GuocoLand (Malaysia) Berhad

GuocoLand (Malaysia) Berhad (300-K)

A Member of the Hong Leong Group

ANNUAL REPORT 2009

2009

A **Dynamic** and **Experienced**
Property Developer with a commitment to
Building and **Sustaining Communities**

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FORM OF PROXY



GuocoLand Malaysia Head Office, Wisma Hong Leong

COMPANY PROFILE

GuocoLand (Malaysia) Berhad

is a major developer of residential and commercial properties in the Kuala Lumpur city centre and various locations around the Klang Valley – from its early township developments to its current portfolio of prime projects including Damansara CITY in Damansara Heights, Commerce One along Old Klang Road, Emerald Rawang and The Cirrus in Cheras.

With the securitisation of the property industry via Real Estate Investment Trusts (REITs), GuocoLand Malaysia established Tower REIT in 2006, and has in its portfolio high quality and yield-accretive commercial real estate. GuocoLand Malaysia is also involved in Property Investment and Hotel & Resort Holdings. It owns the Thistle Johor Bahru Hotel and Thistle Port Dickson Resort.

With over 50 solid years of operations, GuocoLand Malaysia is committed to building and sustaining business and residential communities, as well as playing a key role in the development of the property industry in Malaysia.

CORPORATE INFORMATION



GuocoLand Malaysia Show Gallery, Wisma Hong Leong

DIRECTORS

YBhg Tan Sri Quek Leng Chan
Executive Chairman

Mr Poh Yang Hong
Managing Director

YBhg Dato' Ong Joo Theam

Mr Tan Keok Yin

YBhg Dato' Chew Kong Seng

Mr Quek Chee Hoon

YBhg Tan Sri Nik Mohamed bin Nik Yaacob

SECRETARY

Ms Lim Yew Yoke

AUDITORS

Messrs Ernst & Young
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

Tel : 03-7495 8000
Fax : 03-2095 9076/78

REGISTRAR

Hong Leong Share Registration Services Sdn Bhd
Level 5, Wisma Hong Leong
18 Jalan Perak
50450 Kuala Lumpur

Tel : 03-2164 1818
Fax : 03-2164 3703

REGISTERED OFFICE

Level 10, Wisma Hong Leong
18 Jalan Perak
50450 Kuala Lumpur

Tel : 03-2164 1818
Fax : 03-2164 2476



Damansara CITY

DIRECTORS' PROFILE

YBhg Tan Sri Quek Leng Chan

Executive Chairman/Non-Independent

Tan Sri Quek Leng Chan, aged 66, a Malaysian, qualified as a Barrister-at-Law from Middle Temple, United Kingdom. He has extensive business experience in various business sectors, including financial services, manufacturing and real estate.

Tan Sri Quek is the Executive Chairman of GuocoLand (Malaysia) Berhad ("GLM") and was appointed to the Board of GLM on 16 June 1990. He does not sit on any committees of GLM.

He is the Chairman & Chief Executive Officer of Hong Leong Company (Malaysia) Berhad, Executive Chairman of Hong Leong Industries Berhad, Hume Industries (Malaysia) Berhad and Narra Industries Berhad and Chairman of Hong Leong Financial Group Berhad, Hong Leong Bank Berhad, HLG Capital Berhad, Hong Leong Assurance Berhad, Hong Leong Islamic Bank Berhad and Hong Leong Foundation.

Tan Sri Quek attended all the Board meetings of GLM held during the financial year ended 30 June 2009.

He has no conflict of interests with GLM and has no convictions for offences within the past 10 years.

Mr Poh Yang Hong
Managing Director/Non-Independent

Mr Poh Yang Hong, aged 36, a Malaysian, graduated from Monash University, Melbourne, Australia in 1994, with a Bachelor of Economics degree. He joined Hong Leong Group as the Project Executive of Hume Industries (Malaysia) Berhad and was subsequently promoted to Project Manager. He later joined HLG Securities Sdn Bhd as a commissioned dealer in 1996 and was subsequently promoted to General Manager and Executive Director, Dealing before assuming the position of Chief Operating Officer in early 2006. Mr Poh was appointed as the Head of Group Investment of HL Management Co Sdn Bhd in 2007 with responsibility for sourcing direct investments, merger and acquisition opportunities for companies under the Hong Leong Group.

Mr Poh was appointed as the Managing Director of GLM with effect from 1 June 2008. He does not sit on any committees of GLM.

Mr Poh is also a Director of GLM REIT Management Sdn Bhd, the Manager of Tower Real Estate Investment Trust which is listed on the Main Market of Bursa Malaysia Securities Berhad.

He attended all the Board meetings of GLM held during the financial year ended 30 June 2009.

Mr Poh has no family relationship with other directors or major shareholders of GLM, no conflict of interests with GLM and has no convictions for offences within the past 10 years.

YBhg Dato' Ong Joo Theam
Non-Executive Director/Non-Independent

Dato' Ong Joo Theam, aged 60, a Malaysian, qualified as a Barrister-at-Law from Middle Temple, United Kingdom in February 1972 and the Malaysian Bar in September 1972. He is an advocate and solicitor and has been in legal practice for more than 30 years.

Dato' Ong was appointed to the Board of GLM on 26 August 1981 and he is a member of the Board Audit & Risk Management Committee of GLM.

He attended all the Board meetings of GLM held during the financial year ended 30 June 2009.

Dato' Ong has no family relationship with other directors or major shareholders of GLM, has no conflict of interests with GLM and has no convictions for offences within the past 10 years.

Mr Tan Keok Yin
Non-Executive Director/Independent

Mr Tan Keok Yin, aged 65, a Malaysian, graduated with a Bachelor of Arts (Honours) degree in Economics from the University of Malaya in 1966. He also completed a Management Program in Management at the University of California, Berkeley in 1984 and a Program in International Boards and Directors at the Swedish Academy of Directors, Stockholm in 1995. He started his career with Bank Negara Malaysia ("BNM") in 1966 and served in various capacities in the Economics, Investments Department and the Penang Branch of BNM. In 1977, he joined the Federation of Malaysian Manufacturers (FMM) as Deputy Director and was appointed Chief Executive Officer in 1981 till 1999. He served on various Government Boards and Committees and participated actively as speaker and panelist at the World Economic Forum, ASEAN Economic Cooperation meetings and other international business forums. He was also a Management Board member of GS1 (One Global System) located in Brussels, which is an international body that develops and promotes the GS1 standards of article numbering, bar coding and electronic communication worldwide. Currently, Mr Tan serves as a member of the steerling Committee of the Financial Institutions Directors' Education Programme chaired by the Deputy Groverner, BNM, aimed at strengthening the skills and performance of directors in corporate governance.

Mr Tan was appointed to the Board of GLM on 26 September 2001 and is the Chairman of the Board Audit & Risk Management Committee of GLM.

Mr Tan is also a Director of Hong Leong Bank Berhad and Malaysian Pacific Industries Berhad, both are public-listed companies.

He is also a Director of Hong Leong Assurance Berhad which is a non-listed public company.

He attended all the Board Meetings of GLM held during the financial year ended 30 June 2009.

Mr Tan has no family relationship with other Directors or major shareholders of GLM, has no conflict of interests with GLM and has no convictions for any offences within the past 10 years.

YBhg Dato' Chew Kong Seng
Non-Executive Director/Independent

Dato' Chew Kong Seng @ Chew Kong Huat, aged 71, a Malaysian, is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants and the Malaysian Association of Certififed Public Accountants.

Dato' Chew was a tax officer in the Inland Revenue Department in United Kingdom and then joined Stoy Hayward & Co in United Kingdom from 1964 to 1970. He returned to Malaysia and joined Turquand Young & Co (now known as Ernst & Young) and was subsequently transferred to the Sarawak office in 1973, first as Manager in Charge and later as Partner in Charge. He was appointed as the Managing Partner of Ernst & Young from 1990 until his retirement in 1996.

Dato' Chew is also a Director of the following public listed companies:

- Director and Audit Committee Chairman of Petronas Dagangan Berhad, AEON Co. (M) Bhd and PBA Holdings Berhad; and

- Director and Audit Committee member of Petronas Gas Berhad and Encorp Berhad.

He is also a Director of Great Wall Plastic Industries Berhad and Bank of America Malaysia Berhad, both are non-listed public companies.

Dato' Chew was appointed to the Board of GLM on 26 September 2001 and he is a member of the Board Audit & Risk Management Committee of GLM.

He attended all the Board meetings of GLM held during the financial year ended 30 June 2009.

Dato' Chew has no family relationship with other directors or major shareholders of GLM, has no conflict of interests with GLM and has no convictions for offences within the past 10 years.

Mr Quek Chee Hoon
Non-Executive Director/Non-Independent

Mr Quek Chee Hoon, aged 56, a Singaporean, holds a Bachelor of Accountancy degree from the University of Singapore. He has 31 years' extensive experience in various investment, corporate and management activities, including property-related activities and businesses. He is currently the Group President & Chief Executive Officer of GuocoLand Limited which is listed on Singapore Exchange Securities Trading Limited and is the holding company of GLM.

Mr Quek was appointed to the Board of GLM on 19 April 2004. He does not sit on any committees of GLM.

He attended all the Board meetings of GLM held during the financial year ended 30 June 2009.

Mr Quek has no family relationship with other directors or major shareholders of GLM, has no conflict of interests with GLM and has no convictions for offences within the past 10 years.

YBhg Tan Sri Nik Mohamed bin Nik Yaacob
Non-Executive Director/Independent

Tan Sri Nik Mohamed bin Nik Yaacob, aged 60, a Malaysian, holds a Diploma in Mechanical Engineering, a B.E. (Hons) Degree from Monash University and a Masters in Business Management from the Asian Institute of Management. He also completed the Advanced Management Programme at Harvard University in the United States.

Tan Sri Nik Mohamed was the Group Chief Executive of Sime Darby Berhad from 1993 until his retirement in June 2004. He was Sime Darby Berhad's Director of Operations in Malaysia prior to his appointment as the Group Chief Executive in 1993. He also served on various Boards of the Sime Darby group of companies during this period. He was also the Chairman of the Advisory Council of National Science Centre and Chairman of the Board of UiTM and served as member of the INSEAD East Asian Council, National Council for Scientific Research and Development, Co-ordinating Council for the Public-Private Sectors in the Agricultural Sector, National Coordinating Committee on Emerging Multilateral Trade Issues and the Industrial Coordinating Council. He was a representative for Malaysia in the Apec Business Advisory Council and the Asia-Europe Business Forum.

Tan Sri Nik Mohamed is currently the Executive Director of Perdana Leadership Foundation. He is also a Director of Scomi Group Berhad, Scomi Marine Berhad, Bolton Berhad and Kencana Petroleum Berhad, all are public listed companies.

Tan Sri Nik Mohamed was appointed to the Board of GLM on 28 January 2005. He does not sit on any committees of GLM.

He attended all the Board meetings of GLM held during the financial year ended 30 June 2009.

Tan Sri Nik Mohamed has no family relationship with other directors or major shareholders of GLM, has no conflict of interests with GLM and has no convictions for offences within the past 10 years.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighty-fifth Annual General Meeting of GuocoLand (Malaysia) Berhad (the "Company") will be held at the Theatrette, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Wednesday, 14 October 2009 at 11.00 a.m. in order:

1. To lay before the meeting the audited financial statements together with the reports of the Directors and Auditors thereon for the financial year ended 30 June 2009.

2. To declare a final dividend of 4% less tax for the financial year ended 30 June 2009 to be paid on 3 November 2009 to members registered in the Record of Depositors on 20 October 2009. **(Resolution 1)**

3. To approve the payment of Director fees of RM260,000 for the financial year ended 30 June 2009, to be divided amongst the Directors in such manner as the Directors may determine. **(Resolution 2)**

4. To re-elect the following retiring Directors:

   (a) YBhg Dato' Ong Joo Theam; and **(Resolution 3)**

   (b) Mr Tan Keok Yin. **(Resolution 4)**

5. To pass the following motion as an Ordinary Resolution:

   "THAT YBhg Dato' Chew Kong Seng, a Director who retires in compliance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting." **(Resolution 5)**

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

7. As special businesses, to consider and, if thought fit, pass the following motions as Ordinary Resolutions:

   Authority To Directors To Issue Shares

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares in the Company, at any time and from time to time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued 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 and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." **(Resolution 7)**

   Proposed Shareholders' Mandate On Recurrent Related Party Transactions Of A Revenue Or Trading Nature With Hong Leong Company (Malaysia) Berhad ("HLCM") And Persons Connected With HLCM **(Resolution 8)**

   "THAT approval be and is hereby given for the Company and/or its subsidiaries to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature as set out in paragraph 2.3(A) of the Company's Circular to Shareholders dated 18 September 2009 with HLCM and persons connected with HLCM provided that such transactions are undertaken in the ordinary course of business, on terms which are not more favourable to the related parties than those generally available to the public and are not, in the Company's opinion, detrimental to the minority shareholders and that the breakdown of the aggregate value of the recurrent related party transactions conducted during the financial year, including the types of recurrent transactions made and the names of the related parties involved and their relationship with the Company and/or its subsidiaries, are disclosed in the annual report of the Company;

AND THAT such approval shall continue to be in force until:

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

(ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution."

Proposed Shareholders' Mandate On Recurrent Related Party Transactions Of A Revenue Or Trading Nature With The Directors And Major Shareholders Of The Company And Persons Connected With Them **(Resolution 9)**

" THAT approval be and is hereby given for the Company and/or its subsidiaries to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature as set out in paragraph 2.3(B) of the Company's Circular to Shareholders dated 18 September 2009 (the "Circular") with all the directors and major shareholders of the Company (as defined in the Circular) and persons connected with them provided that such transactions are undertaken in the ordinary course of business, on terms which are not more favourable to the related parties than those generally available to the public and are not, in the Company's opinion, detrimental to the minority shareholders and that the breakdown of the aggregate value of the recurrent related party transactions conducted during the financial year, including the types of recurrent transactions made and the names of the related parties involved and their relationship with the Company and/or its subsidiaries, are disclosed in the annual report of the Company;

AND THAT such approval shall continue to be in force until:

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

(ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution."

Proposed Shareholders' Mandate On Recurrent Related Party Transactions Of A Revenue Or Trading Nature With Tower Real Estate Investment Trust ("Tower REIT") **(Resolution 10)**

" THAT approval be and is hereby given for the Company and/or its subsidiaries to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature as set out in paragraph 2.3(C) of the Company's Circular to Shareholders dated 18 September 2009 with Tower REIT provided that such transactions are undertaken in the ordinary course of business, on terms which are not more favourable to the related parties than those generally available to the public and are not, in the Company's opinion, detrimental to the minority shareholders and that the breakdown of the aggregate value of the recurrent related party transactions conducted during the financial year, including the types of recurrent transactions made and the names of the related parties involved and their relationship with the Company and/or its subsidiaries, are disclosed in the annual report of the Company;

AND THAT such approval shall continue to be in force until:

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

(ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution."

(Resolution 11)

Proposed Shareholders' Mandate On Recurrent Related Party Transactions Of A Revenue Or Trading Nature With Hong Leong Investment Holdings Pte. Ltd. ("HLIH") And Persons Connected With HLIH

" THAT approval be and is hereby given for the Company and/or its subsidiaries to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature as set out in paragraph 2.3(D) of the Company's Circular to Shareholders dated 18 September 2009 with HLIH and persons connected with HLIH provided that such transactions are undertaken in the ordinary course of business, on terms which are not more favourable to the related parties than those generally available to the public and are not, in the Company's opinion, detrimental to the minority shareholders and that the breakdown of the aggregate value of the recurrent related party transactions conducted during the financial year, including the types of recurrent transactions made and the names of the related parties involved and their relationship with the Company and/or its subsidiaries, are disclosed in the annual report of the Company;

AND THAT such approval shall continue to be in force until:

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

(ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution."

8. To consider any other business of which due notice shall have been given.

FURTHER NOTICE IS HEREBY GIVEN that a depositor shall qualify for entitlement to the final dividend only in respect of:

(a) shares transferred into the depositor's securities account before 4.00 p.m. on 20 October 2009 in respect of ordinary transfers; and

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

By Order of the Board

LIM YEW YOKE
Secretary

Kuala Lumpur
18 September 2009

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member who is an authorised nominee may appoint not more than two proxies in respect of each securities account it holds.

2. The Form of Proxy must be deposited at the Registered Office of the Company at Level 10, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur not less than 48 hours before the time and date of the meeting or adjourned meeting.

3. Ordinary Resolution On Authority To Directors To Issue Shares

   The proposed ordinary resolution, if passed, will give a renewed mandate to the Directors of the Company to issue ordinary shares of the Company from time to time provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being ("Renewed Mandate"). The Renewed Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

   As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 21 October 2008 and which will lapse at the conclusion of the Eighty-fifth Annual General Meeting.

   The Renewed Mandate will enable the Directors to take swift action in case of a need for corporate exercises or in the event business opportunities arise which involve the issue of new shares, and to avoid delay and cost in convening general meetings to approve such issue of shares.

4. Ordinary Resolutions On Proposed Shareholders' Mandate On Recurrent Related Party Transactions Of A Revenue Or Trading Nature ("Proposed Shareholders' Mandate")

   The proposed ordinary resolutions, if passed, will empower the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations of the Company and its subsidiaries, subject to the transactions being in the ordinary course of business and on terms which are not more favourable to the related parties than those generally available to the public and are not, in the Company's opinion, detrimental to the minority shareholders of the Company.

   Detailed information on the Proposed Shareholders' Mandate are set out in the Circular to Shareholders dated 18 September 2009 which is despatched together with the Company's 2009 Annual Report.

STATEMENT ACCOMPANYING
NOTICE OF ANNUAL GENERAL MEETING

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

- Details of individuals who are standing for election as Directors

  No individual is seeking election as a Director at the Eighty-fifth Annual General Meeting of the Company.

BOARD AUDIT & RISK MANAGEMENT COMMITTEE REPORT

CONSTITUTION

The Board Audit & Risk Management Committee (the "Committee") of GuocoLand (Malaysia) Berhad ("GLM" or the "Company") has been established since 23 March 1994.

COMPOSITION

Mr Tan Keok Yin
Chairman, Independent Non-Executive Director

YBhg Dato' Chew Kong Seng
Independent Non-Executive Director

YBhg Dato' Ong Joo Theam
Non-Independent Non-Executive Director

SECRETARY

The Secretary to the Committee is Ms Lim Yew Yoke who is the Company Secretary of GLM.

TERMS OF REFERENCE

- To nominate and recommend for the approval of the Board of Directors ("Board"), a person or persons as external auditor(s).
- To review the external audit fees.
- To review, with the external auditors, the audit scope and plan.
- To review, with the external auditors, the audit report and audit findings and the management's response thereto.
- To review the assistance given by the Group's officers to the external auditors.
- To review the quarterly reports and annual financial statements of the Company and of the Group prior to the approval by the Board.
- To review the adequacy of the internal audit scope and plan, functions, competency and resources of the internal audit functions.
- To review the report and findings of the internal audit department including any findings of internal investigations and the management's response thereto.
- To review the adequacy and integrity of internal control systems, including risk management and management information system.
- To review the risk management framework adopted by the Group and the processes employed to identify, evaluate and manage key business risks.
- To review any related party transactions that may arise within the Company or the Group.
- Other functions as may be agreed to by the Committee and the Board.

AUTHORITY

The Committee is authorised by the Board to review any activity of GLM and its subsidiaries (the "Group") within its Terms of Reference. It is authorised to seek any information it requires from any director or member of management and all employees are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain independent legal or other professional advice if it considers necessary.

MEETINGS

The Committee meets at least four (4) times a year and additional meetings may be called at any time as and when necessary. All meetings to review the quarterly reports and annual financial statements are held prior to such quarterly reports and annual financial statements being presented to the Board for approval.

The head of finance, head of internal audit, the risk manager and the Managing Director/Executive Director may attend Committee meetings, on the invitation of the Committee, to provide information and clarification required on items on the agenda. Representatives of the external auditors are also invited to attend the Committee meetings to present their audit scope and plan, audit report and findings together with management's response thereto, and to brief the Committee members on significant audit and accounting areas which they noted in the course of their audit.

Issues raised, discussions, deliberations, decisions and conclusions made at the Committee meetings are recorded in the minutes of the Committee meetings. Where the Committee is considering a matter in which a Committee member has an interest, such member abstains from deliberating and voting on the subject matter.

At least twice a year, the Committee will have a separate session with the external auditors without the presence of executive directors and management.

Three (3) members of the Committee shall constitute a quorum.

After each Committee meeting, the Committee shall report and update the Board on significant issues and concerns discussed during the Committee meetings and where appropriate, make the necessary recommendations to the Board.

ACTIVITIES

The Committee carried out its duties in accordance with its Terms of Reference.

During the financial year ended 30 June 2009, four (4) Committee meetings were held and all the meetings were attended by all the Committee members.

The Committee had two (2) separate sessions with the external auditors without the presence of executive directors.

The Committee reviewed the quarterly reports and annual financial statements of the Group. The Committee met with the external auditors and discussed the nature and scope of the audit, considered any significant changes in accounting and auditing issues, reviewed the management letter and management's response, reviewed pertinent issues which had significant impact on the results of the Group and discussed applicable accounting and auditing standards. The Committee reviewed the internal auditor's audit findings and recommendations.

In addition, the Committee reviewed the adequacy and integrity of internal control systems, including risk management and relevant management information system. It also reviewed the processes put in place to identify, evaluate and manage the significant risks encountered by the Group.

The Committee reviewed various related party transactions carried out by the Group.

INTERNAL AUDIT

The Group has an in-house Internal Audit ("IA") Department which reports directly to the Committee. The Committee takes cognizance of the fact that an independent and adequately resourced internal audit function is essential in obtaining the assurance it requires regarding the effectiveness of the system of internal controls.

The internal audit activities carried out during the financial year ended 30 June 2009 include, inter alia, the following:

- ascertained the extent of compliance with the established Group policies, procedures and statutory requirements;
- reviewed the system of internal controls and key operating processes based on the approved annual plan by adopting a risk based approach and recommending improvements to the existing system of controls; and
- reviewed related party transactions.

Arising from the above activities, IA reports, incorporating the audit findings, audit recommendations and management responses were presented to the Committee. Follow-up audit was also conducted and the status of implementation on the agreed recommendations was reported to the Committee.

The cost incurred by the IA Department for the financial year ended 30 June 2009 amounted to RM230,261.

This Board Audit & Risk Management Committee Report is made in accordance with the resolution of the Board of Directors.

"Corporate Governance is the process and structure used to direct and manage the business and affairs of the Company towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long term shareholders' value, whilst taking into account the interest of other stakeholders."

~ Finance Committee on Corporate Governance



PJ City - A Project managed by GuocoLand Malaysia

CORPORATE GOVERNANCE & INTERNAL CONTROL

The Board of Directors has reviewed the manner in which the Malaysian Code on Corporate Governance (the "Code") is applied in the Group as set out below. The Board is pleased to report compliance of the Group with the Best Practices set out in Part 2 of the Code except where otherwise stated.

A. DIRECTORS

I The Board

The Board assumes responsibility for effective stewardship and control of the Company and has established terms of reference to assist in the discharge of this responsibility.

The role and responsibilities of the Board broadly cover formulation of corporate policies and strategies; overseeing and evaluating the conduct of the Group's businesses; identifying principal risks and ensuring the implementation of appropriate systems to manage these risks; and reviewing and approving key matters such as financial results, investments and divestments, acquisitions and disposals and major capital expenditure.

The Board observes the Company Directors' Code of Ethics established by the Companies Commission of Malaysia.

A. DIRECTORS *cont'd*

II Board Balance

The Board of Directors comprises seven (7) directors, five (5) of whom are non-executive. Of the non-executive directors, three (3) are independent. The profiles of the members of the Board are provided in the Annual Report.

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

The Executive Chairman leads the Board and is responsible for the vision and strategic direction of the Group as well as to monitor progress on implementation of Key Performance Areas and strategic developments.

The Managing Director is responsible for implementing the policies and decisions of the Board, overseeing the day-to-day operations, setting the plan and direction, benchmark and targets for operating companies, tracking compliance and business progress, initiating innovative business ideas to create competitive edge and development of business and corporate strategies with the aim of enhancing shareholders' wealth.

The Board has identified the Company Secretary of the Company to whom concerns may be conveyed, who would bring the same to the attention of the Board.

III Board Meetings

The Board meets quarterly with timely notices of issues to be discussed. Additional meetings may be convened on an ad-hoc basis as and when necessary. Where appropriate, decisions are also taken by way of Directors' Circular Resolutions.

The Board met four (4) times during the financial year ended 30 June 2009. Details of attendance of each director are disclosed in the Directors' Profile in the Annual Report. At Board meetings, active deliberations of issues by Board members are encouraged and such deliberations, decisions and conclusions are recorded by the Company Secretary accordingly. Any director who has an interest in the subject matter to be deliberated shall abstain from deliberation and voting on the same during the meetings.

IV Supply of Information

All Board members are supplied with information on a timely manner. Board reports are circulated prior to Board meetings and the reports provide, amongst others, financial and corporate information, significant operational, financial and corporate issues, performance of the Company and of the Group and management's proposals which require the approval of the Board.

All directors have access to the advice and services of the Company Secretary and internal auditors. All directors also have access to independent professional advice at the Company's expense, in consultation with the Executive Chairman or the Managing Director of the Company.

V Appointments to the Board

Given the current size of the Board, the Board is of the view that it is not necessary for the Company to establish a Nominating Committee for the time being and the Board as a whole will serve as the Nominating Committee. All new nominations received are assessed and approved by the entire Board in line with its policy of ensuring nominees are persons of sufficient calibre and experience.

The process of assessing the directors is an on-going responsibility of the entire Board. A formal evaluation process has been put in place to assess the effectiveness of the Board as a whole, the Board committee and the contribution and performance of each individual director, including the Executive Chairman and the Managing Director.

A. DIRECTORS *cont'd*

V Appointments to the Board *cont'd*

Having reviewed the assessments in respect of the financial year ended 30 June 2009, the Board is satisfied that the Board and Board committee have continued to operate effectively in discharging their duties and responsibilities. The directors have also fulfilled their responsibilities as members of the Board and are suitably qualified to hold their positions.

VI Re-appointment and Re-election

All directors are required to submit themselves for re-election every three (3) years.

Pursuant to Section 129(6) of the Companies Act, 1965, directors who are over the age of seventy (70) years shall retire at every Annual General Meeting ("AGM") and may offer themselves for re-appointment as directors of the Company to hold office until the conclusion of the next AGM.

VII Training and Education

All directors of the Company have completed the Mandatory Accreditation Programme.

As part of the training programme for its directors, the Company prepared for the use of its directors, the Director Manual, and organised in-house programmes and regular briefings and updates by its in-house professionals. The directors are also encouraged to attend seminars and briefings in order to keep themselves abreast with the latest developments in the business environment and to enhance their skills and knowledge.

The Director Manual which is given to every directors for their reference, highlights, amongst others, the major duties and responsibilities of a director vis-à-vis various laws, regulations and guidelines governing the same. New directors will also be given a briefing on the businesses of the Group.

During the financial year ended 30 June 2009, the directors received regular briefings and updates on the Group's businesses, operations, risk management, internal controls, corporate governance, finance and any new or changes to the companies and other relevant legislation, rules and regulations from in-house professionals. The Company also organised an in-house programme for its directors and senior management.

The directors of the Company had also attended various programmes and forums facilitated by external professionals in accordance with their respective needs in discharging their duties as directors.

During the financial year ended 30 June 2009, the directors of the Company, including members of the Board Audit & Risk Management Committee, attended the following training programmes, seminars, briefings and workshops:

- Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- FTSE Bursa Malaysia KLCI – Elevating Malaysia's Benchmark Index to Global Standards
- "Doing better deals"
- SC – Bursa Corporate Governance Week 2009
- Corporate Boards in a Challenging Environment
- Governing in Challenging Times
- PWC Budget 2008 Seminar
- Enterprise Risk Management (Module 3)
- Risk and The Board and Internal Audit (Module 4)

A. DIRECTORS *cont'd*

VII Training and Education *cont'd*

- Governance Practices for the Financial Markets in the 21st Century (Modules 1 & 5)
- Financial Institutions Director Education Programme on Risk Management in Islamic Finance
- Creating the Market-Focused Organisation for Board of Directors and Senior Management

B. DIRECTORS' REMUNERATION

I Level and make-up of Remuneration

The Company does not have a Remuneration Committee. The Board is of the view that it is not necessary for the Company to establish a Remuneration Committee for the time being given the current size of the Board. The Board as a whole functions as the Remuneration Committee.

The Group's remuneration scheme for executive directors is linked to performance, service seniority, experience and scope of responsibility and is periodically benchmark to market/industry surveys conducted by human resource consultants. Performance is measured against profits and targets set in the Group's annual plan and budget.

The level of remuneration of non-executive directors reflects the level of responsibilities undertaken by them.

II Procedure

The remuneration packages of executive directors are reviewed by the entire Board, with the presence of a majority of non-executive directors. The executive director concerned shall not participate in the deliberations and shall vacate the meeting room during deliberations of his remuneration package.

The Board, in assessing and reviewing the remuneration packages of executive directors, ensures that a strong link is maintained between their rewards and individual performance, based on the provisions in the Group's Human Resources Manual, which are reviewed from time to time to align with market/industry practices.

The fees of directors, including non-executive directors, are recommended and endorsed by the Board for approval by the shareholders of the Company at its AGM.

III Disclosure

The aggregate remuneration of directors for the financial year ended 30 June 2009 is as follows:

	Fees (RM)	Salaries & Other Emoluments (RM)	Total (RM)
Executive Directors	85,877	476,198	562,075
Non-Executive Directors	200,000	-	200,000

B. DIRECTORS' REMUNERATION *cont'd*

III Disclosure *cont'd*

The number of directors whose remuneration falls into the following bands is as follows:

Range Of Remuneration (RM)	Executive	Non-Executive
50,000 and below	-	2
50,001 – 100,000	1	3
100,001 – 500,000	-	-
500,001 – 550,000	1	-

C. SHAREHOLDERS

I Dialogue between Companies and Investors

The Board acknowledges the importance of regular communication with shareholders and investors via the annual reports, circulars to shareholders and quarterly financial reports and the various announcements made during the year, through which shareholders and investors can have an overview of the Group's performance and operation.

The Company has a website at 'www.guocoland.com.my' which the shareholders can access for information which includes corporate information, announcements/press releases/briefings, financial information, products information and investor relations.

In addition, the Corporate Communication Senior Manager of the Company could provide shareholders and investors with a channel of communication in which they can provide feedback to the Group.

Queries may be conveyed to the following person:

Name : Mr Keith Pereira
Tel No : 603-2164 7878
Fax No : 603-2164 2366
e-mail address : keith@guocoland.com.my

II Annual General Meeting ("AGM")

The AGM provides an opportunity for the shareholders to seek and clarify any issues and to have a better understanding of the Group's performance. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions. Senior management and the external auditors are also available to respond to shareholders' queries during the AGM.

D. ACCOUNTABILITY AND AUDIT

The Board Audit & Risk Management Committee (the "Committee") was established on 23 March 1994. The financial reporting and internal control system of the Group is overseen by the Committee, which comprises all non-executive directors with a majority independent. The primary responsibilities of the Committee are set out in the Committee Report.

The Committee met four (4) times during the financial year ended 30 June 2009. All meetings were attended by all members of the Committee. The head of finance, head of internal audit, the risk manager and the Managing Director/Executive Director may attend Committee meetings, on the invitation of the Committee, to provide information and clarification required on items on the agenda. Representatives of the external auditors are also invited to attend the Committee meetings to present their audit scope and plan, audit report and findings together with management's response thereto, and to brief the Committee members on significant audit and accounting areas which they noted in the course of their audit.

D. ACCOUNTABILITY AND AUDIT *cont'd*

Issues raised, discussions, deliberations, decisions and conclusions made at the Committee meetings are recorded in the minutes of the Committee meeting. Where the Committee is considering a matter in which a Committee member has an interest, such member abstains from deliberating and voting on the subject matter.

The Committee is supported by the Internal Audit Department which principal responsibility is to conduct periodic audits to ensure compliance with systems and/or standard operating procedures of the Group. Investigation will be made at the request of the Committee and senior management on specific areas of concern when necessary. Significant breaches and deficiencies identified are discussed at the Committee meetings where appropriate actions will be taken.

I Financial Reporting

The Board is responsible for ensuring the proper maintenance of accounting records of the Group. The Board receives the recommendation to adopt the financial statements from the Committee which assesses the financial statements with the assistance of the external auditors.

II Internal Control

The Statement on Internal Control as detailed under paragraph E of this Statement provides an overview of the state of internal controls within the Group.

III Relationship with Auditors

The appointment of external auditors is recommended by the Committee which determines the remuneration of the external auditors. The external auditors meet with the Committee members at least twice a year without the presence of executive directors and management to:

- present the scope of the audit before the commencement of audit; and
- review the results of the audit as well as the management letter after the conclusion of the audit.

E. STATEMENT ON INTERNAL CONTROL

The Board of Directors, recognising its responsibilities in ensuring sound internal controls, has put in place a risk management framework for the Group to assist it in:

- identifying the significant risks faced by the Group in the operating environment as well as evaluating the impact of such risks identified;
- developing the necessary measures to manage these risks; and
- monitoring and reviewing the effectiveness of such measures.

The Board has entrusted the Committee with the responsibility to oversee the implementation of the risk management framework of the Group.

The Board, in concurrence with the Committee, has appointed a Risk Manager to administer the risk management framework. The Risk Manager is responsible to:

- periodically evaluate all identified risks for their continuing relevance in the operating environment and inclusion in the Risk Management Framework;
- assess the adequacy of action plans and control systems developed to manage these risks;
- monitor the performance of management in executing the action plans and operating the control systems; and
- periodically report to the Committee on the state of internal controls and the management of risks throughout the Group.

E. STATEMENT ON INTERNAL CONTROL *cont'd*

The Committee, assisted by the Internal Audit Department, provides oversight on the implementation of the risk management framework of the Group.

These on-going processes have been in place for the year under review, and are reviewed periodically by the Committee.

The controls built into the risk management framework are intended to manage and not expected to eliminate all risks of failure to achieve business objectives but to provide reasonable and not absolute assurance against material misstatement of management and financial information or against financial losses and fraud.

F. DIRECTORS' RESPONSIBILITY IN FINANCIAL REPORTING

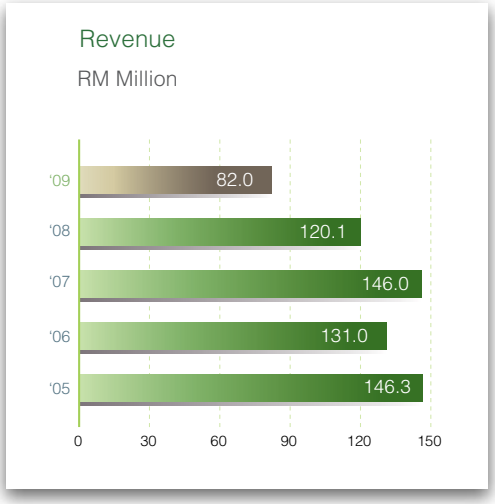
The Main Market Listing Requirements of Bursa Malaysia Securities Berhad require the directors to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of its financial performance and cash flows of the Group and of the Company for the financial year.

The directors are satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 30 June 2009, the Group has used the appropriate accounting policies and applied them consistently. The directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

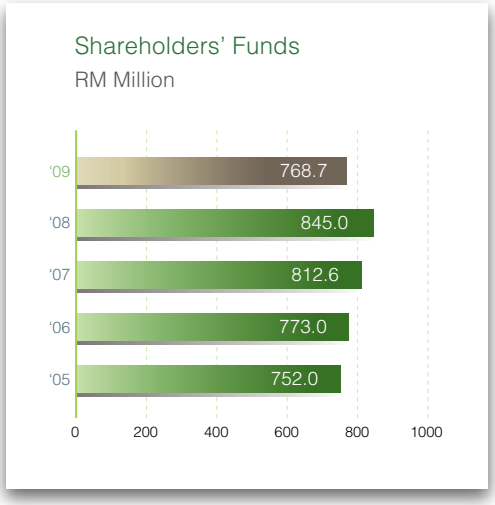
This Statement on Corporate Governance and Internal Control is made in accordance with the resolution of the Board of Directors.

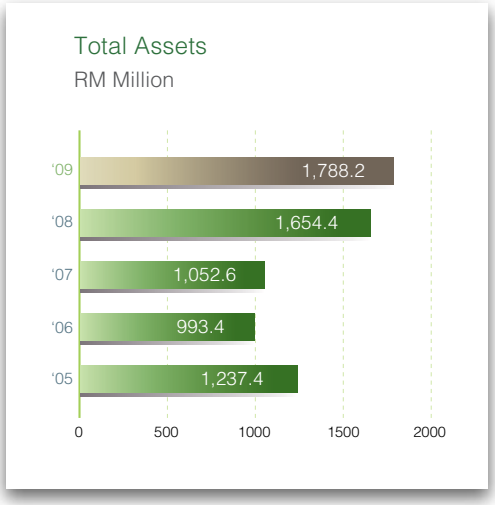
GROUP FINANCIAL HIGHLIGHTS

YEAR ENDED (RM MILLION)	JUNE 05	JUNE 06	JUNE 07	JUNE 08	JUNE 09
Revenue	146.3	131.0	146.0	120.1	**82.0**
Profit/(Loss) before taxation	15.9	63.9	63.5	46.2	**(67.7)**
Profit/(Loss) attributable to shareholders	12.6	50.8	49.5	41.2	**(66.0)**
Net earnings/(Loss) per share (sen)	1.8	7.3	7.4	6.2	**(9.9)**
Net dividend per share (sen)	0.7	1.4	1.5	1.5	**1.5**
Gross dividend per share (sen)	1.0	2.0	2.0	2.0	**2.0**
Shareholders' funds	752.0	773.0	812.6	845.0	**768.7**
Total assets	1,237.4	993.4	1,052.6	1,654.4	**1,788.2**



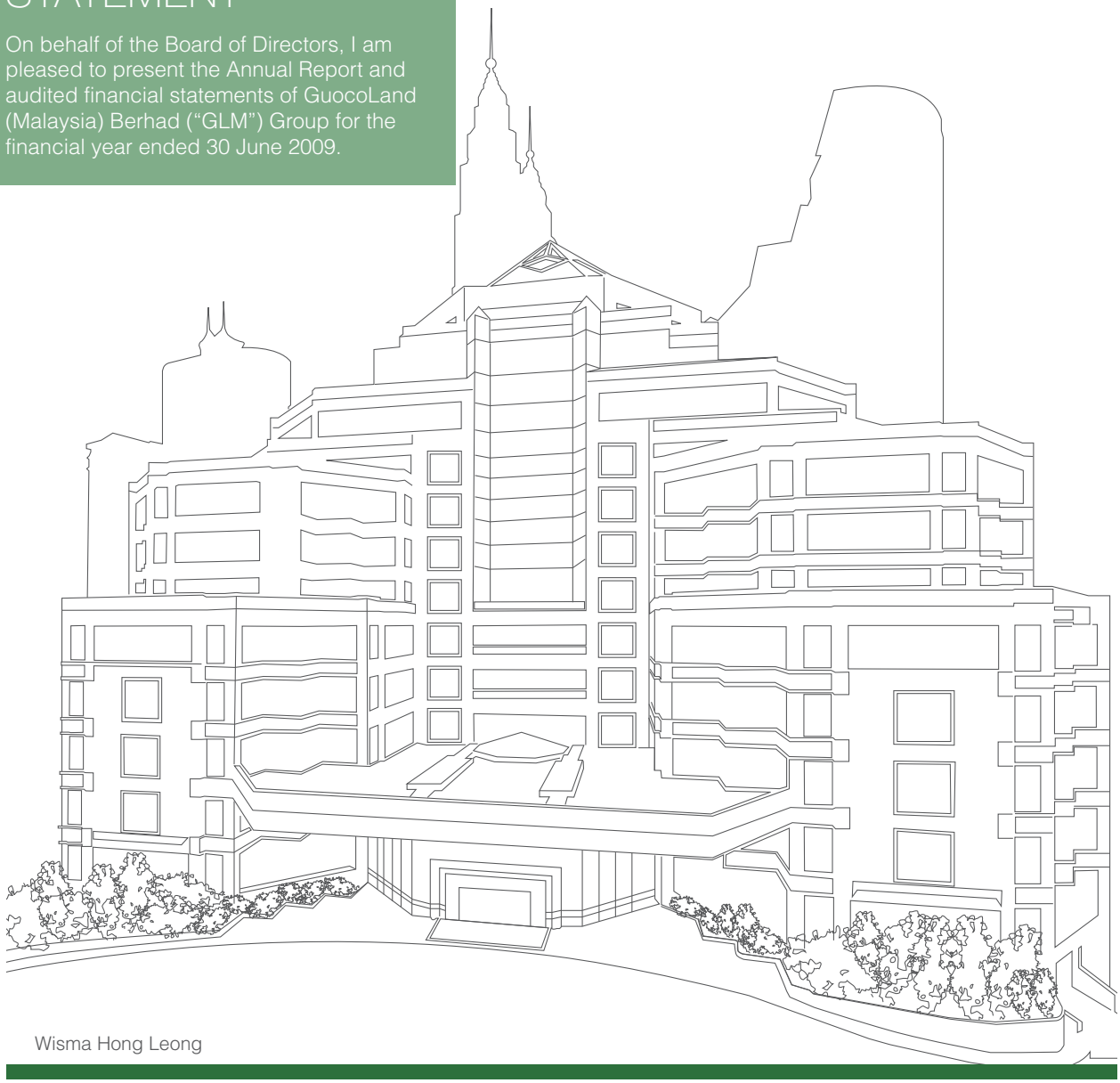






CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and audited financial statements of GuocoLand (Malaysia) Berhad ("GLM") Group for the financial year ended 30 June 2009.



Wisma Hong Leong

OPERATING ENVIRONMENT

With an unprecedented turn of events resulting from the global economic crisis, the operating environment had posed many challenges for the property industry. The impact on property development and profit margins in the last financial year was a significant one, from escalating construction costs, falling house prices, rising unemployment to a dip in consumer confidence and lack of demand.

With the global property market facing growth prospects that are bleak and the slow rehabilitation of the credit market, property market had been duly affected. There is an increasing uncertainty in the global economic outlook, and businesses across the country have been hit with a major slowdown in growth.

OPERATING RESULTS

The global economic downturn has had a major impact on the Group's performance, resulting in slower sales and delays in some launches. This in turn has contributed to a financial loss for the Group. For the financial year under review, the Group recorded a loss before taxation of RM67.7 million on the back of revenue of RM82.0 million. Property development contributed RM42.8 million to the Group's revenue, a slight decrease from RM45.4 million in the previous year. Revenue from the property investment division declined from RM20.8 million in 2008 to RM7.4 million, mainly attributed to a weaker market and slower economy during the financial year.

Meanwhile, hotel operations revenue decreased from RM45.4 million to RM24.4 million. This was mainly attributed to the temporary closure of the former Guoman Port Dickson Resort and Hyatt Regency Johor Bahru for major refurbishments in the first half of 2009. Both hotels have been rebranded into Thistle Port Dickson Resort and Thistle Johor Bahru respectively, marking the entry of one of the recognised hotel brands in the United Kingdom into Asia for the first time. With the rebranding exercise, we hope to generate new growth in our hotel operations.

PROSPECTS

The outlook for the property sector is expected to remain challenging amidst the global economic downturn. However, we are upbeat by a strong banking system and fundamentals which are essential in the recovery process. The recent measures announced by the government, including the liberalisation of the Malaysian property industry, will also be a boost to Malaysia's competitiveness, both locally and internationally, and help property players like GLM as well as investors to benefit. With signs of an increased optimism on the domestic economic front, we are confident that our prospects for the current financial year will be enhanced.

As we readjust plans and strategies in order to ride the challenges ahead of us, we will focus on consolidating our operations and strengthening our efforts to improve our capabilities as well as cost-efficiency methods. These consolidation efforts will help us realise our vision of growing in this difficult time.

DIVIDEND

During the year, the Company paid a final dividend of 4% less tax at 25% amounting to approximately RM10.0 million in respect of the previous financial year.

The Board is pleased to recommend a final dividend in respect of the financial year ended 30 June 2009 of 4% less tax at 25%, amounting to approximately RM10.0 million, subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

APPRECIATION

To my colleagues on the Board, I extend my sincere appreciation for their continued support of the Group. Their vast experience, depth of knowledge, critical insight and business acumen have provided management with valuable advice and guidance at our Board meetings, especially during these challenging times.

I would like to extend a heartfelt appreciation to the management team and employees for their dedication and commitment to the growth of the Group.

I would also like to thank our valued customers, shareholders, partners, investors and government authorities for their continued support and confidence.

TAN SRI QUEK LENG CHAN
Chairman

21 August 2009

MANAGING DIRECTOR'S REVIEW

For the financial year under review, the Group recorded a loss before tax of RM67.7 million on the back of revenue of RM82.0 million. The property development and hotel operations were the main contributors to the Group's revenue. Meanwhile, the loss before tax was attributed to the challenging economic environment on the global as well as domestic front.



OVAL Kuala Lumpur was completed in April 2009



The luxury of space is a distinct feature of OVAL

PROPERTY DEVELOPMENT

RESIDENTIAL

OVAL Kuala Lumpur

OVAL Kuala Lumpur is a luxurious condominium coveted for its strategic location in the heart of Kuala Lumpur City Centre ("KLCC"). This freehold development is situated on a 2.14-acre site at Jalan Binjai just opposite the famed PETRONAS Twin Towers. The 140 exclusive units aim to offer a lifestyle of timeless elegance and privacy in the midst of the vibrant city below. Residents will also enjoy breathtaking, panoramic views of the city and the greenery of the 50-acre KLCC Park.

OVAL Kuala Lumpur comprises two towers of 70 luxuriously-appointed apartments which come in two configurations: The Sky Villa which has 3,750 sq ft and the larger Mansionary Villa which has 7,600 sq ft of space. To complement the exclusive lifestyle of its residents, each tower will have its own suite of recreational facilities.







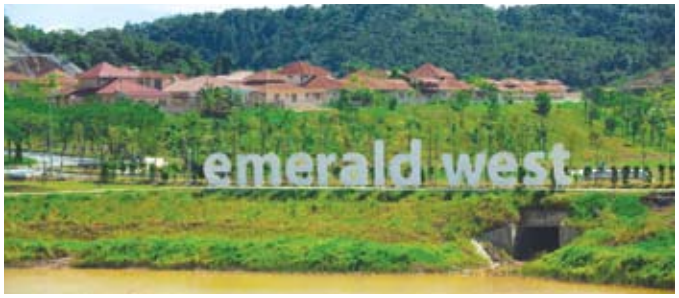
The completed Type C show unit with floor-to-ceiling windows



Emerald, Rawang

A lifestyle away from the hustle and bustle of city dwelling and yet just minutes from Kuala Lumpur is what residents of Emerald township enjoy. Nestled on the undulating green foothills of Rawang, Selangor, this spacious residential-commercial township located on over 1,000 acres of land comprises link houses, semi-detached houses, bungalows, apartments and shop offices just half hour's drive from Kuala Lumpur via the North-South Highway.

Emerald is an established township with gated and guarded facilities and will have a Ronald Fream-designed 9-hole golf course, shops, schools and a hypermarket when fully developed.



Entrance to Emerald West



Newly completed Emerald Sales Gallery

The Cirrus, Cheras

The Cirrus, Cheras is an enclave of innovative yet functional designer homes located on a 16.1-acre site on the outskirts of Kuala Lumpur city. It comprises private bungalows with generous floor space from over 4,600 sq ft to 6,500 sq ft. The bungalows will be located on elevated ground in a matured residential neighbourhood which is close to shopping amenities, educational facilities and is well-served by major highways to Kuala Lumpur. One of the main features for The Cirrus is its interior and exterior design philosophy that aims to create a seamless living environment, redefining 'living without borders'.



Newly completed Emerald Link Bridge



Completed Semi-D & cluster homes at Emerald West

Emerald Rawang has also completed its brand new sales gallery to centralise sales activities, enhance communication activities with its customers as well as showcase its progress of the development. Built in Emerald West, the sales gallery is a platform for customers to receive all the latest updates on the township, promotions as well as hold discussions with Emerald personnel on homeownership matters, including advice on home loans as well as after-sales services.

Emerald Rawang will also see the construction of a Chinese primary school which, upon completion in approximately two years' time, will accommodate 2,000 students with 36 classrooms and various educational facilities including an administration block. SRJK (C) Emerald is one of six new schools nationwide approved by the Ministry of Education.

Notting Hill Bungalows, Bukit Rahman Putra

Bukit Rahman Putra ("BRP") is an established integrated township that spans 1,109 acres of prime freehold land. BRP comprises carefully designed homes and shop offices with country living lifestyle with Spanish & Tudor designs.



All of Notting Hill bungalows have been sold



Stunning views from one of the bungalows

Notting Hill Bungalows are the last in the series of the landed residential component of BRP, consisting of luxurious homes with well-conceptualised layouts, quality finishes, spacious courtyards, open-air bathrooms, dipping pools and floor-to-ceiling glass windows. All units have been sold.



Vision of Damansara CITY



Office Tower

COMMERCIAL

Damansara CITY, Damansara Heights

Our flagship Damansara CITY comprises residential apartments, hotel, office space and a retail mall. The freehold development sits on an 8.5-acre site in the commercial and residential hub of Damasara Heights. It is bounded by the equally upmarket areas of Bangsar and Bukit Kiara, and enjoys easy access into the city centre via arterial roads and the Sprint Expressway.

Damansara CITY's value proposition is reflected by 2.2 million sq ft of space from two luxurious residential towers, two office towers, a five-star boutique hotel and a lifestyle retail mall. The mall will offer trendy fashion stores, hip restaurants, cafes and a gourmet food hall.



Retail

Commerce One, Old Klang Road

Facing the main arterial Old Klang Road with close proximity to Mid Valley and the city centre, Commerce One is a vibrant commercial destination comprising one block of 5-storey shop offices and a single block of office suites, complete with facilities including a business center, meeting rooms, gymnasium, lifestyle F&B outlets, as well as a 7-storey carpark. Commerce One offers exceptionally high visibility, allowing its many road users unobstructed views of businesses within the development.



Commerce One will be a major landmark of Old Klang Road



Shop offices at Commerce One nearing completion

Commerce One is connected to the major highways of Kuala Lumpur - Federal Highway, New Pantai Expressway (NPE), KL-Shah Alam Expressway (KESAS) and Lebuhraya Damansara-Puchong (LDP) - all combining to offer businesses unparalleled connectivity. Todate, 80% of the 5-storey shop offices has been sold, with almost an equal number of buyers being both end-users as well as investors. Commerce One will also feature a 22-storey tower of office suites in the near future.

PROPERTY INVESTMENT

TOWER REAL ESTATE INVESTMENT TRUST

GLM REIT Management Sdn Bhd ("GLM REIT"), a wholly-owned subsidiary of GuocoLand (Malaysia) Berhad ("GLM"), is the Manager of Tower Real Estate Investment Trust ("Tower REIT" or the "Trust"). Tower REIT is positioned as a premier office REIT in Malaysia, with a growth strategy emphasising on value and focusing on prime office buildings and commercial properties.

As at 30 June 2009, Tower REIT has a gross asset value of approximately RM591 million comprising three prime freehold commercial office buildings, namely, Menara HLA and Menara ING, located within the Kuala Lumpur Golden Triangle, and HP Towers in the prime Bukit Damansara area. The total net lettable area for all three buildings is approximately 898,000 sq ft.

Since its inception, the Trust has consistently delivered steady growth in earnings and distribution for unitholders. As the Manager for the Trust, GLM REIT is committed to proactively managing the assets under the portfolio of Tower REIT in order to maximise returns and will continue to actively explore acquisition opportunities that would add value to the unitholders.



Menara HLA



Menara ING



HP Towers

HOTELS

In reinforcing the hotel and leisure business and establishing its leadership position in the industry, GLM invested RM50 million in the refurbishment of both Guoman Port Dickson Resort and Hyatt Regency Johor Bahru, simultaneously rebranding the hotels as Thistle Port Dickson Resort and Thistle Johor Bahru respectively. With the new hotels, GLM will be raising the bar to ensure that guests and customers are afforded a fresh and exciting experience. While the two hotels will provide different offerings, both will contribute to the regeneration of the localities.

In its first foray out of the United Kingdom, Thistle's expansion into Malaysia marks the brand's two-year strategy to expand its business to an international scale.



Thistle Port Dickson Official Launch



Thistle Brand Launch, Kuala Lumpur



Thistle Johor Bahru Official Launch



Thistle Port Dickson Resort



Thistle Port Dickson Resort

Thistle Port Dickson Resort which opened its doors in June 2009, offers 251 bedrooms set upon 90 acres of stunning green resort space. The beach hotel boasts an ocean lawn which can accommodate 2,000 guests, a spacious ballroom, two tennis courts, three restaurants, two bars and three outdoor swimming pools including an infinity pool ideally located by the beach, with breathtaking views out over the sea and many more new and upgraded facilities.

Thistle Port Dickson Resort which will be of international standard, is aimed at attracting the leisure and MICE markets from around the world.

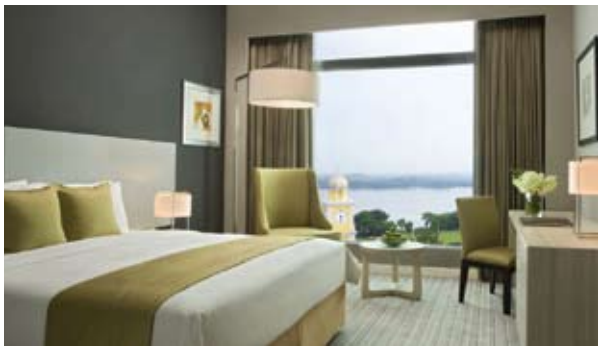




Refurbished Lobby of Thistle Johor Bahru



Club Floor Terrace



Seaview Room at Executive Floor

Thistle Johor Bahru

Thistle Johor Bahru will open its doors in July 2009 as the second Asian Thistle property, located in one of Malaysia's most important commercial cities, just across the border from Singapore. The hotel will offer 381 bedrooms including 125 luxury rooms, two restaurants, two bars, a large events space with a capacity for 650 guests and an outdoor swimming pool. For its long-term guests, the hotel also has 19 units of apartments for rent.

Capitalising on its prime location at the gateway to Singapore, Thistle Johor Bahru will cater primarily to the business community supporting inward investments to the area.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to thank the management and all staff for their commitment on contributions towards the growth of the Group. I would also like to take this opportunity to express our appreciation to our valued customers, business associates, government authorities and bankers for their continued support.

POH YANG HONG
Managing Director

21 August 2009

CORPORATE SOCIAL RESPONSIBILITY

Long before corporate social responsibility as a single concept was promulgated into guidelines for companies to follow, the Group was well on its journey. Corporate Social Responsibility (CSR) for the Group has always been more than just about community welfare. It is about having a sustainable business strategy in the face of global demands and challenges. It is also about conducting business with a conscience - caring for the community, the environment, the customers, employees and stakeholders.

ECONOMIC SUSTAINABILITY

For many years now, the Group has had in place internally generated best practices to ensure the economic sustainability of all its companies. Some of these best practices are:

- An established Financial Management Discipline intended to drive excellence in financial management with the objective of preserving and enhancing the quality of business as a going concern.
- An established Enterprise Risk Management structure to ensure that a systematic process and delegation of responsibility is clearly set out to guide management. The Group sees Enterprise Risk Management as a serious consideration to protect the company from defaults that could fundamentally damage enterprise value.
- A strict code of business conduct and ethics which the Group abides by in all types of transactions and interactions.
- Public communications, like financial reports, contain disclosures that are fair, accurate, timely and understandable.
- In choosing its directors, the Group seeks individuals of high integrity, have shareholder orientation and a genuine interest in their respective company's businesses. They are tasked with the responsibility of exercising their business judgement to act in what they reasonably believe to be in the best interest of the company and the shareholders they represent.
- The strict practice of responsible selling and marketing of products and services in a global market that is increasingly becoming even more aggressive and competitive.

SOCIAL SUSTAINABILITY

Employee Development and Welfare

The Group follows structured development programmes to help develop both technical and soft skills of employees.

For the non-executives, various in-house and external programmes were conducted to enhance their technical competencies as well as supervisory skills in order to develop a competent workforce.

Diversity and Inclusion

The Group develops talent regardless of race, gender or religious belief. Staff advancement is based on merit and we believe that it is this variety of persuasions and culture that fuel creativity, entrepreneurship and openness.

The Group also actively promotes work-life balance through various sports, family and social events initiatives. In this regard, various initiatives such as sports activities and social events were carried out with the full support and commitment of the employees throughout the financial year.

Environmental Preservation

As part of our commitment to our employees and to society as a whole, we practise environmental preservation and maintain high standards of Occupational Society and Health management practices. Environmental management programmes such as recycling campaigns, air pollution controls and waste management programmes are continuously deployed to achieve the Group's objectives.

In addition, we conduct regular occupational safety and awareness programmes for our employees.

COMMUNITY INVESTMENT

The Group conducts most of its philanthropic activities through Hong Leong Foundation, the charitable arm of Hong Leong Group. Since its incorporation in 1992, the Foundation's programmes have been funded by the Group companies' contributions. The Foundation focuses on education and community welfare as its key thrusts and responds to appeals for aid of victims of natural disasters such as floods, tsunamis and others. Among its focus areas, education in particular, takes top priority.

Scholarship

The Foundation has, as part of its donation framework, designed a Scholarship Programme to benefit Malaysian students from low-income families. The Foundation believes that providing scholarships is about providing opportunities – giving deserving students the chance to have the higher education necessary to become tomorrow's leaders.



Over one million Ringgit is allocated each year for scholarship grants for the public for diploma and undergraduate studies at local universities and selected institutions of higher learning.

Apart from these, a separate fund is set aside for scholarship grants for deserving children of Group staff. Both grants for the public and Group staff's children are unconditional.

Student Assistance

Although primary and secondary education in Malaysia is free, there are still a number of students from low-income families who find it a challenge to avail of this educational opportunity. To address the immediate needs of these students, the Foundation reaches out to them through the Student Assistance Programme. To date, through this Programme, the Foundation has donated school bags, books, uniforms, bicycles and others to thousands of school children nationwide.



School Building Fund

The Foundation actively pursues opportunities where it can play a part in improving the quality of education in the country today. Donations for the construction of bigger and better facilities for learning institutions help create an environment in which students can excel. Towards this end, the Foundation has made substantial donations to various academic and vocational training institutions nationwide with thousands of students benefiting from the improved and/or added facilities.

Community Welfare

Every year, the Foundation donates to selected charities nationwide in an effort to help improve the lives of the less fortunate through its Community Welfare Programme. Through cash donations, charities are able to ensure their survival and their ability to provide shelter, food and clothing for all its residents – the young orphans, the aged who have been abandoned by their families, the sick, the disabled and the mentally challenged.



The Foundation has made substantial donations to many charities over the years. In this fiscal year alone, to name a few, United Voice, P.S. The Children, Kiwanis Down Syndrome Foundation Kuantan, Yayasan Orang-Orang Kurang Upaya Kelantan, Penang Shan Children's Home Association, The National Autism Society of Malaysia, Rumah Kebajikan Kanak-Kanak Cacat Negeri Perak, The Salvation Army, Persatuan Perkhidmatan Komuniti Taiping, Pusat Jagaan Diamond Home, Hospis Malaysia, Pusat Haemodialisis Mawar, Yayasan Tunku Nurul Hayati, Touch Community Society Seremban, Montfort Youth Centre, Pertubuhan Perkhidmatan Intervensi Awal Batu Pahat, CHK Moral Uplifting Society Kidney Foundation, Kuching Autistic Association, Sarawak Thalassaemia Society, Mental Health Association of Sarawak Kuching Branch, Sarawak Society for Parents of Children with Special Needs, Association for Children with Special Needs Sibu, Miri Red Crescent Dialysis Centre, Seri Mengasih Centre and Sabah Cheshire Home (Sandakan Branch).

Small Enterprise Programme

The people behind the Group are core entrepreneurs and we seek to propagate this same spirit of entrepreneurship to the community. By expanding our contribution to the community to include this new category, through our dealings with various charities on programmes designed to help the underprivileged set up their own businesses, we are able to teach people to stand on their own two feet, eventually breaking the cycle of poverty. Over the short term, those whom we help by giving seed money for businesses will be able to generate enough income to be able to provide for their families' needs. Over time, with proper management and guidance these businesses will grow and, in turn, be able to help others.

Towards this end, we are working with various NGOs, among which are Yayasan Salam Malaysia, United Voice, Malaysian Aids Council, Shelter Home for Children, Rose Virginie Good Shepherd Centre and Persatuan Kanak Kanak Istimewa Kajang, Selangor.



Apart from activities carried out by the Foundation, Group companies have staged their own activities in numerous communities nationwide. The Group's employees have regularly participated in community services that include visits to orphanages and welfare homes, assist in the provision of medical services to poor communities through blood donation drives and volunteer work in hospitals as well as initiating and participating in projects involving environmental and social issues.

Towards Quality Educational Placements

In March 2008, GuocoLand Malaysia and Hong Bee Group, through a joint venture company, Promakmur Development Sdn Bhd, had donated a 6-acre piece of land towards the construction of SRJK (C) Kota Emerald in Kota Emerald, Rawang. Along with the land donation, RM3 million was also donated to the school's construction fund.



In September 2008, the joint venture worked in partnership with Yin Ngai Musical Arts Association, an amateur Cantonese Opera club based in Petaling Jaya, to raise additional funds for the construction of the school. The net proceeds of the first night performance of the "Yin Ngai Heart2Heart Charity Night '08" will go to the school's construction fund.

The building of the new school stems from an understanding of the need for more quality educational placements for children and a testament of GuocoLand Malaysia's commitment to bring value-based benefits to the residents of Kota Emerald. The school will be the third Chinese-medium school in Rawang. Upon completion, in approximately two years' time, the new school will have classrooms to accommodate 2,000 students and various educational facilities.

GuocoLand Malaysia Votes for Earth

Earth Hour, a global event where households and businesses are encouraged to turn off non-essential lights and other electrical appliances for one hour to raise awareness towards the need to take action on climate change, was observed by the Group. GuocoLand Malaysia, through the Hong Leong Group, supported Earth Hour 2009 by switching off non-essential lights at Group-owned buildings and facilities and branches on 28 March 2009 from 8.30pm-9.30pm. Staff were also notified to do their part on a personal level.

Organised by the World Wildlife Fund, Earth Hour was conceived in Sydney in 2007. Since then, many other cities around the world adopted the event in 2008, and is now held on the last Saturday of March annually. By doing its part, the Group supported this global effort to help make a difference.

This Statement on Corporate Social Responsibility is made in accordance with the resolution of the Board of Directors.

The directors present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2009.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services.

The principal activities of the subsidiaries are property development, property investment, hotel operations, investment holding, trading in securities and provision of management services and property-related services.

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

RESULTS

	Group RM'000	Company RM'000
(Loss)/Profit for the year	(68,902)	8,193
Attributable to:		
Equity holders of the Company	(66,045)	8,193
Minority interests	(2,857)	-
	(68,902)	8,193

There have been no material transfers to or from reserves or provisions during the financial year other than as disclosed in the statements of changes in equity.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than the impairment loss of land and development and the provision for foreseeable loss in land and development of RM26.9 million and RM28.6 million respectively as disclosed in Note 26 to the financial statement.

DIVIDENDS

During the financial year, the Company paid a final dividend of 2 sen per share on 669,880,418 (net of ESOS Trust shares) ordinary shares of RM0.50 each, less taxation at 25%, amounting to RM10,048,206 in respect of the previous financial year.

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 30 June 2009, of 2 sen per share less 25% taxation on 669,880,418 (net of ESOS Trust shares) ordinary shares of RM0.50 each, will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend of RM10,048,206. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 June 2010.

EXECUTIVE SHARE OPTION SCHEME ("ESOS" or "Scheme")

The Executive Share Option Scheme ("ESOS") of up to fifteen percent (15%) of the issued and paid-up ordinary share capital of GuocoLand (Malaysia) Berhad ("GLM") which was approved by the shareholders of the Company on 25 October 2005, was established on 23 January 2006 and would be in force for a period of ten (10) years.

EXECUTIVE SHARE OPTION SCHEME ("ESOS" or "Scheme") *cont'd*

On 17 January 2006, the Company announced that Bursa Malaysia Securities Berhad ("Bursa Securities") had approved-in-principle the listing of new ordinary shares of the Company to be issued pursuant to the exercise of options under the ESOS at any time during the existence of the ESOS.

The ESOS would provide an opportunity for eligible executives who had contributed to the growth and development of the Group to participate in the equity of the Company.

The main features of the ESOS are, inter-alia, as follows:

1. Eligible executives are those executives of the Group who have been confirmed in service on the date of offer or directors (executive or non-executive) of the Company and its subsidiaries. The maximum allowable allotments for the full-time executive directors had been approved by the shareholders of the Company in a general meeting. The Board of Directors of the Company may from time to time at its discretion select and identify suitable eligible executives to be offered options.

2. The aggregate number of shares to be issued under the ESOS shall not exceed 15% of the issued and paid-up ordinary share capital of the Company for the time being.

3. The Scheme shall be in force for a period of ten (10) years from 23 January 2006.

4. The option price shall not be at a discount of more than ten percent (10%) (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of the shares of the Company preceding the date of offer and shall in no event be less than the par value of the shares of the Company.

5. The option granted to an option holder under the ESOS is exercisable by the option holder only during his employment with the Group and within the option exercise period subject to any maximum limit as may be determined by the Board under the Bye-Laws of the ESOS ("GLM Bye-Laws").

6. The exercise of the options may, at the absolute discretion of the Board of Directors of the Company, be satisfied by way of issuance of new shares, transfer of existing shares purchased by a trust established for the ESOS ("ESOS Trust"); or a combination of both new shares and existing shares.

With effect from 1 June 2007, certain provisions in the GLM Bye-Laws were amended by the Board of Directors of the Company to comply with the requirements of the Hong Kong Stock Exchange ("HKSE") Listing Rules.

The Company is a subsidiary of GuocoLand Limited which in turn is a subsidiary of Guoco Group Limited ("GGL"), a corporation listed on the HKSE. Under the HKSE Listing Rules, all schemes involving the grant of options by GGL and its subsidiaries to, or for the benefit of, specified participants would have to comply with the provisions of the HKSE Listing Rules, with appropriate modifications. The HKSE Listing Rules further provide that where the shares of the listed issuer or the subsidiary concerned are also listed on another stock exchange, the more onerous requirements shall prevail and be applied in the event of a conflict or inconsistency between the requirements of the HKSE Listing Rules and the requirements of the other stock exchange. The GLM Bye-Laws, as amended, were approved by the shareholders of GGL on 1 June 2007. The amendments to the GLM Bye-Laws do not require the approval of the shareholders of the Company.

The salient amendments to the GLM Bye-Laws are as follows:

(i) Options under the Scheme

The existing GLM Bye-Laws allow for a maximum allocation of up to 15% of the issued and paid up ordinary share capital of the Company at any one time ("Maximum Aggregate"). In compliance with the HKSE Listing Rules, the Maximum Aggregate shall be subject to the provision that the total number of new GLM shares which may be issued upon exercise of options to be granted under the Scheme must not in aggregate exceed 10% of the issued and paid-up ordinary share capital of the Company unless approval shall have been obtained from the shareholders of GGL.

EXECUTIVE SHARE OPTION SCHEME ("ESOS" or "Scheme") *cont'd*

(ii) Maximum Allowable Allotment

In compliance with the HKSE Listing Rules, a new Bye-Law has been inserted to state that no options may be granted to any eligible executive in any 12-month period that would enable such eligible executive becoming entitled to subscribe for new shares exceeding in nominal value of 1% of the issued and paid-up ordinary share capital of GLM in issue unless approval shall have been obtained from the shareholders of GGL.

(iii) Modification/Variation to the Scheme

A new Bye-Law has been inserted to state that so long as the Company remains a subsidiary of GGL and the shares of GGL remain listed on the HKSE, any provision under the GLM Bye-Laws shall not be altered without the prior approval of the shareholders of GGL if such approval is required in respect of such alteration pursuant to the HKSE Listing Rules.

(iv) Governing Regulations

A new Bye-Law has been inserted to state that, as the Company is a subsidiary of GGL, the Scheme and the GLM Bye-Laws are subject to the Listing Requirements of Bursa Securities and the HKSE Listing Rules. In the event of a conflict between the Listing Requirements of Bursa Securities and the HKSE Listing Rules, the more onerous provision shall prevail.

During the financial year, the ESOS Trust acquired 190,400 ordinary shares of the Company. Details of the acquisitions are disclosed in Note 20 to the financial statements.

None of the option under the ESOS has been granted as at end of the financial year.

DIRECTORS

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

YBhg Tan Sri Quek Leng Chan	*(Executive Chairman)*
Mr Poh Yang Hong	*(Managing Director)*
YBhg Dato' Ong Joo Theam	
Mr Tan Keok Yin	
YBhg Dato' Chew Kong Seng @ Chew Kong Huat	
Mr Quek Chee Hoon	
YBhg Tan Sri Nik Mohamed bin Nik Yaacob	

In accordance with Article 115 of the Company's Articles of Association, YBhg Dato' Ong Joo Theam and Mr Tan Keok Yin retire by rotation from the Board at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Section 129(2) of the Companies Act, 1965, YBhg Dato' Chew Kong Seng @ Chew Kong Huat retires, having attained the age of over 70 years. The Board recommends that YBhg Dato' Chew Kong Seng @ Chew Kong Huat be re-appointed in accordance with Section 129(6) of the said Act.

DIRECTORS' INTERESTS

The directors holding office at the end of the financial year who had beneficial interests in the ordinary shares/options/convertible bonds of the Company and/or its related corporations during the financial year ended 30 June 2009, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

		Shareholdings in which directors have direct interests Number of ordinary shares or *shares issued or to be issued or acquired arising from the exercise of options/convertible bonds			
	Nominal value per share RM	As at 1.7.2008	Acquired	Sold	As at 30.6.2009
Interests of YBhg Tan Sri Quek Leng Chan in:					
GuocoLand (Malaysia) Berhad	0.50	4,476,280	15,030,500	-	19,506,780
Hong Leong Company (Malaysia) Berhad	1.00	390,000	-	-	390,000
Guoco Group Limited	US$0.50	1,656,325	-	-	1,656,325
GuocoLand Limited	(4)	20,062,965	-	-	20,062,965
Hong Leong Financial Group Berhad	1.00	4,989,600	-	-	4,989,600
Hume Industries (Malaysia) Berhad	1.00	2,000,000	-	-	2,000,000
Narra Industries Berhad	1.00	8,150,200	-	-	8,150,200
GuocoLeisure Limited	US$0.20	150,000	585,000	-	735,000
Interests of Mr Poh Yang Hong in:					
GuocoLand (Malaysia) Berhad	0.50	-	4,750,000	196,300	4,553,700
Hong Leong Bank Berhad	1.00	50,000	-	-	50,000
Hong Leong Financial Group Berhad	1.00	-	4,004,800	-	4,004,800
Hume Industries (Malaysia) Berhad	1.00	-	318,600	-	318,600
Hong Leong Industries Berhad	0.50	-	39,100	-	39,100
Interests of YBhg Dato' Ong Joo Theam in:					
GuocoLand (Malaysia) Berhad	0.50	22,588	-	-	22,588
Hong Leong Financial Group Berhad	1.00	18,000	-	-	18,000
Interest of Mr Quek Chee Hoon in:					
GuocoLand Limited	(4)	12,849,449	-	-	12,849,449
		15,081,150 *	-	-	15,081,150 *

DIRECTORS' INTERESTS *cont'd*

		Shareholdings in which directors have indirect interests Number of ordinary shares or *shares issued or to be issued or acquired arising from the exercise of options/convertible bonds			
	Nominal value per share RM	As at 1.7.2008	Acquired	Sold	As at 30.6.2009
Interests of YBhg Tan Sri Quek Leng Chan in:					
Hong Leong Company (Malaysia) Berhad	1.00	7,487,100	-	-	7,487,100
Hong Leong Fund Management Sdn Bhd	1.00	1,400,000	-	-	1,400,000
Guoco Group Limited	US$0.50	219,839,529	15,359,000	-	235,198,529
GuocoLand Limited	(4)	570,958,320	8,066,000	-	579,024,320
		726,348 *	20,246,945 *	-	20,973,293 *
First Garden Development Pte Ltd	(4)	72,000,000	-	9,000,000 (9)	63,000,000
Melville Park Development Pte Ltd (In members' voluntary liquidation)	(4)	57,840,000	-	57,840,000 (10)	-
Sanctuary Land Pte Ltd	(4)	54,000,000	-	53,910,000 (9)	90,000
Beijing Minghua Property Development Co., Ltd (In members' voluntary liquidation)	(1)	150,000,000	-	-	150,000,000
Shanghai Xinhaozhong Property Development Co., Ltd	(2)	19,600,000	-	-	19,600,000
Beijing Jiang Sheng Property Development Co., Ltd	(1)	247,600,000	-	-	247,600,000
Nanjing Xinhaoning Property Development Co., Ltd	(2)	11,800,800	-	-	11,800,800
Nanjing Xinhaoxuan Property Development Co., Ltd	(2)	11,800,800	-	-	11,800,800
Nanjing Mahui Property Development Co., Ltd	(1)	271,499,800	-	-	271,499,800
Beijing Cheng Jian Dong Hua Real Estate Development Company Limited	(1)	50,000,000	-	-	50,000,000
Lam Soon (Hong Kong) Limited	HK$1.00	140,008,659	-	-	140,008,659
Kwok Wah Hong Flour Company Limited	HK$100.00	9,800	-	-	9,800
M.C. Packaging Offshore Limited	HK$0.01	812,695	-	-	812,695
Guangzhou Lam Soon Food Products Limited	(3)	6,570,000	-	-	6,570,000
Shekou Lam Soon Silo Company Limited	(2)	8,464,500	1,035,500	-	9,500,000 (11)

DIRECTORS' INTERESTS *cont'd*

		Shareholdings in which directors have indirect interests Number of ordinary shares or *shares issued or to be issued or acquired arising from the exercise of options/convertible bonds			
	Nominal value per share RM	As at 1.7.2008	Acquired	Sold	As at 30.6.2009
Interests of YBhg Tan Sri Quek Leng Chan in: *cont'd*					
Hong Leong Financial Group Berhad	1.00	824,437,300 2,500,000 *(6)	- -	- -	824,437,300 2,500,000 *(6)
HLG Capital Berhad	1.00	92,590,545	-	-	92,590,545
Hong Leong Bank Berhad	1.00	961,690,100	4,055,000	-	965,745,100
Hong Leong Tokio Marine Takaful Berhad	1.00	65,000,000	-	-	65,000,000
Hong Leong Industries Berhad	0.50	184,899,737	10,513,300 (12)	-	195,413,037 (12)
Hong Leong Yamaha Motor Sdn Bhd	1.00	17,352,872	-	-	17,352,872
Guocera Tile Industries (Meru) Sdn Bhd	1.00	19,600,000	-	-	19,600,000
Hong Leong Maruken Sdn Bhd (In members' voluntary liquidation)	1.00	1,750,000	-	-	1,750,000
Guocera Tile Industries (Labuan) Sdn Bhd	1.00	6,545,001	-	-	6,545,001
Varinet Sdn Bhd (In members' voluntary liquidation)	1.00	10,560,627	-	-	10,560,627
RZA Logistics Sdn Bhd	1.00	7,815,980	118,267	-	7,934,247
Malaysian Pacific Industries Berhad	0.50	127,683,309	-	-	127,683,309
Carter Realty Sdn Bhd	1.00	7	-	-	7
Carsem (M) Sdn Bhd					
- Ordinary shares	1.00	84,000,000	-	-	84,000,000
- Redeemable preference shares	100.00	22,400	-	-	22,400
Hume Industries (Malaysia) Berhad	1.00	120,208,928	1,692,101	19,401	121,881,628
Narra Industries Berhad	1.00	38,314,000	-	-	38,314,000
Adjuvant Resources Berhad (formerly known as Camerlin Group Berhad ("ARB"))	0.01	286,874,078	-	3,133,500 (5)	283,740,578 (11)

DIRECTORS' INTERESTS *cont'd*

	Shareholdings in which directors have indirect interests Number of ordinary shares or *shares issued or to be issued or acquired arising from the exercise of options/convertible bonds				
	Nominal value per share	**As at 1.7.2008**	**Acquired**	**Sold**	**As at 30.6.2009**
	RM				
Interests of YBhg Tan Sri Quek Leng Chan in: *cont'd*					
GuocoLand (Malaysia) Berhad	0.50	456,555,616	10,000,000 (6)	-	466,555,616 (12)
Guoman Hotel & Resort Holdings Sdn Bhd	1.00	277,000,000	-	-	277,000,000
JB Parade Sdn Bhd					
- Ordinary shares	1.00	18,000,000	10,000,000	-	28,000,000
- Redeemable preference shares	0.01	68,594,000	-	-	68,594,000
GuocoLeisure Limited ("GL")	US$0.20	839,709,108	232,766,375 (7)	304,806,272 (8)	767,669,211
Bondway Properties Limited (In members' voluntary liquidation)					
- Ordinary voting shares	GBP1.00	1,134,215	-	-	1,134,215
- Ordinary non-voting shares	GBP1.00	10,332	-	-	10,332
Interest of Mr Quek Chee Hoon in:					
GuocoLand (Malaysia) Berhad	0.50	-	1,000,000 (6)	-	1,000,000 (6)

Legend:
(1) Capital contribution in RMB
(2) Capital contribution in US$
(3) Capital contribution in HK$
(4) Concept of par value was abolished with effect from 30 January 2006 pursuant to the Singapore Companies (Amendment) Act, 2005
(5) Shares cancelled pursuant to the selective capital repayment exercise via capital reduction undertaken by ARB
(6) Shares held by spouse or children who are not Directors of the Company
(7) Inclusive of shares which are credited/transferred to a company in which YBhg Tan Sri Quek Leng Chan has interest pursuant to the capital distribution of shares of GL to the entitled shareholders of ARB via a reduction of the share capital and cancellation of ARB's share premium reserve ("Capital Distribution Exercise of ARB")
(8) Inclusive of cessation of deemed interest held through ARB pursuant to the Capital Distribution Exercise of ARB
(9) Shares cancelled via capital reduction
(10) Dissolved during the financial year
(11) Became a wholly-owned subsidiary during the financial year
(12) Inclusive of shares held by children who are not Directors of the Company

Save as disclosed above, the other directors in office at the end of the financial year do not have any beneficial interest in the ordinary shares and/or options/convertible bonds of the Company or its related corporations during the financial year ended 30 June 2009.

DIRECTORS' BENEFITS

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 or as fixed salary of a full-time employee of the Company or of related corporations as shown in Note 26 to the financial statements) by reason of a contract made by the Company or its related corporations with the director or with a firm of which the director is a member, or with a corporation in which the director has a substantial financial interest, except for YBhg Tan Sri Quek Leng Chan who may be deemed to derive a benefit by virtue of those transactions, contracts and agreements for the acquisitions and/or disposal of stocks and shares, stocks-in-trade, products, parts, accessories, plants, chattels, fixtures, buildings, land and other properties or any interest in any properties; and/or the provision of services, including but not limited to project and sales management and any other management and consultancy services; and/or the provision of construction contracts, leases, tenancy, dealership and distributorship agreements; and/or the provision of treasury functions, advances in the conduct of normal trading, insurance, investment, stockbroking and/or other businesses between the Company or its related corporations and corporations in which YBhg Tan Sri Quek Leng Chan is deemed to have interests; and YBhg Dato' Ong Joo Theam who may be deemed to derive a benefit by virtue of the provision of legal services to the Company and its related corporations; and as disclosed in Note 37 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Details of significant event during the financial year are disclosed in Note 38 to the financial statements.

SUBSEQUENT EVENT AFTER THE BALANCE SHEET DATE

Details of subsequent event are disclosed in Note 39 to the financial statements.

OTHER STATUTORY INFORMATION

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

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

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

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

(i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent in respect of these financial statements; and

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

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

OTHER STATUTORY INFORMATION *cont'd*

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

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

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

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

(f) In the opinion of the directors:

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

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

AUDITORS

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

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

POH YANG HONG **TAN KEOK YIN**

Kuala Lumpur
21 August 2009

BALANCE SHEETS
as at 30 June 2009

	Note	GROUP 2009 RM'000	GROUP 2008 RM'000	COMPANY 2009 RM'000	COMPANY 2008 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	3	**357,510**	304,094	**308**	280
Investment properties	4	**107,000**	107,000	**-**	-
Land held for development	5	**62,160**	59,905	**-**	-
Investments in subsidiaries	6	**-**	-	**514,061**	512,241
Investments in associates	7	**92,970**	84,692	**-**	-
Investments in jointly controlled entities	8	**315,632**	321,891	**56,000**	56,000
Investments	9	**5,397**	6,021	**-**	-
Goodwill on consolidation	10	**17,732**	17,732	**-**	-
Deferred tax assets	11	**1,186**	1,166	**-**	-
Leasehold land use right	12	**4,402**	4,459	**-**	-
		963,989	906,960	**570,369**	568,521
CURRENT ASSETS					
Inventories	13	**520,646**	8,568	**-**	-
Due from contract customers	14	**733**	1,405	**-**	-
Development properties	15	**223,825**	240,700	**-**	-
Trade and other receivables	16	**48,358**	429,305	**232,270**	229,522
Tax recoverable		**4,863**	2,010	**2,235**	1,753
Deposits, cash and bank balances	17	**25,828**	65,427	**792**	539
		824,253	747,415	**235,297**	231,814
TOTAL ASSETS		**1,788,242**	1,654,375	**805,666**	800,335

	Note	GROUP 2009 RM'000	GROUP 2008 RM'000	COMPANY 2009 RM'000	COMPANY 2008 RM'000
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	18	**350,229**	350,229	**350,229**	350,229
Reserves	19	**442,336**	518,449	**159,042**	160,897
Equity funds		**792,565**	868,678	**509,271**	511,126
Shares held by ESOS Trust	20	**(23,883)**	(23,658)	**(23,883)**	(23,658)
		768,682	845,020	**485,388**	487,468
Minority interests		**74,604**	77,468	**-**	-
Total equity		**843,286**	922,488	**485,388**	487,468
Non-current liabilities					
Due to subsidiaries	21	**-**	-	**96,056**	128,356
Borrowings	22	**493,414**	480,402	**4,000**	10,000
Deferred tax liabilities	11	**18,300**	18,300	**-**	-
		511,714	498,702	**100,056**	138,356
Current liabilities					
Due to contract customers	14	**-**	612	**-**	-
Trade and other payables	23	**116,778**	88,992	**53,822**	45,011
Short term borrowings	24	**315,400**	142,904	**166,400**	129,500
Provision for taxation		**1,064**	677	**-**	-
		433,242	233,185	**220,222**	174,511
Total liabilities		**944,956**	731,887	**320,278**	312,867
TOTAL EQUITY AND LIABILITIES		**1,788,242**	1,654,375	**805,666**	800,335

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

INCOME STATEMENTS
for the financial year ended 30 June 2009

	Note	GROUP 2009 RM'000	GROUP 2008 RM'000	COMPANY 2009 RM'000	COMPANY 2008 RM'000
Revenue	25	**82,011**	120,127	**14,889**	16,725
(Loss)/Profit from operations	26	**(66,475)**	9,986	**9,560**	12,741
Interest income	27	**563**	1,230	**7,104**	6,957
Finance costs	28	**(9,040)**	(4,859)	**(8,465)**	(7,792)
Share of profit/(loss) in					
- Associates	7	**13,516**	24,394	**-**	-
- Jointly controlled entities	8	**(6,259)**	15,465	**-**	-
(Loss)/Profit before taxation		**(67,695)**	46,216	**8,199**	11,906
Taxation:					
- Company and subsidiaries	29	**(1,207)**	(3,139)	**(6)**	(745)
(Loss)/Profit for the year		**(68,902)**	43,077	**8,193**	11,161
Attributable to:					
Equity holders of the Company		**(66,045)**	41,243	**8,193**	11,161
Minority interests		**(2,857)**	1,834	**-**	-
(Loss)/Profit for the year		**(68,902)**	43,077	**8,193**	11,161
(Loss)/Earnings per share (sen)	30	**(9.9)**	6.2		
Net dividends per share (sen)	31	**1.50**	1.48		

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

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2009

		← Attributable to Equity Holders of the Company →						Minority Interests	Total Equity
		← Non-Distributable →				Distributable			
	Note	Share capital RM'000	Share premium RM'000	Exchange reserve RM'000	Shares held by ESOS Trust RM'000	Retained profits RM'000	Total RM'000	RM'000	RM'000
Group									
At 1 July 2007		350,229	35,089	5,285	(23,658)	445,696	812,641	75,184	887,825
Net gain not recognised in the income statement									
- translation of foreign subsidiaries		-	-	1,053	-	-	1,053	450	1,503
Profit for the year		-	-	-	-	41,243	41,243	1,834	43,077
Dividend paid	31	-	-	-	-	(9,917)	(9,917)	-	(9,917)
At 30 June 2008		**350,229**	**35,089**	**6,338**	**(23,658)**	**477,022**	**845,020**	**77,468**	**922,488**
Net loss not recognised in the income statement									
- translation of foreign subsidiaries		**-**	**-**	**(20)**	**-**	**-**	**(20)**	**(7)**	**(27)**
Purchase during the year by ESOS Trust	20	**-**	**-**	**-**	**(225)**	**-**	**(225)**	**-**	**(225)**
Loss for the year		**-**	**-**	**-**	**-**	**(66,045)**	**(66,045)**	**(2,857)**	**(68,902)**
Dividend paid	31	**-**	**-**	**-**	**-**	**(10,048)**	**(10,048)**	**-**	**(10,048)**
At 30 June 2009		**350,229**	**35,089**	**6,318**	**(23,883)**	**400,929**	**768,682**	**74,604**	**843,286**

		← Non-Distributable →				Distributable	
	Note	Share capital RM'000	Share premium RM'000	Merger reserve RM'000	Shares held by ESOS Trust RM'000	Retained profits RM'000	Total RM'000
Company							
At 1 July 2007		350,229	35,089	68,219	(23,658)	56,345	486,224
Profit for the year		-	-	-	-	11,161	11,161
Dividend paid	31	-	-	-	-	(9,917)	(9,917)
At 30 June 2008		**350,229**	**35,089**	**68,219**	**(23,658)**	**57,589**	**487,468**
Profit for the year		**-**	**-**	**-**	**-**	**8,193**	**8,193**
Purchase during the year by ESOS Trust	20	**-**	**-**	**-**	**(225)**	**-**	**(225)**
Dividend paid	31	**-**	**-**	**-**	**-**	**(10,048)**	**(10,048)**
At 30 June 2009		**350,229**	**35,089**	**68,219**	**(23,883)**	**55,734**	**485,388**

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

CASH FLOW STATEMENTS
for the financial year ended 30 June 2009

	GROUP		COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/Profit before taxation and minority interests	**(67,695)**	46,216	**8,199**	11,906
Adjustments for:				
Amortisation of prepaid lease	**57**	57	**-**	-
Depreciation of property, plant and equipment	**4,177**	2,922	**109**	98
Gain on disposal of property, plant and equipment	**(195)**	(206)	**-**	-
Loss on disposal of marketable securities	**-**	748	**-**	-
Provision for foreseeable loss in land and development	**28,615**	-	**-**	-
Impairment loss of land and development	**26,922**	-	**-**	-
Interest expense	**9,040**	4,859	**8,465**	7,792
Impairment loss of goodwill	**-**	2,464	**-**	-
Provision for doubtful debts, net	**22**	-	**-**	-
Reversal of doubtful debts, net	**-**	(65)	**-**	-
Impairment loss of investments	**624**	3,493	**-**	-
Property, plant and equipment written off	**5**	447	**5**	-
Share of profit in associates	**(13,516)**	(24,394)	**-**	-
Share of loss/(profit) in jointly controlled entities	**6,259**	(15,465)	**-**	-
Dividend income	**(316)**	-	**(14,053)**	(15,966)
Interest income	**(563)**	(1,230)	**(7,104)**	(6,957)
Operating (loss)/profit before working capital changes	**(6,564)**	19,846	**(4,379)**	(3,127)
Working capital changes:				
Inventories	**(127,978)**	(2,184)	**-**	-
Receivables	**6,506**	(160,848)	**(2,749)**	(79)
Development properties	**(2,446)**	(24,185)	**-**	-
Payables	**1,807**	(16,029)	**8,811**	119
Jointly controlled entities balances	**(5,705)**	(4,195)	**-**	-
Inter-company balances	**-**	-	**(20,846)**	(136,625)
Related company balances	**6,989**	10,249	**-**	-
Land held for development	**(2,254)**	-	**-**	-
Cash used in operations	**(129,645)**	(177,346)	**(19,163)**	(139,712)

	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES *cont'd*				
Interest paid	**(30,204)**	(23,948)	**(8,465)**	(7,792)
Tax (paid)/refunded	**(3,693)**	(32)	**2,112**	(129)
Net cash used in operating activities	**(163,542)**	(201,326)	**(25,516)**	(147,633)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
- property, plant and equipment	**(57,546)**	(50,203)	**(142)**	(253)
- investments	**-**	(18,577)	**-**	-
Acquisitions of additional interest in jointly controlled entities (Note 8)	**-**	(6)	**-**	-
Dividend income from an associate	**5,238**	-	**-**	-
Other dividend income	**316**	-	**-**	-
Acquisitions of subsidiaries, net of cash acquired (Note 6)	**(192)**	(64,925)	**(1,820)**	(2,000)
Acquisition of land held for property development	**-**	(59,143)	**-**	-
Proceeds from disposals of:				
- property, plant and equipment	**329**	493	**-**	-
- investments	**-**	6,636	**-**	-
- marketable securities	**-**	6,453	**-**	-
Interest received	**563**	1,230	**7,104**	6,957
Net cash (used in)/generated from investing activities	**(51,292)**	(178,042)	**5,142**	4,704
CASH FLOWS FROM FINANCING ACTIVITIES				
Purchase of shares held by ESOS Trust	**(225)**	-	**(225)**	-
Bank borrowings drawdown	**247,201**	529,068	**80,800**	129,500
Repayment of bank borrowings	**(66,950)**	(115,171)	**(51,000)**	-
Dividend paid	**(10,048)**	(9,917)	**(10,048)**	(9,917)
Net cash generated from financing activities	**169,978**	403,980	**19,527**	119,583

	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(44,856)**	24,612	**(847)**	(23,346)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	**65,427**	40,815	**539**	23,885
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (Note a)	**20,571**	65,427	**(308)**	539

(a) Cash and cash equivalents comprise the following balance sheet amounts:

	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deposits with licensed banks (Note 17)	**11,783**	13,685	**-**	-
Cash and bank balances (Note 17)	**14,045**	51,742	**792**	539
	25,828	65,427	**792**	539
Bank overdrafts (Note 24)	**(5,257)**	-	**(1,100)**	-
	20,571	65,427	**(308)**	539

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

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office is located at Level 10, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur. The principal place of business of the Company is located at Level 8, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur.

The immediate holding company is GLL (Malaysia) Pte Ltd, incorporated in the Republic of Singapore. The ultimate holding company is Hong Leong Company (Malaysia) Berhad ("HLCM"), incorporated in Malaysia.

Related companies in these financial statements refer to member companies in the HLCM Group.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are property development, property investment, hotel operations, investment holding, trading in securities and provision of management services and property-related services. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 21 August 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

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

The financial statements of the Group and of the Company have been prepared under the historical costs basis, except for the revaluation of investment properties.

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

2.2 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

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

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

(ii) Basis of consolidation

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

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.2 Summary of Significant Accounting Policies *cont'd*

(a) Subsidiaries and Basis of Consolidation *cont'd*

(ii) Basis of consolidation cont'd

Subsidiary companies are consolidated using the acquisition method of accounting except for certain subsidiary companies, as disclosed in Note 34, which were consolidated prior to 1 January 2002 using the merger method of accounting in accordance with Malaysian Accounting Standard No. 2, Accounting for Acquisitions and Mergers, the generally accepted accounting principles prevailing at that time. These subsidiary companies continue to be consolidated using the merger method of accounting. In the Company's separate financial statements, the cost of investment in subsidiary companies continues to be stated at the nominal value of the shares issued as consideration as the fair value of the shares at their respective dates of acquisition could not be determined with reasonable certainty.

(i) Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during the year are included from the date of acquisition or up to the effective date of disposal. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the consolidated financial statements. The difference between the acquisition costs and these values is reflected as goodwill or negative goodwill as appropriate. Goodwill on consolidation is stated at cost less accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.2(i). Negative goodwill is recognised immediately in profit or loss.

(ii) Under the merger method of accounting, the results of the subsidiary companies are presented as if the companies had been combined throughout the current and previous financial years. The difference between the cost of acquisition over the nominal value of the share capital and share premium of the subsidiary companies are written off against reserves.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any balance of goodwill and exchange differences which were not previously recognised in consolidated financial statements.

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

(b) Associates

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

Investment in associates are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the associates. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.2 Summary of Significant Accounting Policies *cont'd*

(b) Associates cont'd

The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes.

In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

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

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

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

(c) Jointly Controlled Entities

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

Investments in jointly controlled entities are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the jointly controlled entities.

The Group's share of results of jointly controlled entities are included in the consolidated financial statements from the date of formation of the jointly controlled entities and up to the date of completion of the projects under the equity method.

Unrealised gains on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities. Unrealised losses are eliminated unless the transaction provides evidence of impairment of the assets transferred.

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

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

(d) Goodwill

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

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.2 Summary of Significant Accounting Policies *cont'd*

(e) Property, Plant and Equipment and Depreciation

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

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

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

Buildings other than hotel buildings	2%
Building service plant, equipment and furniture and fittings	5% - 20%
Motor vehicles	10% - 20%

Hotel building on leasehold land is amortised over the remaining lease tenure of 93 years.

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

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

(f) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

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

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.2 Summary of Significant Accounting Policies *cont'd*

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

(i) Land held for property development

Land held for property development consist of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

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

(ii) Property development costs

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

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

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

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

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

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

(h) Construction Contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.2 Summary of Significant Accounting Policies *cont'd*

(h) Construction Contracts *cont'd*

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(i) Impairment of Non-Financial Assets

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

For goodwill or intangible assets that have an indefinite useful life, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.2 Summary of Significant Accounting Policies *cont'd*

(j) Inventories

(i) Property Inventories

Property inventories consist of residential and commercial properties. They are stated at the lower of cost and net realisable value. Cost includes the relevant cost of land, development expenditure and related interest cost incurred during the development period.

(ii) Others

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

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

(k) Financial Instruments

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

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

(i) Cash and Cash Equivalents

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

(ii) Other Non-Current Investments

Non-current investments other than investments in subsidiaries, associates, jointly controlled entities and investment properties are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

(iii) Receivables

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

(iv) Properties Progress Payments

Properties progress payments consist of progress payments, including borrowing costs, made for properties acquired by the Group which are under development by external property developers. These properties will be re-classified as property inventories upon transfer of risks and rewards.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.2 Summary of Significant Accounting Policies *cont'd*

(k) Financial Instruments *cont'd*

(v) Payables

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

(vi) Interest Bearing Loans and Borrowings

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

(vii) Equity Instruments

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

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

(l) Borrowing Costs

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

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

(m) Income Tax

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.2 Summary of Significant Accounting Policies *cont'd*

(n) Provisions for Liabilities

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

(o) Employees Benefits

(i) Short term benefits

Wages, salaries, bonuses, annual and sick leave and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group.

(ii) Defined contribution plans

Contributions to define contribution plans are recognised as an expense in the income statement as incurred.

(iii) Equity compensation benefits

The Company offers an Executive Share Option Scheme ("ESOS" or "Scheme") for the benefit of eligible executives.

Pursuant to the Scheme, a trustee was appointed and who is entitled from time to time to accept financial assistance from the Company and the subsidiaries, upon such terms and conditions as the Company and the trustee may agree, to purchase the Company's shares from the open market for the purpose of the Scheme.

The shares repurchased are measured and carried at the cost of repurchased on initial recognition and subsequently. The ESOS Trust is consolidated into the Group's consolidated financial statements as a deduction from equity and classified as "shares held by ESOS Trust". Dividends received by the ESOS Trust are eliminated against the dividend expense of the Company.

(p) Foreign Currencies

(i) Functional and Presentation Currency

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

(ii) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.2 Summary of Significant Accounting Policies *cont'd*

(p) Foreign Currencies *cont'd*

(ii) Foreign Currency Transactions cont'd

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in 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 translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in profit or loss for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

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

(iii) Foreign Operations

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

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;

- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.2 Summary of Significant Accounting Policies *cont'd*

(p) Foreign Currencies *cont'd*

(iii) Foreign Operations cont'd

The principal exchange rates used for every unit of foreign currencies ruling at the balance sheet date are as follows:

Foreign currency	2009 RM	2008 RM
United States Dollar	**3.52**	3.26
Philippine Peso	**0.07**	0.07

(q) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.2(h).

(ii) Development properties

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

(iii) Property inventories

Revenue from sale of property inventories is recognised when the significant risks and rewards of ownership of the property have been passed to the buyer.

(iv) Dividend income

Dividend income arising from investments in subsidiaries, jointly controlled entities, associate, long term investments and short term investments are recognised when the rights to receive payment are established.

(v) Rental income

Revenue from room rental and rental of properties are recognised on the accrual basis unless collectability is in doubt, in which case, they are recognised on receipt basis.

(vi) Interest income

Interest income is recognised on the accrual basis unless the collectability is in doubt, in which case it is recognised on receipt basis.

(vii) Management fee income

Management fee income is recognised on the accrual basis unless the collectability is in doubt, in which case it is recognised on receipt basis.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.2 Summary of Significant Accounting Policies *cont'd*

(r) Lease

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. All leases that do not transfer substantially all the risks and rewards are classified as operating lease.

(ii) Finance leases - The Group as lessee

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

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

(iii) Operating leases - The Group as lessee

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

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

Long term leasehold land is amortised over the remaining lease tenure of 93 years.

(iv) Operating leases - The Group as lessor

Assets leased out under operating leases are presented on the balance sheets according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

2.3 Significant Accounting Estimates and Judgements

(a) Critical Judgements Made in Applying Accounting Policies

The following are critical 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.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 Significant Accounting Estimates and Judgements *cont'd*

(a) Critical Judgements Made in Applying Accounting Policies *cont'd*

Classification between investment properties and property, plant and equipment

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

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

(b) Key Sources of Estimation Uncertainty

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

(i) Depreciation of hotel building

The cost of buildings are depreciated on a straight-line basis over 50 to 93 years with no residual values assumed at the end of their respective useful lives. This is due to the intention of management to continue running the hotel operations until the end of the respective expected useful lives. Changes in the upkeep and maintenance policies could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Property development

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

Any impairment or expected loss on a development project is recognised as an expense immediately.

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

During the financial year, the Group has recognised impairment losses and provision for forseeable loss of RM26.9 million and RM28.6 million respectively. Details are provided in Notes 15 and 23.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 Significant Accounting Estimates and Judgements *cont'd*

(b) Key Sources of Estimation Uncertainty *cont'd*

(iii) Income taxes

(a) Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and unabsorbed investment tax allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(b) Significant judgement and estimates are used in arriving at taxable profits for the year and for prior years, including assessing the deductibility of expense items for tax purposes. Management are guided by tax laws/cases on such instances. Management believes that all deductions claimed, in arriving at taxable profits for current and prior years, are appropriate and justifiable.

(iv) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 30 June 2009 is RM17,732,000 (2008: RM17,732,000). Further details are disclosed in Note 10.

(v) Unsold property inventories

Property inventories are stated at the lower of cost and net realisable value.

Significant judgement is required in arriving at the net realisable value, particularly the estimated selling price of property inventories in the ordinary course of the business. The Group has considered all available information, including but not limited to property market conditions, locations of property inventories and target buyers.

Details of property inventories are disclosed in Note 13 to the financial statements.

2.4 Standards and Interpretations Issued but Not Yet Effective

At the date of authorisation of these financial statements, the Group and the Company has adopted FRS 8: Operating Segments which is effective for financial periods beginning on or after 1 July 2009. The adoption of FRS 8 did not result in significant changes in accounting policies of the Group and of the Company.

The following FRSs were issued but not yet effective and have not been applied by the Group and the Company.

FRS	Effective for financial periods beginning on or after
FRS 4: Insurance Contracts	1 January 2010
FRS 7: Financial Instruments : Disclosures	1 January 2010
FRS 139: Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10: Interim Financial Reporting and Impairment	1 January 2010

The Group and the Company is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

3. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Freehold land and buildings	Hotel building on leasehold land	Freehold land and building under development	Building service plant and equipment	Furniture and fittings	Motor vehicles	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
Cost								
At 1 July 2008	2,272	78,511	86,266	154,326	21,900	18,110	2,297	363,682
Additions	-	16,517	24,336	8,677	3,093	4,923	-	57,546
Disposals	-	-	-	-	(47)	(218)	(180)	(445)
Written off	-	-	-	-	(204)	(9)	-	(213)
Arising from acquisition of subsidiary (Note 6)	-	-	-	-	113	73	-	186
At 30 June 2009	2,272	95,028	110,602	163,003	24,855	22,879	2,117	420,756
Accumulated Depreciation								
At 1 July 2008	-	13,667	13,693	-	18,485	12,621	1,122	59,588
Charge for the year	-	-	1,187	-	1,230	1,392	368	4,177
Disposals	-	-	-	-	(17)	(154)	(140)	(311)
Written off	-	-	-	-	(199)	(9)	-	(208)
At 30 June 2009	-	13,667	14,880	-	19,499	13,850	1,350	63,246
Net Carrying Amount								
At 30 June 2009	2,272	81,361	95,722	163,003	5,356	9,029	767	357,510

3. PROPERTY, PLANT AND EQUIPMENT *cont'd*

	Freehold land	Freehold land and buildings	Hotel building on leasehold land	Freehold land and building under development	Building service plant and equipment	Furniture and fittings	Motor vehicles	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
Cost								
At 1 July 2007	2,272	77,330	86,602	109,588	25,101	15,551	2,507	318,951
Additions	-	1,181	-	44,738	1,665	1,717	902	50,203
Disposals	-	-	-	-	(415)	(5)	(1,112)	(1,532)
Written off	-	-	(336)	-	(3,529)	(75)	-	(3,940)
Reclassification	-	-	-	-	(922)	922	-	-
At 30 June 2008	2,272	78,511	86,266	154,326	21,900	18,110	2,297	363,682
Accumulated Depreciation								
At 1 July 2007	-	13,667	12,785	-	21,942	11,425	1,585	61,404
Charge for the year	-	-	908	-	823	795	396	2,922
Disposals	-	-	-	-	(386)	-	(859)	(1,245)
Written off	-	-	-	-	(3,431)	(62)	-	(3,493)
Reclassification	-	-	-	-	(463)	463	-	-
At 30 June 2008	-	13,667	13,693	-	18,485	12,621	1,122	59,588
Net Carrying Amount								
At 30 June 2008	2,272	64,844	72,573	154,326	3,415	5,489	1,175	304,094

3. PROPERTY, PLANT AND EQUIPMENT *cont'd*

	Motor vehicles	Office equipment	Furniture and fittings	Total
	RM'000	RM'000	RM'000	RM'000
Company				
At 30 June 2009				
Cost				
At 1 July 2008	**438**	**253**	**169**	**860**
Additions	**-**	**14**	**128**	**142**
Disposals	**-**	**(204)**	**(9)**	**(213)**
At 30 June 2009	**438**	**63**	**288**	**789**
Accumulated Depreciation				
At 1 July 2008	**188**	**226**	**166**	**580**
Charge for the year	**87**	**8**	**14**	**109**
Disposals	**-**	**(199)**	**(9)**	**(208)**
At 30 June 2009	**275**	**35**	**171**	**481**
Net Carrying Amount				
At 30 June 2009	**163**	**28**	**117**	**308**
At 30 June 2008				
Cost				
At 1 July 2007	198	243	166	607
Additions	240	10	3	253
At 30 June 2008	438	253	169	860
Accumulated Depreciation				
At 1 July 2007	100	216	166	482
Charge for the year	88	10	-	98
At 30 June 2008	188	226	166	580
Net Carrying Amount				
At 30 June 2008	250	27	3	280

3. PROPERTY, PLANT AND EQUIPMENT *cont'd*

Borrowing cost capitalised in the property under construction during the financial year amounted to RM2,259,000 (2008: RM910,000).

The net carrying amounts of property, plant and equipment pledged for borrowings as referred to in Notes 22 and 24 are as follows:

	GROUP	
	2009	**2008**
	RM'000	**RM'000**
Freehold land and building under development	**163,003**	154,326
Hotel building on leasehold land	**95,722**	72,573
Building service plant and equipment	**421**	115
Furniture and fittings	**5,401**	3,039
Motor vehicles	**-**	54
	264,547	230,107

4. INVESTMENT PROPERTIES

GROUP	Freehold land and buildings RM'000	Leasehold land and buildings RM'000	Total RM'000
At 30 June 2009			
At fair value			
At 1 July 2008/30 June 2009	**37,000**	**70,000**	**107,000**
At 30 June 2008			
At fair value			
At 1 July 2007/30 June 2008	37,000	70,000	107,000

Freehold land and buildings are charged to financial institutions as collaterals for credit facilities granted to the Group and to the Company as disclosed in Note 22.

Investment properties are stated at fair value, which has been determined based on valuation reports by Burgess Rawson, an accredited independent valuer, as at 10 June 2009 and 12 June 2009. The fair value represents the amount at which these assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of valuation.

5. LAND HELD FOR DEVELOPMENT

	Freehold land	Development expenditure	Total
	RM'000	RM'000	RM'000
GROUP			
At 30 June 2009			
Cost			
At 1 July 2008	**59,014**	**1,432**	**60,446**
Additions	**-**	**2,255**	**2,255**
At 30 June 2009	**59,014**	**3,687**	**62,701**
Accumulated impairment losses			
At 1 July 2008/30 June 2009	**(541)**	**-**	**(541)**
Carrying amount at 30 June 2009	**58,473**	**3,687**	**62,160**
At 30 June 2008			
Cost			
At 1 July 2007	1,275	28	1,303
Additions	57,739	1,404	59,143
At 30 June 2008	59,014	1,432	60,446
Accumulated impairment losses			
At 1 July 2007/30 June 2008	(541)	-	(541)
Carrying amount at 30 June 2008	58,473	1,432	59,905

The net carrying amount of land held for development pledged for borrowings as referred to in Notes 22 and 24 are as follows:

	GROUP	
	2009	2008
	RM'000	RM'000
Freehold land and development expenditure	**61,398**	59,143

6. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2009	**2008**
	RM'000	**RM'000**
Unquoted shares, at cost	**515,977**	514,157
Less: Accumulated impairment losses	**(1,916)**	(1,916)
	514,061	512,241

Details of the subsidiaries are disclosed in Note 34.

Acquisition of subsidiaries

On 23 April 2008, the Company had entered into a conditional Sale of Shares Agreement ("SSA") with Hong Leong Financial Group Berhad to acquire 100% equity interest in Raikon Building Management Co Sdn Bhd ("Raikon") for a cash consideration based on the net assets of Raikon as at the last day of the calendar month on which all the conditions precedent under the SSA have been fulfilled.

The acquisition was completed on 1 July 2008 for a total cash consideration of RM1.82 million.

The fair value of the assets acquired and the liabilities assumed from the acquisition of Raikon are as follows:

Acquisition of subsidiary:-

	2009
	RM'000
Property, plant and equipment	**186**
Trade and other receivables	**346**
Cash and cash equivalent	**1,628**
Other payables and accruals	**(340)**
Group's share of net assets	**1,820**
Consideration for acquisition was satisfied by:	
- cash	**1,820**
	1,820
Cash outflow arising on acquisition:	
Purchase consideration	**1,820**
Cash and cash equivalents of subsidiary acquired	**(1,628)**
Net cash outflow of the Group	**192**

The acquired subsidiary has contributed the following results to the Group:

	2009
	RM'000
Revenue	**2,307**
Profit for the year	**574**

6. INVESTMENTS IN SUBSIDIARIES *cont'd*

Acquisition of subsidiaries *cont'd*

In the previous financial year, on 8 August 2007, the Company subscribed for 2 ordinary shares of RM1 each representing the entire equity interest in Astute Modernization Sdn Bhd ("Astute") for a total cash consideration of RM2.

On 10 October 2007, the Company further subscribed for 1,999,998 ordinary shares of RM1 each in Astute for a total cash consideration of RM1,999,998.

On 26 October 2007, Astute acquired 100,000 ordinary shares of RM1 each representing the entire equity interest in Titan Debut Sdn Bhd ("Titan") for a total cash consideration of RM71 million.

The cost of acquisition of Titan comprised the following:	**2008**
	RM'000
Purchase consideration satisfied by cash	71,000

The acquired subsidiary has contributed the following results to the Group:

Revenue	-
Loss for the year	(2,246)

Had the acquisition of Titan occurred on 1 July 2007, the Group's profit for the previous financial year would have been RM41,214,000. There was no effect on the Group's revenue as the subsidiary did not record any external revenue.

The assets and liabilities of Titan arising from the acquisition were as follows:

	Fair value recognised on acquisition	**Acquirees' carrying amount**
	RM'000	**RM'000**
Properties progress payments	217,392	146,462
Cash and bank balances	6,075	6,075
	223,467	152,537
Trade and other payables	(43,558)	(43,558)
Borrowings	(108,909)	(108,909)
Deferred tax liabilities (Note 11)	(17,732)	-
	(170,199)	(152,467)
Fair value of net assets acquired	53,268	
Goodwill on acquisition (Note 10)	17,732	
Total cost of acquisition	71,000	

6. INVESTMENTS IN SUBSIDIARIES *cont'd*

Acquisition of subsidiaries *cont'd*

Cash outflow arising on acquisition:	2008 RM'000
Purchase consideration satisfied by cash	71,000
Cash and cash equivalents of subsidiary acquired	(6,075)
Net cash outflow of the Group	64,925

7. INVESTMENTS IN ASSOCIATES

	GROUP	
	2009 RM'000	2008 RM'000
Quoted shares in Malaysia, at cost	**59,574**	59,574
Foreign unquoted shares, at cost	**6**	6
Less: Accumulated impairment losses	**(6)**	(6)
	59,574	59,574
Share of post acquisition reserves	**33,691**	25,413
Share of post acquisition translation reserve	**(295)**	(295)
	92,970	84,692
Represented by:		
Share of net assets of associates	**92,970**	84,692
Market value of quoted shares	**57,139**	66,102

Details of the associates are as follows:

Name of company	Country of incorporation	Effective equity interest 2009 %	Effective equity interest 2008 %	Principal activity
Luck Hock Venture Holdings, Inc.	Philippines	**28**	28	Dormant
Tower Real Estate Investment Trust ("Tower REIT")	Malaysia	**20**	20	Investment in real estate and real estate-related assets

The Group has carried out a review on the recoverable amount of the investment in Tower REIT. The recoverable amount is determined based on value-in-use calculation using cash flow projections of future dividend income.

7. INVESTMENTS IN ASSOCIATES *cont'd*

The key assumptions used in the value-in-use calculation are as follows:

(i) Growth rates

Future dividend income is estimated to grow at 5% per annum over the next 5 years and thereafter, grow at a steady rate of 3% per annum for the next 10 years. The growth rates used are based on the average growth rates achieved in the previous years and adjusted to lower rates on prudence ground.

(ii) Discount rate

Discount rate used is 11%. This rate is pre-tax and reflects specific risks relating to the investment.

Based on the value-in-use calculation, the management believes that the carrying amount of the investment in Tower REIT is fully recoverable.

The summarised financial information of the associates is as follows:

	GROUP	
	2009	**2008**
	RM'000	**RM'000**
Assets and liabilities		
Non-current assets	**117,904**	109,922
Current assets	**992**	1,595
Total assets	**118,896**	111,517
Non-current liabilities	**(22,825)**	(21,042)
Current liabilities	**(3,101)**	(5,783)
Total liabilities	**(25,926)**	(26,825)
Results		
Revenue	**9,677**	730
Profit for the year	**13,516**	24,394

8. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Investments, at cost	**259,873**	259,873	**56,000**	56,000
Share of post acquisition reserves	**55,759**	62,018	**-**	-
	315,632	321,891	**56,000**	56,000

Details of the jointly controlled entities are disclosed in Note 35.

8. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES *cont'd*

The Group's interest in the assets, liabilities, revenue and expenses of jointly controlled entities are as follows:

	2009 RM'000	2008 RM'000
Non-current assets	**411,690**	415,203
Current assets	**66,320**	65,958
Non-current liabilities	**(109,203)**	(99,369)
Current liabilities	**(53,175)**	(59,901)
Net assets	**315,632**	321,891
Revenue	**34,927**	59,477
Expenses, including finance costs and taxation	**(41,186)**	(44,012)
	(6,259)	15,465

9. INVESTMENTS

	GROUP	
	2009 RM'000	2008 RM'000
Long term investments		
Quoted shares in Malaysia, at cost	**28,162**	28,162
Less: Accumulated impairment losses	**(22,765)**	(22,141)
	5,397	6,021
Market value of quoted shares as at 30 June	**5,397**	6,021

10. GOODWILL ON CONSOLIDATION

	GROUP	
	2009 RM'000	2008 RM'000
At beginning of financial year	**17,732**	2,464
Add: Goodwill arising from acquisition of a subsidiary (Note 6)	**-**	17,732
	17,732	20,196
Less: Impairment charge for the year	**-**	(2,464)
At end of the year	**17,732**	17,732

10. GOODWILL ON CONSOLIDATION *cont'd*

(a) Impairment loss recognised

In the previous financial year, the Group had carried out a review on the recoverable amount of the goodwill on consolidation of the hotel management cash-generating unit and the management did not believe that the goodwill could be recovered. Accordingly, an impairment of RM2,464,000 was recognised.

(b) Impairment tests for goodwill

Allocation of goodwill

Goodwill has been allocated to the Group's cash-generating units ("CGUs") identified according to country of operation and business segment as follows:

	2009 Malaysia RM'000	2008 Malaysia RM'000
Property development	**17,732**	17,732

Key assumptions used in value-in-use calculation

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management using the growth rates stated below. The key assumptions used in value-in-use calculations are as follows:

	Operating Margin		Growth Rate		Discount Rate	
	2009	2008	2009	2008	2009	2008
	%	%	%	%	%	%
Property development	**4.0**	11.4	**3.0**	3.0	**11.0**	9.0

(i) Budgeted operating margin

The basis used to determine the value assigned to the budgeted operating margins is the average operating margins achieved in the year immediately before the budgeted year increased for expected efficiency improvements.

(ii) Growth rate

The weighted average growth rates used are based on the budgeted revenue growth for property development.

(iii) Discount rate

The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Sensitivity to changes in assumptions

With regards to the assessment of value-in-use, the directors reasonably believes that no possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

11. DEFERRED TAXATION

	GROUP	
	2009	**2008**
	RM'000	**RM'000**
At beginning of financial year	**17,134**	(677)
Recognised in the income statement (Note 29)	**(20)**	79
Acquisition of subsidiary (Note 6)	**-**	17,732
At end of financial year	**17,114**	17,134
Presented after appropriate offsetting as follow:		
Deferred tax assets	**(1,186)**	(1,166)
Deferred tax liabilities	**18,300**	18,300
	17,114	17,134

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

Deferred Tax Liabilities of the Group

	Inventories	Accelerated Capital Allowances	Investment Properties	Total
	RM'000	**RM'000**	**RM'000**	**RM'000**
At 1 July 2007	-	139	427	566
Recognised in the income statement	-	2	-	2
Acquisition of subsidiary (Note 6)	17,732	-	-	17,732
At 30 June 2008	17,732	141	427	18,300
At 1 July 2008 / 30 June 2009	**17,732**	**141**	**427**	**18,300**

11. DEFERRED TAXATION *cont'd*

Deferred Tax Assets of the Group

	Unused Tax Losses and Unutilised Capital Allowances
	RM'000
At 1 July 2007	(1,243)
Recognised in the income statement	77
At 30 June 2008	(1,166)
At 1 July 2008	**(1,166)**
Recognised in the income statement	**(20)**
At 30 June 2009	**(1,186)**

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

	GROUP		COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Unused tax losses	**70,464**	39,539	**588**	571
Unabsorbed capital allowances	**71,395**	69,889	**461**	457
Unabsorbed investment tax allowance	**77,150**	76,470	**-**	-
Others	**15,135**	2,691	**317**	297
	234,144	188,589	**1,366**	1,325
Deferred tax at 25% (2008: 25%)	**58,536**	47,147	**342**	331

The unused tax losses and unabsorbed capital allowances are available indefinitely for offset against future taxable profits of the subsidiaries in which those items arose. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiaries in the Group and they have arisen in subsidiaries that have a recent history of losses.

12. LEASEHOLD LAND USE RIGHT

	GROUP	
	2009	**2008**
	RM'000	**RM'000**
At beginning of the financial year	**4,459**	4,516
Amortisation for the year	**(57)**	(57)
At end of financial year	**4,402**	4,459
Analysed as:		
Long term leasehold land	**4,402**	4,459

The entire leasehold land is pledged for borrowings as referred to in Notes 22 and 24.

13. INVENTORIES

	GROUP	
	2009	**2008**
	RM'000	**RM'000**
At cost		
Property inventories	**519,397**	6,667
Saleable merchandise	**398**	539
Operating supplies	**401**	533
	520,196	7,739
At net realisable value		
Property inventories	**450**	829
	520,646	8,568

The cost of property inventories of the Group recognised as cost of sales during the financial year amounted to RM2,462,000 (2008: RM42,000).

As at the balance sheet date, the carrying amount of inventories pledged as securities for the borrowing facilities granted to the Group as disclosed in Note 22 are as follows:

	GROUP	
	2009	**2008**
	RM'000	**RM'000**
Property inventories	**513,262**	-
Saleable merchandise	**163**	232
Operating supplies	**131**	191

14. DUE FROM/(TO) CONTRACT CUSTOMERS

	GROUP	
	2009	**2008**
	RM'000	**RM'000**
Contract cost incurred to date	**66,432**	59,924
Attributable profits	**12,791**	14,369
	79,223	74,293
Less: Progress payments received and receivable	**(78,490)**	(73,500)
	733	793
Due from contract customers	**733**	1,405
Due to contract customers	**-**	(612)
	733	793
Contract revenue recognised in income statement (Note 25)	**(7,361)**	(15,547)
Contract costs recognised in income statement (Note 26)	**7,361**	14,272

15. DEVELOPMENT PROPERTIES

	GROUP	
	2009	**2008**
	RM'000	**RM'000**
Development properties cost:		
At beginning of financial year		
Freehold land	**183,829**	183,824
Long leasehold land	**2,167**	1,531
Development expenditure	**126,752**	64,637
	312,748	249,992
Cost incurred during the year:		
Freehold land	**-**	5
Long leasehold land	**-**	636
Development expenditure	**37,404**	67,858
	37,404	68,499

15. DEVELOPMENT PROPERTIES *cont'd*

	GROUP	
	2009	**2008**
	RM'000	**RM'000**
Impairment loss of development properties	**(26,922)**	-
Reversal of completed projects	**(47,877)**	(5,743)
Cost recognised in income statement:		
At beginning of financial year	**(72,048)**	(52,566)
Recognised during the year	**(23,673)**	(22,840)
Transfer to inventories	**(3,684)**	(2,385)
Reversal of completed projects	**47,877**	5,743
At end of financial year	**(51,528)**	(72,048)
Development properties cost at 30 June	**223,825**	240,700

Included in the development properties costs is borrowing costs incurred during the financial year of RM7,597,000 (2008: RM2,840,000).

As at the balance sheet date, the carrying amounts of freehold land and related development expenditure pledged as securities for the borrowing facilities granted to the Group as disclosed in Note 22 are RM176,918,000 (2008: RM190,755,000).

16. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade receivables	**23,111**	36,200	**-**	-
Less: Provision for doubtful debts	**(225)**	(203)	**-**	-
	22,886	35,997	**-**	-
Other receivables	**12,529**	10,639	**109**	109
Less: Provision for doubtful debts	**(5,091)**	(5,091)	**-**	-
	7,438	5,548	**109**	109
Properties progress payments	**-**	370,534	**-**	-
Accrued billings in respect of development property cost	**6,087**	361	**-**	-
Subsidiaries	**-**	-	**231,528**	229,030
Jointly controlled entities	**11,180**	8,011	**507**	357
Related companies	**767**	8,854	**126**	26
	48,358	429,305	**232,270**	229,522

16. TRADE AND OTHER RECEIVABLES *cont'd*

Included in trade receivables are debts aged in excess of 1 year of approximately RM4,008,000 (2008: RM1,732,000). The directors have considered all available information with regards to the recoverability of these debts. Notwithstanding that these debts are long outstanding, the directors are of the view that these debts can be realised in full.

The Group's normal trade credit term ranges from 7 days to 60 days (2008: 7 days to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

All amounts due from subsidiaries, jointly controlled entities and related companies are unsecured, non interest bearing and have no fixed terms of repayments except for:

(i) amounts totalling RM190,938,000 (2008: RM193,957,000) due from certain subsidiaries which bore interest at rate of 3.60% - 4.50% (2008: 5.60%) per annum during the financial year; and

(ii) RM4,594,000 due from certain jointly controlled entities bore interest at rates ranging from 4.78% to 5.33% in the previous financial year.

There is no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors except for the amounts due from trade receivables aged in excess of 1 year, jointly controlled entities, related companies and subsidiaries in respect of the Group and of the Company respectively.

17. DEPOSITS, CASH AND BANK BALANCES

	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deposits placed with licensed banks	**11,783**	13,685	**-**	-
Cash and bank balances	**14,045**	51,742	**792**	539
	25,828	65,427	**792**	539
Of which amounts placed with a related company which is a licensed financial institution				
- deposits	**6,900**	6,401	**-**	-
- bank balances	**5,320**	7,069	**91**	39

Cash and bank balances of the Group include RM235,384 (2008: RM5,419,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore, restricted from use in other operations.

The weighted average effective interest rate of deposits placed with licensed banks of the Group at the balance sheet date were 1.76% (2008: 3.23%) per annum.

The average maturities of deposits placed with licensed banks of the Group as at the end of the financial year were 3 days (2008: 7 days).

18. SHARE CAPITAL

	Ordinary shares of RM0.50 each			
	2009	2008	2009	2008
	No. of shares	No. of shares	Amount	Amount
	'000	'000	RM'000	RM'000
Authorised	**3,000,000**	3,000,000	**1,500,000**	1,500,000
Issued and fully paid	**700,458**	700,458	**350,229**	350,229

19. RESERVES

	GROUP		COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Non-distributable:				
Share premium	**35,089**	35,089	**35,089**	35,089
Exchange reserve	**6,318**	6,338	**-**	-
Merger reserve	**-**	-	**68,219**	68,219
	41,407	41,427	**103,308**	103,308
Distributable:				
Retained profits	**400,929**	477,022	**55,734**	57,589
	442,336	518,449	**159,042**	160,897

The premium arising on the shares issued in respect of the subsidiaries accounted for under the merger method of accounting is credited to the merger reserve account in accordance with the relief granted by Section 60(4) of the Companies Act, 1965.

The entire exchange reserve arose from the translation of financial statements of foreign subsidiaries.

As at 30 June 2009, based on estimated tax credits available, the entire retained profits of the Company is available for distribution by way of dividend without incurring additional tax liability. The Malaysian Budget 2008 introduced a single tier company income tax system with effect from the year of assessment 2008. As such, the tax credits as at 30 June 2009 will be available to the Company until such time the credits are fully utilised or upon expiry of the six-year transitional period on 30 June 2014, whichever is earlier.

20. SHARES HELD BY ESOS TRUST

In the previous financial years, the Company established a trust ("ESOS Trust") for its eligible executives pursuant to the establishment of the Executive Share Option Scheme ("ESOS"). The ESOS Trust is administered by an appointed trustee. The trustee will be entitled from time to time to accept financial assistance from the Company upon such terms and conditions as the Company and the trustee may agree to purchase shares in the Company from the open market for the purposes of this trust. The shares purchased for the benefit of the ESOS holders are recorded as "Shares held by ESOS Trust" in the Group and the Company's balance sheets as a deduction in arriving at the shareholders' equity.

20. SHARES HELD BY ESOS TRUST *cont'd*

Details of the shares acquired during the financial year are as follows:

Month	Share Price Lowest	Share Price Highest	Share Price Average	Number of Shares	Total Consideration
	RM	RM	RM	'000	RM'000
Brought forward	0.62	1.72	0.78	30,388	23,658
July 2008	1.20	1.22	1.20	107	128
August 2008	1.15	1.15	1.15	60	70
September 2008	1.19	1.19	1.19	23	27
Carry forward	0.62	1.72	0.78	30,578	23,883

None of the option under the ESOS was granted as at end of the financial year.

21. DUE TO SUBSIDIARIES

All amounts due to subsidiaries are unsecured, not expected to be repaid within the next twelve months and bear interest at rates ranging from 2.00% to 5.20% (2008: 3.00% to 3.20%) per annum during the financial year.

22. LONG TERM BORROWINGS

	GROUP		COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Secured				
Term loans	**633,353**	482,902	**-**	-
Less: Amounts repayable within 12 months (Note 24)	**(143,939)**	(12,500)	**-**	-
	489,414	470,402	**-**	-
Unsecured				
Term loans	**10,000**	10,000	**10,000**	10,000
Less: Amounts repayable within 12 months (Note 24)	**(6,000)**	-	**(6,000)**	-
	4,000	10,000	**4,000**	10,000
	493,414	480,402	**4,000**	10,000

22. LONG TERM BORROWINGS *cont'd*

	GROUP		COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
The term loans outstanding are repayable as follows:				
1 year after balance sheet date	**149,939**	12,500	**6,000**	-
More than 1 year but not later than 2 years	**309,152**	186,469	**4,000**	6,000
More than 2 years but not later than 5 years	**184,262**	290,433	**-**	4,000
More than 5 years	**-**	3,500	**-**	-
	643,353	492,902	**10,000**	10,000

The term loans of the Group are secured by legal charges on certain property, plant and equipment, investment properties, land held for development, long term leasehold land, inventories and development properties as disclosed in Notes 3, 4, 5, 12, 13 and 15 as well as fixed and floating charges on assets of certain subsidiaries.

The term loans are repayable over the period from 2008 to 2014 and bear interest at rates ranging from 2.74% to 5.30% (2008: 4.21% to 8.25%) per annum during the financial year.

23. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Trade payables	**24,116**	18,497	**-**	-
Progress billings in respect of property development	**671**	11,223	**-**	-
Associates	**114**	114	**-**	-
Subsidiaries	**-**	-	**52,346**	43,175
Jointly controlled entities	**1,025**	3,561	**-**	-
Related companies	**844**	1,942	**-**	397
Provision for foreseeable loss in land and development	**33,938**	7,521	**-**	-
Other payables	**56,070**	46,134	**1,476**	1,439
	116,778	88,992	**53,822**	45,011

The normal credit terms granted by the trade payables range from 30 days to 60 days (2008: 30 days to 60 days).

All the above amounts due to associates, subsidiaries and related companies and jointly controlled entities are unsecured, interest free and have no fixed terms of repayments.

23. TRADE AND OTHER PAYABLES *cont'd*

The movement in provision for forseeable loss in land and development are as follows:

	GROUP	
	2009	**2008**
	RM'000	**RM'000**
At the begining of financial year	**7,521**	7,521
Add: Provision made during the financial year	**28,615**	-
Less: Utilisation during the financial year	**(2,198)**	-
At end of financial year	**33,938**	7,521

24. SHORT TERM BORROWINGS

	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Secured				
Term loans (Note 22)	**143,939**	12,500	**-**	-
Bank overdrafts	**3,770**	-	**-**	-
	147,709	12,500	**-**	-
Unsecured				
Term loans (Note 22)	**6,000**	-	**6,000**	-
Bank overdrafts	**1,487**	-	**1,100**	-
Revolving credits	**160,204**	130,404	**159,300**	129,500
	167,691	130,404	**166,400**	129,500
	315,400	142,904	**166,400**	129,500

The bank overdrafts of the Group are secured by a second legal charge over the long term leasehold land and a second fixed and floating charge over the assets of a subsidiary. The bank overdrafts bear effective interest at rates ranging from 6.3% (2008: 7.50% to 7.75%) per annum during the financial year.

The revolving credits of the Group and of the Company are obtained by a negative pledge over all assets of the Company. The revolving credits bear effective interest at rates ranging from 2.74% to 4.60% (2008: 4.21% to 4.62%) per annum.

Details of the term loans are disclosed in Note 22.

25. REVENUE

	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Contract revenue (Note 14)	**7,361**	15,547	**-**	-
Sale of properties	**35,449**	29,297	**-**	-
Rental of properties	**7,385**	21,308	**-**	-
Room rental	**24,421**	45,376	**-**	-
Dividends received	**316**	4,193	**14,053**	15,966
Management fees	**7,079**	4,406	**836**	759
	82,011	120,127	**14,889**	16,725

26. (LOSS)/PROFIT FROM OPERATIONS

	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	**82,011**	120,127	**14,889**	16,725
Cost of sales	**(65,762)**	(87,943)	**-**	-
Gross profit	**16,249**	32,184	**14,889**	16,725
Other operating income	**889**	9,102	**10**	25
Distribution costs and marketing expenditures	**(4,438)**	(4,495)	**-**	-
Administration expenses	**(23,318)**	(19,720)	**(1,586)**	(1,850)
Other operating expenses	**(55,857)**	(7,085)	**(3,753)**	(2,159)
	(66,475)	9,986	**9,560**	12,741
Cost of sales comprises the following:				
Contract costs (Note 14)	**7,361**	14,272	**-**	-
Property development costs (Note 15)	**23,673**	22,840	**-**	-
Cost of inventories sold (Note 13)	**2,462**	42	**-**	-
Services rendered	**32,266**	50,789	**-**	-
	65,762	87,943	**-**	-

26. (LOSS)/PROFIT FROM OPERATIONS *cont'd*

	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Operating (loss)/profit is arrived at after charging:				
Auditors' remuneration				
- statutory audit	**215**	211	**52**	70
- under provided in previous year	**25**	6	**12**	-
Amortisation of prepaid lease payments	**57**	57	**-**	-
Direct operating expenses of income generating investment properties	**2,839**	3,353	**-**	-
Depreciation of property, plant and equipment	**4,177**	2,922	**109**	98
Executive Directors				
- Fees	**86**	89	**60**	77
- Salaries and emoluments	**375**	268	**375**	268
- Contribution to defined contribution plan	**81**	32	**81**	32
- Benifit in kind	**20**	12	**20**	12
Non Executive Director				
- Fees	**280**	259	**280**	259
Loss on disposal of marketable securities	**-**	748	**-**	-
Office rent	**2,469**	1,293	**191**	152
Rent of premises	**-**	1,844	**-**	-
Property, plant and equipment written off	**5**	447	**-**	-
Provision for foreseeable loss in land and development	**28,615**	-	**-**	-
Impairment of land and development	**26,922**	-	**-**	-
Impairment loss of goodwill	**-**	2,464	**-**	-
Impairment loss of investments	**624**	3,493	**-**	-
Provision for doubtful debts	**22**	-	**-**	-
Employee benefits expense				
- Salaries and wages	**17,942**	15,384	**2,099**	659
- Defined contribution plans	**1,943**	1,292	**431**	262
- Other benefits	**1,847**	2,141	**356**	266
Operating (loss)/profit is arrived at after crediting:				
Management services fee	**-**	7,892	**-**	-
Gain on disposal of property, plant and equipment	**195**	206	**-**	-
Gross dividends from subsidiaries	**-**	-	**14,053**	15,966
Write back of provision for doubtful debts	**-**	65	**-**	-

27. INTEREST INCOME

	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest income from:				
- subsidiaries	**-**	-	**7,049**	6,598
- others	**563**	1,230	**55**	359
	563	1,230	**7,104**	6,957

28. FINANCE COSTS

	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest expense				
- loans and borrowings	**8,436**	3,888	**4,599**	3,014
- subsidiaries	**-**	-	**3,500**	4,075
- others	**604**	971	**366**	703
	9,040	4,859	**8,465**	7,792

29. TAXATION

	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Tax expense for the year:				
Malaysian income tax	**1,115**	3,365	**5**	1,013
Under/(over) provision in prior years	**112**	(305)	**1**	(268)
	1,227	3,060	**6**	745
Deferred tax (Note 11):				
Relating to origination and reversal of temporary differences	**(133)**	(60)	**-**	-
Relating to changes in tax rates	**-**	26	**-**	-
Under provision in prior years	**113**	113	**-**	-
	(20)	79	**-**	-
	1,207	3,139	**6**	745

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

29. TAXATION *cont'd*

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

	2009 RM'000	2008 RM'000
Group		
(Loss)/Profit before taxation	**(67,695)**	46,216
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	**(16,924)**	12,016
Effect of different tax rate in other countries	**-**	-
Effect of reduction in income tax rate to 20% on the first RM500,000 assessable profits	**-**	(74)
Deferred tax recognised at different tax rates	**-**	26
Tax effect on share of results of associate and joint ventures	**(1,699)**	(3,971)
Income not subject to tax	**(2,441)**	(6,224)
Expenses not deductible for tax purposes	**10,656**	3,355
Utilisation of previously unrecognised deferred tax assets	**-**	(2,384)
Deferred tax assets not recognised during the year	**11,390**	587
Under/(over) provision of tax expense in prior years	**112**	(305)
Underprovision of deferred tax in prior years	**113**	113
Tax expense for the year	**1,207**	3,139
Company		
Profit before taxation	**8,199**	11,906
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	**2,050**	3,096
Income not subject to tax	**(2,213)**	(2,287)
Expenses not deductible for tax purposes	**157**	116
Deferred tax assets not recognised during the year	**11**	88
Under/(over) provision of tax expense in prior years	**1**	(268)
Tax expense for the year	**6**	745

30. (LOSS)/EARNINGS PER SHARE

The basic and diluted (loss)/earnings per share of the Group has been calculated by dividing the consolidated loss attributable to ordinary shareholders of RM66,045,000 (2008: profit of RM41,243,000) by the weighted average number of ordinary shares in issue during the year (net of ESOS Trust shares) of 669,895,448 (2008: 670,070,818) shares.

30. (LOSS)/EARNINGS PER SHARE *cont'd*

No diluted earning per share is presented as there was no granting of option under the ESOS during the financial year.

31. DIVIDEND

	Amount		Net dividend per share	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**Sen**	**Sen**
In respect of financial year ended 30 June 2008				
- Final dividend of 2 sen per share less 25% taxation paid on 3 November 2008	**10,048**	-	**1.50**	-
In respect of financial year ended 30 June 2007				
- Final dividend of 2 sen per share less 26% taxation paid on 30 November 2007	**-**	9,917	**-**	1.48
	10,048	9,917	**1.50**	1.48

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 30 June 2009, of 2 sen per share less 25% taxation on 669,880,418 (net of ESOS Trust shares) ordinary shares of RM0.50 each, will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend of RM10,048,206. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 June 2010.

32. CONTINGENT LIABILITIES

There are no material contingent liabilities as at balance sheet date**.**

33. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management objectives seek to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, credit, liquidity and foreign exchange risks. The Group's policy is not to engage in speculative transactions.

(b) Interest Rate Risk

The Group and the Company manage its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings.

33. FINANCIAL INSTRUMENTS *cont' d*

(c) Effective Interest Rates and Repricing Analysis

The effective interest rates of the interest-earning financial assets and interest-bearing financial liabilities of the Group and the periods in which they will be repriced or matured, are as follows:

	Effective Interest Rate	Floating interest	Fixed interest rate maturing within 1 year	Total
	%	RM'000	RM'000	RM'000
Group				
Financial assets				
At 30 June 2009:				
Deposits	**1.76**	**-**	**11,783**	**11,783**
At 30 June 2008:				
Deposits	2.95	-	13,685	13,685
Financial liabilities				
At 30 June 2009:				
Borrowings				
- Floating rate	**3.49**	**808,814**	**-**	**808,814**
At 30 June 2008:				
Borrowings				
- Floating rate	4.76	623,306	-	623,306
Company				
Financial assets				
At 30 June 2009:				
Due from subsidiaries	**4.05**	**-**	**190,938**	**190,938**
At 30 June 2008:				
Due from subsidiaries	5.60	-	193,957	193,957
Financial liabilities				
At 30 June 2009:				
Borrowings				
- Floating rate	**3.00**	**170,400**	**-**	**170,400**
Due to subsidiaries	**3.60**	**-**	**96,056**	**96,056**
At 30 June 2008:				
Borrowings				
Floating rate	4.40	139,500	-	139,500
Due to subsidiaries	3.17	-	128,356	128,356

33. FINANCIAL INSTRUMENTS *cont' d*

(d) Credit Risk

Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

At balance sheet date, except as disclosed in Note 16 to the financial statements, there was no significant concentration of credit risk. The maximum exposures to credit risk for the Group and the Company are represented by the carrying amount of each financial asset.

(e) Liquidity Risk

The Group and the Company actively manage their operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash to meet their working capital requirements.

(f) Foreign Exchange Risk

The Group is not exposed to significant foreign currency risk as the majority of the Group's transactions, assets and liabilities are denominated in Ringgit Malaysia (RM).

(g) Fair Values

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash and cash equivalents, trade and other receivables/payables and short term borrowings

The carrying amounts approximate fair values due to the relatively short term maturity of the financial instruments.

(ii) Quoted share investments

The fair value of quoted shares is determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date.

(iii) Due from/to jointly controlled entities, related parties and subsidiaries

It is not practical to estimate the fair values of amounts due from/to jointly controlled entities, related parties and subsidiaries due to no fixed repayment terms being entered into between the parties.

(iv) Long term borrowing

The carrying amounts approximate fair values as all the long term borrowings are on floating interest rate.

34. SUBSIDIARIES

The subsidiaries are as follows:

Name of company	Country of incorporation	Effective equity interest 2009 %	Effective equity interest 2008 %	Principal activities
Guoman Hotel & Resort Holdings Sdn Bhd ("GHRH") and its subsidiaries:	Malaysia	**70**	70	Investment holding
^+ PD Resort Sdn Bhd	Malaysia	**70**	70	Property investment and development and hotel operations
Kiapeng Development Sdn Bhd	Malaysia	**70**	70	Property development and property investment
^ Guoman Hotels Limited and its subsidiaries:	Bermuda	**70**	70	Investment holding
^ Guoman Philippines, Inc.	Philippines	**70**	70	Dormant
^ Guoman International Limited and its subsidiary:	Jersey, Channel Islands	**70**	70	Investment holding
Guoman International Sdn Bhd	Malaysia	**70**	70	Provision of technical and management services
JB Parade Sdn Bhd and its subsidiary:	Malaysia	**49**	42	Investment holding and hotel operations
JB Parade Condominium Sdn Bhd	Malaysia	**49**	42	Property development
Bedford Development Sdn Bhd and its subsidiaries:	Malaysia	**100**	100	Investment holding and property development
Hong Leong Housing Sdn Bhd	Malaysia	**100**	100	Provision of construction management services
+ Bedford Industrial Development Sdn Bhd	Malaysia	**100**	100	Property development

34. SUBSIDIARIES *cont' d*

Name of company	Country of incorporation	Effective equity interest 2009 %	Effective equity interest 2008 %	Principal activities
^+ Pembinaan Sri Jati Sdn Berhad	Malaysia	**100**	100	Investment holding and property development
Sabna Development Sdn Bhd	Malaysia	**100**	100	Property development
Ace Acres Sdn Bhd	Malaysia	**100**	100	Property development
Hong Leong Real Estate Holdings Sdn Bhd and its subsidiaries:	Malaysia	**100**	100	Investment holding
^ Bedford Land Sdn Bhd and its subsidiaries:	Malaysia	**100**	100	Investment holding
BLV Fashions Sdn Bhd	Malaysia	**100**	100	Property investment
^ Guobena Development Sdn Bhd	Malaysia	**100**	100	Property investment
HL Bandar Sdn Bhd	Malaysia	**100**	100	Property investment
Prophills Development Sdn Bhd	Malaysia	**100**	100	Dormant
Damansara City Sdn Bhd	Malaysia	**100**	100	Property development
Orifour Sdn Bhd	Malaysia	**100**	100	Dormant
Orifive Sdn Bhd	Malaysia	**100**	100	Dormant

34. SUBSIDIARIES *cont' d*

Name of company	Country of incorporation	Effective equity interest 2009 %	Effective equity interest 2008 %	Principal activities
# Resource Properties Sdn Bhd	Malaysia	-	100	Dissolved by members' voluntary liquidation
# Bedford Excel Venture Sdn Bhd	Malaysia	100	100	In members' voluntary liquidation
# Bedford Leisure Ventures Sdn Bhd and its subsidiary:	Malaysia	100	100	In members' voluntary liquidation
# BLV Entertainment Sdn Bhd	Malaysia	100	100	In members' voluntary liquidation
HLP Equities Sdn Bhd	Malaysia	100	100	Investment holding
^ HLL Overseas Limited	Jersey, Channel Islands	100	100	Investment holding and trading in securities
^ Hong Leong Real Estate Management Sdn Bhd	Malaysia	100	100	Dormant
^ GLM Property Services Sdn Bhd	Malaysia	100	100	Provision of property management services
^ GLM Property Management Co Sdn Bhd and its subsidiary:	Malaysia	100	100	Provision of property management services
# Online Ventures Sdn Bhd	Malaysia	-	100	Dissolved by members' voluntary liquidation
^ GLM REIT Management Sdn Bhd	Malaysia	100	100	Provision of management services
^ Astute Modernization Sdn Bhd and its subsidiary:	Malaysia	100	100	Investment holding
^ Titan Debut Sdn Bhd	Malaysia	100	100	Acquire, enhance and resale of properties
^ Raikon Building Management Co Sdn Bhd	Malaysia	100	-	Provision of property-related services

34. SUBSIDIARIES *cont' d*

+ Subsidiaries consolidated under merger method of accounting. Merger method of accounting on PD Resort Sdn Bhd has been applied at GHRH level.

The financial statements of these companies were not audited as they are in members' voluntary liquidation.

^ Not audited by member firms of Ernst & Young Global.

35. JOINTLY CONTROLLED ENTITIES

The details of jointly controlled entities are as follows:

Name of jointly controlled entity	Country of incorporation	Effective equity interest 2009 %	Effective equity interest 2008 %	Principal activities
Vintage Heights Sdn Bhd	Malaysia	**40**	40	Property development and operation of an oil palm estate
Positive Properties Sdn Bhd	Malaysia	**50**	50	Property investment
Continental Estates Sdn Bhd	Malaysia	**50**	50	Property development and operation of an oil palm estate
Bedford Damansara Heights Development Sdn Bhd and its subsidiaries:	Malaysia	**50**	50	Investment holding
Promakmur Development Sdn Bhd	Malaysia	**50**	50	Property development
^ Kota Selatan Indah Sdn Bhd	Malaysia	**50**	50	Property development

^ Not audited by member firms of Ernst & Young Global.

36. SEGMENT INFORMATION

The Group is organised into three major business segments:

(i) Property investment and development - the development of residential properties for sale and commercial properties for sale and rental;

(ii) Hotels - management and operations of hotels; and

(iii) Plantation - operation of oil palm estates and sale of fresh fruit bunches.

Other business segments include provision of management services and trading in securities, none of which are of a sufficient size to be reported separately.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established under terms that are no less favourable than those arranged with independent parties.

36. SEGMENT INFORMATION *cont' d*

	Property Investment and Development		Hotels		Plantation		Others		Elimination		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue												
External sales	**50,195**	66,152	**24,421**	45,376	**-**	-	**7,395**	8,599	**-**	-	**82,011**	120,127
Inter-segment sales	**-**	-	**-**	-	**-**	-	**1,413**	2,212	**(1,413)**	(2,212)	**-**	-
Total revenue	**50,195**	66,152	**24,421**	45,376	**-**	-	**8,808**	10,811	**(1,413)**	(2,212)	**82,011**	120,127
Results												
Segment results	**(51,081)**	1,264	**(10,317)**	7,837	**-**	-	**(3,336)**	3,043	**-**	-	**(64,734)**	12,144
Unallocated corporate expenses											**(1,741)**	(2,158)
(Loss)/Profit from operations											**(66,475)**	9,986
Interest income											**563**	1,230
Finance cost											**(9,040)**	(4,859)
Share of result of associates	**-**	-	**(4)**	(6)	**-**	-	**13,520**	24,400	**-**	-	**13,516**	24,394
Share of results of jointly controlled entities	**(19,795)**	581	**-**	-	**13,536**	14,884	**-**	-	**-**	-	**(6,259)**	15,465
Taxation											**(1,207)**	(3,139)
(Loss)/Profit after taxation											**(68,902)**	43,077
Minority interests											**2,857**	(1,834)
Net (loss)/profit for the year											**(66,045)**	41,243

36. SEGMENT INFORMATION *cont' d*

	Property Investment and Development		Hotels		Plantation		Others		Elimination		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets												
Segment assets	**1,117,851**	996,396	**197,643**	154,829	**-**	-	**14,921**	5,080	**-**	-	**1,330,415**	1,156,305
Investments in associates	**-**	-	**714**	718	**-**	-	**92,257**	83,974	**-**	-	**92,972**	84,692
Long term investments	**5,374**	6,006	**-**	-	**-**	-	**23**	15	**-**	-	**5,397**	6,021
Investments in jointly controlled entities	**97,798**	110,786	**-**	-	**217,834**	211,105	**-**	-	**-**	-	**315,632**	321,891
Unallocated corporate assets											**43,826**	85,466
Consolidated total assets											**1,788,242**	1,654,375
Liabilities												
Segment liabilities	**83,610**	89,256	**26,202**	9,314	**-**	-	**4,985**	131,875	**-**	-	**114,797**	230,445
Unallocated corporate liabilities											**830,159**	501,442
Consolidated total liabilities											**944,956**	731,887

36. SEGMENT INFORMATION *cont' d*

	Property Investment and Development		Hotels		Plantation		Others		Elimination		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	RM'000	RM'000	**RM'000**	RM'000	**RM'000**	RM'000	**RM'000**	RM'000	**RM'000**	RM'000	**RM'000**	RM'000
Other Information												
Capital expenditure	**8,677**	44,877	**48,192**	3,518	**-**	-	**677**	1,808	**-**	-	**57,546**	50,203
Depreciation	**51**	165	**3,237**	2,079	**-**	-	**888**	678	**-**	-	**4,176**	2,922
Amortisation of prepaid lease	**-**	-	**57**	57	**-**	-	**-**	-	**-**	-	**57**	57
Impairment loss of investments	**-**	-	**-**	-	**-**	-	**624**	3,477	**-**	-	**624**	3,477
Impairment loss of goodwill	**-**	-	**-**	2,464	**-**	-	**-**	-	**-**	-	**-**	2,464
Non-cash expenses other than depreciation, amortisation and impairment losses	**-**	199	**-**	62	**-**	-	**-**	869	**-**	-	**-**	1,130
Provision for foreseeable loss in land and development	**28,615**	-	**-**	-	**-**	-	**-**	-	**-**	-	**28,615**	-
Impairment loss of land and development	**26,922**	-	**-**	-	**-**	-	**-**	-	**-**	-	**26,922**	-

Segmental reporting by geographical location has not been presented as the Group's operations are substantially carried out in Malaysia.

37. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related parties

The related parties and their relationships with the Group are as follows:

Related companies	Relationships
Hong Leong Financial Group Berhad and subsidiaries	Subsidiaries of Hong Leong Company (Malaysia) Berhad ("HLCM")
HLCM Capital Sdn Bhd and subsidiaries	Subsidiaries of HLCM
Hume Industries (Malaysia) Berhad and subsidiaries	Subsidiaries of HLCM
Hong Leong Industries Berhad and subsidiaries	Subsidiaries of HLCM
Tower Real Estate Investment Trust	An investment trust in which certain directors have interests
GuocoLand Limited and subsidiaries	Holding company of GLM
Related parties	
Vintage Heights Sdn Bhd	Jointly controlled entity in which certain directors have interests
Continental Estates Sdn Bhd	Jointly controlled entity in which certain directors have interests
Bedford Damansara Heights Development Sdn Bhd and subsidiaries	Jointly controlled entities in which certain directors have interests
Positive Properties Sdn Bhd	Jointly controlled entity in which certain directors have interests

37. SIGNIFICANT RELATED PARTY TRANSACTIONS *cont' d*

(b) Transactions within the Group

	Company	
	2009	**2008**
	RM'000	**RM'000**
Dividend income	**14,053**	15,966
Management fees	**571**	759
Interest income	**7,049**	6,598
Interest expense	**(3,500)**	(4,075)

(c) Related Party Transactions

	Group	
	2009	**2008**
	RM'000	**RM'000**
Management services received	**1,504**	1,605

(d) Related Company Transactions

	Group	
	2009	**2008**
	RM'000	**RM'000**
Rental income received	**195**	2,403
Management services received	**2,736**	7,892
Property management fees	**1,933**	-
Interest income received	**355**	388
Management services paid	**-**	(180)
Insurance premium paid	**(721)**	(465)
Security services paid	**(502)**	(479)
Office rental paid	**(1,712)**	(1,336)
Financial and treasury services paid	**(684)**	(2,387)
Share, warrants and ESOS administration services paid	**(61)**	(56)

Information regarding the outstanding balances arising from related party transactions as at 30 June 2009 are disclosed in Notes 16, 21 and 23 to the financial statements.

(e) Compensation of Key Management Personnel

The directors of the Company are key management personnel who have authority and responsibility for planning, directing and controlling the activities of the Group and the Company directly or indirectly. The directors' remunerations are as disclosed in Note 26 to the financial statements.

38. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The Company had, on 23 April 2008, entered into a conditional Sale of Shares Agreement ("SSA") with Hong Leong Financial Group Berhad to acquire 100% equity interest in Raikon Building Management Co Sdn Bhd ("Raikon") based on the net assets of Raikon as at the last day of the calendar month on which all the conditions precedent under the SSA have been fulfilled. Raikon is principally engaged in property-related services and the said acquisition is expected to provide synergistic benefits to the Group. The acquisition was completed on 1 July 2008 for a total cash consideration of RM1.82 million.

39. SUBSEQUENT EVENT AFTER THE BALANCE SHEET DATE

On 13 April 2009, the Company via its indirect wholly-owned subsidiary, Pembinaan Sri Jati Sdn Berhad, entered in a conditional Sale and Purchase Agreement to dispose of all those pieces of vacant freehold land held under Grant No. GM 53, Lot 322, Batu 6, Jalan Hulu Kelang, in the Mukim of Ulu Kelang and District of Gombak, in the State of Selangor Darul Eshan measuring in area of approximately 11.46 acres for a total cash consideration of RM26,457,473. The disposal is estimated to be completed in October 2009.

40. LEASE COMMITMENTS

(a) The Group as lessee

The Group has entered into non-cancellable operating lease agreements for the use of land and buildings. These leases have an average life of between 1 to 3 years with no purchase option included in the contracts. There are no restrictions placed on the Group by entering into these leases.

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

	Group	
	2009	**2008**
	RM'000	**RM'000**
Not later than 1 year	**618**	1,450
Later than 1 year and not later than 5 years	**329**	964
	947	2,414

(b) The Group as lessor

The Group has entered into non-cancellable operating lease agreements on its investment property portfolio. These leases have remaining non-cancellable lease terms of between 1 to 5 years.

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

	Group	
	2009	**2008**
	RM'000	**RM'000**
Not later than 1 year	**788**	451
Later than 1 year and not later than 5 years	**1,275**	151
	2,063	602

41. CAPITAL COMMITMENTS

	Group	
	2009	**2008**
	RM'000	**RM'000**
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	**9,242**	16,182
Others	**-**	555
	9,242	16,737

STATEMENT BY DIRECTORS

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

We, POH YANG HONG and TAN KEOK YIN, being two of the directors of GuocoLand (Malaysia) Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 42 to 102 are drawn up in accordance with applicable Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2009 and of the results and the cash flows of the Group and of the Company for the year then ended.

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

POH YANG HONG

TAN KEOK YIN

Kuala Lumpur
21 August 2009

STATUTORY DECLARATION

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

I, H'NG BOON HARNG, being the officer primarily responsible for the financial management of GuocoLand (Malaysia) Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 42 to 102 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed H'NG BOON HARNG
at Kuala Lumpur in the Federal
Territory on 21 August 2009

H'NG BOON HARNG

Before me,

VALLIAMAH A/P PERIAN
Pesuruhjaya Sumpah
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

to the Members of Guocoland (Malaysia) Berhad
(incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of GuocoLand (Malaysia) Berhad, which comprise the balance sheets as at 30 June 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 42 to 102.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act,1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 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 accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 34 to the financial statements.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS *cont' d*

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

OTHER MATTERS

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

ERNST & YOUNG
AF: 0039
Chartered Accountants

LOW KHUNG LEONG
No.2697/01/11(J)
Chartered Accountant

Kuala Lumpur
21 August 2009

OTHER INFORMATION

1. PROPERTIES HELD BY THE GROUP AS AT 30 JUNE 2009

Tenure	Location	Approximate Net Lettable/ Land* Area (sq ft)	Approximate Age (Years)	Net Book Value (RM'000)	Date of Acquisition/ *Date of Revaluation/ **Date Certificate of Fitness obtained
Freehold	**Bangunan Hong Leong** Land with a 16-storey office building at No. 117 Jalan Tun H.S. Lee 50000 Kuala Lumpur Fair Value: RM37,000,000	92,561 sq ft	34	36,874	7/12/1992
Leasehold Expiry Date: 24/3/2101	**Menara Pandan C & D** Two 10-storey office tower blocks at Persiaran MPAJ Jalan Pandan Utama Pandan Indah 55100 Kuala Lumpur Fair Value: RM70,000,000	356,160 sq ft	12	61,286	**19/1/1998
Leasehold Expiry Date: 10/10/2087	**Thistle Johor Bahru** Land with a 381-room hotel at Lots 17869 & 17870 Jalan Sg. Gelam Off Jalan Sg. Chat District of Johor Bahru Johor Darul Takzim	6.4 acres *	15	105,011	**23/8/1994
Freehold	**Thistle Port Dickson Resort** Land with a 251-room hotel resort & 9-hole golf course at Lots 7251, 7252, 7253, 7256 & 7257 Mukim of Pasir Panjang District of Port Dickson Negeri Sembilan Darul Khusus	64.0 acres *	14	87,577	**7/8/1996
Freehold	Vacant land at Lots 7252 & 7257, Mukim of Pasir Panjang District of Port Dickson Negeri Sembilan Darul Khusus	6.7 acres *	-	2,272	26/3/1984
Freehold	**OVAL Kuala Lumpur** OVAL Apartments at Geran 37420 for Lot 193, Geran 53086 for Lot 325, Geran 53087 for Lot 326, Geran 53088 for Lot 327, all in Seksyen 63, Bandar & Daerah Kuala Lumpur	2.1 acres *	-	444,877	08/08/2007

1. PROPERTIES HELD BY THE GROUP AS AT 30 JUNE 2009 *cont' d*

Tenure	Location	Approximate Net Lettable/ Land* Area (sq ft)	Approximate Age (Years)	Net Book Value (RM'000)	Date of Acquisition/ *Date of Revaluation/ **Date Certificate of Fitness obtained
Freehold	**Damansara CITY** Land with development in progress at Lot PT 5787 Jalan Damanlela Bukit Damansara Kuala Lumpur	8.5 acres *	-	247,126	9/11/1994
Freehold	Vacant land at Lot 29 Section 90 Town of Kuala Lumpur	1.4 acres *	-	21,470	24/11/1993
Freehold	**Bukit Rahman Putra** Balance land with mixed development in progress in Mukim of Sg. Buloh Selangor Darul Ehsan	32.2 acres *	-	19,327	2/3/1993
Freehold	Vacant land at Lot 3059 Mukim of Hulu Kelang District of Gombak Selangor Darul Ehsan	7.5 acres *	-	6,700	15/6/1990
Freehold	Vacant land at Lot 322 Mukim of Hulu Kelang District of Gombak Selangor Darul Ehsan	11.7 acres *	-	12,847	12/7/1990
Freehold	Vacant land at Geran No. 20438 Lot 36 Bandar Batu Ferringhi Pulau Pinang	4.6 acres *	-	762	7/4/2005
Freehold	**Pantai Sepang Putra** Land with development in progress at Mukim of Sepang Districts of Sepang & Kuala Langat Selangor Darul Ehsan	4,048.4 acres *	-	222,365	27/3/1992
Freehold	Vacant land at Mukim of Jasin, Melaka Darul Amin	5,515.0 acres *	-	330,000	22/5/1996
Freehold	**Emerald East** Balance land with development in progress at Mukim of Rawang, Districts of Gombak & Ulu Selangor Selangor Darul Ehsan	102.1 acres *	-	38,286	11/10/1999

1. PROPERTIES HELD BY THE GROUP AS AT 30 JUNE 2009 *cont' d*

Tenure	Location	Approximate Net Lettable/ Land* Area (sq ft)	Approximate Age (Years)	Net Book Value (RM'000)	Date of Acquisition/ *Date of Revaluation/ **Date Certificate of Fitness obtained
Freehold	**Emerald West** Balance land with development in progress at Mukim of Rawang, Districts of Gombak & Ulu Selangor Selangor Darul Ehsan	743.4 acres *	-	237,977	31/5/2000
Freehold	**Emerald 1B** Land with development in progress at Geran 30372, Lot No 1349 Mukim of Rawang Daerah Ulu Selangor Selangor Darul Ehsan	46.9 acres *	-	8,000	7/4/2005
Leasehold Expiry Date: 16/7/2088	**Commerce One and Residence One** Land with development in progress at Bedford Business Park Mukim of Petaling Wilayah Persekutuan Kuala Lumpur	1.2 acres *	-	10,641	17/7/1989
Freehold	**The Nest** Vacant land in Seksyen 9 Tempat Sungai Kantan Kajang, Daerah Hulu Langat Selangor Darul Ehsan	9.0 acres *	-	18,214	10/8/2006
Freehold	**The Cirrus** Land with development in progress within Taman Mutiara Barat, Off Jalan Cheras Mukim of Kuala Lumpur	16.1 acres *	-	23,755	6/10/2006
Freehold	**Changkat Kia Peng** Vacant land at Geran 25964, Lot 241 Seksyen 0063 Bandar Kuala Lumpur Daerah Kuala Lumpur	0.7 acres *	-	61,397	14/01/2008

2. ANALYSIS OF SHAREHOLDINGS AS AT 28 AUGUST 2009

Authorised Share Capital	: RM1,500,000,000
Issued & Paid-up Capital	: RM350,229,259
Class of Shares	: Ordinary shares of RM0.50 each
Voting Rights	
- On show of hands	: 1 vote
- On a poll	: 1 vote for each share held

Distribution Schedule of Shareholders

Size of Holdings	No. of Shareholders	%	No. of Shares	%
Less than 100	430	4.08	16,842	0.00
100 – 1,000	3,350	31.77	3,097,115	0.44
1,001 – 10,000	5,491	52.07	22,805,601	3.26
10,001 – 100,000	1,135	10.76	32,349,880	4.62
100,001 – less than 5% of issued shares	138	1.31	187,058,500	26.70
5% and above of issued shares	1	0.01	455,130,580	64.98
	10,545	100.00	700,458,518	100.00

Thirty Largest Shareholders

	Names of Shareholders	No. of Shares	%
1.	GLL (Malaysia) Pte Ltd	455,130,580	64.98
2.	HSBC Nominees (Asing) Sdn Bhd *- The Bank Of Nova Scotia*	35,000,000	4.99
3.	Assets Nominees (Tempatan) Sdn Bhd *- Exempt AN for GuocoLand (Malaysia) Berhad (ESOS)*	30,578,100	4.37
4.	YBhg Tan Sri Quek Leng Chan	19,506,780	2.78
5.	Employees Provident Fund Board	15,099,240	2.16
6.	HLB Nominees (Tempatan) Sdn Bhd *- Quek Sue Yian*	10,000,000	1.43
7.	RHB Capital Nominees (Tempatan) Sdn Bhd *- Poh Soon Sim*	9,326,600	1.33
8.	HLB Nominees (Asing) Sdn Bhd *- Central China Holdings Limited*	7,341,600	1.05
9.	Citigroup Nominees (Asing) Sdn Bhd *- Exempt AN for OCBC Securities Private Limited*	4,484,176	0.64
10.	Cimsec Nominees (Asing) Sdn Bhd *- Exempt AN for CIMB-GK Securities Pte Ltd (Retail Clients)*	3,592,360	0.51
11.	RHB Capital Nominees (Tempatan) Sdn Bhd *- Poh Yang Hong*	3,000,000	0.43
12.	HSBC Nominees (Asing) Sdn Bhd *- Exempt AN for Credit Suisse*	2,500,000	0.36
13.	Wang Yen Liang	1,700,000	0.24

2. ANALYSIS OF SHAREHOLDINGS AS AT 28 AUGUST 2009 *cont' d*

Thirty Largest Shareholders *cont' d*

Names of Shareholders		No. of Shares	%
14.	Amsec Nominees (Asing) Sdn Bhd *- Low Check Kian*	1,638,200	0.23
15.	HLG Nominee (Tempatan) Sdn Bhd *- Leong Khai Shaun*	1,566,600	0.22
16.	Poh Yang Hong	1,553,700	0.22
17.	HLB Nominees (Asing) Sdn Bhd *- Chia Choi Chun*	1,500,000	0.22
18.	Kumpulan Wang Simpanan Pekerja	1,500,000	0.22
19.	UOBM Nominees (Asing) Sdn Bhd *- Tay Yun Chwan Henry*	1,480,000	0.21
20.	Chua Holdings Sdn Bhd	1,428,465	0.20
21.	Citigroup Nominees (Asing) Sdn Bhd *- DFA Emerging Markets Small Cap Series*	1,359,800	0.19
22.	HLG Nominee (Asing) Sdn Bhd *- Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)*	1,358,780	0.19
23.	Hong Bee Hardware Company, Sdn. Berhad	1,357,020	0.19
24.	Amsec Nominees (Asing) Sdn Bhd *- Kwong Hang Terry*	1,300,000	0.19
25.	Kadar Shah Bin Sulaiman	1,200,000	0.17
26.	Mayban Securities Nominees (Asing) Sdn Bhd *- Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)*	1,082,710	0.16
27.	HLB Nominees (Asing) Sdn Bhd *- Kan Chui Peng*	1,000,000	0.14
28.	Citigroup Nominees (Asing) Sdn Bhd *- Orcadas Limited*	945,640	0.14
29.	Cimsec Nominees (Tempatan) Sdn Bhd *- June Leong Lai Ling*	769,500	0.11
30.	Ke-Zan Nominees (Asing) Sdn. Bhd. *- The Nassim Fund*	703,000	0.10
		619,002,851	**88.37**

2. ANALYSIS OF SHAREHOLDINGS AS AT 28 AUGUST 2009 *cont' d*

Substantial Shareholders

According to the Register of Substantial Shareholders, the substantial shareholders of the Company as at 28 August 2009 are as follows:

	Direct		Indirect	
Names of Shareholders	No. of Shares	%	No. of Shares	%
1. Hong Leong Company (Malaysia) Berhad	-	-	455,198,596	64.99*A
2. HL Holdings Sdn Bhd	-	-	455,198,596	64.99*B
3. Tan Sri Quek Leng Chan	19,506,780	2.78	466,555,616	66.61*C
4. Kwek Leng Beng	-	-	456,555,616	65.18*D
5. Kwek Holdings Pte Ltd	-	-	456,555,616	65.18*D
6. Hong Realty (Private) Limited	-	-	456,555,616	65.18*D
7. Hong Leong Investment Holdings Pte Ltd	-	-	456,555,616	65.18*D
8. Kwek Leng Kee	-	-	456,555,616	65.18*D
9. Davos Investment Holdings Private Limited	-	-	456,555,616	65.18*D
10. Quek Leng Chye	-	-	456,555,616	65.18*D
11. GLL (Malaysia) Pte Ltd	455,130,580	64.98	-	-
12. GuocoLand Limited	-	-	455,130,580	64.98*E
13. GuocoLand Assets Pte Ltd	-	-	455,130,580	64.98*E
14. Guoco Group Limited	-	-	455,130,580	64.98*E
15. GuoLine Overseas Limited	-	-	455,130,580	64.98*E
16. GuoLine Capital Assets Limited	-	-	455,130,580	64.98*E

*A Held through subsidiaries
*B Held through Hong Leong Company (Malaysia) Berhad
*C Held through Hong Leong Company (Malaysia) Berhad, a company in which the substantial shareholder has interest and children who are not Directors of the Company
*D Heid through Hong Leong Company (Malaysia) Berhad and a company in which the substantial shareholder has interest
*E Held through GLL (Malaysia) Pte Ltd

3. DIRECTORS' INTERESTS AS AT 28 AUGUST 2009

Subsequent to the financial year end, there is no change, as at 28 August 2009, to the Directors' interests in the ordinary shares and/or options/convertible bonds of the Company and/or its related corporations (other than wholly-owned subsidiaries), appearing in the Directors' Report on pages 36 to 39 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 except for the changes set out below:

	No. of ordinary shares or *shares to be issued arising from the exercise of options	%
Direct Interest		
Mr Quek Chee Hoon in:		
Guocoland Limited	16,548,599	1.86
	11,382,000 *	1.28
Indirect Interests		
YBhg Tan Sri Quek Leng Chan in:		
Hong Leong Industries Berhad	195,611,037 **	71.73
GuocoLand Limited	603,070,309	67.95
GuocoLeisure Limited ("GL")	769,074,211 #	56.22

Notes:

** Inclusive of shares held by children who are not Directors of the Company.

Inclusive of shares which are credited/transferred to a company in which YBhg Tan Sri Quek Leng Chan has interest pursuant to the capital distribution of shares of GL to the entitled shareholders of Adjuvant Resources Berhad (formerly known as Camerlin Group Berhad) ("ARB") via a reduction of the share capital and cancellation of ARB's share premium reserve.

4. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into the ordinary course of business) which have been entered into by the Company and its subsidiaries involving the interest of Directors and major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year pursuant to Item 21, Part A, Appendix 9C of the Listing Requirements of Bursa Malaysia Securities Berhad.

GuocoLand (Malaysia) Berhad (300–K)

A Member of the Hong Leong Group

FORM OF PROXY

I/We _____

NRIC/Passport/Company No. _____

of _____

being a member of **GuocoLand (Malaysia) Berhad** (the "Company"), hereby appoint _____

_____

NRIC/Passport No. _____

of _____

or failing him/her _____

NRIC/Passport No. _____

of _____

or failing him/her, the Chairman of the meeting as my/our proxy/proxies to vote for me/us and on my/our behalf at the Eighty-fifth Annual General Meeting of the Company to be held at the Theatrette, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Wednesday, 14 October 2009 at 11.00 a.m. and at any adjournment thereof.

My/Our proxy/proxies is/are to vote either on a show of hands or on a poll as indicated below with an "X":

No.	Resolution	For	Against
1.	To declare a final dividend of 4% less tax		
2.	To approve the payment of Director fees		
3.	To re-elect YBhg Dato' Ong Joo Theam as a Director		
4.	To re-elect Mr Tan Keok Yin as a Director		
5.	To re-appoint YBhg Dato' Chew Kong Seng as a Director pursuant to Section 129 of the Companies Act, 1965		
6.	To re-appoint Messrs Ernst & Young as Auditors and authorise the Directors to fix their remuneration		
7.	As a special business, to approve the ordinary resolution on authority to Directors to issue shares		
8.	As a special business, to approve the ordinary resolution on the proposed shareholders' mandate on recurrent related party transactions of a revenue or trading nature with Hong Leong Company (Malaysia) Berhad ("HLCM") and persons connected with HLCM		
9.	As a special business, to approve the ordinary resolution on the proposed shareholders' mandate on recurrent related party transactions of a revenue or trading nature with the Directors and Major Shareholders of the Company and persons connected with them		
10.	As a special business, to approve the ordinary resolution on the proposed shareholders' mandate on recurrent related party transactions of a revenue or trading nature with Tower Real Estate Investment Trust		
11.	As a special business, to approve the ordinary resolution on the proposed shareholders' mandate on recurrent related party transactions of a revenue or trading nature with Hong Leong Investment Holdings Pte. Ltd. ("HLIH") and persons connected with HLIH		

Dated this _____ day of _____ 2009.

_____ _____

Number of shares held Signature(s) of Member

NOTES:

1. If you wish to appoint other person(s) to be your proxy, insert the name(s) and address(es) of the person(s) desired in the space so provided.
2. If there is no indication as to how you wish your vote(s) to be cast, the proxy will vote or abstain from voting at his/her discretion.
3. A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
4. A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where two proxies are appointed, the proportions of shareholdings to be represented by each proxy must be specified in order for the appointments to be valid (please refer to note 7 below). Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. In the case where a member is a corporation, this Form of Proxy must be executed under its Common Seal or under the hand of its Attorney.
6. All Forms of Proxy must be duly executed and deposited at the Registered Office of the Company at Level 10, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur not less than 48 hours before the time for holding the meeting or adjourned meeting.
7. In the event two (2) proxies are appointed, please fill in the ensuing section:

Names of Proxies	% of shareholdings to be represented