Seri Abdul Aziz bin Raja Salim

Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid

NOMINATION COMMITTEE

YM Raja Dato' Seri Abdul Aziz bin Raja Salim
Chairman

Dato Sri Liang Kim Bang

Lim Soon Huat

REMUNERATION COMMITTEE

Dato Sri Liang Kim Bang
Chairman

Datuk Oh Siew Nam

Lim Soon Huat

COMPANY SECRETARY

Mah Teck Keong

REGISTERED OFFICE

17th Floor Wisma Jerneh
38 Jalan Sultan Ismail
50250 Kuala Lumpur
Telephone : 03-21170888
Facsimile : 03-21170999
Website : www.ppbgroup.com

PRINCIPAL BANKERS

Malayan Banking Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
Affin Bank Berhad

AUDITORS

Mazars
7th Floor South Block
Wisma Selangor Dredging
142-A Jalan Ampang
50450 Kuala Lumpur

REGISTRARS

PPB Corporate Services Sdn Bhd
17th Floor Wisma Jerneh
38 Jalan Sultan Ismail
50250 Kuala Lumpur
Telephone : 03-21170888
Facsimile : 03-21170999

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Main Market)
Sector : Consumer Products
Stock Name : PPB
Stock Number : 4065
ISIN : MYL406500008
Reuters Code : PEPT.KL

GROUP'S CORPORATE EVENTS IN 2009

3 MARCH

A Press and Analyst Briefing was held to review the financial results for the year ended 31 December 2008 and other matters.

29 APRIL

Hexarich Sdn Bhd, a wholly-owned subsidiary of PPB, disposed of its entire holding of 32,424,853 ordinary shares representing 8.39% of the issued and paid-up share capital in Redtone International Berhad at RM0.22 per share for a total cash consideration of RM7.133 million.

15 MAY

The 40th Annual General Meeting (AGM) of PPB was held to adopt the audited financial statements for the year ended 31 December 2008 and other related AGM matters.

23 JUNE

Golden Screen Cinemas Sdn Bhd (GSC), a 99.0% subsidiary of PPB, opened its 8-screen multiplex at Tropicana Mall in Petaling Jaya with a total capacity of 1,465 seats.

29 JULY

Masuma Trading Company Limited (Masuma), a wholly-owned indirect subsidiary of PPB, exercised its warrants to subscribe for 850,000 shares in a Singapore Exchange listed company, Etika International Holdings Limited (Etika) which resulted in an increase in Masuma's equity interest from 4.67% to 5.0% in Etika. Subsequently, Masuma's interest in Etika was reduced to 4.999% due to the exercise of warrants by other shareholders of Etika.

26 AUGUST

A Press and Analyst Briefing was held to review the financial results for the six months ended 30 June 2009 and other matters.

28 AUGUST

Chemquest Sdn Bhd, a 55% subsidiary of PPB, acquired from its wholly-owned subsidiary, Asia Pacific Microspheres Sdn Bhd (APM), a 99.37% equity interest in Malayan Adhesives & Chemicals Sdn Bhd comprising 13,911,334 ordinary shares of RM1 each for a cash consideration of RM38.256 million.

6 OCTOBER

A Directors' Continuing Education Programme (DCEP) training session was held. The topics included "A review of the global economic crisis, its impact on Malaysia and the effectiveness of government measures", "Review and outlook of the Ringgit bond market in the second half of 2009", "Overview of the flour milling industry in Indonesia and FFM's flour mill investment in Indonesia", "Briefing on Wilmar International Limited" and "Managing Memory with Creativity".

30 OCTOBER

PPB entered into separate conditional sale and purchase agreements with Felda Global Ventures Holdings Sdn Bhd (FGVH) for the proposed disposals by PPB of the following :-

- 36,360,000 ordinary shares of RM1 each in Malayan Sugar Manufacturing Company Berhad (MSM) representing 100% of the issued and paid-up share capital of MSM for a cash consideration of RM1,221.16 million;
- 6,000,000 ordinary shares of RM1 each in Kilang Gula Felda Perlis Sdn Bhd (KGFP) representing 50% of the issued and paid-up share capital of KGFP for a cash consideration of RM26.31 million; and
- Certain parcels of land measuring a total of approximately 5,797 hectares located in Chuping, Perlis for a cash consideration of RM45.0 million.

On the same date, Grenfell Holdings Sdn Bhd (Grenfell), a 49% associate company of PPB, entered into a conditional sale and purchase agreement with FGVH for the proposed disposal by Grenfell of 59,294,097 shares of RM1 each in Tradewinds (M) Berhad (TWM) representing 20% of the issued and paid-up share capital of TWM for a cash consideration of RM207.53 million.

12 NOVEMBER

GSC opened its 9-screen multiplex at East Coast Mall in Pahang. GSC East Coast Mall with a total seating capacity of 1,621 seats is wheelchair-accessible.

FINANCIAL CALENDAR

FINANCIAL YEAR FROM 1 JANUARY 2009 TO 31 DECEMBER 2009

RESULTS

1st Quarter ended 31 March 2009	Announced on	19 May 2009
2nd Quarter ended 30 June 2009	Announced on	21 August 2009
3rd Quarter ended 30 September 2009	Announced on	20 November 2009
4th Quarter ended 31 December 2009	Announced on	2 March 2010

DIVIDENDS

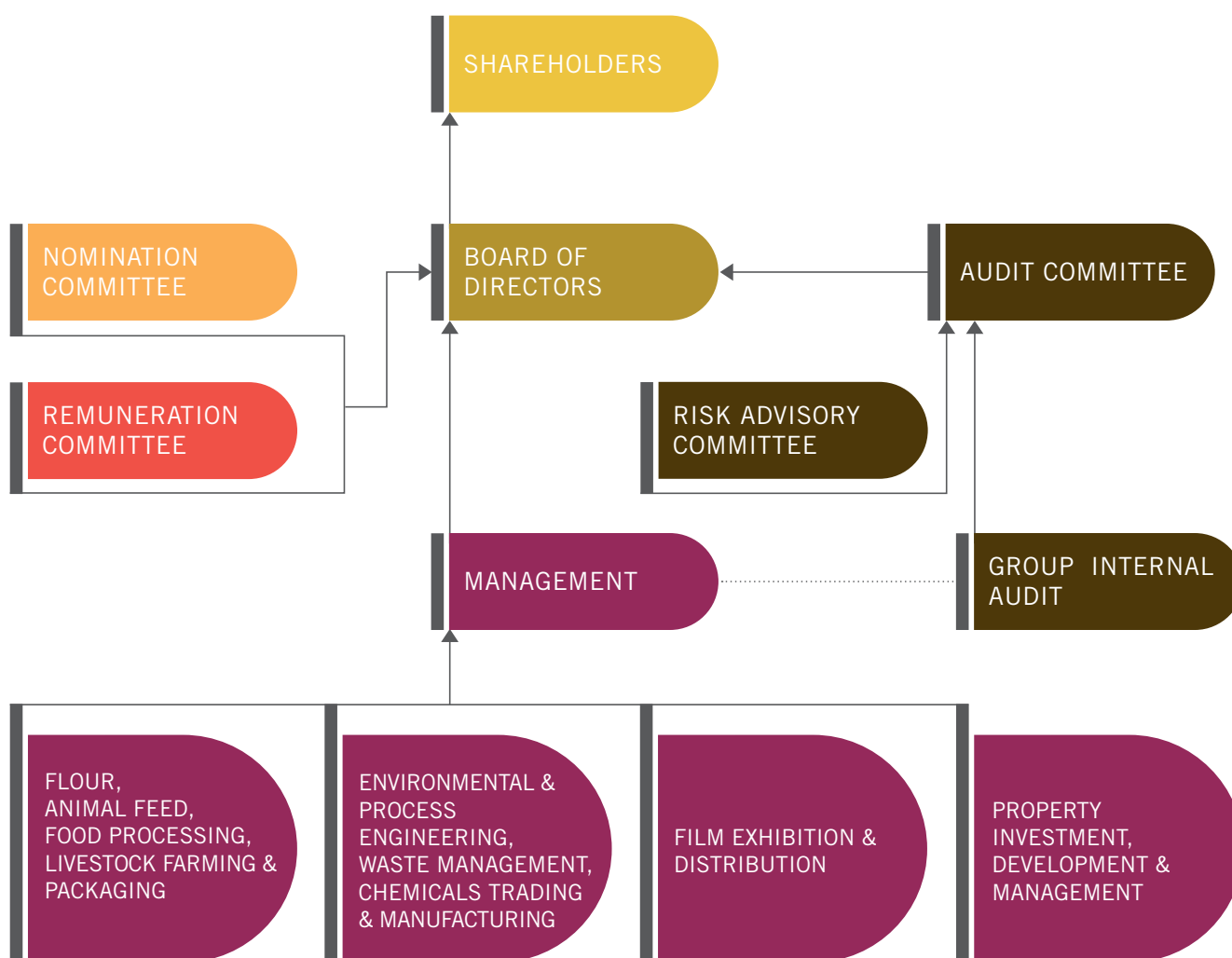
Interim Single-tier Dividend of 5 sen per share	Declared on	21 August 2009
	Entitlement Date on	11 September 2009
	Paid on	25 September 2009
Special Single-tier Dividend of 50 sen per share	Declared on	10 February 2010
	Entitlement Date on	2 March 2010
	Paid on	15 March 2010
Proposed Final Single-tier Dividend of 18 sen per share	Announced on	2 March 2010
	Entitlement Date on	24 May 2010
	Payable on	8 June 2010

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of PPB Group Berhad is committed to maintaining a high standard of corporate governance and ensuring that effective self regulatory controls exist throughout PPB and its subsidiaries (“the Group”) to safeguard the Group’s assets. The Board especially recognizes that good corporate governance encompasses four key areas namely transparency, accountability, integrity and corporate performance.

This statement describes the manner in which PPB Group has applied the principles of good governance and the extent of compliance with the best practices set out in the Malaysian Code on Corporate Governance (“the Code”) throughout the financial year.

CORPORATE GOVERNANCE STRUCTURE



BOARD OF DIRECTORS

BOARD RESPONSIBILITY

The Board is fully responsible for the effective control of PPB Group. This includes responsibility for determining the Group's strategic direction, financial performance, allocation of resources, principal risks and implementing appropriate steps to manage these risks, investor relations programme and ensuring the systems of internal control are in place and are effective.

The Board has delegated specific responsibilities to four committees, namely, the Audit, Nomination, Remuneration and Risk Advisory Committees, which operate within approved terms of reference. These committees have authority to examine particular issues and report to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

There is a clear division of responsibilities in the Company. The Chairman represents the Board to shareholders and together with the Board, reviews and approves the strategic objectives and policies of the Group. The Chairman also ensures that management proposals are deliberated by Directors, executive and non-executive alike, as well as examined taking into account the interests of shareholders and other stakeholders and the communities in which the Group conducts its businesses. The Managing Director is responsible for overseeing the operations and development of the businesses as well as coordinating and implementing corporate strategies adopted by the Board. The non-executive Directors of caliber and experience provide the necessary balance of power and authority to the Board. The Independent Non-executive Directors provide unbiased and independent views to safeguard the interest of minority shareholders.

COMPOSITION OF THE BOARD

There are presently seven Directors on the Board comprising two Executive Directors and five non-executive Directors, of whom three are independent. The number of independent directors is in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") which requires at least one third of the Board to comprise independent directors.

Collectively, the Directors bring to the Board a wide range of business, financial and technical experience for the effective management of the Group's diversified businesses. The Directors' profiles are presented on pages 17 to 19 of this Annual Report.

The Board has appointed Dato Sri Liang Kim Bang as the Senior Independent Non-executive Director of the Board to whom concerns of the Group may be conveyed.

The Board is satisfied that the current Board composition fairly reflects the investment of minority shareholders in the Company.

BOARD MEETINGS

The Board meets at least four times a year, with additional meetings held when decisions on urgent matters are required between scheduled meetings.

CORPORATE GOVERNANCE STATEMENT

During the financial year ended 31 December 2009, the Board met five times and the record of the attendance of each Director is set out below :-

Name of Director	Attendance	% of Attendance
Datuk Oh Siew Nam	4	80
Tan Gee Sooi	5	100
Dato Sri Liang Kim Bang	5	100
YM Raja Dato' Seri Abdul Aziz bin Raja Salim	5	100
Cheang Kwan Chow	4	80
Lim Soon Huat	4	80
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid (appointed on 22 June 2009)	3	100
Dato' Lim Chee Wah (resigned on 4 February 2010)	5	100
Datuk Rajasingam a/l Mayilvaganam (retired on 15 May 2009)	1	100

SUPPLY OF INFORMATION

The Chairman plays a key role to ensure that all Directors have full and timely access to information. Directors are provided with an agenda and a set of board papers issued in sufficient time prior to Board meetings to ensure that the Directors can appreciate the issues deliberated and where necessary, to obtain further explanation. The Board papers include updates on financial, operational and corporate developments of the Group. At each Board Meeting, Directors are briefed on the Group's activities and operations by the Chief Executive Officers ("CEO") of the principal subsidiaries.

In exercising their duties, Directors have access to information within the Company and to the advice and services of the Company Secretary. If necessary, Directors can seek professional opinion and advice from external consultants including investment bankers, valuers and financial advisers.

In addition, there is a schedule of matters reserved specifically for the Board's decision, including amongst others, the overall Group strategy and direction, approval of financial results, corporate plans and budgets, acquisitions and disposals of assets that are material to the Group, major investments and capital expenditures. This schedule ensures that the governance of the Group is in the Board's hands.

APPOINTMENTS TO THE BOARD

The Nomination Committee comprises three non-executive Directors and they are YM Raja Dato' Seri Abdul Aziz bin Raja Salim (Chairman), Dato Sri Liang Kim Bang and Mr Lim Soon Huat.

The Committee assists the Board in the following :-

- Recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board.
- Regularly review the required mix of skills, experience and other qualities of the Directors, including core competencies which non-executive Directors should bring to the Board.
- Review the Board structure, size and composition and make relevant recommendations to the Board including Directors to fill the seats on board committees.
- Assess the effectiveness of the Board as a whole, the committees of the Board and the contribution of the Directors.

CORPORATE GOVERNANCE STATEMENT

Decisions on appointments are made by the Board after considering recommendations by the Committee. During the financial year ended 31 December 2009, the Nomination Committee held two (2) meetings which were attended by all members.

DIRECTORS' TRAINING

There is a familiarization programme for new Board members including, where appropriate, visits to the Group's businesses and meetings with senior management to facilitate their understanding of the Group's businesses and operations.

An in-house Directors' Continuing Education Programme training session was held during the financial year ended 31 December 2009, which included the following topics :-

Seminar Topics	No. of Hours
A review of the global economic crisis, its impact on Malaysia and the effectiveness of government measures	1.5 0.5
Review and outlook of the Ringgit bond market in the second half of 2009	
Overview of the flour milling industry in Indonesia and FFM Berhad's investment in the industry	0.5
Briefing on Wilmar International Limited	1
Managing Memory with Creativity	1

RE-ELECTION OF DIRECTORS

In accordance with the Company's Articles of Association, Directors who are appointed by the Board are subject to election by shareholders at the next following annual general meeting ("AGM") after their appointment. The Articles also provide that at least one third of the Board including the Managing Director is subject to re-election annually and each Director shall stand for re-election at least once every three years.

DIRECTORS' REMUNERATION

i. Remuneration Policy

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

ii. Remuneration Procedure

The Remuneration Committee comprising a majority of non-executive Directors, recommends to the Board the remuneration of the Executive Directors and it is the ultimate responsibility of the entire Board to approve the remuneration of these Directors. The members of this Committee are Dato Sri Liang Kim Bang (Chairman), Datuk Oh Siew Nam and Mr Lim Soon Huat.

The determination of the remuneration of the non-executive Directors is a matter for the Board as a whole subject to approval of shareholders at the Annual General Meeting. The Directors are not involved in the approval of their own remuneration package. During the financial year ended 31 December 2009, the Remuneration Committee held two (2) meetings which were attended by all members.

iii. Remuneration Package

The details of the Directors' remuneration on a Group basis for the financial year ended 31 December 2009 are as follows :-

All figures in RM'000	Executive Directors	Non-executive Directors
Salary	2,304	204
Fees	-	260
Attendance Allowance	2	26
Bonus	6,015	209
Benefits-in-kind	68	-
Employees Provident Fund Contribution	1,132	49
Total	9,521	748

The aggregate remuneration of Directors analysed into bands of RM50,000 are as follows :-

	Executive Directors	Non-executive Directors
Up to RM50,000	-	2
RM50,001 - RM100,000	-	3
RM100,001 - RM150,000	-	1
RM150,001 - RM200,000	1	-
RM200,001 - RM250,000	1	-
RM250,001 - RM300,000	1	-
Total	3	6

Note : Successive bands of RM50,000 are not shown as they are not represented.

INVESTOR RELATIONS

The Company has an Investor Relations Policy which provides a framework for the Board, management and relevant staff to communicate effectively with PPB's shareholders, investors, other stakeholders and the public generally.

The Policy deals with the following :-

- Basic Communication Principles - clarity and reliability of information, its openness, timeliness and consistency;
- Responsible Parties - those who have custody of the various elements of the policy and are responsible for implementation;
- Authorised Spokespersons - those who may speak for the Company and specific areas of responsibility for communication;
- Confidential Information - expressing the need to obtain appropriate undertakings from third parties to whom confidential information is given;
- Publication Procedures - covering media releases, results announcements, annual reports, e-reports, the company website etc and also detailing those responsible;
- Events - all events and presentations involving investors, analysts and the media, their conduct, support materials and those responsible. The events include general meetings of shareholders, one-on-one meetings and media interviews; and
- Others - including outlook and profit warnings, dealings with information leaks, crisis procedures and insider dealings in PPB shares.

CORPORATE GOVERNANCE STATEMENT

INVESTOR RELATIONS PROGRAMME

The Company has an active Investor Relations programme directed at both individual and institutional investors. The Company's Investor Relations mission is to maintain an ongoing awareness of the Company's performance among its shareholders, media and the investment community. The Company's Investor Relations programme focuses on transparency of disclosure and timely dissemination of information.

i. Sources of Information

The principal sources of information disseminated by the Company during the year include :-

- PPB's annual report which aims to give readers a comprehensive picture of PPB Group's businesses and performance for the financial year under review.
- Quarterly Investor Updates designed as e-newsletters are posted on its corporate website for viewing by shareholders and the investment community. The Investor Update contains financial results, reports and articles on the Group's operations as well as significant events during the quarter under review.
- The Investor Handbook published annually provides shareholders and the investment community an overview of the Group's operations and serves as a convenient reference guide.
- News releases to announce financial results and important events relating to the Group via the local media and the company website.
- The Company's website, www.ppbgroup.com where information on the Group, its businesses, financial data, annual reports, Investor Handbook and Investor Updates can be easily downloaded.

ii. Direct Meetings

PPB Group's policy is to maintain an active dialogue with its shareholders with the objective of giving shareholders a clear and complete picture of the Company's performance. This is provided at the Company's annual general meetings where shareholders can express their views or raise questions in relation to the Company's financial performance and business operations. Members of the Board as well as the Auditors of the Company are present to answer questions raised at the meeting.

The Company conducts analyst briefings twice a year after the half-yearly and final results are released to Bursa Securities to provide consistent dialogues between the Company's senior management and the investment community. Media conferences are also held together with these briefings for consistent dissemination of information to the public. On these occasions, the Managing Director of PPB and CEOs of the principal subsidiaries are present to address questions on the Group's businesses.

At other times, the Company makes every attempt to meet requests for meetings or information by the investment community.

While the Company endeavours to provide as much information possible to shareholders and the investment community, it is always mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

iii. Queries and Feedback

PPB welcomes inquiries and feedback from shareholders and the investment community. The Corporate Affairs Department of the Company provides investors with a channel of communication through which they can provide feedback to the Company.

Queries and concerns regarding PPB Group may be conveyed to the following persons :-

1. Dato Sri Liang Kim Bang, Senior Independent Non-executive Director
Telephone number : 03-21170888
Facsimile number : 03-21170999
2. Koh Mei Lee, Senior Manager (Corporate Affairs)
Telephone number : 03-21170800
Facsimile number : 03-21170998
E-mail address : corporateaffairs@ppb.com.my

ACCOUNTABILITY AND AUDIT

FINANCIAL REPORTING

In presenting the annual financial statements and quarterly announcement of results to shareholders, the Directors are committed to present a balanced and fair assessment of PPB Group's position and prospects. The Audit Committee assists in reviewing the information disclosed to ensure accuracy and adequacy.

A statement by the Directors of their responsibilities in preparing the financial statements is set out on page 52 of this Annual Report.

RELATIONSHIP WITH AUDITORS

The Board maintains a formal and transparent professional relationship with the auditors through the Audit Committee. The Audit Committee meets with the external auditors without the presence of management twice a year.

The report of the Audit Committee is set out on pages 32 to 34 of this Annual Report.

INTERNAL CONTROL

The Statement on Internal Control set out on pages 35 and 36 of this Annual Report provides an overview of the state of internal controls within PPB Group.

Datuk Oh Siew Nam
Chairman

Dato Sri Liang Kim Bang
Independent Non-executive Director

Kuala Lumpur
2 March 2010

AUDIT COMMITTEE REPORT

Composition

The members of the Audit Committee (AC) during the financial year ended 31 December 2009 comprised the following Directors :-

Name of AC member	Membership	Directorship
Dato Sri Liang Kim Bang	Chairman	Independent Non-Executive
YM Raja Dato' Seri Abdul Aziz bin Raja Salim	Member	Independent Non-Executive
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid (Appointed on 22 June 2009)	Member	Independent Non-Executive
Datuk Rajasingam a/l Mayilvaganam (Retired on 15 May 2009)	Member	Independent Non-Executive

Terms of Reference

The terms of reference of the AC are set out below :-

AUTHORITY

The Audit Committee shall :-

1. have authority to investigate any matters within its terms of reference;
2. have the resources which are required to perform its duties;
3. have full and unrestricted access to any information pertaining to the Company;
4. have direct communication channels with the external and internal auditors;
5. be able to obtain independent professional or other advice; and
6. be able to 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.

DUTIES

The duties of the Audit Committee are to :-

1. review the following and report the same to the Board of Directors of the Company :-
 - a. with the external auditors, the audit plan;
 - b. with the external auditors, their evaluation of the system of internal control;
 - c. with the external auditors, their audit report;
 - d. the assistance given by the employees of the Company to the external auditors;
 - e. the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
 - f. the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - g. the quarterly results and year-end financial statements, prior to the approval by the Board of Directors, focusing particularly on :-
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant and unusual events; and
 - (iii) compliance with accounting standards and other legal requirements;
 - h. any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - i. any letter of resignation from the external auditors of the Company; and

- j. whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment;
2. recommend the nomination of a person(s) as external auditors;
3. consider the external auditors' fee and any questions of dismissal;
4. discuss problems and reservations arising from the interim and final audits and any matter the auditor may wish to discuss (in the absence of management where necessary);
5. review the external auditors' management letter and management's response;
6. review any appraisal or assessment of the performance of members of the internal audit function;
7. approve any appointment or termination of senior staff member of the internal audit function;
8. take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning; and
9. consider other topics as defined by the Board.

Meetings of Audit Committee

The number of meetings of the AC held during the financial year ended 31 December 2009 and details of attendance of each committee member are as follows :-

Name of AC member	No. of Audit Committee Meetings	
	Held	Attended
Dato Sri Liang Kim Bang	4	4
YM Raja Dato' Seri Abdul Aziz bin Raja Salim	4	4
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid (Appointed on 22 June 2009)	2	2
Datuk Rajasingam a/l Mayilvaganam (Retired on 15 May 2009)	1	1

Audit Committee Training

During the financial year ended 31 December 2009, the members of the AC attended an in-house Directors' training session which included the following topics :-

1. A review of the global economic crisis, its impact on Malaysia and the effectiveness of government measures.
2. Review and outlook of the Ringgit bond market in the second half of 2009.
3. Briefing on the flour milling industry in Indonesia and FFM Berhad's investment in the industry.
4. Briefing on Wilmar International Limited.

Activities of the Audit Committee

During the financial year ended 31 December 2009, the AC performed the duties specified in its terms of reference. In performing its duties, the AC inter-alia :-

1. reviewed with Messrs Mazars the audit plan, the audit report, their evaluation of the system of internal control and the assistance given by the Group's officers to them;
2. reviewed with the internal auditors their audit reports, approved their audit plan, scope and audit approach including assessing their performance, competency and adequacy of their resources;
3. reviewed the Group's quarterly results and year-end financial statements prior to submission to the Board of Directors;
4. reviewed the Audit Committee Report and Statement on Internal Control for inclusion in the Annual Report;
5. reviewed half-yearly reports on the Group's top risks and management action plans to manage the risks;
6. reviewed related party transactions within the Group; and
7. recommended the nomination of Messrs Mazars for re-appointment as external auditors.

Internal Audit Function

The internal audit function of PPB and its subsidiaries (the Group) is performed in-house by staff of the PPB Internal Audit Department (PPBIAD). PPBIAD reports directly to the AC and is independent of the activities they audit.

The total cost incurred by PPBIAD for the internal audit function of the Group for the financial year ended 31 December 2009 was RM1.2 million.

Activities of the Internal Audit Department

The activities of PPBIAD are guided by its Remit and the annual audit plan approved by the AC.

During the financial year ended 31 December 2009, PPBIAD reviewed the adequacy and integrity of the Group's systems of internal control covering both financial as well as non-financial controls. The effectiveness of the Group's Enterprise Risk Management system was also evaluated. The audits focused on key controls to manage risks, safeguard assets, secure the accuracy and reliability of records, comply with policies, procedures, laws and regulations and promote efficiency of operations.

Dato Sri Liang Kim Bang
Chairman
(Independent Non-Executive Director)

2 March 2010

STATEMENT ON INTERNAL CONTROL

The Board acknowledges its responsibility for establishing an efficient and effective system of internal control covering not only financial controls but also controls relating to operational, compliance and risk management to safeguard shareholders' investments and the Group's assets. There is an on-going review process by the Board to ensure the adequacy and integrity of the system. Such a system is designed to manage rather than eliminate the risk of failure. Accordingly, the system can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

The key elements of the Group's system of internal control are summarized as follows :-

1. CONTROL ENVIRONMENT

The Board considers the integrity of staff at all levels to be of utmost importance, and this is pursued through comprehensive recruitment, appraisal and reward programmes. There is an effective Group organisation structure within which business activities are planned, controlled and monitored.

The Group's culture and values, and the standard of conduct and discipline it expects from its employees have been communicated to them via the employee handbook or letters of appointment.

2. RISK MANAGEMENT

The Board has established a formal group-wide enterprise risk management system covering the Group's core business activities to identify, evaluate and manage significant business risks faced by the Group.

This process has been in place throughout the year and is regularly reviewed by the Audit Committee for its adequacy and effectiveness and reported accordingly to the Board.

The key features of the Group's risk management framework are :-

- A formal risk policy and guideline have been established and approved by the Board and communicated to employees throughout the Group;
- A risk reporting structure which outlines the lines of reporting and responsibilities of the Board, Audit Committee, Risk Advisory Committee and the various subsidiary risk committees, has been established and approved;
- The group-wide risk assessment process includes identifying the key risks, potential impact and likelihood of those risks occurring, the control effectiveness and adopting the appropriate action plans to mitigate those risks to the desired level;
- The Risk Advisory Committee provides reports on the risk profile of the Group to the Audit Committee for review, and the Audit Committee reports on the significant risks and controls available to mitigate those risks to the Board for its consideration;
- The appointment of a Chief Risk Officer at the holding company and risk officers at the subsidiaries to ensure leadership, direction and coordination of the group-wide application of risk management; and
- On-going risk management education and training is provided at management and staff levels.

STATEMENT ON INTERNAL CONTROL

3. CONTROL ACTIVITIES

The Board has in place a system to ensure that there are adequate risk management, financial and operational policies and procedures and rules relating to the delegation and segregation of duties.

There are comprehensive budgets, requiring board approval, which are reviewed and revised on a regular basis, with performance monitored against them and explanations sought for significant variances.

4. INFORMATION AND COMMUNICATION

There is a system of financial reporting to the Board, based on quarterly results and annual budgets. Key risks and operational performance indicators are continuously monitored and reported to the Board.

5. MONITORING

Monitoring of the Group's significant business risks is embedded within the Group's risk management process described in item 2 above. A control self-assessment system is also in place for management to monitor critical and routine risk areas under their jurisdiction using an internal control checklist.

The effectiveness of the Group's risk management, internal control and governance processes is monitored by the Audit Committee, which receives regular reports from the internal auditors. Formal procedures are in place for correction of weaknesses identified in these reports.

There were no material internal control failures nor have any of the reported weaknesses resulted in material losses or contingencies during the financial year.

The Group's system of internal control applies principally to PPB Group Berhad and its subsidiaries. Associated companies have been excluded because the Group does not have full management and control over them.

2 March 2010



care
for the
community



CORPORATE SOCIAL RESPONSIBILITY STATEMENT



Corporate social responsibility (CSR) has always been part of PPB Group's values, guiding us in decision-making and operations. It is important for us to achieve business success in ways that honour our ethical principles and demonstrate respect for people and the planet. In today's competitive business environment, our efforts have evolved and taken on a progressively strategic approach, and it helps us manage and create worth for our Company.

The sustainability and long-term success of PPB Group depends on our access to resources and the strength of relationships developed with key stakeholders – our workforce, business partners, shareholders and the regulators. In addition, it is our Company's firm belief that to continue to make economic returns, we should be an integral part of our community and support it through various initiatives. Our history of continuous improvement in our operations through new technology to minimize harm to the environment, also contributes to our Company's competitiveness in the marketplace.

1. *Lending an ear to a senior citizen at Amitabha Centre*
2. *Peace loving children from Rumah Nur Salam*
3. *Cultivating the love for reading with the children*

Our Commitment



- We are committed to pursue and practise CSR by ensuring that our operations and business practices are managed responsibly and efficiently with high standards of transparency, accountability and integrity in increasingly complex environments.

- We help create sustainable economic growth by building human and institutional capacity. Our workforce is encouraged to reach their full potential through training, career development and promotion from within wherever possible.

- We provide a safe workplace and recognize the importance for our workforce to feel proud and inspired to work in the Group.



- We believe that it is our duty to contribute and engage with the communities in which we operate and society at large. Through our educational initiatives and community projects, we hope to develop relationships with and enhance the quality of life of these communities.

- We are conscious that the planet belongs not to us, but to future generations, and hence we make every effort to ensure that our operations and services are in accordance with appropriate industry standards and best practices, thus minimizing harm to the environment.



Highlights of 2009 CSR Activities



4. Flood victims receiving goodie bags with thankful hearts. 5. A senior citizen having fun decorating a photo frame.
6. Seeing the joyful faces of the children at community events is simply rewarding!

FOR THE COMMUNITY

To encourage reading amongst children, PPB continued with its “Cultivating the Love for Reading” project for the fifth year and donated brightly-coloured books complete with teaching aids under the Reading Enrichment Programme tailored for primary/pre-school children published by Sunshine Publications to 7 welfare homes in the Klang Valley. In addition, a 2-day workshop was organized to train volunteers of the welfare homes on the use of these books for optimum results. In line with the “Cultivating the Love for Reading” project, PPB also gave away 30 sets of the “Ladybird Keyword Reading Scheme” to a school in Selangor and organized essay and other English Language competitions for all the 18 schools currently participating under this project. Through these initiatives, PPB hope to encourage younger children to learn and improve their command of the English Language which PPB believes is a vital foundation for higher learning and future career development.

Each year, PPB Group celebrates the main festivals with underprivileged groups by organizing lunches and trips to provide them with encouragement and awareness that they are not forgotten during such festivals. During the year, PPB contributed a “Music Corner” complete with a variety of musical instruments and furniture to Rumah Nur Salam aimed at encouraging the street children to learn music with the hope that music may relieve them from the difficult and stressful environment in which they live in. Food products and household items produced by the Group are periodically given to various charitable institutions. To assist flood victims to start over, the Group donated various products to the flood victims in Kota Bahru, Kelantan.

Financial assistance was also given to sports associations to support and encourage talented young athletes to persevere in their chosen sports.

In support of the arts, PPB Group jointly organized film festivals with various foreign embassies to hold the Japanese Film Festival, European Union Film Festival, Latin American Film Festival, Korean Film Festival, Hong Kong Film Festival, French Film Festival and others to expose and increase public awareness of the arts and cultures of other countries. In addition, free quarterly movie screenings are organized for senior citizens at GSC cinemas to show appreciation and encourage senior citizens to maintain an active and varied lifestyle.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

FOR THE WORKPLACE

In order to provide a rewarding and supportive working environment for its 3,000 employees, the Group encourages continual professional and personal development of its staff through various training programmes, workshops and seminars. During the year, a 2-day reading skill course was conducted to enhance their reading speed and comprehension. An awareness talk on “Personal Financial Planning” was organized to give PPB Group employees tips on managing their personal finances. A free health screening for PPB Group staff under the National Kidney Foundation Early Detection and Prevention Saves Lives Programme was also organized. Sports activities within and outside the workplace were held to promote healthier living and the Group also encourages more interaction amongst employees with company trips and dinners during the year.

FOR THE ENVIRONMENT

Every effort is made to ensure that the Group’s operations produce as little environmental impact as is consistent with its business needs. PPB Group is focused on optimizing recycling and reducing energy use in its operations. Employees have developed a culture of reducing paper and electricity usage, reuse waste plastic materials as well as adopt a paperless system for selected processes.

In its continuing efforts to care for the environment, the Annual Report and Investor Handbook of PPB were published in CD-format. Besides that, PPB has ceased distribution of its quarterly Investor Updates in hard copy since the 2nd quarter of 2009 as shareholders are encouraged to view the quarterly publication from PPB’s website.

PPB embarked on a 7-year mangrove tree planting project in Kuala Selangor Nature Park with the assistance of the Malaysian Nature Society. A total of 250 mangrove saplings were planted by PPB staff and their families which would have a long term and positive effect on the environment.

Cheras Leisure Mall, a shopping mall owned and managed by PPB’s wholly-owned subsidiary, PPB Hartabina Sdn Bhd, built an integrated photovoltaic system in which a grid-connected photovoltaic (PV) system was installed at the mall with its PV array mounted on the roof. The PV array converts sunlight into electricity thus reducing electricity usage, making Cheras Leisure Mall one of the more environment-friendly malls in Malaysia.

FOR THE MARKETPLACE

Recognizing the need to keep stakeholders abreast of the Group’s activities, quarterly Investor Updates and an annual Investor Handbook are published to enable investors to have a better understanding and assessment of the future and direction of the Group. PPB’s company website provides easy access to information on the Group’s financials and operations with an email link for stakeholders to provide feedback and make queries.

The cinema operations are committed to provide disabled-friendly facilities in all its new cinemas. All of PPB Group’s operations encourage active consideration of customer feedback and suggestions.



- 7. PPB staff given a free health check, a joint CSR project with National Kidney Foundation
- 8. “Together We Care, Together We Make a Difference” for the environment
- 9. Appreciating senior citizens with a free movie screening

ADDITIONAL COMPLIANCE INFORMATION

In accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the following additional information is provided :-

1. Non-audit Fees

The amount of non-audit fees paid to the external auditors of PPB and its subsidiaries (“PPB Group”) for the financial year ended 31 December 2009 were as follows :-

Name of Auditor / Affiliate	Fees (RM)	Purpose
Mazars Taxation Services Sdn Bhd	261,100	Tax advisory services
Chin & Co.	500	Tax advisory services

2. Material Contracts

There was no material contract entered into by PPB Group involving its Directors’ and major shareholders’ interests either still subsisting at the end of the financial year ended 31 December 2009 or entered into since the end of the previous financial year.

3. Recurrent Related Party Transactions of a Revenue or Trading Nature (“RRPT”)

The RRPTs entered into by PPB Group during the financial year ended 31 December 2009 were as follows :-

RELATED PARTY

The related party was Kuok Brothers Sdn Berhad (“KB”), a major shareholder of PPB, presently with direct interest of 50.17% and indirect interest of 0.67% held through Gaintique Sdn Bhd, Jerneh Insurance Berhad, Min Tien & Co. Sdn Bhd and Hoe Sen (Mersing) Sdn Bhd.

ADDITIONAL COMPLIANCE INFORMATION

Nature of transactions undertaken by PPB and/or its subsidiaries	Transacting Party	Year 2009 Actual RM'000	Interested related party/ connected person
PURCHASE OF RAW SUGAR FROM KFCL			
<ul style="list-style-type: none"> Malayan Sugar Manufacturing Company Berhad ("MSM") 	<ul style="list-style-type: none"> Kerry Foodstuffs Co. Limited ("KFCL") 	94,327	Kerry Group Limited ("KGL") & Kerry Holdings Limited ("KHL")*
SALE OF REFINED SUGAR AND/OR MOLASSES TO KB GROUP			
<ul style="list-style-type: none"> MSM 	<ul style="list-style-type: none"> KB Group 	57,480	KB
SALE OF REFINED SUGAR TO ET			
<ul style="list-style-type: none"> MSM 	<ul style="list-style-type: none"> Eagle Trading Limited ("ET") 	5,791	KGL & KHL
SALE OF CHEMICALS TO MAC			
<ul style="list-style-type: none"> Chemquest Sdn Bhd 	<ul style="list-style-type: none"> Malayan Adhesives & Chemicals Sdn Bhd ("MAC") 	16,978	KB
SUPPLY OF EQUIPMENT AND PROVISION OF ENGINEERING SERVICES TO PTPM			
<ul style="list-style-type: none"> Minsec Engineering Services Sdn Bhd 	<ul style="list-style-type: none"> PT Pemukasakti Manisindah ("PTPM") 	13,174	KGL & KHL

* Note: KGL and KHL are deemed persons connected to KB, a major shareholder of PPB.

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The Financials

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5-YEAR GROUP FINANCIAL STATISTICS

YEAR ENDED 31 DECEMBER

2005

2006

2007

2008

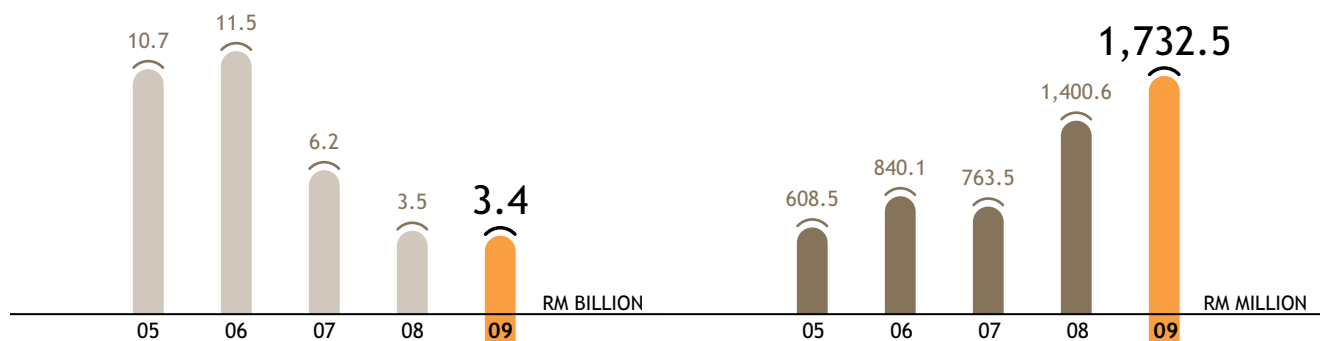
2009

Revenue	<i>RM Million</i>	10,687.950	11,519.767	6,154.430	3,462.024	3,412.404
Profit from operations	<i>RM Million</i>	516.778	583.660	407.440	411.493	435.250
Net profit from investing activities	<i>RM Million</i>	59.681	149.334	61.958	58.174	72.003
Share of net profits less losses of associates	<i>RM Million</i>	47.069	139.476	307.760	937.942	1,231.922
Profit before tax	<i>RM Million</i>	608.501	840.065	763.477	1,400.642	1,732.477
Profit for the year	<i>RM Million</i>	468.235	694.250	7,002.512	1,293.424	1,629.039
Net dividend for the year	<i>RM Million</i>	170.712	172.490	262.588	816.572	865.415
Issued share capital	<i>RM Million</i>	1,185.500	1,185.500	1,185.500	1,185.500	1,185.500
Equity attributable to shareholders of the Company	<i>RM Million</i>	4,215.153	4,644.684	11,429.765	12,232.791	14,086.542
Total equity and liabilities	<i>RM Million</i>	6,369.313	7,288.922	11,984.045	13,216.245	15,066.960
Earnings per share	<i>Sen</i>	33.28	47.29	588.19	108.52	136.31

FTSE Bursa KLCI Quotes

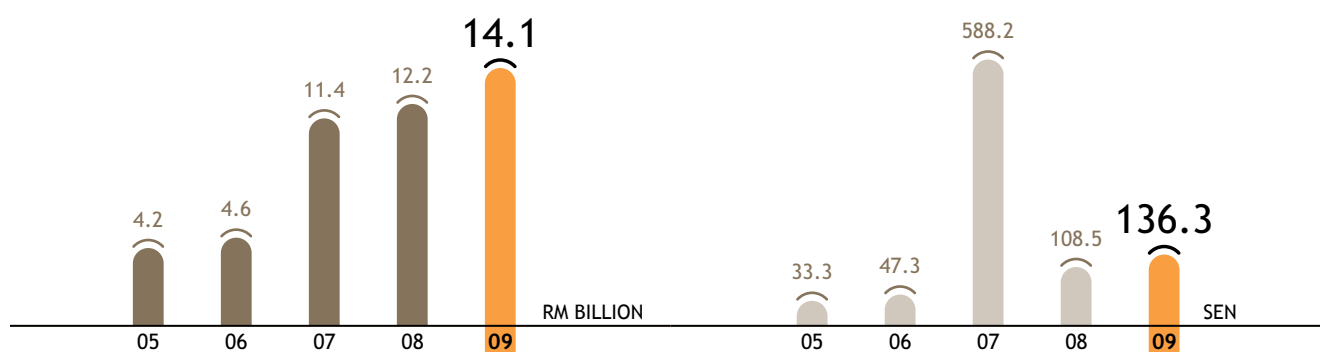
High	<i>RM</i>	4.50	5.45	11.10	12.20	16.08
Low	<i>RM</i>	3.30	3.86	5.20	6.85	9.35
Close	<i>RM</i>	4.16	5.45	11.00	9.30	15.96
No. of shareholders		11,560	12,587	11,327	10,540	9,828

5-YEAR GROUP FINANCIAL STATISTICS



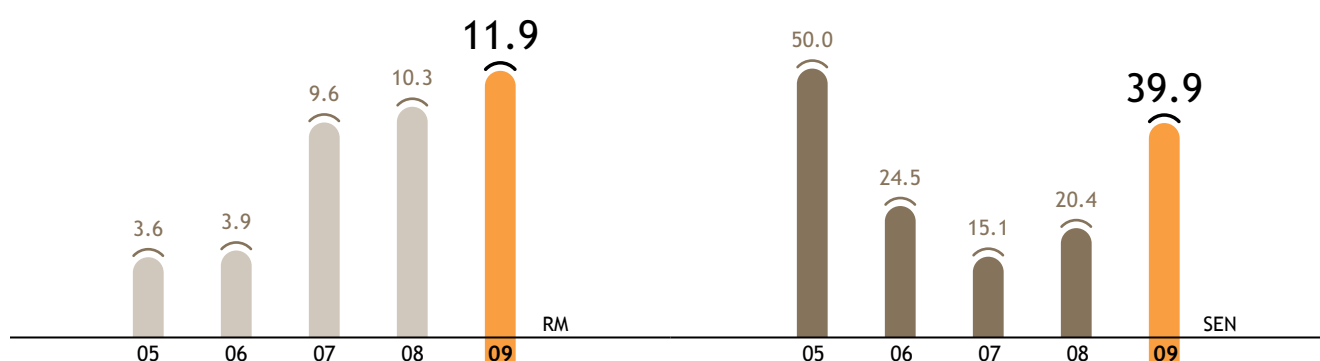
REVENUE

PROFIT BEFORE TAX



EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

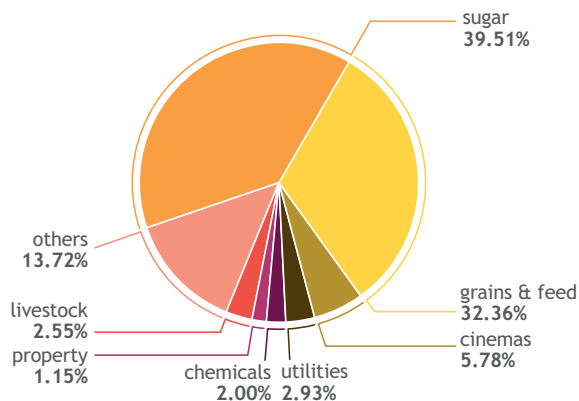
EARNINGS PER SHARE



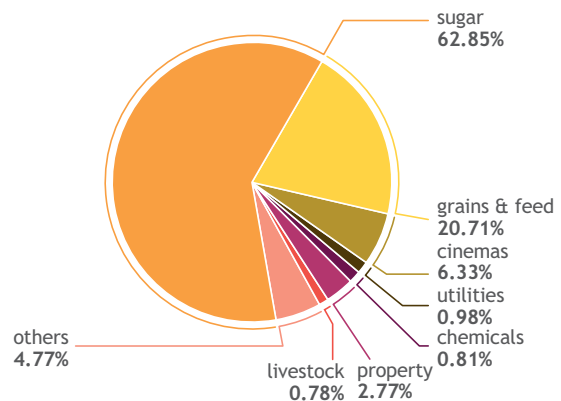
NET ASSETS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

OPERATING CASH FLOW PER SHARE

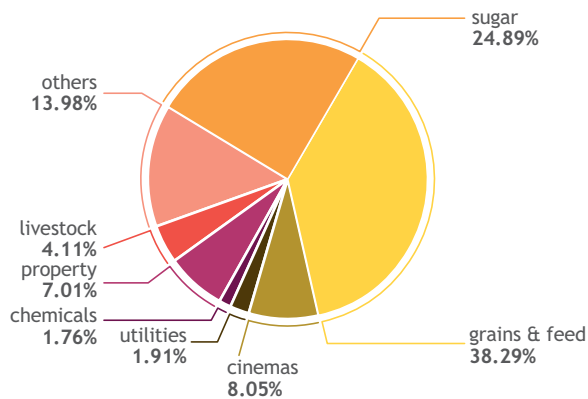
SEGMENTAL ANALYSIS



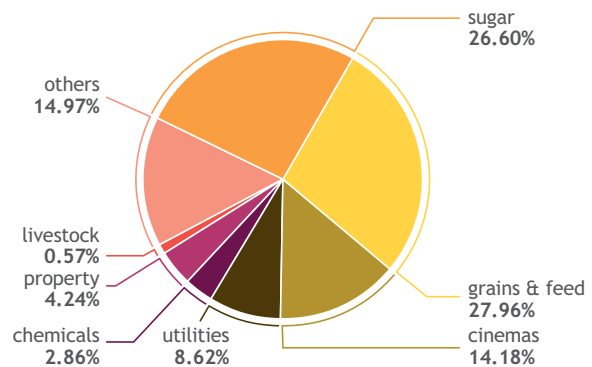
REVENUE RM3,412.4 MILLION



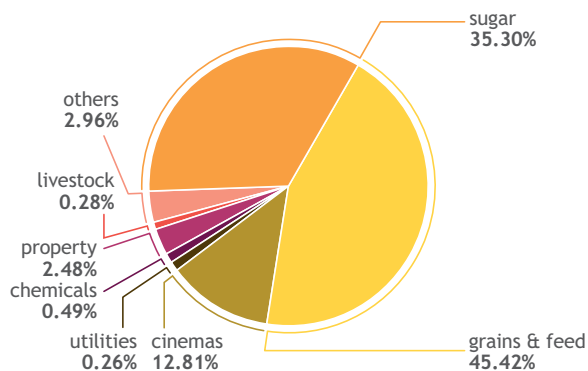
OPERATING PROFITS RM451.5 MILLION



ASSETS RM2,545.4 MILLION



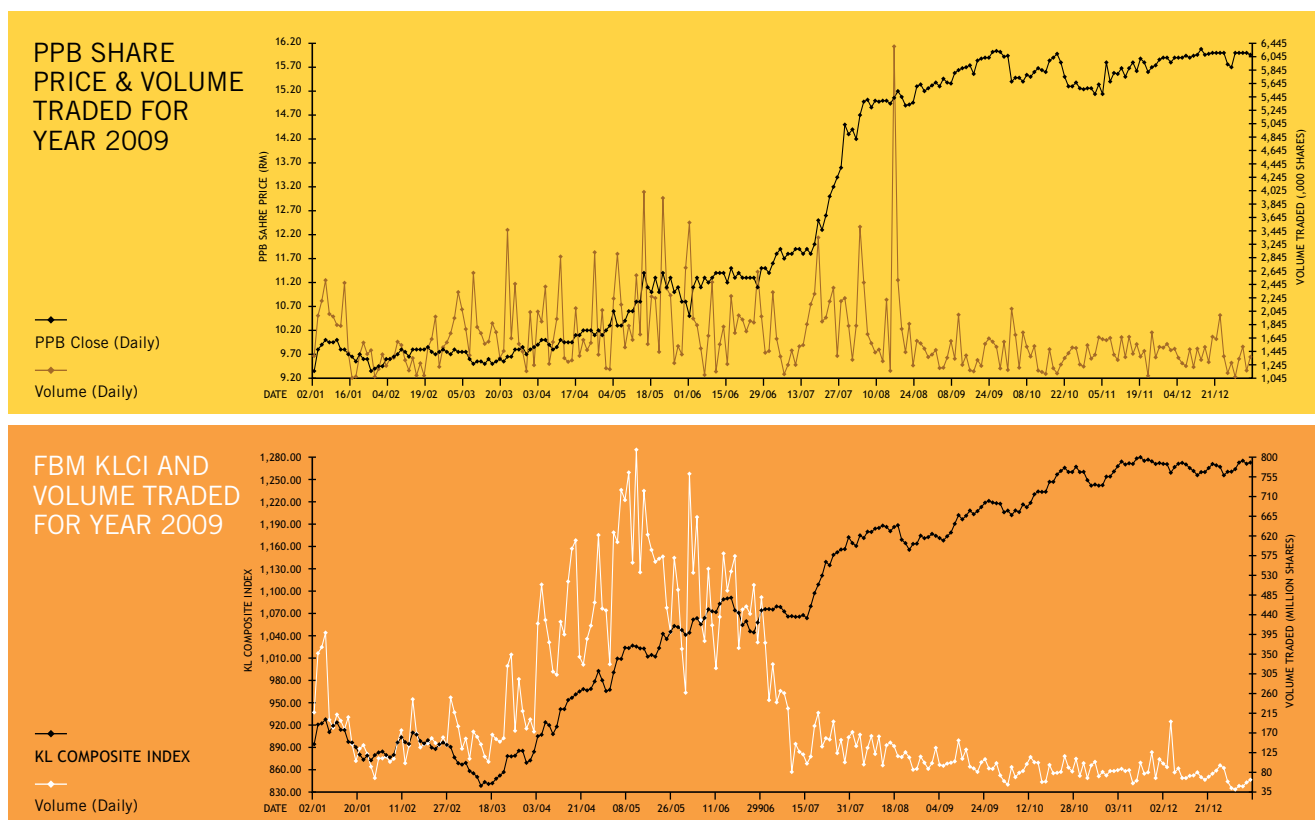
LIABILITIES RM368.9 MILLION



CAPITAL EXPENDITURE RM171.5 MILLION

- **sugar** Sugar refining, trading & cane plantation
- **grains & feed** grains trading, flour & feed milling
- **cinemas** film exhibition & distribution
- **utilities** environmental engineering, waste management & utilities
- **chemicals** chemicals trading & manufacturing
- **property** property investment & development
- **livestock** livestock farming
- **others** other operations

SHARE PERFORMANCE CHART



FTSE BURSA MALAYSIA KUALA LUMPUR COMPOSITE INDEX (FBM KLCI) AND PPB'S SHARE PRICE IN 2009

In the early part of the year, the domestic equity market experienced bouts of volatility amid highly challenging domestic and global conditions. From the second quarter, equity markets around the world including Malaysia staged a strong rebound from the depressed levels in early 2009 as investors turned opportunistic amid highly accommodative monetary conditions and stabilizing financial markets. Risk appetite improved further on the improving outlook for economic revival as the fiscal stimulus began to support economic activity.

The benchmark FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) reached a low of 838.4 points on 12 March but began rising, albeit modestly, from end-March. This was supported by the rise in commodity prices which boosted

plantation, oil and gas-related stocks. In addition, domestic participation increased as market sentiment began to improve.

In the second half of 2009, regional equity markets including Bursa Malaysia were lifted further by the reallocation of global funds to emerging markets, including Asia, on optimism for a stronger pace of economic recovery. Equity prices were further boosted by improving corporate earnings outlook. The announcement by the Government on the liberalisation of the services and financial sectors and efforts to increase liquidity of the stock market by Bursa Malaysia also provided additional impetus to the market. For the year as a whole, the FBM KLCI rose by 45.2% (2008: -39.3%)

[Extracted from Bank Negara Malaysia's Annual Report 2009]

Outperforming the FBM KLCI index, PPB's share price closed 71.2% higher at RM15.96 compared with the closing price of RM9.30 in 2008 and accordingly, market capitalization of PPB shares increased significantly to RM18.921 billion from RM11.025 billion.

PPB Share Price Closing	2009 RM	2008 RM	Change %
Year High	16.08	11.90	35.1
Year Low	9.30	7.30	27.4
Year Close	15.96	9.30	71.6
Market Capitalization	18.921 billion	11.025 billion	71.6

ADDITIONAL FINANCIAL INFORMATION

GROUP CASH FLOWS

Net cash generated from operating activities increased by 95% from RM242.2 million in 2008 to RM472.9 million in 2009 mainly due to less cash being utilised in the purchase of inventories in line with the lower commodity prices in 2009.

Net cash generated from investing activities rose by 537% to RM198.5 million mainly due to higher dividends received from associated companies in addition to a RM64.6 million deposit sum received from the proposed disposals of the group's sugar business and related assets. The group also spent less cash in the purchase of property, plant and equipment during the year.

Net cash used in financing activities was RM428.6 million, mainly for the repayment of short term bank loans and payment of dividends of RM275.2 million during the year.

GROUP BANK BORROWINGS

As at 31 December 2009, the Group's borrowings were lower at RM246.4 million (of which RM126.0 million was from the disposal group of sugar related businesses) compared with RM381.3 million in 2008, out of which 59% amounting to RM146.1 million were bills payable and trade facilities and the balance of 41% amounting to RM100.3 million were made up of :-

- a. Current portion of long term loans, revolving credits, overdraft and hire purchase liabilities totaling RM17.5 million which were repayable within 12 months; and
- b. Long term bank loans and hire purchase liabilities totaling RM82.8 million which will be repaid within 1 to 5 years.

Most of the Group's borrowings were unsecured based on floating interest rates ranging from 2.65% to 8.46% during the year. The Group's exposure to foreign currency borrowings was RM87.4 million of which about 83% was USD denominated.

GROUP CAPITAL EXPENDITURE

Total capital expenditure incurred during the year amounted to RM171.5 million and the major items were as follows:-

- FFM Group spent RM29.7 million on the bakery project at Pulau Indah; RM24.8 million on a wheat flour mill in Cilegon, Indonesia; RM7.3 million on a 360 tonne flour mill in Prai; RM6.9 million on a 220 tonne flour mill in Kota Kinabalu; RM4.2 million for the corporate office in Sungai Buloh; and RM2.8 million on a warehouse in Prai.
- MSM Group spent RM60.0 million to increase its sugar refinery melting capacity, upgrade and enhance its factory productions in Prai.
- PPB Leisure Group spent RM8.9 million and RM4.0 million on the outfitting of new cinemas at East Coast Mall, Kuantan and Tropicana City Mall, Selangor respectively; RM6.3 million and RM2.8 million on the extension of cinemas at IOI, Puchong and the upgrading of existing cinemas respectively.
- Chemquest Group spent RM3.2 million for the purchase of machinery, motor vehicles, waste equipment, office furniture and fittings.
- PPB Hartabina Sdn Bhd spent RM 1.5 million on food court renovations; RM1.3 million on solar photovoltaic system; and RM0.8 million on car park new flooring in Cheras Leisure Mall.

DIRECTORS' RESPONSIBILITY STATEMENT

In preparing the annual financial statements of the Group and of the Company, the Directors are collectively responsible to ensure that these financial statements have been prepared to give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year in accordance with the applicable Financial Reporting Standards in Malaysia, the provisions of the Companies Act 1965 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

In preparing the financial statements for the year ended 31 December 2009 set out on pages 59 to 170 of this Annual Report, the Directors have applied appropriate accounting policies on a consistent basis and made judgments and estimates that are fair and reasonable.

The Directors have responsibility for ensuring that proper accounting records are kept which disclose with reasonable accuracy financial information for preparation of the financial statements.

The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This Statement is made in accordance with a resolution of the Board of Directors dated 2 April 2010.

The Directors have pleasure in submitting 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 Company was engaged in sugar cane cultivation and investment holding during the financial year.

The principal activities of the subsidiaries during the financial year were sugar refining; grains trading, flour and animal feed milling; film exhibition and distribution; environmental engineering, waste management and utilities; chemicals trading and manufacturing; property investment and development; livestock farming; packaging; and shipping.

There have been no significant changes in the nature of these activities during the financial year except as disclosed in note 9 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit after tax from continuing operations	1,409,208	5,843,131
Profit after tax from discontinued operations	219,831	271
Profit for the year	<u>1,629,039</u>	<u>5,843,402</u>
Attributable to:		
Shareholders of the Company	1,615,964	5,843,402
Minority interests	<u>13,075</u>	<u>-</u>
	<u>1,629,039</u>	<u>5,843,402</u>

DIVIDENDS

The dividends paid by the Company since the end of the previous financial year were as follows:

RM'000

In respect of the financial year ended 31 December 2008 as disclosed in the Directors' report of that year:

Final single-tier dividend of 18 sen per share paid on 5 June 2009	213,390
--	---------

In respect of the financial year ended 31 December 2009:

Interim single-tier dividend of 5 sen per share paid on 25 September 2009	59,274
Special single-tier dividend of 50 sen per share paid on 15 March 2010	<u>592,750</u>
	<u>865,414</u>

DIRECTORS' REPORT

DIVIDENDS (continued)

The Directors have recommended a final single-tier dividend of 18 sen per share in respect of the financial year ended 31 December 2009 for shareholders' approval at the forthcoming Annual General Meeting ("AGM").

Together with the interim single-tier dividends already paid, the total dividends paid and payable for the financial year ended 31 December 2009 would be 73 sen per share.

RESERVES AND PROVISIONS

There were no material transfers to and from reserves and provisions during the financial year except as disclosed in the statement of changes in equity on pages 62 to 65.

SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company during the financial year.

The Company did not issue any debentures during the financial year.

DIRECTORS

The Board of Directors since the date of the last report are as follows:

Datuk Oh Siew Nam	<i>(Chairman)</i>
Tan Gee Sooi	<i>(Managing Director)</i>
Dato Sri Liang Kim Bang	
YM Raja Dato' Seri Abdul Aziz bin Raja Salim	
Cheang Kwan Chow	
Lim Soon Huat	
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	<i>(Appointed on 22.6.2009)</i>
Datuk Rajasingam a/l Mayilvaganam	<i>(Retired on 15.5.2009)</i>
Dato' Lim Chee Wah	<i>(Resigned on 4.2.2010)</i>

In accordance with Article 107 of the Company's Articles of Association, Mr Tan Gee Sooi retires by rotation at the forthcoming AGM and being eligible, offers himself for re-election.

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid who was appointed a Director during the year retires at the AGM in accordance with Article 88 of the Company's Articles of Association and being eligible, offers himself for election as a Director.

DIRECTORS (continued)

Datuk Oh Siew Nam, Dato Sri Liang Kim Bang and YM Raja Dato' Seri Abdul Aziz bin Raja Salim, being over seventy years of age, retire in accordance with Section 129 of the Companies Act 1965 at the forthcoming AGM and offer themselves for re-appointment pursuant to Section 129(6) of the Act to hold office until the conclusion of the next AGM.

DIRECTORS' INTERESTS IN SHARES

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

Interest in the Company

Name of Director	<i>No. of ordinary shares of RM1 each registered in the name of Directors</i>			As at 31.12.09
	As at 1.1.09	Bought	Sold	
Datuk Oh Siew Nam	120,666	-	-	120,666
Dato' Lim Chee Wah	100,000	-	-	100,000
Tan Gee Sooi	100	-	-	100

Name of Director	<i>No. of ordinary shares of RM1 each in which Directors are deemed to have interest</i>			As at 31.12.09
	As at 1.1.09	Bought	Sold	
Datuk Oh Siew Nam	1,204,498	-	-	1,204,498
Dato' Lim Chee Wah	40,000	-	(10,000)	30,000
Tan Gee Sooi	585,236	-	-	585,236

Interest in subsidiary - Tego Sdn Bhd

Name of Director	<i>No. of ordinary shares of RM1 each registered in the name of Director</i>			As at 31.12.09
	As at 1.1.09	Bought	Sold	
Tan Gee Sooi	37,500	-	-	37,500

Name of Director	<i>No. of ordinary shares of RM1 each in which Director is deemed to have interest</i>			As at 31.12.09
	As at 1.1.09	Bought	Sold	
Datuk Oh Siew Nam	18,000	-	-	18,000

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES (continued)

Interest in holding company - Kuok Brothers Sdn Berhad

Name of Director	<i>No. of ordinary shares of RM1 each registered in the name of Directors</i>			
	As at 1.1.09	Bought	Sold	As at 31.12.09
Tan Gee Sooi	1,240,000	-	-	1,240,000
Cheang Kwan Chow	50,000	-	-	50,000

Name of Director	<i>No. of ordinary shares of RM1 each in which Directors are deemed to have interest</i>			
	As at 1.1.09	Bought	Sold	As at 31.12.09
Datuk Oh Siew Nam	4,966,667	-	-	4,966,667
Dato' Lim Chee Wah	4,634,000	-	-	4,634,000
Tan Gee Sooi	163,333	-	-	163,333

Interest in subsidiary of holding company - Coralbid (M) Sdn Bhd

Name of Director	<i>No. of ordinary shares of RM1 each in which Directors are deemed to have interest</i>			
	As at 1.1.09	Bought	Sold	As at 31.12.09
Datuk Oh Siew Nam	100,000	-	-	100,000
Dato' Lim Chee Wah	100,000	-	-	100,000

DIRECTORS' INTERESTS IN CONTRACTS, BENEFITS AND EMOLUMENTS

Neither at the end of the financial year, nor at any time during the financial 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 of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest required to be disclosed by Section 169(8) of the Companies Act 1965.

INFORMATION ON THE FINANCIAL STATEMENTS

- (a) Before the Group's and the Company's Income Statements and Balance Sheets were prepared, 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 have 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 in the ordinary course of business their value as shown in the accounting records of the Group and of the Company 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; or
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which 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, there does not exist:
 - (i) any charge on the assets of the Group and 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 which has arisen in the Group or in the Company since the end of the financial year.

OTHER STATUTORY INFORMATION

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

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (continued)

In the opinion of the Directors:

- (a) except for the effects arising from the change in the accounting policies as disclosed in the financial statements, the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature;
- (b) 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; and
- (c) no contingent or other liability has become enforceable, or is likely to become enforceable, within the succeeding period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

SIGNIFICANT EVENTS DURING THE YEAR

The significant events during the financial year are disclosed in note 9 to the financial statements.

SUBSEQUENT EVENTS

Details of events subsequent to the financial year are disclosed in note 9 to the financial statements.

ULTIMATE HOLDING COMPANY

The Directors regard Kuok Brothers Sdn Berhad, a company incorporated in Malaysia, as the ultimate holding company.

AUDITORS

The auditors, Mazars, have indicated their willingness to continue in office.

On behalf of the Board

DATUK OH SIEW NAM
Chairman

TAN GEE SOOI
Managing Director

Kuala Lumpur
2 April 2010

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

	<i>Note</i>	2009 RM'000	2008 RM'000 (Restated)
Continuing operations			
Revenue	3	2,005,429	2,488,566
Cost of sales	4	(1,704,305)	(2,064,092)
Gross profit		301,124	424,474
Other operating income		37,861	28,045
Distribution costs		(70,512)	(68,135)
Administrative and general expenses		(96,302)	(108,249)
Other operating expenses		(20,628)	(22,113)
Profit from operations	5	151,543	254,022
Net profit from investing activities	6	69,650	51,700
Share of net profits less losses of associates		1,239,603	918,440
Share of profits of jointly controlled entity		1,144	1,575
Finance costs	7	(6,550)	(5,398)
Profit before tax		1,455,390	1,220,339
Income tax expense	8	(46,182)	(62,941)
Profit for the year from continuing operations		1,409,208	1,157,398
Discontinued operations			
Profit for the year from discontinued operations, net of tax	9	219,831	136,026
Profit for the year		1,629,039	1,293,424
Attributable to:			
Shareholders of the Company		1,615,964	1,286,509
Minority interests		13,075	6,915
		1,629,039	1,293,424
Basic earnings per share attributable to shareholders of the Company (sen)			
- Profit from continuing operations	10	117.8	97.0
- Profit from discontinued operations	10	18.5	11.5
		136.3	108.5
Dividend per share (net of tax) (sen)			
- Interim		5.0	5.0
- Special		50.0	45.9
- Final		18.0	18.0
		73.0	68.9

Notes to and forming part of the financial statements are set out on pages 73 to 170.

Auditors' Report - Pages 172 and 173.

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2009

	<i>Note</i>	2009 RM'000	2008 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	860,666	957,970
Investment properties	12	167,923	168,436
Biological assets	13	2,889	2,943
Land held for property development	14	11,268	6,459
Prepaid lease payments	15	103,695	132,292
Goodwill	16	72,444	73,086
Other intangible assets	17	1,969	2,519
Investments in associates	19	10,628,430	9,699,666
Investment in jointly controlled entity	20	29,518	45,849
Other investments	21	886,440	398,111
Deferred tax assets	22	5,479	3,315
Total non-current assets		12,770,721	11,490,646
Current assets			
Inventories	24	377,835	706,444
Biological assets	13	14,320	27,404
Other intangible assets	17	6,334	7,977
Property development costs	25	30,793	38,297
Gross amount due from customers	26	15,564	19,129
Trade receivables	27	242,488	339,479
Other receivables, deposits and prepayments		36,773	34,590
Amounts due from associates	28	39,603	34,794
Derivative financial assets	29	193	-
Current tax assets		17,910	17,290
Deposits	30	541,234	411,628
Cash and bank balances	31	47,769	79,558
		1,370,816	1,716,590
Assets directly associated with disposal group classified as held for sale	9	900,443	-
Non-current assets classified as held for sale	32	24,980	9,009
Total current assets		2,296,239	1,725,599
TOTAL ASSETS		15,066,960	13,216,245

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2009

	Note	2009 RM'000	2008 RM'000
EQUITY AND LIABILITIES			
Equity			
Share capital	33	1,185,500	1,185,500
Share premium		6,715	6,715
Non-distributable reserves	34	956,711	487,497
Retained earnings		11,937,616	10,553,079
Equity attributable to shareholders of the Company		14,086,542	12,232,791
Minority interests		172,817	160,088
Total equity		14,259,359	12,392,879
Non-current liabilities			
Long term bank borrowings	35	82,762	65,865
Hire purchase liabilities	36	51	130
Deferred tax liabilities	37	71,552	74,312
Total non-current liabilities		154,365	140,307
Current liabilities			
Gross amount due to customers	26	17,023	29,159
Trade payables	38	145,677	201,425
Other payables and accruals	39	179,609	105,502
Amounts due to associates	28	27	185
Amounts due to jointly controlled entity	20	-	12,176
Derivative financial liabilities	29	212	-
Hire purchase liabilities	36	81	189
Short term borrowings	40	36,217	313,007
Bank overdrafts	41	1,356	2,094
Current tax liabilities		6,785	19,322
		386,987	683,059
Liabilities directly associated with disposal group classified as held for sale	9	266,249	-
Total current liabilities		653,236	683,059
Total liabilities		807,601	823,366
TOTAL EQUITY AND LIABILITIES		15,066,960	13,216,245

Notes to and forming part of the financial statements are set out on pages 73 to 170.

Auditors' Report - Pages 172 and 173.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2008

		<-----Attributable to shareholders of the Company----->			
		<-----Non-distributable----->			
	<i>Note</i>	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Exchange Translation Reserve RM'000
At 1 January 2008		1,185,500	6,715	55,492	(174,846)
Effect of changes in group structure	42	-	-	-	(454)
Translation differences for the year		-	-	-	289,827
Fair value adjustments arising from acquisition of additional shares in an existing subsidiary		-	-	5,791	-
Share of reserves of associates		-	-	-	58,104
Realisation upon liquidation of a subsidiary		-	-	-	-
Net income/(expense) recognised directly in equity		-	-	5,791	347,477
Profit for the year		-	-	-	-
Total recognised income/(expense) for the year		-	-	5,791	347,477
Transfer of reserves	43	-	-	(608)	-
Dividends paid to shareholders of the Company	44	-	-	-	-
Dividends paid to minority shareholders of subsidiaries		-	-	-	-
Acquisition of additional shares in an existing subsidiary		-	-	-	-
Issue of shares to minority shareholders		-	-	-	-
At 31 December 2008		<u>1,185,500</u>	<u>6,715</u>	<u>60,675</u>	<u>172,631</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2008

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Capital Reserve RM'000	Retained Earnings RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
239,060	10,117,844	11,429,765	137,288	11,567,053
(238)	13,275	12,583	-	12,583
-	-	289,827	2,059	291,886
-	-	5,791	68	5,859
(27,288)	-	30,816	-	30,816
-	-	-	22	22
(27,526)	13,275	339,017	2,149	341,166
-	1,286,509	1,286,509	6,915	1,293,424
(27,526)	1,299,784	1,625,526	9,064	1,634,590
42,657	(42,049)	-	-	-
-	(822,500)	(822,500)	-	(822,500)
-	-	-	(1,591)	(1,591)
-	-	-	(59)	(59)
-	-	-	15,386	15,386
254,191	10,553,079	12,232,791	160,088	12,392,879

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2009

	<i>Note</i>	<-----Attributable to shareholders of the Company----->			
		Share Capital	Share Premium	Revaluation Reserve	Exchange Translation Reserve
		RM'000	RM'000	RM'000	RM'000
At 1 January 2009					
As previously stated		1,185,500	6,715	60,675	172,631
Effects of adopting <i>FRS 139</i>		-	-	-	-
Restated		1,185,500	6,715	60,675	172,631
Effect of changes in group structure	42	-	-	-	-
Translation differences for the year		-	-	-	(158,685)
Fair value of available-for-sale financial assets		-	-	-	-
Share of reserves of associates		-	-	-	6,879
Realisation upon liquidation of an associate		-	-	-	(7)
Net (expense)/income recognised directly in equity		-	-	-	(151,813)
Profit for the year		-	-	-	-
Total recognised (expense)/income for the year		-	-	-	(151,813)
Transfer of reserves	43	-	-	(445)	-
Transfer to income statements on derecognition of available-for-sale financial assets		-	-	-	-
Dividends paid to shareholders of the Company	44	-	-	-	-
Dividends paid to minority shareholders of subsidiaries		-	-	-	-
Acquisition of additional shares in an existing subsidiary		-	-	-	-
At 31 December 2009		1,185,500	6,715	60,230	20,818

Notes to and forming part of the financial statements are set out on pages 73 to 170.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2009

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Fair value Reserve RM'000	Hedge Reserve RM'000	Capital Reserve RM'000	Retained Earnings RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
-	-	254,191	10,553,079	12,232,791	160,088	12,392,879
204,560	267,585	-	50,741	522,886	137	523,023
204,560	267,585	254,191	10,603,820	12,755,677	160,225	12,915,902
-	-	-	542	542	-	542
-	-	-	-	(158,685)	2,051	(156,634)
281,179	-	-	-	281,179	133	281,312
-	(170,937)	29,880	-	(134,178)	-	(134,178)
-	-	-	-	(7)	-	(7)
281,179	(170,937)	29,880	542	(11,149)	2,184	(8,965)
-	-	-	1,615,964	1,615,964	13,075	1,629,039
281,179	(170,937)	29,880	1,616,506	1,604,815	15,259	1,620,074
-	-	10,490	(10,045)	-	-	-
(1,285)	-	-	-	(1,285)	-	(1,285)
-	-	-	(272,665)	(272,665)	-	(272,665)
-	-	-	-	-	(2,491)	(2,491)
-	-	-	-	-	(176)	(176)
484,454	96,648	294,561	11,937,616	14,086,542	172,817	14,259,359

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 RM'000	2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax			
Continuing operations		1,455,390	1,220,339
Discontinued operations	9	277,087	180,303
		<u>1,732,477</u>	<u>1,400,642</u>
Adjustments for non-cash items:			
Amortisation and depreciation		96,996	79,522
Bad and doubtful debts		(167)	8,915
Property, plant and equipment, investment properties and other intangible assets written off		183	1,641
Impairment of investment properties		297	-
Impairment of investment in an associate		269	4,436
Impairment of goodwill		642	-
Profit on disposal of property, plant and equipment, investment properties and prepaid lease payments		(615)	(7,013)
Profit on disposal of associates		(1,023)	(372)
Deficit arising from liquidation of subsidiaries		-	30
Deficit arising from liquidation of an associate		278	-
Loss on disposal of other investments		-	82
Diminution in value of other investments		-	21,733
Net gain from financial assets at fair value through profit or loss		(9,491)	-
Gain on derecognition of available-for-sale financial assets		(1,285)	-
Share of net profits less losses of associates		(1,231,922)	(937,942)
Share of profits of jointly controlled entity		(1,144)	(1,575)
Inventories written off		-	591
Inventories written down		-	44,741
Unrealised foreign exchange (gain)/loss		(13,426)	7,989
Unrealised gain on fair value of derivative financial instruments		(6,085)	-
Discount on acquisition written off		(73)	(1)
Interest expense		7,842	8,542
Dividend income		(48,340)	(65,002)
Interest income		(9,181)	(16,292)
Rental income		(4,096)	(3,993)
Operating profit before working capital changes		<u>512,136</u>	<u>546,674</u>
Adjustments for working capital changes:			
Land and development expenditure		(8,070)	(12,379)
Inventories, biological assets and other intangible assets		67,390	(271,492)
Gross amounts due from/to customers		(8,571)	24,928
Receivables		(58,799)	12,867
Payables		46,184	40,438
Cash generated from operations		<u>550,270</u>	<u>341,036</u>
Tax paid		(77,411)	(98,876)
Net cash generated from operating activities		<u>472,859</u>	<u>242,160</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of additional equity interest in an existing subsidiary	45(b)	(128)	(119)
Acquisition of additional equity interest in existing associates		81	(11,779)
Subscription for proportionate shares of an existing associate		(1,750)	-

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 RM'000	2008 RM'000
Surplus from liquidation of subsidiaries		780	-
Acquisition of equity interest in an associate		-	(2,220)
Proceeds from disposal of an associate		1,607	372
(Advances to)/Repayment from associates		(12,890)	232
Purchase of other investments		(267)	(61)
Proceeds from disposal of other investments		7,120	1,042
Purchase of property, plant and equipment	47	(156,573)	(213,381)
Purchase of investment properties, biological assets, prepaid lease payments and other intangible assets		(6,986)	(7,233)
Proceeds from disposal of property, plant and equipment, investment properties and prepaid lease payments		1,218	15,215
Deposits from sale of investments		64,624	-
Withdrawal/(Placement) of deposits		21	(35)
Return of capital from an associate		2,500	-
Return of capital from jointly controlled entity		17,370	-
Return of capital from an investee company		-	20
Dividends received from associates		220,832	167,438
Dividends received from other investments		48,239	62,104
Interest received		8,611	15,589
Rental received		4,096	3,993
Net cash generated from investing activities		198,505	31,177
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares issued to minority shareholders of subsidiaries		-	15,386
Revolving credits, bankers' acceptance and short term loans		(152,382)	275,144
Bank term loans		24,268	50,887
Payment of hire purchase liabilities		(189)	(198)
(Repayment to)/Advances from associates		(141)	76
(Repayment to)/Advances from jointly controlled entity		(12,378)	4,899
Interest paid		(12,598)	(7,793)
Dividends paid to shareholders of the Company		(272,665)	(822,500)
Dividends paid to minority shareholders of subsidiaries		(2,491)	(1,591)
Net cash used in financing activities		(428,576)	(485,690)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		242,788	(212,353)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		489,022	699,411
EFFECTS OF EXCHANGE RATE CHANGES		(800)	1,964
CASH AND CASH EQUIVALENTS CARRIED FORWARD		731,010	489,022
Represented by:			
Cash and bank balances		47,769	79,558
Deposits		541,234	411,628
Bank overdrafts		(1,356)	(2,094)
		587,647	489,092
<u>Classified as held for sale</u>			
Cash and bank balances	9	7,711	-
Deposits	9	135,701	-
		731,059	489,092
Deposits pledged with bank		(49)	(70)
		731,010	489,022

Notes to and forming part of the financial statements are set out on pages 73 to 170.

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INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

	<i>Note</i>	2009 RM'000	2008 RM'000 (Restated)
Continuing operations			
Revenue	3	-	-
Cost of sales	4	-	-
Gross profit		-	-
Other operating income		1,028	919
Administrative and general expenses		(15,439)	(16,450)
Loss from operations	5	(14,411)	(15,531)
Net profit from investing activities	6	5,884,970	867,150
Finance costs	7	(3,106)	(5,773)
Profit before tax		5,867,453	845,846
Income tax expense	8	(24,322)	(136,980)
Profit for the year from continuing operations		5,843,131	708,866
Discontinued operation			
Profit/(Loss) for the year from discontinued operations, net of tax	9	271	(4,902)
Profit for the year		5,843,402	703,964
Dividend per share (net of tax) (sen)			
- Interim		5.0	5.0
- Special		50.0	45.9
- Final		18.0	18.0
		73.0	68.9

*Notes to and forming part of the financial statements are set out on pages 73 to 170.
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BALANCE SHEET

AS AT 31 DECEMBER 2009

	Note	2009 RM'000	2008 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	712	4,417
Investment properties	12	62,343	2,925
Prepaid lease payments	15	1,875	25,894
Investments in subsidiaries	18	1,381,567	1,350,350
Investments in associates	19	8,735,487	3,898,904
Other investments	21	699,902	253,802
Amounts due from subsidiaries	23	59,583	122,628
Total non-current assets		10,941,469	5,658,920
Current assets			
Inventories	24	-	3,211
Biological assets	13	-	12,052
Other receivables, deposits and prepayments		1,598	1,019
Amounts due from subsidiaries	23	111,428	223
Amounts due from associates	28	13,025	17,337
Current tax assets		1,640	4,763
Deposits	30	290,835	198,076
Cash and bank balances	31	2,526	3,018
		421,052	239,699
Assets directly associated with disposal group classified as held for sale	9	34,281	-
Non-current assets classified as held for sale	32	11,747	-
Total current assets		467,080	239,699
TOTAL ASSETS		11,408,549	5,898,619
EQUITY AND LIABILITIES			
Equity			
Share capital	33	1,185,500	1,185,500
Share premium		6,715	6,715
Fair value reserve		161,888	-
Retained earnings		9,975,429	4,418,266
Total equity		11,329,532	5,610,481
Non-current liability			
Deferred tax liabilities	37	6,493	6,208
Current liabilities			
Trade payables	38	967	956
Other payables and accruals	39	71,547	5,902
Amounts due to subsidiaries	23	3	275,045
Amounts due to associates	28	7	27
Total current liabilities		72,524	281,930
Total liabilities		79,017	288,138
TOTAL EQUITY AND LIABILITIES		11,408,549	5,898,619

Notes to and forming part of the financial statements are set out on pages 73 to 170.

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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2009

	<i>Note</i>	Share Capital RM'000	Share Premium RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Total RM'000
At 1 January 2008		1,185,500	6,715	-	4,536,802	5,729,017
Profit for the year		-	-	-	703,964	703,964
Dividends	44	-	-	-	(822,500)	(822,500)
At 31 December 2008		1,185,500	6,715	-	4,418,266	5,610,481
Effects of adopting <i>FRS 139</i>		-	-	104	(13,574)	(13,470)
Restated		1,185,500	6,715	104	4,404,692	5,597,011
Fair value of available-for-sale financial assets		-	-	161,784	-	161,784
Profit for the year		-	-	-	5,843,402	5,843,402
Dividends	44	-	-	-	(272,665)	(272,665)
At 31 December 2009		1,185,500	6,715	161,888	9,975,429	11,329,532

Notes to and forming part of the financial statements are set out on pages 73 to 170.

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CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

	2009	2008
Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		
Continuing operations	5,867,453	845,846
Discontinued operations	9 271	(4,902)
	5,867,724	840,944
Adjustments for non-cash items:		
Amortisation and depreciation	1,210	1,808
Property, plant and equipment written off	2	3
Profit on disposal of property, plant and equipment	(13)	(113)
Bad and doubtful debts	238	5,911
Diminution in value of other investments	-	141,510
Unrealised foreign exchange loss	4	379
Interest expense	3,106	5,773
Dividend income	(5,877,693)	(1,007,840)
Interest income	(6,735)	(6,300)
Rental income	(713)	(620)
Operating loss before working capital changes	(12,870)	(18,545)
Adjustments for working capital changes:		
Inventories and biological assets	(1,528)	(3,436)
Receivables	(8,439)	303
Payables	1,037	(2,877)
Cash used in operations	(21,800)	(24,555)
Tax refunded	4,298	3,636
Net cash used in operating activities	(17,502)	(20,919)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	47 (901)	(1,947)
Purchase of investment properties and prepaid lease payments	(16,826)	-
Proceeds from disposal of property, plant and equipment	92	263
Acquisition of shares in a subsidiary	(200)	-
Acquisition of shares in an associate	-	(11,538)
Subscription for rights issue of a subsidiary	(410)	-
Deposits from sale of investments	64,624	-
Proceeds from disposal of other investments	-	979
Repayment from subsidiaries	23,979	40,978
Repayment from/(Advances to) associates	32	(1,134)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 RM'000	2008 RM'000
Dividends received from subsidiaries	348,184	765,516
Dividends received from associates	215,991	80,977
Dividends received from other investments	19,993	25,999
Interest received	5,335	6,122
Rental received	713	620
Net cash generated from investing activities	660,606	906,835
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment to)/Advances from subsidiaries	(274,230)	124,478
Repayment to associates	(20)	(6)
Interest paid	(3,918)	(5,373)
Dividends paid	(272,665)	(822,500)
Net cash used in financing activities	(550,833)	(703,401)
NET INCREASE IN CASH AND CASH EQUIVALENTS	92,271	182,515
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	201,094	18,620
EFFECTS OF EXCHANGE RATE CHANGES	(4)	(41)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	293,361	201,094
Represented by:		
Cash and bank balances	2,526	3,018
Deposits	290,835	198,076
	293,361	201,094

Notes to and forming part of the financial statements are set out on pages 73 to 170.

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1. GENERAL

The Company is a public listed company limited by way of shares incorporated in Malaysia under the Companies Act 1965. The Company is domiciled in Malaysia.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements comply with applicable approved Financial Reporting Standards ("FRSs"), issued by the Malaysian Accounting Standards Board ("MASB") and with the provisions of the Companies Act 1965.

The measurement bases applied in the preparation of the financial statements include cost, recoverable value, realisable value, revalued amount and fair value. Estimates are used in measuring these values.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. Unless otherwise indicated, the amounts in these financial statements have been rounded to the nearest thousand.

2.2 Changes in accounting policies

The significant accounting policies adopted by the Group and the Company are consistent with those of the previous financial year except for the early adoption of the following new FRSs and Interpretations, effective from financial period beginning on 1 January 2009:

FRS 7	Financial Instruments : Disclosures
FRS 139	Financial Instruments : Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment

The adoption of the above standards and interpretations did not have significant financial impact on the Group and the Company except for *FRS 139*. The principal effects of the adoption of *FRS 139* are discussed in note 57.

2.3 New/Revised FRSs, Issues Committee Interpretation ("IC Interpretations") and Amendments to FRSs that are not yet effective

The Group and the Company have not applied the following new/revised FRSs and IC Interpretations (including their consequential amendments) that have been issued by MASB and relevant to their operations but are not yet effective:

NOTES TO THE FINANCIAL STATEMENTS

New/Revised FRSs and IC Interpretations		Effective for financial periods beginning on or after
FRS 3	Business Combinations (revised)	1 July 2010
FRS 8	Operating Segments	1 July 2009
FRS 101	Presentation of Financial Statements (revised)	1 January 2010
FRS 123	Borrowing Costs (revised)	1 January 2010
FRS 127	Consolidated and Separate Financial Statements (revised)	1 July 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
Improvements to FRSs (2009)		1 January 2010
Improvements to FRSs (2010)		1 July 2010

Consequential amendments were also made to various FRSs already adopted by the Group and the Company in the previous years. The Group and the Company have not applied these amendments as they are only effective for financial periods beginning on or after 1 January 2010, 1 July 2010 and 1 January 2011.

The above new/revised FRSs, IC Interpretations and Amendments to FRSs are not expected to have any significant financial impact on the Group and the Company upon their initial application except for the presentation requirements in *FRS 101* as discussed below:

FRS 101 - Presentation of Financial Statements

FRS 101 requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (ie. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity.

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.

2.4 Significant accounting estimates and judgements

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the balance sheet date, and reported amounts of income and expenses during the financial year.

Although these estimates are based on management's best knowledge of current events and actions, historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Critical judgement made in applying accounting policies

The following are 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 of investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed certain criteria based on *FRS 140 Investment Property* in making that judgement.

In making its judgement, the Group considers whether a property generates cash flows largely independently of other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to the property, but also to other assets used in the production and supply process.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the production or supply of goods and services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately.

If the portions could not be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use in the production or supply of goods and 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 an investment property.

NOTES TO THE FINANCIAL STATEMENTS

Revenue recognition of property development activities and engineering contracts

The Group recognises property development and engineering contracts revenue and expenses based on the percentage of completion method. The stage of completion of the property development activities and engineering contracts is measured in accordance with the accounting policies set out in notes 2.12 and 2.17 below.

Significant judgement is required in determining the percentage of completion, the extent of the development project and contract costs incurred, the estimated total revenue and total costs and the recoverability of the development project and contract. In making these judgements, management relies on past experience and the work of specialists.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the balance sheet date that have significant risk of causing material adjustments to the carrying amount of assets and liabilities within the next financial year are discussed below:

Depreciation of property, plant and equipment and investment properties

Property, plant and equipment and investment properties are depreciated on a straight-line basis to write off their costs to their residual values over their estimated useful lives. Management estimates the useful lives of these assets to be between 2 to 50 years for property, plant and equipment and 50 years for investment properties.

Changes in the expected level of usage, physical wear and tear and technological development could impact the economic useful lives and residual values of these assets, and therefore future depreciation charges may be revised. The carrying amount of the Group's and Company's property, plant and equipment and investment properties at balance sheet date are disclosed in notes 11 and 12.

Amortisation of film rights

Film rights are amortised based on the total revenue stream expected to be generated from the different titles and upon exploitation of the rights. This requires an estimation of the future income expected to be derived from each of the titles.

As changes in market conditions and the Group's marketing plans and directions could impact the future income expected to be derived from each title, future amortisation charges may be revised. The carrying amount of the Group's film rights is disclosed in note 17.

Allowance for doubtful debts

The collectibility of receivables is assessed on an on-going basis. An allowance for doubtful debts is made for any account considered to be doubtful of collection.

The allowance for doubtful debts is made based on a review of outstanding accounts as at the balance sheet date. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the creditworthiness and past collection history of each customer. If the financial condition of customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amount of the Group's and Company's trade receivables at balance sheet date are disclosed in notes 27 and 28.

Impairment loss and write down of inventories

Inventories are stated at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected selling prices.

Inventories are reviewed on a regular basis and the Group will make an impairment loss for excess or obsolete inventories based primarily on historical trends and management estimates of expected and future product demand and related pricing.

Demand levels, technological advances and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories and additional impairment losses for slow-moving inventories may be required. The carrying amount of the Group's and Company's inventories are disclosed in note 24.

Impairment of goodwill

The Group performs a goodwill impairment test annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated.

Estimating value in use requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill is disclosed in note 16.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unutilised tax losses to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of the Group's deferred tax assets at balance sheet is disclosed in note 22.

Impairment of investments in subsidiaries, associates and jointly controlled entities

Investments in subsidiaries, associates and jointly controlled entities are assessed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, an estimation of their recoverable amount is required.

Estimating the recoverable amount requires management to make an estimate of the expected future cash flows from the subsidiaries, associates and jointly controlled entities and also choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's investments in subsidiaries, associates and jointly controlled entities at balance sheet date is disclosed in notes 18, 19 and 20.

2.5 Subsidiaries

A subsidiary is an entity controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible, are considered when assessing whether the Group has the power to govern the financial and operating policies of another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses, unless the investment is classified as held for sale.

On disposal, the difference between the net disposal proceeds and the carrying amount of the subsidiary disposed of is taken to the income statement.

2.6 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of all its subsidiaries made up to the end of the financial year. The consolidated financial statements are prepared using uniform accounting policies for like transactions in similar circumstances.

All intra-group balances, transactions, income and expenses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

All subsidiaries are consolidated on the purchase method of accounting from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date such control ceases.

Under the purchase method of accounting, the cost of an acquisition is measured as the aggregate of the fair values of the assets acquired, liabilities incurred or assumed and equity instruments issued at the date of exchange, plus any costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured at their fair values at the acquisition date.

The excess of the acquisition cost over the net fair value of the identifiable assets, liabilities and contingent liabilities acquired represents goodwill, while the shortfall is immediately credited to the consolidated income statement. The goodwill is accounted for in accordance with the accounting policy set out in note 2.23.1 below.

Minority interests represent the portion of the profit or loss and net assets in subsidiaries not held by the Group.

2.7 Associates

An associate is an entity 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 control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses, unless the investment is classified as held for sale.

On disposal, the difference between the net disposal proceeds and the carrying amount of the associate disposed of is taken to the income statement.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting less any impairment losses, unless it is classified as held for sale or included in a disposal group that is classified as held for sale. Under the equity method, investments in associates are initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the associates.

The Group's share of net profits or losses and changes recognised directly in the equity of the associates are recognised in the consolidated income statement and consolidated statement of changes in equity, respectively.

NOTES TO THE FINANCIAL STATEMENTS

An investment in an associate is accounted for using the equity method from the date on which 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 value of the investment and is not reviewed for impairment separately. Instead, the entire carrying amount of the investment is reviewed for impairment in accordance with the accounting policy set out in note 2.23.2 below.

Discount on acquisition 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.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

When the Group's share of losses exceeds its interest in an equity accounted associate, the carrying amount of that interest including any long-term investments is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The results and reserves of associates are accounted for in the consolidated financial statements based on audited/unaudited financial statements made up to the end of the financial year and prepared using accounting policies that conform to those used by the Group for like transactions in similar circumstances.

2.8 Jointly controlled entities

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

Investments in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting as described in note 2.7 above.

In the Company's separate financial statements, investments in jointly controlled entities are stated at cost less impairment losses, unless the investment is classified as held for sale.

On disposal, the difference between the net disposal proceeds and the carrying amount of the jointly controlled entities disposed of is taken to the income statement.

2.9 Property, plant and equipment

2.9.1 Measurement basis

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of an asset. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is contracted as a consequence of acquiring or using the asset.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

2.9.2 Depreciation

Freehold land and capital work-in-progress are not depreciated while leasehold buildings are depreciated on a straight-line basis over the remaining period of the lease.

Depreciation is calculated to write off the depreciable amount of other property, plant and equipment on a straight-line basis over their estimated useful lives. The depreciable amount is determined after deducting residual value from cost.

The principal annual rates used for this purpose are:

Buildings	2% - 5%	or the lease period, if shorter
Plant, machinery and equipment	3% - 33 1/3%	
Motor vehicles	10% - 25%	
Vessel		5%
Furniture, fittings, office and other equipment	5% - 50%	

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

2.10 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both rather than for use in the production or supply of goods and services or for administrative purposes, or sale in the ordinary course of business.

2.10.1 Measurement basis

Investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of investment properties includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

2.10.2 Depreciation

Freehold land is not depreciated.

Depreciation is calculated to write off the depreciable amount of other investment properties on a straight-line basis over their estimated useful lives. Depreciable amount is determined after deducting the residual value from the cost of the investment property.

The principal annual rates used for this purpose are:

Freehold buildings	2%
Leasehold buildings with remaining lease period	
- more than 50 years	2%
- less than 50 years	Over the remaining period of the lease

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date.

2.11 Biological assets

Biological assets comprise primarily livestock and oil palms.

2.11.1 Livestock

Livestock comprises broilers, pullets and layers parent stock and hatchable eggs. Livestock is valued at the lower of amortised cost and net realisable value.

Cost includes the cost of the parent stock plus all attributable costs including overheads incurred in nursing the parent stock to the point of laying, and such cost is then amortised over its estimated economic life ranging from 21 days to 18 months. Accordingly, it is classified as current assets.

Net realisable value is defined as the aggregate income expected to be generated from total day old chicks and eggs to be produced and proceeds from the disposal of the ex-broiler parent stock less expenses expected to be incurred to maintain the parent stock up to its disposal.

2.11.2 Oil palms

The Group's plantation assets are mainly situated on freehold land. New planting and replanting expenditure incurred on land clearing and upkeep of trees up to the point of harvesting are capitalised and are amortised on a straight-line basis over their estimated useful lives. Management estimates the useful lives of the oil palms to be 25 years. Accordingly, it is classified as non-current assets.

2.12 Development properties

Development properties are classified under two categories i.e. land held for property development and property development costs.

Land held for property development is defined as land on which development is not expected to be completed within the normal operating cycle. Usually, no significant development work would have been undertaken on these lands. Accordingly, land held for property development is classified as non-current assets on the balance sheet and is stated at cost plus incidental expenditure incurred to put the land in a condition ready for development.

Land on which development has commenced and is expected to be completed within the normal operating cycle is included in 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.

NOTES TO THE FINANCIAL STATEMENTS

Where the outcome of a development activity can be reasonably estimated, revenue and expenses are recognised on the percentage of completion method. The stage of completion is determined by the proportion that costs incurred to-date bear to estimated total costs. In applying this method of determining stage of completion, only those costs that reflect actual development work performed are included as costs incurred.

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

When it is probable that total costs will exceed revenue, the foreseeable loss is immediately recognised in the income statement irrespective of whether development work has commenced or not, or of the stage of completion of development activity, or of the amounts of profits expected to arise on other unrelated development projects.

The excess of revenue recognised in the income statement over billings to purchasers of properties is recognised as accrued billings under current assets.

The excess of billings to purchasers of properties over revenue recognised in the income statement is recognised as progress billings under current liabilities.

2.13 Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the rights to use an asset for an agreed period of time.

2.13.1 Finance lease

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

Property, plant and equipment acquired by way of finance leases are stated at amounts equal to the lower of their fair values and the present value of minimum lease payments at the inception of the leases, less accumulated depreciation and any impairment losses.

In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is determinable; if not, the Group's incremental borrowing rate is used.

2.13.2 Operating lease

An operating lease is a lease other than a finance lease.

Operating lease income or operating lease rental expenses are credited or charged to the income statement on a straight-line basis over the period of the lease.

2.14 Prepaid lease payments

Leasehold land that has an indefinite economic life with title that is not expected to pass to the Group and the Company by the end of the lease term is classified as operating lease. Up-front payments for the rights to use the leasehold land over a predetermined period are accounted for as prepaid lease payments.

2.14.1 Measurement basis

Prepaid lease payments are stated at cost less amounts amortised and impairment losses, if any.

2.14.2 Amortisation

The prepaid lease payments are amortised on a straight-line basis over the remaining period of the lease.

2.15 Intangible assets

Intangible assets comprise primarily goodwill, computer software and film rights.

2.15.1 Goodwill

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

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired.

2.15.2 Computer software and film rights

Measurement basis

Computer software and film rights acquired by the Group are stated at cost less accumulated amortisation and impairment losses, if any.

Computer software and film rights are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

Amortisation

Amortisation is calculated to write off the depreciable amount of computer software on a straight-line basis over their estimated useful lives. The principal annual rates used are 20% and 25%.

Film rights are amortised based on the total revenue stream expected to be generated from the different titles and upon the exploitation of the rights.

The amortisation period and the amortisation method are reviewed, and adjusted if appropriate, at each balance sheet date.

2.16 Financial instruments

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

Arising from the adoption of *FRS 139, Financial Instruments: Recognition and Measurement*, with effect from 1 January 2009, financial instruments are categorised and measured using accounting policies as mentioned below. Before 1 January 2009, different accounting policies were applied. Significant changes to the accounting policies are discussed in note 57.

2.16.1 Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Company or any of its subsidiaries becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

2.16.2 Financial instrument categories and subsequent measurement

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables or available-for-sale financial assets, as appropriate. Management determines the classification of the financial assets as set out below upon initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

Regular way purchase or sale of financial assets

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

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using settlement date accounting. Settlement date accounting refers to:

- (i) the recognition of an asset on the day it is received by the entity; and
- (ii) derecognition of an asset and recognition of any gain or loss on the day that it is delivered by the entity.

Financial assets at fair value through profit or loss

This category includes financial assets held for trading, including derivatives (except for a derivative that is a designated and effective hedging instrument) and financial assets that are specifically designated into this category upon initial recognition. On initial recognition, these financial assets are measured at fair value.

The subsequent measurement of financial assets in this category is at fair value with changes in fair value recognised as gains or losses in the income statement.

Loans and receivables

This category comprises debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets.

The subsequent measurement of financial assets in this category is at amortised cost using the effective interest method, less allowance for impairment losses. Any gains or losses arising from derecognition or impairment, and through the amortisation process of loans and receivables are recognised in the income statement.

Known bad debts are written off and allowance is made for any receivables considered to be doubtful of collection.

Available-for-sale financial assets

This category comprises investments in equity and debt securities that are not held for trading or designated at fair value through profit or loss.

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The subsequent measurement of financial assets in this category is at fair value unless the fair value cannot be measured reliably, in which case they are measured at cost less impairment loss.

Any gains or losses arising from changes in fair value of an investment in this category are recognised directly in equity, except for impairment losses, until the investment is derecognised, at which time the cumulative gain or loss previously reported in equity is recognised in the income statement. Interest calculated for a debt instrument using the effective interest method is recognised in the income statement.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment. See note 2.24 below.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss comprises financial liabilities that are held for trading, derivatives (except for a designated and effective hedging instrument) and financial liabilities that are specifically designated into this category upon initial recognition. These financial liabilities are subsequently measured at their fair values with the gain or loss recognised in the income statement.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

2.16.3 Derecognition of financial assets and liabilities

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received together with any cumulative gain or loss that has been recognised in equity is recognised in the income statement.

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired.

On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the income statement.

2.16.4 Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward currency contracts, commodities futures, options and swap contracts to hedge its risks associated with foreign currency and commodity price fluctuations.

On initial recognition, these derivative financial instruments are recognised at fair value on the date on which the derivative contracts are entered into, and are subsequently remeasured to their fair value at each balance sheet date.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the income statement.

The fair value of forward contracts is determined by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of commodities futures, options and swap contracts are determined by reference to current quoted market price for contracts with similar maturity profiles.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedge item or transaction, the hedging instrument, the nature of the risk being hedged and how effectiveness will be measured throughout its duration. Such hedges are expected to offset the changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the reporting period for which they were designated.

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the income statement. Amounts taken to equity are transferred to the income statement when the hedged transaction affects profit or loss, such as when a forecast sale or purchase occurs. Where the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability. However, loss recognised in equity that will not be recovered in one or more future periods is reclassified from equity into profit or loss.

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Cash flow hedge accounting is discontinued prospectively when the hedging instrument has expired or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss recognised in equity on the hedging instrument is reclassified from equity into profit or loss.

2.17 Engineering contracts

The Group's engineering contracts comprise substantially fixed price contracts and where their outcome can be reasonably estimated, revenue is recognised on the percentage of completion method. The stage of completion is determined by the proportion that costs incurred to-date bear to estimated total costs, and for this purpose, only those costs that reflect actual contract work performed are included as costs incurred.

Where the outcome of an engineering contract cannot be reasonably estimated, revenue is recognised only to the extent of contract costs incurred that are expected to be recoverable. At the same time, all contract costs incurred are recognised as an expense in the period in which they are incurred.

Costs that relate directly to a contract and which are incurred in securing the contract are also included as part of contract costs if they can be separately identified and measured reliably and it is probable that the contract will be obtained.

When it is probable that total costs will exceed total revenue, the foreseeable loss is immediately recognised in the income statement irrespective of whether contract work has commenced or not, or of the stage of completion of contract activity, or of the amounts of profits expected to arise on other unrelated contracts.

On the balance sheet, contracts in progress are reflected either as gross amounts due from or due to customers, where a gross amount due from customers is the surplus of (i) costs incurred plus profits recognised under the percentage of completion method over (ii) recognised foreseeable losses plus progress billings. A gross amount due to customers is the surplus of (ii) over (i).

2.18 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on either the first-in-first-out basis, the weighted average basis or a specific identification method depending on the nature of the inventories. Cost comprises the landed cost of goods purchased, and in the case of work-in-progress and finished goods, includes an appropriate proportion of factory overheads.

Net realisable value represents the estimated selling price in the ordinary course of business, less selling and distribution costs and all other estimated cost to completion.

2.19 Non-current assets held for sale and discontinued operations

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

On initial classification as held for sale, non-current assets are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the disposal group to fair value less costs to sell. Subsequent increase in fair value less costs to sell is recognised as a gain in the income statement to the extent of the cumulative impairment loss that has been recognised previously.

A component of the Group's business is classified as a discontinued operation when the operation has been disposed of or meets the criteria to be classified as held for sale, and such operation represents a separate major line of business or geographical area of operations.

2.20 Share capital

Ordinary shares are recorded at nominal value and proceeds received in excess, if any, of the nominal value of shares issued are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of shares is accounted for as a deduction from share premium, if any, otherwise it is charged to the income statement.

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

2.21 Income recognition

2.21.1 Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

2.21.2 Revenue from engineering contracts and the sale of development properties is recognised on the percentage of completion method, where the outcome of the contract can be reliably estimated.

Revenue from engineering contracts represents the proportionate contract value on engineering contracts attributable to the percentage of contract work performed during the financial year.

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Revenue from the sale of development properties represents the proportionate sales value of development properties sold attributable to the percentage of development work performed during the financial year.

2.21.3 Revenue from box office collections, filmlet income, sale of movie rights and film rental is recognised upon the exhibition of the movie or filmlet.

2.21.4 Dividend income is recognised when the rights to receive payment is established.

2.21.5 Interest income is recognised on a time proportion basis.

2.21.6 Rental income is recognised on a straight-line basis over the specific tenure of the respective leases.

2.21.7 Net voyage income is recognised over the period of the voyage on a pro-rata basis.

2.22 Foreign currencies

2.22.1 Functional currency

Functional currency is the currency of the primary economic environment in which an entity operates.

The financial statements of each entity within the Group are measured using their respective functional currency.

2.22.2 Transactions and balances in foreign currencies

Transactions in currencies other than the functional currency ("foreign currencies") are recorded in the functional currency using the exchange rate ruling at the date of the transactions.

At each balance sheet date, monetary items denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Exchange differences arising on the settlement of monetary items and the translation of monetary items are included in the income statement for the period.

Exchange differences arising on monetary items that form part of the Group's net investment in a foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated using the exchange rates ruling at the date of the initial transaction.

Non-monetary items which are measured at fair values denominated in foreign currencies are translated at the foreign exchange rate ruling at the date when the fair value was determined.

When a gain or loss on a non-monetary item is recognised directly in equity, any corresponding exchange gain or loss is recognised directly in equity. When a gain or loss on a non-monetary item is recognised in the income statement, any corresponding exchange gain or loss is recognised in the income statement.

2.22.3 Translation of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than RM (including goodwill and fair value adjustments arising from the acquisition of the foreign operations) are translated at the exchange rates ruling at the balance sheet date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2006 which are translated at exchange rates ruling at the date of acquisition.

Income and expense items are translated at exchange rates approximating those ruling on transaction dates.

All exchange differences arising from the translation of the financial statements of foreign operations are dealt with through the exchange translation reserve account within equity. On the disposal of a foreign operation, the cumulative exchange translation reserves relating to that foreign operation are recognised in the income statement as part of the gain or loss on disposal.

2.23 Impairment of non-financial assets

2.23.1 Goodwill

Goodwill is reviewed annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from synergies of the business combination.

An impairment loss is recognised in the income statement when the carrying amount of the cash-generating unit, including the goodwill, exceeds the recoverable amount of the cash-generating unit. Recoverable amount of the cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and its value in use.

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The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the cash-generating unit and then to the other assets of the cash-generating unit proportionately on the basis of the carrying amount of each asset in the cash-generating unit.

Impairment loss recognised on goodwill is not reversed in the event of an increase in recoverable amount in subsequent periods.

2.23.2 Property, plant and equipment, investment properties, biological assets, land held for property development, prepaid lease payments, other intangible assets, and investments in subsidiaries, associates and jointly controlled entities

Property, plant and equipment, investment properties, biological assets, land held for property development, prepaid lease payments, other intangible assets, and investments in subsidiaries, associates and jointly controlled entities are assessed at each balance sheet date to determine whether there is any indication of impairment.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are charged to the income statement.

Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

2.24 Impairment of financial assets

All financial assets except for financial assets categorised as fair value through profit or loss, are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

2.24.1 Assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the income statement.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

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

2.24.2 Available-for-sale financial assets

An impairment loss is recognised in the income statement and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in equity, the cumulative loss in equity is reclassified from equity and recognised in the income statement.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in the income statement and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in the income statement for an investment in an equity instrument is not reversed through the income statement.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

2.25 Employee benefits

2.25.1 Short term employee benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

2.25.2 Post-employment benefits

The Company and its Malaysian subsidiaries pay monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan.

The legal or constructive obligation of the Company and its Malaysian subsidiaries is limited to the amount that they are required to contribute to the EPF. The contributions to the EPF are charged to the income statement in the period to which they relate.

Some of the Company's foreign subsidiaries make contributions to their respective countries' statutory pension schemes which are recognised as an expense in the income statement as incurred.

2.25.3 Termination benefits

The Group recognises termination benefits payable as a liability and an expense when it is demonstrably committed to terminate the employment of current employees according to a detailed formal plan without a realistic possibility of withdrawal.

2.26 Borrowing costs

Borrowing costs incurred on assets under development that take a substantial period of time to complete are capitalised into the carrying value of the assets. Capitalisation of borrowing costs ceases when development is completed or during extended periods when active development is interrupted.

All other borrowing costs are charged to the income statement in the period which they are incurred. The interest component of hire purchase payments is charged to the income statement over the hire purchase period so as to give a constant periodic rate of interest on the remaining tenure of the hire purchase contract.

2.27 Taxation

The tax expense in the income statement represents the aggregate amount of current tax and deferred tax included in the determination of profit or loss for the financial year.

On the balance sheet, a deferred tax liability is recognised for taxable temporary differences while a deferred tax asset is recognised for deductible temporary differences and unutilised tax losses only to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and tax losses can be utilised.

No deferred tax is recognised for temporary differences arising from the initial recognition of:

- (i) goodwill; or
- (ii) an asset or liability which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on tax rates enacted or substantively enacted by the balance sheet date that are expected to apply to the period when the asset is realised or when the liability is settled.

Current tax and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, whether in the same or a different period, directly to equity.

2.28 Cash and cash equivalents

Cash and cash equivalents are cash on hand, short term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and exclude deposits pledged to secure banking facilities.

2.29 Segment reporting

Segment revenue, expenses, assets and liabilities are those amounts resulting from operating activities of a segment that are directly attributable to the segment and a relevant portion that can be allocated on a reasonable basis to the segment.

Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

NOTES TO THE FINANCIAL STATEMENTS

3. REVENUE

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Sales of agricultural produce, food-based products and other goods	1,616,198	1,986,220	-	-
Contract revenue	118,332	229,845	-	-
Sale of development properties	7,837	33,188	-	-
Collections from cinema operations	205,692	177,533	-	-
Rental from leasing of investment properties	29,824	29,629	-	-
Waste management and other services rendered	27,546	32,151	-	-
	2,005,429	2,488,566	-	-

Included in the rental from leasing of investment properties is contingent rental amounting to RM200,832 (2008: RM115,706).

4. COST OF SALES

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Cost of goods sold	1,386,109	1,634,982	-	-
Contract cost recognised as expense	100,014	213,678	-	-
Cost of development properties sold	5,708	23,759	-	-
Cost of cinema operations	172,108	150,882	-	-
Cost of leasing of investment properties	16,634	16,024	-	-
Cost of waste management and other services rendered	23,732	24,767	-	-
	1,704,305	2,064,092	-	-

NOTES TO THE FINANCIAL STATEMENTS

5. PROFIT/(LOSS) FROM OPERATIONS

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<i>Profit/(Loss) from operations is stated after charging:</i>				
Amortisation				
- prepaid lease payments	2,030	2,074	155	154
- other intangible assets				
- included in cost of sales	9,702	4,861	-	-
- included in administrative and general expenses	1,167	1,128	-	-
Auditors' remuneration				
- current year	817	864	63	63
- (over)/underprovision in prior year	(33)	37	-	3
Bad and doubtful debts	1,323	3,357	238	-
Depreciation				
- property, plant and equipment	53,865	48,893	74	128
- investment properties	4,164	4,001	28	28
- biological assets	175	163	-	-
Direct operating expenses on				
- revenue generating investment properties	17,246	16,742	70	69
- non-revenue generating investment properties	200	209	2	3
Directors' remuneration				
- Company's directors:				
- fees	260	308	260	308
- other emoluments	7,379	7,484	6,720	5,771
- Subsidiaries' directors:				
- fees				
- current year	377	354	-	-
- overprovision in prior year	(3)	(10)	-	-
- other emoluments	14,912	15,335	-	-
Foreign exchange loss				
- realised	9,842	10,639	-	-
- unrealised	590	9,435	4	379
Unrealised fair value loss on derivative financial instruments	8	-	-	-
Inventories written off	-	591	-	-
Inventories written down	-	44,741	-	-

NOTES TO THE FINANCIAL STATEMENTS

5. PROFIT/(LOSS) FROM OPERATIONS (continued)

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Loss on disposal of property, plant and equipment	3	33	-	-
Operating leases				
- minimum lease payments for land and buildings	22,147	20,575	442	442
- minimum lease payments for equipment	848	739	-	-
- contingent rent	3,244	2,744	-	-
Property, plant and equipment written off	174	1,224	1	2
Investment properties written off	3	-	-	-
Other intangible assets written off	5	-	-	-
<i>and crediting:</i>				
Allowance for doubtful debts written back	1,490	700	-	-
Bad debt recovered	94	3	-	-
Foreign exchange gain				
- realised	2,800	6,785	339	-
- unrealised	14,016	1,446	-	-
Fair value gain on derivative financial instruments				
- realised	4,251	-	-	-
- unrealised	161	-	-	-
Profit on disposal of property, plant and equipment	585	1,833	34	82

Directors' remuneration does not include the estimated monetary value of benefits-in-kind as follows:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Company's directors	47	36	8	2
Subsidiaries' directors	469	524	-	-

NOTES TO THE FINANCIAL STATEMENTS

6. NET PROFIT FROM INVESTING ACTIVITIES

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Gross dividends from unquoted subsidiaries in Malaysia	-	-	5,640,702	896,955
Gross dividends from associates				
- quoted outside Malaysia	-	-	212,991	73,008
- unquoted in Malaysia	-	-	4,000	10,700
Gross dividends from other investments				
- quoted in Malaysia	42,521	56,952	18,056	24,083
- quoted outside Malaysia	5,819	8,050	1,944	3,094
Interest income	6,999	10,007	6,735	6,300
Rental income from investment properties	3,925	3,804	542	431
Profit/(Loss) on disposal of				
- associates	1,023	372	-	-
- other investments	-	(82)	-	-
- land and buildings	-	4,766	-	-
- investment properties	-	405	-	-
Deficit arising from liquidation of a subsidiary (<i>see note 48</i>)	-	(30)	-	-
Deficit arising from liquidation of an associate	(278)	-	-	-
Investment property written off	-	(277)	-	-
Impairment of investment in an associate	(269)	(4,436)	-	-
Impairment of goodwill	(642)	-	-	-
Diminution in value of other investments	-	(22,455)	-	(141,510)
Diminution in value of other investments written back	-	722	-	-
Fair value gain on financial assets at fair value through profit or loss	9,491	-	-	-
Impairment of investment property	(297)	-	-	-
Allowance for doubtful debts in associates	-	(6,099)	-	(5,911)
Gain on derecognition of available-for-sale financial assets	1,285	-	-	-
Discount on acquisition written off	73	1	-	-
	69,650	51,700	5,884,970	867,150

NOTES TO THE FINANCIAL STATEMENTS

7. FINANCE COSTS

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<i>Interest paid and payable on:</i>				
Banker's acceptance	1,559	1,932	-	-
Revolving credits	1,760	1,416	23	-
Advances from subsidiaries	-	-	3,083	5,773
Bank term loans	3,144	1,938	-	-
Bank overdrafts	14	17	-	-
Hire purchase	11	32	-	-
Others	62	63	-	-
	<u>6,550</u>	<u>5,398</u>	<u>3,106</u>	<u>5,773</u>

8. INCOME TAX EXPENSE

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
Malaysian taxation based on results for the year				
Current	38,186	60,900	24,930	135,001
Deferred	6,138	3,202	279	364
	<u>44,324</u>	<u>64,102</u>	<u>25,209</u>	<u>135,365</u>
Foreign taxation				
Current	1,509	1,488	-	-
Deferred	769	(2,117)	-	-
	<u>46,602</u>	<u>63,473</u>	<u>25,209</u>	<u>135,365</u>
Under/(Over)provision in prior year				
Malaysian taxation				
Current	4,993	(783)	(893)	65
Deferred	(3,939)	251	6	1,550
Foreign taxation				
Current	(1,474)	-	-	-
	<u>46,182</u>	<u>62,941</u>	<u>24,322</u>	<u>136,980</u>

NOTES TO THE FINANCIAL STATEMENTS

8. INCOME TAX EXPENSE (continued)

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<u>Discontinued operations</u>				
Malaysian taxation based on results for the year				
Current	53,814	44,117	-	-
Deferred	4,401	1,290	-	-
	<u>58,215</u>	<u>45,407</u>	<u>-</u>	<u>-</u>
(Over)/Underprovision in prior year				
Malaysian taxation				
Current	(959)	77	-	-
Deferred	-	(1,207)	-	-
	<u>57,256</u>	<u>44,277</u>	<u>-</u>	<u>-</u>
Total income tax expense	<u>103,438</u>	<u>107,218</u>	<u>24,322</u>	<u>136,980</u>

The statutory tax rate applicable to the Company was reduced from 26% in 2008 to 25% in 2009.

The provision for taxation differs from the amount of taxation determined by applying the applicable statutory tax rate to the profit before tax excluding share of results of associates and jointly controlled entity analysed as follows:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Accounting profit from:				
- continuing operations	214,643	300,324	5,867,453	845,846
- discontinued operations	284,768	160,801	271	(4,902)
	<u>499,411</u>	<u>461,125</u>	<u>5,867,724</u>	<u>840,944</u>
Taxation at applicable tax rate	127,120	118,375	1,466,931	218,645
<i>Tax effect arising from:</i>				
Non-taxable income				
- exempt dividend	(11,852)	(13,562)	(1,444,210)	(126,639)
- under Section 54A of Income Tax Act 1967	(214)	(10,248)	-	-
- profit on disposal of				
- associates	(256)	(97)	-	-
- land and buildings	-	(1,345)	-	-
- other investments	-	(21)	-	-
- diminution in value of other investments written back	-	(187)	-	-

NOTES TO THE FINANCIAL STATEMENTS

8. INCOME TAX EXPENSE (continued)

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
- fair value gain on financial assets at fair value through profit or loss	(2,373)	-	-	-
- unrealised fair value gain on derivative financial instruments	(1,523)	-	-	-
- gain on derecognition of available-for-sale financial assets	(321)	-	-	-
- others	(1,610)	(1,540)	(50)	(29)
Expenses eligible for double deduction	(467)	(491)	-	-
Non-deductible expenses				
- impairment of an investment property	74	-	-	-
- impairment of an associate	67	1,153	-	-
- impairment of goodwill	161	-	-	-
- diminution in value of other investments	-	5,838	-	36,793
- allowance for doubtful debts in associates	-	1,586	-	1,537
- others	7,232	6,335	338	243
Utilisation of reinvestment allowance	(12,636)	(3,190)	-	-
Deferred tax assets not recognised	1,415	5,979	2,200	4,629
Effect on reduction in future tax rate	-	295	-	186
(Over)/Underprovision in prior year	(1,379)	(1,662)	(887)	1,615
	103,438	107,218	24,322	136,980

The Company has elected for the single-tier income tax system; accordingly the entire retained earnings of the Company are available for distribution by way of dividends without incurring additional tax liability.

9. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 30 October 2009, the Company ("PPB") entered into separate conditional sale and purchase agreements with Felda Global Ventures Holdings Sdn Bhd ("FGVH") for the proposed disposal by PPB of the following:

- 36,360,000 ordinary shares of RM1 each in Malayan Sugar Manufacturing Company Berhad ("MSM"), representing 100% of the issued and paid up share capital of MSM for a cash consideration of RM1,221.16 million ("MSM Shares Disposal");
- 6,000,000 ordinary shares of RM1 each in Kilang Gula Felda Perlis Sdn Bhd ("KGFP"), representing 50% of the issued and paid up share capital of KGFP for a cash consideration of RM26.31 million ("KGFP Shares Disposal"); and

NOTES TO THE FINANCIAL STATEMENTS

9. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (continued)

(c) certain parcels of land measuring a total of approximately 5,797 hectares located in Chuping, Perlis for a cash consideration of RM45.00 million ("Chuping Land Disposal").

On the same date, Grenfell Holdings Sdn Bhd ("Grenfell"), a 49% associate of PPB, entered into a conditional sale and purchase agreement with FGVH for the proposed disposal by Grenfell of 59,294,097 shares of RM1 each in Tradewinds (M) Berhad ("TWM") ("TWM Shares"), representing 20% of the issued and paid up share capital of TWM for a cash consideration of RM207.53 million ("TWM Shares Disposal").

The MSM Shares Disposal and TWM Shares Disposal were completed on 1 January 2010 and 6 January 2010 respectively while the Chuping Land Disposal and KGFP Shares Disposal were completed on 12 January 2010.

The results of MSM, KGFP, Chuping sugar cane plantation and TWM are disclosed under discontinued operations in the financial year ended 31 December 2009 and the comparative results have been restated accordingly.

The assets and liabilities of MSM, certain assets of Chuping sugar cane plantation, and investments in KGFP and TWM were classified as held for sale in the consolidated balance sheet as at 31 December 2009.

(a) The results of the discontinued operations are as follows:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Revenue	1,406,975	973,458	26,837	18,799
Cost of sales	(1,088,521)	(756,122)	(25,136)	(22,688)
Gross profit	318,454	217,336	1,701	(3,889)
Other operating income	25,135	498	73	479
Distribution costs	(40,799)	(40,746)	-	-
Administrative and general expenses	(18,923)	(19,304)	(1,674)	(1,681)
Other operating expenses	(160)	(313)	-	-
Profit from operations	283,707	157,471	100	(5,091)
Net profit from investing activities	2,353	6,474	171	189
Share of net profits less losses of associates	(7,681)	19,502	-	-
Finance costs	(1,292)	(3,144)	-	-
Profit before tax	277,087	180,303	271	(4,902)
Income tax expense	(57,256)	(44,277)	-	-
Profit after tax from discontinued operations	219,831	136,026	271	(4,902)

NOTES TO THE FINANCIAL STATEMENTS

9. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (continued)

(b) Profit/(Loss) from operations

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<i>Profit/(Loss) from operations is stated after charging:</i>				
Amortisation of prepaid lease payments	325	325	255	255
Auditors' remuneration				
- current year	49	59	-	-
- underprovision in prior year	-	2	-	-
Bad and doubtful debts	-	159	-	-
Depreciation of property, plant and equipment	25,568	18,077	698	1,243
Directors' remuneration				
- Company directors' other emoluments	2,562	2,016	-	-
- Subsidiary's directors:				
~ fees	30	30	-	-
~ other emoluments	2,724	3,141	-	-
Realised foreign exchange loss	84	126	-	2
Loss on disposal of property, plant and equipment	21	7	21	-
Operating lease rental of premises	1,590	1,223	23	23
Property, plant and equipment written off	1	140	1	1
<i>and crediting:</i>				
Profit on disposal of property, plant and equipment	54	49	-	31
Realised foreign exchange gain	-	60	-	60
Fair value gain on derivative financial instruments				
- realised	19,076	-	-	-
- unrealised	5,932	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

9. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (continued)

Directors' remuneration does not include the estimated monetary value of benefits-in-kind as follows:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Company's directors	21	33	-	-
Subsidiaries' directors	50	44	-	-

(c) Net profit from investing activities

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Interest income	2,182	6,285	-	-
Rental income	171	189	171	189
	<u>2,353</u>	<u>6,474</u>	<u>171</u>	<u>189</u>

(d) As at 31 December 2009, the assets and liabilities of the disposal group are as follows:

	Group	Company
	RM'000	RM'000
<u>Assets directly associated with disposal group classified as held for sale</u>		
Property, plant and equipment	184,871	3,748
Prepaid lease payments	14,733	13,742
Investments in associates	127,458	-
Inventories	266,313	3,038
Biological assets	13,753	13,753
Trade receivables	81,122	-
Other receivables, deposits and prepayments	62,747	-
Deposits	135,701	-
Cash and bank balances	7,711	-
Derivative financial assets	6,034	-
	<u>900,443</u>	<u>34,281</u>

NOTES TO THE FINANCIAL STATEMENTS

9. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (continued)

	Group RM'000	Company RM'000
<u>Liabilities directly associated with disposal group classified as held for sale</u>		
Deferred tax liabilities	12,243	-
Trade payables	2,647	-
Other payables and accruals	94,295	-
Short term borrowings	126,000	-
Current tax liabilities	31,064	-
	266,249	-

(e) Cash flows from discontinued operations

	Group	
	2009 RM'000	2008 RM'000
Cash flows from operating activities	247,815	60,674
Cash flows from investing activities	(57,325)	(37,622)
Cash flows from financing activities	(13,302)	134,861
Net cash generated from discontinued operations	177,188	157,913

10. BASIC EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The basic earnings per share is calculated by dividing the Group's profit for the year attributable to shareholders of the Company by the number of ordinary shares in issue during the year.

	Group	
	2009 RM'000	2008 RM'000
Attributable to shareholders of the Company		
- Profit from continuing operations	1,396,133	1,150,483
- Profit from discontinued operations	219,831	136,026
	1,615,964	1,286,509
Number of ordinary shares in issue ('000)	1,185,500	1,185,500
Basic earnings per share attributable to shareholders of the Company (sen)		
- Profit from continuing operations	117.8	97.0
- Profit from discontinued operations	18.5	11.5
	136.3	108.5

NOTES TO THE FINANCIAL STATEMENTS

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings RM'000	Long leasehold buildings RM'000	Short leasehold buildings RM'000	Plant, machinery and equipment RM'000	Motor vehicles and vessel RM'000	Furniture, fittings, office and other equipment RM'000	Capital work-in- progress RM'000	Total RM'000
Group								
Cost/Valuation								
At 1.1.2009								
- cost	203,501	175,836	214,791	647,197	119,123	87,160	214,095	1,661,703
- valuation	87	-	15,960	15,863	-	-	-	31,910
	203,588	175,836	230,751	663,060	119,123	87,160	214,095	1,693,613
Additions	247	722	14,608	27,971	4,333	7,112	109,598	164,591
Disposals - cost	(3)	(25)	(487)	(3,074)	(1,593)	(418)	-	(5,600)
Exchange differences - cost	-	-	438	2,100	(850)	(11)	5,358	7,035
Transfer to disposal group classified as held for sale - cost	(38,135)	(15,900)	(34,439)	(305,191)	(22,477)	(10,977)	(5,943)	(433,062)
- valuation	(87)	-	(6,267)	(14,329)	-	-	-	(20,683)
Transfer to non-current assets held for sale - cost	-	(2,282)	-	-	-	-	-	(2,282)
Transfer from inventories								
- cost	-	-	-	-	-	301	-	301
Transfer to land held for property development	(3,962)	-	-	-	-	-	-	(3,962)
- cost								
Write-offs - cost	(204)	(531)	(1,192)	(3,039)	(83)	(1,892)	-	(6,941)
- valuation	-	-	-	(1,534)	-	-	-	(1,534)
Reclassifications								
- cost	16,782	-	54,541	161,644	524	1,191	(234,045)	637
- valuation	-	-	(637)	-	-	-	-	(637)
At 31.12.2009	178,226	157,820	257,316	527,608	98,977	82,466	89,063	1,391,476
- cost	178,226	157,820	248,260	527,608	98,977	82,466	89,063	1,382,420
- valuation	-	-	9,056	-	-	-	-	9,056
	178,226	157,820	257,316	527,608	98,977	82,466	89,063	1,391,476

NOTES TO THE FINANCIAL STATEMENTS

11. PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land and buildings RM'000	Long leasehold buildings RM'000	Short leasehold buildings RM'000	Plant, machinery and equipment RM'000	Motor vehicles and vessel RM'000	Furniture, fittings, office and other equipment RM'000	Capital work-in- progress RM'000	Total RM'000
Group								
Accumulated depreciation								
At 1.1.2009								
- cost	49,101	37,390	101,669	401,176	57,406	55,561	-	702,303
- valuation	87	-	15,960	15,863	-	-	-	31,910
	49,188	37,390	117,629	417,039	57,406	55,561	-	734,213
Charge for the year - cost	4,498	4,652	14,058	42,474	6,506	7,245	-	79,433
Disposals - cost	-	(17)	(487)	(2,900)	(1,202)	(391)	-	(4,997)
Exchange differences - cost	-	-	(567)	(666)	(409)	(30)	-	(1,672)
Transfer to disposal group classified as held for sale - cost	(7,009)	(13,545)	(25,454)	(176,334)	(17,401)	(8,448)	-	(248,191)
- valuation	(87)	-	(6,267)	(14,329)	-	-	-	(20,683)
Transfer to non-current assets held for sale - cost	-	(422)	-	-	-	-	-	(422)
Write-offs - cost	(188)	(531)	(1,185)	(2,962)	(83)	(1,817)	-	(6,766)
- valuation	-	-	-	(1,534)	-	-	-	(1,534)
Reclassifications								
- cost	-	-	637	-	-	-	-	637
- valuation	-	-	(637)	-	-	-	-	(637)
At 31.12.2009	46,402	27,527	97,727	260,788	44,817	52,120	-	529,381
- cost	46,402	27,527	88,671	260,788	44,817	52,120	-	520,325
- valuation	-	-	9,056	-	-	-	-	9,056
	46,402	27,527	97,727	260,788	44,817	52,120	-	529,381
Accumulated impairment losses								
At 1.1.2009								
- cost	476	-	523	1	-	430	-	1,430
- valuation	-	-	-	-	-	-	-	-
	476	-	523	1	-	430	-	1,430
Disposals - cost	-	-	-	(1)	-	-	-	(1)
At 31.12.2009	476	-	523	-	-	430	-	1,429
- cost	476	-	523	-	-	430	-	1,429
- valuation	-	-	-	-	-	-	-	-
	476	-	523	-	-	430	-	1,429
Net book value								
at 31.12.2009	131,348	130,293	159,066	266,820	54,160	29,916	89,063	860,666
- cost	131,348	130,293	159,066	266,820	54,160	29,916	89,063	860,666
- valuation	-	-	-	-	-	-	-	-
	131,348	130,293	159,066	266,820	54,160	29,916	89,063	860,666

NOTES TO THE FINANCIAL STATEMENTS

11. PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land and buildings RM'000	Long leasehold buildings RM'000	Short leasehold buildings RM'000	Plant, machinery and equipment RM'000	Motor vehicles and vessel RM'000	Furniture, fittings, office and other equipment RM'000	Capital work-in- progress RM'000	Total RM'000
Group								
Cost/Valuation								
At 1.1.2008								
- cost	199,481	168,837	212,278	667,450	116,906	80,154	54,502	1,499,608
- valuation	87	-	15,960	15,863	-	-	-	31,910
	199,568	168,837	228,238	683,313	116,906	80,154	54,502	1,531,518
Fair value adjustments*	145	-	-	-	-	-	-	145
Additions	143	3,811	11,062	12,342	3,778	8,818	185,763	225,717
Disposals - cost	-	-	(6,099)	(39,488)	(4,971)	(1,018)	-	(51,576)
Exchange differences - cost	-	-	141	1,066	2,903	36	(6,540)	(2,394)
Write-offs - cost	(97)	(26)	(2,591)	(4,471)	(292)	(2,320)	-	(9,797)
Reclassifications - cost	3,829	3,214	-	10,298	799	1,490	(19,630)	-
At 31.12.2008	203,588	175,836	230,751	663,060	119,123	87,160	214,095	1,693,613
- cost	203,501	175,836	214,791	647,197	119,123	87,160	214,095	1,661,703
- valuation	87	-	15,960	15,863	-	-	-	31,910
	203,588	175,836	230,751	663,060	119,123	87,160	214,095	1,693,613
<i>* Fair value adjustments made following the acquisition of additional equity interest in an existing subsidiary.</i>								
Accumulated depreciation								
At 1.1.2008								
- cost	44,730	32,422	93,913	402,685	54,291	51,447	-	679,488
- valuation	87	-	15,960	15,863	-	-	-	31,910
	44,817	32,422	109,873	418,548	54,291	51,447	-	711,398
Charge for the year - cost	4,463	4,994	12,226	31,420	6,813	7,054	-	66,970
Disposals - cost	-	-	(2,939)	(29,437)	(4,355)	(796)	-	(37,527)
Exchange differences - cost	-	-	67	790	928	20	-	1,805
Write-offs - cost	(92)	(26)	(1,598)	(4,282)	(271)	(2,164)	-	(8,433)
At 31.12.2008	49,188	37,390	117,629	417,039	57,406	55,561	-	734,213
- cost	49,101	37,390	101,669	401,176	57,406	55,561	-	702,303
- valuation	87	-	15,960	15,863	-	-	-	31,910
	49,188	37,390	117,629	417,039	57,406	55,561	-	734,213
Accumulated impairment losses								
At 1.1.2008								
- cost	476	-	523	7,643	80	546	-	9,268
- valuation	-	-	-	-	-	-	-	-
	476	-	523	7,643	80	546	-	9,268
Disposal - cost	-	-	-	(7,720)	(81)	(117)	-	(7,918)
Exchange differences - cost	-	-	-	78	1	1	-	80
At 31.12.2008	476	-	523	1	-	430	-	1,430
- cost	476	-	523	1	-	430	-	1,430
- valuation	-	-	-	-	-	-	-	-
	476	-	523	1	-	430	-	1,430
Net book value								
at 31.12.2008	153,924	138,446	112,599	246,020	61,717	31,169	214,095	957,970
- cost	153,924	138,446	112,599	246,020	61,717	31,169	214,095	957,970
- valuation	-	-	-	-	-	-	-	-
	153,924	138,446	112,599	246,020	61,717	31,169	214,095	957,970

NOTES TO THE FINANCIAL STATEMENTS

11. PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land RM'000	Long leasehold buildings RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Furniture, fittings, office and other equipment RM'000	Total RM'000
Company						
Cost						
At 1.1.2009	42	15,274	15,957	3,864	2,685	37,822
Additions	-	182	247	244	223	896
Disposals	-	(24)	(36)	(325)	(4)	(389)
Write-offs	-	(532)	(232)	-	(31)	(795)
Transfer to disposal group classified as held for sale	-	(14,900)	(15,816)	(2,973)	(1,105)	(34,794)
At 31.12.2009	42	-	120	810	1,768	2,740
Accumulated depreciation						
At 1.1.2009	-	13,818	13,823	3,367	2,397	33,405
Charge for the year	-	275	316	76	105	772
Disposals	-	(17)	(33)	(256)	(4)	(310)
Write-offs	-	(531)	(232)	-	(30)	(793)
Transfer to disposal group classified as held for sale	-	(13,545)	(13,874)	(2,584)	(1,043)	(31,046)
At 31.12.2009	-	-	-	603	1,425	2,028
Net book value at 31.12.2009	42	-	120	207	343	712
Cost						
At 1.1.2008	42	15,216	16,490	4,545	2,649	38,942
Additions	-	84	114	-	110	308
Disposals	-	-	-	(681)	(39)	(720)
Write-offs	-	(26)	(647)	-	(35)	(708)
At 31.12.2008	42	15,274	15,957	3,864	2,685	37,822
Accumulated depreciation						
At 1.1.2008	-	13,514	13,714	3,786	2,295	33,309
Charge for the year	-	330	756	113	172	1,371
Disposals	-	-	-	(532)	(38)	(570)
Write-offs	-	(26)	(647)	-	(32)	(705)
At 31.12.2008	-	13,818	13,823	3,367	2,397	33,405
Net book value at 31.12.2008	42	1,456	2,134	497	288	4,417

Included in the Group's additions to property, plant and equipment during the financial year is capitalised interest expense amounting to RM4.214 million.

Included in the Group's property, plant and equipment are motor vehicles acquired under unexpired hire purchase arrangements with net book value amounting to RM415,000 (2008: RM482,000).

Title deeds to certain of the Group's freehold land and buildings with net book value of RM3.253 million (2008: RM3.356 million) have yet to be issued by the relevant authorities.

Capital work-in-progress of the Group with net book value of RM80.113 million (2008: RM80.113 million) has been charged to secure the long term bank loan referred to in note 35 below.

The property, plant and equipment stated at valuation were revalued by the directors based on independent professional valuations carried out in 1974 and 1982 on the open market value basis. These valuations were for special purposes. It has never been the Group's policy to carry out regular revaluations of its property, plant and equipment. The Group has availed itself of the transitional provisions when the MASB first adopted *IAS 16 Property, Plant and Equipment* in 1998 and accordingly, the carrying amounts of the revalued property, plant and equipment have been retained on the basis of these valuations as though they had never been revalued.

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENT PROPERTIES

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Cost/Valuation				
At 1 January				
- cost	231,818	242,198	6,983	6,983
- valuation	6,410	6,410	-	-
	<u>238,228</u>	<u>248,608</u>	<u>6,983</u>	<u>6,983</u>
Fair value adjustment*	-	7,667	-	-
Additions	3,951	1,333	16,806	-
Additions via dividend-in-specie	-	-	44,500	-
Disposals - cost	-	(18,255)	-	-
Write-offs - cost	(5)	(1,125)	-	-
Transfer to assets held for sale - cost	-	-	(2,282)	-
At 31 December	<u>242,174</u>	<u>238,228</u>	<u>66,007</u>	<u>6,983</u>
- cost	235,764	231,818	66,007	6,983
- valuation	6,410	6,410	-	-
	<u>242,174</u>	<u>238,228</u>	<u>66,007</u>	<u>6,983</u>
Accumulated depreciation				
At 1 January				
- cost	63,311	78,292	394	366
- valuation	102	102	-	-
	<u>63,413</u>	<u>78,394</u>	<u>394</u>	<u>366</u>
Charge for the year - cost	4,164	4,001	28	28
Disposals - cost	-	(18,134)	-	-
Write-offs - cost	(2)	(848)	-	-
Transfer to assets held for sale - cost	-	-	(422)	-
At 31 December	<u>67,575</u>	<u>63,413</u>	<u>-</u>	<u>394</u>
- cost	67,473	63,311	-	394
- valuation	102	102	-	-
	<u>67,575</u>	<u>63,413</u>	<u>-</u>	<u>394</u>

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENT PROPERTIES (continued)

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Accumulated impairment losses				
At 1 January				
- cost	6,379	6,379	3,664	3,664
- valuation	-	-	-	-
	<u>6,379</u>	<u>6,379</u>	<u>3,664</u>	<u>3,664</u>
Charge for the year - cost	297	-	-	-
At 31 December	<u>6,676</u>	<u>6,379</u>	<u>3,664</u>	<u>3,664</u>
- cost	6,676	6,379	3,664	3,664
- valuation	-	-	-	-
	<u>6,676</u>	<u>6,379</u>	<u>3,664</u>	<u>3,664</u>
Net book value at 31 December	<u>167,923</u>	<u>168,436</u>	<u>62,343</u>	<u>2,925</u>
- cost	161,615	162,128	62,343	2,925
- valuation	6,308	6,308	-	-
	<u>167,923</u>	<u>168,436</u>	<u>62,343</u>	<u>2,925</u>
Fair value at 31 December	<u>406,333</u>	<u>368,358</u>	<u>63,917</u>	<u>4,577</u>

* Fair value adjustment made following the acquisition of additional equity interest in an existing subsidiary.

Title deeds to certain investment properties of the Group with net book value of RM8.670 million (2008: RM8.990 million) have yet to be issued by the relevant authorities.

The investment properties stated at valuation previously included in property, plant and equipment were revalued by the directors based on independent professional valuations carried out in 1974 and 1981 on the open market value basis. These valuations were for special purposes. It has never been the Group's policy to carry out regular revaluations of its property, plant and equipment. The Group has availed itself of the transitional provisions when the MASB first adopted *IAS 16 Property, Plant and Equipment* in 1998, and accordingly, the carrying amounts of these revalued investment properties have been retained on the basis of these valuations as though they had never been revalued.

The fair values of these investment properties as at financial year end were arrived at by reference to market evidence of transaction prices for similar properties and was performed by a registered independent valuer having an appropriate recognised professional qualification and recent experience in the locations and categories of the properties being valued.

NOTES TO THE FINANCIAL STATEMENTS

13. BIOLOGICAL ASSETS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Plantation Development Expenditure <i>(included under non-current assets)</i>				
Cost				
At 1 January	4,100	3,675	-	-
Additions	121	425	-	-
At 31 December	4,221	4,100	-	-
Accumulated depreciation				
At 1 January	1,157	994	-	-
Charge for the year	175	163	-	-
At 31 December	1,332	1,157	-	-
Net book value at 31 December	2,889	2,943	-	-
Biological assets <i>(included under current assets)</i>				
At cost				
Livestock	14,320	15,352	-	-
Unharvested cane crop	-	12,052	-	12,052
	14,320	27,404	-	12,052

14. LAND HELD FOR PROPERTY DEVELOPMENT

	Freehold land RM'000	Leasehold land RM'000	Development expenditure RM'000	Total RM'000
Group				
Cost				
At 1 January 2009	571	263	5,625	6,459
Additions	-	-	847	847
Transfer from property, plant and equipment	3,962	-	-	3,962
At 31 December 2009	4,533	263	6,472	11,268
At 1 January 2008	571	263	2,859	3,693
Additions	-	-	2,766	2,766
At 31 December 2008	571	263	5,625	6,459

NOTES TO THE FINANCIAL STATEMENTS

15. PREPAID LEASE PAYMENTS

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Cost/Valuation				
At 1 January				
- cost	143,096	141,507	14,400	14,400
- valuation	20,837	20,837	21,236	21,236
	<u>163,933</u>	<u>162,344</u>	<u>35,636</u>	<u>35,636</u>
Additions	2,257	4,840	20	-
Disposals - cost	-	(2,946)	-	-
Transfer to disposal group classified as held for sale - cost	(2,681)	-	(20)	-
- valuation	(20,123)	-	(21,236)	-
Transfer to asset held for sale - cost	(16,540)	-	(12,132)	-
Exchange differences - cost	298	(305)	-	-
At 31 December	<u>127,144</u>	<u>163,933</u>	<u>2,268</u>	<u>35,636</u>
- cost	126,430	143,096	2,268	14,400
- valuation	714	20,837	-	21,236
	<u>127,144</u>	<u>163,933</u>	<u>2,268</u>	<u>35,636</u>
Accumulated amortisation				
At 1 January				
- cost	23,595	22,994	2,125	1,971
- valuation	7,688	7,357	7,259	7,004
	<u>31,283</u>	<u>30,351</u>	<u>9,384</u>	<u>8,975</u>
Charge for the year - cost	2,024	2,068	155	154
- valuation	331	331	255	255
Disposals - cost	-	(1,467)	-	-
Transfer to disposal group classified as held for sale - cost	(557)	-	-	-
- valuation	(7,514)	-	(7,514)	-
Transfer to asset held for sale - cost	(2,429)	-	(2,245)	-
Exchange differences - cost	(47)	-	-	-
At 31 December	<u>23,091</u>	<u>31,283</u>	<u>35</u>	<u>9,384</u>
- cost	22,586	23,595	35	2,125
- valuation	505	7,688	-	7,259
	<u>23,091</u>	<u>31,283</u>	<u>35</u>	<u>9,384</u>

NOTES TO THE FINANCIAL STATEMENTS

15. PREPAID LEASE PAYMENTS (continued)

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Accumulated impairment losses				
At 1 January				
- cost	358	358	358	358
- valuation	-	-	-	-
	<u>358</u>	<u>358</u>	<u>358</u>	<u>358</u>
Charge for the year - <i>cost</i>	-	-	-	-
At 31 December	<u>358</u>	<u>358</u>	<u>358</u>	<u>358</u>
- cost	358	358	358	358
- valuation	-	-	-	-
	<u>358</u>	<u>358</u>	<u>358</u>	<u>358</u>
Net book value at 31 December	<u>103,695</u>	<u>132,292</u>	<u>1,875</u>	<u>25,894</u>
- cost	103,486	119,143	1,875	11,917
- valuation	209	13,149	-	13,977
	<u>103,695</u>	<u>132,292</u>	<u>1,875</u>	<u>25,894</u>
Analysed as:				
Long leasehold land	62,675	91,862	1,875	25,894
Short leasehold land	41,020	40,430	-	-
	<u>103,695</u>	<u>132,292</u>	<u>1,875</u>	<u>25,894</u>

Title deeds to certain of the Group's leasehold land with net book value of RM0.850 million (2008: RM9.923 million) have yet to be issued by the relevant authorities.

The leasehold land stated at valuation were revalued by the directors based on independent professional valuations carried out in 1980 and 1982 on the open market value basis. These valuations were for special purposes. It has never been the Group's policy to carry out regular revaluations of its leasehold land.

The Group has availed itself of the transitional provisions of *FRS 117 Leases* and accordingly, the carrying amounts of these revalued leasehold land have been retained on the basis of these valuations as though they had never been revalued.

NOTES TO THE FINANCIAL STATEMENTS

16. GOODWILL

	Group	
	2009	2008
	RM'000	RM'000
Cost		
At 1 January	73,086	73,033
Arising from the acquisition of additional shares in an existing subsidiary (<i>see note 45</i>)	-	60
Arising from the liquidation of a subsidiary	-	(7)
Impairment loss for the year	(642)	-
At 31 December	72,444	73,086

Impairment testing of goodwill

Goodwill acquired in business combinations had been allocated to the Group's cash-generating units ("CGU") identified according to business segments as follows:

	Group	
	2009	2008
	RM'000	RM'000
Environmental engineering, waste management and utilities	3,338	3,338
Film exhibition and distribution	68,062	68,062
Chemicals trading and manufacturing	290	932
Other operations	754	754
	72,444	73,086

Film exhibition and distribution

The recoverable amount of the CGU of film exhibition and distribution are determined by value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by management. Cash flows beyond that five-year period have been extrapolated using a weighted average growth rate of 3.99% (2008: 4.00%), based on the long-term average growth rate of the industry. The pre-tax discount rate of 9.42% (2008: 9.97%) is applied to cash flow projections which also reflects the specific risks relating to the CGU.

Environmental engineering, waste management and utilities, chemicals trading and manufacturing and other operations

The recoverable amounts of the CGU of environmental engineering, waste management and utilities, chemicals trading and manufacturing, and other operations are determined by value in use calculations using cash flow projections based on financial budgets covering a five-year period approved by management. The cash flows beyond the five-year period are extrapolated using weighted average growth rates between 5.25% to 7.48% (2008: between 0.44% to 5.00%), based on the long-term average growth rate of the respective industries. The pre-tax discount rate between 4.28% to 13.70% (2008: between 3.69% to 17.82%) is applied to cash flow projections which also reflects the specific risks relating to the CGUs.

16. GOODWILL (continued)

Sensitivity to changes in assumptions

All the above key assumptions are based on management knowledge in the respective industries and historical information. In assessing the value in use, management is of the view that no foreseeable changes in any of the above key assumptions is expected to cause the carrying values of the respective CGUs to materially exceed their recoverable amounts.

17. OTHER INTANGIBLE ASSETS

	Group	
	2009	2008
	RM'000	RM'000
Computer software		
<i>(included under non-current assets)</i>		
Cost		
At 1 January	7,009	6,354
Additions	622	670
Write-offs	(96)	(15)
Exchange differences	(1)	-
At 31 December	7,534	7,009
Accumulated amortisation		
At 1 January	4,490	3,377
Charge for the year	1,167	1,128
Write-offs	(91)	(15)
Exchange differences	(1)	-
At 31 December	5,565	4,490
Carrying amount		
At 31 December	1,969	2,519
Film rights		
<i>(included under current assets)</i>		
Cost		
At 1 January	29,963	29,190
Additions	8,059	3,362
Rights expired	(1,848)	(2,589)
At 31 December	36,174	29,963

NOTES TO THE FINANCIAL STATEMENTS

17. OTHER INTANGIBLE ASSETS (continued)

	Group	
	2009	2008
	RM'000	RM'000
Accumulated amortisation		
At 1 January	21,986	19,714
Charge for the year	9,702	4,861
Rights expired	(1,848)	(2,589)
At 31 December	29,840	21,986
 Carrying amount		
At 31 December	6,334	7,977

18. INVESTMENTS IN SUBSIDIARIES

	Company	
	2009	2008
	RM'000	RM'000
Unquoted shares at cost	1,381,567	1,350,350

The subsidiaries are listed in note 59.

19. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Shares quoted outside Malaysia at cost	8,080,369	8,080,369	8,684,629	3,848,046
Unquoted shares at cost	97,954	111,600	50,883	50,883
	8,178,323	8,191,969	8,735,512	3,898,929
Capital contribution	4,135	-	-	-
Impairment loss on unquoted shares	(4,705)	(4,436)	(25)	(25)
Group's share of post-acquisition reserves and retained profits less losses	2,450,677	1,512,133	-	-
	10,628,430	9,699,666	8,735,487	3,898,904
 Market value of quoted shares	18,403,419	7,898,612	18,403,419	3,828,993

NOTES TO THE FINANCIAL STATEMENTS

19. INVESTMENTS IN ASSOCIATES (continued)

The Group's share of the current year's losses and accumulated losses of an associate amounting to RM16.969 million and RM77.427 million (2008: RM7.635 million and RM60.458 million), respectively have not been recognised in the Group income statement as equity accounting had ceased when the Group's share of losses of this associate exceeded the carrying amount of its investment in the associate.

The summarised financial information of the associates as at 31 December are as follows:

	2009 RM'000	2008 RM'000
<i>Assets and liabilities</i>		
Total assets	82,158,109	63,403,436
Total liabilities	41,043,335	28,119,095
<i>Results</i>		
Revenue	84,787,365	97,903,385
Profit for the year	6,707,320	5,195,044

The associates are listed in note 60.

20. INVESTMENT IN JOINTLY CONTROLLED ENTITY

	Group	
	2009 RM'000	2008 RM'000
Capital contribution, at cost	21,527	38,897
Group's share of retained profits less losses	7,991	6,952
	29,518	45,849

The Group's share of the assets and liabilities as at 31 December and revenue and results for the year of the jointly controlled entity are as follows:

	Group	
	2009 RM'000	2008 RM'000
<i>Assets and liabilities</i>		
Non-current assets	28,662	31,598
Current assets	1,618	15,048
Total assets	30,280	46,646
Non-current liabilities	-	-
Current liabilities	762	797
Total liabilities	762	797

NOTES TO THE FINANCIAL STATEMENTS

20. INVESTMENT IN JOINTLY CONTROLLED ENTITY (continued)

	Group	
	2009	2008
	RM'000	RM'000
<i>Results</i>		
Revenue	8,485	7,567
Expenses	(7,341)	(5,992)
Profit for the year	<u>1,144</u>	<u>1,575</u>

The unincorporated jointly controlled entity has no material contingencies and capital commitments at year end.

The amount due to the jointly controlled entity represents unsecured advances which are interest-free and repayable on demand.

The jointly controlled entity is listed in note 61.

21. OTHER INVESTMENTS

	Group	Company
	RM'000	RM'000
At 31 December 2009		
<u>Classified as available-for-sale financial assets</u>		
Shares quoted in Malaysia at market value	466,651	451,060
Shares quoted outside Malaysia at market value	405,676	248,576
Unquoted shares at cost	427	266
	<u>872,754</u>	<u>699,902</u>
<u>Classified as financial assets at fair value through profit or loss</u>		
Shares quoted outside Malaysia at market value	13,686	-
	<u>886,440</u>	<u>699,902</u>

NOTES TO THE FINANCIAL STATEMENTS

21. OTHER INVESTMENTS (continued)

	Group RM'000	Company RM'000
At 31 December 2008		
Shares quoted in Malaysia at cost	183,257	278,090
Diminution in value	(3,685)	(134,146)
	179,572	143,944
Shares quoted outside Malaysia at cost	235,489	126,583
Diminution in value	(17,377)	(16,991)
	218,112	109,592
Unquoted shares at cost	464	266
Diminution in value	(37)	-
	427	266
	<u>398,111</u>	<u>253,802</u>
Market value of		
- shares quoted in Malaysia	356,438	144,051
- shares quoted outside Malaysia	246,002	109,592
	<u>602,440</u>	<u>253,643</u>

22. DEFERRED TAX ASSETS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At 1 January	3,315	1,431	-	-
Exchange translation differences	50	(233)	-	-
Originating during the year	2,114	2,117	-	-
At 31 December	<u>5,479</u>	<u>3,315</u>	<u>-</u>	<u>-</u>

The Group has recognised the deferred tax assets based on the current level of operations of certain subsidiaries and the probability that sufficient taxable profit will be generated in the future against which the deferred tax assets can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

22. DEFERRED TAX ASSETS (continued)

The deferred tax assets on temporary differences recognised in the financial statements are as follows:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Tax effects of				
- Unabsorbed tax losses	5,621	3,315	-	-
- Unabsorbed capital allowances	32	-	-	-
- Excess of capital allowances over accumulated depreciation on property, plant and equipment	(174)	-	-	-
	<u>5,479</u>	<u>3,315</u>	<u>-</u>	<u>-</u>

Further, the following differences and unused tax losses exist as at 31 December of which the deferred tax benefits have not been recognised in the financial statements:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Unabsorbed tax losses	29,809	24,208	19,667	12,438
Unabsorbed capital allowances	8,780	10,094	7,649	6,078
Excess of capital allowances over accumulated depreciation on property, plant and equipment	(498)	(1,870)	-	-
	<u>38,091</u>	<u>32,432</u>	<u>27,316</u>	<u>18,516</u>

23. AMOUNTS DUE FROM/TO SUBSIDIARIES

Amounts due from subsidiaries included under non-current assets

The amounts due from subsidiaries included under non-current assets represent unsecured advances not expected to be recalled within the next 12 months and are analysed as follows:

	Company	
	2009	2008
	RM'000	RM'000
Bearing interest at 2.59% (2008: 4.19%) per annum (p.a)	59,583	113,690
Interest-free	-	8,938
	<u>59,583</u>	<u>122,628</u>

NOTES TO THE FINANCIAL STATEMENTS

23. AMOUNTS DUE FROM/TO SUBSIDIARIES (continued)

Amounts due from subsidiaries included under current assets

The amounts due from subsidiaries included under current assets represent unsecured advances which are repayable on demand except for a dividend receivable.

	Company	
	2009	2008
	RM'000	RM'000
Bearing interest at 2.59% (2008: nil) p.a	31,144	-
Interest-free	284	223
Dividend receivable	80,000	-
	<u>111,428</u>	<u>223</u>

Amounts due to subsidiaries included under current liabilities

The amounts due to subsidiaries included under current liabilities represent unsecured advances which are repayable on demand and are analysed as follows:

	Company	
	2009	2008
	RM'000	RM'000
Bearing interest at nil (2008: 4.25%) p.a	-	140,203
Bearing interest at nil (2008: 4.15%) p.a	-	126,735
Interest-free	3	8,107
	<u>3</u>	<u>275,045</u>

24. INVENTORIES

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Raw materials	266,946	560,616	-	-
Work-in-progress	8,238	20,038	-	-
Finished goods	70,470	91,022	-	-
Completed development properties	18,202	7,878	-	-
Sundry stores and consumables	13,979	26,890	-	3,211
	<u>377,835</u>	<u>706,444</u>	<u>-</u>	<u>3,211</u>

NOTES TO THE FINANCIAL STATEMENTS

25. PROPERTY DEVELOPMENT COSTS

	Group	
	2009	2008
	RM'000	RM'000
Freehold land		
- at cost	3,927	4,035
- at valuation	748	748
Development and construction costs	33,622	27,093
Costs recognised as an expense in income statement in previous years	-	(3,192)
At 1 January	38,297	28,684
Development costs incurred during the year	7,223	12,591
Transferred to inventories	(14,727)	(2,978)
At 31 December	30,793	38,297

26. GROSS AMOUNTS DUE FROM/(TO) CUSTOMERS

	Group	
	2009	2008
	RM'000	RM'000
Aggregate contract expenditure incurred to-date	362,050	393,149
Attributable profit recognised to-date	23,967	26,692
	386,017	419,841
Progress billings to-date	(387,476)	(429,871)
	(1,459)	(10,030)
Gross amount due from customers	15,564	19,129
Gross amount due to customers	(17,023)	(29,159)
	(1,459)	(10,030)
Progress billings comprise:		
Progress billings		
- received	374,467	403,899
- receivable	7,450	18,141
Retention sums	5,559	7,831
	387,476	429,871

NOTES TO THE FINANCIAL STATEMENTS

27. TRADE RECEIVABLES

	Group	
	2009	2008
	RM'000	RM'000
Related parties other than associates	465	5,761
Others	254,697	347,752
	<u>255,162</u>	<u>353,513</u>
Allowance for doubtful debts	(12,674)	(14,034)
	<u>242,488</u>	<u>339,479</u>

The currency exposure profile of trade receivables is as follows:

	Group	
	2009	2008
	RM'000	RM'000
- RM	218,819	303,034
- United States Dollar ("USD")	4,663	19,587
- Singapore Dollar ("SGD")	2,893	4,398
- Euro ("EUR")	359	372
- Brunei Dollar ("BND")	71	82
- Japanese Yen ("JPY")	-	652
- Indonesian Rupiah ("IDR")	1,009	-
- Hong Kong Dollar ("HKD")	64	-
- Sterling Pound ("GBP")	101	-
- Vietnamese Dong ("VND")	14,509	11,354
	<u>242,488</u>	<u>339,479</u>

Credit terms granted to customers normally range from 14 to 90 days. For major established customers, the credit terms may be extended to 120 days based on the discretion of management.

NOTES TO THE FINANCIAL STATEMENTS

28. AMOUNTS DUE FROM/TO ASSOCIATES

Amounts due from associates included under current assets

The amounts due from associates included under current assets are unsecured and are analysed as follows:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Trade balances	10,972	2,248	9,516	1,297
Advances				
- bearing interest at 0.55% (2008: 2.05%) p.a	12,959	13,093	-	-
- bearing interest at 0.73% (2008: 2.41%) p.a	1,516	1,523	-	-
- bearing interest at 3.59% (2008: 5.19%) p.a	3,509	3,375	3,509	3,375
- interest-free	11,473	74,332	-	71,645
	40,429	94,571	13,025	76,317
Allowance for doubtful debts	(826)	(59,777)	-	(58,980)
	39,603	34,794	13,025	17,337

The trade balances are expected to be settled within the normal credit periods. The advances can be recalled on demand.

The currency exposure profile of the amounts due from associates is as follows:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
- RM	25,128	20,143	13,025	17,337
- USD	1,516	1,523	-	-
- HKD	12,959	13,128	-	-
	39,603	34,794	13,025	17,337

Amounts due to associates included under current liabilities

The amounts due to associates included under current liabilities are unsecured and are analysed as follows:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Trade balances	21	38	-	-
Interest-free advances	6	147	7	27
	27	185	7	27

NOTES TO THE FINANCIAL STATEMENTS

28. AMOUNTS DUE FROM/TO ASSOCIATES (continued)

The trade balances are expected to be settled within the normal credit periods. The advances are payable on demand.

29. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

	Group 2009 RM'000
Assets designated at fair value through profit or loss	
- Forward foreign currency contracts	<u>193</u>
Liabilities designated at fair value through profit or loss	
- Forward foreign currency contracts	<u>212</u>

30. DEPOSITS

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks				
- in Malaysia	476,070	286,384	290,835	114,290
- outside Malaysia	65,164	125,244	-	83,786
	<u>541,234</u>	<u>411,628</u>	<u>290,835</u>	<u>198,076</u>

The currency exposure profile of deposits is as follows:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
- RM	471,819	283,677	290,835	114,290
- Australian Dollar ("AUD")	246	195	-	-
- USD	17,820	14,291	-	-
- SGD	241	84,023	-	83,786
- EUR	6,017	5,929	-	-
- IDR	9,514	3,241	-	-
- HKD	18,103	19,210	-	-
- Chinese Yuan Renminbi ("CNY")	522	509	-	-
- VND	16,952	553	-	-
	<u>541,234</u>	<u>411,628</u>	<u>290,835</u>	<u>198,076</u>

NOTES TO THE FINANCIAL STATEMENTS

30. DEPOSITS (continued)

Included in the Group's deposits with licensed banks is an amount of RM0.049 million (2008: RM0.070 million) pledged to a bank as security for banking facilities granted to subsidiaries.

The effective interest rates range from 0.08% to 3.70% (2008: 0.10% to 3.70%) p.a. All the deposits have maturities of less than one year.

31. CASH AND BANK BALANCES

Cash and bank balances of the Group include an amount of RM7.138 million (2008: RM10.697 million) maintained in Housing Development Accounts. Withdrawals from the Housing Development Accounts are restricted in accordance with the Housing Development (Housing Development Account) Regulations 1991.

Funds maintained in the Housing Development Accounts earn interest at 1.0% (2008 2.0%) p.a.

The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
- RM	37,173	65,480	2,479	935
- AUD	1	-	-	-
- USD	4,042	6,975	-	-
- SGD	597	3,005	47	2,083
- EUR	11	653	-	-
- IDR	310	103	-	-
- HKD	904	268	-	-
- VND	3,585	2,213	-	-
- CNY	1,145	831	-	-
- JPY	-	1	-	-
- Thai Baht ("THB")	1	1	-	-
- Swiss Franc ("CHF")	-	23	-	-
- Myanmar Kyats ("KYATS")	-	5	-	-
	47,769	79,558	2,526	3,018

32. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Property, plant and equipment amounting to RM1.860 million and prepaid lease payments amounting to RM9.887 million classified as held for sale was in relation to the Company which entered into a sale and purchase agreement to dispose of its property for a consideration of RM28.5 million. The disposal of this property has not been completed as at 31 December 2009.

Investment property amounting to RM9.009 million classified as held for sale was in relation to a subsidiary which entered into a sale and purchase agreement to dispose of its investment property. Subsequent to the subsidiary entering into the sale and purchase agreement, the existing tenant of the investment property filed a Writ of Summons and Statement of Claim against the subsidiary and the purchaser of the investment property. An injunction has been granted to preserve the status quo of the case and full trial hearing has been fixed on 17 May 2010 to 20 May 2010. Based on solicitors' advice, the subsidiary's directors are of the opinion that the subsidiary has a reasonable defence.

Prepaid lease payments amounting to RM4.224 million classified as held for sale was in relation to a subsidiary directors' resolution dated 31 December 2009, to dispose of its property for a consideration of RM10.4 million. The disposal of prepaid lease payments has not been completed as at 31 December 2009.

The assets and liabilities attributable to the above assets have been classified as held for sale and are presented separately in the consolidated balance sheet.

Since the fair values less costs to sell of the assets classified as held for sale are expected to exceed their net carrying amounts, no impairment loss is recognised.

The assets classified as held for sale are as follows:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Assets classified as held for sale:				
Property, plant and equipment				
At cost	2,282	-	-	-
Accumulated depreciation	(422)	-	-	-
Net book value	1,860	-	-	-
Investment properties				
At cost	13,847	13,847	2,282	-
Accumulated depreciation	(4,838)	(4,838)	(422)	-
Net book value	9,009	9,009	1,860	-
Prepaid lease payments				
At cost	16,540	-	12,132	-
Accumulated amortisation	(2,429)	-	(2,245)	-
Net book value	14,111	-	9,887	-
Total non-current assets classified as held for sale	24,980	9,009	11,747	-

NOTES TO THE FINANCIAL STATEMENTS

33. SHARE CAPITAL

	< -----2009----- >		< -----2008----- >	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Authorised:				
Ordinary shares of RM1 each	2,000,000	2,000,000	2,000,000	2,000,000
Issued and fully paid:				
Ordinary shares of RM1 each	1,185,500	1,185,500	1,185,500	1,185,500

34. NON-DISTRIBUTABLE RESERVES

	Group	
	2009 RM'000	2008 RM'000
Revaluation reserve	60,230	60,675
Exchange translation reserve	20,818	172,631
Fair value reserve	484,454	-
Hedge reserve	96,648	-
Capital reserve	294,561	254,191
	<u>956,711</u>	<u>487,497</u>

Details of the capital reserve are as follows:

	Group	
	2009 RM'000	2008 RM'000
Share of capital reserves of associates	269,141	199,727
Share premium of subsidiaries arising from shares issued to minority shareholders	23,651	23,651
Transferred from retained earnings arising from:		
- bonus issue by subsidiaries	1,769	1,769
- gain on disposal of landed properties and investments	-	29,044
	<u>294,561</u>	<u>254,191</u>

NOTES TO THE FINANCIAL STATEMENTS

35. LONG TERM BANK BORROWINGS

	Group	
	2009	2008
	RM'000	RM'000
<i>Secured:</i>		
USD denominated loan bearing interest at 1.25% p.a above SIBOR (effective interest rate: 5.00% (2008: 4.60%) p.a) repayable by 20 quarterly instalments commencing 3 months after the commencement of production (<i>see note 11</i>)	53,141	51,570
<i>Unsecured:</i>		
CNY denominated loan bearing interest at 5.94% (2008: 7.38%) p.a, repayable in full by July 2014	14,119	17,158
Bank term loan bearing interest at 0.75% p.a above cost of funds (effective interest rate: 2.93% (2008: nil) p.a) repayable by 14 quarterly instalments commencing on the 21st month following the date of the first drawdown	4,468	-
Bank term loan bearing interest at 0.75% p.a above cost of funds (effective interest rate: 2.90% (2008: nil) p.a) repayable by 16 quarterly instalments commencing on the 15th month following the date of the first drawdown	26,742	-
	98,470	68,728
Repayments due within the next 12 months included under short term borrowings (<i>see note 40</i>)	(15,708)	(2,863)
Repayments due after 12 months	82,762	65,865
The bank term loans are repayable as follows:		
- within one year (<i>included under current liabilities</i>)	15,708	2,863
- later than one year but not later than five years	82,762	11,453
- later than five years	-	54,412
	82,762	65,865
	98,470	68,728

36. HIRE PURCHASE LIABILITIES

	Group	
	2009	2008
	RM'000	RM'000
Outstanding hire purchase instalments due:		
- within one year	86	203
- later than one year but not later than five years	55	129
- later than five years	-	12
	141	344
Unexpired term charges	(9)	(25)
Outstanding principal amount due	132	319

NOTES TO THE FINANCIAL STATEMENTS

36. HIRE PURCHASE LIABILITIES (continued)

	Group	
	2009 RM'000	2008 RM'000
Outstanding principal amount due as follows:		
- within one year (<i>included under current liabilities</i>)	81	189
- later than one year but not later than five years	51	118
- later than five years	-	12
	51	130
	132	319

The effective interest rates of the hire purchase liabilities are between 6.08% and 8.46% (2008: between 6.80% and 8.46%) p.a.

37. DEFERRED TAX LIABILITIES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At 1 January	74,312	68,823	6,208	4,294
Fair value adjustments for the additional shares in an existing subsidiary	-	1,953	-	-
Transfer to liabilities directly associated with disposal group classified as held for sale	(12,243)	-	-	-
Recognised in income statement	9,483	3,536	285	1,914
At 31 December	71,552	74,312	6,493	6,208

The deferred tax liabilities on temporary differences recognised in the financial statements are as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Tax effects of				
- Excess of capital allowances over accumulated depreciation on property, plant and equipment, biological assets and other intangible assets	51,871	56,578	443	539
- Surplus on revaluation of land and buildings	20,032	20,469	2,612	2,656
- Unabsorbed capital and agriculture allowances	(2,934)	(4,460)	-	-
- Unabsorbed tax losses	(683)	(731)	-	-
- Unharvested cane crop	3,438	3,013	3,438	3,013
- Other temporary differences	(172)	(557)	-	-
	71,552	74,312	6,493	6,208

NOTES TO THE FINANCIAL STATEMENTS

38. TRADE PAYABLES

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Related parties other than associates	-	2,780	-	-
Others	145,677	198,645	967	956
	145,677	201,425	967	956

The currency exposure profile of trade payables is as follows:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
- RM	91,861	109,237	967	956
- USD	49,436	90,288	-	-
- SGD	285	1,023	-	-
- EUR	22	40	-	-
- CHF	160	-	-	-
- IDR	3,269	-	-	-
- JPY	7	7	-	-
- VND	637	682	-	-
- GBP	-	120	-	-
- THB	-	28	-	-
	145,677	201,425	967	956

The normal credit terms extended by suppliers range from 30 to 120 days. Retention sums for construction contracts are payable upon the expiry of the defects liability period of the respective construction contracts. The defects liability periods of construction contracts are between 12 and 30 months.

39. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Unpaid property, plant and equipment acquired	9,452	14,724	2	7
Interest accrued	295	838	-	-
Other payables	53,167	40,806	5,889	4,969
Deposits from sale of investments	64,624	-	64,624	-
Accruals	40,207	37,531	867	754
Tenants and other deposits	11,864	11,603	165	172
	179,609	105,502	71,547	5,902

NOTES TO THE FINANCIAL STATEMENTS

39. OTHER PAYABLES AND ACCRUALS (continued)

The currency exposure profile of other payables and accruals is as follows:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
- RM	147,693	94,931	71,547	5,902
- USD	23,152	2,246	-	-
- SGD	512	941	-	-
- EUR	8	-	-	-
- CHF	119	-	-	-
- IDR	4,828	1,736	-	-
- HKD	1,243	3,723	-	-
- JPY	90	18	-	-
- VND	1,693	1,756	-	-
- CNY	271	151	-	-
	179,609	105,502	71,547	5,902

40. SHORT TERM BORROWINGS

	Group	
	2009	2008
	RM'000	RM'000
Bankers' acceptance	-	235,994
Trust receipt	554	-
Revolving credits	401	74,150
Bank term loans	19,554	-
Current portion of long term bank loans (see note 35)	15,708	2,863
	36,217	313,007

The currency exposure profile of short term borrowings is as follows:

	Group	
	2009	2008
	RM'000	RM'000
- RM	3,882	313,007
- USD	28,953	-
- CNY	2,828	-
- SGD	554	-
	36,217	313,007

NOTES TO THE FINANCIAL STATEMENTS

40. SHORT TERM BORROWINGS (continued)

The borrowings bear interest at commercial rates which vary according to inter-bank offer or base lending rates, depending on the nature and purpose of the borrowings.

The effective interest rates for the short term borrowings are as follows:

	Group	
	2009	2008
	% p.a	% p.a
Bankers' acceptance	-	3.45 - 4.15
Trust receipt	6.55	-
Revolving credits	2.65 - 5.00	3.98 - 5.13
Bank term loans	5.00	-

41. BANK OVERDRAFTS

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Unsecured bank overdraft	1,356	2,094	-	-

The bank overdrafts bear interest at commercial rates which vary according to the banks' base lending rates. The effective interest rates applicable are between 5.55% and 7.50% (2008: between 6.75% and 8.00%) p.a.

42. EFFECT OF CHANGES IN GROUP STRUCTURE

	Group	
	2009	2008
	RM'000	RM'000
Effect of issue of shares at a premium by an associate		
- Capital reserve	-	(238)
- Exchange translation reserve	-	(454)
- Retained earnings	-	13,275
Effect of dilution of equity interest in an associate		
- Retained earnings	542	-
	542	12,583

NOTES TO THE FINANCIAL STATEMENTS

43. TRANSFER OF RESERVES

Transfer of reserves mainly derived from the Group's share of associates' reserves in respect of transfer made pursuant to the laws of certain countries in which certain amount from the net profit must be allocated to the reserve fund.

44. DIVIDENDS

	2009 RM'000	2008 RM'000
<i>In respect of the year ended 31 December 2007</i>		
Final dividend of 25 sen per share less 26% income tax	-	219,318
<i>In respect of the year ended 31 December 2008</i>		
Special dividend of 62 sen per share less 26% income tax	-	543,907
Interim single-tier dividend of 5 sen per share	-	59,275
Final single-tier dividend of 18 sen per share	213,390	-
	213,390	603,182
<i>In respect of the year ended 31 December 2009</i>		
Interim single-tier dividend of 5 sen per share	59,275	-
	<u>272,665</u>	<u>822,500</u>

Subsequent to the financial year end, the Directors declared a special single-tier dividend of 50 sen per share amounting to RM592.750 million which was paid on 15 March 2010, and recommended a final single-tier dividend of 18 sen per share amounting to RM213.390 million subject to shareholders' approval at the forthcoming AGM.

45. ACQUISITION OF SHARES IN SUBSIDIARIES

(a) The subsidiary acquired during the year was Resolute Services Sdn Bhd.

There was no subsidiary acquired in 2008.

Name of subsidiary	Cash consideration RM'000	Group effective interest %	Effective acquisition date
Resolute Services Sdn Bhd	2	100.0	30 December 2009

NOTES TO THE FINANCIAL STATEMENTS

45. ACQUISITION OF SHARES IN SUBSIDIARIES (continued)

Details of the assets, liabilities and net cash outflow arising from the acquisition of the subsidiary were as follows:

	Carrying/Fair value Group	
	2009 RM'000	2008 RM'000
Property, plant and equipment	-	-
Trade and other receivables	-	-
Cash and bank balances	2	-
Trade and other payables	-	-
Net assets acquired	2	-
Minority interests	-	-
Total purchase consideration	2	-
Less: Cash and cash equivalents acquired	(2)	-
Net cash outflow on acquisition	-	-

The revenue and loss for the year in which the acquisition took place and their post-acquisition contribution included in the consolidated income statement were as follows:

	Group	
	2009 RM'000	2008 RM'000
Revenue		
During the financial year	-	-
Pre-acquisition	-	-
Post-acquisition	-	-
Loss for the year		
During the financial year	(2)	-
Pre-acquisition	-	-
Post-acquisition	(2)	-

NOTES TO THE FINANCIAL STATEMENTS

45. ACQUISITION OF SHARES IN SUBSIDIARIES (continued)

The net assets of the acquired subsidiary included in the consolidated balance sheet at the end of the financial year were as follows:

	Group	
	2009	2008
	RM'000	RM'000
Non-current assets	-	-
Current assets	2	-
Current liabilities	(2)	-
Non-current liabilities	-	-
Minority interests	-	-
Group's share of net assets	-	-

(b) The details of acquisition of additional interest in an existing subsidiary during the year are as follows:

Name of subsidiary	Cash consideration RM'000	Additional interest acquired %	Effective acquisition date
Malayan Adhesives & Chemicals Sdn Bhd	128	0.3	28 August 2009

The additional shares in an existing subsidiary acquired in 2008 were in respect of Golden Screen Cinemas Sdn Bhd.

The minority interests acquired and the net cash outflow arising from the acquisition of additional interests in the existing subsidiary are as follows:

	Group	
	2009	2008
	RM'000	RM'000
Minority interests acquired	176	59
Goodwill on acquisition (<i>see note 16</i>)	-	60
Discount on acquisition	(48)	-
Net cash outflow on acquisition	128	119

NOTES TO THE FINANCIAL STATEMENTS

45. ACQUISITION OF SHARES IN SUBSIDIARIES (continued)

(c) The details of acquisition of additional interest in an existing associate during the year were as follows:

Name of subsidiary	Cash consideration	Additional interest acquired %	Effective acquisition date
Cipta Quantum Sdn Bhd	RM1	70.0	6 January 2009

Prior to the acquisition, Chemquest Sdn Bhd owned 30% equity interest in Cipta Quantum Sdn Bhd. Subsequent to the acquisition, Cipta Quantum Sdn Bhd has become a wholly-owned subsidiary of Chemquest Sdn Bhd.

The additional interests acquired and the net cash outflow arising from the acquisition of additional interests in the existing associate are as follows:

	Group	
	2009 RM'000	2008 RM'000
Current assets	351	-
Current liabilities	(313)	-
Discount on acquisition	(25)	-
Net assets previously held as investment in associate	(13)	-
Purchase consideration	*	-
Less : cash and cash equivalent	(351)	-
Net cash inflow on acquisition	(351)	-

* Represents RM1

46. DISPOSAL OF SHARES IN SUBSIDIARIES

There was no subsidiary disposed of during the year.

The subsidiary disposed of in 2008 was Sri Aman Feedmills Sdn Bhd.

NOTES TO THE FINANCIAL STATEMENTS

46. DISPOSAL OF SHARES IN SUBSIDIARIES (continued)

An analysis of the disposal is as follows:

	Group	
	2009 RM'000	2008 RM'000
Non-current assets	-	-
Current assets	-	*
Non-current liabilities	-	(10)
Current liabilities	-	-
Minority interests	-	-
Share of net liabilities disposed of	-	(10)
Profit on disposal of a subsidiary	-	-
Liability waived	-	10
Total sale consideration	-	*
Less: Cash and cash equivalents disposed of	-	-
Net cash inflow during the year	-	*

* Represents RM2

The effects of the disposals on the consolidated financial results for the financial year and the consolidated financial position were as follows:

	Group	
	2009 RM'000	2008 RM'000
<i>Income statement</i>		
Revenue	-	-
Cost of sales	-	-
Gross loss	-	-
Other operating income	-	-
Administrative and general expenses	-	(1)
Loss from operations	-	(1)
Finance cost	-	-
Loss before tax	-	(1)
Income tax expense	-	-
Loss after tax	-	(1)
Minority interest	-	-
Decrease in Group's net profit	-	(1)

NOTES TO THE FINANCIAL STATEMENTS

46. DISPOSAL OF SHARES IN SUBSIDIARIES (continued)

	Group	
	2009	2008
	RM'000	RM'000
<i>Balance sheet</i>		
Non-current assets	-	-
Current assets	-	*
Non-current liabilities	-	-
Current liabilities	-	(10)
Minority interests	-	-
Group's share of net liabilities	-	(10)

* Represents RM2

47. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment (<i>see note 11</i>)	164,591	225,717	896	308
Interest expense capitalised	(4,214)	-	-	-
Deposits paid in prior year	(206)	(16,927)	-	-
Deposits paid in current year	699	206	-	-
Cash paid in respect of prior year acquisition	14,689	19,074	7	1,646
Unpaid balances included under other payables	(9,452)	(14,689)	(2)	(7)
Unpaid balances included under other payables of disposal group classified as held for sale	(9,534)	-	-	-
Cash paid during the financial year	156,573	213,381	901	1,947

48. LIQUIDATION OF SUBSIDIARIES

There was no subsidiary liquidated during the year.

The subsidiary liquidated in 2008 was Conwaste Disposal Services (P.Pinang) Sdn Bhd.

NOTES TO THE FINANCIAL STATEMENTS

48. LIQUIDATION OF SUBSIDIARIES (continued)

An analysis of the liquidation is as follows:

	Group	
	2009 RM'000	2008 RM'000
Total surplus assets and capital receivable from company liquidated during the year	-	796
Less:		
Cost of investment	-	(360)
Post-acquisition profit previously consolidated	-	(466)
Deficit arising from liquidation	-	(30)

49. RELATED PARTY DISCLOSURES

(a) Significant related party transactions during the financial year are as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<i>Transactions with ultimate holding company</i>				
Management fee paid	154	124	-	-
<i>Transactions with subsidiaries</i>				
Interest received and receivable	-	-	3,450	5,068
Interest paid and payable	-	-	3,083	5,771
Rental income	-	-	532	420
Registration fee paid and payable	-	-	51	71
Management fee received	-	-	612	793
<i>Transactions with associates</i>				
Sales of goods	26,900	18,920	26,837	18,799
Interest received and receivable	241	614	133	161
Management fee received	885	859	6	-
Rental of premises received	307	260	-	-
Rental of premises paid	120	120	-	-
Lease rental paid	67	67	-	-
Film rental received	1,164	617	-	-
Screen advertising and filmlets paid	480	685	-	-
Information technology services and sales of related products	82	82	-	-

49. RELATED PARTY DISCLOSURES (continued)

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<i>Transactions with subsidiaries of ultimate holding company</i>				
Sales of goods	63,035	66,332	-	-
<i>Transactions with subsidiaries of associates</i>				
Purchase of goods	137,883	164,260	-	-
Management fee received	169	276	-	-
Rental received	2,781	2,873	-	-
Elevation and other services received	296	189	-	-
Security and other services paid and payable	635	644	-	-
Engineering services rendered	1,944	6,456	-	-
<i>Transactions with associates of ultimate holding company</i>				
Insurance premium paid	8,001	8,529	348	355
Rental of premises paid	1,045	1,371	435	435
Insurance compensation received	-	732	-	-
Project management fees received	96	96	-	-
<i>Transactions with an associate of a company which is under common influence with the ultimate holding company</i>				
Sales of goods	5,791	12,789	-	-
Purchase of goods	37,725	-	-	-
<i>Transactions with an indirect subsidiary of a company which is under common influence with the ultimate holding company</i>				
Purchase of goods	94,327	403,827	-	-
<i>Transactions with companies in which a director has financial interests</i>				
Purchase of goods	-	131,744	-	-

NOTES TO THE FINANCIAL STATEMENTS

49. RELATED PARTY DISCLOSURES (continued)

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<i>Transactions with companies in which directors of subsidiaries have financial interests</i>				
Purchase of goods	120	-	-	-
Agent fee receivable	-	113	-	-
<i>Transactions with minority shareholders of subsidiaries</i>				
Support fee paid	106	106	-	-

Significant outstanding balances with related parties were as follows:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Amounts owing by:				
- Associates	10,972	2,248	9,516	1,297
- Other related parties	3,835	5,761	-	-
Amounts owing to:				
- Associates	21	38	-	-
- Other related parties	-	2,780	-	-

All outstanding balances with related parties are expected to be settled within the normal credit period. None of the balances is secured.

(b) Key management personnel compensation

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<i>Directors</i>				
Short term employee benefits	9,088	8,679	6,152	5,289
Post-employment benefits - EPF	1,181	1,198	836	792
Sub-total	10,269	9,877	6,988	6,081
<i>Other key management personnel</i>				
Short term employee benefits	21,767	22,628	1,129	1,355
Post-employment benefits - EPF	2,435	2,621	183	208
Sub-total	24,202	25,249	1,312	1,563
Total compensation	34,471	35,126	8,300	7,644

NOTES TO THE FINANCIAL STATEMENTS

50. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Employee benefits expense				
- Continuing operations	142,710	140,946	12,014	11,635
- Discontinued operations	37,261	36,445	6,594	7,135
	<u>179,971</u>	<u>177,391</u>	<u>18,608</u>	<u>18,770</u>
EPF				
- Continuing operations	13,148	13,200	1,507	1,529
- Discontinued operations	3,359	3,322	700	814
	<u>16,507</u>	<u>16,522</u>	<u>2,207</u>	<u>2,343</u>

51. CONTINGENT LIABILITIES

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Unsecured guarantees issued in consideration of credit facilities given to an associate	2,550	2,550	2,550	2,550

52. CAPITAL COMMITMENTS

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Authorised acquisition of property, plant and equipment not provided for in the financial statements				
- contracted	109,168	95,057	-	20
- not contracted	45,456	198,332	235	413
	<u>154,624</u>	<u>293,389</u>	<u>235</u>	<u>433</u>

NOTES TO THE FINANCIAL STATEMENTS

53. OPERATING LEASE COMMITMENTS

The Group as lessee

The Group leases premises from various parties under operating leases. These leases comprise non-cancellable leases and typically run for a period ranging from one to five years, with option to renew the leases after the expiry dates. There are no restrictions placed on the Group by entering into these leases. Certain of the leases include contingent rental arrangements computed based on sales achievement if higher than fixed base rents.

The future aggregate minimum lease payments under the non-cancellable operating lease contracted for as at the balance sheet date but not recognised as liabilities are as follows:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
- within one year	18,879	20,460	-	-
- later than one year but not later than five years	13,413	21,577	-	-
	<u>32,292</u>	<u>42,037</u>	<u>-</u>	<u>-</u>

The Group as lessor

The Group leases out its investment properties under cancellable and non-cancellable operating leases. These leases typically run for a period of one to three years with option to renew the leases after the expiry date. Certain of the leases include contingent rental arrangements computed based on sales achievement if higher than fixed base rents.

The future aggregate minimum lease payments receivable under the non-cancellable operating leases contracted for as at the balance sheet date but not recognised as assets are as follows:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
- within one year	3,696	3,232	-	-
- later than one year but not later than five years	2,473	3,252	-	-
	<u>6,169</u>	<u>6,484</u>	<u>-</u>	<u>-</u>

54. SEGMENTAL REPORTING

(a) Primary reporting format - business segment

The Group's operations (excluding associates and jointly controlled entity) comprise the following business segments:

- | | |
|---|--|
| (i) Grains trading, flour and feed milling | - Wheat and maize trading, flour milling and manufacturing of animal feed |
| (ii) Film exhibition and distribution | - Exhibition and distribution of cinematograph films |
| (iii) Environmental engineering, waste management and utilities | - Construction works specialising in water and environmental industry and provision of waste management services |
| (iv) Chemicals trading and manufacturing | - Trading and manufacturing of chemical products |
| (v) Property investment and development | - Letting of commercial properties and development of residential and commercial properties |
| (vi) Livestock farming | - Production of day-old chicks, eggs and other related downstream activities |
| (vii) Other operations | - Consumer products, packaging, oil palm plantations, investment holding, engineering contracts, shipping and others |
| (viii) Sugar refining, trading and cane plantation | - Sugar cane cultivation, refining of sugar and trading |

Transactions between segments are entered into in the normal course of business and are established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The effects of such inter-segmental transactions are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

54. SEGMENTAL REPORTING (continued)

	-----Continuing operations-----				
	Grains trading, flour & feed milling RM'000	Film exhibition & distribution RM'000	Environmental engineering, waste management & utilities RM'000	Chemicals trading & manufacturing RM'000	Property investment & development RM'000
2009					
REVENUE					
External sales	1,065,930	205,692	103,391	70,577	39,403
Inter-segment sales	86,445	-	765	582	1,371
Total revenue	<u>1,152,375</u>	<u>205,692</u>	<u>104,156</u>	<u>71,159</u>	<u>40,774</u>
RESULTS					
Segment operating results	93,210	28,505	4,393	3,635	12,486
Unallocated corporate expense					
Profit from operations					
Investing activities					
Share of associates' profits	870	1,216	4,961	-	21,239
Share of joint venture's profit	-	-	1,144	-	-
Finance costs					
Profit before tax					
Income tax expense					
Profit for the year					
OTHER INFORMATION					
Segment assets	975,766	205,130	48,689	44,862	178,695
Investments in associates	59,665	5,653	30,853	-	129,837
Investment in joint venture	-	-	29,518	-	-
Other investing assets					
Tax assets					
Unallocated corporate assets					
Consolidated total assets					
Segment liabilities	103,954	52,713	32,055	10,614	15,750
Borrowings					
Tax liabilities					
Unallocated corporate liabilities					
Consolidated total liabilities					
Capital expenditure	77,900	21,977	441	837	4,253
Unallocated corporate capital expenditure					
Amortisation and depreciation	22,146	26,954	1,832	1,816	4,557
Unallocated corporate amortisation and depreciation					
Non-cash expenses other than amortisation and depreciation	(13,851)	8	63	-	(121)
Impairment losses	-	-	-	642	297
Unallocated corporate non-cash expenses other than amortisation and depreciation					

NOTES TO THE FINANCIAL STATEMENTS

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Livestock farming RM'000	Other operations RM'000	Elimination RM'000	Total RM'000
72,795	447,641	-	2,005,429
17,868	41,186	(148,217)	-
90,663	488,827	(148,217)	2,005,429
3,503	21,413	616	167,761 (16,218)
			151,543
			69,650
-	1,211,317	-	1,239,603
-	-	-	1,144
			(6,550)
			1,455,390
			(46,182)
			1,409,208
104,628	353,593	(3,292)	1,908,071
-	10,402,422	-	10,628,430
-	-	-	29,518
			1,572,842
			23,389
			4,267
			14,166,517
2,129	55,441	(643)	272,013
			120,472
			78,337
			70,530
			541,352
484	4,149	-	110,041
			18
			110,059
5,251	8,141	-	70,697
			406
			71,103
(54)	(333)	-	(14,288)
-	269	-	1,208
			143
			(12,937)

NOTES TO THE FINANCIAL STATEMENTS

54. SEGMENTAL REPORTING (continued)

	-----Continuing operations-----				
2008	Sugar refining, trading & cane plantation RM'000	Grains trading, flour & feed milling RM'000	Film exhibition & distribution RM'000	Environmental engineering, waste management & utilities RM'000	Chemicals trading & manufacturing RM'000
REVENUE					
External sales	-	1,330,024	177,533	185,804	144,974
Inter-segment sales	-	97,149	-	-	935
Total revenue	-	1,427,173	177,533	185,804	145,909
RESULTS					
Segment operating results	-	167,459	24,425	4,636	3,648
Unallocated corporate expense					
Profit from operations					
Investing activities					
Share of associates' profits	-	11,055	1,144	5,905	-
Share of joint venture's profit	-	-	-	1,575	-
Finance costs					
Profit before tax					
Income tax expense					
Profit for the year					
OTHER INFORMATION					
Segment assets	514,481	1,001,218	204,172	66,383	63,475
Investments in associates	21,312	60,213	7,874	27,182	-
Investment in joint venture	-	-	-	45,849	-
Other investing assets					
Tax assets					
Unallocated corporate assets					
Consolidated total assets					
Segment liabilities	26,039	115,529	42,672	48,026	14,740
Borrowings					
Tax liabilities					
Unallocated corporate liabilities					
Consolidated total liabilities					
Capital expenditure	48,185	148,272	23,172	989	4,141
Unallocated corporate capital expenditure					
Amortisation and depreciation	-	17,252	20,979	1,915	2,021
Unallocated corporate amortisation and depreciation					
Non-cash expenses other than amortisation and depreciation	-	47,724	(89)	9	4,672
Impairment losses	-	-	-	-	-
Unallocated corporate non-cash expenses other than amortisation and depreciation					

NOTES TO THE FINANCIAL STATEMENTS

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Property investment & development RM'000	Livestock farming RM'000	Other operations RM'000	Elimination RM'000	Total RM'000
63,701	71,412	515,118	-	2,488,566
1,379	16,041	23,760	(139,264)	-
<u>65,080</u>	<u>87,453</u>	<u>538,878</u>	<u>(139,264)</u>	<u>2,488,566</u>
20,504	(5,738)	58,331	460	273,725
				(19,703)
				<u>254,022</u>
				51,700
5,249	-	895,087	-	918,440
-	-	-	-	1,575
				(5,398)
				<u>1,220,339</u>
				(62,941)
				<u>1,157,398</u>
202,433	90,725	370,821	(599)	2,513,109
93,579	-	9,489,506	-	9,699,666
-	-	-	-	45,849
				932,944
				20,605
				4,072
				<u>13,216,245</u>
17,181	2,226	64,105	(1,531)	328,987
				381,433
				93,634
				19,312
				<u>823,366</u>
2,265	249	5,636	-	232,909
				76
				<u>232,985</u>
4,379	5,341	8,769	-	60,656
				464
				<u>61,120</u>
209	(77)	2,657	-	55,105
-	-	4,436	-	4,436
				299
				<u>59,840</u>

NOTES TO THE FINANCIAL STATEMENTS

54. SEGMENTAL REPORTING (continued)

	<-----Discontinued operations----->				
2009	Sugar refining, trading & cane plantation RM'000	Other operations RM'000	Elimination RM'000	Total RM'000	Total operations RM'000
REVENUE					
External sales	1,406,975	-	-	1,406,975	3,412,404
Inter-segment sales	-	-	-	-	-
Total revenue	<u>1,406,975</u>	<u>-</u>	<u>-</u>	<u>1,406,975</u>	<u>3,412,404</u>
RESULTS					
Segment operating results	282,842	61	804	283,707	451,468
Unallocated corporate expense				-	(16,218)
Profit from operations				<u>283,707</u>	<u>435,250</u>
Investing activities				2,353	72,003
Share of associates' profits	6,445	(14,126)	-	(7,681)	1,231,922
Share of joint venture's profit	-	-	-	-	1,144
Finance costs				<u>(1,292)</u>	<u>(7,842)</u>
Profit before tax				<u>277,087</u>	<u>1,732,477</u>
Income tax expense				<u>(57,256)</u>	<u>(103,438)</u>
Profit for the year				<u>219,831</u>	<u>1,629,039</u>
OTHER INFORMATION					
Segment assets	634,298	2,986	-	637,284	2,545,355
Investments in associates	27,306	100,152	-	127,458	10,755,888
Investment in joint venture	-	-	-	-	29,518
Other investing assets				135,701	1,708,543
Tax assets				-	23,389
Unallocated corporate assets				-	4,267
Consolidated total assets				<u>900,443</u>	<u>15,066,960</u>
Segment liabilities	98,900	195	(2,215)	96,880	368,893
Borrowings				126,000	246,472
Tax liabilities				43,307	121,644
Unallocated corporate liabilities				62	70,592
Consolidated total liabilities				<u>266,249</u>	<u>807,601</u>
Capital expenditure	60,553	930	-	61,483	171,524
Unallocated corporate capital expenditure				-	18
				<u>61,483</u>	<u>171,542</u>
Amortisation and depreciation	24,920	973	-	25,893	96,590
Unallocated corporate amortisation and depreciation				-	406
				<u>25,893</u>	<u>96,996</u>
Non-cash expenses other than amortisation and depreciation	(5,964)	-	-	(5,964)	(20,252)
Impairment losses	-	-	-	-	1,208
Unallocated corporate non-cash expenses other than amortisation and depreciation				-	143
				<u>(5,964)</u>	<u>(18,901)</u>

NOTES TO THE FINANCIAL STATEMENTS

54. SEGMENTAL REPORTING (continued)

	<-----Discontinued operations----->				
2008	Sugar refining, trading & cane plantation RM'000	Other operations RM'000	Elimination RM'000	Total RM'000	Total operations RM'000
REVENUE					
External sales	973,458	-	-	973,458	3,462,024
Inter-segment sales	-	-	-	-	-
Total revenue	<u>973,458</u>	<u>-</u>	<u>-</u>	<u>973,458</u>	<u>3,462,024</u>
RESULTS					
Segment operating results	156,917	(151)	705	157,471	431,196
Unallocated corporate expense				-	(19,703)
Profit from operations				<u>157,471</u>	<u>411,493</u>
Investing activities				6,474	58,174
Share of associates' profits	2,450	17,052	-	19,502	937,942
Share of joint venture's profit	-	-	-	-	1,575
Finance costs				<u>(3,144)</u>	<u>(8,542)</u>
Profit before tax				<u>180,303</u>	<u>1,400,642</u>
Income tax expense				<u>(44,277)</u>	<u>(107,218)</u>
Profit for the year				<u>136,026</u>	<u>1,293,424</u>
OTHER INFORMATION					
Amortisation and depreciation	17,565	837	-	18,402	79,058
Unallocated corporate amortisation and depreciation				-	464
				<u>18,402</u>	<u>79,522</u>
Non-cash expenses other than amortisation and depreciation	255	-	-	255	55,360
Impairment losses	-	-	-	-	4,436
Unallocated corporate non-cash expenses other than amortisation and depreciation				-	299
				<u>255</u>	<u>60,095</u>

NOTES TO THE FINANCIAL STATEMENTS

54. SEGMENTAL REPORTING (continued)

(b) Secondary reporting format - geographical segment

The Group operates mainly in Asia. In determining the geographical segments of the Group, revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical locations of the assets.

	<-----Revenue----->					
	Continuing operations		Discontinued operations		Total	
	2009	2008	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	1,797,777	2,215,323	1,304,083	862,829	3,101,860	3,078,152
Indonesia	40,244	51,488	5,782	4,305	46,026	55,793
Singapore	51,127	99,662	57,240	71,996	108,367	171,658
Other Asean countries	99,562	105,985	828	4,499	100,390	110,484
East Asia	5,727	840	5,706	11,689	11,433	12,529
Other Asian countries	226	120	16,329	13,423	16,555	13,543
European countries	1,747	2,197	-	1,002	1,747	3,199
America and Asia Pacific countries and others	9,019	12,951	17,007	3,715	26,026	16,666
	<u>2,005,429</u>	<u>2,488,566</u>	<u>1,406,975</u>	<u>973,458</u>	<u>3,412,404</u>	<u>3,462,024</u>

	<-----Carrying amount of segment assets----->			
	<-----2009----->			2008
	Continuing operations	Discontinued operations	Total	Total
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,659,687	637,284	2,296,971	2,331,162
Indonesia	158,905	-	158,905	86,263
Singapore	2,100	-	2,100	1,728
Other Asean countries	83,720	-	83,720	91,153
East Asia	3,659	-	3,659	2,803
	<u>1,908,071</u>	<u>637,284</u>	<u>2,545,355</u>	<u>2,513,109</u>

	<-----Capital expenditure----->			
	<-----2009----->			2008
	Continuing operations	Discontinued operations	Total	Total
	RM'000	RM'000	RM'000	RM'000
Malaysia	83,933	61,483	145,416	148,414
Indonesia	24,817	-	24,817	82,671
Singapore	30	-	30	40
Other Asean countries	1,279	-	1,279	1,860
	<u>110,059</u>	<u>61,483</u>	<u>171,542</u>	<u>232,985</u>

NOTES TO THE FINANCIAL STATEMENTS

55. FINANCIAL INSTRUMENTS

Certain comparative figures have not been presented as at 31 December 2008 by virtue of the exemption given in paragraph 44AA of FRS 7.

(a) Classification of financial instruments

2009 Group	Loans and receivables RM'000	Available- for-sale RM'000	At fair value through profit or loss RM'000	Total RM'000
Financial assets				
Other investments	-	872,754	13,686	886,440
Receivables	328,183	-	-	328,183
Derivative financial assets	-	-	193	193
Deposits, cash and bank balances	589,003	-	-	589,003
Total financial assets	<u>917,186</u>	<u>872,754</u>	<u>13,879</u>	<u>1,803,819</u>

2009 Group	At amortised cost RM'000	At fair value through profit or loss RM'000	Total RM'000
Financial liabilities			
Payables	342,336	-	342,336
Borrowings	120,467	-	120,467
Derivative financial liabilities	-	212	212
Total financial liabilities	<u>462,803</u>	<u>212</u>	<u>463,015</u>

2009 Company	Loans and receivables RM'000	Available- for-sale RM'000	Total RM'000
Financial assets			
Other investments	-	699,902	699,902
Receivables	185,531	-	185,531
Deposits, cash and bank balances	293,361	-	293,361
Total financial assets	<u>478,892</u>	<u>699,902</u>	<u>1,178,794</u>

2009 Company	At amortised cost RM'000
Financial liabilities	
Payables	<u>72,524</u>

NOTES TO THE FINANCIAL STATEMENTS

55. FINANCIAL INSTRUMENTS (continued)

(b) Fair value of financial instruments

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

The carrying amounts of the financial instruments of the Group and of the Company at the balance sheet date approximated or were at their fair values.

It was not practical to estimate the fair value of the Group and of the Company's investments in unquoted shares due to the lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive costs.

The following summarises the methods used in determining the fair value of financial instruments:

Other investments

Fair value of other investments has been determined by reference to their quoted closing bid price at the balance sheet date.

Derivatives

Fair value of forward currency contracts has been determined by reference to current forward exchange rates for contracts with similar maturity profiles.

Fair value of commodities futures has been determined by reference to current quoted market price for contracts with similar maturity profiles.

Other non-derivative financial instruments

Fair value of other non-derivatives is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at balance sheet date.

56. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities are exposed to a variety of financial risks, including foreign currency exchange risk, interest rate risk, price risk, credit risk and liquidity risk. The Group's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the Group.

Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to financial risk management policies.

56. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The Group enters into derivative instruments, principally foreign currency forward contracts and commodities futures to hedge its exposure to financial risks. The Group does not trade in derivative instruments.

There have been no significant changes on the Group's exposure to financial risks from the previous year. Also, there have been no changes to the Group's risk management objectives, policies and processes since the previous financial year end.

The Group's management reviews and agrees on policies for managing each of the financial risks and they are summarised below.

(a) Foreign currency exchange risk

The Group is exposed to currency risk as a result of foreign currency transactions entered into in currencies other than its functional currencies. The Group enters into forward foreign currency contracts to limit its exposure on foreign currency receivables and payables, and on cash flows from anticipated transactions denominated in foreign currencies.

The currency exposures are disclosed in the respective notes to the financial statements.

A sensitivity analysis has been performed on the outstanding foreign currency denominated monetary items of the Group as at 31 December 2009. If the USD were to strengthen or weaken by 5% against RM with all other variables held constant, the Group profit after tax would increase or decrease by RM3.601 million.

As other foreign currency denominated monetary items as at 31 December 2009 are not material, the sensitivity analysis has not been presented.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations. These net investments are not hedged, as currency positions in these foreign currencies are considered to be long term in nature.

(b) Interest rate risk

The Group is exposed to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Exposure to changes in interest rate risk relates primarily to the Group's bank borrowings and deposits placed with licensed banks and financial institutions.

A sensitivity analysis has been performed based on the outstanding floating rate bank borrowings of the Group as at 31 December 2009. If interest rates increase or decrease by 50 basis points with all other variables held constant, the Group profit after tax would decrease or increase by RM0.452 million, as a result of lower or higher interest expense on these borrowings.

NOTES TO THE FINANCIAL STATEMENTS

56. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Price risk

The Group's exposure to price risk arises mainly from fluctuations in the prices of key raw materials. The Group manages this risk by using commodity futures to hedge its exposure.

The Group is also exposed to price risk arising from changes in value caused by movements in market price of its investments in quoted shares. The risk of loss is minimised via thorough analyses before investing and continuous monitoring of the performance of the investments. The Group optimises returns by disposing of investments only after thorough analyses.

A sensitivity analysis has been performed based on the quoted market prices of the Group's equity investments in quoted shares as at 31 December 2009. If the quoted market prices increase or decrease by 5% with all other variables held constant, the Group's profit after tax and equity would increase or decrease by the amounts as shown below:

	Group		Company	
	Profit after tax RM'000	Equity RM'000	Profit after tax RM'000	Equity RM'000
Other investments	684	43,616	-	35,034

(d) Credit risk

Credit risk arises from the possibility that a counter party may be unable to meet the terms of a contract in which the Group has a gain position.

The Group's management has a credit policy in place to ensure that transactions are conducted with creditworthy counter parties.

The Group's credit risk is primarily attributable to trade receivables arising from the sale of goods.

Exposure to credit risk arising from sales made on deferred credit terms is managed through the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. If necessary, the Group may obtain collaterals from counter parties as a means of mitigating losses in the event of default.

At balance sheet date, the Group and the Company did not have any significant concentration of credit risk that may arise from exposure to a single debtor or group of debtors.

The Group seeks to invest its surplus cash safely by depositing it with licensed financial institutions.

NOTES TO THE FINANCIAL STATEMENTS

56. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The ageing analysis of receivables as at 31 December 2009 which are trade in nature is as follows:

	Group		Company	
	Gross RM'000	Impairment RM'000	Gross RM'000	Impairment RM'000
Not past due	166,548	-	9,516	-
Less than 30 days past due	41,527	-	-	-
Between 30 and 90 days past due	25,386	-	-	-
More than 90 days past due	32,673	(12,674)	-	-
	266,134	(12,674)	9,516	-
<u>Included under receivables</u>				
Trade receivables (note 27)	255,162	(12,674)	-	-
Amount due from associates (note 28)	10,972	-	9,516	-
	266,134	(12,674)	9,516	-

Movements in the allowance for doubtful debts of trade receivables are as follows:

	Group RM'000	Company RM'000
At 1 January 2009	14,034	-
Doubtful debts recognised	716	-
Doubtful debts written off	(586)	-
Doubtful debts written back	(1,490)	-
At 31 December 2009	12,674	-

(e) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations when they fall due. The Group's exposure to liquidity risk arises principally from its various payables and borrowings.

The Group seeks to ensure all business units maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities.

Therefore, the policy seeks to ensure that each business unit, through efficient working capital management (ie. inventory, accounts receivable and accounts payable management), must be able to convert its current assets into cash to meet all demands for payment as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS

56. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Owing to the nature of its businesses, the Group also seeks to maintain sufficient credit lines available to meet its liquidity requirements while ensuring effective working capital management within the Group.

The table below summarises the maturity profile of the Group and the Company's financial liabilities at 31 December 2009 based on contractual undiscounted cash flows.

	Less than 1 year RM'000	1 to 5 years RM'000	Total RM'000
Group			
Payables	342,336	-	342,336
Borrowings	43,186	91,986	135,172
Derivative financial liabilities	212	-	212
	385,734	91,986	477,720
	Less than 1 year RM'000	1 to 5 years RM'000	Total RM'000
Company			
Payables	72,524	-	72,524

57. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW FRSS

The adoption of *FRS 139* has resulted in several changes to accounting policies relating to recognition and measurement of financial instruments. Significant changes in accounting policies are as follows:

Other investments

Prior to 1 January 2009, other investments were stated at cost less any diminution in value of the investments. The diminution in value was charged to the income statement.

With the adoption of *FRS 139*, other investments held for trading are classified as financial assets at fair value through profit or loss, otherwise these assets are classified as available-for-sale financial assets. These investments are measured in accordance with the accounting policies set out in note 2.16 above.

NOTES TO THE FINANCIAL STATEMENTS

57. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW FRSs (continued)

Derivative financial instruments

Prior to 1 January 2009, derivative financial instruments were not recognised in the balance sheet.

With the adoption of *FRS 139*, derivative financial instruments are recognised in the balance sheet and measured in accordance with the accounting policies set out in note 2.16 above.

Inter-company loans

Prior to 1 January 2009, inter-company loans were recorded at cost.

With the adoption of *FRS 139*, inter-company loans are measured in accordance with the accounting policies set out in note 2.16 above.

As these changes in accounting policies have been applied prospectively, there is no impact on amounts reported for 2008 or prior periods in the Group consolidated financial statements and the Company's separate financial statements.

The opening figures as at 1 January 2009 have been restated as follow:

	Group		Company	
	As	As	As	As
	restated	previously	restated	previously
	RM'000	stated	RM'000	stated
	RM'000	RM'000	RM'000	RM'000
Statement of changes in equity				
Fair value reserve	204,560	-	104	-
Hedge reserve	267,585	-	-	-
Retained earnings	10,603,820	10,553,079	4,404,692	4,418,266
Minority interests	160,225	160,088	-	-

58. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Directors on 2 April 2010.

NOTES TO THE FINANCIAL STATEMENTS

59. SUBSIDIARIES

The subsidiaries as at 31 December 2009 are as follows:

Companies	Group's equity interest		Country of incorporation	Principal activities
	2009 %	2008 %		
Malayan Sugar Manufacturing Company Berhad	100.0	100.0	Malaysia	Sugar refining and investment holding
Astakonas Sdn Bhd	100.0	100.0	Malaysia	Provision of transportation services
MSM Properties Sdn Bhd	100.0	100.0	Malaysia	Dormant
* Masuma Trading Co Ltd	100.0	100.0	Hong Kong	Investment holding
* Quintrine Company Ltd	100.0	100.0	Hong Kong	Investment holding
* Banqua Limited	100.0	100.0	British Virgin Islands	Investment holding
FFM Berhad	100.0	100.0	Malaysia	Investment holding, grains trading, flour milling and animal feed manufacturing
Johor Bahru Flour Mill Sdn Bhd	100.0	100.0	Malaysia	Flour milling and animal feed manufacturing
* FFM (Sabah) Sdn Bhd	100.0	100.0	Malaysia	Manufacturing and trading of animal feed
* Cloverdale Trading Pte Ltd	100.0	100.0	Singapore	Marketing and distribution of wheat flour products
Lamlewa Feedmill Sdn Bhd	100.0	100.0	Malaysia	Dormant
* FFM Feedmills (Sarawak) Sdn Bhd	75.0	75.0	Malaysia	Manufacturing and trading of animal feed
FFM Further Processing Sdn Bhd (formerly known as Mantap Hijau Sdn Bhd)	100.0	100.0	Malaysia	Manufacturing and processing of nuggets and sausages
Mantap Aman Sdn Bhd	100.0	100.0	Malaysia	Investment holding
* PT Pundi Kencana	51.0	51.0	Indonesia	Flour milling
FFM Marketing Sdn Bhd	100.0	100.0	Malaysia	Distribution and marketing of edible oils and consumer products
FFM Flour Mills (Sabah) Sdn Bhd	100.0	100.0	Malaysia	Dormant
Taloh Sdn Bhd	100.0	100.0	Malaysia	Investment holding
Waikari Sdn Bhd	100.0	100.0	Malaysia	Dormant
* Buxton Limited	100.0	100.0	Samoa	Investment holding

59. SUBSIDIARIES (continued)

Companies	Group's equity interest		Country of incorporation	Principal activities
	2009 %	2008 %		
Katella Sdn Bhd	100.0	100.0	Malaysia	Shipping
Friendship Trading Sdn Bhd	100.0	100.0	Malaysia	Provision of transportation services
* Glowland Limited	100.0	100.0	Samoa	Investment holding
JBFM Flour Mill Sdn Bhd	100.0	100.0	Malaysia	Provision of management services
FFM Farms Sdn Bhd	100.0	100.0	Malaysia	Livestock breeding
FFM Pulau Indah Sdn Bhd	100.0	100.0	Malaysia	Provision of management services
* Affluence Trading Sdn Bhd	100.0	100.0	Malaysia	Dormant
* FFM Flour Mills (Sarawak) Sdn Bhd	100.0	100.0	Malaysia	Flour milling
FFM SMI Sdn Bhd	100.0	100.0	Malaysia	Investment holding
Vietnam Flour Mills Ltd	100.0	100.0	Socialist Republic of Vietnam	Flour milling
Tego Sdn Bhd	79.9	79.9	Malaysia	Manufacturing of polyethylene and polypropylene woven bags and fabrics
Tego Multifil Sdn Bhd	100.0	100.0	Malaysia	Manufacturing and trading of polypropylene multi-filament yarns
* Tefel Packaging Industries Co Ltd	100.0	100.0	Union of Myanmar	Manufacturing and trading of polyethylene and polypropylene woven bags and fabrics
* Keen Trade Limited	100.0	100.0	British Virgin Islands	Trading of flexible intermediate bulk container bags, polyethylene and polypropylene woven bags and fabrics
* Resolute Services Sdn Bhd	100.0	-	Malaysia	Dormant
PPB Hartabina Sdn Bhd	100.0	100.0	Malaysia	Property development and property investment
Kembang Developments Sdn Bhd	100.0	100.0	Malaysia	Rental of landed properties
South Island Mining Company Sdn Bhd	100.0	100.0	Malaysia	Investment holding, iron-ore sales and oil palm cultivation
Seletar Sdn Bhd	100.0	100.0	Malaysia	Oil palm cultivation and property development
Central Kedah Rubber Estates Sdn Bhd	100.0	100.0	Malaysia	Dormant

NOTES TO THE FINANCIAL STATEMENTS

59. SUBSIDIARIES (continued)

Companies	Group's equity interest		Country of incorporation	Principal activities
	2009 %	2008 %		
Minsec Properties Bhd	100.0	100.0	Malaysia	Property development
PPB Leisure Holdings Sdn Bhd	100.0	100.0	Malaysia	Investment holding
Cathay Screen Cinemas Sdn Bhd	66.2	66.2	Malaysia	Property investment and investment holding
Cathay Enterprises Sdn Bhd	100.0	100.0	Malaysia	Investment holding
Cathay Theatres Sdn Bhd	100.0	100.0	Malaysia	Property investment
Cathay Theatres (Sarawak) Sdn Bhd	100.0	100.0	Malaysia	Property investment
Golden Screen Cinemas Sdn Bhd	99.0	99.0	Malaysia	Exhibition and distribution of cinematograph films
Premier Cinemas Sdn Bhd	100.0	100.0	Malaysia	Exhibition of cinematograph films
Cinead Sdn Bhd	100.0	100.0	Malaysia	Advertising contractor and consultant
Glitters Café Sdn Bhd	100.0	100.0	Malaysia	Operator of cafés
Easi (M) Sdn Bhd	60.0	60.0	Malaysia	Provision of information technology solutions, consultation services and sales of related products and services
* Enterprise Advanced System Intelligence Pte Ltd	100.0	100.0	Singapore	Software development and software maintenance
Jubilant Chain Sdn Bhd	100.0	100.0	Malaysia	Software development and software maintenance
Penzance Properties Sdn Bhd <i>(formerly known as Golden Screen Film Distribution Company Sdn Bhd)</i>	100.0	100.0	Malaysia	Dormant
PPB Corporate Services Sdn Bhd	100.0	100.0	Malaysia	Corporate secretarial and share registration services
Hexarich Sdn Bhd	100.0	100.0	Malaysia	Investment holding
Chemquest Sdn Bhd	55.0	55.0	Malaysia	Trading in chemical products, investment holding and provision of management services

59. SUBSIDIARIES (continued)

Companies	Group's equity interest		Country of incorporation	Principal activities
	2009 %	2008 %		
Chemquest Trading (M) Sdn Bhd	100.0	100.0	Malaysia	Dormant
Products Manufacturing Sdn Bhd	70.0	70.0	Malaysia	Manufacturing and trading in toilet requisites, household and chemical products
CQ Properties Sdn Bhd	100.0	100.0	Malaysia	Property investment
Minsec Engineering Services Sdn Bhd	100.0	100.0	Malaysia	Provision of engineering services
Chemical Waste Management Sdn Bhd	100.0	100.0	Malaysia	Construction works specialising in the water and environmental industry
Cipta Wawasan Maju Engineering Sdn Bhd	70.0	70.0	Malaysia	Builders and contractors for general engineering and construction works
SES Environmental Services Sdn Bhd	50.1	50.1	Malaysia	Investment holding
Solar Status Sdn Bhd	100.0	100.0	Malaysia	Investment holding
* AWS Sales & Services Sdn Bhd	80.0	80.0	Malaysia	Contractors for garbage collection and provision of management and other services in connection with garbage collection
Sitamas Environmental Systems Sdn Bhd	70.0	70.0	Malaysia	Provision of garbage disposal services
Zegwaard Bumianda Sdn Bhd	100.0	100.0	Malaysia	Provision of liquid waste disposal services
Entrol Systems Sdn Bhd	100.0	100.0	Malaysia	Letting of properties
Tunggak Menara Services Sdn Bhd	100.0	100.0	Malaysia	Provision of garbage collection and disposal services
Asia Pacific Microspheres Sdn Bhd	100.0	100.0	Malaysia	Dormant
Malayan Adhesives & Chemicals Sdn Bhd	99.4	99.1	Malaysia	Manufacturing and trading in adhesives, resins, additives, formaldehyde and phenoset microspheres, trading in contact glue, and investment holding
* Chemquest (Overseas) Ltd	100.0	100.0	British Virgin Islands	Investment holding
* PT Healthcare Glovindo	99.9	99.9	Indonesia	Dormant
* Kerry Utilities Ltd	50.0	50.0	Samoa	Investment holding

NOTES TO THE FINANCIAL STATEMENTS

59. SUBSIDIARIES (continued)

Companies	Group's equity interest		Country of incorporation	Principal activities
	2009	2008		
	%	%		
* Kerry Utilities Ltd	100.0	100.0	Hong Kong	Dormant
* Beijing Kerry Veolia Waste Water Treatment Co Ltd	51.0	51.0	The People's Republic of China	Investment holding
* Beijing CQ Environmental Management Consultancy Services Co Ltd	100.0	100.0	The People's Republic of China	Provision of consultancy services
# Cipta Quantum Sdn Bhd	100.0	-	Malaysia	Dormant

* Subsidiaries not audited by Mazars

Became a wholly-owned subsidiary on 6 January 2009

60. ASSOCIATES

The associates as at 31 December 2009 are as follows:

Companies	Group's equity interest		Country of incorporation	Principal activities
	2009	2008		
	%	%		
* Kilang Gula Felda Perlis Sdn Bhd	50.0	50.0	Malaysia	Cane milling and sugar refining
* Shaw Brothers (M) Sdn Bhd	34.0	34.0	Malaysia	Property investment, investment holding and provision of management services
* Vita Tenggara Fruit Industries Sdn Bhd	40.0	40.0	Malaysia	Property development
Trinity Coral Sdn Bhd	25.0	25.0	Malaysia	Investment holding
Wisma Perak Sdn Bhd	50.0	50.0	Malaysia	Investment holding
Grenfell Holdings Sdn Bhd	49.7	49.7	Malaysia	Investment holding
* Kerry Flour Mills Ltd	43.4	43.4	Thailand	Wheat flour milling and distribution
Kerry Leisure Concepts Sdn Bhd	50.0	50.0	Malaysia	Operator of amusement centres
Berjaya-GSC Sdn Bhd	50.0	50.0	Malaysia	Exhibition of cinematograph films
* Golden Access Pte Ltd	-	50.0	Singapore	Under member's voluntary liquidation

60. ASSOCIATES (continued)

Companies	Group's equity interest		Country of incorporation	Principal activities
	2009 %	2008 %		
* Ancom-Chemquest Terminals Sdn Bhd	25.0	25.0	Malaysia	Building, owning, operating, leasing and managing a chemical tank farm and warehouse
Cipta Quantum Sdn Bhd	-	30.0	Malaysia	Dormant
* Worldwide Landfills Sdn Bhd	40.0	40.0	Malaysia	Management of environmental sanitary landfill and waste treatment
* Veolia Water Kerry Water Services Ltd	49.0	49.0	Hong Kong	Investment holding
* Kerry CQ Environmental Engineering Ltd	49.0	49.0	British Virgin Islands	Investment holding
* Kerry CQ JV Environmental Engineering Ltd	50.0	50.0	British Virgin Islands	Investment holding
* Mobile Money International Sdn Bhd	-	22.6	Malaysia	Disposed in 2009
* Foodteller Sdn Bhd	35.0	35.0	Malaysia	Manufacturing and trading of pastry and related products
*# Wilmar International Limited	18.4	18.4	Singapore	Oil palm cultivation, edible oils refining, oilseed crushing, consumer pack edible oils processing and merchandising, specialty fats, oleochemicals and biodiesel manufacturing, and grains processing and merchandising
* PT Tri Persada Mulia	30.0	-	Indonesia	Dormant
* Silvercrest Season Sdn Bhd	35.0	-	Malaysia	Export of pastry and related products

* Associates not audited by Mazars

The Group considers Wilmar International Limited ("Wilmar") as an associate by virtue of its ability to exercise significant influence over Wilmar's financial and operating policy decisions through board representation.

NOTES TO THE FINANCIAL STATEMENTS

60. ASSOCIATES (continued)

The financial year ends of the associates are co-terminous with that of the Group except for the following:

Companies	Financial year end
Shaw Brothers (M) Sdn Bhd	31 March
Ancom-Chemquest Terminals Sdn Bhd	31 May

For the purpose of applying equity accounting, management financial statements of these associates are prepared to the same reporting date as the Group.

61. JOINTLY CONTROLLED ENTITY

The jointly controlled entity as at 31 December 2009 is as follows:

	Proportion of ownership interest		Country of operation	Principal activities
	2009	2008		
	%	%		
* Beijing Drainage Group Co Ltd	42.0	42.0	The People's Republic of China	Own, operate and maintain a waste water treatment plant
Veolia Kerry Wastewater Treatment Plant				

* Jointly controlled entity not audited by Mazars

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT 1965

We, YM RAJA DATO' SERI ABDUL AZIZ BIN RAJA SALIM and DATO SRI LIANG KIM BANG, being two of the Directors of PPB Group Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 59 to 170 are drawn up in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2009 and of their results and cash flows for the year ended on that date.

On behalf of the Board

YM RAJA DATO' SERI ABDUL AZIZ BIN RAJA SALIM

Director

DATO SRI LIANG KIM BANG

Director

Kuala Lumpur

2 April 2010

STATUTORY DECLARATION

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

I, Leong Choy Ying, being the person primarily responsible for the accounting records and financial management of PPB Group Berhad, do solemnly and sincerely declare that the financial statements of the Group and of the Company set out on pages 59 to 170 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

LEONG CHOY YING

Subscribed and solemnly declared by the
abovenamed Leong Choy Ying
at Kuala Lumpur in the
Federal Territory on this
2nd day of April, 2010

Before me,

Kathirvelayudham a/l Palaniappan PPN
Commissioner for Oaths
Malaysia
No.W385

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PPB GROUP BERHAD

Report on the Financial Statements

We have audited the financial statements of PPB Group 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 59 to 170.

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 Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with 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 of 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' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in note 59 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

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

MAZARS
No. AF: 1954
Chartered Accountants

TANG KIN KHEONG
No. 1501/9/11 (J/PH)
Partner

Kuala Lumpur
2 April 2010

care

in executing our
objectives

The Properties & Shareholdings

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PROPERTIES OWNED BY PPB GROUP BERHAD AND ITS SUBSIDIARIES

Location	Description & existing use of properties	Date of acquisition / revaluation	Age of buildings in years	Land area	Tenure	Year of expiry	Net book value at 31.12.2009 RM'000
STATE OF PERLIS							
PN 37, Kampung Baru, Chuping	Sugar cane plantation	1.11.1980	-	5,799 hectares	Leasehold	2061 & 2063	15,096
PN 39, Bukit Merah, Chuping							
PN 40, Store Chia, Chuping							
PN 41, Padang Hang Chik Wa, Chuping							
PN 42, Padang Mayat, Chuping							
PN 43, Air Hujan, Chuping							
HS (D) 4455, Air Timbul Jerneh, Chuping							
HS (D) 145, Chuping	Sugar cane experimental station	2.8.1982	41	13 hectares	Leasehold	2072	41
HS (D) 194, Rimba Mas-Mas, Chuping							
HS (D) 2587, Bilal Udoh, Chuping							
HS (D) 2483, Wang Bintong, Kangar	Bus depot	10.5.1969	-	6,070 sq metres	Freehold	-	41
STATE OF KEDAH							
Cathay Alor Setar No 1, Jln Limbong Kapal, 05000 Alor Setar	Property leased out	16.4.1990	-	3,901 sq metres	Freehold	-	805
Cathay Sungai Petani No 11, Jln Bank, 08000 Sg Petani	Property leased out	16.4.1990	> 50	830 sq metres	Freehold	-	358
31 Jln Kampung Baru, 08000 Sg Petani	Land for property development	7.11.1991	-	11,339 sq metres	Freehold	-	1,037
Lot 28, 57, 65, 1010, 1011, 1122-1124, 1128, 1137, 1139, 1142, 1242, 1273, 1279, 1289, 1290, 1292, 1294, 1664 & 1665, Mukim Semeling, Daerah Kuala Muda	Oil palm estate	13.4.1981	-	569 hectares	Freehold	-	9,272
Lot PT 4841 - 4846, Mukim Semeling, Daerah Kuala Muda	Oil palm estate	13.4.1981	-	91 hectares	Freehold	-	
Lot 36-39, 50-51, 108, 3132-3135, Mukim of Ayer Puteh, Gurun	Poultry breeder farm & oil palm plantation	21.2.1995	13	103 hectares	Freehold	-	13,478

PROPERTIES OWNED BY PPB GROUP BERHAD AND ITS SUBSIDIARIES

Location	Description & existing use of properties	Date of acquisition / revaluation	Age of buildings in years	Land area	Tenure	Year of expiry	Net book value at 31.12.2009 RM'000
STATE OF PENANG							
Lot No 31, 333-339, 342, 343, 435 & 438, Section 15, City of Georgetown	Commercial building leased out	30.9.1976	3	2 hectares	Freehold	-	20,717
798, Main Road, Prai, Province Wellesley	Sugar refinery factory	30.9.1976	45	8 hectares	Leasehold	2028 & 2054	25,122
Plot 352-355 & 362-364 Tingkat Perusahaan Tiga, Seberang Prai Tengah	Factory & office building leased out	28.4.1989	33	24,922 sq metres	Leasehold	2035 & 2043	1,810
Plot 99(1), MK1 Tingkat Perusahaan Dua, Seberang Prai Tengah	Factory & warehouse building	25.11.1982	27	21,092 sq metres	Leasehold	2042	5,534
Plot 100(1), MK1 Tingkat Perusahaan Dua, Seberang Prai Tengah	Factory & warehouse building	10.2.1989	27	13,491 sq metres	Leasehold	2049	22,753
Plot 571, MK13 Tingkat Perusahaan Dua, Seberang Prai Tengah	Industrial land	4.11.1990	-	1,305 sq metres	Leasehold	2050	123
Odeon Penang No 130, Penang Road, 10000 Penang	Property leased out	16.4.1990	63	1,084 sq metres	Freehold	-	434
		16.4.1990	-	281 sq metres	Leasehold	2038	101
Dalit Cinema Kompleks Tun Abdul Razak Lebuh Tek Soon, 10000 Penang	Shoplot leased out	16.4.1990	29	3,332 sq metres	Leasehold	2080	4,484
Cathay Bukit Mertajam No 14, Jln Aston, 14000 Bukit Mertajam	Property leased out	16.4.1990	54	1,092 sq metres	Freehold	-	356
		16.4.1990	-	282 sq metres	Freehold	-	} 105
		16.4.1990	-	166 sq metres	Leasehold	2054	
No 8-8A, 8B, 10, 10A, 12, 12A, 14, 14A, 16, 16A, 18, 18A, 20, 20A, 22, 22A, 22B & 22C, Beach Street, 10300 Penang	2 storey shophouses under refurbishment	31.3.1981	> 50	2,526 sq metres	Freehold	-	9,032
No 2 & 4, Church Street, 10300 Penang	2 storey shophouses under refurbishment						

PROPERTIES OWNED BY PPB GROUP BERHAD AND ITS SUBSIDIARIES

Location	Description & existing use of properties	Date of acquisition / revaluation	Age of buildings in years	Land area	Tenure	Year of expiry	Net book value at 31.12.2009 RM'000
STATE OF PERAK							
Cathay Ipoh No 60, Jln Dato' Onn Jaafar, 30300 Ipoh	Property leased out	16.4.1990	53	4,494 sq metres	Freehold	-	1,103
Plot 90, Kwsn Perusahaan Silibin, Lengkok Rishah 1, Ipoh	Office building & warehouse	3.10.1991	16	8,018 sq metres	Leasehold	2045	1,284
Block G4 & G5, Lumut Industrial Park, Lumut	Factory leased out	28.12.1995	< 13	80,940 sq metres	Leasehold	2105	5,983
Block G9, Lumut Industrial Park, Lumut	Leasehold land rented out	29.11.1996	-	60,662 sq metres	Leasehold	2105	4,224
Lot 950, Batu 9, Sg Limau 34850 Trong	Lager farm & oil palm plantation	25.10.1996	11	220 hectares	Freehold	-	40,998
STATE OF SELANGOR							
Lot 1-4, Section 6, Pulau Indah Industrial Park, Port Klang	Factory, warehouse & vacant industrial land	6.6.1995	< 9	208,156 sq metres	Leasehold	2097	113,893
Lot 2824-2827 & PT 45125 Mukim Sg Buloh, District of Kuala Lumpur	Warehouse, office & vacant industrial land	19.10.1993 1.6.1994	< 13	243,415 sq metres	Freehold	-	57,160
1-17, Jln SS 22/19, Damansara Jaya, 47400 Petaling Jaya	Nine 4 storey shop-houses & offices leased out	16.4.1990	27	1,408 sq metres	Freehold	-	3,376
Lot No PT 10989 & PT 10991, Jln SS24/10 & 24/8, Taman Megah, 47301 Petaling Jaya	Land leased out	16.4.1990	-	13,631 sq metres	Freehold	-	2,554
Lot 58 to 61, Daerah Gombak, Mukim Batu, Kaw Perindustrian, Taman Bukit Rahman Putra	Warehouse	15.9.1993	15	35,336 sq metres	Freehold	-	14,742
Lot 844, Jln Subang 7, Taman Perindustrian Subang, 47500 Subang Jaya	Workshop & office building	15.6.1993	10	12,266 sq metres	Freehold	-	9,267
Lot 9, Jln Utas 15/7, 40000 Shah Alam	Office building	22.2.1993	39	33,946 sq metres	Leasehold	2069	6,026

PROPERTIES OWNED BY PPB GROUP BERHAD AND ITS SUBSIDIARIES

Location	Description & existing use of properties	Date of acquisition /revaluation	Age of buildings in years	Land area	Tenure	Year of expiry	Net book value at 31.12.2009 RM'000
Lot 12, Persiaran Kemajuan 16/16, 40000 Shah Alam	Office building	22.2.1993	21	11,458 sq metres	Leasehold	2018	1,491
16/8A Jln Pahat, 40700 Shah Alam	Office building	1.1.2004	30	3,837 sq metres	Leasehold	2067	713
WILAYAH PERSEKUTUAN							
2nd Floor, Sungei Wang Plaza, Jln Bukit Bintang, 55100 Kuala Lumpur	Shoplot leased out	16.4.1990	32	6,187 sq metres	Freehold	-	23,310
Lot 2883, Jln Cheras, Kuala Lumpur	Land for property development	9.3.1982	-	1,376 sq metres	Freehold	-	101
Lot 39727 & Lot 39729, Jln Cheras, Kuala Lumpur	Land for property development	9.3.1982	-	3,582 sq metres	Leasehold	2077 & 2080	437
Cheras Leisure Mall, Jln Manis 6, Taman Segar, Cheras, 56100 Kuala Lumpur	Shopping mall	9.3.1982	15	21,225 sq metres	Leasehold	2077 & 2080	54,619
Cheras Plaza No 11, Jln Manis 1, Taman Segar, Cheras, 56100 Kuala Lumpur	Eight storey building & carpark	9.3.1982	23	9,225 sq metres	Leasehold	2077 & 2080	14,630
LA 79200014, Layang Layang Town, Labuan	Vacant commercial building	16.4.1990	-	9,941 sq metres	Leasehold	2092	1,057
STATE OF NEGERI SEMBILAN							
Lot 765 & 2100, Mukim of Linggi, District of Port Dickson	Poultry breeder farm	12.3.1992	< 17	678,481 sq metres	Freehold	-	10,690
PT 1295, Senawang Industrial Estate, 70450 Seremban	Factory & office building	30.6.1996	18	38,209 sq metres	Freehold	-	11,815
Lot 3978, Senawang Industrial Estate, 70450 Seremban	Factory & office building	30.6.1996	13 to 38	27,066 sq metres	Leasehold	2067	16,937
GSC Cineplex 2nd Floor, Terminal One Shopping Complex, 20B Jln Lintang, 70000 Seremban	Cineplex	26.2.1996	14	1,811 sq metres	Leasehold	2082 & 2094	4,513

PROPERTIES OWNED BY PPB GROUP BERHAD AND ITS SUBSIDIARIES

Location	Description & existing use of properties	Date of acquisition / revaluation	Age of buildings in years	Land area	Tenure	Year of expiry	Net book value at 31.12.2009 RM'000
STATE OF MALACCA							
Lot 3.5, Cheng Industrial Estate	Office building & warehouse	12.9.1992	14	4,940 sq metres	Leasehold	2090	1,079
STATE OF JOHOR							
PTD119742, Lrg Pukal Dua, Kawasan Lembaga Pelabuhan, Pasir Gudang	Factory, warehouse & office building	7.1.1989	25 to 33	36,891 sq metres	Leasehold	2049	12,103
Plo 338 & 329, Jln Tembaga Dua, Kawasan Perindustrian, Pasir Gudang	Factory, warehouse & office building leased out	10.10.1987 14.7.1988	13 & 21	121,490 sq metres	Leasehold	2049 & 2050	24,149
Cathay Muar No 38, Jln Sayang, 84000 Muar	Property leased out	16.4.1990	53	1,623 sq metres	Freehold	-	340
Lot 614 & 615, Bandar Maharani, Jln Ali, District of Muar	Land leased out	16.4.1990	-	345 sq metres	Freehold	-	
Cathay Batu Pahat 91A Jln Rahmat, 83000 Batu Pahat	Property leased out	16.4.1990	> 50	1,562 sq metres	Freehold	-	411
Odeon Batu Pahat 30 Jln Jenang, 83000 Batu Pahat	Property leased out	16.4.1990	> 50	1,752 sq metres	Freehold	-	568
Plaza I & II Cinema F-126, 1st Floor, Holiday Plaza, Jln Dato Suleiman, 80250 Johor Bahru	Shoplot leased out	31.7.1992 16.11.1992	20 & 21	2,929 sq metres	Freehold	-	8,520
Lot 973, Mukim of Tebrau, Johor Bahru	Warehouse & office building	15.7.1996	10	34,981 sq metres	Freehold	-	9,819
No 5, Jln Bakti, Kawasan Perindustrian Larkin, 80350 Johor Bahru	Warehouse	30.8.2002	17 to 39	11,681 sq metres	Leasehold	2023	2,238

PROPERTIES OWNED BY PPB GROUP BERHAD AND ITS SUBSIDIARIES

Location	Description & existing use of properties	Date of acquisition /revaluation	Age of buildings in years	Land area	Tenure	Year of expiry	Net book value at 31.12.2009 RM'000
STATE OF PAHANG							
Lot 6861, B-1770, Taman Air Putih, Kuantan	Office building	23.12.1986	42	149 sq metres	Freehold	-	300
No 19, Jln IM 3/1, Bandar Indera Mahkota 25200 Kuantan	Office building & warehouse	12.7.1997	11	7,810 sq metres	Leasehold	2061	1,965
STATE OF KELANTAN							
Lot 5049 PT 4090, Mukim Panchor, Daerah Kemumin, Kota Bharu	Warehouse & office building	30.12.2001	3	14,157 sq metres	Leasehold	2063	3,149
STATE OF SARAWAK							
Lot 2231, Pending Industrial Estate, Kuching	Factory, warehouse & office building	13.11.1984 18.6.1987 15.3.1989	> 26	6,812 sq metres	Leasehold	2040	3,788
Lot 505 Block 8, Muara Tebas Land District, Kuching	Factory, warehouse & office building	6.12.1999	6	21,350 sq metres	Leasehold	2059	18,878
Lot 137 Block 5, Undup Land District Sri Aman	Vacant agricultural land	9.3.1996	-	18,130 sq metres	Leasehold	2017	26
Lot 1133 Block 8, Muara Tebas Land District Kuching	Warehouse & office building	17.5.2004	4	10,520 sq metres	Leasehold	2064	3,947
Cathay Kuching Lot 31, Section 23, Khoo Hun Yeang Street, 93700 Kuching	Property leased out	16.4.1990	> 50	1,661 sq metres	Leasehold	2802	392
Cathay Sibul C.D.T, No 6 Raminway, 96007 Sibul	Property leased out	16.4.1990	50	1,486 sq metres	Leasehold	2016	229

PROPERTIES OWNED BY PPB GROUP BERHAD AND ITS SUBSIDIARIES

Location	Description & existing use of properties	Date of acquisition /revaluation	Age of buildings in years	Land area	Tenure	Year of expiry	Net book value at 31.12.2009 RM'000
STATE OF SABAH							
5½ mile, Jln Tuaran Kolombong Industrial Estate, Kota Kinabalu	Factory & office building	10.10.1989	17	10,927 sq metres	Leasehold	2032	3,607
Lot No 6, Kota Kinabalu Industrial Park Off Jln Sepangar, Kota Kinabalu	Factory & office building	19.10.2006	-	12,096 sq metres	Leasehold	2097	2,226
Lot 31, Industrial Zone 4, Kota Kinabalu	Warehouse & office building	24.7.2006	3	9,955 sq metres	Leasehold	2098	3,844
BFO Building, Jln Tunku Abd Rahman/Jln Laiman Diki, 88996 Kota Kinabalu	Office building	21.11.1995	29	8,741 sq metres	Leasehold	2074	11,746
CL 075149325, Karamunting, Sandakan	Land for expansion	10.8.1996	-	58,315 sq metres	Leasehold	2881	1,875
Cathay Sandakan Lot 2869, Third Street, 90007 Sandakan	Land leased out	16.4.1990	-	1,282 sq metres	Leasehold	2053	620
Lot 2777, TL 077508788, Lrg Gardenia & 60M North of KM 24, Jln Utara, Sandakan	Land for future development	16.4.1990	-	845 sq metres	Leasehold	2061	165
INDONESIA							
Jl.S.Gunungjati,LK.Lijajar Rt.13/06, Kelurahan Tegalratu Kecamatan Ciwandan, Kota Cilegon.	Factory & office building	26.1.2007 3.4.2007	1	31,723 sq metres	Leasehold	2037	46,413

STATEMENT OF SHAREHOLDINGS

AS AT 22 MARCH 2010

Authorised Share Capital	RM2,000,000,000
Issued and Fully-Paid Capital	RM1,185,499,882
Class of Shares	Ordinary Shares of RM1.00 each
Voting Rights	One vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	% of Holders	No. of Shares	% of Issued Capital
Less than 100	701	7.16	22,253	0.00
100 - 1,000	2,100	21.47	1,488,884	0.13
1,001 - 10,000	4,767	48.73	19,944,187	1.68
10,001 - 100,000	1,785	18.25	54,439,778	4.59
100,001 to less than 5% of issued shares	428	4.37	555,980,658	46.90
5% and above of issued shares	2	0.02	553,624,122	46.70
	9,783	100.00	1,185,499,882	100.00

DIRECTORS' INTERESTS IN SHARES

	Direct Interest		Deemed Interest	
	No. of Shares	% of Issued Capital	No. of Shares	% of Issued Capital
IN THE COMPANY				
Datuk Oh Siew Nam	120,666	0.01	1,204,498	0.10
Tan Gee Sooi	-	-	585,236	0.05
IN RELATED CORPORATIONS				
Tego Sdn Bhd - Subsidiary Company				
Datuk Oh Siew Nam	-	-	18,000	0.10
Tan Gee Sooi	37,500	0.21	-	-
KUOK BROTHERS SDN BERHAD - HOLDING COMPANY				
Datuk Oh Siew Nam	-	-	4,966,667	0.99
Tan Gee Sooi	1,240,000	0.25	163,333	0.03
Cheang Kwan Chow	50,000	0.01	-	-
CORALBID (M) SDN BHD - SUBSIDIARY OF HOLDING COMPANY				
Datuk Oh Siew Nam	-	-	100,000	0.27

Other than as disclosed above, none of the Directors had any direct nor deemed interest in shares of any other related corporations of the Company.

STATEMENT OF SHAREHOLDINGS

AS AT 22 MARCH 2010

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct Interest		Deemed Interest		Total	
	No. of Shares	% of Issued Capital	No. of Shares	% of Issued Capital	No. of Shares	% of Issued Capital
Kuok Brothers Sdn Berhad	594,764,624	50.17	7,950,904	0.67	602,715,528	50.84
Employees Provident Fund Board	94,063,950	7.93	-	-	94,063,950	7.93

THE THIRTY LARGEST SHAREHOLDERS

(as per Record of Depositors)

Name of Shareholders	No. of Shares	% of Issued Capital
1. Kuok Brothers Sdn Berhad	472,711,372	39.87
2. Employees Provident Fund Board	80,912,750	6.83
3. Kuok Brothers Sdn Berhad	49,296,514	4.16
4. Kuok Brothers Sdn Berhad	47,257,932	3.99
5. Nai Seng Sdn Berhad	40,826,500	3.44
6. Valuecap Sdn Bhd	27,802,200	2.35
7. Cimsec Nominees (Tempatan) Sdn Bhd <i>For Kuok Brothers Sdn Berhad</i>	25,500,000	2.15
8. UOBM Nominees (Asing) Sdn Bhd <i>Indosuez Singapore Nominees (Pte) Ltd For Faralon Holdings Limited</i>	22,200,900	1.87
9. Kuok Foundation Berhad	17,109,720	1.44
10. Key Development Sdn Berhad	14,938,000	1.26
11. Chinchoo Investment Sdn Berhad	12,868,000	1.09
12. Inter-Pacific Equity Nominees (Asing) Sdn Bhd <i>Kim Eng Securities Pte Ltd For Sin Heng Chan (1960) Pte Ltd</i>	10,100,000	0.85
13. Cartaban Nominees (Asing) Sdn Bhd <i>Government of Singapore Investment Corporation Pte Ltd For Government of Singapore (C)</i>	8,915,400	0.75
14. Citigroup Nominees (Tempatan) Sdn Bhd <i>Exempt AN For Prudential Fund Management Berhad</i>	8,549,800	0.72

STATEMENT OF SHAREHOLDINGS

AS AT 22 MARCH 2010

Name of Shareholders	No. of Shares	% of Issued Capital
15. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY</i> <i>For Dimensional Emerging Markets Value Fund</i>	6,909,766	0.58
16. HSBC Nominees (Asing) Sdn Bhd <i>BBH and Co. Boston</i> <i>For Vanguard Emerging Markets Stock Index Fund</i>	6,062,244	0.51
17. Gaintique Sdn Bhd	5,933,300	0.50
18. Ophir Holdings Berhad	5,841,754	0.49
19. Mayban Nominees (Tempatan) Sdn Bhd <i>Mayban Trustees Berhad</i> <i>For Public Ittikal Fund</i>	5,334,500	0.45
20. Amanahraya Trustees Berhad <i>For Public Islamic Dividend Fund</i>	5,178,400	0.44
21. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN</i> <i>JPMorgan Chase Bank, National Association (U.A.E.)</i>	4,932,572	0.42
22. Keck Seng (Malaysia) Berhad	4,891,728	0.41
23. Amanahraya Trustees Berhad <i>For Amanah Saham Wawasan 2020</i>	4,199,000	0.35
24. Amanahraya Trustees Berhad <i>For Public Islamic Equity Fund</i>	4,059,300	0.34
25. HSBC Nominees (Tempatan) Sdn Bhd <i>Nomura Asset Mgmt Malaysia</i> <i>For Employees Provident Fund Board</i>	4,000,000	0.34
26. Gan Teng Siew Realty Sdn Berhad	3,621,998	0.31
27. Cartaban Nominees (Asing) Sdn Bhd <i>State Street</i> <i>For Ishares, Inc.</i>	3,479,066	0.29
28. Universiti Kebangsaan Malaysia	3,323,608	0.28
29. Ang Poon Tiak	3,250,000	0.27
30. Cartaban Nominees (Asing) Sdn Bhd <i>Government of Singapore Investment Corporation Pte Ltd</i> <i>For Monetary Authority of Singapore (H)</i>	3,191,100	0.27
	913,197,424	77.03

GROUP CORPORATE DIRECTORY

a

AMUSEMENT CENTRE OPERATIONS

Kerry Leisure Concepts Sdn Bhd
Main Office
 Lot 2.37, Level 2, Cheras Leisure Mall
 Jalan Manis 2, Taman Segar, Cheras
 56100 Kuala Lumpur
 Tel : 03-91311663
 Contact Person :
 Mr Han Yew Kong (GM)

ANIMAL FEED MANUFACTURING

FFM Berhad
Main Office
 PT45125, Batu 15 1/2, Sungai Pelong
 47000 Sungai Buloh, Selangor
 Tel : 03-61572289
 Contact Person :
 Mr Tan Gee Sooi (Exec. Chairman)

Johor Bahru Flour Mill Sdn Bhd
Main Office/Factory
 Lorong Pukal Dua
 Kawasan Lembaga Pelabuhan Johor
 81700 Pasir Gudang, Johor
 Tel : 07-2512211
 Contact Person :
 Mr Tan Hock Yong (Exec. Chairman)

FFM (Sabah) Sdn Bhd
Main Office/Factory
 5 1/2 Mile, Off Jalan Tuaran
 Kolombong Industrial Estate
 88450 Kota Kinabalu, Sabah
 Tel : 088-426310
 Contact Person :
 Mr Chia Ngun How (D/GM)

FFM Feedmills (Sarawak) Sdn Bhd
Main Office/Factory
 Lot 2231, Jalan Kilang
 Pending Industrial Estate
 93450 Kuching, Sarawak
 Tel : 082-482751
 Contact Person :
 Mr Lee Cho Fatt (D/GM)

c

CHEMICALS MANUFACTURING

Malayan Adhesives & Chemicals Sdn Bhd
Main Office/Factory
 No. 9 Jalan Utas 15/7
 40200 Shah Alam, Selangor
 Tel : 03-55661188
 Contact Person :
 Mr Huen Foo Seng (D/GM)

CINEMA OPERATIONS

Golden Screen Cinemas Sdn Bhd
Main Office
 1 Jalan SS22/19, Damansara Jaya
 47400 Petaling Jaya, Selangor
 Tel : 03-78068888
 Contact Person :
 Mr Irving Chee (GM)

CONSUMER PRODUCTS DISTRIBUTION

FFM Marketing Sdn Bhd
Main Office
 PT 45125, Batu 15 1/2, Sungai Pelong
 47000 Sungai Buloh, Selangor
 Tel : 03-61565888
 Contact Person :
 Mr Ong Hung Hock (Exec. Chairman)

CONTRACT MANUFACTURING

Products Manufacturing Sdn Bhd
Main Office/Factory
 Lot PT 31-A1, A2 & A3, Industrial Area
 Mukim Batu 6.5 Miles, Jalan Kepong
 52000 Kuala Lumpur
 Tel : 03-62528298
 Contact Person :
 Mr Khor Siang Chew (Chairman/GM)

e

ENGINEERING SERVICES

Minsec Engineering Services Sdn Bhd
Main Office
 Lot 844, Jalan Subang 7
 Taman Perindustrian Subang
 47500 Subang Jaya, Selangor
 Tel : 03-80247650
 Contact Person :
 Mr Saw Kong Beng (Chairman/GM)

f

FOOD PROCESSING

FFM Further Processing Sdn Bhd
(formerly known as Mantap Hijau Sdn Bhd)
Main Office/Factory
 Lot 2, Seksyen 6,
 Pulau Indah Industrial Park
 k.s. 13, 42090 Klang, Selangor
 Tel : 03-31011338
 Contact Person :
 Dr Adrian Majanil (GM)

FLOUR MILLING

FFM Berhad
Main Office
 PT 45125, Batu 15 1/2, Sungai Pelong
 47000 Sungai Buloh, Selangor
 Tel : 03-61572289
 Contact Person :
 Mr Tan Gee Sooi (Exec. Chairman)

Johor Bahru Flour Mill Sdn Bhd
Main Office/Factory
 Lorong Pukal Dua
 Kawasan Lembaga Pelabuhan Johor
 81700 Pasir Gudang, Johor
 Tel : 07-2512211
 Contact Person :
 Mr Tan Hock Yong (Exec. Chairman)

Vietnam Flour Mills Ltd
Factory
 My Xuan A Industrial Zone
 Tan Thanh Commune
 Ba Ria Vung Tau Province, Vietnam
 Tel : 0084-64894883
 Contact Person :
 Mr Patrick Wong (General Director)

FFM Flour Mills (Sarawak) Sdn Bhd

Main Office/Factory

Lot 505, Block 8, MTLD
Sejingkat Industrial Park, Jalan Bako
93050 Kuching, Sarawak
Tel : 082-439449
Contact Person :
Mr Terry Kho (Factory Manager)

PT Pundi Kencana

Main Office

Jl. Tanah Abang III No. 14
Jakarta Pusat, Jakarta 10160
Indonesia
Tel : 62-21 385 3624
Contact Person :
Mr Lim Soon Huat (President Director)

I

LIVESTOCK FARMING

FFM Farms Sdn Bhd

Main Office

PT 45125, Batu 15 1/2, Sungai Pelong
47000 Sungai Buloh, Selangor
Tel : 03-61572289
Contact Person :
Dr Danny Soon (GM)

p

PLANTATIONS & EDIBLE OILS

Wilmar International Limited

Main Office

56 Neil Road, Singapore 088830
Tel : 65-62160244
Contact Person :
Ms Eltricia Foong (Head of Investor Relations)

POLYBAG MANUFACTURING

Tego Sdn Bhd

Main Office/Factory

Lot 5-8, Senawang Industrial Estate
70450 Seremban, Negeri Sembilan
Tel : 06-6773361
Contact Person :
Mr Boo Yew Leng (MD)

Tego Multifil Sdn Bhd

Factory

Lot 9, Lorong Bunga Tanjung 1/2
Senawang Industrial Park
70400 Seremban, Negeri Sembilan
Tel : 06-6778721
Contact Person :
Mr Boo Yew Leng (D)

Tefel Packaging Industries Co., Ltd

Main Office/Factory

Plot No. 247-A/248, Muse Street
Ward (23), Industrial Zone (1)
South Dagon Township
Yangon, Myanmar
Tel : 0095-1-590643
Contact Person :
Mr Cheng Kin Ming (D)

PROPERTY OWNERS/DEVELOPER

PPB Group Berhad (Property Division)

Main Office

17th Floor, Wisma Jerneh
38 Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03-21170888
Contact Person :
Mr Eapen Thomas (GM)

PPB Hartabina Sdn Bhd

Main Office

7th Floor, Cheras Plaza
No.11 Jalan Manis 1, Taman Segar, Cheras
56100 Kuala Lumpur
Tel : 03-91305088
Contact Person :
Mr Eapen Thomas (D)

Cathay Screen Cinemas Sdn Bhd

Main Office

1 Jalan SS22/19, Damansara Jaya
47400 Petaling Jaya, Selangor
Tel : 03-77299118
Contact Person :
Ms Carol Au (M)

South Island Mining Co. Sdn Bhd

Main Office

330 Simco Bungalow, Sg Toh Pawang
08100 Bedong, Kedah
Tel : 04-44581126
Contact Person :
Mr Clarence Tan (GM)

W

**WASTE MANAGEMENT
& ENVIRONMENTAL
ENGINEERING**

Chemical Waste Management Sdn Bhd

Main Office

Lot 12, Persiaran Kemajuan
Off Jalan Halba 16/16
40200 Shah Alam, Selangor
Tel : 03-55107800
Contact Person :
Mr Leong Yew Weng (CEO)

**Beijing CQ Environmental Management
Consultancy Services Co. Ltd**

Main Office

Unit 2308A Level 23, North Office Tower
Beijing Kerry Centre, 1 Guang Hua Road
Chao Yang District, Beijing 100020, China
Tel : 00-8610-85298393
Contact Person :
Mr Ethan Pang (Financial Controller)

Sitamas Environmental Systems Sdn Bhd

Main Office

Lot 15 Jalan Pahat 16/8A
40702 Shah Alam, Selangor
Tel : 03-55104008
Contact Person :
Mr Lim Cheng Kaai (GM)

AWS Sales & Services Sdn Bhd

Main Office

2447 Lorong Perusahaan 6A
Prai Industrial Estate
13600 Prai, Penang
Tel : 04-3988600
Contact Person :
Mr Yap Eng Soon (GM)

NOTICE OF ANNUAL GENERAL MEETING

Date/Time : Wednesday, 19 May 2010 at 9.30 a.m.

Venue : 19th Floor, Wisma Jerneh, 38 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.

NOTICE IS HEREBY GIVEN that the 41st Annual General Meeting of PPB Group Berhad will be held at 19th Floor, Wisma Jerneh, 38 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on Wednesday, 19 May 2010 at 9.30 a.m. for the following purposes :-

AS ORDINARY BUSINESS

1. To receive the audited Financial Statements for the year ended 31 December 2009 and the Reports of the Directors and Auditors thereon. (Resolution 1)
2. To approve the payment of a final single-tier dividend of 18 sen per share in respect of the financial year ended 31 December 2009 as recommended by the Directors. (Resolution 2)
3. To approve the payment of Directors' fees of RM259,933 for the financial year ended 31 December 2009. (Resolution 3)
4. To elect Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid who retires pursuant to Article 88 of the Articles of Association of the Company. (Resolution 4)
5. To re-elect Mr Tan Gee Sooi who retires pursuant to Article 107 of the Articles of Association of the Company. (Resolution 5)
6. To consider and if thought fit, to pass the following resolutions pursuant to Section 129(6) of the Companies Act 1965 :-
 - i) "That pursuant to Section 129(6) of the Companies Act 1965, Datuk Oh Siew Nam be hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company". (Resolution 6)
 - ii) "That pursuant to Section 129(6) of the Companies Act 1965, Dato Sri Liang Kim Bang be hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company". (Resolution 7)
 - iii) "That pursuant to Section 129(6) of the Companies Act 1965, YM Raja Dato' Seri Abdul Aziz bin Raja Salim be hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company". (Resolution 8)(See Explanatory Note 1)
7. To re-appoint Messrs Mazars 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 as Ordinary Resolutions, with or without modifications :-

8. **Authority to issue shares pursuant to Section 132D of the Companies Act 1965**
"THAT subject to the Companies Act 1965 and the Articles of Association of the Company, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute

NOTICE OF ANNUAL GENERAL MEETING

discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad.”

(See Explanatory Note 2)

(Resolution 10)

9. Proposed Renewal of and Additional Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The text of the resolution to approve the above together with details of the Proposed Shareholders' Mandate are set out in the Circular to Shareholders dated 27 April 2010.

(See Explanatory Note 3)

(Resolution 11)

10. To transact any other business of which due notice shall have been given.

NOTICE OF BOOKS CLOSURE AND DATE OF DIVIDEND PAYMENT

Notice has been given on 2 March 2010 that subject to the approval of shareholders at the Annual General Meeting to be held on Wednesday, 19 May 2010, a final single-tier dividend of 18 sen per share in respect of the financial year ended 31 December 2009 is payable on 8 June 2010 to members whose names appear in the Record of Depositors on 24 May 2010.

A Depositor shall qualify for entitlement in respect of :-

- i) Shares transferred into the Depositor's securities account before 4.00 p.m. on 24 May 2010 in respect of ordinary transfers; and
- ii) Shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

Kuala Lumpur
27 April 2010

By Order of the Board
Mah Teck Keong (MAICSA 0820976)
Company Secretary

Appointment of Proxy

- i) A member of the Company entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.
- ii) A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- iii) The Proxy Form must be signed by the appointer or his/her attorney duly authorised in writing or in the case of a corporation, executed under its common seal or under the hand of an officer or attorney duly authorised.
- iv) The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting or any adjournment thereof.

EXPLANATORY NOTES

(1) Re-appointment of Directors pursuant to Section 129(6) of the Companies Act 1965

Pursuant to Section 129(6) of the Companies Act 1965, a person of or over the age of 70 years who is proposed for appointment as a Director of the Company shall be appointed by a resolution passed by a majority of not less than three-fourths of the members of the Company present and voting in person or by proxy at a general meeting, and if so appointed, the Director shall hold office until the next Annual General Meeting of the Company.

The proposed **Resolutions 6, 7 and 8**, if passed, would enable Datuk Oh Siew Nam, Dato Sri Liang Kim Bang and YM Raja Dato' Seri Abdul Aziz bin Raja Salim to hold office until the next Annual General Meeting of the Company.

NOTICE OF ANNUAL GENERAL MEETING

(2) Authority to issue shares pursuant to Section 132D of the Companies Act 1965

The proposed **Resolution 10** is to seek a renewal of the general mandate for the issue of new ordinary shares in PPB pursuant to Section 132D of the Companies Act 1965 which was approved by shareholders at the Annual General Meeting (“AGM”) held last year. The Company did not issue any new shares after the previous mandate was obtained at the last AGM.

The Company continuously looks for opportunities to broaden the operating base and earnings potential of the Group. This may require the issue of new shares not exceeding ten per centum (10%) of the Company’s issued share capital.

The proposed **Resolution 10**, if passed, would enable the Company to avoid delay and cost of convening further general meetings to approve the issue of shares for such purposes. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

At this juncture, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate has been obtained, the Company will make an announcement in respect of the purpose and/or utilisation of proceeds arising from such issue.

(3) Proposed Renewal of and Additional Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed **Resolution 11** is to enable the Company and its subsidiaries to enter into recurrent related party transactions which are necessary for PPB Group’s day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company. At the same time, this would eliminate the need to make regular announcements to Bursa Securities and convene separate general meetings to seek shareholders’ approval as and when potential recurrent transactions with a related party arise, thereby reducing substantially administrative time and cost in convening such meetings.

Further information on the proposed Shareholders’ Mandate is set out in the Circular to Shareholders dated 27 April 2010 despatched together with the Company’s 2009 Annual Report.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

1. The director who is standing for election pursuant to Article 88 is as follows :-
 - a. Dato’ Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
2. The director who is standing for re-election pursuant to Article 107 is as follows :-
 - a. Mr Tan Gee Sooi
3. The directors who are standing for re-appointment under Section 129(6) of the Companies Act 1965 are as follows :-
 - a. Datuk Oh Siew Nam
 - b. Dato Sri Liang Kim Bang
 - c. YM Raja Dato’ Seri Abdul Aziz bin Raja Salim

The details of the above Directors are set out in the Directors’ Profiles on pages 17 to 19. Their interests in shares of the Company and its related corporations are disclosed in the Statement of Shareholdings on page 183.



I/We

NRIC/Passport No.

of

Telephone No.

being a member/members of PPB GROUP BERHAD hereby appoint the Chairman of the Meeting*

or

NRIC/Passport No.

of

or failing him/her

NRIC/Passport No.

of

* Delete the words "the Chairman of the Meeting" if you wish to appoint another person to be your proxy.

as my/our proxy to vote for me/us and on my/our behalf at the 41st Annual General Meeting of the Company to be held on Wednesday, 19 May 2010 at 9.30 a.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below :-

NO.	RESOLUTIONS	FOR	AGAINST
1	To receive the audited Financial Statements for the year ended 31 December 2009 and the Reports of the Directors and Auditors thereon.		
2	To approve the payment of a final single-tier dividend.		
3	To approve the payment of Directors' fees.		
4	To elect Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid as Director.		
5	To re-elect Mr Tan Gee Sooi as Director.		
6	To re-appoint Datuk Oh Siew Nam as Director.		
7	To re-appoint Dato Sri Liang Kim Bang as Director.		
8	To re-appoint YM Raja Dato' Seri Abdul Aziz bin Raja Salim as Director.		
9	To re-appoint Messrs Mazars as Auditors of the Company.		
10	To authorise the Directors to allot and issue shares.		
11	To approve the renewal of and additional shareholders' mandate for recurrent related party transactions of a revenue or trading nature.		

(Please indicate with an 'X' in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.)

The proportion(s) of my/our holding to be represented by my/our proxies are as follows :-

First Proxy	%	Signed this	day of	2010.
Second Proxy	%			
Total	100%			
No. of Shares Held				Signature

NOTES :

- A member of the Company entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.
- A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- The Proxy Form must be signed by the appointer or his/her attorney duly authorised in writing or in the case of a corporation, executed under its common seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting or any adjournment thereof.

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affix
stamp
here

PPB GROUP BERHAD
17th Floor, Wisma Jerneh
38 Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

