LienHoe

LIEN HOE CORPORATION BERHAD

(Company No. 8507-X)

2010 ANNUAL REPORT

Contents

Corporate Information

DIRECTORS

Mr Yeoh Chong Keat
Independent Non-executive Chairman

Mr Chan Wah Long
Executive Vice Chairman

Dr Teoh Kim Loon
Independent Non-executive Director

Dato' Yap Sing Hock
Managing Director

Mr Cheong Marn Seng, Allen
Executive Director

Mr Wong Chin Hee
Non-independent Non-executive Director

SECRETARY

Lee Sook Peng (MAICSA 0810465)

REGISTERED OFFICE

18th Floor, Menara Lien Hoe
No. 8, Persiaran Tropicana
Tropicana Golf & Country Resort
47410 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7805 1331 Fax: 03-7805 3112

AUDITORS

Ernst & Young
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel: 03-7495 8000 Fax: 03-2095 9076

PRINCIPAL FINANCIAL INSTITUTIONS

Bangkok Bank Berhad
Hwang DBS Investment Bank Berhad

REGISTRAR

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: 03-2264 3883 Fax: 03-2282 1886

STOCK EXCHANGE LISTING

The Main Market of Bursa Malaysia
Securities Berhad

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 41st Annual General Meeting of the members of Lien Hoe Corporation Berhad will be held at Atlanta Ballroom, Level 3, Hotel Armada, Lorong Utara C, Section 52, 46200 Petaling Jaya on Wednesday, 22 June 2011 at 11.00 a.m. for the purpose of transacting the following businesses:-

AS ORDINARY BUSINESS

1. To lay the Audited Financial Statements of the Company for the financial year ended 31 December 2010 together with the Directors' and Auditors' Reports thereon. *(Resolution 1)*

2. To approve the payment of Directors' fees. *(Resolution 2)*

3. To re-elect Mr Cheong Marn Seng, Allen who retires in accordance with Article 84 of the Company's Articles of Association. *(Resolution 3)*

4. To re-elect Dr Teoh Kim Loon who retires in accordance with Article 84 of the Company's Articles of Association. *(Resolution 4)*

5. To re-appoint Messrs Ernst & Young as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company, at a remuneration to be determined by the Directors. *(Resolution 5)*

AS SPECIAL BUSINESS

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

6. **ORDINARY RESOLUTION 1 - SECTION 132D OF THE COMPANIES ACT, 1965**

   "THAT pursuant to the provision of Section 132D of the Companies Act, 1965 and approvals from Bursa Malaysia Securities Berhad and other relevant governmental/regulatory authorities where such approvals shall be necessary, authority be and is hereby given to the Directors of the Company to issue and allot shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued and paid up share capital of the Company for the time being and such authority shall continue in force until the next Annual General Meeting of the Company." *(Resolution 6)*

7. **ORDINARY RESOLUTION 2 - PROPOSED RENEWAL OF SHAREHOLDERS' APPROVAL FOR SHARE BUY-BACK**

   "THAT subject to the Companies Act, 1965, provisions of the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and any other relevant authorities, the Directors of the Company be and are hereby authorized to make purchases of ordinary shares of RM1.00 each in the issued and paid-up share capital of the Company through Bursa Malaysia Securities Berhad, provided that:-

(i) the maximum number of ordinary shares purchased and/or held by the Company shall not exceed 10% of the issued and paid up share capital of the Company;

(ii) the total maximum amount of funds to be utilized for the Proposed Share Buy-Back shall not exceed the aggregate of retained profits and/or the share premium account of the Company based on its audited financial statements for the financial year ended 31 December 2010; and

(iii) upon completion of the purchase(s) of its shares by the Company, the shares shall be dealt with in the following manner:-

(a) to cancel the shares so purchased; or

(b) to retain the shares so purchased as treasury shares, which may be distributed as dividends to the shareholders, and/or resold on the stock market of Bursa Malaysia Securities Berhad; or

(c) to retain part of the shares so purchased as treasury shares and cancel the remainder.

AND THAT the authority conferred by this resolution will be effective upon the passing of this resolution and will continue to be in force until:-

(a) the conclusion of the next annual general meeting of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at a general meeting, either unconditionally or subject to conditions;

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

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

whichever so occurs first, but not to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date, and in any event, in accordance with the provisions of the guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorized to do all acts, deeds and things and to execute, sign and deliver all such documents and/or agreements as they may deem necessary or expedient in the best interest of the Company and with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities to give effect to and to complete the aforesaid Proposed Share Buy-Back."
(Resolution 7)

8. **SPECIAL RESOLUTION – PROPOSED AMENDMENT TO ARTICLE 157 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

THAT the existing Article 157 of the Articles of Association of the Company be deleted in its entirety and substituted thereof with a new Article 157 as follows:-

Existing Article 157
Payment by cheque - Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder of, in the case of joint holder, to the registered address of that one of the joint holder who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent, and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant shall be sent at the risk of the person entitled to the money thereby represented. Anyone of two or more joint holders may give effectual receipts for any dividends, bonuses, or other money payable in respect of the shares held by them as joint holders.

New Article 157
Payment by cheque or electronic transfer of remittance - Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder of, in the case of joint holder, to the registered address of that one of the joint holder who is first named on the Register of Members and/or Record of Depositor or to such person and to such address as the holder or joint holders may in writing direct or maybe paid via electronic transfer of remittance to the bank account provided by the holder who is named in the Register of Members and/or Record of Depositor. Every such cheque or warrant or electronic transfer of remittance shall be made payable to the order of the person to whom it is sent or remitted, and the payment of any such cheque or warrant or electronic transfer of remittance shall operate as a good discharge to the Company in respect of the dividend represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or the instruction for the electronic transfer of remittance or that the endorsement thereon has been forged. Every such cheque or warrant or electronic transfer of remittance shall be sent or remitted at the risk of the person entitled to the money thereby represented. Anyone of two or more joint holders may give effectual receipts for any dividends, bonuses, or other money payable in respect of the shares held by them as joint holders. *(Resolution 8)*

9. To transact any other business of the Company for which due notice shall be given.

BY ORDER OF THE BOARD

LEE SOOK PENG
MAICSA 0810465
Secretary
Petaling Jaya, Selangor Darul Ehsan
30 May 2011

NOTES

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

2. In the case of a corporate member, the form of proxy appointing a corporate representative must be executed under seal or under the hand of an officer or attorney duly authorised.

3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account the authorised nominee holds with ordinary shares of the Company standing to the credit of the securities account.

4. The form of proxy must be deposited at the registered office of the Company at 18th Floor, Menara Lien Hoe, 8 Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan, not later than 48 hours before the time stipulated for holding of the meeting or any adjournment thereof.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution 6 is proposed for the purpose of granting a renewed general mandate and empowering the Directors of the Company, pursuant to Section 132D of the Companies Act, 1965, to issue new shares in the Company up to an aggregate amount not exceeding 10% of the issued and paid up share capital of the Company for such purpose as they consider would be in the interest of the Company. This will avoid any delay and cost involved in convening a general meeting to approve such issue of shares. The general mandate, unless revoked or varied by the Company in 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 June 2010 and which will lapse at the conclusion of the 41st Annual General Meeting.

Resolution 7, if passed, will empower the Company to purchase its own shares of an amount, which, when aggregated with the existing treasury shares, does not exceed 10% of its prevailing issued and paid-up share capital. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. For further information on the proposed share buy-back, please refer to the statement to shareholders dated 30 May 2011 which is despatched together with the 2010 Annual Report.

Special Resolution on Proposed Amendment to Article 157 of the Articles of Association of the Company, will allow the Company to pay its dividends by way of electronic transfer of remittances in line with the amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to electronic dividend payment.

2010 ANNUAL REPORT

The 2010 Annual Report is in the CD-ROM format. Printed copy of the Annual Report shall be provided to the members upon request. Members who wish to receive the printed copy of the Annual Report and who require assistance with viewing the CD-ROM, kindly contact Ms Lee Sook Peng or Ms Wong Ngoke Meng at Tel. No. 03-78051331, Fax No. 03-78035133 or e-mail to lienhoe@lienhoe.com.my.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

The profile of the Directors standing for re-election can be found on pages 8 to 10 of the 2010 Annual Report.

Profile of Directors

Mr Yeoh Chong Keat
(52 years of age – Malaysian)
Independent Non-executive Chairman

He was appointed a Director of the Company on 6 December 2001 and Chairs the Audit, Remuneration, Nomination and Risk Management Committees. He was also appointed as Chairman of the Company on 16 September 2009.

He is a chartered accountant by profession and is a Fellow of the Institute of Chartered Accountants in England and Wales, Fellow of the Malaysian Institute of Taxation, a Chartered Accountant of the Malaysian Institute of Accountants and a member of the Malaysian Institute of Certified Public Accountants.

He has been in professional practice upon his return from the United Kingdom in 1982 where he trained and qualified as a chartered accountant with the firm of Deloitte Haskins & Sells (now part of PricewaterhouseCoopers, United Kingdom) and was also formerly the Executive Director PFA Corporate Services Sdn Bhd for over 10 years.

Currently he is the external company secretary of a number of public companies listed on Bursa Malaysia Securities Bhd and is also an independent non-executive director of Cheetah Holdings Bhd and Tambun Indah Land Bhd and a non-independent non- executive director of Nagamas International Bhd, all listed on Main Market of Bursa Malaysia Securities Bhd. He is also a director of XOX Bhd, which is enroute for a listing on the ACE Market of Bursa Malaysia Securities Bhd.

Dato' Yap Sing Hock
(62 years of age – Malaysian)
Managing Director

He was appointed the Managing Director of the Company on 30 January 2002. He also serves as a member of the Board's Nomination, Remuneration, Risk Management and Director Executive Committees.

He started his career as a building contractor before venturing into property development in the Klang Valley and Johor Baru. He has also been active in real estate investment in Hong Kong and Singapore.

Mr Chan Wah Long
(57 years of age – Malaysian)
Executive Vice Chairman

He was appointed the Vice Chairman of the Company on 7 July 2004. He also serves as a member of the Board's Director Executive Committee.

He graduated from the London School of Economics with Bachelor of Science in economics in 1977 and began his career in the property industry by joining Rahim & Co. in 1978. He was the Managing Director of the Company from 1988 and resigned on 18 January 2002. He remained as the Advisor of the Company until his re-appointment as the Vice Chairman of the Company.

Mr Cheong Marn Seng, Allen
(46 years of age – Malaysian)
Executive Director

He was appointed as an Executive Director of the Company since 2001. He also serves as a member of the Board's Director Executive Committee.

He holds a Bachelor of Commerce degree in economic and finance from The University of Melbourne, Australia and is a Chartered Accountant of the Malaysian Institute of Accountants. He has wide experience and knowledge in the field of corporate finance, after working in the corporate finance department of an investment bank for 8 years in senior management position. Prior to his stint with the investment banking industry, he was attached to two international accounting firms for several years in the audit and financial services division.

He is responsible for the financial management, strategic planning and corporate finance of the Group and also oversees the day-to-day operation of the hotel business of the Group.

He is also an independent non-executive director of Gefung Holdings Bhd, a company listed on Bursa Malaysia Securities Bhd.

Dr Teoh Kim Loon
(57 years of age – Malaysian)
Independent Non-executive Director

He was appointed a Director of the Company on 7 July 2004. He also serves as a member of the Board's Audit, Risk Management, Remuneration and Nomination Committees.

He graduated in medicine with the MBBS from University of Malaya in 1979. He started his own general practice in 1983. In 1999, he was appointed an independent non-executive director of Pharmaniaga Bhd, a company listed on the second board of Bursa Malaysia Securities Bhd. He resigned as a director from Pharmaniaga Bhd in 2001 and assumed the post of Director/Chief Executive of TDMC Hospital Sdn Bhd which owns a 128 bed private hospital in Kuala Lumpur.

He is also the founder member of Korporatif Doctor Malaysia, a life member of Malaysian Medical Association and a member of the American Board of Independent Medical Examiner and is an independent non-executive director of Seloga Holdings Bhd, a company listed on Bursa Malaysia Securities Bhd.

Mr Wong Chin Hee
(50 years of age – Malaysian)
Non-independent Non-executive Director

He was appointed a Director of the Company on 16 September 2009. He also serves as a member of the Board's Audit Committee.

He is an Associate Member of The Institute of Chartered Secretaries and Administrators since 1995. He has wide experience in the property industry and is currently the Principal of The Golden Triangle Real Estate Agents and a Director of Equipark Sdn Bhd, the developer of Sri Acappella Service Apartments in Shah Alam, Selangor.

OTHER DISCLOSURE BY THE BOARD OF DIRECTORS

None of the Directors has any family relationship with any director and/or substantial shareholders of the Company. The Directors do not have any conflict of interest with the Company and they have not convicted any offences within the past 10 years. As at 3 May 2011, the interest of Directors in shares of the Company were as follows:-

Name	Direct Holdings		Indirect Holdings	
	No. of shares	% (i)	No. of shares	% (i)
Mr Yeoh Chong Keat	-	-	-	-
Dato' Yap Sing Hock	103,183,417	30.09	3,821,250	1.11
Mr Chan Wah Long	445,249	0.13	12,068,037	3.52
Mr Cheong Marn Seng, Allen	526,500	0.15	-	-
Dr Teoh Kim Loon	900,550	0.26	-	-
Mr Wong Chin Hee	12,547,709	3.66	-	-

Note: (i) Excluding 18,796,100 ordinary shares bought back by the Company and retained as Treasury Shares.

Chairman's and Managing Director's Joint Message

Dear Valued Shareholders

On behalf of the Board of Directors, we are pleased to present to you the Annual Report of the Company for the financial year ended 31 December 2010.

Operating results

For the year under review, the Group achieved revenue of RM70.64 million derived largely from property investment, building construction and hotel operations. This represents a drop of 5.3% from the previous year's revenue of RM74.57 million. Group operating profit, however rose 4.4% to RM30.39 million from RM29.11 million a year ago.

The Group's property investment segment continued to maintain its occupancy rate with steady rental income. It registered revenue of RM5.11 million as compared to RM3.76 million in previous year. The net operating profit was however lower at RM0.44 million in comparison to RM3.72 million in prior year due primarily to the absence of gain from sale of land.

Macro Resources Sdn Bhd, the Group's building construction unit, recorded a 16.7% decrease in revenue to RM40.53 million from RM48.64 million in previous year owing to slower progress billing as a result of most new projects had yet to commence significant contribution. During the course of the year, we successfully completed works on the 6-storey basement carpark at MK28, Mont'Kiara, 133 units of double storey super-link houses at Temasya Suria Glenmarie, Shah Alam and 30 units of shop-office at Sri Petaling. Consequently this segment saw a decline in net operating profit to RM2.57 million from RM4.63 million previously.

The Group's hotel and leisure segment registered an improved performance as our Hotel Armada chalked up higher revenue of RM22.60 million, as opposed to RM21.02 million achieved in previous year, driven by stronger room and food & beverage sales. In tandem with the rise in revenue and coupled with better profit margin, the net operating profit of the hotel and leisure segment increased by 39.3% to RM8.62 million.

The Group's net profit for the year amounted to RM1.11 million. Compared with the net profit of RM15.74 million achieved in 2009, the difference is mainly attributable to the reversal of impairment loss arising from investment in associate of RM15.56 million which was recognized in last year's accounts.

Financial position

The financial position of the Group continued to remain healthy with relatively low debt gearing. Most of the investment properties and land on our balance sheet are stated well below their market values as we prefer to adopt the prudent policy of stating our assets at cost less accumulated depreciation. Reflecting our confidence in the Company's financial strength, we have in the financial year 2010 utilized a sum of RM5.57 million to repurchase the Company's own shares with the view of enhancing shareholder value.

Business outlooks

While the worst of the economic downturn appears to be over, the year ahead will still be challenging as recent external events such as the political tensions in North Africa and Middle East and oil price volatility will continue to affect economic and business conditions. We are therefore cautiously optimistic for the financial year 2011.

For the year ahead, the strategic thrust of the Group is to develop the 5.43 acres of land in Tebrau, Johor Baru into 70,000 square meters of residential space with gross sale value estimated at over RM300 million. We are presently awaiting planning approval for this development.

While it is not realistic to expect any contribution from the property development activity for the financial year 2011, we expect our existing businesses to perform better than last year. Our expectation is underpinned by the new jobs secured by the building construction unit valued at a total of RM110 million of which RM80 million is projected to be recognized in the financial year 2011. Likewise our hotel and leisure segment is set for further growth in earnings as both Hotel Armada and Christine Resort have recently undergone major renovation and refurbishment.

Acknowledgement

Finally we wish to express our sincere appreciation to all shareholders and stakeholders, including our customers, bankers and business associates who have graciously supported us. We also like to convey our deepest gratitude to our fellow directors, management teams and all the employees of the Group for their sacrifices and unwavering commitment in the past year.

YEOH CHONG KEAT
Non-executive Chairman
3 May 2011

DATO' YAP SING HOCK
Managing Director

Statement on Corporate Governance

The Board of Directors ("the Board") of Lien Hoe Corporation Berhad continues to endeavour compliance with all the key principles and practices of the Malaysian Code on Corporate Governance. The following statement outlines the corporate governance practices that were in place throughout the financial year ended 31 December 2010.

1. BOARD OF DIRECTORS

1.1 Board Composition and Balance

The Board presently consists of 6 members; comprising 3 Executive Directors, 2 Independent Non-executive Directors and 1 Non-independent Non-executive Director. Collectively the Board has a mix of industry-specific knowledge and technical skills which are necessary for the leadership and management of the Group. The profile of each of the members of the Board can be found on pages 8 to 10 of this Annual Report.

There is balance in the Board represented by the presence of 2 Independent Non-executive Directors who will review and discuss the strategies proposed by the Management to ensure that the long term interests of minority shareholders are taken into consideration.

1.2 Board Responsibilities

The Board is overall responsible for the strategic direction and business performance of the Group by specifically focusing on issues relating to strategic plan, business conduct, risk management and internal control.

The Board meets regularly to review the Group's corporate strategy, business operations, financial results and also to decide on matters significant to the Group's business and finances including approval of annual operating budget, major capital expenditure, material acquisition and disposal of assets.

1.3 Board Meetings

6 board meetings were held in the financial year ended 31 December 2010 and the attendance record of each director is as follows:

Board of Directors	Meeting Attendance
Mr Yeoh Chong Keat	6/6
Dato' Yap Sing Hock	6/6
Mr Chan Wah Long	6/6
Mr Cheong Marn Seng, Allen	6/6
Dr Teoh Kim Loon	6/6
Mr Wong Chin Hee	6/6

During the year, the Board resolved and approved the Group's matters through board meetings or by way of circular resolutions.

1.4 Supply of Information

The Board had been supplied with complete and timely information to enable it to discharge its responsibilities. All notices of meetings together with the agenda and discussion papers were served on the Directors in advance of the meeting dates. The Board has access to advice and services of the Company Secretary.

1.5 Board Appointment and Re-election

In accordance with the Company's Articles of Association, all Directors appointed by the Board are subject to re-election by the shareholders at the annual general meeting following their appointment.

At least one third of the Directors are required to retire from office by rotation annually and shall be eligible for re-election at each annual general meeting.

1.6 Board Committee

The Board has delegated specific responsibilities to other Board Committees. The details of each of the said committees are set out below:-

1.6.1 Audit Committee

The Terms of Reference of the Audit Committee, its members and its activities during the financial year, details of attendance of each member and the number of meetings held are set out on pages 18 to 21 of this Annual Report.

1.6.2 Executive Committee

The Executive Committee which comprises Dato' Yap Sing Hock, Mr Chan Wah Long and Mr Cheong Marn Seng, Allen was established to be responsible for, inter-alia, the following duties and responsibilities:

- To review and monitor the performance of all operating units and subsidiaries of the Company;
- As approving authority for all capital expenditures and contractual commitments exceeding RM1,000,000 undertaken by the Group; and
- To review and prescribe policies in relation to the day to day operations of the Group.

1.6.3 Nomination Committee

The Nomination Committee consist of Mr Yeoh Chong Keat, Dato' Yap Sing Hock and Dr Teoh Kim Loon.

The Nomination Committee serves to facilitate appointment of new directors as and when necessary and will give due consideration to the mix of experience and skills required for an effective Board.

1.6.4 Remuneration Committee

The Remuneration Committee consists of Mr Yeoh Chong Keat, Dato' Yap Sing Hock and Dr Teoh Kim Loon.

The Remuneration Committee reviews and recommends to the Board the remuneration of the Executive Directors of the Company. The Directors do not participate in decisions on their own remuneration.

1.6.5 Risk Management Committee

The Risk Management Committee consist of Mr Yeoh Chong Keat, Dato' Yap Sing Hock and Dr Teoh Kim Loon.

The Risk Management Committee assists the Board to oversee the management of risk issues and review the efficacy of the internal controls of the Group.

2. DIRECTORS' REMUNERATION

Analysis of the Directors' Remuneration are set out on pages 90 to 91 of this Annual Report.

3. ACCOUNTABILITY AND AUDIT

3.1 Financial Reporting

The Board aims to provide a balanced and understandable assessment of the Company's financial position and prospects at the end of the financial year.

The Group publishes full financial statements annually and quarterly results announcements as required by the Listing Requirements. The Audit Committee assists the Board by reviewing the disclosure information to ensure accuracy and adequacy.

3.2 Internal Control

The Statement on Internal Control appended on pages 22 to 23 of this Annual Report provides an overview of the Company's approach in maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets.

3.3 Relationship with the Auditors

The Company has always maintained a transparent and appropriate relationship with its auditors in seeking their professional advice and ensuring compliance with accounting standards in Malaysia.

The role of the Audit Committee in relation to the auditors is detailed in the Audit Committee Report set out on pages 18 to 21 of this Annual Report.

4. DIRECTORS' TRAINING

All the Directors have attended training except for Dato' Yap Sing Hock and Mr Chan Wah Long who were unable to attend due to work commitments. The training programmes attended by the Directors were on areas relating to corporate governance, taxation, mastering international commercial contracts and high performance control system. The Directors will continue to undergo other relevant training programmes and seminars to keep abreast with developments in the capital markets, relevant changes in rules and regulations and the business environment from time to time.

5. RELATIONS WITH SHAREHOLDERS AND INVESTORS

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company. Announcements and release of quarterly financial results provide the shareholders and the investing public with an overview of the Group's performance and operations.

The annual general meeting is the principal forum for dialogue with individual shareholders and investors. At the Company's annual general meeting, shareholders are encouraged to ask questions and express their views about the Company's business and financial issues.

6. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

During the financial year ended 31 December 2010, Hotel Armada (PJ) Sdn Bhd, a wholly-owned subsidiary company carried out several social activities as part of its contributions to the community including hosting a Chinese New Year luncheon in collaboration with Yayasan Nanyang for the disabled and old folks from Pusat Kebajikan Insan and Persatuan Kebajikan Ci Hang, hosting a Hari Raya luncheon in collaboration with YAM Dato' Seri Tengku Puteri Zahariah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah for the "Orang Kurang Upaya Pendengaran" as well as visiting the Home of Peace, a home for abused girls. The Company also contributed a total of RM77,880 towards various charitable organisations.

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

The Directors are to ensure that appropriate accounting policies have been used and applied consistently, and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements.

The Directors are responsible for ensuring the Group keeps proper accounting records so as to enable the preparation of the financial statements with reasonable accuracy.

The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Company and of the Group, to prevent and detect fraud and other irregularities.

Audit Committee

THE AUDIT COMMITTEE COMPRISES THE FOLLOWING DIRECTORS: -

MR YEOH CHONG KEAT
(Independent Non-executive Chairman)

DR TEOH KIM LOON
(Independent Non-executive Director)

MR WONG CHIN HEE
(Non-independent Non-executive Director)

TERMS OF REFERENCE

COMPOSITION

The Committee shall be appointed by the Board of Directors ("the Board") from amongst its Directors which fulfils the following requirements: -

(a) the Audit Committee must be composed of no fewer than 3 members;

(b) a majority of the audit committee members must be independent directors and all the audit committee members must be non executive directors;

(c) at least one member of the Audit Committee: -

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

  (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and: -

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

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

  (iii) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

(d) no alternate director is appointed as a member of the audit committee.

In the event of any vacancy in the Audit Committee resulting in the non-compliance of the above paragraph, the Company must fill the vacancy within 3 months.

The members of the Audit Committee shall select a chairman from among themselves who shall be an independent director.

The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board once every 3 years to determine whether the Audit Committee and members have carried out their duties in accordance with their terms of reference.

RIGHTS OF THE AUDIT COMMITTEE

The Company must ensure that wherever necessary and reasonable for the performance of its duties, the Audit Committee shall, in accordance with a procedure to be determined by the Board and at the cost of the Company: -

(a) have authority to investigate any matter within its terms of reference;

(b) have the resources which are required to perform its duties;

(c) have full and unrestricted access to any information pertaining to the Company;

(d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);

(e) be able to obtain independent professional or other advice; and

(f) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

REPORTING OF BREACHES TO BURSA MALAYSIA SECURITIES BERHAD

Where the Audit Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of these Requirements, the Audit Committee must promptly report such matter to Bursa Malaysia Securities Berhad.

FUNCTIONS

The functions of the Audit Committee shall be: -

(a) To review

(i) with the external auditors, the audit plan;

(ii) with the external auditors and internal auditors, the evaluation of the system of internal controls;

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

(iv) the assistance given by the Company's officers to the auditors;

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

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

(vii) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on: -

- changes in or implementation of major accounting policy changes;
- significant and unusual events; and
- compliance with accounting standards and other legal requirements;

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

(ix) any letter of resignation from the external auditors of the Company; and

(x) whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment.

(b) To consider the nomination of a person or persons as external auditors together with such other functions as may be agreed to by the Audit Committee and the Board.

MEETINGS

Meetings shall be held no fewer than 4 times a year and the external auditors may request a meeting if they consider that one is necessary. A representative of the external auditors shall normally attend meetings.

In order to form a quorum in respect of a meeting of the Audit Committee, the majority of members present must be independent directors.

The Company Secretary shall be the Secretary of the Audit Committee and shall circulate the minutes of the meetings of the Audit Committee to all members of the Board.

NUMBER OF AUDIT COMMITTEE MEETINGS HELD IN THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 AND ATTENDANCE OF EACH MEMBER

The Audit Committee met 5 times during the financial year ended 31 December 2010 and the attendance of each member of the Audit Committee are as follows:-

Composition of the Audit Committee	Meeting Attendance
Mr Yeoh Chong Keat	5/5
Dr Teoh Kim Loon	5/5
Mr Wong Chin Hee	5/5

SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

During the financial year ended 31 December 2010, 5 Audit Committee meetings were held. The Audit Committee met twice with the external auditors without the presence of other executive directors.

The Audit Committee had discharged its duties as set out in its Terms of Reference. During the financial year ended 31 December 2010, the activities undertaken by the Audit Committee included the following:-

1. Reviewed the quarterly and annual financial results announcements and recommending for the approval by the Board, focusing particularly on compliance with accounting standards and regulatory requirements;

2. Reviewed the nature and scope of the audit with the external auditors, considered any significant changes in accounting and auditing issues, reviewed the management letter and management's response; and

3. Reviewed the scope of internal audit plan and the results of the audit work carried out by the internal audit function as well as the recommendations suggested by the internal audit function and the actions taken by Management on such recommendations.

Statement on Internal Control

The Board of Directors ("Board") recognizes the importance of good practice of corporate governance and is committed to maintain a sound system of internal control to safeguard shareholders' investments and Group's assets and is pleased to provide the following statement, which outlines the nature and scope of internal control of the Group for the financial year ended 31 December 2010.

1. BOARD'S RESPONSIBILITIES

The Board affirms its overall responsibility for the Group's system of internal control, risk management and reviewing the adequacy and integrity of these systems. The system of internal control can only provide reasonable and not absolute assurance against material misstatement or loss as it is designated to manage rather than eliminate the risk of failure to achieve the Group's business objectives.

2. KEY ELEMENTS OF THE GROUP'S INTERNAL CONTROL SYSTEM

2.1 Control Environment and Control Activities

- An organization structure with defined lines of responsibility and a process of hierarchical reporting is in place.
- Experienced and competent staff are placed in areas of responsibility to support and continuously monitor the effectiveness of the Group's system of internal control.
- Clearly defined authorization limits at appropriate levels are set out in an authority matrix for controlling and approving capital expenditure and expenses.
- Clearly documented Internal Policies, Standard Operating Procedures and Personnel Manual set to provide a clear framework for good internal control practices. These policies manuals are subject to regular reviews to meet new business requirements.

2.2 Monitoring and Communication

- Regular Board and Management meetings to assess performance and controls.
- Regular visits to operating units by members of the Board and senior management whenever appropriate.
- Regular review of business processes to assess the effectiveness of internal controls by the independent internal audit unit. Reports on findings of the internal audit are presented to the Audit Committee of the Board for consideration.

2.3 Risk Management

Risk management forms an integral part of the Group's business operations. The process of identifying, evaluating, monitoring and managing significant risks is embedded in the various work processes and procedures of the respective operational functions and management team. Any significant issues and controls implemented were discussed at operations and management meetings.

3. INTERNAL AUDIT FUNCTION

In accordance with the Malaysian Code on Corporate Governance, the Board has established an internal audit function to review the adequacy and integrity of its system of internal control. The internal audit function of the Group is outsourced to an independent business consulting firm. The responsibilities of the internal auditors include conducting audits, submitting findings and the provision of independent report to the Audit Committee on the Group's systems of internal control.

Internal audit plans are reviewed and approved by the Audit Committee and the plans include independent appraisal on the compliance, adequacy and effectiveness of the Group's internal control system. The findings of the internal audit function, including its recommendations and Management's responses, were reported to the Audit Committee. In addition, the internal audit function followed up on the implementation of recommendations from previous cycles of internal audit and updates the Audit Committee on the status of Management-agreed action plan implementation. For the financial year ended 31 December 2010, the total costs incurred for the outsourced internal audit function is RM43,112 inclusive of reimbursable expenses and service tax.

4. REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Internal Control for inclusion in this Annual Report and had reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

5. CONCLUSION

For the year under review, the Board is of the opinion that the internal control system currently in place is adequate and effective to safeguard the Group's interests and assets.

For the coming year, the Board will continually assess the adequacy and effectiveness of the Group's system of internal control and to strengthen it, as and when necessary.

This statement is made in accordance with the resolution given by the Board dated 3 May 2011.

SHARE BUY-BACK

In the financial year ended 31 December 2010 , the Company purchased 18,796,100 of its own shares from the open market. All the shares purchased were retained as treasury shares and none of the treasury shares held were resold nor cancelled by the Company in the financial year ended 31 December 2010. As at 31 December 2010, a total of 18,796,100 shares were held as treasury shares.

The details of the shares purchased in the financial year ended 31 December 2010 were as follows:

Month	No. of shares purchased	Purchase price per share		Average cost per share* sen	Total consideration RM'000
		Lowest sen	Highest sen		
July	7,717,800	26.5	30.5	28.9	2,234
August	1,544,700	28.0	31.0	29.8	461
September	8,139,300	28.5	31.0	30.1	2,452
October	775,500	29.0	31.0	30.4	236
December	618,800	29.0	30.5	29.9	185
Total	18,796,100	-	-	-	5,568

* Average cost per share is inclusive of transaction costs.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

In the financial year ended 31 December 2010, the Company did not issue any options, warrants or convertible securities.

DEPOSITORY RECEIPT PROGRAMME ('DRP')

The Company did not sponsor any DRP in the financial year ended 31 December 2010.

SANCTIONS AND /OR PENALTIES

Since the end of the previous financial year, there were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the regulating bodies.

NON-AUDIT FEES

The amount of non-audit fees incurred for services rendered by the external auditors and its affiliated firms in the financial year ended 31 December 2010 was RM87,700 (2009: RM108,500).

VARIATION IN RESULTS

There were no variances of 10% or more between the audited results for the financial year ended 31 December 2010 and the unaudited results previously announced by the Company.

PROFIT GUARANTEE

There were no profit guarantee given by the Company for the financial year ended 31 December 2010.

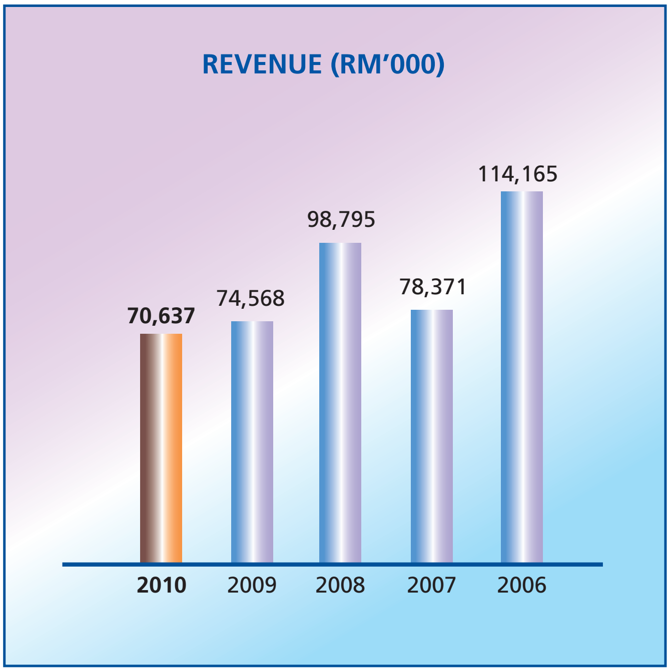
MATERIAL CONTRACTS

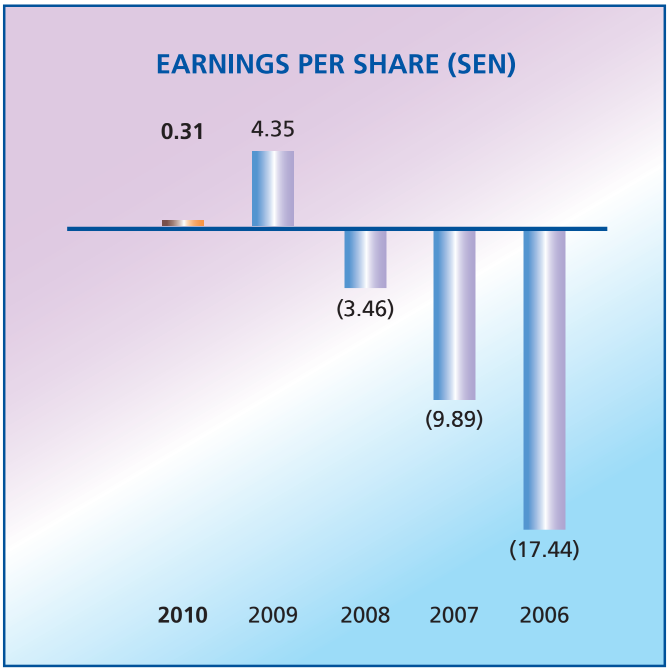
Since the end of the previous financial year, there were no material contracts entered into by the Company and its subsidiaries, involving the directors or substantial shareholder of the Company.

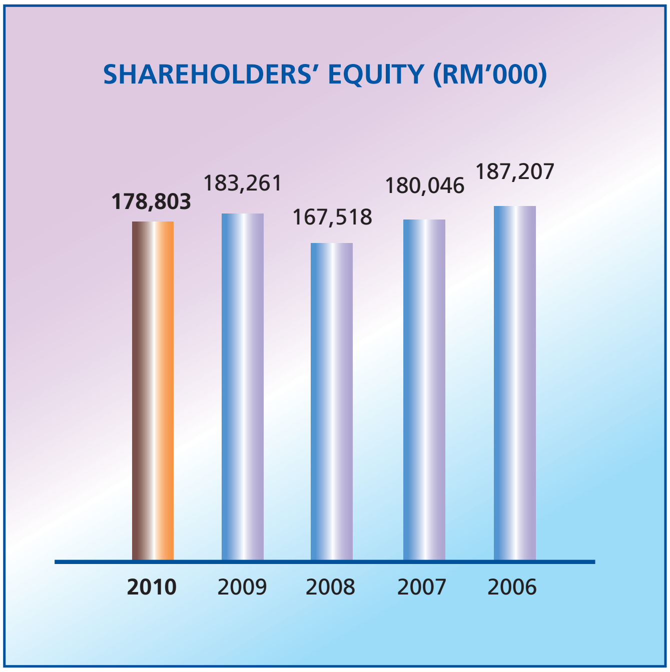
REVALUATION POLICY

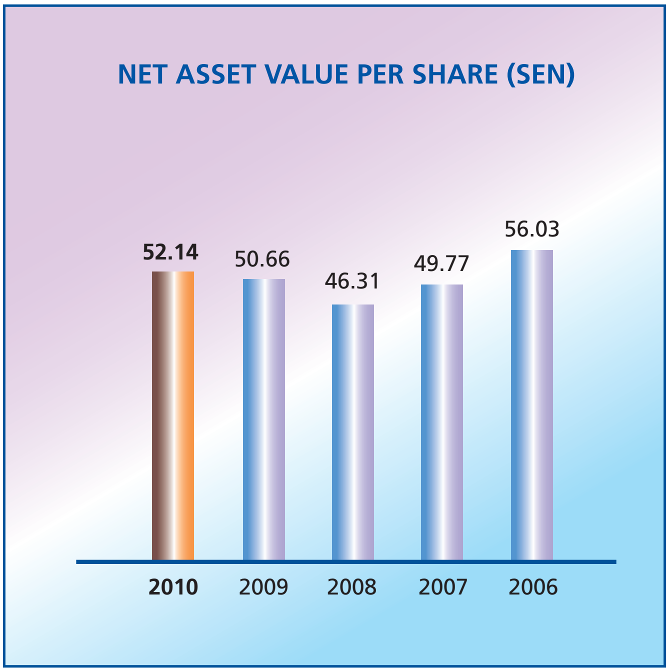
The Group did not adopt any revaluation policy on its properties.

Five Years Financial Highlights









Directors' Report

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The Company is a property and investment holding company.

The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Profit/(loss) net of tax, attributable to owners of the parent	1,110	(6,889)

There were no material transfers to or from reserves or provisions in the current financial year.

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

DIVIDENDS

No dividend has been paid or declared since the end of the previous financial year.

DIRECTORS

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

Yeoh Chong Keat
Dato' Yap Sing Hock
Chan Wah Long
Cheong Marn Seng
Dr. Teoh Kim Loon
Wong Chin Hee

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 24(a) to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the current financial year in shares in the Company during the current financial year were as follows:

	Number of ordinary shares of RM1 each			
	1 January 2010	**Acquired**	**Sold**	**31 December 2010**
The Company				
Direct interest				
Dato' Yap Sing Hock	108,583,417	100,000	(5,000,000)	103,683,417
Chan Wah Long	445,249	-	-	445,249
Dr. Teoh Kim Loon	900,550	-	-	900,550
Cheong Marn Seng	325,000	201,500	-	526,500
Wong Chin Hee	10,610,709	2,000,000	(63,000)	12,547,709
Indirect interest				
Dato' Yap Sing Hock	821,250	3,000,000	-	3,821,250
Chan Wah Long	14,077,037	-	(2,009,000)	12,068,037

Dato' Yap Sing Hock, Chan Wah Long, Dr. Teoh Kim Loon, Cheong Marn Seng and Wong Chin Hee by virtue of their interests in shares in the Company are also deemed interested in the shares in all the Company's subsidiaries to the extent in which the Company has an interest.

Yeoh Chong Keat who held office at the end of the current financial year does not have any interest in shares in the Company or its related corporations during the current financial year.

TREASURY SHARES

During the current financial year, the Company repurchased 18,796,100 of its issued ordinary shares from the open market at an average price of 29.6 sen per share. The total consideration paid for the repurchase including transaction cost was RM5,568,000. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 31 December 2010, the Company held as treasury shares a total of 18,796,100 of its 361,742,241 issued ordinary shares. Such treasury shares are held at a carrying amount of RM5,568,000 and further relevant details are disclosed in Note 15 to the financial statements.

OTHER STATUTORY INFORMATION

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

    (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance 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 had been written down to an amount which they might be expected so to realise.

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

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

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

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

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

(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 current financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the current 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 current financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

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

SIGNIFICANT EVENTS

Details of significant events are disclosed in Note 33 to the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 21 April 2011.

Dato' Yap Sing Hock | **Cheong Marn Seng**

Statement by Directors and Statutory Declaration

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

We, Dato' Yap Sing Hock and Cheong Marn Seng, being two of the directors of Lien Hoe Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 34 to 105 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2010 and of their financial performance and cash flows for the year then ended.

The information set out in Note 39 on page 106 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 21 April 2011.

Dato' Yap Sing Hock **Cheong Marn Seng**

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

I, Cheong Marn Seng, being the director primarily responsible for the financial management of Lien Hoe Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 34 to 106 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 Cheong Marn Seng
at Kuala Lumpur in the Federal Territory
on 21 April 2011.

Cheong Marn Seng

Before me,
R. Vasugi Ammal, PJK
Pesuruhjaya Sumpah
Kuala Lumpur, Malaysia

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LIEN HOE CORPORATION BERHAD
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Lien Hoe Corporation Berhad, which comprise the statements of financial position as at 31 December 2010 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows 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 34 to 105.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the 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 applicable Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2010 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 (“Act”) in Malaysia, we also report the following:

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

(b) We have considered the financial statements and the auditors’ report of the subsidiary of which we have not acted as auditors, which are indicated in Note 6 to the financial statements being financial statements that have been included in the consolidated financial statements.

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

(d) The auditors’ reports on the financial statements of the subsidiaries were not subject to any qualification 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

The supplementary information set out in Note 39 on page 106 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants (“MIA Guidance”) and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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
Kuala Lumpur, Malaysia
21 April 2011

Kua Choo Kai
No. 2030/03/12(J)
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Note	Group			Company	
		2010	2009	1.1.2009	**2010**	2009
		RM'000	RM'000	RM'000	**RM'000**	RM'000
			(restated)	(restated)		
ASSETS						
Non-current assets						
Property, plant and equipment	4	**179,261**	127,179	125,209	**10,748**	10,973
Investment properties	5	**6,596**	6,596	6,596	**-**	-
Subsidiaries	6	**-**	-	-	**66,662**	108,385
Investment in associates	7	**233**	50,617	12,351	**-**	35,590
Goodwill on consolidation	8	**8,979**	8,979	4,328	**-**	-
Other receivables	9	**1,063**	-	-	**1,063**	-
		196,132	193,371	148,484	**78,473**	154,948
Current assets						
Subsidiaries	6	**-**	-	-	**67,445**	-
Inventories	10	**14,476**	16,307	16,173	**-**	-
Trade and other receivables	9	**23,848**	23,126	29,164	**3,073**	3,261
Amount due from customers for contract works	11	**464**	-	2,496	**-**	-
Other investments	12	**9,743**	-	-	**9,743**	-
Income tax recoverable		**1,995**	1,500	1,570	**3,119**	3,060
Cash and bank balances	13	**12,734**	13,618	23,121	**1,596**	1,847
		63,260	54,551	72,524	**84,976**	8,168
Assets of disposal group classified as held for sale	14	**-**	72,671	76,124	**-**	63,596
		63,260	127,222	148,648	**84,976**	71,764
TOTAL ASSETS		**259,392**	320,593	297,132	**163,449**	226,712

	Note	Group 2010 RM'000	Group 2009 RM'000 (restated)	Group 1.1.2009 RM'000 (restated)	Company 2010 RM'000	Company 2009 RM'000
EQUITY AND LIABILITIES						
Equity attributable to owners of the parent						
Share capital	15	**361,742**	361,742	361,742	**361,742**	361,742
Share premium	15	**51,056**	51,056	51,056	**51,056**	51,056
Treasury shares	15	**(5,568)**	-	-	**(5,568)**	-
Other reserves	16	**21,475**	21,475	21,475	**19,337**	19,337
Accumulated losses		**(249,902)**	(251,012)	(266,755)	**(273,810)**	(266,921)
Total equity		**178,803**	183,261	167,518	**152,757**	165,214
Non-current liabilities						
Deferred tax liabilities	17	**11,265**	11,722	10,518	**-**	-
Borrowings (secured)	18	**19,197**	27,363	32,508	**632**	749
Other payables	19	**6,169**	-	-	**-**	-
		36,631	39,085	43,026	**632**	749
Current liabilities						
Borrowings (secured)	18	**14,441**	18,530	18,304	**3,277**	10,247
Bank overdraft	20	**1,210**	1,311	1,037	**-**	-
Trade and other payables	19	**25,846**	24,758	31,096	**6,783**	7,766
Amount due to customers for contract works	11	**61**	-	453	**-**	-
Provisions		**-**	-	1,120	**-**	-
Income tax payable		**2,400**	175	242	**-**	-
		43,958	44,774	52,252	**10,060**	18,013
Liabilities directly associated with disposal group classified as held for sale	14	**-**	53,473	34,336	**-**	42,736
		43,958	98,247	86,588	**10,060**	60,749
Total liabilities		**80,589**	137,332	129,614	**10,692**	61,498
TOTAL EQUITY AND LIABILITIES		**259,392**	320,593	297,132	**163,449**	226,712

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

		Group		Company	
		2010	2009	**2010**	2009
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Continuing operations					
Revenue	21	**70,637**	74,568	**2,312**	2,082
Cost of sales	22	**(40,249)**	(45,456)	**-**	-
Gross profit		**30,388**	29,112	**2,312**	2,082
Other income	23(b)	**8,292**	10,716	**4,810**	86,946
Operating and administration expenses		**(33,012)**	(28,931)	**(9,799)**	(10,369)
Other expenses	23(a)	**(1,292)**	(880)	**(3,593)**	(66,783)
Profit/(loss) from continuing operations	23	**4,376**	10,017	**(6,270)**	11,876
Finance costs	25	**(3,108)**	(3,626)	**(619)**	(913)
Share of results of associates:					
- post-acquisition results		**637**	(81)	**-**	-
- negative goodwill		**-**	11,380	**-**	-
Profit/(loss) before tax from continuing operations		**1,905**	17,690	**(6,889)**	10,963
Income tax expense	26	**(795)**	(1,942)	**-**	-
Profit/(loss) from continuing operations, net of tax		**1,110**	15,748	**(6,889)**	10,963
Discontinued operation					
Loss from discontinued operation, net of tax	14	**-**	(5)	**-**	-
Profit/(loss) net of tax, representing total comprehensive income/(loss) for the financial year		**1,110**	15,743	**(6,889)**	10,963
Total comprehensive income/(loss) attributable to owners of the parent		**1,110**	15,743	**(6,889)**	10,963
Earnings per share attributable to owners of the parent (sen)					
Basic and diluted	27	**0.31**	4.35		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Attributable to owners of the parent							
	Non-distributable					Distributable		
Group	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Revaluation reserve RM'000	Exchange reserve RM'000	Capital reserves RM'000	Accumulated losses RM'000	Total equity RM'000
At 1 January 2009	361,742	51,056	-	3,616	20	17,839	(266,755)	167,518
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	-	-	15,743	15,743
Transfer to distributable reserves on disposal of revalued properties	-	-	-	(3,616)	-	3,616	-	-
At 31 December 2009/ 1 January 2010	361,742	51,056	-	-	20	21,455	(251,012)	183,261
Profit for the finanial year, representing total comprehensive income for the financial year	-	-	-	-	-	-	**1,110**	**1,110**
Purchase of treasury shares (Note 15)	-	-	**(5,568)**	-	-	-	-	**(5,568)**
At 31 December 2010	**361,742**	**51,056**	**(5,568)**	**-**	**20**	**21,455**	**(249,902)**	**178,803**

	Non-distributable				Distributable		
Company	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Revaluation reserve RM'000	Capital reserves RM'000	Accumulated losses RM'000	Total equity RM'000
At 1 January 2009	361,742	51,056	-	2,596	16,741	(277,884)	154,251
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	-	10,963	10,963
Transfer to distributable reserves on disposal of revalued properties	-	-	-	(2,596)	2,596	-	-
At 31 December 2009/ 1 January 2010	361,742	51,056	-	-	19,337	(266,921)	165,214
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	-	-	**(6,889)**	**(6,889)**
Purchase of treasury shares (Note 15)	-	-	**(5,568)**	-	-	-	**(5,568)**
At 31 December 2010	**361,742**	**51,056**	**(5,568)**	**-**	**19,337**	**(273,810)**	**152,757**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
		(restated)		
Operating activities				
Profit/(loss) before tax:				
- Continuing operations	**1,905**	17,690	**(6,889)**	10,963
- Discontinued operation	**-**	(5)	**-**	-
Adjustments for:				
Depreciation of property, plant and equipment	**4,983**	3,365	**708**	661
Dividend income	**-**	-	**(272)**	-
Gain from disposals of:				
- investment in associates	**(1,668)**	-	**(4,073)**	-
- prepaid land lease payments and short leasehold buildings	**-**	(3,144)	**-**	(2,714)
- property, plant and equipment	**(231)**	(436)	**(155)**	(259)
- subsidiary	**-**	(179)	**-**	-
Forfeiture of performance security fund	**(5,006)**	-	**-**	-
Impairment loss on:				
- investment in subsidiaries	**-**	-	**-**	66,783
- amount owing by subsidiaries	**-**	-	**1,004**	-
Interest expense	**3,108**	3,626	**619**	913
Interest expense waived	**-**	(808)	**-**	(808)
Interest income	**(215)**	(200)	**-**	(294)
Inventories written down	**977**	-	**-**	-
Loss from deregistration of subsidiaries	**5**	-	**17**	-
Loss from fair value adjustment on other investments	**13**	-	**13**	-
Loss from disposal of subsidiaries	**297**	-	**1,947**	-
Negative goodwill arising from business combination	**(245)**	-	**-**	-
Net impairment loss on trade receivables	**24**	-	**-**	-
Property, plant and equipment written off	**286**	1	**-**	1
Reversal of impairment loss on:				
- investment in associates	**-**	(4,163)	**-**	(15,563)
- other receivables	**(364)**	-	**(364)**	-
- amount owing by subsidiaries	**-**	-	**-**	(66,379)
Reversal of liquidated damages receivable	**-**	880	**-**	-

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000 (restated)	**RM'000**	RM'000
Reversal of provision for liquidated damages	**-**	(1,120)	**-**	-
Share of results of associates	**(637)**	(11,299)	**-**	-
Unrealised foreign exchange loss /(gain)	**-**	-	**612**	(329)
Operating cash flows before changes in working capital	**3,232**	4,208	**(6,833)**	(7,025)
Inventories	**852**	(134)	**-**	-
Trade and other receivables	**(1,470)**	6,924	**(511)**	(95)
Trade and other payables	**(6,592)**	12,710	**(212)**	19,204
Subsidiaries	**-**	-	**(23,501)**	(15,994)
Cash flows (used in)/from operations	**(3,978)**	23,708	**(31,057)**	(3,910)
Income taxes paid	**(1,299)**	(735)	**-**	-
Net cash flows (used in)/from operating activities	**(5,277)**	22,973	**(31,057)**	(3,910)
Investing activities				
Dividend received	**-**	-	**213**	-
Interest received	**215**	200	**-**	23
Investment in associates	**-**	(22,553)	**-**	(8,553)
Net cash inflow from disposal of subsidiaries	**18,259**	652	**18,259**	-
Net cash outlow from acquisition of subsidiaries	**(11,108)**	(4,646)	**-**	(4,646)
Net proceeds from disposals of:				
- investment in associates	**25,907**	-	**25,907**	-
- property, plant and equipment	**463**	498	**350**	310
- prepaid land lease payments and short leasehold buildings	**-**	6,597	**-**	3,254
Purchase of property, plant and equipment	**(6,020)**	(3,972)	**(378)**	(971)
Net cash flows from/(used in) investing activities	**27,716**	(23,224)	**44,351**	(10,583)

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
		(restated)		
Financing activities				
Interest paid	**(2,967)**	(3,533)	**(590)**	(913)
Net (repayment)/drawdown of term loans	**(13,952)**	(3,257)	**(6,952)**	1,763
Net repayment of bankers' acceptances	**-**	(2,380)	**-**	-
Net movement of fixed deposits pledged for banking facilities	**-**	(100)	**-**	-
Net repayment of hire purchase payables	**(735)**	(356)	**(435)**	(308)
Purchase of treasury shares	**(5,568)**	-	**(5,568)**	-
Net cash (used in)/from financing activities	**(23,222)**	(9,626)	**(13,545)**	542
Net decrease in cash and cash equivalents	**(783)**	(9,877)	**(251)**	(13,951)
Cash and cash equivalents at 1 January	**11,807**	21,684	**1,847**	15,798
Cash and cash equivalents at 31 December (Note 13)	**11,024**	11,807	**1,596**	1,847

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principle place of business of the Company is located at 18th Floor, Menara Lien Hoe, No. 8 Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan.

The principal activity of the Company is property and investment holding. The principal activities of the subsidiaries are disclosed in Note 6. There have been no significant changes in the nature of these activities in the current financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 21 April 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRSs which are mandatory for the financial periods beginning on or after 1 January 2010 as described fully in Note 2.2.

The financial statements of the Group and of the Company have also been prepared on the historical cost basis unless otherwise indicated in the accounting policies below.

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 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2010, the Group and the Company adopted the following applicable new and amended FRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2010.

FRS 7 *Financial Instruments: Disclosures*
FRS 8 *Operating Segments*
FRS 101 *Presentation of Financial Statements (Revised)*
FRS 123 *Borrowing Costs*
FRS 139 *Financial Instruments: Recognition and Measurement*
Amendments to FRS 2 *Share-based Payment – Vesting Conditions and Cancellations*
Amendments to FRS 132 *Financial Instruments: Presentation*
Amendments to FRS 139 *Financial Instruments: Recognition and Measurement* FRS 7 *Financial Instruments: Disclosures* and IC Interpretation 9 *Reassessment of Embedded Derivatives*
Amendments to FRS 'Improvements to FRSs (2009)'
IC Interpretation 9 *Reassessment of Embedded Derivatives*
IC Interpretation 10 *Interim Financial Reporting and Impairment*
IC Interpretation 11 *FRS 2 – Group and Treasury Share Transactions*
IC Interpretation 14 *FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

FRS 4 *Insurance Contracts,* TR i-3 *Presentation of Financial Statements of Islamic Financial Institutions* and IC Interpretation 13 *Customer Loyalty Programmes* will also be effective for annual periods beginning on or after 1 January 2010. These FRSs are, however, not applicable to the Group or the Company.

The adoption of the above Standards and Interpretations did not have any significant impact on the financial performance or position of the Group and the Company except for those discussed below:

FRS 7 *Financial Instruments: Disclosures*

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 *Financial Instruments: Disclosure and Presentation.* FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 31 December 2010.

FRS 8 *Operating Segments*

FRS 8, which replaces FRS 114 *Segment Reporting,* specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The Standard also

requires the disclosure of information about products and services provided by the segments, the geographical areas in which the Group operates, and revenues from the Group's major customers. The Group has adopted FRS 8 retrospectively. These revised disclosures, including the related comparative information, are shown in Note 37 to the financial statements.

FRS 101 ***Presentation of Financial Statements (revised)***

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as one single statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

The revised FRS 101 was adopted retrospectively by the Group and the Company.

FRS 139 ***Financial Instruments: Recognition and Measurement***

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance retained earnings as at 1 January 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

- <u>Impairment of trade receivables</u>

  Prior to 1 January 2010, allowance for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 January 2010, the Group has remeasured the allowance for impairment losses as at that date in accordance with FRS 139. There are no adjustments required to the opening balance of retained earnings.

Improvements of FRS issued in 2009

- Amendments to FRS 117 *Leases*

Prior to 1 January 2010, for all leases of land and buildings, if title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all of the risks and rewards incidental to ownership. Hence, all leasehold land held for own use was classified by the Group as operating lease and where necessary, the minimum lease payments or the up-front payments made were allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represented prepaid lease payments and were amortised on a straight line basis over the lease term.

The amendments to FRS 117 *Leases* clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. Hence, the adoption of the amendments to FRS 117 has resulted in all unexpired land leases to be reclassified as finance leases. The Group has applied this change in accounting policy retrospectively and certain comparatives have been restated. The following are effects to the Group's statement of financial position as at 31 December 2010 arising from the above change in accounting policy:

	2010 **RM'000**
Increase/(decrease) in:	
Property, plant and equipment	**17,218**
Prepaid land lease payments	**(17,218)**

The following comparatives in the Group's statement of financial position have been restated:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
At 31 December 2009			
Property, plant and equipment	109,655	17,524	127,179
Prepaid land lease payments	17,524	(17,524)	-
At 1 January 2009			
Property, plant and equipment	107,372	17,837	125,209
Prepaid land lease payments	17,837	(17,837)	-

The above restatements have no financial effects to the Group's statement of comprehensive income.

2.3 Standards and Interpretations issued but not yet effective

The Group and the Company have not adopted the following Standards and Interpretations that have been issued but not yet effective:

	Effective for annual periods beginning on or after
Amendments to FRS 132 *Classification of Rights Issues*	1 March 2010
FRS 1 *First-time Adoption of Financial Reporting Standards*	1 July 2010
FRS 3 *Business Combinations (revised)*	1 July 2010
Amendments to FRS *2 Share-based Payment*	1 July 2010
Amendments to FRS 5 *Non-current Assets Held for Sale and Discontinued Operations*	1 July 2010
Amendments to FRS 127 *Consolidated and Separate Financial Statements*	1 July 2010
Amendments to FRS 138 *Intangible Assets*	1 July 2010
Amendments to IC Interpretation 9 *Reassessment of Embedded Derivatives*	1 July 2010
IC Interpretation 12 *Service Concession Arrangements*	1 July 2010
IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation*	1 July 2010
IC Interpretation 17 *Distributions of Non-cash Assets to Owners*	1 July 2010
Amendments to FRS 1 *Limited Exemption from Comparatives* FRS 7 *Disclosures for First-Time Adopters*	1 January 2011
Amendments to FRS 7 *Improving Disclosures about Financial Instruments*	1 January 2011

	Effective for annual periods beginning on or after
Amendments to FRS 2 *Share-based Payments - Group Cash Settled Share-based Payment Transactions*	1 January 2011
IC Interpretation 4 *Determining Whether an Arrangement Contains a Lease*	1 January 2011
IC Interpretation 18 *Transfers of Assets from Customers*	1 January 2011
IC Interpretation 15 *Agreements for the Construction of Real Estate*	1 January 2012

Except for the changes in accounting policies arising from the adoption of the revised FRS 3 and the Amendments to FRS 127, as well as the new disclosures required under the Amendments to FRS 7, the directors expect that the adoption of the other Standards and Interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 3 and the amendments to FRS 127 are described below.

Revised FRS 3 *Business Combinations* and Amendments to FRS 127 *Consolidated and Separate Financial Statements*

The revised Standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended Standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 *Statement of Cash Flows*, FRS 112 *Income Taxes*, FRS 121 *The Effects of Changes in Foreign Exchange Rates*, FRS 128 *Investments in Associates* and FRS 131 *Interests in Joint Ventures*. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests. The Standards may be early adopted. However, the Group does not intend to early adopt.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full except unrealised losses are not eliminated if there are indication of impairment.

Acquisition of subsidiaries are accounted for using the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination.

Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.8. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.5 Foreign currency

(a) Functional and presentation of currency

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

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

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.

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations 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 reporting date.

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an assets if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold land is depreciated over the period of the respective leases which ranges from 75 years to 90 years. Depreciation for other property, plant and equipment is computed on the straight line basis to write off the cost of each asset to its residual value over their estimated useful lives, at the following annual rates:

Buildings	1% to 5%
Plant and machinery and motor vehicles	10% to 20%
Furniture, fittings and equipment	10% to 33%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.7 Investment properties

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

Investment properties of the Group comprise freehold land. Freehold land has an unlimited useful life and therefore is not depreciated.

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 of retirement or disposal.

Transfers are made to or from investment properties only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.6 up to the date of change in use.

2.8 Goodwill

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

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

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

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

2.9 Impairment of non-financial assets

The Group assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that

reflects current 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 written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGU 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.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in subsequent period.

2.10 Subsidiairies

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.11 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An 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.

The Group's investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of 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 investment in the associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

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

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

2.12 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual povisions of the financial instrument.

When the financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss and loans and receivables.

(a) **Financial assets at fair value through profit or loss**

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(b) **Loans and receivables**

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than twelve months after the reporting date which are classified as non-current.

A financial asset is derecognised when the contractual right to receive cash flows from the asset expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2.13 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

- Trade and other receivables and other financial assets carried at amortised cost

  To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain catergories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

  If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

  The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

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

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, at banks, deposits at call (excluding deposits pledged for banking facilities granted to the Group and the Company) that are readily convertible to known amount of cash and which have an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.15 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 using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, 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.

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

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

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

2.16 Inventories

Inventories are stated at the lower of cost (determined on weighted average basis) and net realisable value. Cost includes direct materials and other direct costs. The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs. 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.

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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

2.18 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities can be classified as either financial liabilities at fair value through profit and loss or other financial liabilities. The Group and Company classifies all its financial liability as other financial liabilities.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.19 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. Capitalisation of borrowing costs commences when the activities to prepare the asset

for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. 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. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.20 Employee benefits

(a) Short term benefits

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

(b) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund (“EPF”).

2.21 Leases - as lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the lease asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight line basis. Contingent rentals are charged to profit or loss in the periods in which they are incurred.

2.22 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.15.

(b) Dividend income

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

(c) Golf revenue

Income from green fees and golf related income are recognised as income upon delivery of services.

(d) Management fee

Management fee is recognised when services are rendered.

(e) Membership fees

Membership fees are recognised on accrual basis. Each membership is issued through a membership agreement. The portion of the membership fee relating to a performance security is taken up in the statement of financial position as disclosed in Note 19. The balance of the membership fee that represents entrance fee is recognised as income.

(f) Rental income

Rental income is recognised on accrual basis over the period of tenancy.

(g) **Revenue from hotel operations**

Revenue from rental of hotel rooms, sale of food and beverages and other related income are recognised on an accrual basis.

(h) **Sale of goods**

Revenue is recognised net of sales taxes upon the transfer of significant risks and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

2.23 Income taxes

(a) **Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income.

(b) **Deferred tax**

Deferred tax is provided for using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except;

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary diferences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax laibilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 37, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.26 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

2.27 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

Details of contingencies are disclosed in Note 29.

2.28 Non-current assets (or disposal group) held for sale and discontinued operation

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

Immediately before classification as held for sale, the measurement of the non-current assets (or all the assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable FRSs. Then, on initial classification as held for sale, non-current assets or disposal groups (other than investment properties, deferred tax assets, employee benefits assets and financial assets) are measured in accordance with FRS 5, that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

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

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting 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.

(a) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating unit ("CGU") to which goodwill is allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or CGU and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value and the key assumptions applied in the impairment assessment of goodwill are disclosed in Note 8.

(b) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the reporting date is disclosed in Note 9.

(c) Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of income taxes and deferred tax liabilities are as disclosed in Notes 26 and 17 respectively.

(d) Depreciation of plant and equipment

The cost of plant and equipment is depreciated on a straight line basis over the assets' useful life. Management estimates of the useful lives of plant and equipment are as disclosed in Note 2.6. Any changes in the residual value could impact the future depreciation charges. A 1% difference in the current year depreciation charge would result in approximately 4.5% variance in the profit for the year of the Group.

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Freehold buildings RM'000	Long leasehold land RM'000	Long leasehold building RM'000	Short leasehold building RM'000	Plant and machinery and motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Group								
At 31 December 2010								
Cost								
At 1 January 2010								
As previously stated	13,039	3,219	-	109,793	308	6,134	10,542	143,035
Effects of adopting the amendments to FRS 117	-	-	21,119	-	-	-	-	21,119
As restated	13,039	3,219	21,119	109,793	308	6,134	10,542	164,154
Acquisition of a subsidiary	**7,901**	**59,380**	**-**	**-**	**-**	**773**	**2,212**	**70,266**
Disposal of subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**(247)**	**(247)**
Additions	**-**	**2,840**	**-**	**-**	**-**	**3,748**	**1,788**	**8,376**
Disposals	**-**	**-**	**-**	**-**	**-**	**(899)**	**(137)**	**(1,036)**
Write off	**-**	**(271)**	**-**	**-**	**-**	**(515)**	**(1,510)**	**(2,296)**
At 31 December 2010	**20,940**	**65,168**	**21,119**	**109,793**	**308**	**9,241**	**12,648**	**239,217**
Accumulated depreciation and impairment losses								
At 1 January 2010								
As previously stated	1,702	757	-	20,513	169	3,417	6,822	33,380
Effects of adopting the amendments to FRS 117	-	-	3,595	-	-	-	-	3,595
As restated	1,702	757	3,595	20,513	169	3,417	6,822	36,975
Charge for the year	**-**	**879**	**306**	**1,718**	**15**	**1,137**	**928**	**4,983**
Acquisition of a subsidiary	**-**	**18,674**	**-**	**-**	**-**	**659**	**1,641**	**20,974**
Disposal of subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**(162)**	**(162)**
Disposals	**-**	**-**	**-**	**-**	**-**	**(704)**	**(100)**	**(804)**
Write off	**-**	**(72)**	**-**	**-**	**-**	**(503)**	**(1,435)**	**(2,010)**
At 31 December 2010	**1,702**	**20,238**	**3,901**	**22,231**	**184**	**4,006**	**7,694**	**59,956**
Analysed as:								
Accumulated depreciation	**-**	**19,824**	**3,901**	**22,231**	**184**	**4,006**	**7,694**	**57,840**
Accumulated impairment losses	**1,702**	**414**	**-**	**-**	**-**	**-**	**-**	**2,116**
	1,702	**20,238**	**3,901**	**22,231**	**184**	**4,006**	**7,694**	**59,956**
Net carrying amount								
At 31 December 2010	**19,238**	**44,930**	**17,218**	**87,562**	**124**	**5,235**	**4,954**	**179,261**

	Freehold land RM'000	Freehold buildings RM'000	Long leasehold land RM'000	Long leasehold building RM'000	Short leasehold building RM'000	Plant and machinery and motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Group								
At 31 December 2009								
Cost								
At 1 January 2009								
As previously stated	13,039	3,219	-	109,793	308	4,533	9,957	140,849
Effects of adopting the amendments to FRS 117	-	-	21,119	-	-	-	-	21,119
As restated	13,039	3,219	21,119	109,793	308	4,533	9,957	161,968
Additions	-	-	-	-	-	2,532	2,866	5,398
Disposals	-	-	-	-	-	(930)	(200)	(1,130)
Write off	-	-	-	-	-	(1)	(2,081)	(2,082)
At 31 December 2009 (restated)	13,039	3,219	21,119	109,793	308	6,134	10,542	164,154
Accumulated depreciation and impairment losses								
At 1 January 2009								
As previously stated	1,702	677	-	18,796	154	3,546	8,602	33,477
Effects of adopting the amendments to FRS 117	-	-	3,282	-	-	-	-	3,282
As restated	1,702	677	3,282	18,796	154	3,546	8,602	36,759
Charge for the year	-	80	313	1,717	15	740	500	3,365
Disposals	-	-	-	-	-	(868)	(200)	(1,068)
Write off	-	-	-	-	-	(1)	(2,080)	(2,081)
At 31 December 2009 (restated)	1,702	757	3,595	20,513	169	3,417	6,822	36,975
Analysed as:								
Accumulated depreciation	-	343	3,595	20,513	169	3,417	6,822	34,859
Accumulated impairment losses	1,702	414	-	-	-	-	-	2,116
	1,702	757	3,595	20,513	169	3,417	6,822	36,975
Net carrying amount								
At 31 December 2009 (restated)	11,337	2,462	17,524	89,280	139	2,717	3,720	127,179

	Freehold land RM'000	Freehold buildings RM'000	Plant and machinery and motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Company					
At 31 December 2010					
Cost					
At 1 January 2010	9,980	1,180	3,814	3,041	18,015
Additions	-	-	675	3	678
Disposals	-	-	(720)	-	(720)
At 31 December 2010	9,980	1,180	3,769	3,044	17,973
Accumulated depreciation and impairment losses					
At 1 January 2010	1,702	508	2,013	2,819	7,042
Charge for the year	-	59	620	29	708
Disposals	-	-	(525)	-	(525)
At 31 December 2010	1,702	567	2,108	2,848	7,225
Analysed as:					
Accumulated depreciation	-	177	2,108	2,848	5,133
Accumulated impairment losses	1,702	390	-	-	2,092
	1,702	567	2,108	2,848	7,225
Net carrying amount					
At 31 December 2010	8,278	613	1,661	196	10,748

	Freehold land RM'000	Freehold buildings RM'000	Plant and machinery and motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Company					
At 31 December 2009					
Cost					
At 1 January 2009	9,980	1,180	2,820	3,580	17,560
Additions	-	-	1,819	138	1,957
Disposals	-	-	(825)	-	(825)
Write off	-	-	-	(677)	(677)
At 31 December 2009	9,980	1,180	3,814	3,041	18,015
Accumulated depreciation and impairment losses					
At 1 January 2009	1,702	449	2,212	3,468	7,831
Charge for the year	-	59	575	27	661
Disposals	-	-	(774)	-	(774)
Write off	-	-	-	(676)	(676)
At 31 December 2009	1,702	508	2,013	2,819	7,042
Analysed as:					
Accumulated depreciation	-	118	2,013	2,819	4,950
Accumulated impairment losses	1,702	390	-	-	2,092
	1,702	508	2,013	2,819	7,042
Net carrying amount					
At 31 December 2009	8,278	672	1,801	222	10,973

(a) In the current financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM8,376,000 (2009: RM5,398,000) and RM678,000 (2009: RM1,957,000) respectively, of which RM2,356,000 (2009: RM1,426,000) and RM300,000 (2009: RM986,000) respectively were acquired under hire purchase arrangements.

(b) Included in property, plant and equipment of the Group and of the Company are assets under hire purchase arrangements with a total net book value of RM4,636,000 (2009: RM2,060,000) and RM1,658,000 (2009: RM1,481,000) respectively.

(c) The long leasehold land and building of the Group with net carrying amount of RM103,733,000 (2009: RM105,744,000) is charged to a financial institution for facilities granted to the Group as disclosed in Note 18.

(d) As at 31 December 2010, the title deed of freehold land of the Company at cost of RM9,980,000 (2009: RM9,980,000) is in the process of being transferred to the Company.

5. INVESTMENT PROPERTIES

	Group	
	2010	2009
	RM'000	RM'000
Cost	**13,240**	13,240
Accumulated impairment losses	**(6,644)**	(6,644)
Net carrying amount	**6,596**	6,596
The fair value of investment properties	**6,596**	6,596

Investment properties of the Group comprise freehold land.

6. SUBSIDIARIES

	Company	
	2010	2009
	RM'000	RM'000
Unquoted shares, at cost		
At 1 January	**320,447**	208,259
Capitalisation of amount owing by subsidiaries	**-**	107,542
Acquisition of a subsidiary	**-**	4,646
Disposal of subsidiaries	**(65,330)**	-
Deregistration of subsidiaries	**(510)**	-
At 31 December	**254,607**	320,447

	Company	
	2010	2009
	RM'000	RM'000
Accumulated impairment losses		
At 1 January	**(193,285)**	(126,502)
Charge for the year	**-**	(66,783)
Disposal of subsidiaries	**4,830**	-
Deregistration of subsidiaries	**510**	-
At 31 December	**(187,945)**	(193,285)
Investment in subsidiaries, net of impairment	**66,662**	127,162
Amount owing by subsidiaries		
At 1 January	**111,708**	202,317
Additions	**26,546**	16,933
Capitalised to cost of investment	**-**	(107,542)
Disposal of subsidiaries	**(3,242)**	-
Deregistration of subsidiaries	**(13,915)**	-
At 31 December	**121,097**	111,708
Amount owing to subsidiaries	**(4,705)**	(5,048)
Allowance for impairment		
At 1 January	**(61,841)**	(128,220)
Write back of allowance for impairment	**-**	66,379
Deregistration of subsidiaries	**13,898**	-
Charge for the year	**(1,004)**	-
At 31 December	**(48,947)**	(61,841)
Amount owing by subsidiaries, net of impairment	**67,445**	44,819
Reclassified to non-current assets held for sale (Note 14)	**-**	(63,596)
	134,107	108,385

The amount owing by subsidiaries are unsecured, non-interest bearing (2009: 0.5% per annum) and repayable on demand.

The amount owing to subsidiaries are unsecured, non-interest bearing and repayable on demand.

Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Principal activities	Effective interest 2010 %	Effective interest 2009 %
Armada Resorts Sdn Bhd	Malaysia	Investment holding	**100**	100
Atria Properties Sdn Bhd	Malaysia	Inactive	**100**	100
Beta Management Services Sdn Bhd	Malaysia	Inactive	**100**	100
Bondmark Construction Services Sdn Bhd	Malaysia	Inactive	**100**	100
Broadland Food Industries Sdn Bhd	Malaysia	Inactive	**-**	100
Christine Inn & Recreation Sdn Bhd	Malaysia	Operation of hotel	**-**	100
Christine Resort Bhd (formerly known as Octowers Resort Berhad)^	Malaysia	Operation of golf resort	**100**	50
Dominion Bay Sdn Bhd	Malaysia	Inactive	**100**	100
Hasil Andalas Sdn Bhd	Malaysia	Inactive	**100**	100
Holiday Plaza Complex Management Sdn Bhd	Malaysia	Inactive	**-**	100
Hotel Armada Group Sdn Bhd	Malaysia	Investment holding	**100**	100
Hotel Armada (PJ) Sdn Bhd	Malaysia	Property investment and operation of hotel	**100**	100
Irama Serangkai Sdn Bhd	Malaysia	Property investment	**100**	100

Name of company	Country of incorporation	Principal activities	Effective interest 2010 %	2009 %
Leboh Ampang Plaza Sdn Bhd	Malaysia	Inactive	-	100
LH Bintang Development Sdn Bhd	Malaysia	Property development	**100**	100
LH Commercials Pte Ltd	Singapore	Investment holding	**100**	100
LH Indah Apartments Sdn Bhd	Malaysia	Property investment	**100**	100
LH Indah Apartments (First) Sdn Bhd	Malaysia	Property investment	**100**	100
LH Indah Apartments (Second) Sdn Bhd	Malaysia	Property investment	**100**	100
Lien Hoe Property Management Sdn Bhd	Malaysia	Inactive	**100**	100
Lien Hoe Resort Sdn Bhd	Malaysia	Inactive	-	100
Lien Hoe Square Sdn Bhd	Malaysia	Property investment	**100**	100
Macro Resources Sdn Bhd	Malaysia	Building contractors	**100**	100
Macro Technology Sdn Bhd	Malaysia	Inactive	**100**	100
Menara Lien Hoe Sdn Bhd	Malaysia	Inactive	**100**	100
Russella Teguh Sdn Bhd	Malaysia	Property development	-	100
Taman Templer Sdn Bhd	Malaysia	Inactive	**100**	100

^ Audited by a firm other than Ernst & Young

(a) Acquisition of a subsidiary

Details of the acquisition of a subsidiary in the current financial year are disclosed in Note 33(c).

The acquisition had the following impact on the financial results of the Group for the current financial year from the date of acquisition:

	2010 RM'000
Revenue	**1,718**
Other income	**5,210**
Operating and administration expenses	**(5,323)**
Finance costs	**(42)**
Profit before tax	**1,563**
Income tax expense	**(616)**
Profit net of tax, representing total comprehensive income for the financial year	**947**

The acquisition had the following impact on the financial position of the Group as at the end of the current financial year:

	2010 RM'000
Property, plant and equipment	**53,451**
Receivables	**330**
Cash and bank balances	**1,003**
Payables	**(3,829)**
Income tax payable	**(2,400)**
Hire purchase payables	**(1,380)**
Performance security fund	**(6,169)**
Group's share of net assets	**41,006**

The fair values of the identifiable assets acquired and liabilities assumed from the acquisition of the subsidiary were:

	At date of acquisition RM'000
Property, plant and equipment	**49,292**
Receivables	**483**
Cash and bank balances	**892**
Payables	**(8,360)**
Income tax payable	**(1,784)**
Hire purchase payables	**(77)**
Performance security fund	**(11,175)**
Fair value of net assets acquired	**29,271**
Negative goodwill on acquisition	**(245)**
Transfer from share of post-acquisition results of an associate, net of accumulated impairment losses (Note 7)	**974**
Total cost of acquisition	**30,000**

The total cost of acquisition is as follows:

Purchase consideration	**29,000**
Expenses directly attributable to the acquisition	**1,000**
	30,000

The impact of the acquisition on cash flows is as follows:

Total cost of acquisition	**30,000**
Consideration satisfied by:	
- transfer from cost of investment in associates (Note 7)	**(14,000)**
- quoted shares held by the Company	**(4,000)**
Cash and bank balances of a subsidiary acquired	**(892)**
Net cash outflows to the Group	**11,108**

(b) Disposal of subsidiaries

Details of the disposal of subsidiaries in the current financial year are disclosed in Notes 33(a) and 33(d).

The disposals had no significant impact on the financial results of the Group for the current financial year.

The disposals had the following impact on the financial position of the Group as at the end of the current financial year:

	2010 RM'000
Plant and equipment	85
Land held for development	72,671
Inventories	2
Receivables	96
Payables	(21)
Deferred tax liabilities	(10,741)
	62,092
Loss on disposal	(297)
	61,795

Disposal proceeds settled by:

Cash consideration	62,595
Expenses directly attributable to the disposals	(800)
Amount received in previous financial years	(43,536)
Net disposal proceeds satisfied by cash, representing net cash inflows to the Group and the Company	18,259

(c) Deregistration of subsidiaries

In the current financial year, Broadland Food Industries Sdn Bhd, Holiday Plaza Complex Management Sdn Bhd, Leboh Ampang Plaza Sdn Bhd and Lien Hoe Resort Sdn Bhd, all inactive wholly owned subsidiaries, have been struck off from the register of Companies Commission of Malaysia pursuant to Section 308(4) of the Companies Act, 1965.

The deregistration of these subsidiaries had no significant impact on the financial results of the Group for the current financial year.

The deregistration of these subsidiaries had the following impact on the financial position of the Group as at the end of the current financial year:

	2010 RM'000
Receivables	9
Payables	(4)
Loss on deregistration	5

7. INVESTMENT IN ASSOCIATES

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Quoted shares, at cost				
At 1 January	**35,590**	27,037	**35,590**	27,037
Additions	**-**	8,553	**-**	8,553
Disposals	**(25,834)**	-	**(25,834)**	-
Transfer to cost of other investments (Note 12)	**(9,756)**	-	**(9,756)**	-
At 31 December	**-**	35,590	**-**	35,590
Unquoted shares, at cost				
At 1 January	**14,251**	-	**-**	-
Additions	**-**	14,251	**-**	-
Transfer to cost of investment in subsidiary (Note 6(a))	**(14,000)**	-	**-**	-
At 31 December	**251**	14,251	**-**	-
Share of results				
Post acquisition results	**1,433**	796	**-**	-
Negative goodwill	**26,351**	26,351	**-**	-
Disposals	**(27,147)**	-	**-**	-
Effects of an associate becoming a subsidiary (Note 6(a))	**(636)**	-	**-**	-
	1	27,147	**-**	-
Accumulated impairment losses				
At 1 January	**(26,371)**	(30,534)	**-**	(15,563)
Reversal of impairment loss	**-**	4,163	**-**	15,563
Disposals	**24,742**	-	**-**	-
Effects of an associate becoming a subsidiary (Note 6(a))	**1,610**	-	**-**	-
At 31 December	**(19)**	(26,371)	**-**	-
Net investment	**233**	50,617	**-**	35,590
Market value of quoted shares	**-**	40,296	**-**	40,296

Details of the disposal of quoted shares in the current financial year are disclosed in Notes 33(b) and 33(c).

Details of the associates are as follows:

Name of company	Country of incorporation	Principal activities	Effective interest 2010 %	2009 %
Perduren (M) Berhad^	Malaysia	Investment holding	-	31
Christine Resort Berhad (formerly known as Octowers Resort Berhad)+ ^	Malaysia	Operation of golf resort	-	50
PMR Builders Sdn Bhd (formerly known as Pembinaan Macro Resources Sdn Bhd)	Malaysia	Building contractors	**30**	30

\+ In the current financial year, Christine Resort Berhad became a wholly owned subsidiary of the Group. Details of the acquisition are disclosed in Note 6(a) and Note 33(c).

^ Audited by a firm other than Ernst & Young.

The summarised financial information of the associates at reporting date are as follows:

Assets and liabilities

	2010 RM'000	2009 RM'000
Current assets	**1,455**	12,971
Non-current assets	**-**	371,814
Total assets	**1,455**	384,785
Current liabilities	**678**	53,422
Non-current liabilities	**-**	96,994
Total liabilities	**678**	150,416

Results

	2010 RM'000	2009 RM'000
Revenue	**29,777**	26,467
Profit for the financial year	**2,210**	741

8. GOODWILL ON CONSOLIDATION

	Group	
	2010	2009
	RM'000	RM'000
At 1 January	**8,979**	4,328
Acquisition of a subsidiary	**-**	4,651
Net carrying amount at 31 December	**8,979**	8,979

Goodwill has been allocated to the Group's cash generating units ("CGUs") identified according to business segments as follows:

	Construction	**Property**	**Hotel and leisure**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At 31 December 2010/2009	**52**	**4,276**	**4,651**	**8,979**

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount. As the directors are of the opinion that since all the CGUs are to be held on a long term basis, value in use would best reflect its recoverable amount. The value in use is determined by discounting future cash flows over a ten-year period. The future cash flows are based on management's business plan, which is the best estimate of future performance. The ability to achieve the business plan targets is a key assumption in determining the recoverable amount for each cash-generating unit.

There remains a risk that, due to unforeseen changes in the respective economies in which the cash-generating units operate and/or global economic conditions, the ability to achieve management's business plan will be adversely affected. In calculating the value in use for each cash-generating unit, management has applied a discount rate of 10% and a growth rate of 5%. The following describes each key assumptions on which management has based its cash flow projections for the purposes of impairment testing of goodwill:

(a) the discount rate used reflected the management's best estimate of return on capital employed required in the respective segments.

(b) growth rate used is based on historical trend of each segment taking into account industry outlook for that segment.

(c) the profit margin used in the projections are based on the historical profit margin trend for the individual cash generating unit or budgeted profit margin for predetermined projects obtained.

The management believes that no reasonably possible change in any of the above key assumptions would have caused the carrying values of the CGUs to materially exceed their recoverable amounts other than those disclosed above.

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Current				
Trade receivables	**6,219**	4,614	**-**	-
Retention sums on contracts (Note 11)	**5,671**	8,107	**-**	-
Less: Allowance for impairment	**(178)**	(154)	**-**	-
	11,712	12,567	**-**	-
Other receivables	**12,136**	10,923	**3,073**	3,625
Less: Allowance for impairment	**-**	(364)	**-**	(364)
	12,136	10,559	**3,073**	3,261
	23,848	23,126	**3,073**	3,261
Non-current				
Other receivables	**1,063**	-	**1,063**	-
Total trade and other receivables	**24,911**	23,126	**4,136**	3,261
Cash and bank balances (Note 13)	**12,734**	13,618	**1,596**	1,847
Total loans and receivables	**37,645**	36,744	**5,732**	5,108

Trade receivables

Trade receivables are non-interest bearing and are generally on 7 to 30 days (2009: 7 to 30 days) terms. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables (including retention sums on contracts) is as follows:

	2010	2009
	RM'000	RM'000
Neither past due nor impaired	**8,195**	9,376
1 to 30 days past due not impaired	**2,116**	653
31 to 60 days past due not impaired	**69**	451
61 to 90 days past due not impaired	**85**	227
91 to 120 days past due not impaired	**155**	95
More than 120 days past due not impaired	**1,092**	1,765
	3,517	3,191
Impaired	**178**	154
	11,890	12,721

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM3,517,000 (2009: RM3,191,000) that are past due at the reporting date but not impaired, and are unsecured in nature. The management is confident that these receivables are recoverable as these accounts are still active.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Individually impaired	
	2010	2009
	RM'000	RM'000
Trade receivables - gross	**178**	154
Less: Allowance for impairment	**(178)**	(154)
	-	-
Movement in the allowance accounts:		
At 1 January	**154**	285
Charge for the year	**77**	-
Written off	**-**	(131)
Reversal of impairment losses	**(53)**	-
At 31 December	**178**	154

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

10. INVENTORIES

	Group	
	2010	2009
	RM'000	RM'000
At cost:		
Consumables	**765**	707
At net realisable value:		
Land, completed apartments and office lots	**13,711**	15,600
	14,476	16,307

The title deed for office lot with net carrying amount of RM78,000 (2009: RM78,000) is in the process of being transferred to the Group.

In the current financial year, inventories were written down by RM977,000 (2009: RMNil) to their net realisable values.

11. AMOUNT DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORKS

	Group	
	2010	2009
	RM'000	RM'000
Construction costs incurred to date	**109,411**	74,568
Attributable profit	**10,981**	6,134
	120,392	80,702
Progress billings	**(119,989)**	(80,702)
	403	-
Amount due from customers for contract works	**464**	-
Amount due to customers for contract works	**(61)**	-
	403	-
Retention sums on contracts, included within trade receivables (Note 9)	**5,671**	8,107
Contract revenue recognised as an income (Note 21)	**40,532**	48,641
Construction costs recognised as an expense (Note 22)	**35,162**	41,518

12. OTHER INVESTMENTS

	Group/ Company 2010 RM'000
Current	
Held for trading investments	
Quoted shares in Malaysia	
Transfer from cost of investment in associates (Note 7)	**9,756**
Fair value adjustment	**(13)**
Carrying amount	**9,743**
Market value	**9,743**

The quoted shares are charged to a financial institution for facility granted to the Company as disclosed in Note 18.

13. CASH AND BANK BALANCES/CASH AND CASH EQUIVALENTS

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Cash on hand and at banks	**5,272**	8,361	**335**	303
Short term deposits with:				
- licensed banks	**6,201**	3,713	**-**	-
- other financial institution	**1,261**	1,544	**1,261**	1,544
Cash and bank balances	**12,734**	13,618	**1,596**	1,847
Less: Fixed deposit pledged	**(500)**	(500)	**-**	-
Bank overdraft	**(1,210)**	(1,311)	**-**	-
Cash and cash equivalents	**11,024**	11,807	**1,596**	1,847

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods depending on the immediate cash requirements of the Group and of the Company, and earn interests at respective short-term deposit rates. The deposits earn interest of 2.0% to 2.8% (2009: 1.8% to 2.2%) per annum and have average maturities of 6 months (2009: 6 months).

Included in the deposits is a sum of RM500,000 (2009: RM500,000) pledged to a financial institution for banking facility granted to the Group.

14. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATION

In the current financial year, the Group completed the sale of a wholly owned subsidiary, Russella Teguh Sdn Bhd. In the previous financial year, the assets and liabilities of Russella Teguh Sdn Bhd were presented on the consolidated statement of financial position as a disposal group held for sale and the results from this subsidiary was presented separately on the consolidated statement of comprehensive income as discontinued operation. The carrying amount of the investment in this subsidiary and amount owing by this subsidiary has also been presented as non-current asset held for sale in the Company's statement of financial position.

An analysis of the result of the discontinued operation in the previous financial year is as follows:

	Group 2009 RM'000
Revenue	-
Expenses	(5)
Loss before tax of discontinued operation	(5)
Income tax expense	-
Loss for the year of discontinued operation	(5)

Included in the loss for the year of discontinued operation is auditors' remuneration of RM3,000.

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

	Group 2009 RM'000
Operating cash flows, representing total cash flows	(5)

In the previous financial year, the major classes of assets and liabilities classified as disposal group held for sale in the Group's and the Company's statement of financial position are as follows:

	2009	
	Carrying amount	
	Group	**Company**
	RM'000	RM'000
Assets		
Land held for development	72,671	-
Subsidiaries	-	63,596
Assets of disposal group classified as held for sale	72,671	63,596
Liabilities		
Payables	42,740	42,736
Deferred tax liabilities	10,733	-
Liabilities directly associated with disposal group classified as held for sale	53,473	42,736

Included in payables is an amount of RM42,736,000, net of direct expenses paid, in relation to partial payment received from the disposal of a subsidiary as disclosed in Note 6(b).

15. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Group / Company			
	Number of ordinary shares of RM1 each		**Amount**	
	2010	2009	**2010**	2009
	'000	'000	**RM'000**	RM'000
Authorised:				
At 1 January/31 December	**1,000,000**	1,000,000	**1,000,000**	1,000,000

	Number of ordinary shares of RM1 each		**← Amount →**			
	Share capital (Issued and fully paid)	**Treasury shares**	**Share capital (Issued and fully paid)**	**Share premium**	**Total share capital and share premium**	**Treasury shares**
	'000	**'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 January 2009/ 31 December 2009	361,742	-	361,742	51,056	412,798	-
Purchase of treasury shares	**-**	**(18,796)**	**-**	**-**	**-**	**(5,568)**
At 31 December 2010	**361,742**	**(18,796)**	**361,742**	**51,056**	**412,798**	**(5,568)**

Share capital

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The Company acquired 18,796,100 of its own shares through purchases on the Bursa Malaysia Securities Berhad in the current financial year. The total amount paid to acquire the shares was RM5,568,000 and this was presented as a component within shareholders' equity.

The directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

16. OTHER RESERVES

		Group		Company	
		2010	2009	**2010**	2009
		RM'000	RM'000	**RM'000**	RM'000
Non-distributable					
Asset revaluation reserve	(a)				
At 1 January		**-**	3,616	**-**	2,596
Transfer to capital reserve		**-**	(3,616)	**-**	(2,596)
At 31 December		**-**	-	**-**	-
Exchange reserve	(b)	**20**	20	**-**	-
Distributable					
Capital reserve	(c)				
At 1 January		**21,455**	17,839	**19,337**	16,741
Transfer from asset revaluation reserve		**-**	3,616	**-**	2,596
At 31 December		**21,455**	21,455	**19,337**	19,337
		21,475	21,475	**19,337**	19,337

(a) The asset revaluation reserve is used to record increases in the fair value of leasehold land and buildings and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.

(b) The exchange reserve is used to record exchange differences arising from the translation of the financial statements of foreign operation whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operation.

(c) The capital reserve relates to the asset revaluation reserve portion for land and buildings which have been disposed of.

17. DEFERRED TAX LIABILITIES

	Group	
	2010	2009
	RM'000	RM'000
At 1 January	**11,722**	10,518
Recognised in profit or loss (Note 26)	**(449)**	1,204
Disposal of subsidiaries	**(8)**	-
At 31 December	**11,265**	11,722

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

	At 1 January 2009 RM'000	Recognised in profit or loss RM'000	At 31 December 2009 RM'000	Recognised in profit or loss RM'000	Disposal of subsidiaries RM'000	At 31 December 2010 RM'000
Deferred tax liabilities						
Accelerated capital allowances	5,793	10	5,803	**-**	**(8)**	**5,795**
Fair value adjustment arising from business combination	6,318	37	6,355	**(449)**	**-**	**5,906**
	12,111	47	12,158	**(449)**	**(8)**	**11,701**
Deferred tax assets						
Unused tax losses and unabsorbed capital allowances	(1,593)	1,157	(436)	**-**	**-**	**(436)**
	10,518	1,204	11,722	**(449)**	**(8)**	**11,265**

18. BORROWINGS (SECURED)

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Current				
Bankers' acceptances	**2,179**	2,179	**-**	-
Term loans	**11,000**	15,952	**3,000**	9,952
Hire purchase payables (Note 28)	**1,262**	399	**277**	295
	14,441	18,530	**3,277**	10,247
Non-current				
Term loans	**17,287**	26,287	**-**	-
Hire purchase payables (Note 28)	**1,910**	1,076	**632**	749
	19,197	27,363	**632**	749
Total borrowings				
Bankers' acceptances	**2,179**	2,179	**-**	-
Term loans	**28,287**	42,239	**3,000**	9,952
Hire purchase payables (Note 28)	**3,172**	1,475	**909**	1,044
	33,638	45,893	**3,909**	10,996
Maturity of borrowings (excluding hire purchase payables)				
Within 1 year	**13,179**	18,131	**3,000**	9,952
More than 1 year and less than 2 years	**9,000**	8,000	**-**	-
More than 2 years and less than 5 years	**8,287**	18,287	**-**	-
	30,466	44,418	**3,000**	9,952

The range of interest rates at the reporting date for borrowings, excluding hire purchase payables, are as follows:

	Group		Company	
	2010	2009	**2010**	2009
	%	%	**%**	%
Bankers' acceptances	**6.0 - 7.0**	6.0 - 7.0	**-**	-
Term loans	**7.2 - 10.0**	6.8 - 13.0	**10.0**	13.0

The borrowings, other than hire purchase payables, are secured by the following:

(a) Long leasehold land and building of the Group as disclosed in Note 4;

(b) Quoted shares held by the Company as disclosed in Note 12; and

(c) Corporate guarantee of the Company.

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Current				
Trade payables	**6,014**	7,570	**-**	-
Other payables:				
- accruals	**6,377**	3,988	**845**	823
- others	**13,455**	13,200	**5,938**	6,943
	25,846	24,758	**6,783**	7,766
Non-current				
Other payables:				
- performance security fund	**6,169**	-	**-**	-
Total trade and other payables	**32,015**	24,758	**6,783**	7,766
Borrowings	**33,638**	45,893	**3,909**	10,996
Bank overdraft	**1,210**	1,311	**-**	-
Total financial liabilities carried at amortised cost	**66,863**	71,962	**10,692**	18,762

Trade and other payables are non-interest bearing and are normally settled on an average term of 60 days (2009: 60 days).

In accordance with the membership agreement, the performance security fund shall only be refunded upon the member having fully complied with all the terms and conditions of the refund as stated in the membership agreement and, in addition, successfully securing a new member for the transfer of his membership.

20. BANK OVERDRAFT

The bank overdraft bears interest at a rate of 7.9% (2009: 7.9%) per annum and is secured by corporate guarantee of the Company.

21. REVENUE

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Construction revenue	**40,532**	48,641	**-**	-
Dividend income from subsidiary	**-**	-	**272**	-
Management fees from subsidiaries	**-**	-	**2,040**	2,040
Rental income	**3,609**	3,760	**-**	42
Revenue from operation of golf resort	**1,718**	-	**-**	-
Revenue from operation of hotels	**23,274**	22,167	**-**	-
Sale of land	**1,504**	-	**-**	-
	70,637	74,568	**2,312**	2,082

22. COST OF SALES

	Group 2010 RM'000	Group 2009 RM'000
Cost of inventories	**5,087**	3,938
Construction cost	**35,162**	41,518
	40,249	45,456

23. PROFIT/(LOSS) FROM CONTINUING OPERATIONS

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Profit/(loss) from continuing operations is stated after charging/(crediting):				
Auditors' remuneration:				
- statutory audit	**222**	202	**55**	55
- other services	**88**	108	**18**	17
Depreciation of property, plant and equipment (Note 4)	**4,983**	3,365	**708**	661
Directors' emoluments (Note 24(a))	**5,351**	5,676	**4,648**	4,935
Net impairment loss on trade receivables	**24**	-	**-**	-
Other expenses (Note 23(a))	**1,292**	880	**3,593**	66,783
Other income (Note 23(b))	**(8,292)**	(10,716)	**(4,810)**	(86,946)
Property, plant and equipment written off	**286**	1	**-**	1
Rental of premises	**927**	1,046	**588**	588
Staff costs (Note 23(c))	**9,394**	8,351	**1,647**	1,745

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
(a) Other expenses				
Impairment loss on:				
- investment in subsidiaries	**-**	-	**-**	66,783
- amount owing by subsidiaries	**-**	-	**1,004**	-
Inventories written down	**977**	-	**-**	-
Loss from deregistration of subsidiaries	**5**	-	**17**	-
Loss from fair value adjustment on other investments	**13**	-	**13**	-
Loss from disposal of subsidiaries	**297**	-	**1,947**	-
Reversal of liquidated damages receivable	**-**	880	**-**	-
Unrealised foreign exchange loss	**-**	-	**612**	-
	1,292	880	**3,593**	66,783
(b) Other income				
Gain from disposals of:				
- investment in associates	**(1,668)**	-	**(4,073)**	-
- prepaid land lease payments and short leasehold buildings	**-**	(3,144)	**-**	(2,714)
- property, plant and equipment	**(231)**	(436)	**(155)**	(259)
- subsidiary	**-**	(179)	**-**	-
Forfeiture of:				
- performance security fund	**(5,006)**	-	**-**	-
- rental deposits	**-**	(465)	**-**	(465)
- other deposits	**(67)**	-	**-**	-
Interest income from:				
- subsidiaries	**-**	-	**-**	(271)
- others	**(215)**	(200)	**-**	(23)
Interest expense waived	-	(808)	**-**	(808)
Management fee receivable	**(120)**	-	**-**	-
Miscellaneous income	**(376)**	(201)	**(218)**	(135)
Negative goodwill arising from business combination	**(245)**	-	**-**	-
Reversal of impairment loss on:				
- investment in associates	**-**	(4,163)	**-**	(15,563)
- other receivables	**(364)**	-	**(364)**	-
- amount owing by subsidiaries	**-**	-	**-**	(66,379)

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Reversal of provision for liquidated damages	**-**	(1,120)	**-**	-
Unrealised foreign exchange gain	**-**	-	**-**	(329)
	(8,292)	(10,716)	**(4,810)**	(86,946)

(c) Staff costs

Wages and salaries	**8,039**	7,230	**1,508**	1,583
Social security costs	**114**	108	**15**	17
Defined contribution plans	**745**	696	**124**	145
Other staff related expenses	**496**	317	**-**	-
	9,394	8,351	**1,647**	1,745

24. KEY MANAGEMENT PERSONNEL REMUNERATION

(a) Directors

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	**4,809**	5,207	**4,540**	4,842
Benefits-in-kind	**30**	30	**30**	30
	4,839	5,237	**4,570**	4,872
Non-executive:				
Fees	**108**	93	**108**	93
Directors of subsidiaries				
Executive:				
Salaries and other emoluments	**434**	376	**-**	-
Total	**5,381**	5,706	**4,678**	4,965

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Analysis excluding benefits-in-kind				
Total executive directors' remuneration	**5,243**	5,583	**4,540**	4,842
Total non-executive directors' remuneration	**108**	93	**108**	93
Total directors' remuneration	**5,351**	5,676	**4,648**	4,935

The number of directors of the Company whose total remuneration for the financial year ended 31 December fell within the following bands is analysed below:

	Number of Directors	
	2010	2009
Executive directors:		
RM250,001 to RM300,000	**1**	-
RM350,001 to RM400,000	**-**	1
RM1,300,001 to RM1,350,000	**1**	1
RM3,200,001 to RM3,250,000	**1**	-
RM3,500,001 to RM3,550,000	**-**	1
Non-executive directors:		
Below RM50,000	**3**	3

(b) Other key management personnel

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Wages and salaries	**1,061**	861	**232**	232
Social security costs	**4**	4	**1**	1
Defined contribution plans	**121**	102	**28**	28
	1,186	967	**261**	261

25. FINANCE COSTS

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Hire purchase	**128**	53	**56**	46
Bank overdrafts, bankers' acceptances and trust receipts	**227**	256	**-**	-
Term loans	**2,753**	3,317	**563**	867
	3,108	3,626	**619**	913

26. INCOME TAX EXPENSE

	Group	
	2010	2009
	RM'000	RM'000
Malaysian income tax:		
Current year	**1,889**	904
Over provision in prior years	**(645)**	(166)
	1,244	738
Deferred tax (Note 17):		
Deferred tax relating to origination and reversal of temporary differences	**(449)**	1,167
Under provision in prior years	**-**	37
	(449)	1,204
Income tax expense recognised in profit or loss	**795**	1,942

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2009: 25%) of the estimated assessable profit for the financial year.

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

	2010 RM'000	2009 RM'000
Group		
Profit/(loss) before tax:		
- Continuing operations	**1,905**	17,690
- Discontinued operation	**-**	(5)
	1,905	17,685
Taxation at Malaysian statutory tax rate of 25% (2009: 25%)	**476**	4,421
Effect of expenses not deductible for tax purposes	**1,834**	3,043
Income not subject to tax	**(637)**	(4,696)
Deferred tax assets not recognised during the year	**592**	59
Deferred tax assets recognised during the year	**-**	(131)
Under provision of deferred tax in prior years	**-**	37
Over provision of income tax expense in prior years	**(645)**	(166)
Utilisation of group relief	**(825)**	(625)
Income tax expense recognised in profit or loss	**795**	1,942
Company		
(Loss)/profit before tax	**(6,889)**	10,963
Taxation at Malaysian statutory tax rate of 25% (2009: 25%)	**(1,722)**	2,741
Effect of expenses not deductible for tax purposes	**2,311**	18,621
Income not subject to tax	**(1,018)**	(21,280)
Deferred tax assets not recognised during the year	**429**	-
Deferred tax assets recognised during the year	**-**	(82)
Income tax expense recognised in profit or loss	**-**	-

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

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Unused tax losses	**28,349**	26,135	**4,828**	3,295
Unabsorbed capital allowances	**819**	663	**369**	188
	29,168	26,798	**5,197**	3,483

The unused tax losses and unabsorbed capital allowances are available indefinitely for offset against future taxable profits of the respective entities within the Group, subject to no substantial changes in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authorities. Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profit will be available against which they can be utilised based on the current plan of the respective companies.

27. EARNINGS PER SHARE

The basic earnings per share amounts are calculated by dividing profit/(loss) for the financial year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

The computation of diluted earnings per share is not affected by any other factors.

The following reflects the profit or loss and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	2010	2009
	RM'000	RM'000
Group		
Profit/(loss) net of tax, attributable to owners of the parent:		
- Continuing operations	**1,110**	15,748
- Discontinued operation	**-**	(5)
Profit net of tax, attributable to owners of the parent used in the computation of basic and diluted earnings per share	**1,110**	15,743

	2010	2009
	'000	'000
Weighted average number of ordinary shares for basic and diluted earnings per share computation*	**354,759**	361,742

	2010	2009
	sen	sen
Basic and diluted earnings per share	**0.31**	4.35

* The weighted average number of shares takes into account the effect of the purchase of treasury shares during the financial year.

28. HIRE PURCHASE PAYABLES

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Minimum lease payments				
Within 1 year	**1,420**	456	**314**	333
More than 1 year and less than 2 years	**1,274**	425	**276**	322
More than 2 years and less than 5 years	**875**	804	**452**	529
	3,569	1,685	**1,042**	1,184
Less: Future finance charges	**(397)**	(210)	**(133)**	(140)
Present value of hire purchase payables	**3,172**	1,475	**909**	1,044
Present value of finance lease liabilities				
Within 1 year	**1,262**	399	**277**	295
More than 1 year and less than 2 years	**1,134**	374	**240**	287
More than 2 years and less than 5 years	**776**	702	**392**	462
	3,172	1,475	**909**	1,044
Analysed as				
Due within 12 months included as current liabilities (Note 18)	**1,262**	399	**277**	295
Due after 12 months included as non-current liabilities (Note 18)	**1,910**	1,076	**632**	749
	3,172	1,475	**909**	1,044

The hire purchase payables bear interest at the reporting date of 2.7% to 6.0% (2009: 2.2% to 4.5%) per annum.

29. CONTINGENCIES

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Contingent liabilities (unsecured)				
Corporate guarantees issued in respect of banking/credit facilities granted to subsidiaries	**-**	-	**3,389**	3,409
Claims by third parties for the supply of goods and other charges	**855**	855	**-**	-
	855	855	**3,389**	3,409

30. CAPITAL COMMITMENTS

	Group	
	2010	2009
	RM'000	RM'000
Approved and contracted for:		
Capital expenditure for property, plant and equipment	**2,992**	-
Balance of purchase consideration for the acquisition of a subsidiary (Note 33(c))	**-**	15,000

31. LITIGATION

On 19 November 2002, the Company was served with a writ of summons by two third parties claiming the refund of a sum of RM5,000,000 which was paid in relation to a sale and purchase agreement between them and the Company on 3 March 1997. The said sale and purchase agreement had since lapsed due to non-fulfillment of the terms therein by the third parties.

The Board of Directors of the Company is of the opinion that there is no valid basis for this claim and has filed a defense and counterclaim against these parties.

32. RELATED PARTY TRANSACTIONS

	Company	
	2010	2009
	RM'000	RM'000
Dividend income received from a subsidiary	**272**	-
Interest income charged to subsidiaries	**-**	271
Management fees charged to subsidiaries	**2,040**	2,040

Information regarding outstanding balances arising from related party transactions are disclosed in Note 6.

The remuneration of key management personnel is disclosed in Note 24.

33. SIGNIFICANT EVENTS

(a) On 25 January 2010, the Company completed the disposal of the entire issued and paid-up capital of Russella Teguh Sdn Bhd, a wholly owned subsidiary of the Company, for a total consideration of RM62,295,000.

(b) On 29 April 2010, the Company disposed 26,000,000 ordinary shares of RM1 each representing 19% equity interest in Perduren (M) Berhad for a net consideration of RM25,907,000.

Following the disposal, Perduren (M) Berhad ceased to be an associate of the Company.

(c) In the previous financial year, Armada Resorts Sdn Bhd ("ARSB"), a wholly owned subsidiary of the Company, had entered into a sale and purchase agreement for the acquisition of the entire issued and paid-up capital of Christine Resort Berhad ("CRB") (formerly known as Octowers Resort Berhad) for a consideration of RM29,000,000. CRB became a 50%-owned associate of the Group after the payment of RM14,000,000 on 21 July 2009.

On 30 April 2010, the balance consideration of RM15,000,000 was satisfied by cash of RM11,000,000 and the transfer of 4,000,000 ordinary shares of RM1 each in Perduren (M) Berhad at a value of RM1 per share, and CRB became a wholly owned subsidiary of the Group.

(d) On 2 August 2010, the Company disposed the entire issued and paid-up capital of Christine Inn & Recreation Sdn Bhd for a consideration RM300,000.

34. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and financial liabilities of the Group and of the Company at the reporting date approximate their net fair values except for the following:

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial liabilities				
At 31 December 2010				
Hire purchase payables	**3,172**	**3,180**	**909**	**899**
At 31 December 2009				
Hire purchase payables	1,475	1,369	1,044	1,016

The fair value of hire purchase payables is estimated by discounting the expected future cash flows using the current interest rates for liabilities with similar risk profiles.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Risk Management Committee assists the Board to oversee the management of risk issues and review the efficacy of the internal controls of the Group. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the financial year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The Group's and the Company's exposure to credit risk arises primarily from receivables. For other financial assets (including other investments and cash and bank balances) the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the status of major receivables are reported to the Board of Directors with the result that the Group's exposure to bad debts is not significant.

The Group's receivables relate to a large number of diversified customers and does not have any significant exposure to any individual customer or counterparty nor does it have any significant concentration of credit risk related to any financial instrument.

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Information regarding receivables that are neither past due nor impaired is disclosed in Note 9. Deposits with banks and other financial institutions and other investments are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Information regarding receivables that are either past due or impaired is disclosed in Note 9.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from its payables, borrowings and bank overdraft.

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

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations:

	On demand or within one year RM'000	One to two years RM'000	Two to five years RM'000	Total RM'000
Group				
Trade and other payables, excluding performance security fund*	25,846	-	-	25,846
Borrowings	14,441	10,783	9,475	34,699
Bank overdraft	1,210	-	-	1,210
	41,497	10,783	9,475	61,755
Company				
Trade and other payables	6,783	-	-	6,783
Borrowings	3,277	276	452	4,005
	10,060	276	452	10,788

* At the reporting date, the counterparty to the performance security fund does not have a right to demand for cash as the terms and conditions as stipulated in the membership agreement have not been met. Accordingly, performance security fund under the scope of FRS 139 are not included in the above maturity profile analysis.

(c) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes.

The Group's and the Company's exposure to interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair

value interest rate risk. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets.

The information on maturity and interest rates of financial liabilities are disclosed in their respective notes.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 20 basis points lower/higher, with all other variables held constant, the Group's and Company's profit net of tax would have been higher/lower by RM63,000 and RM6,000 respectively as a result of lower/higher interest expense on floating rates borrowings.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The foreign currency exposure of the Group is minimal as the Group has an insignificant level of international operations.

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to equity price risk arises from their investments in quoted shares. The quoted shares in Malaysia are listed on the Bursa Malaysia. These shares are classified as held for trading financial assets. However, its exposure is minimal as the Group's and the Company's investments in quoted shares are small compare to its total assets.

Sensitivity analysis for equity price risk

At the reporting date, if the market price of the quoted shares had been 1% higher/lower, with all other variables held constant, the Group's and the Company's profit net of tax would have been RM97,000 higher/lower, arising as a result of higher/lower fair value gain/loss on held for trading investment in quoted shares, and the carrying amount for the Group's and the Company's other investment would have been RM97,000 higher/lower.

36. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' values.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2010 and 31 December 2009.

37. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

(a) Property - land and property investment.

(b) Construction - building contractors for residential and commercial properties.

(c) Hotel and leisure - operation of hotel and golf resort.

(d) Corporate - group-level corporate services and treasury functions.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer pricing between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Analysis by geographical segments are not presented as the Group principally operates in Malaysia.

Revenue from major customers amount to RM32,399,000 (2009: RM45,632,000), arising from revenue of the construction segment.

	Property		Construction		Hotel and leisure		Corporate		Discontinued operation		Adjustments and eliminations			Per consolidated financial statements	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009		**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000	**RM'000**	RM'000	**RM'000**	RM'000	**RM'000**	RM'000	**RM'000**	RM'000	**Note**	**RM'000**	RM'000
Revenue															
External customers	**5,113**	3,760	**40,532**	48,641	**24,992**	22,167	**-**	-	**-**	-	**-**	-		**70,637**	74,568
Inter-segment	**-**	-	**-**	-	**-**	-	**2,312**	2,040	**-**	-	**(2,312)**	(2,040)	(i)	**-**	-
Total revenue	**5,113**	3,760	**40,532**	48,641	**24,992**	22,167	**2,312**	2,040	**-**	-	**(2,312)**	(2,040)		**70,637**	74,568
Results															
Depreciation of property, plant and equipment	**(1,152)**	(1,087)	**(204)**	(96)	**(2,904)**	(1,449)	**(723)**	(733)	**-**	-	**-**	-		**(4,983)**	(3,365)
Share of results of associates:															
- post-acquisition results	**-**	-	**-**	-	**-**	-	**637**	(81)	**-**	-	**-**	-		**637**	(81)
- negative goodwill	**-**	-	**-**	-	**-**	-	**-**	11,380	**-**	-	**-**	-		**-**	11,380
Other material non-cash income/(expense)	**(977)**	3,294	**-**	244	**4,796**	-	**1,890**	4,445	**-**	-	**-**	-	(ii)	**5,709**	7,983
Segment profit/(loss)	**443**	3,723	**2,574**	4,629	**8,623**	6,188	**(5,167)**	(3,491)	**-**	(5)	**(4,568)**	6,646	(iii)	**1,905**	17,690
Assets															
Additions to property, plant and equipment	**310**	526	**812**	92	**6,575**	2,648	**679**	2,132	**-**	-	**-**	-		**8,376**	5,398
Segment assets	**87,024**	87,966	**15,970**	15,989	**135,671**	96,742	**45,830**	47,225	**-**	72,671	**(25,103)**	-	(iv)	**259,392**	320,593
Segment liabilities	**43,871**	44,387	**10,951**	12,314	**88,460**	53,502	**11,357**	31,901	**-**	57,069	**(74,050)**	(61,841)	(v)	**80,589**	137,332

Notes

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

(i) Inter-segment revenue and dividend income are eliminated on consolidation.

(ii) Other material non-cash income/(expense) consist of the following items as presented in the respective notes to the financial statements:

	2010 RM'000	2009 RM'000
Forfeiture of performance security fund	**5,006**	-
Gain from disposal of:		
- investment in associates	**1,668**	-
- prepaid land lease payments and short leasehold buildings	**-**	3,144
- property, plant and equipment	**231**	436
Inventories written down	**(977)**	-
Loss from disposal of subsidiaries	**(297)**	-
Property, plant and equipment written off	**(286)**	-
Reversal of impairment loss on:		
- other receivables	**364**	-
- investment in associates	**-**	4,163
Reversal of provision for liquidated damages	**-**	1,120
Reversal of liquidated damages receivable	**-**	(880)
	5,709	7,983

(iii) The following items are added to/(deducted from) segment profit to arrive at "Profit before tax from continuing operations" presented in the consolidated statement of comprehensive income:

	2010 RM'000	2009 RM'000
Interest expenses	**(3,108)**	(3,626)
Interest income	**215**	200
Interest expense waived	**-**	808
Inter-segment management fee	**(2,040)**	(2,040)
Inter-segment dividend income	**(272)**	-
Segment results of discontinued operation	**-**	5
Share of results of associates:		
- post-acquisition results	**637**	(81)
- negative goodwill	**-**	11,380
	(4,568)	6,646

(iv) The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2010 RM'000	2009 RM'000
Inter-segment assets	**(25,103)**	-

(v) The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2010 RM'000	2009 RM'000
Inter-segment liabilities	**(74,050)**	(61,841)

38. COMPARATIVES

The presentation and classification of items in the current year's financial statements have been consistent with the previous year's financial statements except that certain comparatives as at 31 December 2009 have been reclassified to conform with current year's presentation:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Statement of comprehensive income			
Company			
Revenue	42	2,040	2,082
Other income	88,986	(2,040)	86,946

39. SUPPLEMENTARY INFORMATION - BREAKDOWN OF ACCUMULATED LOSSES INTO REALISED AND UNREALISED

The breakdown of the accumulated losses of the Group and of the Company as at 31 December 2010 into realised and unrealised losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* as issued by the Malaysian Institute of Accountants.

	2010	
	Group RM'000	Company RM'000
Total accumulated losses of the Company and its subsidiaries:		
- realised	(517,620)	(275,060)
- unrealised	(4,091)	1,250
	(521,711)	(273,810)
Total share of retained profits from associates - realised	1	-
	(521,710)	(273,810)
Less: Consolidation adjustments	271,808	-
Accumulated losses as per financial statements	(249,902)	(273,810)

Schedule of Properties
Held by the Company and its Subsidiaries as at 31 December 2010

Location of Properties	Description	Date of Acquisition	Expiration of Lease	Land Area (Acres)	Lettable Area (Sq. Ft.)	Approximate Age of Building (Years)	Net Book Value (RM'000)
Lot 51, Section 27, Town of Petaling Jaya, Selangor	23 storey hotel with 242 rooms and 4 storey podium with basement car park *Known as Hotel Armada*	June 1993	6 February 2071	2.44	69,244	14	103,733
Lot PTD 90038, Mukim of Plentong, Bandar Seri Alam, Johor	An 18-holes golf course with clubhouse and recreational facilities *Known as Christine Resort*	April 2010	Freehold	182.00	N/A	18	50,448
Lots 3824 to 3827 and Lots 5975 to 5979, Mukim of Senai-Kulai, Johor	Land	January 1992	Freehold	34.54	N/A	N/A	9,563
Lot 1845, Mukim of Tebrau, Johor	Land	April 2003	Freehold	5.43	N/A	N/A	8,278
Lot 290, Mukim of Tebrau, Johor	Land	June 1996	Freehold	4.84	N/A	N/A	6,596
Lots 1589 and 1592, Mukim of Tebrau, Johor	Double storey office building	May 1994	Freehold	4.14	9,935	34	4,829
Lots PTD 5358 to 5379, Township and District of Johor Bahru, Johor	41 units apartments *Known as Pelita Indah Condominium*	May 1995	Freehold	Strata title	70,642	16	4,070
Lots PT 78700 and 78701, Mukim of Petaling, District of Petaling, Selangor	Land	July 2002	27 May 2097	2.37	N/A	N/A	1,047
Lot No. PT 2906, Mukim of Pasir Panjang, District of Port Dickson, Negeri Sembilan	4 units apartments *Known as Palm Springs Apartments*	December 1994	Freehold	Strata title	6,372	9	613
B13-1 Block B No. 1 Lorong Utara B off Jalan Utara 46200 Petaling Jaya	1 unit apartment *Known as The Istara Condominium*	August 1996	9 March 2076	Strata title	1,313	13	124
Lot B2F-19a, Megan Phoenix, Jalan 2/142A KM10 off Jalan Cheras 56000 Kuala Lumpur	1 unit office lot	July 1997	Freehold	Strata title	1,479	11	78

Statistics of Shareholdings
(As at 3 May 2011)

SHARE CAPITAL

Authorised share capital	RM1,000,000,000
Issued and fully paid-up share capital	RM361,742,241
Adjusted issued and fully paid-up share capital	RM342,946,141*
Class of shares	Ordinary share of RM1 each
Voting rights	1 vote per share

* after deducting 18,796,100 treasury shares pursuant to section 67A of the Companies Act, 1965

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	683	4.50	30,747	0.01
100 - 1,000	4,170	27.47	2,943,375	0.86
1,001 - 10,000	8,177	53.87	31,572,950	9.21
10,001 - 100,000	1,932	12.73	59,777,387	17.43
100,001 - 17,147,306	216	1.42	146,922,665	42.84
17,147,307 & above	1	0.01	101,699,017	29.65
Total	15,179	100.00	342,946,141	100.00

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 3 MAY 2011
(as shown in the Register of Substantial Shareholders)

Name	No. of Shares (Direct)	No. of Shares (Indirect)	%
1. DATO' YAP SING HOCK	103,183,417	3,821,250	31.20

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 3 MAY 2011

	Name	No. of Shares	%
1.	HDM NOMINEES (TEMPATAN) SDN. BHD. Pledged Securities Account for Yap Sing Hock (M09)	101,699,017	29.65
2.	HDM NOMINEES (TEMPATAN) SDN. BHD. Pledged Securities Account for Wong Chin Hee (M09)	12,524,700	3.65
3.	COSMO CITY INVESTMENT LIMITED	12,351,400	3.60
4.	TA NOMINEES (TEMPATAN) SDN. BHD. Pledged Securities Account for Chan Wah Long	9,872,000	2.88
5.	LIANG TEH HAI	6,067,000	1.77
6.	HSBC NOMINEES (ASING) SDN. BHD. Exempt An for Credit Suisse (SG BR-TST-ASING)	5,700,000	1.66
7.	HDM NOMINEES (TEMPATAN) SDN. BHD. HDM Capital Sdn. Bhd. for Lee Fook Kheun	4,947,700	1.44
8.	YONG SOW LAN	4,789,500	1.40
9.	HSBC NOMINEES (ASING) SDN. BHD. Exempt An for BSI SA (BSI BK SG-NR)	4,500,000	1.31
10.	CITIGROUP NOMINEES (ASING) SDN. BHD. Exempt An for OCBC Securities Private Limited (Client A/C-NR)	3,116,518	0.91
11.	ONN KOK PUAY (WENG GUOPEI)	2,768,600	0.81
12.	TASEC NOMINEES (TEMPATAN) SDN. BHD. TA First Credit Sdn. Bhd. for Chan Wah Long	2,536,500	0.74
13.	CIMSEC NOMINEES (ASING) SDN. BHD. Exempt An for CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)	2,338,662	0.68
14.	YONG KOON PAN	2,150,000	0.63
15.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB Bank for Tang Yee Ling (M68042)	2,013,800	0.59

	Name	No. of Shares	%
16.	LIM SENG CHEE	1,867,000	0.54
17.	CHUA BOON CHIEN	1,650,000	0.48
18.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. Pledged Securities Account for Ong Yoong Nyock (100583)	1,508,900	0.44
19.	HSBC NOMINEES (TEMPATAN) SDN. BHD. BSI SA for Ong Yoong Nyock	1,500,000	0.44
20.	LOW AH LIN	1,500,000	0.44
21.	MORIMASA OKAWA	1,500,000	0.44
22.	YAP TSE YEENG CHRISTINE	1,500,000	0.44
23.	YAP SING HOCK	1,484,400	0.43
24.	LIANG TEH HAI	1,390,000	0.40
25.	LEONG SOCK MOOI	1,328,450	0.39
26.	AGNES YAP TSE EE	1,321,250	0.38
27.	HLG NOMINEE (ASING) SDN. BHD. Exempt An for UOB Kay Hian Pte. Ltd. (A/C Clients)	1,294,275	0.38
28.	G-INSTITUTE OF REAL ESTATE SDN. BHD.	1,200,000	0.35
29.	MERCSEC NOMINEES (TEMPATAN) SDN. BHD. Pledged Securities Account for TNTT Realty Sdn. Bhd.	1,062,100	0.31
30.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. Pledged Securities Account for Ong Yoong Nyock (8039533)	1,059,000	0.31
	Total	**198,540,772**	**57.89**

LIEN HOE CORPORATION BERHAD

(Company No: 8507-X)

(Incorporated in Malaysia under the Companies Act, 1965)

No. of shares held:	
CDS account no.:	

FORM OF PROXY

I/We...

of...

being a member(s) of LIEN HOE CORPORATION BERHAD hereby appoint ....

of...

or failing him/her ....

of...

as my/our Proxy to vote for me/us/ on my/our behalf at the 41st Annual General Meeting of the Company to be held at Atlanta Ballroom, Level 3, Hotel Armada, Lorong Utara C, Section 52, 46200 Petaling Jaya on Wednesday, 22 June 2011 at 11.00 a.m.

My / our proxy is to vote as indicated below :

NO.	RESOLUTIONS	FOR	AGAINST
1.	To lay the Audited Financial Statements for the year ended 31 December 2010 together with the Directors' and Auditors' Reports thereon.		
2.	To approve the payment of Directors' Fees.		
3.	To re-elect Mr Cheong Marn Seng, Allen as Director of the Company.		
4.	To re-elect Dr Teoh Kim Loon as Director of the Company.		
5.	To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Board of Directors to determine their remuneration.		
6.	To approve Ordinary Resolution 1 pursuant to Section 132 (D) of the Companies Act, 1965.		
7.	To approve Ordinary Resolution 2 pursuant to proposed renewal of shareholders' approval for share buy-back.		
8.	To approve Special Resolution to amend Article 157 of the Articles of Association of the Company.		

Please indicate with an 'X' in the appropriate spaces how you wish your votes to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy will vote as he thinks fit or, at his discretion, abstain from voting.

Dated:-

____

Signature /Common Seal of Shareholder(s)

NOTES:-

1. *A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*

2. *In the case of a corporate member, the form of proxy appointing a corporate representative must be executed under seal or under the hand of an officer or attorney duly authorised.*

3. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account the authorised nominee holds with ordinary shares of the Company standing to the credit of the securities account.*

4. *The form of proxy must be deposited at the registered office of the Company at 18th Floor, Menara Lien Hoe, 8 Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan, not later than 48 hours before the time stipulated for holding of the meeting or any adjournment thereof.*

LienHoe

LIEN HOE CORPORATION BERHAD

(Company No. 8507-X)

2010 ANNUAL REPORT