Johan Holdings Berhad
(Company No. 314-K)

Johan Holdings Berhad (314-K)

annual report for the year ended 31 January 2010

Annual Report
for the year ended 31 January 2010

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CORPORATE PROFILE

Johan began its activities in 1920 as Johan Tin Dredging Ltd. It operated a mining lease off the Sungei Johan in the Kinta District of Perak, Malaysia with a paid-up capital of RM136,000 which remained unchanged for 61 years until 1981. In 1979, the Company was renamed **Johan Holdings Berhad.**

Since 1979, Johan diversified away from its tin mining business and through acquisitions and organic growth, the Johan Group today is a Malaysian grown international group with diversified operations and business dealings in Malaysia, Singapore, Brunei, Australia and New Zealand.

Johan is listed on the Main Market of Bursa Malaysia Securities Berhad. Its subsidiary, Jacks International Limited is listed on the Singapore Exchange Securities Trading Limited.

Johan Group's current principal activities are as franchise operator for Diners Club charge and credit cards. manufacture of ceramics wall and floor tiles, distribution and retailing of health foods and supplements, travel and tours, property development, resorts and hotels.

Chairman's Statement

Dear Shareholders,

On behalf of your Board of Directors, I am pleased to present the Annual Report of Johan Holdings Berhad for the financial year ended 31 January 2010.

ECONOMIC AND BUSINESS ENVIRONMENT REVIEW

2009 began with many of the economies of the world going into recession. The start of the subprime mortgage crisis in the US escalated into many financial institutions failures and subsequent government bailouts. This has caused major economies to suffer recession. Trade slowed drastically and many jobs were lost. A raft of stimulus packages were instituted by many governments to boost their economy. Towards the end of 2009, there were signs of major economies globally pulling out of recession and registering positive growth of their GDPs.

Malaysia was not spared from the effects of the global recession with the economy contracting in the first three quarters of 2009. However the better than expected GDP growth of 4.5% recorded for the fourth quarter resulted in 1.7% contraction of the economy for the whole of 2009, aided by the two timely government stimulus packages totalling RM67 billion to prime the economy. In addition Bank Negara Malaysia's prompt monetary policy with sharp lowering of interest rates had helped consumers and businesses meet with the challenges of the contracting economy.

The Singapore economy contracted 2.0% in 2009, the first contraction since 2001, as the worst global recession since World War II curbed exports, prompted tourists to stay away and dampened consumer spending. The Government cut corporate taxes and created jobs through public spending together with a wage and subsidy programme for employers. The Government also create a vehicle to assist companies to obtain loans.

REVIEW OF FINANCIAL RESULTS

Considering the most difficult and trading conditions in the economies in which the Group operates, I am delighted to report that your Group has once again registered a credible performance for the financial year ended 31 January 2010.

The key financial highlights were as follows:

- Profit before tax of RM29.261 million (2009 : RM28.207 million), up 3.74%
- Profit after tax of RM25.631 million (2009 : RM23.727 million), up 8.02%
- Profit attributable to shareholders of RM25.085 million (2009 : RM23.065 million), up 8.76%
- Earnings per 50 sen share of 4.03 sen (2009 : 3.70 sen), up 8.92%
- Net Assets per 50 sen share of 34.42 sen (2009 : 33.32 sen), up 3.30%
- Debt Equity Ratio of 0.50 (2009 : 0.61) an improvement of 18.03%

DIVIDEND

Your Board does not propose to declare any dividend for the financial year under review.

CORPORATE DEVELOPMENT

At Conversion Dates on 30 April and 31 October 2009, a total of 64,570,833 Irredeemable Convertible Unsecured Loan Stocks ("ICULS") of nominal value of 50 sen each were submitted for conversion into 64,570,833 new ordinary shares of 50 sen each, ranking pari passu in all respects with the existing issued shares of your Company.

Your Company had on 20 November 2009 announced that 912,693 ICULS of nominal value of 50 sen each ("Outstanding ICULS") being approximately 0.8% of the total ICULS issued, remained outstanding. Pursuant to Clause 8.9(i)(b) of the Trust Deed dated 12 March 2003, which provides that your Company may, at any time, when the aggregate of outstanding ICULS is less than 10% of the total ICULS issued, compulsorily convert all (but not some) of the outstanding ICULS into new ordinary shares of 50 sen each of the Company at the Conversion Price of one (1) new ordinary share of 50 sen each for every one (1) ICULS with a nominal value of 50 sen each by giving thirty (30) days notice to the ICULS holders.

Accordingly, your Company had on 3 December 2009 served notice on the remaining ICULS holders for compulsory conversion of the Outstanding ICULS and fixed 4 January 2010 at 5:00 p.m. as the Compulsory Conversion Date.

Following the conversion of the abovementioned ICULS into ordinary shares of your Company, the total issued and paid-up share capital of your Company stood at RM311,474,263.50 comprising 622,948,527 ordinary shares at 50 sen each as at 11 January 2010.

Chairman's Statement
cont'd

With effect from 1 March 2010, the listing of the ordinary shares of your Company was reclassified by Bursa Malaysia under "Finance Sector".

BUSINESS OUTLOOK AND PROSPECTS

The worst of the Global Economic Crisis appears to be over as the International Monetary Fund ("IMF") in its latest forecast, has revised upward its 2010 growth forecast for the world economic output to grow 3.9%, up from the previous estimate of 3.1%. The IMF said that the economic recovery is strongest in Asia's emerging economies, which is expected to rise to about 6% in 2010, following a modest 2% in 2009.

Malaysia's GDP growth for 2010 is projected to grow as much as 6% as the economy recorded a robust growth of 10.1% in the first quarter of 2010, a rise from 4.4% in the fourth quarter of last year. The growth showed that the Government's RM67 billion of stimulus funding had begun to make an impact to the economy with the strengthening of domestic and external demand.

The Singapore Government had revised the growth forecast for its economy to be between 7% to 9% for 2010 from the earlier 4.5% to 6.5% following the record annualised 38.6% growth in the first quarter of 2010 from the previous three months. With the recent opening of two integrated resorts with convention centres, a theme park and casinos, the services sector will be further enhanced as the key pillar for growth of the economy for 2010.

Moving forward, your Group will strive for sustainable profitable growth and will continue with its strategy of focusing on our core businesses and strict control on costs to maintain or expand margins. Analysis of new business opportunities and ventures both locally and overseas is an on-going exercise.

With the encouraging projected positive growth for Year 2010 in the economies in which your Group companies operate, your Board is optimistic of the Group's performance in the current year.

ACKNOWLEDGEMENT

On behalf of the Board, I wish to thank the management and staff for their hard work, dedication and collective contribution to the Group's performance. I wish to thank my fellow Board members for their continuing guidance and support and also our valued customers, suppliers and business associates as well as our shareholders for their continuing support.

On behalf of the Board

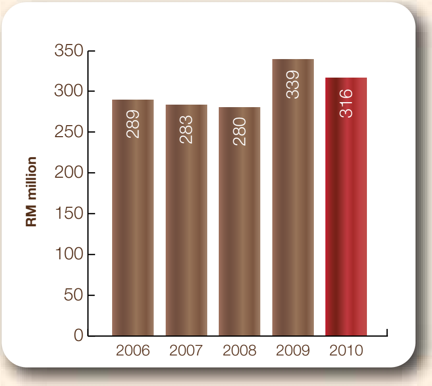
Tan Sri Dato' Tan Kay Hock
Chairman
8 June 2010

Five-Year Group Financial Highlights

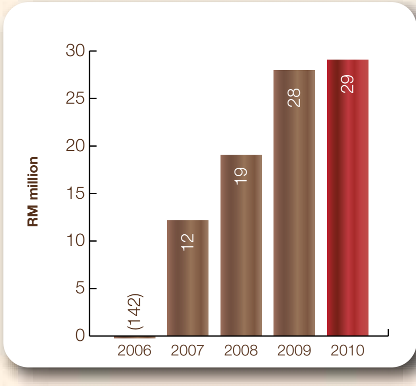
	Year Ended 31 January				
	2010	2009	2008	2007	2006
	RM'000	RM'000	RM'000	RM'000	RM'000
		Restated	Restated	Restated	Restated
PROFITABILITY					
Consolidated income statement					
Revenue	315,675	338,850	279,579	282,522	289,162
Profit/(Loss) Before Tax	29,261	28,207	18,721	11,878	(142,200)
Income Tax (Expense)/Credit	(3,630)	(4,480)	1,966	(463)	5,256
Profit/(Loss) for the year	25,631	23,727	20,687	11,415	(136,944)
KEY BALANCE SHEET DATA					
Consolidated balance sheets					
Total non-current assets	207,103	205,563	302,693	302,802	315,329
Total current assets	801,307	693,346	597,398	552,973	576,629
Shareholders' fund	214,434	185,730	158,234	138,962	133,460
Minority Interest	4,659	3,808	3,616	3,079	9,688
Shareholders' Equity	219,093	189,538	161,850	142,041	143,148
Total non-current liabilities	22,159	61,078	61,244	96,601	132,302
Total current liabilities	767,158	648,293	676,997	617,133	616,508
SHARE INFORMATION					
Earnings/(loss) per share, fully diluted basis (sen)	4.03	3.70	3.19	1.74	(19.69)
Net assets per share (sen)	34.42	33.32	31.09	27.31	26.23
Share price as at 31 January (RM)	0.28	0.16	0.275	0.14	0.095
FINANCIAL RATIOS					
Return on shareholders' fund after tax and minority interest but before extraordinary items (%)	11.70	12.42	12.56	7.81	(91.93)
Debt-equity ratio (Note 1)	0.50 : 1	0.61 : 1	1.11 : 1	1.33 : 1	1.78 : 1

Note 1: Debt comprise short and long term bank borrowings, lease and hire purchase creditors.

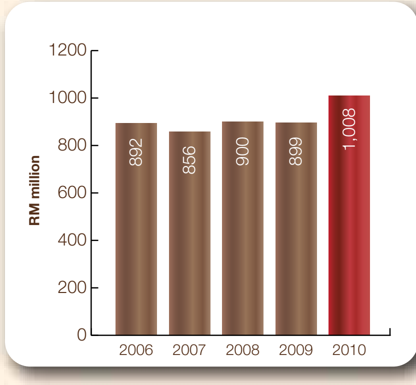
Revenue



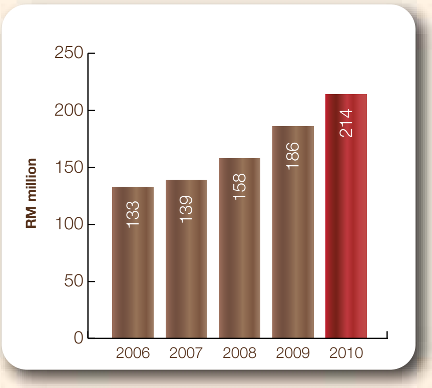
Profit/(loss) before tax



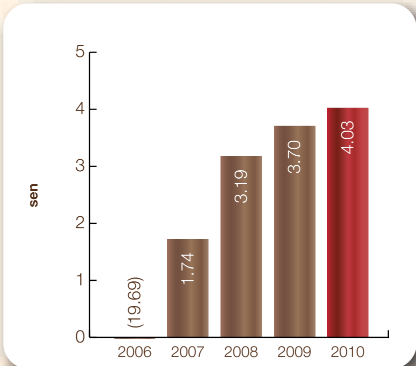
Total assets



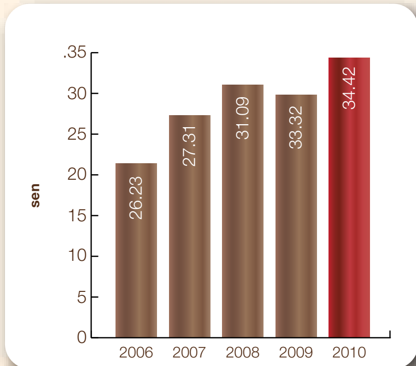
Shareholders' funds



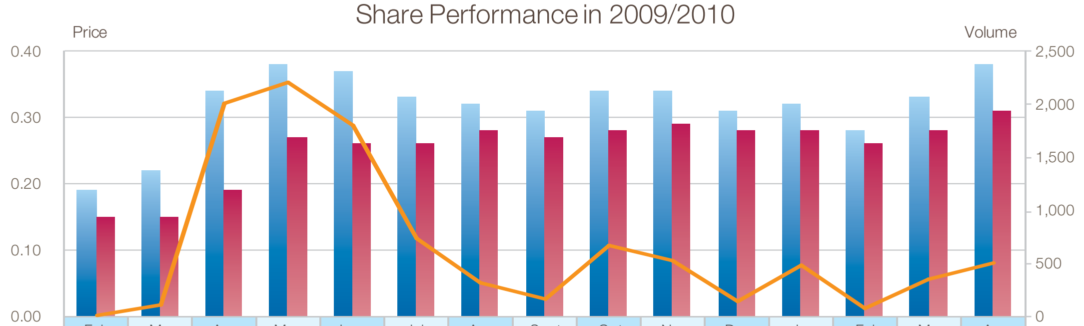
Earnings/(loss) per share



Net assets per share



Share Performance in 2009/2010



	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
High (RM)	0.19	0.22	0.34	0.38	0.37	0.33	0.32	0.31	0.34	0.34	0.31	0.32	0.28	0.33	0.38
Low (RM)	0.15	0.15	0.19	0.27	0.26	0.26	0.28	0.27	0.28	0.29	0.28	0.28	0.26	0.28	0.31
Total Volume (mil)	12	110	2,008	2,216	1,802	740	320	171	668	528	140	482	73	356	511

High (RM)   Low (RM)   Total Volume (mil)

Review of Operations

THE JOHAN GROUP'S BUSINESSES

The businesses of the Johan Group are principally as franchise operator for Diners Club charge and credit cards, manufacture of ceramic floor and wall tiles, distribution and retailing of health foods and supplements, air ticketing and travel management, property development and resort hotel operation. The Group's businesses are based in Malaysia, Singapore, Australia and New Zealand.

DINERS CHARGE/CREDIT CARDS SERVICES & HOSPITALITY

The Group holds the Diners Club card franchise for Malaysia, Singapore, Brunei and New Zealand including the Fiji Islands, Samoa and Tonga. Globally card members have access to over 14 million merchants in a wide range of businesses, such as airlines, hotels, car rental, dining and top-end retailing outlets.

Diners Club (Malaysia) Sdn. Bhd. ("DCM") recorded higher profit before tax by 31% on marginally lower revenue when compared to the previous year.

DCM continued to expand on its cobrand card acquisition activities with the launch in August 2009 of the Victoria Station cobrand card under which cardmembers enjoy loyalty points and cash vouchers entitlement when patronizing Victoria Station, Sri Ayuthaya and Chef & Brew group of restaurant outlets. DCM also embarked on new card services with the re-launch in the 3rd quarter of 2009 of the Ready CA$H services where cardmembers can request for transfer of interim funds to their saving/current bank accounts. For those preferring immediate cash, DCM had also expanded its cash withdrawal network to include about 3,000 Maybank's ATM nationwide.

DCM will in 2010 embark on a new product line, namely the issuance of credit cards. In support of DCM expanding into the credit card business, it was announced on 11 May 2010 that DCM had successfully completed its RM150 million Medium Term Notes programme arising from the securitization of charge and credit cards receivables. This marks the first combined securitization of credit and charge cards receivables in the Malaysian capital markets.

Diners Club (Singapore) Pte. Ltd. ("DCS") achieved growth of 118,859 new cards members, during the financial year under review, a net growth of 27.1% when compared to card members at the close of the previous financial year end. Cards in force comprised 93.9% of credit cards with the balance 6.1% being charge cards.

Card growth during the year was focus on cobrand credit cards, starting with the launch of Sheng Siong Supermarket cobrand cards and re-launched of various other cobrand products such as Courts and Jacks Place cobrand cards.

To drive revenue and card usage, more innovative programmes were introduced; this include Ezylink auto top up, 50% Best Deals, Buy Now Pay Later on AXS Kiosks and "Win $10,000 Cash Lucky Draw" where card members get a chance to win with every $50 charged to the Diners Club card. More card member benefits were also added, this include the opening of the first airport lounge in Singapore Changi Airport and Quick Track Services where Diners card members can access airport transfer service at a privileged price.

Diners Club (New Zealand) Ltd. ("DCNZ") in the year under review was designated as the official card of New Zealand Golf and this new status was employed at the New Zealand Open to promote the Diners Club brand. DCNZ, during the year just ended, focused on the upgrade of the legacy card management system. The successful implementation of the Smart Vista front end authorisation system and the introduction of new credit card platform will provide new revenue growth opportunities in Year 2010.

Diners World Travel (Malaysia) Sdn. Bhd. ("DWTM") for the year under review recorded lower revenue by 25%. This was attributed to lower corporate ticketing sales caused by the slow down in economies worldwide as well as cheaper fare offered by both low cost carriers and full commercial airlines through online internet booking. As a result, profit before tax was lower by 20.5% when compared to the previous year. For Year 2009/10, DWTM was awarded "Top Agents Award" by Cathay Pacific Airways Ltd.

Diners World Travel (Singapore) Pte. Ltd. ("DWTS") in Singapore recorded the same level of profitability despite lower revenue by 16% when compared to the previous year. For the year 2009, DWTS was again awarded "Top Agents Award" by Singapore Airlines, "Million Dollar Agents Award" by United Airlines, "Top Agents Award" by ABACUS Distribution Systems and AIG Insurance, and "Excellence Service Award" by SPRING Singapore. Other notable awards include "Top Agents Award" by INSIGHT VACATION, "Top Supporting Travel Agent (Training)" by Tourism Management Institute of Singapore, "Visit Britain – Preferred Agency "and "Contribution to Success of Team Singapore – 25th SEA Games" by Singapore Sports Council.

Lumut Park Resort Sdn. Bhd. owns and operates The Orient Star Resort Lumut ("the Hotel") located in the heart of the coastal town of Lumut in Perak Darul Ridzuan. Despite the slowdown in business, especially from the government sectors, the Hotel was able to record the same level of turnover and profitability recorded for the previous financial year end. These were achieved on the back of an increase in average room rate of 3.89% when compared with that of the previous year.

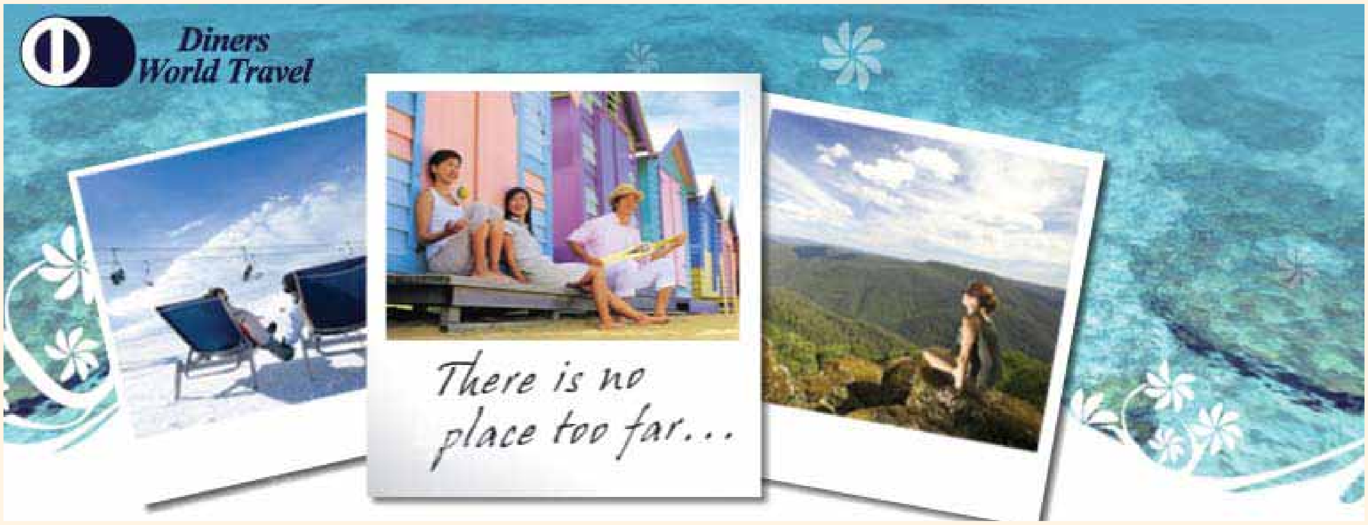
Lumut Marine Resort Berhad owns and operates the Lumut International Yacht Club ("LIYC") located about a kilometre from The Orient Star Resort Lumut. The LIYC continues with its efforts to increase its membership base which is currently still below the optimum level to enable it to operate profitability.

BUILDING MATERIALS & ENGINEERING

Prestige Ceramics Sdn. Bhd. ("Prestige") turnover for the financial year under review was 9.7% lower when compared to the previous year due mainly to the softening of demand in the housing and construction sector and intense competition within the Malaysian tile industry. These contributed to lower profitability recorded by Prestige in the year under review.

Towards the second half of 2009, various innovative and niche housing project were launched by certain prominent housing developers with financial institutions to attract buyers, at the same time offering flexible financing packages to property buyers. All these measures should help to improve the demand for residential and commercial properties and anger well for the tiles industry in Malaysia.

Prestige will continue to improve on production efficiency, product quality and to be a cost efficient manufacturer to enhance its market presence both domestically and overseas.



Review of Operations
cont'd

William Jacks (Australia) Pty. Ltd. recorded lower profit before tax by 42.9% when compared to the previous year. This was due to lower contract works secured for the financial year under review. The profitability of the Company is solely dependent upon its success in securing contracts with good margin.

TRADING

Retailing of health foods and supplements business are undertaken by Nature's Farm Pte. Ltd. (25 outlets in Singapore and 2 outlets in Brunei) and Nature's Farm (Health Foods) Sdn. Bhd. (6 outlets in Klang Valley, Malaysia).

Nature's Farm Pte. Ltd. ("NFS") was again accorded Superbrands status in 2009. For the third consecutive year, NFS was awarded the Excellent Service Award for five (5) retail staff who received the Star Award (3), Gold Award (1) and Silver Award (1) from Singapore Retailers Association and SPRING Singapore. From Horphag Research, NFS was awarded the "Excellence in Retail Sales 2009 - Asia Pacific" for the fourth consecutive year for outstanding sales achievement of Pycnogenol within the region.

NFS has implemented new packaging and labels for the range of supplements under its own brand name 'Nature's Farm'. New products under Nature's Farm brand to be launched by early June 2010 include Manuka Honey Active 15, 20 and 25, Pycno Cardio Pro (for healthy blood lipids and heart protection) and Pycno Cell Pro (for cell membrane protection).

PROPERTY DEVELOPMENT

The Property Division of Lumut Park Resort Sdn. Bhd. ("LPR") completed the construction of 12 units shoplots in the fourth quarter of 2009 with the handing over of vacant possession to the buyers. Under Phase II, LPR plans to develop an additional 17 units of shoplots in Lumut. We will continue to develop more shoplots and other commercial buildings in the surrounding vicinity of Lumut town for promotion of tourism.

Corporate Information

BOARD OF DIRECTORS

Tan Sri Dato' Tan Kay Hock
Chairman & Chief Executive

Puan Sri Datin Tan Swee Bee
Group Managing Director

Tan Sri Dato' Seri Dr Ting Chew Peh
Independent Non-Executive Director

Dato' Ahmad Khairummuzammil Bin Mohd Yusoff
Independent Non-Executive Director

Ooi Teng Chew
Independent Non-Executive Director

COMPANY SECRETARY

Teh Yong Fah *(MACS 00400)*

REGISTERED OFFICE

11th Floor Wisma E&C
No. 2 Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur
Tel : 603-2092 1858
Fax : 603-2092 2812

BUSINESS OFFICE

11th Floor Wisma E&C
No. 2 Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur
Tel : 603-2092 1858
Fax : 603-2092 2812
E-mail : jhb@johanholdings.com.my
Website : www.johanholdings.com

SHARE REGISTRAR

Johan Management Services Sdn. Bhd.
11th Floor Wisma E&C
No. 2 Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur
Tel : 603-2092 1858
Fax : 603-2092 2812
E-mail : johanms@po.jaring.my

AUDITORS

Ernst & Young
Chartered Accountants

AUDIT COMMITTEE

Dato' Ahmad Khairummuzammil Bin Mohd Yusoff *(Chairman)*
Tan Sri Dato' Seri Dr Ting Chew Peh
Ooi Teng Chew

RISK MANAGEMENT COMMITTEEE

Tan Sri Dato' Tan Kay Hock *(Chairman)*
Puan Sri Datin Tan Swee Bee
Ng Yew Soon

REMUNERATION COMMITTEE

Tan Sri Dato' Seri Dr Ting Chew Peh *(Chairman)*
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff
Puan Sri Datin Tan Swee Bee

GROUP PRINCIPAL BANKERS
(in alphabetical order)

AmBank Berhad
CIMB Bank Berhad
Malayan Banking Berhad
RHB Bank Berhad
Royal Bank of Scotland Group
The Bank of East Asia, Limited

STOCK EXCHANGE LISTING

Main Market, Bursa Malaysia Securities Berhad
Stock Name : JOHAN
Stock Code : 3441
Sector : Finance

Profile of Directors

Name	TAN SRI DATO' TAN KAY HOCK	PUAN SRI DATIN TAN SWEE BEE
Age	62	63
Nationality	Malaysian	British
Qualification	Barrister-at-Law	Barrister-at-Law
Position on Board	Chairman & Chief Executive (Non-Independent Executive Director)	Group Managing Director (Non-Independent Executive Director)
Date of Appointment	5 November 1980	29 January 1983
Working Experience	A lawyer by training having been called to the Bar by Lincoln's Inn, UK in 1971. In 1972, he was admitted as an advocate and solicitor to the Supreme Court of Malaysia. Since 1982, he is the Non-Executive Chairman of George Kent (Malaysia) Berhad ("GKM"), listed on the Main Market of Bursa Malaysia Securities Berhad. GKM is an engineering company involved in brass products manufacturing, trading and investment, development of water infrastructure projects, building and construction works. He is a Member of the Iskandar Regional Development Authority (IRDA), a Committee Member of the Malaysian Phillipines Business Council and a Trustee of Malaysian Humanitarian Foundation	A lawyer by training having been called to the Bar by Lincoln's Inn, UK in 1971. In 1972, she was admitted as an advocate and solicitor to the Supreme Court of Malaysia. She was appointed Managing Director of Johan Group since 17 December 1984. Since 1989, she is a Non-Executive Director of George Kent (Malaysia) Berhad ("GKM"), listed on the Main Market of Bursa Malaysia Securities Berhad. GKM is an engineering company involved in brass products manufacturing, trading and investment, development of water infrastructure projects, building and construction works.
Other directorships of public companies	• George Kent (Malaysia) Berhad • Jacks International Limited	• George Kent (Malaysia) Berhad • Jacks International Limited
Family relationship with any director and/or major shareholders of the Company	Husband to Puan Sri Datin Tan Swee Bee, the Group Managing Director	Wife to Tan Sri Dato' Tan Kay Hock, the Chairman and Chief Executive of the Company
Conflict of interest with the Company	NIL	NIL
List of convictions for offences within the past ten (10) years	NIL	NIL
Committee	Member of Remuneration Committee, Risk Management Committee and ESOS Committee	Member of the Remuneration Committee, Risk Management Committee and ESOS Committee.

Profile of Directors
cont'd

TAN SRI DATO' SERI DR TING CHEW PEH	**DATO' AHMAD KHAIRUMMUZAMMIL BIN MOHD YUSOFF**	**OOI TENG CHEW**
67	68	63
Malaysian	Malaysian	Malaysian
Bachelor of Arts from University of Malaya in 1970, Master of Science from University of London in 1972 and Doctor of Philosophy from University of Warwick in 1976.	Bachelor of Arts (Economics Honours) from University of Malaya	Fellow member of Institute of Chartered Accountants in England and Wales (since 1979) and member of Malaysian Institute of Certified Public Accountants (since 1971)
Director (Independent Non-Executive Director)	Director (Independent Non-Executive Director)	Director (Independent Non-Executive Director)
1 November 2003	4 July 2005	12 March 2009
He was formerly the Lecturer (1974-1980) and Associate Professor (1981-1987) for Faculty of Humanities and Social Science of National University of Malaya. He was also a Parliament Secretary (Ministry of Health) (1988-1989), Deputy Minister (Prime Minister's Department) (1989-1990) and Minister of Housing and Local Government (1990-1999). He was a Member of Parliament (1987–February 2008) and was the Chairman of Klang Port Authority (2000–2004).	He was a Deputy Chairman of the Urban Development Authority (UDA) Kuala Lumpur from 1978 to 1981. He was subsequently appointed the Director-General, Chief Executive and Board Member of UDA in 1981. From May 1986 to 1994, he held various senior management positions in the Kumpulan Guthrie Berhad Group and also Executive Director of Kumpulan Guthrie Berhad from May 1986 to December 1987. He was a Vice President and a Director of HICOM Holdings Berhad from February 1995 to July 2000 and subsequently held the post of Group Director in the DRB-Hicom Group until March 2006. He is currently the Chairman of Metrojaya Berhad.	He was in public practice since 1974 in Ernst & Young and its predecessor firms. He retired in 2001.
• Pan Malaysia Capital Berhad • Puncak Niaga Holdings Berhad • Hua Yang Bhd • Pan Malaysia Corporation Berhad • Complete Logistic Services Berhad	• Metrojaya Berhad	• Dreamgate Corporation Berhad
NIL	NIL	NIL
NIL	NIL	NIL
NIL	NIL	NIL
Chairman of the Remuneration Committee and member of the Audit Committee	Chairman of the Audit Committee and member of Remuneration Committee	Member of the Audit Committee

Group Senior Management

CORPORATE HEAD OFFICE

Tan Sri Dato' Tan Kay Hock	*Chairman and Chief Executive*
Puan Sri Datin Tan Swee Bee	*Group Managing Director*
Teh Yong Fah	*Group Secretary*
Ng Yew Soon	*Senior General Manager - Finance*
Sia Chin Yap	*Internal Audit Manager*
Ooi Chin Khoon	*General Manager - Operation*

PRINCIPAL OPERATING SUBSIDIARIES

Prestige Ceramics Sdn. Bhd.	**Yap Fook Loi** *Senior General Manager*
Diners Club (Malaysia) Sdn. Bhd. } **Diners Club (Singapore) Pte. Ltd.** } **Diners Club (New Zealand) Limited** }	**James Koh Chuan Lim** *Executive Director-Regional Operations*
William Jacks & Co. (Singapore) Pte. Ltd. } **Nature's Farm Pte. Ltd.** } **Nature's Farm (Health Food) Sdn. Bhd.** }	**Simon Low Kean Jin** *Senior General Manager*
The Orient Star Resort, Lumut **(owned by Lumut Park Resort Sdn. Bhd.)**	**Vincent Ee Kim Chuan** *Hotel Manager*
Diners World Travel (Malaysia) Sdn. Bhd.	**Catherine Wong Tet Fah** *General Manager*
Diners World Travel (Singapore) Pte. Ltd.	**Robert Koh** *General Manager*
Skinner Engineering Pty. Ltd.	**Mabs Patel** *General Manager*

Statement on Corporate Governance

The Board is committed to ensuring high standards of corporate governance throughout the Group and endeavours to ensure consistency of policies and procedures of Group companies in different geographical regions. This statement illustrates the extent of which the Board has embodied the spirit and principles of the Malaysian Code on Corporate Governance ("The Code"). The Code formalises management practices that have generally been adopted by the Board for some time now. Unless otherwise stated below, the Company is in compliance with the requirements of the Code.

A. BOARD OF DIRECTORS

(i) Board Composition

The Board presently comprises of two (2) Executive Directors and three (3) Independent Non-Executive Directors who together have a diverse wealth of experience as well as skills and knowledge in the aspect of law, economics, banking, accounting and general management. The profile of each director is included in Pages 10 and 11 of this Annual Report.

Although the Chairman who also acts as the Chief Executive Officer, nevertheless, he is only responsible for long range strategic planning for the Group whilst the Group Managing Director has overall responsibility in managing the Group's business. As such, there is clear segregation of responsibilities between the Chairman and Group Managing Director to ensure a balance of power and authority. The Board has three (3) Independent Non-Executive Directors who provide unbiased and independent view, advice and judgement.

(ii) Duties and Responsibilities

The Board recognises its duties and responsibilities to the shareholders of the Company which principally include the following:

- Reviewing and adopting a strategic plan for the Company and the Group
- Overseeing the overall conduct of the Company's business and that of the Group
- Identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risks
- Reviewing the adequacy and integrity of internal controls system and management information system in the Company and within the Group
- Developing and implementing a sound communications policy for investor relations
- Succession planning, including appointing and determining compensation of senior management
- Assessing the effectiveness of the Board, Board Committees and individual Directors

(iii) Supply of Information

All Directors are given complete and timely information before each Board Meeting to be convened together with an agenda and a set of Board papers. Board papers are circulated in sufficient time to enable Directors to obtain further explanation, if necessary, in order to be properly briefed before each meeting. Senior management staff are also invited to attend Board Meetings when necessary to present to the Board further explanation and clarification on matters being tabled.

At least four (4) Board Meetings are held annually, each meeting being scheduled to be held within two (2) months after each quarter to consider the quarterly financial results and review operational performance. Additional meetings are convened as and when necessary.

All Directors have access to the advice and services of the Group Company Secretary and are updated on new statutory or regulations requirements concerning their duties and responsibilities.

Statement on Corporate Governance
cont'd

A. BOARD OF DIRECTORS *cont'd*

(iv) Board of Directors' Meetings

During the financial year ended 31 January 2010, the number of Board of Directors' Meetings held and the attendance of each Director were as follows:-

Directors	No. of Board Meetings Held	No. of Board Meetings Attended
Tan Sri Dato' Tan Kay Hock	5	5
Puan Sri Datin Tan Swee Bee	5	4
Tan Sri Dato' Seri Dr Ting Chew Peh	5	5
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	5	4
Ooi Teng Chew *(appointed on 12 March 2009)*	5	5

(v) Re-election of Directors

In accordance with the Articles of Association of the Company at least one-third of the Directors including the Managing Director are required to retire by rotation at each Annual General Meeting but shall be eligible for re-election.

Details of Directors seeking re-election or re-appointment (as the case may be) are as set out in the Statement Accompanying the Notice of Annual General Meeting on Page 112 of this Annual Report.

(vi) Directors' Training

All Board members have attended and completed the Mandatory Accreditation Programme as required under the Listing Requirements of Bursa Malaysia Securities Berhad. The Board encourages its Directors to attend talks, seminars, workshops and in-house conferences to update and enhance their skills and knowledge and to keep abreast with developments in regulatory and corporate governance issues. During the year the Directors in their individual capacity and as director of other public listed companies in Malaysia, had attended many courses, briefings and seminars, relating to risk management, corporate governance, investors relations and financial statements reporting under IFRS. The latest seminar attended by the Directors was the "De-Mystifying Director's Legal Duties and Implication Under the Listing Requirements" seminar conducted by Bursatra Sdn. Bhd..

(vii) Board Committees

The Board had delegated certain responsibilities and duties to the following Board Committees which operate within clearly defined terms of reference. Except for the Remuneration Committee, the other Committees as listed below do not have executive powers but report to the Board on all matters considered and their recommendations thereon.

(a) Audit Committee

The Audit Committee comprises of three (3) members, all being Independent Non-Executive Directors. The members are comprised of:-

1. Dato' Ahmad Khairummuzammil Bin Mohd Yusoff *(Independent Non-Executive Director - Chairman)*
2. Tan Sri Dato' Seri Dr Ting Chew Peh *(Independent Non-Executive Director)*
3. Ooi Teng Chew (Appointed w.e.f. 12 March 2009) *(Independent Non-Executive Director)*

A. BOARD OF DIRECTORS *cont'd*

(vii) Board Committees *cont'd*

(a) Audit Committee *cont'd*

The Audit Committee's terms of reference include the review of the Group's quarterly and financial year end results, review of any major audit findings raised by external auditors and internal auditors and management's response thereon. The Chairman and Chief Executive, Group Managing Director, Senior General Manager of Finance and representatives from the External Auditors attend the meetings at the invitation of the Audit Committee.

At each Audit Committee Meeting held to review the Group's quarterly and financial year end results, the agenda of Audit Committee Meetings also include internal audit findings of operating units of the Group and investigations carried out by internal auditors. The Audit Committee shall meet with the external auditors at least once a year without any Executive Directors being present.

The Audit Committee Report for the financial year pursuant to Paragraph 15.15 of the Bursa Securities Listing Requirements is contained in Page 20 and 21 of this Annual Report.

(b) Risk Management Committee

During the financial year ended 31 January 2010, the members of Risk Management Committee ("RMC") comprised of:-

1. Tan Sri Dato' Tan Kay Hock *(Chairman)*
2. Puan Sri Datin Tan Swee Bee *(Managing Director)*
3. Mr Ng Yew Soon *(Senior General Manager - Finance)*

The RMC's primary responsibility is to oversee the overall risk management of the Group, particularly on the strategic areas of the business. The RMC is supported by various sub-RMCs established at respective business units that are responsible for identifying, mitigating and managing risks through a systematic risk evaluation/profiling exercise. The Risk Profile of respective business unit is reviewed and revised on a half-yearly basis and submitted to the RMC for review.

(c) Remuneration Committee

The Remuneration Committee comprised of two (2) Independent Non-Executive Directors and one (1) Non-Independent Executive Director. The members are comprised of:-

1. Tan Sri Dato' Seri Dr Ting Chew Peh *(Chairman)*
2. Dato' Ahmad Khairummuzammil Bin Mohd Yusoff
3. Puan Sri Datin Tan Swee Bee

The Remuneration Committees' primary responsibilities are to recommend to the Board the remuneration package and the terms of employment of each Executive Director. The fees payable to Non-Executive Director will be determined by the Board as a whole, and a Director shall not participate in the decision on his own remuneration package.

The Remuneration Committee is also responsible for developing the Group's remuneration policy and determining the remuneration packages of senior executive employees of the Group.

(d) Nomination Committee

Given the current size of the Board, the Directors consider it inappropriate for the time being, to formally establish a Nomination Committee. All newly nominated Directors are assessed and approved by the entire Board. The process of assessing Directors performance is also an ongoing responsibility of the entire Board.

Statement on Corporate Governance
cont'd

A. BOARD OF DIRECTORS *cont'd*

(vii) Board Committees *cont'd*

(e) Employee Share Option Scheme ("ESOS") Committee

The ESOS Committee was established on 31 October 2003 to administer the ESOS of the Group implemented to be in force for a period of five (5) years commencing from 31 October 2003 to 30 October 2008. At the Eighty-Third Annual General Meeting of the Company, the shareholders had approved the extension of the duration of the ESOS for an extended period of five (5) years from 1 November 2008 to 31 October 2013. The ESOS Committee comprised of the following members:-

1. Tan Sri Dato' Tan Kay Hock *(Chairman)*
2. Puan Sri Datin Tan Swee Bee *(Managing Director)*
3. Yuen Kum Fong *(Human Resource Manager)*

At the ESOS Committee held on 31 October 2003, a 1st tranche of 3,147,000 option shares at an exercise price of RM0.50 per share were granted to eligible employees of the Group. No option shares were exercised by employees up to 31 January 2009.

B. DIRECTORS' REMUNERATION

The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to manage the Group effectively.

The Non-Executive Directors are paid an annual basic fee, any increase of which are subject to approval by shareholders at the annual general meeting. Effective from 1 February 2010, the Chairman of the Audit Committee is paid an allowance of RM1,500/- per meeting and Audit Committee member is paid RM1,000/- per meeting.

The aggregate remuneration of the Directors of the Company categorised into the respective components for the year ended 31 January 2010 were as follows:-

	Fees (RM'000)	Salaries & Other Emoluments (RM'000)	Benefits-In-Kind (RM'000)	Total (RM'000)
Executive Directors				
Tan Sri Dato' Tan Kay Hock	-	753	85	838
Puan Sri Datin Tan Swee Bee	-	564	30	594
Non-Executive Directors				
Tan Sri Dato' Seri Dr Ting Chew Peh	50	-	-	50
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	50	-	-	50
Ooi Teng Chew	44	-	-	44
	144	1,317	115	1,576

B. DIRECTORS' REMUNERATION *cont'd*

The number of Directors whose remuneration falls into bands of RM50,000 are as follows:-

Range of Remuneration	Directors Executive	Directors Non-executive
RM10,000 to RM50,000	-	3
RM550,000 to RM600,000	1	-
RM800,000 to RM850,000	1	-
	2	3

C. SHAREHOLDERS COMMUNICATION AND INVESTORS RELATIONSHIP POLICY

The Board acknowledges the need for shareholders to be informed of all material business and developments concerning the Group. In addition to various announcements made during the year, the Board had ensured timely release of financial results on a quarterly basis to provide shareholders with an overview of the Group's performance and operations. Copies of the full announcement are supplied to shareholders and members of the public upon request.

The Annual General Meeting is the principal forum for communicating with shareholders. Shareholders who are unable to attend are allowed to appoint not more than two (2) proxies, who need not be shareholders, to attend and vote on their behalf. Board members as well as the Senior General Manager-Finance and the External Auditors of the Company are present to answer questions raised by shareholders. Shareholders are given the opportunity to ask questions during the questions and answers session prior to each resolution being proposed for consideration by shareholders.

Occasionally, briefings to selected fund managers and analyst are held during the year. Corporate and financial information of the Company and the Group are also available via the Company's website, http://www.johanholdings.com.

D. ACCOUNTABILITY AND AUDIT

(i) Financial Reporting

The Board acknowledge their responsibility to ensure that the financial statements of the Company and the Group are prepared in accordance with the provisions of the Companies Act, 1965 and approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs and the result of the Company and of the Group.

In preparing these financial statements, the Directors have:-

- adopted suitable accounting policies and applying them consistently;
- made judgement and estimates that are prudent and reasonable;
- ensured applicable approved accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements are prepared in compliance with the Companies Act, 1965. The Directors are also responsible for safeguarding the assets of the Company and the Group and to take reasonable steps for the prevention and detection of fraud and other irregularities.

Statement on Corporate Governance
cont'd

D. ACCOUNTABILITY AND AUDIT *cont'd*

(ii) Internal Control

The Board acknowledges its overall responsibility for ensuring that a sound system of internal control is maintained throughout the Group and the need to review its effectiveness regularly. The Board recognises that risks cannot be totally eliminated and the system of internal controls instituted can only help to minimise and manage risks and provide some assurance that the assets of the Company and of the Group are safeguarded against material loss and unauthorised use and that financial statements are not materially misstated. The information on the Group's internal control is presented in the Statement on Internal Control on Page 22 of this Annual Report.

(iii) Relationship With External Auditors

A transparent and appropriate relationship with the external auditors to enable them to independently report to shareholders in accordance with statutory and professional requirement is established through the Audit Committee. The role of the Audit Committee members in relation to the external auditors is set out in the Audit Committee Report on Page 20 of the Annual Report.

This Statement is made in accordance with the resolution of the Board of Directors dated 20 May 2010.

Statement on Corporate Social Responsibility

The Johan Group recognize Social Corporate Responsibility ("CSR") as an integral part to our approach in managing our businesses, creating value to our shareholders and enhancing the long term sustainability of our Group. We believe in the concept of CSR in going beyond business to fulfill our social responsibilities towards the Environment, Community, Workplace and Marketplace.

THE ENVIRONMENT

The Group practice environmental preservation and maintain high standards of occupational and health management practices as part of our commitment to our employees and society as a whole. To achieve the Group's objectives, environmental management programmes such as recycling, air pollution controls and waste management are continuously deployed.

Our manufacturing arm, Prestige Ceramics Sdn. Bhd. conducts regular occupational safety and awareness programmes for its employees. In addition, reduction of water usage and energy consumption and managing material wastes continue to be on-going exercises.

THE COMMUNITY

We believe in adding value to the communities in which we operate through providing support in diverse areas of social welfare. We encourage all employees to also participate in community projects and undertake voluntary works to help the needy.

The Group has supported and will continue to contribute to charitable organizations which are directed in aiding the under privileged. Beside regular donations, we also encourage our employees to make periodic visits to old folks home and orphanages, to promote better kinship and social awareness. We will continue to actively pursue more volunteer activities to create opportunities for interaction with the local communities.

At our Orient Star Resort Lumut, employees and guests participated in the annual blood donation campaigns to contribute towards the blood bank of Hospital Seri Manjung. The hotel also assist Yayasan Kebajikan Negara donation program via placement of a donation box at the reception counter to reach out to our guests and visitors.

THE WORKPLACE

Our employees are central to the continued success of our businesses and our reputation for service excellence. The Group has a comprehensive set of policies that embodies its approach to employees and establishes a frame work for high standards of ethical behavior and values. The Group's human resource strategies include diversity in workforce, training and career development, performance appraisal and rewards, provision of a healthy and safe work environment, medical and health care benefits, as well as fostering an open communication in employee-management relations. The Group's human resource policies and procedures are regularly reviewed to keep abreast of industry benchmarks and best practices.

THE MARKETPLACE

We are committed to actively engage and respond to our shareholders, analyst, fund managers, customers, suppliers and government and non-government bodies with a view to better relations and understanding.

We are committed to high ethical standards in the areas of marketing, advertising and procurement. We seek to protect our customers' rights through responsive customer complaint and meeting with the strictest data protection requirements. We continue to monitor all levels of our operations for efficiency to ensure that these aligned with our corporate governance statements.

We maintain timely and open communications with our shareholders, analyst and fund managers so as to have a clear understanding of the Group's strategy, performance and growth direction. Details of the Company's "Shareholders Communication and Investors Relationship Policy" are found on Statement On Corporate Governance on Page17 of the Annual Report.

Audit Committee Report

MEMBERS

Dato' Ahmad Khairummuzammil bin Mohd Yusoff	(Chairman - Independent Non-Executive Director)
Tan Sri Dato' Seri Dr. Ting Chew Peh	(Independent Non-Executive Director)
Ooi Teng Chew	(Independent Non-Executive Director)

A. TERMS OF REFERENCE

Constitution

i) The Audit Committee ("the Committee") was established by the Board of Directors ("the Board") of the Company at its meeting held on 8 March 1994.

ii) The Board shall ensure that the composition and functions of the Committee comply as far as possible with both the Bursa Securities Listing Requirements as well as other regulatory requirements.

Objectives

i) To assist the Board in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices of the Company and the Group.

ii) To maintain, through regularly scheduled meetings, a direct line of communication between the Board and the external auditors as well as the internal auditors.

iii) To act upon the Board of Directors' request to investigate and report on any issue or concern with regard to the management of the Group.

Duties and Responsibilities

i) To review with the external auditors the audit plan, audit report, findings, recommendations and their evaluation of the system of internal controls.
ii) To review and approve the scope and results of the external audit and the independence and objectivity of the external auditors.
iii) To consider and recommend for approval of the Board the appointment or re-appointment of the external auditors, the audit fees and any questions of their resignation or dismissal.
iv) To review the adequacy of the internal audit plans, scope of examination of the internal auditors and ensure that appropriate action is taken by Management in respect of the audit observations and the Committee's recommendations.
v) To review the quarterly, half-yearly and annual financial statements before submission to the Board for approval. The review should focus primarily on compliance with accounting standards as well as other regulatory requirements and the adequacy of information disclosure for a fair and full presentation of the financial affairs of the Company and the Group.
vi) To review any related party transaction and conflict of interest situation that may arise within the Company and the Group including any transaction, procedure or conduct that raises questions of management integrity.
vii) To direct any special investigations on the Group's operations to be carried out by the Group Internal Audit Division or any other appropriate agencies.
viii) To discuss problems and reservations arising out of external or internal audits and any matters which the auditors wish to bring up in the absence of Senior Management or the Executive Directors of the Group where necessary.
ix) To perform other related duties as may be agreed by the Committee and the Board.
x) To meet with external and internal auditors without the presence of the Senior Management or the Executive Directors at least twice a year.

Employees Share Option Scheme ("ESOS")

During the financial year ended 31 January 2010, no further share options were allocated pursuant to the Company's ESOS.

B. MEETINGS AND ACTIVITIES

During the year ended 31 January 2010, four (4) Audit Committee Meetings were held. Details of attendance of each Committee member were as follows:-

	Attendance
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	three (3) out of four (4) meetings held
Tan Sri Dato' Seri Dr. Ting Chew Peh	four (4) out of four (4) meetings held
Ooi Teng Chew	four (4) out of four (4) meetings held

At each of these Committee Meetings, both the Senior General Manager-Finance and the Internal Audit Manager were in attendance together with representative(s) of the external auditors to review with the Committee members the quarterly reports, half-year and annual financial statements as the case may be focusing on matters as listed out in the Duties and Responsibilities above.

After each Committee Meeting, the Chairman of the Committee reports to the Board on the proceedings conducted thereat and to convey the recommendations by the Committee on the quarterly reports, half-year and annual financial statements with or without amendments as the case may be to be approved and adopted by the Board for release to the Bursa Securities.

Highlights of Activities

In line with the terms of reference of the Committee, the following activities were carried out by the Committee during the year ended 31 January 2010 in the discharge of its functions and duties:-

i) Review of the audit plans and scope for the year for the Group prepared by Internal Audit department and the external auditors;
ii) Review of the audit reports for the Group prepared by the Internal Audit department and the external auditors and consideration of the major findings by the auditors and management's responses thereto. Monitored the corrective actions on the outstanding audit issues to ensure that all the key risks and control lapses have been addressed;
iii) Review of the quarterly results and annual reports of the Group prior to submission to the Board for consideration and approval;
iv) Review of the related party transactions entered into by the Group to ensure that current procedures for monitoring of related parties transactions have been complied with;
v) Review of the fees of the external auditors;

C. INTERNAL AUDIT FUNCTION

Johan has since December 1990 established an Internal Audit department to carry out internal audit function of the Group's key operations in Malaysia and overseas. The scope of internal audit works are conducted on a rotation basis and as and when directed by the management. The internal audit reports generated were reviewed and discussed at each of the Audit Committee Meetings to assist the Committee to discharge its functions more effectively. The internal audit team is independent and has no involvement in the operations of Group companies.

The total cost incurred for the internal audit function for the year ended 31 January 2010 was RM352,923 (2009 : RM314,092).

This Statement is made in accordance with the resolution of the Board of Directors dated 20 May 2010.

Statement on Internal Control

DIRECTORS' RESPONSIBILITIES

The Board has overall responsibility for establishing and maintaining the Group's system of internal control to safeguard shareholders' investment and the Group's assets. The system of internal control is designed to manage and minimize risk rather than eliminating it. Shareholders should be aware that there are inherent limitations in any system of internal control. Thus, internal controls can only provide reasonable, but not absolute, assurance against material loss or misstatement.

INTERNAL CONTROL ENVIRONMENT AND RISK MANAGEMENT FRAMEWORK

The Audit Committee of the Company relies on the Audit Committee of its subsidiary listed on the Singapore Exchange Securities Trading Limited. Further, there are organizational structures in place for each operating unit with clearly defined levels of authority. Operational management has clear responsibility for identifying risks affecting their business and for instituting adequate procedures and internal controls to mitigate and monitor such risks in an ongoing basis. Issues are brought to the Board's attention regularly during Board meetings. Standard operating policies and procedures that document how transactions are captured and where internal controls are applied exist for all Group operating companies. As part of the performance monitoring process, management information in the form of annual budgets, revised forecasts and quarterly management accounts and reports are provided to the Board for approval and review respectively.

The Board had on 30 September 2002 set up a Risk Management Committee comprising of executive board members and senior management to better identify and to review the risk profile of companies within the Group. All material risks are identified, analysed, treated, monitored and reported to the Risk Management Committee and Audit Committee by various business units through the submission of Risk Profile that is reviewed on a half-yearly basis.

AUDIT COMMITTEE

The Audit Committee meets four times a year and provides assurance to the Board, in discharging its overall responsibility for the effectiveness of internal controls in the Group. The key functions of the Committee are to review:

- Audit plans and consider reports of both internal and external auditors
- Financial statements and results announcements and recommend to the Board for approval
- Risk pertaining to Group companies and consider the effect on operations
- Any related party transaction and conflict of interest situations

INTERNAL AUDIT

To assist the Audit Committee in providing assurance that a sound system of internal controls exists, internal (management/operational) audits are conducted to appraise and review such controls and procedures for all companies in the Group at least once a year. At the beginning of each year, the audit programme is agreed with the Audit Committee and findings are presented to the Committee in a timely manner for their consideration. The internal audit role is performed by an in-house team of professionally qualified personnel in the Internal Audit Department of the Company. The internal audit team is independent and has no involvement in the operations of Group companies.

REVIEW OF EFFECTIVENESS

The Board is satisfied with the procedures outlined above and believes that the system of internal controls had continued to operate effectively in the financial year under review.

This Statement is made in accordance with the resolution of the Board of Directors dated 20 May 2010.

Additional Information

UTILISATION OF PROCEEDS RAISED FROM ANY CORPORATE PROPOSAL
The Company did not implement any fund raising corporate exercise during the financial year ended 31 January 2010.

SHARE BUYBACKS
The Company does not have a scheme to buy back its own shares.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES EXERCISED
At Conversion Dates on 30 April and 31 October 2009, a total of 64,570,833 Irredeemable Convertible Unsecured Loan Stocks ("ICULS") of nominal value of 50 sen each were submitted for conversion into 64,570,833 new ordinary shares of 50 sen each, ranking pari passu in all respects with the existing issued shares of your Company.

Pursuant to Clause 8.9(i)(b) of the Trust Deed dated 12 March 2003, the Company had on 3 December 2009 served a Notice on the remaining ICULS Holders for compulsory conversion of the outstanding 912,693 ICULS of nominal value of 50 sen each, which represented approximately 0.8% of the total ICULS issued. Accordingly on 4 January 2010, all the remaining 912,693 ICULS of nominal value of 50 sen each were converted into 912,693 new ordinary shares of 50 sen each of the Company.

The ICULS of the Company were removed from the Official List of Bursa Securities with effect from 9:00 a.m., Tuesday, 5 January 2010. As at 31 January 2010, there were no outstanding ICULS and no further ICULS were issued by the Company.

During the financial year ended 31 January 2010, no further share options were allocated pursuant to the Company's ESOS.

The Company did not issue any convertibles securities during the financial year ended 31 January 2010.

AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR")
The Company did not sponsor any ADR or GDR programme during the financial year ended 31 January 2010.

SANCTIONS AND/OR PENALTIES IMPOSED
No sanctions and/or penalties were imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year ended 31 January 2010.

NON-AUDIT FEES
Non-audit fees paid/payable by the Group and the Company to the external auditors and firm affiliated to the external auditors of the Company during the financial year ended 31 January 2010 amount to RM69,644 (2009 : RM77,414).

VARIATION IN RESULTS FOR THE FINANCIAL YEAR
There was no deviation of 10% or more between the profit after tax and minority interest stated in the announced unaudited results and the audited financial statements of the Company and the Group for the year ended 31 January 2010.

PROFIT GUARANTEE
The Company has not given any profit guarantee in respect of any corporate exercise to-date.

MATERIAL CONTRACTS AND CONTRACTS RELATING TO LOAN
There are no material contracts including contracts relating to any loan entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests.

REVALUATION POLICY ON LANDED PROPERTIES
The Group does not have a revaluation policy on landed properties.

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Directors' Report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 January 2010.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries are manufacturing and marketing of ceramic tiles, trading of engineering equipment, water meters, health foods and supplements, investment trading, management and secretarial services, provision of charge card and credit card services, travel and resort related business, property development, property investment and investment holding.

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

RESULTS

	Group RM'000	Company RM'000
Profit for the year	25,631	5,212
Attributable to:		
Equity holders of the Company	25,085	5,212
Minority interests	546	-
	25,631	5,212

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

In the opinion of the Directors, the results of the Group and the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than debts waived by a financial institution of RM10,300,000 as disclosed in Note 5 to the financial statements.

DIVIDENDS

The Directors do not recommend or propose any dividend for the financial year ended 31 January 2010.

DIRECTORS

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

Tan Sri Dato' Tan Kay Hock
Puan Sri Datin Tan Swee Bee
Tan Sri Dato' Seri Dr Ting Chew Peh
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff
Ooi Teng Chew

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, other than those arising from the share options granted under the Employee Share Options Scheme.

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 9 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, except as disclosed in Note 35 to the financial statements.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of Directors in office at the end of the financial year in the shares in the Company during the financial year were as follows:

	Number of ordinary shares of RM0.50 each			
	At 1 February 2009	During the year Bought	During the year Sold	At 31 January 2010
Direct and Indirect Interest:				
Tan Sri Dato' Tan Kay Hock & Puan Sri Datin Tan Swee Bee	275,208,584	-	-	**275,208,584**

	Number of options over ordinary shares of RM0.50 each			
	At 1 February 2009	Granted	Exercised	At 31 January 2010
Employee share options scheme				
Tan Sri Dato' Tan Kay Hock	100,000	-	-	**100,000**
Puan Sri Datin Tan Swee Bee	100,000	-	-	**100,000**

Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee by virtue of their interests in shares in the Company, are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

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

Directors' Report

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EMPLOYEE SHARE OPTIONS SCHEME

The Johan Holdings Berhad Employee Share Options Scheme ("ESOS") is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 19 June 2003. The ESOS was implemented on 31 October 2003 and is to be in force for a period of 5 years expiring on 30 October 2008. At the Annual General Meeting held on 24 July 2008, shareholders' approval was obtained for the ESOS to be extended for another period of 5 years commencing from 1 November 2008 to 31 October 2013.

The salient features and other terms of the ESOS are disclosed in Note 23 to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia vide their letter dated 28 April 2010 from having to disclose the names of employees who have been granted options to subscribe for less than 20,000 ordinary shares of RM0.50 each. The list of employees of the Group that have been granted options to subscribe for 20,000 or more ordinary shares of RM0.50 each during the financial year is as follows:

	Number of share options			
Name	**At 1 February 2009**	**Granted**	**Exercised**	**At 31 January 2010**
Teh Yong Fah	45,000	-	-	**45,000**
Ng Yew Soon	41,000	-	-	**41,000**
Yap Fook Loi	40,000	-	-	**40,000**
Koh Chuan Lim	40,000	-	-	**40,000**
Poon Yew Wai	22,000	-	-	**22,000**
Robert Koh	22,000	-	-	**22,000**
Yap Ee Seong	20,000	-	-	**20,000**
Leong Kwee Heng	20,000	-	-	**20,000**

The above ESOS were granted on 31 October 2003 for a period of 5 years until 31 October 2008 and is extended for an additional 5 years until 31 October 2013. The exercise price is RM0.50 per share.

Details of options granted to Directors are disclosed in the section on Directors' Interests in this report.

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up share capital to RM311,474,263 by way of the conversion of RM32,741,763 nominal value of irredeemable convertible unsecured loan stocks ("ICULS") into 65,483,526 new ordinary shares of RM0.50 each at a conversion price of RM0.50 per share.

The new ordinary shares issued ranked pari passu in all respects with the then existing ordinary shares of the Company.

OTHER STATUTORY INFORMATION

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

 (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision 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 necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

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

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

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

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

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

(f) In the opinion of the Directors:

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

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

SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 43 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 20 May 2010.

Dato' Ahmad Khairummuzammil Bin Mohd Yusoff **Puan Sri Datin Tan Swee Bee**

Statement by Directors

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

We, Dato' Ahmad Khairummuzammil Bin Mohd Yusoff and Puan Sri Datin Tan Swee Bee, being two of the Directors of Johan Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 33 to 103 are drawn up in accordance with applicable Financial Reporting Standards and the provision of 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 January 2010 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 20 May 2010.

Dato' Ahmad Khairummuzammil Bin Mohd Yusoff

Puan Sri Datin Tan Swee Bee

Statutory Declaration

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

I, Ng Yew Soon, being the Officer primarily responsible for the financial management of Johan Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 33 to 103 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 Ng Yew Soon at
Kuala Lumpur in the Federal Territory
on 20 May 2010

Ng Yew Soon

Before me,

R. Vasugi Ammal, PJK
No. W480
Pesuruhjaya Sumpah
(Commissioner for Oaths)

Independent Auditors' Report

to the Members of Johan Holdings Berhad (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Johan Holdings Berhad, which comprise the balance sheets as at 31 January 2010 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 33 to 103.

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 Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of 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 January 2010 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not act as auditors, which are indicated in Note 41 to the financial statements.

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

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

Independent Auditors' Report

to the Members of Johan Holdings Berhad (Incorporated in Malaysia)
cont'd

OTHER MATTERS

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

Ernst & Young
AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia
20 May 2010

Lee Seng Huat
No. 2518/12/11(J)
Chartered Accountant

Income Statements
for the year ended 31 January 2010

	Note	Group		Company	
		2010	2009	2010	2009
		RM'000	RM'000	RM'000	RM'000
Revenue	3	**315,675**	338,850	**9,224**	9,197
Cost of sales	4	**(111,277)**	(129,682)	**-**	-
Gross profit		**204,398**	209,168	**9,224**	9,197
Other income	5	**21,650**	9,170	**746**	27,012
Distribution expenses		**(37,544)**	(42,750)	**-**	-
Administrative expenses		**(125,265)**	(106,073)	**(4,169)**	(6,527)
Other expenses		**(3,897)**	(4,763)	**(269)**	(9,863)
Finance costs	6	**(30,081)**	(36,545)	**(36)**	(22)
Profit before tax	7	**29,261**	28,207	**5,496**	19,797
Income tax	10	**(3,630)**	(4,480)	**(284)**	(9)
Profit for the year		**25,631**	23,727	**5,212**	19,788
Attributable to:					
Equity holders of the Company		**25,085**	23,065	**5,212**	19,788
Minority interests		**546**	662	**-**	-
		25,631	23,727	**5,212**	19,788
Earnings per share attributable to equity holders of the Company (sen):					
Basic and diluted, profit for the year	11	**4.03**	3.70		

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

Balance Sheets
as at 31 January 2010

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Assets					
Non-current assets					
Property, plant and equipment	12	**170,074**	172,853	**1,366**	721
Land held for property development	13(a)	**10,973**	10,942	**-**	-
Prepaid land lease payments	14	**3,235**	3,276	**-**	-
Intangible assets	15	**10,961**	7,726	**-**	-
Investments in subsidiaries	16	**-**	-	**54,127**	53,779
Investment securities	18	**70**	47	**-**	-
Deferred tax assets	31	**11,790**	10,719	**-**	-
		207,103	205,563	**55,493**	54,500
Current assets					
Property development costs	13(b)	**23**	1,067	**-**	-
Inventories	19	**25,617**	31,279	**-**	-
Trade receivables	20	**585,424**	499,247	**-**	-
Other receivables	21	**45,091**	16,008	**417**	515
Amounts owing by subsidiaries	17	**-**	-	**171,728**	162,154
Investment securities	18	**19,866**	6,705	**-**	253
Cash and bank balances	22	**125,286**	139,040	**2,870**	1,602
		801,307	693,346	**175,015**	164,524
Total assets		**1,008,410**	898,909	**230,508**	219,024
Equity and liabilities					
Equity attributable to equity holders of the company					
Share capital	32	**311,474**	278,733	**311,474**	278,733
Share premium	34	**69,415**	69,415	**69,415**	69,415
Irredeemable convertible unsecured loan stocks	33	**-**	32,741	**-**	32,741
Revaluation reserve	34	**29,439**	29,413	**-**	-
Exchange reserve	34	**14,097**	10,504	**-**	-
Accumulated losses		**(209,991)**	(235,076)	**(189,045)**	(194,257)
		214,434	185,730	**191,844**	186,632
Minority interests		**4,659**	3,808	**-**	-
Total equity		**219,093**	189,538	**191,844**	186,632

Balance Sheets
as at 31 January 2010
cont'd

	Note	Group		Company	
		2010	2009	2010	2009
		RM'000	RM'000	RM'000	RM'000
Non-current liabilities					
Deferred tax liabilities	31	**1,595**	1,835	**-**	-
Senior certificates	28	**-**	32,000	**-**	-
Hire purchase and finance lease obligations	29	**3,477**	3,496	**759**	360
Borrowings	30	**17,087**	23,747	**-**	-
		22,159	61,078	**759**	360
Current liabilities					
Trade payables	24	**87,167**	72,568	**-**	-
Other payables	25	**66,239**	58,019	**744**	2,224
Amounts owing to subsidiaries	26	**-**	-	**36,943**	29,730
Provision for reward points	27	**13,208**	13,421	**-**	-
Current tax payable		**5,329**	4,829	**-**	-
Investor certificates	28	**476,745**	413,041	**-**	-
Senior certificates	28	**32,000**	-	**-**	-
Hire purchase and finance lease obligations	29	**1,665**	1,307	**218**	78
Borrowings	30	**84,805**	85,108	**-**	-
		767,158	648,293	**37,905**	32,032
Total liabilities		**789,317**	709,371	**38,664**	32,392
Total equity and liabilities		**1,008,410**	898,909	**230,508**	219,024

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

Consolidated Statement of Changes in Equity

for the year ended 31 January 2010

Group	←		**Attributable to equity holders of the Group**				→		
			← **Non distributable**		→				
	Share capital	**Share premium**	**Irredeemable convertible unsecured loan stocks (“ICULS”)**	**Revaluation reserve**	**Exchange reserve**	**Accumulated losses**	**Total**	**Minority interests**	**Total equity**
	RM’000	**RM’000**	**RM’000**	**RM’000**	**RM’000**	**RM’000**	**RM’000**	**RM’000**	**RM’000**
At 1 February 2008	254,451	69,415	57,023	29,426	6,059	(258,141)	158,233	3,616	161,849
Net income/ (expense) recognised in equity	-	-	-	(13)	4,445	-	4,432	(470)	3,962
Profit for the year	-	-	-	-	-	23,065	23,065	662	23,727
Total recognised income and expense for the year	-	-	-	(13)	4,445	23,065	27,497	192	27,689
Conversion of ICULS	24,282	-	(24,282)	-	-	-	-	-	-
At 31 January 2009	278,733	69,415	32,741	29,413	10,504	(235,076)	185,730	3,808	189,538
At 1 February 2009	278,733	69,415	32,741	29,413	10,504	(235,076)	185,730	3,808	189,538
Net income recognised in equity	-	-	-	26	4,467	-	4,493	305	4,798
Realisation of exchange reserve upon dissolution of subsidiary	-	-	-	-	(874)	-	(874)	-	(874)
Profit for the year	-	-	-	-	-	25,085	25,085	546	25,631
Total recognised income and expense for the year	-	-	-	26	3,593	25,085	28,704	851	29,555
Conversion of ICULS	32,741	-	(32,741)	-	-	-	-	-	-
At 31 January 2010	311,474	69,415	-	29,439	14,097	(209,991)	214,434	4,659	219,093

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

Company Statement of Changes in Equity

for the year ended 31 January 2010

	← Attributable to equity holders of the Company →				
	Share capital	Share premium	ICULS	Accumulated losses	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 February 2008	254,451	69,415	57,023	(214,045)	166,844
Profit for the year, representing total recognised income and expense for the year	-	-	-	19,788	19,788
Conversion of ICULS	24,282	-	(24,282)	-	-
At 31 January 2009	278,733	69,415	32,741	(194,257)	186,632
At 1 February 2009	**278,733**	**69,415**	**32,741**	**(194,257)**	**186,632**
Profit for the year, representing total recognised income and expense for the year	**-**	**-**	**-**	**5,212**	**5,212**
Conversion of ICULS	**32,741**	**-**	**(32,741)**	**-**	**-**
At 31 January 2010	**311,474**	**69,415**	**-**	**(189,045)**	**191,844**

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

Cash Flow Statements
for the year ended 31 January 2010

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before tax	**29,261**	28,207	**5,496**	19,797
Adjustments for:				
Interest income	**(955)**	(1,556)	**(4)**	(28)
Dividend income from subsidiaries	**-**	-	**(7,651)**	(6,922)
Interest expense	**30,081**	36,545	**36**	22
Write back of financial guarantee	**-**	-	**-**	(6,089)
(Write back)/impairment loss of :				
- Prepaid land lease payments	**-**	5,555	**-**	-
- Investment securities	**(3,528)**	1,633	**-**	11
- Land held for property development	**-**	7,653	**-**	-
Amortisation of:				
- Prepaid land lease payments	**41**	106	**-**	-
- Intangible assets	**137**	286	**-**	-
Depreciation of property, plant and equipment	**7,570**	8,728	**293**	306
(Gain)/loss on disposal of investment securities	**(5,515)**	195	**(81)**	-
Loss/(gain) on disposal of:				
- Property, plant and equipment	**94**	(39)	**(58)**	(77)
- Investment in subsidiaries	**-**	(2,869)	**-**	-
Property, plant and equipment written off	**-**	22	**-**	-
Write down of inventories	**-**	2,005	**-**	-
Allowance for doubtful receivables				
- trade and other receivables	**26,678**	26,671	**-**	-
- subsidiaries	**-**	-	**337**	9,851
Reversal of allowance for doubtful receivables				
- trade and other receivables	**(4,707)**	(52,986)	**-**	-
- subsidiaries	**-**	-	**(1,056)**	(2,509)
Reversal of impairment loss on investment in subsidiaries	**-**	-	**-**	(18,380)
Debt waiver	**(10,300)**	-	**-**	-
Reversal of quit rent over accrued	**(1,091)**	-	**-**	-
Bad debts recovered	**(2,873)**	(3,269)	**-**	-
Provision for reward points	**9,109**	7,796	**-**	-
Net unrealised foreign exchange loss/(gain)	**1,531**	(1,700)	**-**	-
Operating profit/(loss) before working capital changes carried forward	**75,533**	62,983	**(2,688)**	(4,018)

Cash Flow Statements

for the year ended 31 January 2010
cont'd

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Operating profit/(loss) before working capital changes brought forward	**75,533**	62,983	**(2,688)**	(4,018)
Property development costs	**1,075**	(826)	**-**	-
Inventories	**5,437**	(7,223)	**-**	-
Trade and other receivables	**(145,500)**	(61,896)	**98**	246
Trade and other payables	**32,904**	(771)	**(1,480)**	492
Provision for reward points	**(11,403)**	(7,562)	**-**	-
Inter-company balances	**-**	-	**(1,642)**	(1,612)
	(41,954)	(15,295)	**(5,712)**	(4,892)
Interest paid	**(30,081)**	(36,545)	**(36)**	(22)
Interest received	**955**	1,556	**4**	28
Taxes paid	**(3,044)**	(994)	**(284)**	(9)
Net cash used in operating activities	**(74,124)**	(51,278)	**(6,028)**	(4,895)
Cash flows from investing activities				
Purchase of property, plant and equipment	**(2,664)**	(4,132)	**(63)**	(392)
Proceeds from disposal of property plant and equipment	**216**	654	**58**	77
Proceeds from disposal of investment securities	**20,031**	300	**334**	-
Cost incurred for land held for development	**(31)**	(3,714)	**-**	-
Purchase of intangible assets	**(228)**	(276)	**-**	-
Disposal of subsidiary, net of cash and cash equivalents (Note 16(a))	**-**	145,431	**-**	-
Acquisition of investment securities	**(24,089)**	(8,270)	**-**	-
Increase in paid up share capital of a subsidiary	**-**	-	**(348)**	-
Dividend income from subsidiaries	**-**	-	**7,651**	6,922
Net cash (used in)/generated from investing activities	**(6,765)**	129,993	**7,632**	6,607

Cash Flow Statements
for the year ended 31 January 2010
cont'd

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Payment of hire purchase and finance lease obligations	**(1,590)**	(1,236)	**(336)**	(144)
Net proceeds from investor and senior certificates	**63,704**	32,858	**-**	-
Proceeds from bank borrowings	**3,625**	-	**-**	-
Repayment of bank borrowings	**-**	(67,549)	**-**	-
Net cash generated from/(used in) financing activities	**65,739**	(35,927)	**(336)**	(144)
Net change in cash and cash equivalents	**(15,150)**	42,788	**1,268**	1,568
Effects of foreign exchange rate changes	**1,684**	3,111	**-**	-
Cash and cash equivalents at beginning of year	**99,463**	53,564	**1,602**	34
Cash and cash equivalents at end of year (Note 22)	**85,997**	99,463	**2,870**	1,602

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

Notes to the Financial Statements
31 January 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 ("Bursa Securities"). The registered office and principal place of business of the Company is located at 11th Floor, Wisma E&C, 2 Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 41. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 May 2010.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

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

The financial statements have been prepared on a historical basis except for land and buildings and certain financial assets that have been measured at their fair values.

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 and Effects Arising from Applications of Revised FRSs and IC Interpretations

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

Effective for financial periods beginning on or after 1 July 2009

FRS 8: Operating Segments

Effective for financial periods beginning on or after 1 January 2010

FRS 4: Insurance Contracts
FRS 7: Financial Instruments: Disclosures
FRS 101: Presentation of Financial Statements (revised)
FRS 123: Borrowing Costs
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2: Share-based Payment – Vesting Conditions and Cancellations Amendments to FRS 132: Financial Instruments: Presentation
Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
Amendments to FRSs 'Improvements to FRSs (2009)'
IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 10: Interim Financial Reporting and Impairment

Notes to the Financial Statements
31 January 2010
cont'd

2. **SIGNIFICANT ACCOUNTING POLICIES** *cont'd*

2.2 Changes in Accounting Policies and Effects Arising from Applications of Revised FRSs and IC Interpretations *cont'd*

Effective for financial periods beginning on or after 1 January 2010 *cont'd*

IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions

IC Interpretation 13: Customer Loyalty Programmes

IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

TR i – 3: Presentation of Financial Statements of Islamic Financial Institutions

Effective for financial periods beginning on or after 1 July 2010

FRS 1: First-time Adoption of Financial Reporting Standards

FRS 3: Business Combinations (revised)

FRS 127: Consolidated and Separate Financial Statements (amended)

Amendments to FRS 2: Share-based Payment

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

Amendments to FRS 138: Intangible Assets

Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 12: Service Concession Arrangements

IC Interpretation 15: Agreements for the Construction of Real Estate

IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17: Distributions of Non-cash Assets to Owners

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.2 Changes in Accounting Policies and Effects Arising from Applications of Revised FRSs and IC Interpretations *cont'd*

FRS 8: Operating Segment

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

FRS 101: Presentation of Financial Statements (revised)

The Standard introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group and of the Company.

FRS 123: Borrowing Costs

This Standard supersedes FRS 123_{2004}: Borrowing Costs that removes the option of expensing borrowing costs and requires capitalisation of such costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense. This revised FRS does not have any material impact on the financial position and results of the Group and of the Company.

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

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

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

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

Amendments to FRSs 'Improvements to FRSs (2009)'

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

Notes to the Financial Statements
31 January 2010
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2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.2 Changes in Accounting Policies and Effects Arising from Applications of Revised FRSs and IC Interpretations *cont'd*

Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

The amendment to FRS 1 allow first-time adopters to use costs, determined in accordance with FRS 127, or deemed cost of either fair value (in accordance with FRS 139) or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate opening FRS balance sheet. In the amendment to FRS 127, there is no longer a distinction between pre-acquisition and post-acquisition dividends. The amendment also requires the cost of the investment of a new parent in a group (in a reorganisation meeting certain criteria) to be measured at the carrying amount of its share of equity as shown in the separate financial statements of the previous parent. The amendments also remove the definition of the cost method from FRS 127 and will be applied prospectively that affect only the financial statements of the Company and do not have an impact on the financial statements of the Group.

Amendments to FRS 132: Financial Instruments: Presentation and FRS 101: Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation

FRS 132 *Financial Instruments*: Disclosures and Presentation will be renamed as Financial Instruments: Presentation upon the adoption of FRS 7 Financial Instruments: Disclosures. The amendments provide a limited scope exception for puttable instruments and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation to be classified as equity. An instrument that meets the definition of a financial liability is classified as an equity instrument only if it fulfils a number of specific features and conditions as stipulated in the Standard. This revised FRS does not have any impact on the financial position and results of the Group and of the Company.

Amendments to FRSs 'Improvements to FRSs (2009)'

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.2 Changes in Accounting Policies and Effects Arising from Applications of Revised FRSs and IC Interpretations *cont'd*

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

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

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

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

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

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

FRS 134 *Interim Financial Reporting*: Clarifies that earnings per share is to be disclosed in interim financial reports if an entity is within the scope of FRS 133: *Earnings per Share*.

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

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

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

Notes to the Financial Statements
31 January 2010
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2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.2 Changes in Accounting Policies and Effects Arising from Applications of Revised FRSs and IC Interpretations *cont'd*

IC Interpretation 9: Reassessment of Embedded Derivatives and Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives

This IC requires that there should be no subsequent reassessment of whether an embedded derivative should be separated from the host contract after initial recognition, unless there have been changes to the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract. The amendments to the IC clarifies that on reclassification of a financial asset out of the 'at fair value through profit or loss' category all embedded derivatives within the scope of this IC and FRS 139 have to be assessed and, if necessary, separately accounted for in financial statements. The IC is to be applied retrospectively.

IC Interpretation 10: Interim Financial Reporting and Impairment

This IC prohibits impairment losses recognised in an interim period on goodwill or investments in equity instruments or financial assets carried at cost to be reversed at a subsequent balance sheet date.

IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions

This IC provides guidance on arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-based scheme, even if the entity buys the instruments from another party, or the shareholders provide the equity statements needed. The IC also addresses how the subsidiaries, in their separate financial instruments, should account for schemes when their employees receive equity instruments of the parent.

2.3 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

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

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

(ii) Basis of Consolidation

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 Summary of Significant Accounting Policies *cont'd*

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

(ii) Basis of Consolidation cont'd

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

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

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

(b) Intangible Assets

(i) Goodwill

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

(ii) Other Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

(c) Property, Plant and Equipment and Depreciation

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

Notes to the Financial Statements
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cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 Summary of Significant Accounting Policies *cont'd*

(c) Property, Plant and Equipment and Depreciation *cont'd*

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

Freehold land is stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the balance sheet date. Any revaluation surplus is credited to the revaluation reserve included within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in income statements, in which case the increase is recognised in profit or loss to the extent of the decrease previously recognised. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in income statements.

Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation of other property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Freehold buildings	2%
Long leasehold buildings	1.76% - 2%
Long leasehold hotel properties	2%
Plant and machinery, furniture, equipment and vehicles	5% - 33.3%

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in income statements and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

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

(i) Land Held for Property Development

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 Summary of Significant Accounting Policies *cont'd*

(d) Land Held for Property Development and Property Development Costs cont'd

(ii) Property Development Costs

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

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

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

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

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

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

(e) Impairment of Non-Financial Assets

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

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

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

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

Notes to the Financial Statements

31 January 2010
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 Summary of Significant Accounting Policies *cont'd*

(e) Impairment of Non-Financial Assets *cont'd*

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

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

(f) Financial Assets

Financial assets are classified as either financial assets at fair value through profit or loss, loan and receivable, held to maturity investments or available-for-sale financial assets, as appropriate. Financial assets are recognised on the balance sheet when, and only when, the group becomes a party to the contractual provisions of the financial instrument.

When 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 determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

(i) Loans and Receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest method, less impairment losses. Gains or losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

The Group classifies the following financial assets as loans and receivables:

- Cash and short term deposits
- Trade and other receivables and amount due from subsidiaries and related companies.

(ii) Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss are financial assets classified as held for trading. Financial assets classified as held for trading are derivatives or are acquired principally for the purpose of selling or repurchasing it 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 of the financial assets are recognised in the income statement. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 Summary of Significant Accounting Policies *cont'd*

(f) Financial Assets *cont'd*

(iii) Available-for-sale Financial Assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value with gains or loss being recognised in the fair value adjustment reserve until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or less previously reported in equity is included in the income statement.

The fair value of investment that are actively traded in organised financial markets is determined by reference to the relevant Exchange's quoted market bid prices at the close of business on the balance sheet date. For investment where there is no active market, fair value is determined using valuation techniques. Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment losses.

(g) Derecognition of Financial Assets

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the income statement.

(h) Inventories

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

Cost is determined using the first in, first out method. The cost of raw materials comprises costs of purchase. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity. 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.

(i) Financial Liabilities

Financial liabilities include trade payables, which are normally settled on 30-90 day terms, other amounts payable, payables to related parties and interest-bearing loans and borrowings. Financial liabilities are recognised on the balance sheet when, and only when, the group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

Notes to the Financial Statements
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cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 Summary of Significant Accounting Policies *cont'd*

(j) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases except for land held for own use. Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

(ii) Finance Leases - the Group as Lessee

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

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

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 2.3(c).

(iii) Operating Leases - the Group as Lessee

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

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and 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 represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

(k) Income Tax

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

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 Summary of Significant Accounting Policies *cont'd*

(k) Income Tax cont'd

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

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

(l) Provisions

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

(m) Employee Benefits

(i) Short Term Benefits

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

(ii) Defined Benefit Plan

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 the income statements as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

2. **SIGNIFICANT ACCOUNTING POLICIES** *cont'd*

2.3 Summary of Significant Accounting Policies *cont'd*

(m) Employee Benefits *cont'd*

(iii) Equity Compensation Benefits

The Employee Share Options Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that option will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the income statements, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred directly to retained earnings. The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

(n) Functional Currencies

(i) Functional and Presentation Currency

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

(ii) Foreign Currency Transactions

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, regardless of the currency of the monetary item, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in the income statement. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 Summary of Significant Accounting Policies *cont'd*

(n) Functional Currencies *cont'd*

(ii) Foreign Currency Transactions cont'd

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

(iii) Foreign Operations

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

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

(o) Revenue Recognition

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. The following specific recognition criteria must also be met before revenue is recognised.

(i) Dividend Income

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

(ii) Revenue from Charge and Credit card

Charge and credit card commissions, cardholders' subscriptions, renewal fees and service charges are recognised on inception of the respective events.

(iii) Ticketing Revenue

Revenue from ticket sales is recognised upon issue and delivery of tickets and revenue from tour and travel services is recognised upon departure or arrival dates of the tours and services rendered.

(iv) Sale of Goods

Revenue is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold. 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.

Notes to the Financial Statements
31 January 2010
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2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 Summary of Significant Accounting Policies *cont'd*

(o) Revenue Recognition *cont'd*

(v) Revenue from Hotel Operations

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

(vi) Development Properties

Revenue from sale of development properties is accounted for by the percentage of completion method in respect of all building units that have been sold. The stage of completion is determined by reference to the costs incurred to date to the total estimated costs where the outcome of the projects can be reliably estimated.

(vii) Interest Income

Interest is recognised on a time proportion basis that reflects the effective yield on the asset.

(viii) Contract Revenue

Contract revenue and contract costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, when the outcome of the engineering service contract can be estimated reliably. An expected loss on the engineering service contract is recognised as an expense immediately when is it probable that total contract costs will exceed total contract revenue.

Revenue is recognised in accordance with the percentage of completion method. The stage of completion is measured by reference to the costs incurred to date as a percentage of the total estimated costs for each contract.

Only costs that reflect services performed are included in the estimated total costs of the contract. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expense recognised that are recoverable.

(p) Financial Guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantees are recognised initially at fair value. Subsequent to initial recognition, financial guarantees are recognised as income in the income statement over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.4 Significant Accounting Estimates and Judgements

(a) Critical Judgements Made in Applying Accounting Policies

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

Revenue Recognition

The Group has recognised revenue amounting to RM19,256,000 (2009: RM38,166,000) for rendering of engineering services under contract to customers during 2009. The revenue from fixed-price contracts, cost-plus contracts and contract-in-progress are recognised in accordance to the accounting policy stated in Note 2.3(o). Revenue arising from fixed-price contracts is recognised in accordance with the percentage of completion method. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Management estimates the total hours required for each contract based on experience with similar contracts.

(b) Key Sources of Estimation Uncertainty

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

(i) Impairment of Goodwill

The Group determines whether goodwill are impaired at least on an annual basis. This requires the estimation of the value in use of the cash-generating units to which goodwill are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill at 31 January 2010 was RM5,222,000 (2009: RM5,067,000). More details are given in Note 15.

(ii) Depreciation of Plant and Equipment

The cost of property, plant and equipment are depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and machinery to be within 3 to 60 years. These are common life expectancies applied in the industry in which the Group operates. The carrying amount of the Group's property, plant and equipment at 31 January 2010 are disclosed in Note 12. Changes in the expected level of maintenance, usage and technological developments could impact the economic lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised tax losses and capital allowances and reinvestment allowances of the Group was RM81,172,000 (2009: RM73,980,000) and the unrecognised tax losses and capital allowances of the Group was RM122,313,000 (2009: RM115,459,000).

Notes to the Financial Statements
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2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.4 Significant Accounting Estimates and Judgements *cont'd*

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

(iv) Provision for Reward Points

The provision for reward points pertain to the amounts awarded to card members based on the spending on their credit cards that could be redeemed for services and merchandises at a later date. There is no expiry date attached to these reward points. The provision for reward points amounting to RM13,208,000 (2009: RM13,421,000) represents costs which are expected to be incurred.

(v) Assessment of Allowance for Doubtful Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for doubtful receivables. In assessing the allowance for receivables, the Group takes into account the duration of the settlement agreement, whether any subsequent payments were in default as well as past payment history of the customers, where relevant. More details are disclosed in Note 20.

3. REVENUE

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Credit & charge cards operations, ticket sales, and resort operations	**182,425**	181,609	**-**	-
Sale of goods	**106,544**	116,195	**-**	-
Engineering contracts	**19,256**	38,166	**-**	-
Management services	**101**	110	**-**	-
Sale of properties	**7,349**	2,770	**-**	-
Management fees	**-**	-	**1,573**	2,275
Dividend income from subsidiaries	**-**	-	**7,651**	6,922
	315,675	338,850	**9,224**	9,197

4. COST OF SALES

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Ticketing services' costs and resort operations' related costs	**24,537**	29,766	**-**	-
Cost of inventories sold	**71,122**	71,567	**-**	-
Property development costs (Note13(b))	**3,554**	1,358	**-**	-
Engineering contracts costs	**12,064**	26,991	**-**	-
	111,277	129,682	**-**	-

5. OTHER INCOME

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Airline incentives	**1,875**	2,577	**-**	-
Interest income	**955**	1,556	**4**	28
Sales of scrap	**1,544**	2,084	**-**	-
Electronic data capture terminal income	**2,111**	1,127	**-**	-
Reversal of provision for financial guarantee no longer required	**-**	-	**-**	6,089
Reversal of impairment loss on investment in subsidiaries	**-**	-	**-**	18,380
Net reversal of allowance for doubtful receivables-subsidiaries	**-**	-	**719**	2,509
Debt waiver	**10,300**	-	**-**	-
Reversal of quit rent over accrued	**1,091**	-	**-**	-
Government Grant from Job Credit Scheme	**634**	-	**-**	-
Legal settlement	**620**	-	**-**	-
Dividend income from investment securities	**339**	-	**-**	-
Visa application, hotel booking and airport transfer fees	**748**	750	**-**	-
Miscellaneous	**1,433**	1,076	**23**	6
	21,650	9,170	**746**	27,012

Notes to the Financial Statements
31 January 2010
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6. FINANCE COSTS

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
Non-recourse investors' certificates and senior certificates	**27,179**	26,975	**-**	-
Bank borrowings	**2,666**	9,139	**-**	-
Hire purchase	**139**	147	**26**	12
Others	**97**	284	**10**	10
	30,081	36,545	**36**	22

7. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:				
- auditors of the Company	**192**	203	**46**	43
- other auditors	**927**	905	**-**	-
Asset Securitisation Program Expenses	**5,837**	1,666	**-**	-
Loss on dissolution of subsidiary	**-**	-	**2**	-
Depreciation of property, plant and equipment	**7,570**	8,728	**293**	306
Loss/(gain) on disposal of:				
- Property, plant and equipment	**94**	(39)	**(58)**	(77)
- Investment in subsidiaries	**-**	(2,869)	**-**	-
- Investment securities	**(5,515)**	195	**(81)**	-
Property, plant and equipment written off	**-**	22	**-**	-
Amortisation of:				
- Prepaid land lease payments	**41**	106	**-**	-
- Intangible assets	**137**	286	**-**	-
(Write back)/impairment loss of :				
- Investment securities	**(3,528)**	1,633	**-**	11
- Prepaid land lease payments	**-**	5,555	**-**	-
- Land held for property development	**-**	7,653	**-**	-
Write down of inventories	**-**	2,005	**-**	-

7. **PROFIT BEFORE TAX** *cont'd*

The following amounts have been included in arriving at profit before tax: *cont'd*

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Bad debts recovered	**(2,873)**	(3,269)	**-**	-
Allowance for doubtful receivables				
- subsidiaries	**-**	-	**337**	9,851
- trade and other receivables	**26,678**	26,671	**-**	-
Reversal of allowance for doubtful receivables				
- trade and other receivables	**(4,707)**	(52,986)	**-**	-
Provision for reward points (Note 27)	**9,109**	7,796	**-**	-
Reversal of provision for financial guarantee contract	**-**	-	**-**	(6,089)
Hire of plant and equipment	**626**	689	**15**	15
Net foreign exchange (gain)/loss:				
- realised	**(847)**	(6,361)	**10**	1
- unrealised	**1,531**	(1,700)	**-**	-
Rental of land and buildings	**14,032**	16,228	**499**	399
Employee benefits expense (Note 8)	**77,592**	84,452	**3,084**	4,624
Non-executive directors' remuneration (Note 9)	**248**	183	**144**	100

8. **EMPLOYEE BENEFITS EXPENSE**

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Wages and salaries	**66,927**	70,387	**2,767**	4,299
Social security costs	**208**	217	**15**	12
Pension cost - defined contribution plans	**6,834**	6,774	**134**	43
Other staff related expenses	**3,623**	7,074	**168**	270
	77,592	84,452	**3,084**	4,624

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM3,708,000 (2009: RM3,141,000) and RM1,317,000 (2009: RM1,324,000) respectively as further disclosed in Note 9.

Notes to the Financial Statements
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9. DIRECTORS' REMUNERATION

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	**2,323**	1,796	**1,317**	1,324
Pension cost	**-**	-	**-**	-
Benefits-in-kind	**115**	106	**115**	106
	2,438	1,902	**1,432**	1,430
Non-executive:				
Fees	**144**	100	**144**	100
	2,582	2,002	**1,576**	1,530
Directors of subsidiaries				
Executive:				
Salaries and other emoluments	**1,344**	1,309	**-**	-
Pension cost	**41**	36	**-**	-
	1,385	1,345	**-**	-
Non-executive:				
Fees	**104**	83	**-**	-
	1,489	1,428	**-**	-
Total	**4,071**	3,430	**1,576**	1,530
Analysis excluding benefits-in-kind:				
Total executive Directors' remuneration excluding benefits-in-kind	**3,708**	3,141	**1,317**	1,324
Total non-executive Directors' remuneration excluding benefits-in-kind	**248**	183	**144**	100
Total Directors' remuneration excluding benefits-in-kind	**3,956**	3,324	**1,461**	1,424

9. DIRECTORS' REMUNERATION *cont'd*

The number of Directors of the Company whose total remuneration during the year fell within the following bands is analysed below:

	Number of Directors	
	2010	**2009**
Executive Directors:		
RM750,001 - RM800,000	**-**	1
RM1,000,001 - RM1,200,000	**1**	1
RM1,200,001 - RM1,400,000	**1**	-
Non-executive Directors:		
RM10,000 - RM50,000	**3**	2

10. INCOME TAX

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current income tax:				
Malaysian tax	**258**	318	**-**	-
Foreign tax	**3,462**	2,864	**-**	-
	3,720	3,182	**-**	-
Under/(over)provision in prior years	**321**	(46)	**284**	9
Deferred tax (Note 31):				
Relating to origination and reversal of temporary differences	**57**	868	**-**	-
Relating to changes in tax rate	**-**	317	**-**	-
(Over)/underprovision in prior years	**(468)**	159	**-**	-
Total income tax expense	**(411)**	1,344	**-**	-
	3,630	4,480	**284**	9

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2009: 25%) of the estimated taxable profit for the year. Taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Notes to the Financial Statements
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10. INCOME TAX *cont'd*

A reconciliation of income tax applicable to profit before tax at the statutory income tax rate to income tax at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Profit before tax	**29,261**	28,207	**5,496**	19,797
Tax at Malaysian statutory tax rate of 25% (2009: 25%)	**7,315**	7,052	**1,374**	4,949
Effect of different tax rates in foreign countries	**110**	(353)	**-**	-
Effect of changes in tax rates on opening balance of deferred tax	**-**	317	**-**	-
Effect of tax exemption	**(218)**	(271)	**-**	-
Effect of income not subject to tax	**(9,939)**	(17,310)	**(2,085)**	(6,117)
Effect of expenses not deductible for tax purposes	**7,938**	16,322	**147**	1,903
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**(534)**	(968)	**-**	(735)
Utilisation of previously unrecognised unutilised reinvestment allowances	**(1,335)**	(1,126)	**-**	-
Deferred tax recognised on unused tax losses	**-**	(1,029)	**-**	-
Deferred tax assets not recognised during the year	**422**	1,333	**564**	-
(Over)/underprovision of deferred tax in prior years	**(468)**	159	**-**	-
Under/(over) provision of tax expense in prior years	**321**	(46)	**284**	9
Others	**18**	400	**-**	-
Income tax for the year	**3,630**	4,480	**284**	9

11. EARNINGS PER SHARE

Basic and Diluted

Basic and diluted earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the year. In accordance with FRS 133 - Earnings Per Share, in previous year the Irredeemable Convertible Unsecured Loan Stocks ("ICULS") are included in the calculation of basic earnings per share as they are mandatorily convertible instruments.

Diluted earning per share amount is the same as basic earnings per share. The ESOS shares are not included as the effect is anti-dilutive.

11. EARNINGS PER SHARE *cont'd*

Basic and Diluted *cont'd*

	Group	
	2010	**2009**
	RM'000	**RM'000**
Profit attributable to ordinary equity holders of the parent including assumed conversion	**25,085**	23,065
Number of ordinary shares ('000) brought forward	**557,465**	508,901
Conversion of ICULS to ordinary shares ('000)	**65,483**	48,564
Number of ordinary shares ('000) carried forward	**622,948**	557,465
Effects of dilution: ICULS ('000)	**-**	65,483
Number of ordinary shares in issue and issuable	**622,948**	622,948
Basic/diluted earnings per share for:		
Profit for the year (sen)	**4.03**	3.70

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cont'd

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Freehold buildings RM'000	Long Leasehold buildings RM'000	Long leasehold hotel properties RM'000	Plant and machinery RM'000	Furniture, equipment and vehicles RM'000	Total RM'000
Group							
At 31 January 2010							
Cost or valuation							
At 1 February 2009							
At cost	-	21,461	51,127	24,435	94,577	63,570	255,170
At valuation	30,850	-	-	-	-	-	30,850
	30,850	21,461	51,127	24,435	94,577	63,570	286,020
Additions	-	31	-	25	895	3,007	3,958
Disposals	-	-	-	-	(438)	(1,261)	(1,699)
Exchange differences	-	-	714	-	1,018	1,116	2,848
At 31 January 2010	30,850	21,492	51,841	24,460	96,052	66,432	291,127
Representing:							
At cost	-	21,492	51,841	24,460	96,052	66,432	260,277
At valuation	30,850	-	-	-	-	-	30,850
At 31 January 2010	30,850	21,492	51,841	24,460	96,052	66,432	291,127
Accumulated depreciation and impairment							
At 1 February 2009	-	4,526	9,391	1,730	43,204	54,316	113,167
Depreciation charge for the year	-	429	868	483	3,330	2,460	7,570
Disposals	-	-	-	-	(202)	(1,187)	(1,389)
Exchange differences	-	-	117	-	969	619	1,705
At 31 January 2010	-	4,955	10,376	2,213	47,301	56,208	121,053
Net carrying amount							
At cost	-	16,537	41,465	22,247	48,751	10,224	139,224
At valuation	30,850	-	-	-	-	-	30,850
At 31 January 2010	30,850	16,537	41,465	22,247	48,751	10,224	170,074

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

	Freehold land RM'000	Freehold buildings RM'000	Long Leasehold buildings RM'000	Long leasehold hotel properties RM'000	Plant and machinery RM'000	Furniture, equipment and vehicles RM'000	Total RM'000
Group							
At 31 January 2009							
Cost or valuation							
At 1 February 2008							
At cost	-	21,426	49,154	24,435	94,441	60,879	250,335
At valuation	30,850	-	-	-	-	-	30,850
	30,850	21,426	49,154	24,435	94,441	60,879	281,185
Additions	-	35	-	-	1,224	4,310	5,569
Disposals	-	-	-	-	(235)	(1,864)	(2,099)
Write off	-	-	-	-	-	(81)	(81)
Exchange differences	-	-	1,973	-	(853)	326	1,446
At 31 January 2009	30,850	21,461	51,127	24,435	94,577	63,570	286,020
Representing:							
At cost	-	21,461	51,127	24,435	94,577	63,570	255,170
At valuation	30,850	-	-	-	-	-	30,850
At 31 January 2009	30,850	21,461	51,127	24,435	94,577	63,570	286,020
Accumulated depreciation and impairment							
At 1 February 2008	-	4,098	8,204	1,248	39,995	52,735	106,280
Depreciation charge for the year	-	428	850	482	4,176	2,792	8,728
Disposals	-	-	-	-	(129)	(1,355)	(1,484)
Write off	-	-	-	-	-	(59)	(59)
Exchange differences	-	-	337	-	(838)	203	(298)
At 31 January 2009	-	4,526	9,391	1,730	43,204	54,316	113,167
Net carrying amount							
At cost	-	16,935	41,736	22,705	51,373	9,254	142,003
At valuation	30,850	-	-	-	-	-	30,850
At 31 January 2009	30,850	16,935	41,736	22,705	51,373	9,254	172,853

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

	Company	
	2010	**2009**
	RM'000	**RM'000**
Furniture, equipment and vehicles		
Cost		
At 1 February 2009/2008	**3,201**	3,027
Additions	**938**	877
Disposals	**(482)**	(703)
At 31 January	**3,657**	3,201
Accumulated depreciation		
At 1 February 2009/2008	**2,480**	2,877
Charge for the year	**293**	306
Disposals	**(482)**	(703)
At 31 January	**2,291**	2,480
Net carrying amount		
At 31 January	**1,366**	721

(a) Revaluation of Land and Buildings

Had the freehold land and leasehold buildings been carried at historical cost less depreciation and impairment loss, the carrying amount of the revalued assets that would have been included in the financial statements as at the end of the financial year is as follows:

	Group	
	2010	**2009**
	RM'000	**RM'000**
Freehold land	**10,979**	10,979
Leasehold buildings	**3,032**	3,035
	14,011	14,014

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

(b) Assets Acquired Under Hire Purchase Arrangement

During the financial year, the Group and the Company acquired property, plant and equipment at aggregate costs of RM3,958,000 (2009: RM5,569,000) and RM938,000 (2009: RM877,000) respectively of which RM1,294,000 (2009: RM1,437,000) and RM875,000 (2009: RM485,000) respectively were acquired by means of finance lease arrangements. Net book values of property, plant and equipment held under hire purchase and finance leases arrangements are as follows:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Furniture, equipment and vehicles	**2,906**	3,006	**1,122**	430

(c) Assets Pledged as Security

The net carrying amount of the property, plant and equipment pledged to financial institutions are as follows:

	Group	
	2010	**2009**
	RM'000	**RM'000**
Freehold land and buildings	**47,387**	47,785
Long leasehold buildings	**41,465**	41,696
Plant and machinery	**48,509**	51,194
	137,361	140,675

Notes to the Financial Statements
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13. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land Held for Property Development

	Freehold land RM'000	Leasehold land RM'000	Development expenditure RM'000	Total RM'000
Group				
At 31 January 2010				
Cost				
At 1 February 2009	**-**	**6,173**	**17,635**	**23,808**
Additions	**-**	**-**	**31**	**31**
At 31 January 2010	**-**	**6,173**	**17,666**	**23,839**
Accumulated impairment losses				
At 1 February 2009/At 31 January 2010	**-**	**-**	**12,866**	**12,866**
Carrying amount as at 31 January 2010	**-**	**6,173**	**4,800**	**10,973**
At 31 January 2009				
Cost				
At 1 February 2008	22,864	6,173	76,710	105,747
Additions	-	-	3,714	3,714
Disposal	(22,864)	-	(62,789)	(85,653)
At 31 January 2009	-	6,173	17,635	23,808
Accumulated impairment losses				
At 1 February 2008	-	-	5,213	5,213
Impairment loss for the year	-	-	7,653	7,653
At 31 January 2009	-	-	12,866	12,866
Carrying amount as at 31 January 2009	-	6,173	4,769	10,942

Leasehold land and development expenditure of RM4,600,000 (2009: RM4,600,000) are pledged to a bank for a term loan granted to a subsidiary as disclosed in Note 30.

13. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS *cont'd*

(b) Property Development Costs

	Leasehold land RM'000	Development costs RM'000	Total RM'000
At 31 January 2010			
Cumulative property development costs			
At 1 February 2009	**141**	**2,284**	**2,425**
Costs incurred during the year	**-**	**2,510**	**2,510**
At 31 January 2010	**141**	**4,794**	**4,935**
Cumulative costs recognised in income statement			
At 1 February 2009	**-**	**1,358**	**1,358**
Costs incurred during the year	**141**	**3,413**	**3,554**
At 31 January 2010	**141**	**4,771**	**4,912**
Property development costs at 31 January 2010	**-**	**23**	**23**
At 31 January 2009			
Cumulative property development costs			
At 1 February 2008	141	100	241
Costs incurred during the year	-	2,184	2,184
At 31 January 2009	141	2,284	2,425
Cumulative costs recognised in income statement			
At 1 February 2008	-	-	-
Costs incurred during the year	-	1,358	1,358
At 31 January 2009	-	1,358	1,358
Property development costs at 31 January 2009	141	926	1,067

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14. PREPAID LAND LEASE PAYMENTS

	Group	
	2010	2009
	RM'000	RM'000
At 1 February 2009/2008	3,276	8,937
Amortisation for the year	(41)	(106)
Impairment loss for the year	-	(5,555)
At 31 January	3,235	3,276

The leasehold land is held under long term lease and is situated in Malaysia.

Leasehold land with an aggregate carrying value of RM1,140,000 (2009: RM1,154,000) is pledged as security for a term loan granted to a subsidiary as disclosed in Note 30.

15. INTANGIBLE ASSETS

Group

	Goodwill	Computer software	Total
	RM'000	RM'000	RM'000
Cost			
At 1 February 2009	5,067	4,824	9,891
Addition	-	2,514	2,514
Exchange differences	155	1,088	1,243
At 31 January 2010	5,222	8,426	13,648
Accumulated amortisation			
At 1 February 2009	-	(2,165)	(2,165)
Amortisation for the year	-	(137)	(137)
Exchange differences	-	(385)	(385)
At 31 January 2010	-	(2,687)	(2,687)
Net carrying amount			
At 31 January 2010	5,222	5,739	10,961

15. INTANGIBLE ASSETS *cont'd*

Group *cont'd*

	Goodwill RM'000	Computer software RM'000	Total RM'000
Cost			
At 1 February 2008	5,272	3,517	8,789
Addition	-	2,496	2,496
Exchange differences	(205)	(1,189)	(1,394)
At 31 January 2009	5,067	4,824	9,891
Accumulated amortisation			
At 1 February 2008	-	(2,350)	(2,350)
Amortisation for the year	-	(286)	(286)
Exchange differences	-	471	471
At 31 January 2009	-	(2,165)	(2,165)
Net carrying amount			
At 31 January 2009	5,067	2,659	7,726

Assets Acquired Under Hire Purchase Arrangement

During the financial year, the Group acquired computer software at aggregate costs of RM2,514,000 (2009: RM2,496,000) of which RM2,286,000 (2009: RM2,220,000) was acquired by means of finance lease arrangements. The carrying value of computer software held under hire purchase and finance leases arrangements as at 31 January 2010 is RM2,576,000 (2009: RM2,392,000).

15. INTANGIBLE ASSETS *cont'd*

Impairment Testing of Goodwill

The carrying amount of goodwill has been allocated to the cash generating units ("CGU") of Diners Club (Singapore) Pte. Ltd. ("DCS"), which are under the provision of charge card and credit card services segment for impairment testing as follows:

	Provision for charge card and credit card services segment	
	Group	
	2010	2009
	RM'000	RM'000
Carrying amount of goodwill	**5,222**	5,067

The recoverable amount of DCS is determined based on value in use calculation using cash flow projections based on financial budgets approved by management covering a period of 5 years. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flows beyond the five-year period are 12% and 4.8% respectively.

The calculations of value in use for the CGUs are most sensitive to the following assumptions:

Growth rates - The forecasted growth rates are based on published industry research and do not exceed the long-term average growth rate for relevant to the CGUs.

Pre-tax discount rates - Discount rates reflect the current market assessment of the risks specific to each CGU.

16. INVESTMENTS IN SUBSIDIARIES

	Company	
	2010	2009
	RM'000	RM'000
Shares, at cost	**111,317**	110,969
Less: Accumulated Impairment losses	**(57,190)**	(57,190)
Carrying amount of investments	**54,127**	53,779

The Group's effective equity interests in the subsidiaries, their respective principal activities and countries of incorporation are shown in Note 41.

(a) Disposal in 2009

The Group disposed off its wholly-owned subsidiaries in Crayford Limited and Asian Village Antigua Limited ("AVAL") on 4 June 2008 for a cash consideration of US$1 million (RM3.240 million). AVAL also settled the advances amounting to RM142.191 million owing by AVAL to a fellow subsidiary of the Group.

16. INVESTMENTS IN SUBSIDIARIES *cont'd*

(a) Disposal in 2009 *cont'd*

The disposals had the following effects on the financial position as at the end of previous financial year:

	RM'000
Land held for property development (Note 13(a))	85,653
Receivables	56,909
Net assets disposed	142,562
Gain on disposal to the Group	2,869
	145,431
Represented by:	
Sales proceeds	3,240
Settlement of advances	142,191
Net cash inflow of the Group	145,431

17. AMOUNTS OWING BY SUBSIDIARIES

	Company	
	2010	**2009**
	RM'000	**RM'000**
Amounts owing by subsidiaries	**305,776**	296,921
Less: Allowance for doubtful receivables	**(134,048)**	(134,767)
	171,728	162,154

The amounts owing by the subsidiaries are unsecured, interest free, and repayable on demand.

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18. INVESTMENT SECURITIES

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Non-current:				
Available-for-sale financial assets				
Quoted shares, at fair value	**63**	40	**-**	-
Unquoted shares, at cost	**7**	7	**-**	-
	70	47	**-**	-
Current:				
Financial assets at fair value through profit or loss				
Quoted shares	**19,866**	6,705	**-**	253

Quoted shares with a market value of RM250,000 were held in trust by a third party in the previous year.

Unquoted shares are stated at cost after its initial recognition, as they do not have a quoted market price and the fair value cannot be reliably measured.

19. INVENTORIES

	Group	
	2010	2009
	RM'000	RM'000
Costs		
Raw materials and components (at cost)	**8,565**	7,634
Work-in-progress (at cost)	**144**	534
Finished goods (at cost or net realisable value)	**16,130**	22,122
	24,839	30,290
Net realisable value		
Finished goods	**778**	989
	25,617	31,279

During the financial year, the Group had written-down RM84,000 (2009: RM2,005,000) of inventories which is recognised as expense in the income statement.

20. TRADE RECEIVABLES

	Group	
	2010	**2009**
	RM'000	**RM'000**
Securitised Trade Receivables (Note 20(a),(b) and (c))	**470,961**	405,540
Non-securitised trade receivables	**274,816**	230,299
Less: Allowance for doubtful receivables	**(160,353)**	(136,592)
	585,424	499,247

Trade receivables are non-interest bearing and are generally on 30 to 90 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.

Other information on credit risks of trade receivables is disclosed in Note 38(c).

Securitised Trade Receivables in Singapore, New Zealand and Malaysia are disclosed as follows:

(a) Singapore

On 4 May 2005, Diners Club (Singapore) Private Limited ("DCS"), the Group's Singapore-incorporated subsidiary, renewed its Asset Securitisation Program ("the DCS Program") with Card Centre Asset Purchase Company Pte Ltd ("CCAPC"), a special purpose entity set up for this purpose, and a private institutional lender to raise funds of up to Singapore dollar $140 million over a 3-year period through the securitisation of its credit and charge card receivables which meet pre-determined criteria ("eligible trade receivables"). On 9 April 2008, DCS increased its facility commitment from $140 million to $190 million. On 24 April 2009, the program which expired on 9 May 2009 was extended and continued with support of the bankers. Please refer to Note 43 of the financial statements for subsequent event.

In CCAPC, a trust is declared over the eligible trade receivables sold by DCS ("Securitised Trade Receivables"). The ownership of the trust assets is held through six certificates of beneficial interest, namely Class A certificate, Class B certificate, Class C certificate, Class D certificate, Class E certificate and Seller Certificate. Class C certificate and Seller certificate are two certificates representing DCS's interest in the trust assets. Neither DCS nor any other company in the Group is obliged to support any losses suffered by the investors. There is also no obligation for DCS or any other company in the Group to repurchase the sold receivables.

During the period of the DCS Program, eligible trade receivables outstanding as at the 5th working day before the end of each month (referred to as "calculation date") will be sold to CCAPC subject to terms of the related receivable purchase agreement. The collections from the Securitised Trade Receivables received by DCS in trust for CCAPC, between two settlement dates (9th calendar day of two consecutive months) will be utilised as follows:

(i) a percentage ranging from 10.0% to 16.5% of the collections will be placed in a designated trust account in CCAPC and will be used by CCAPC to meet the financing costs, administrative expenses and other costs incurred pursuant to the arrangements of the DCS Program. Any excess will be paid by CCAPC to DCS on the next settlement date; and

(ii) the balances of these collections (known as "principal collections") will be placed in a designated trust account in CCAPC and will be advanced by CCAPC to DCS on a daily basis for the purchase of new eligible trade receivables at the next calculation date.

The funding from investors in relation to Securitised Trade Receivables are disclosed as Investor Certificates in Note 28.

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20. TRADE RECEIVABLES *cont'd*

(b) New Zealand

On 1 October 2005, Diners Club NZ Limited ("DCNZ"), the Group's New Zealand-incorporated subsidiary, renewed its asset securitisation program (the "DCNZ Program") with Perpetual Trust Limited, in its capacity as Trustees of Kowhai Trust No. 1 ("KT") a special purpose entity set up for this purpose and a private institutional lender to raise funds of up to New Zealand dollar $49 million over a three and a half year period. The program which expired on 13 May 2009 was extended until December 2010 pending the implementation of a new Program.

KT has two beneficiaries: DCNZ is the Income Beneficiary of a trust set up for the purposes of the DCNZ Program ("the Trust") and ABN AMRO Nominees DCNZ Ltd is the Capital Beneficiary of the Trust. As Income Beneficiary, DCNZ is entitled to receive distributions from the Trust as per a related trust deed. The Capital Beneficiary has the right to receive only any residual sums remaining in the Trust at its termination and after effecting certain distributions. Neither DCNZ nor any other company in the Group is obliged to support any losses suffered by the investor. There is also no obligation for DCNZ or any other company in the Group to repurchase the sold receivables.

During the period of the DCNZ Program, eligible trade receivables outstanding as at the last working day of the end of the month (referred to as "calculation date") will be sold to KT subject to terms of the related receivable purchase agreement. Between two consecutive transaction dates, the collections from securitised trade receivables will be utilised as follows:

(i) 7% to 9% of the collections will be used by KT to meet the financing costs, administrative expenses and audit fees incurred relating to the DCNZ Program. Any excess will be paid back by KT to DCNZ on the 13th calendar day of the following month or the next working day where the 13th is a non-working day; and

(ii) the balances of these collections are held by KT on Trust to acquire new eligible trade receivables sold by DCNZ under the receivable purchase agreement.

The funding from investors in relation to Securitised Trade Receivables are disclosed as Investor Certificates in Note 28.

(c) Malaysia

On 9 January 2004, Diners Club (Malaysia) Sendirian Berhad ("DCM"), a subsidiary in Malaysia entered into agreements for an asset securitisation program (the "DCM Program") to raise funds of up to RM132 million over a 3.5 year period with Domayne Assets Corporation Berhad ("DACB"), a special purpose entity set up for this purpose and private institution lenders through the securitisation of DCM's charge card receivables ("eligible trade receivables"). In 2007 the DCM Program has been renewed for a further 3 year period. Please refer to Note 43 of the financial statements for subsequent event.

In DACB, a trust is declared over the eligible trade receivables sold ("Securitised Trade Receivables") and all the assets of the DACB. The ownership of the trust assets is held through two certificates of beneficial interest, namely Senior Certificates issued to private institution investors and Subordinated Certificates, the latter certificate being retained by DCM. Neither DCM nor DACB is obliged to support any losses suffered by the investors. There is also no obligation for DCM or any other company in the Group to repurchase the sold receivables.

20. TRADE RECEIVABLES *cont'd*

(c) Malaysia *cont'd*

During the period of the DCM Program, eligible trade receivables outstanding as at the 5th business day before the end of each month (referred to as "calculation date") will be sold to DACB subject to terms of the related receivables purchase agreement. Between two settlement dates (10th calendar day of two consecutive months), the collections from the Securitised Trade Receivables received by DCM in trust for DACB will be utilised as follows:

(i) 7% of the collections will be placed in a designated trust account in DACB and will be used by DACB to meet financing costs, administrative expenses and other costs incurred pursuant to terms of arrangements of the DCM Program. Any excess will be paid by DACB to DCM on the next settlement date; and

(ii) 93% of the collections will be placed in a designated trust account in DACB and balances of these collections on each day will be advanced by DACB to DCM on a daily basis for the purchase of new eligible trade receivables at the next calculation date.

The funding from investors in relation to Securitised Trade Receivables are disclosed as Senior Certificates in Note 28.

Pursuant to the terms of the respective Programs, agreed percentages of the Investor Certificates and Senior Certificates disclosed in Note 28 will be retained in designated trust accounts in the related special purpose entities and will be returned to DCS, DCNZ and DCM respectively upon termination of the respective Programs, less financing charges, administrative expenses and other related costs.

The Securitised Trade Receivables in the Group have not been derecognised in the Group as the Group retains certain rights and obligations relating to the Securitised Trade Receivables sold to the special purpose entities.

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

21. OTHER RECEIVABLES

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Other receivables	**112,786**	88,294	**205**	231
Tax credits	**212**	284	**212**	284
	112,998	88,578	**417**	515
Less: Allowance for doubtful receivables	**(67,907)**	(72,570)	**-**	-
	45,091	16,008	**417**	515

Included in other receivables is a net amount owing from a foreign debtor of RM4,700,000 (2009: nil), after the allowance for doubtful receivables of RM67,849,000 (2009: RM72,549,000).

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

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22. CASH AND BANK BALANCES

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Deposits with:				
Licensed banks	**18,889**	20,815	**2,600**	1,430
Cash on hand and at banks	**106,397**	118,225	**270**	172
	125,286	139,040	**2,870**	1,602

Fixed deposits amounting to RM4,470,000 (2009: RM3,830,000) are pledged with financial institutions for banking facilities extended to the subsidiaries as disclosed in Note 30.

Included in deposits with licensed banks and cash and bank balances of the Group are amounts held in the designated trust accounts of the special purpose entities aggregating RM53,775,000 (2009: RM36,194,000) pursuant to the terms of the respective Programs as disclosed in Note 20. These amounts are restricted for use for the purposes disclosed in Note 20.

The effective interest rates and maturities of deposits as at the end of the financial year were as follows:

	2010		2009	
	Effective interest rates (%)	Maturities days	Effective interest rates (%)	Maturities days
Licensed banks	**0.25 - 10.50**	**1 - 365**	0.26 - 13.00	1 - 365
Licensed finance companies	**1.97**	**365**	3.22	365

For the purpose of the consolidated cash flow statements, cash and cash equivalents comprise the following as at 31 January:

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	**125,286**	139,040	**2,870**	1,602
Bank overdrafts (Note 30)	**(39,289)**	(39,577)	**-**	-
Total cash and cash equivalents	**85,997**	99,463	**2,870**	1,602

23. EMPLOYEE BENEFITS

Employee Share Options Scheme ("ESOS")

On 31 October 2003, the Company implemented an Employee Share Options Scheme ("ESOS") which is governed by the by-laws and was approved by the shareholders at an Extraordinary General Meeting held on 19 June 2003. The ESOS is extended based on approval by the shareholders of the Company at the Annual General Meeting held on 24 July 2008.

The main features of the ESOS are as follows:

(i) The ESOS shall be in force for a period of five (5) years from 31 October 2003 and extended for an additional five (5) years commencing from 1 November 2008 until 31 October 2013;

(ii) Eligible persons are employees of the Group (including executive directors) who have been confirmed in the employment of the Group and have served for at least two (2) years before the date of the offer. The eligibility for participation in the ESOS shall be at the discretion of the ESOS Committee appointed by the Board of Directors;

(iii) The total number of shares to be offered shall not exceed in aggregate 10% of the issued share capital of the Company at any point of time during the tenure of the ESOS;

(iv) The option price for each share shall be the weighted average of the mean market quotation of the shares of the Company in the daily official list issued by the Bursa Malaysia Securities Berhad for the five (5) trading days preceding the date of offer, or the par value of the shares of the Company of RM0.50, whichever is higher;

(v) No option shall be granted for less than 1,000 shares nor more than 500,000 shares to any eligible employee;

(vi) An option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company commencing from the date of the offer but before the expiry date;

(vii) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respect with the existing ordinary shares of the Company; and

(viii) The person to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

The number of share options granted and vested under the ESOS on 31 October 2003 are 3,147,000 shares with the exercise price of RM0.50 per share. The share options outstanding as at the end of the year are as follows:

	Exercise price	Number of share options		
	RM	1.2.2009	Lapsed	31.1.2010
		'000	'000	'000
Exercise period				
31 October 2003 to 31 October 2013	0.50	1,676	135	**1,541**

The share options were granted and vested on 31 October 2003. Thus, FRS 2 is not applicable except for modification.

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24. TRADE PAYABLES

The normal credit terms granted to the Group range from 15 days to 120 days.

Other information on financial risks are disclosed in Note 38.

25. OTHER PAYABLES

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Other payables and accruals	**66,239**	58,019	**744**	2,224

Other information on financial risks are disclosed in Note 38.

26. AMOUNT OWING TO SUBSIDIARIES

The amounts owing to the subsidiaries are unsecured, interest free and are repayable on demand.

27. PROVISION FOR REWARD POINTS

The provision for reward points pertain to the amounts awarded to card members based on the spending on their credit cards that could be redeemed for services and merchandises at a later date. There is no expiry date attached to these reward points. The provision for reward points represent costs which are expected to be incurred. The movement in this provision is as below:

	Group	
	2010	2009
	RM'000	RM'000
At 1 February	**13,421**	15,397
Recognised in income statement	**9,109**	7,796
Amount utilised during the year	**(11,403)**	(7,562)
Exchange differences	**2,081**	(2,210)
At 31 January	**13,208**	13,421

28. INVESTOR AND SENIOR CERTIFICATES

The investor certificates relate to the funding for Securitised Trade Receivables of DCS and DCNZ as disclosed in Note 20. Interest rates payable on the investors certificates ranged from 3.77% to 10.41% (2009: 4.90% to 10.63%) respectively.

The senior certificates relate to the funding for Securitised Trade Receivables of DCM as disclosed in Note 20. The interest rate payable on senior certificates is 8.75% (2009: 8.75%).

29. HIRE PURCHASE AND FINANCE LEASE OBLIGATIONS

The Group has hire purchase and finance lease obligations in respect of furniture, equipment and vehicles. Future minimum payments under hire purchase payables together with the present value of the net minimum payments are as follows:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Amount outstanding	**5,142**	4,803	**977**	438
Less: Repayable within one year	**(1,665)**	(1,307)	**(218)**	(78)
Repayable after one year	**3,477**	3,496	**759**	360
Minimum lease payments:				
- not later than one year	**1,898**	1,451	**251**	94
- later than one year and not later than five years	**3,831**	3,597	**799**	321
- later than five years	**93**	186	**86**	120
	5,822	5,234	**1,136**	535
Future finance charges	**(680)**	(431)	**(159)**	(97)
Present value of finance lease liabilities	**5,142**	4,803	**977**	438
Present value of finance lease liabilities:				
- not later than one year	**1,665**	1,307	**218**	78
- later than one year and not later than five years	**3,394**	3,416	**688**	263
- later than five years	**83**	80	**71**	97
	5,142	4,803	**977**	438

Other information on financial risks of hire purchase and finance lease liabilities are disclosed in Note 38.

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30. BORROWINGS

	Group 2010 RM'000	Group 2009 RM'000
Short term borrowings		
Secured:		
Bank overdrafts	**37,590**	38,554
Revolving credits and short term loans	**18,909**	18,669
Trust receipts and bankers' acceptance	**7,256**	7,908
Term loans	**6,249**	16,653
	70,004	81,784
Unsecured:		
Bank overdrafts	**1,699**	1,023
Revolving credits and short term loans	**13,102**	2,301
	14,801	3,324
Total short term borrowings	**84,805**	85,108
Long term borrowings		
Secured:		
Term loans	**17,087**	23,747
Total borrowings		
Bank overdrafts (Note 22)	**39,289**	39,577
Revolving credits and short term loans	**32,011**	20,970
Trust receipts and bankers' acceptance	**7,256**	7,908
Term loans	**23,336**	40,400
	101,892	108,855

The secured term loans of the Group are secured by charges over certain freehold land and buildings, leasehold buildings, prepaid land lease payments, land held for property development, development expenditure and fixed deposits as disclosed in Note 12(c), Note 13(a), Note 14 and Note 22 respectively.

Other information on financial risks of borrowings are disclosed in Note 38.

31. DEFERRED TAX

	Group 2010 RM'000	2009 RM'000
At 1 February 2009/2008	**(8,884)**	(10,888)
Recognised in income statement	**(411)**	1,344
Exchange differences	**(900)**	660
At 31 January	**(10,195)**	(8,884)
Presented after appropriate offsetting as follows:		
Deferred tax assets	**(11,790)**	(10,719)
Deferred tax liabilities	**1,595**	1,835
	(10,195)	(8,884)

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

Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000	Revaluation surplus on office leasehold unit RM'000	Accrued interest income and others RM'000	Total RM'000
At 1 February 2009	10,654	1,486	-	12,140
Reclassification	45	(466)	2,847	2,426
Recognised in income statement	(369)	(106)	421	(54)
Exchange differences	20	17	109	146
At 31 January 2010	**10,350**	**931**	**3,377**	**14,658**
At 1 February 2008	11,718	1,486	(980)	12,224
Recognised in income statement	(1,064)	-	1,023	(41)
Exchange differences	-	-	(43)	(43)
At 31 January 2009	10,654	1,486	-	12,140

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31. DEFERRED TAX *cont'd*

Deferred tax assets of the Group:

	Unused tax losses, unabsorbed capital allowances and unutilised reinvestment allowances RM'000	Provision for liabilities RM'000	Receivables RM'000	Total RM'000
At 1 February 2009	(18,495)	(1,625)	(904)	(21,024)
Reclassification	-	(2,731)	305	(2,426)
Recognised in income statement	(1,670)	1,939	(626)	(357)
Exchange differences	(128)	(642)	(276)	(1,046)
At 31 January 2010	**(20,293)**	**(3,059)**	**(1,501)**	**(24,853)**
At 1 February 2008	(19,558)	(2,082)	(1,472)	(23,112)
Recognised in income statement	1,063	(310)	632	1,385
Exchange differences	-	767	(64)	703
At 31 January 2009	(18,495)	(1,625)	(904)	(21,024)

Deferred tax assets have not been recognised as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Unused tax losses	**82,233**	81,113	**13,871**	8,088
Unabsorbed capital allowances	**10,254**	1,768	**329**	552
Unutilised reinvestment allowances	**29,826**	32,578	**-**	-
	122,313	115,459	**14,200**	8,640

The unabsorbed capital allowances and unused tax losses of the Group and of the Company are available indefinitely for offsetting against future taxable profits of the respective subsidiaries and of the Company subject to agreement of the Inland Revenue Board.

Deferred tax assets have not been recognised in respect of these items as they may not be used to offset future taxable profits of the Company and certain of its subsidiaries in view of their history of losses.

32. SHARE CAPITAL

	Group/Company			
	Number of ordinary shares of RM0.50 each		Amount	
	2010	2009	2010	2009
	'000	'000	RM'000	RM'000
Authorised:				
At 1 February/31 January	**1,000,000**	1,000,000	**500,000**	500,000
Issued and fully paid:				
At 1 February 2009/2008	**557,465**	508,901	**278,733**	254,451
Arising from conversion of ICULS	**65,483**	48,564	**32,741**	24,282
At 31 January	**622,948**	557,465	**311,474**	278,733

During the financial year, the Company increased its issued and paid-up share capital from RM278,733,000 to RM311,474,000 by way of the conversion of RM32,741,000 nominal value of irredeemable convertible unsecured loan stocks ("ICULS") into 65,483,000 new ordinary shares of RM0.50 each at a conversion price of RM0.50 per share.

The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

33. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS")

	Group/Company			
	Number of ICULS with nominal value of RM0.50 each		Amount	
	2010	2009	2010	2009
	'000	'000	RM'000	RM'000
At 1 February 2009/2008	**65,483**	114,047	**32,741**	57,023
Arising from conversion of ICULS	**(65,483)**	(48,564)	**(32,741)**	(24,282)
At 31 January	**-**	65,483	**-**	32,741

On 30 September 2003, the Company issued 114,047,164 units of 10-year ICULS at a nominal value of RM0.50 each. The ICULS were issued pursuant to the Debt Restructuring Agreement implemented by the Company. The terms of the ICULS are as follows:

(a) Tenure

The ICULS have a tenure of 10 years.

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33. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS") *cont'd*

(b) Conversion Rights

The registered holders of the ICULS have the option to convert the ICULS at the conversion rate into new ordinary shares of RM0.50 each in the Company.

(c) Conversion Rate

On the basis of one (1) ICULS for one (1) new ordinary share of RM0.50 each in the Company.

(d) Conversion Period

Commencing from 30 September 2008 and thereafter on 31 October and 30 April of each year.

All outstanding ICULS will be mandatorily and automatically converted into fully paid-up ordinary shares in the Company on 30 September 2013.

(e) Interest

The ICULS are non-interest bearing instrument.

(f) Optional Purchase and Cancellation

The Company has the right at any time during the tenure to purchase the ICULS in the open market or otherwise, at a price, not less than the prevailing market price.

The ICULS so purchased shall be cancelled forthwith.

(g) Conversion of ICULS into Ordinary Shares

(i) On 8 May 2009, an additional 56,529,098 units of ICULS have been converted into 56,529,098 new ordinary shares of RM0.50 each.

(ii) On 9 November 2009, an additional 8,041,735 units of ICULS have been converted into 8,041,735 new ordinary shares of RM0.50 each.

(iii) The Company had on 20 November 2009, announced that RM456,346.50 nominal value of ICULS comprising 912,693 ICULS of RM0.50 each, being approximately 0.8% of the total ICULS, remain outstanding as at 20 November 2009 and accordingly, the Board of Directors have decided, pursuant to the Clause 8.9(i)(b) of the Trust Deed dated 12 March 2003 that the Company served a compulsory notice of conversion on the remaining holders of all the outstanding ICULS to be converted into new ordinary shares of RM0.50 each at the conversion price of one (1) new ordinary share of RM0.50 each for every one (1) ICULS with a nominal value of RM0.50 each.

On 11 January 2010, the balance 912,693 units of ICULS have been converted into 912,693 new ordinary shares of RM0.50 each.

The newly converted shares shall rank pari passu in all respect with the existing ordinary shares except that they will not rank for any dividends or other distributions declared or to be declared in respect of the financial period prior to the shares being issued or any interim dividend or distribution, declaration date of which is on or before the conversion date.

34. RESERVES

(a) Share Premium

The share premium arose from the issuance of ordinary shares of the Company.

(b) Exchange Reserve

Exchange reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It also used to record the exchange differences arising from monetary items which form part of the Group's investment in foreign operations.

(c) Revaluation Reserve

The assets revaluation reserve is used to record increases in the fair value of freehold land and leasehold buildings and decreases to the extend that such decrease relates to an increase on the same asset previously recognised in equity.

35. RELATED PARTY DISCLOSURES

An entity or individual is considered a related party of the Group for the purposes of the financial statements if : i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the Group or vice-versa; or ii) it is subject to common control or common significant influence.

(a) Sales and Purchase of Goods and Services

The following significant transactions between the Group and the related parties who are not members of the Group took place during the year at terms agreed between the parties.

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Transactions with subsidiaries				
- dividend income	**-**	-	**7,651**	6,922
- management fees	**-**	-	**1,573**	2,275
Transactions with corporations in which the Directors, Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee are deemed interested through their interest in George Kent (Malaysia) Berhad:				
- Sales of air tickets	**292**	250	**-**	-
- Recovery of share registration charges	**81**	429	**-**	-
- Rental expenses	**-**	56	**-**	-

The Directors of the Company are of the opinion that the above transactions were in the normal course of business and have been established under terms that are no less favourable than those arranged with independent parties.

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35. RELATED PARTY DISCLOSURES *cont'd*

(b) Compensation of Key Management Personnel

	Group 2010 RM'000	Group 2009 RM'000
Directors' fees		
- Directors of the Company	**144**	100
- Directors of the subsidiaries	**104**	83
Short-term employee benefits	**6,122**	6,000
Pension benefits	**178**	234
Total compensation paid to key management personnel	**6,548**	6,417
Comprise amounts paid to:		
Directors of the Company (excluding benefits-in-kind)	**2,467**	1,896
Directors of the subsidiaries	**1,489**	1,428
Other key management personnel	**2,592**	3,093
	6,548	6,417

36. OPERATING LEASE COMMITMENTS

The Group has entered into commercial lease on certain property, plant and equipment. These leases have an average tenure of between 1 and 5 years with no renewal option or contingent rent provision included in the contracts. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

Future minimum lease payments payable under the non-cancellable operating leases entered into by the Group as at 31 January are as follows:

	Group 2010 RM'000	Group 2009 RM'000
Lease rental payable in:		
- not later than one year	**12,867**	11,703
- later than one year and not later than five years	**10,388**	10,606
	23,255	22,309

37. CONTINGENT LIABILITIES

	Group	
	2010	**2009**
	RM'000	**RM'000**
Unsecured		
Guarantee given in favour of a third party through a subsidiary	**105**	75
	105	75

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivative financial instruments, comprise bank loans and overdraft, irredeemable convertible unsecured loan stocks, finance leases, hire purchase contracts, cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

The risks arising from the Group's financial instruments are interest rate risks, foreign currency risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks which are summarised below.

(a) Interest Rate Risk

The Group's exposure to risk of changes in market interest rates relates primarily to the Group's investment portfolio and debt obligations with floating interest rates. The Group does not use derivative financial instruments to hedge its investment portfolio.

The Group's policy is to manage its exposure to interest rate risk for the securitisation of its trade receivables by having a balanced of fixed and variable rate loans and borrowings. At 31 January 2010, RM37,142,000 (2009: RM36,803,000) of the Group's borrowings are at a fixed rate of interest and the balance at the market rates.

(b) Foreign Currency Risk

As a result of significant operating activities in Singapore, Australia, New Zealand and Hong Kong, the Group's balance sheet can be and affected significantly by movements in the Singapore dollar, Australia dollar, New Zealand dollar, United States dollar and Malaysian Ringgit exchange rates.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Notes to the Financial Statements
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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(c) Credit Risk

The Group's exposure to credit risk from its operating activities primarily arising from receivables and from its financing activities, including deposits with bank.

(i) Trade Receivables

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without specific approval of the Management.

(ii) Financial Instruments and Cash Deposits

With respect to credit risk arising from other financial asset of the Group, which comprises cash and cash equivalents, other receivables, investment securities and certain derivative financial instruments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Concentrations of credit risk exist when changes in economic, industry or geographical factors similarly affect the Group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. As the Group transacts with a diversity of counterparties, the Group does not have any significant exposure to any individual customers.

(d) Liquidity Risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, finance leases and hire purchase contracts.

39. FINANCIAL INSTRUMENTS

(a) Fair Values

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

(i) Financial Instruments Whose Carrying Amount Approximate Fair Value

Management has determined that the carrying amounts of cash and short term deposits, current trade and other receivables, bank overdrafts, current trade and other payables and current bank loans, based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are repriced frequently.

39. FINANCIAL INSTRUMENTS *cont'd*

(a) Fair Values *cont'd*

(ii) Financial Instruments not carried at Fair Value

Set out below is a comparison by category of carrying amounts and fair values of all the Group and the Company's financial instruments that are not carried at their fair values and whose carrying amounts are not reasonable approximate of fair values are as follows:

	31 January 2010		31 January 2009	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group				
Financial liabilities				
Finance lease obligations	**5,142**	**4,833**	4,803	4,515

It is not practicable to estimate the fair value of the Group's investment in unquoted shares because they do not have a quoted market price and the fair value cannot be reliably measured.

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39. FINANCIAL INSTRUMENTS *cont'd*

(b) Interest Rate Risk

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

	WAEIR	Within 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	More than 5 Years	Total
	%	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2010								
Group								
Fixed rate								
Senior certificates	8.75	32,000	-	-	-	-	-	32,000
Hire purchase	6.68	1,665	1,593	1,080	481	206	117	5,142
Floating rate								
Deposit with licensed banks	4.82	18,889	-	-	-	-	-	18,889
Cash and bank balances	1.01	106,397	-	-	-	-	-	106,397
Bank overdrafts	6.80	39,289	-	-	-	-	-	39,289
Revolving credits and short term loans	5.31	32,011	-	-	-	-	-	32,011
Trust receipts and bankers' acceptance	5.18	7,256	-	-	-	-	-	7,256
Term loans	4.14	6,249	8,221	7,816	41	44	965	23,336
Investors certificates	7.09	476,745	-	-	-	-	-	476,745
2009								
Fixed rate								
Senior certificates	8.75	-	32,000	-	-	-	-	32,000
Hire purchase	8.19	1,307	821	544	267	1,695	169	4,803
Floating rate								
Deposit with licensed banks	4.98	20,815	-	-	-	-	-	20,815
Cash and bank balances	2.00	118,225	-	-	-	-	-	118,225
Bank overdrafts	7.29	39,577	-	-	-	-	-	39,577
Revolving credits and short term loans	6.40	20,970	-	-	-	-	-	20,970
Trust receipts and bankers' acceptance	6.58	7,908	-	-	-	-	-	7,908
Term loans	5.56	16,653	5,710	5,033	5,036	5,036	2,932	40,400
Investors certificates	7.77	413,041	-	-	-	-	-	413,041

39. FINANCIAL INSTRUMENTS *cont'd*

(b) Interest Rate Risk *cont'd*

	WAEIR	Within 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	More than 5 Years	Total
	%	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2010								
Company								
Fixed rate								
Hire purchase	**3.62**	**218**	**211**	**199**	**173**	**105**	**71**	**977**
2009								
Company								
Fixed rate								
Hire purchase	2.67	78	71	64	64	64	97	438

The revolving term loans and term loans are on floating rates and interest on other financial instruments is contractually repriced at intervals of between one to six months.

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40. SEGMENTAL INFORMATION

(a) Analysis by Activities

	Engineering & building materials RM'000	General trading RM'000	Property RM'000	Credit & charge cards business and hospitality RM'000	Investment holding & secretarial services RM'000	Elimination RM'000	Total RM'000
2010							
Revenue and expenses							
Revenue							
- External	77,039	48,761	7,349	182,425	101	-	315,675
- Internal	-	13,777	-	-	128	(13,905)	-
Total revenue	77,039	62,538	7,349	182,425	229	(13,905)	315,675
Results							
- Segment results	8,484	4,215	4,020	28,121	24,491	(9,989)	59,342
- Finance cost	(1,704)	(377)	-	(28,059)	59	-	(30,081)
Profit before tax	6,780	3,838	4,020	62	24,550	(9,989)	29,261
Income tax expense							(3,630)
Profit for the year							25,631
Assets and liabilities							
Segment assets	96,413	30,742	34,720	860,121	28,146	(53,522)	996,620
Unallocated assets							11,790
Consolidated total assets							1,008,410
Segment liabilities	51,964	13,574	44,058	672,550	180	67	782,393
Unallocated liabilities							6,924
Consolidated total liabilities							789,317
Other information							
Capital expenditure	1,538	114	97	1,270	939	-	3,958
Depreciation	3,952	861	560	1,904	293	-	7,570
Amortisation	-	-	-	165	13	-	178
Non-cash expenses other than depreciation and amortisation	167	64	-	21,563	(12,396)	-	9,398

40. SEGMENTAL INFORMATION *cont'd*

(a) Analysis by Activities *cont'd*

	Engineering & building materials RM'000	General trading RM'000	Property RM'000	Credit & charge cards business and hospitality RM'000	Investment holding & secretarial services RM'000	Elimination RM'000	Total RM'000
2009							
Revenue and expenses							
Revenue							
- External	102,159	52,202	2,770	181,609	110	-	338,850
- Internal	-	17,891	-	-	157	(18,048)	-
Total revenue	102,159	70,093	2,770	181,609	267	(18,048)	338,850
Results							
- Segment results	13,623	4,618	1,186	31,666	24,226	(10,567)	64,752
- Finance cost	(2,711)	(475)	-	(28,993)	(4,366)	-	(36,545)
Profit before tax	10,912	4,143	1,186	2,673	19,860	(10,567)	28,207
Income tax expense							(4,480)
Profit for the year							23,727
Assets and liabilities							
Segment assets	151,801	57,500	57	688,038	29,952	(39,158)	888,190
Unallocated assets							10,719
Consolidated total assets							898,909
Segment liabilities	63,891	17,342	1,422	612,482	4,510	3,060	702,707
Unallocated liabilities							6,664
Consolidated total liabilities							709,371
Other information							
Capital expenditure	1,762	1,201	-	1,729	877	-	5,569
Depreciation	4,813	843	-	2,764	308	-	8,728
Amortisation	-	-	-	313	79	-	392
Non-cash expenses other than depreciation and amortisation	1,928	192	-	40,609	(49,193)	-	(6,464)

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40. SEGMENTAL INFORMATION *cont'd*

(b) Analysis by Geographical Segment

The five major business segments of the Group operate in four principal geographical areas are as follows:

Singapore	: Engineering, general trading, provision for charge card and credit card services & hospitality and investment holding
Australia	: Engineering
New Zealand	: Provision of charge card services
Malaysia & others	: Engineering & building materials, general trading, property, provision of charge card services & hospitality and investment holding & secretarial services

	Singapore RM'000	Australia RM'000	New Zealand RM'000	Malaysia & others RM'000	Total RM'000
2010					
Total revenue from external customers	**181,617**	**18,944**	**7,816**	**107,298**	**315,675**
Segment assets	**663,166**	**17,187**	**72,680**	**255,377**	**1,008,410**
Capital expenditure	**919**	**629**	**211**	**2,199**	**3,958**
2009					
Total revenue from external customers	172,769	29,377	23,205	113,499	338,850
Segment assets	518,340	15,246	69,453	295,870	898,909
Capital expenditure	2,157	426	81	2,905	5,569

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41. PRINCIPAL SUBSIDIARIES

	Subsidiaries	Principal activities	Effective equity interest 2010 %	2009 %
	Incorporated in Malaysia			
	Johan Management Services Sdn. Bhd.	Provision of secretarial and management services	**100.00**	100.00
	Johan Land Sdn. Bhd.	Property development and investment holding	**100.00**	100.00
	Johan Properties Sdn. Bhd.	Property holding and investment	**100.00**	100.00
(1)	Johan Heights Sdn. Bhd.	Property investment holding	**-**	100.00
	Johan Pasifik Sdn. Bhd.	Investment holding	**100.00**	100.00
	Johan Capital Sdn Bhd	Investment holding and management services	**100.00**	100.00
	Johan Equities Sdn Bhd	Investment trading	**100.00**	100.00
	Diners Club (Malaysia) Sdn. Bhd.	Provision of charge card services under Diners Club Franchise	**100.00**	100.00
	Diners World Travel (Malaysia) Sdn. Bhd.	In-bound and out-bound tour and ticketing agent	**100.00**	100.00
	Prestige Ceramics Sdn. Bhd.	Manufacturing and marketing of ceramic tiles	**100.00**	100.00
	William Jacks & Company (Malaysia) Sendirian Berhad	Investment holding and trading of engineering and building material	**100.00**	100.00
	Nature's Farm (Health Foods) Sdn. Bhd.	Trading in health foods and supplements	**100.00**	100.00
	Vitamin World Sdn. Bhd.	Inactive	**100.00**	100.00
	Wismer Automation Sdn Bhd	Inactive	**96.68**	96.68
	Lumut Marine Resort Berhad	Operation and management of marine club	**70.00**	70.00
	Mustika Resort Sdn. Bhd.	Operation of hotel and resort related business	**85.00**	85.00
	Lumut Park Resort Sdn. Bhd.	Operation of hotel and resort related business	**80.00**	80.00
	JCC Equities Sdn. Bhd.	Management Services	**100.00**	100.00
	Jacks Edar Sdn. Bhd.	Inactive	**100.00**	100.00
(2)	William Jacks & Co (Sabah) Sdn. Bhd.	Inactive	**-**	100.00
(2)	William Jacks & Co (Sarawak) Sdn. Bhd.	Inactive	**-**	100.00
(3)	Oil & Mineral Services Sdn Bhd	Inactive	**-**	100.00

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41. PRINCIPAL SUBSIDIARIES *cont'd*

	Subsidiaries	Principal activities	Effective equity interest 2010 %	2009 %
	Incorporated in Malaysia *cont'd*			
(3)	Johan Capital & Commerce Sdn. Bhd.	Inactive	**-**	100.00
	Johan Leasing Sdn Bhd	Inactive	**100.00**	100.00
	Johan Nominees (Tempatan) Sdn. Bhd.	Inactive	**100.00**	100.00
	Johan Air Services Sdn. Bhd.	Inactive	**100.00**	100.00
	Johan Industries (Malaysia) Sdn. Bhd.	Inactive	**100.00**	100.00
(3)	Affinity Square Sdn. Bhd.	Inactive	**-**	100.00
	Strategic Usage Sdn. Bhd.	Investment holding	**100.00**	100.00
^^	Domayne Assets Corporation Berhad	Provision of financing agreement between Diners Club (Malaysia) Sdn. Bhd. and institutional lenders	**-**	-
	Incorporated in Singapore			
	Johan Investment Private Limited	Investment holding	**100.00**	100.00
	Diners Club (Singapore) Private Limited	Provision of charge card and credit card services under Diners Club franchise	**100.00**	100.00
	Johan Air Services Pte. Ltd.	Inactive	**100.00**	100.00
	Diners World Travel Pte. Ltd.	In-bound and out bound tour and ticketing agent	**100.00**	100.00
	Diners World Holdings Pte. Ltd.	Investment holding	**100.00**	100.00
	Diners Publishing Private Limited	Inactive	**100.00**	100.00
	Lifestyle Collection (S) Pte. Ltd.	Merchandiser	**100.00**	100.00
	George Kent (Singapore) Pte. Limited	Trading in engineering products	**100.00**	100.00
#	Jacks International Limited	Investment holding	**86.75**	86.75
	William Jacks & Co (Singapore) Pte. Ltd.	Trading in health foods and supplements	**86.75**	86.75
	Nature's Farm Pte. Ltd.	Trading in health foods and supplements	**86.75**	86.75
	Nature's Farm (Shanghai) Co. Ltd.	Trading in health foods and supplements	**86.75**	-
	Kent Precision Engineering Pte. Ltd	Inactive	**100.00**	100.00

41. PRINCIPAL SUBSIDIARIES *cont'd*

	Subsidiaries	Principal activities	Effective equity interest 2010 %	Effective equity interest 2009 %
	Incorporated in Singapore *cont'd*			
	Nutra-Source Pte. Ltd.	Trading in health foods and supplements	**86.75**	86.75
	Wismer Automation (Singapore) Pte. Ltd.	Inactive	**77.90**	77.90
^^	Card Centre Asset Purchase Company Pte. Ltd.	Provision of financing agreement between Diners Club (Singapore) Private Limited and institutional lenders	**-**	-
	Incorporated in Hong Kong			
+	AIH Holdings Limited	Investment holding and management	**100.00**	100.00
+	Johan International Limited	Investment holding	**100.00**	100.00
@	Myrrich Investment Limited	Investment holding	**-**	100.00
+	Worldwide Victory Limited	Investment holding	**100.00**	100.00
	Incorporated in The Netherlands			
*	Abacus Pacific N.V.	Investment holding	**100.00**	100.00
*	Fidelity Capital B.V.	Investment holding	**100.00**	100.00
	Incorporated in Australia			
	William Jacks (Australia) Pty Ltd.	Property and investment holding	**86.75**	86.75
	Skinner Engineering Pty Ltd.	Engineering	**86.75**	86.75
/	Skinner Installation Pty Ltd.	Inactive	**-**	86.75
/	Skinner Services Pty Limited	Inactive	**-**	86.75
/	William Jacks Holdings Pty Ltd.	Inactive	**-**	86.75
	Incorporated in Bahamas			
	Jacks Overseas Limited	Investment holding and management	**86.75**	86.75
	Incorporated in Republic of Liberia			
*	Sudlow Services Inc.	Management	**100.00**	100.00

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41. PRINCIPAL SUBSIDIARIES *cont'd*

	Subsidiaries	Principal activities	Effective equity interest 2010 %	2009 %
	Incorporated in British Virgin Islands			
*	Capital Prime Ltd	Investment holding	**100.00**	-
	Incorporated in Brunei			
	William Jacks & Co (Borneo) Sdn. Bhd.	Inactive	**86.75**	86.75
	Incorporated In New Zealand			
	DCNZ Holdings Limited	Investment holding	**100.00**	100.00
	Diners Club (New Zealand) Ltd.	Provision of charge card services under Diners Club franchise	**100.00**	100.00
^^	Trustees of Kowhai Trust No.1	Provision of financing agreement between Diners Club NZ Limited and institutional lenders	**-**	-

Quoted on the Singapore Exchange Securities Trading Limited.

+ *Subsidiaries not audited by members of Ernst & Young Global.*

* *Not required to present audited financial statements under the laws of its country of incorporation.*

/ *Effective on 14 November 2009, these subsidiary companies have been deregistered by Australian Securities & Investment Corporation via voluntary winding up process.*

@ *This company has been dissolved with effect from 2 October 2009 pursuant to an application made by the Company under section 291AA(9) of the Hong Kong companies Ordinance.*

(1) *Members' voluntary winding up completed on 28 December 2009.*

(2) *Members' voluntary winding up completed on 26 October 2009.*

(3) *Members' voluntary winding up completed on 17 July 2009.*

^^ *Although the Group does not hold shares in these companies, they are considered as subsidiaries as the activities of the special purpose entities ("SPE") are being conducted on behalf of the Group according to its specific business needs and that the Group retain the majority of the residual or ownership risk related to these companies on their assets. The Group's consolidated financial statements include the results, assets and liabilities of these companies.*

42. COMPARATIVE FIGURES

(a) In the prior year, Diners World Travel (Malaysia) Sendirian Berhad and Diners World Travel Pte Ltd recognised the gross sales of air tickets as revenue. However, as recognising fees as revenue better reflects the principal activities of these subsidiaries, the Group accounting policy for the presentation of revenue was changed. The adjustment has been accounted for retrospectively and the effects of the adjustment is as follows:

Group	As previously Stated RM'000	Reclassifications RM'000	As restated RM'000
Income statements			
Revenue	568,936	(230,086)	338,850
Cost of sales	(359,768)	230,086	(129,682)
Gross Profit	209,168	-	209,168

(b) The comparative figures below have been reclassified to conform with current year's presentation.

Balance sheets	As previously Stated RM'000	Reclassifications RM'000	As restated RM'000
Deferred tax assets	8,884	1,835	10,719
Deferred tax liabilities	-	1,835	1,835

43. SUBSEQUENT EVENTS

(a) Diners Club (Malaysia) Sdn. Bhd., a wholly owned subsidiary of the Company, had on 1 April 2010 signed the transaction agreements for the proposed issuance of up to RM150.0 Million in Nominal Value Medium Term Notes under an Asset Backed Securities Issuance Programme (the "Programme") for a term of 4 1/4 years, expiring on 10 July 2014.

(b) On 12 May 2010, Diners Club (Singapore) Private Limited signed a mandate letter with its bankers to facilitate the renewal and restructuring of SGD172 million Credit Card Receivables Securitisation Program in replacement of the existing program.

Shareholders' Information

SHARE CAPITAL AS AT 19 MAY 2010

Authorised Share Capital	:	RM500,000,000
Issued and Fully Paid up Capital	:	RM311,474,263.50
Total Number of Shares Issued	:	622,948,527
Class of Securities	:	Ordinary Shares of 50 sen each
Voting Rights	:	One (1) vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS AS AT 19 MAY 2010

No. of Holders	%	Size of Holdings	Total Holdings	%
92	0.85	Less than 100 shares	2,834	0.00
2,999	27.67	100 to 1,000 shares	2,819,025	0.45
5,843	53.91	1,001 to 10,000 shares	26,578,163	4.27
1,680	15.50	10,001 to 100,000 shares	53,685,248	8.62
222	2.04	100,001 to less than 5% of issued shares	418,283,040	67.14
3	0.03	5% and above of issued shares	121,580,217	19.52
10,839	**100.00**	**Total**	**622,948,527**	**100.00**

LIST OF THIRTY LARGEST REGISTERED SHAREHOLDERS 19 MAY 2010
(as shown in the Record of Depositors)

No.	Name of Shareholders	No. of Shares Held	%
1	Star Wealth Investment Limited	47,306,117	7.59
2	Tan Kay Hock	37,519,100	6.02
3	Tan Swee Bee	36,755,000	5.90
4	HSBC Nominees (Asing) Sdn. Bhd. *- For Suncrown Holdings Limited*	30,675,000	4.92
5	Delight Consolidated Sdn. Bhd.	30,200,000	4.85
6	Hectomic Limited	30,000,000	4.82
7	Asian Rim Limited	28,682,918	4.60
8	Kin Fai International Limited	25,413,000	4.08
9	Kwok Heng Holdings Limited	25,000,000	4.01
10	HSBC Nominees (Asing) Sdn. Bhd. *- For Tan Swee Bee*	23,970,900	3.85
11	Norris Pie Limited	19,377,800	3.11

Shareholders' Information
cont'd

LIST OF THIRTY LARGEST REGISTERED SHAREHOLDERS 19 MAY 2010
(as shown in the Record of Depositors) *cont'd*

No.	Name of Shareholders	No. of Shares Held	%
12	CIMB Group Nominees (Tempatan) Sdn. Bhd. *- Tan Kay Hock for Tan Swee Bee*	14,753,467	2.37
13	HSBC Nominees (Asing) Sdn. Bhd. *- Exempt AN for RBS Coutts Bank Ltd.*	12,400,000	1.99
14	CIMB Group Nominees (Tempatan) Sdn. Bhd. *- Pledged securities account for Tan Kay Hock*	11,355,000	1.82
15	HSBC Nominees (Asing) Sdn. Bhd. *- Exempt AN for Credit Suisse (Sg BR-TST-Asing)*	9,798,200	1.57
16	Promoto Company Limited	9,725,100	1.56
17	Mikonwadi Sdn. Bhd.	8,651,000	1.39
18	Cherubim Investment (HK) Limited	8,150,000	1.31
19	ECML Nominees (Asing) Sdn. Bhd. *- DMG & Partners Securities Pte. Ltd. for Keen Capital Investments Ltd.*	6,550,400	1.05
20	HDM Nominees (Asing) Sdn. Bhd. *- Pledged securities account for Aimup Consultants Limited*	6,235,000	1.00
21	RCI Ventures Sdn. Bhd.	5,550,000	0.89
22	Cimsec Nominees (Tempatan) Sdn. Bhd. *- CIMB Bank for Tan Kay Hock*	5,121,000	0.82
23	Cimsec Nominees (Asing) Sdn. Bhd. *- CIMB Bank for Tan Swee Bee*	5,100,000	0.82
24	PM Nominees (Tempatan) Sdn. Bhd. *- PCB Asset Management Sdn. Bhd. for MUI Continental Insurance Berhad*	5,000,000	0.80
25	CIMB Group Nominees (Tempatan) Sdn. Bhd. *- CIMB Bank Berhad*	4,527,037	0.73
26	EB Nominees (Tempatan) Sdn. Bhd. *- Pledged securities account for Tan Kay Hock*	3,796,000	0.61
27	Mega First Housing Development Sdn. Bhd.	2,834,200	0.46
28	EB Nominees (Asing) Sdn. Bhd. *- Pledged securities account for Tan Swee Bee*	2,751,000	0.44
29	Cheah See Han	2,690,600	0.43
30	Bekalsama Silkscreening & Services Sdn. Bhd.	2,483,700	0.40
		462,371,539	**74.21**

Shareholders' Information
cont'd

SUBSTANTIAL SHAREHOLDERS (EXCLUDING BARE TRUSTEES) AS AT 19 MAY 2010
(as per Register of Substantial Shareholders)

Name of Substantial Shareholder	No. of Shares Held			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Tan Kay Hock	59,491,100	9.53	215,917,484[1]	34.61
Puan Sri Datin Tan Swee Bee	85,219,367	13.66	190,189,217[1]	30.51
Star Wealth Investment Limited	49,406,117	7.93	-	-
Delight Consolidated Sdn. Bhd.	30,200,000	4.85	-	-
Tan Sri Dato' Khoo Kay Peng	-	-	52,001,000[2]	8.35
Malayan United Industries Berhad	-	-	43,851,000[3]	7.04
Pan Malaysia Corporation Berhad	-	-	38,851,000[4]	6.24

Notes:-

(1) Deemed interested by virtue of their equity interest in various companies, shares beneficially held under various nominee companies and shares held in each other's name including call options granted over all existing JHB shares held by Star Wealth Investment Limited as well as options over unissued shares granted pursuant to the Employee Share Option Scheme.

(2) Deemed interested through Cherubim Investment (HK) Limited and Malayan United Industries Berhad by virtue of Section 6A(4) of the Companies Act, 1965.

(3) Deemed interested by virtue of shareholding exceeding 15% of the issued and paid up capital of Pan Malaysia Corporation Berhad and MUI Continental Insurance Berhad.

(4) Deemed interested by virtue of Delight Consolidated Sdn. Bhd. and Mikonwadi Sdn. Bhd. being its wholly owned subsidiaries, the latter holding the balance of 8,651,000 shares.

Statement on Directors' Interests
in the Company and Related Corporation as at 19 May 2010

DIRECTORS' INTEREST IN SHARES AS AT 19 MAY 2010
(as shown in the Register of Directors' Holdings)

In Johan Holdings Berhad	No. of Ordinary Shares of RM0.50 each			
Name of Director	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Tan Kay Hock	59,391,100	9.53	215,817,484*	34.64
Puan Sri Datin Tan Swee Bee	85,119,367	13.66	190,089,217*	30.51
Tan Sri Dato' Seri Dr Ting Chew Peh	-	-		
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	-	-	-	-
Ooi Teng Chew	200,000	0.03	-	-

* *Deemed interested by virtue of their equity interest in various companies, shares beneficially held under various nominee companies and shares held in each other's name including call option granted over all existing Johan shares held by Star Wealth Investment Limited.*

In Johan Holdings Berhad	Options over Ordinary Shares of RM0.50 each			
Name of Director	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Tan Kay Hock	100,000#	0.02	-	-
Puan Sri Datin Tan Swee Bee	100,000#	0.02	-	-
Tan Sri Dato' Seri Dr Ting Chew Peh	-	-	-	-
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	-	-	-	-
Ooi Teng Chew	-	-	-	-

Options granted pursuant to the Employee Share Option Scheme ("ESOS")

List of Properties Held
as at 31 January 2010

	Location	Description	Area Sq. metre	Tenure	Net Book Value RM'000	Age of Building (Years)	Year of Revaluation	Year of Acquisition
1)	**MALAYSIA**							
	Lot 1115 Geran 28493 Mukim Dengkil Daerah Sepang Selangor Darul Ehsan	Offices, factory and warehouse	112,390	Freehold	47,387	14	2000	1996
	Lot 4182 Jalan Titi Panjang 32200 Lumut, Perak	Marine Club	12,141	Leasehold - Expiring 29.4.2093	1,199	14	2003	1996
	PT 4106 Mukim Lumut Daerah Manjung Perak Darul Ridzuan	Hotel	16,137	Leasehold - Expiring 14.1.2092	22,247	18	1997	1992
	No. S1-22 1st Floor, Wisma Abad Century Garden Johor Bharu	Office lot	22	Freehold	38	21	-	1989
2)	**SINGAPORE**							
	7500E Beach Road #02-201, #03-301, #04-201, The Plaza, Singapore	Offices	1,435	Leasehold - Expiring 2.9.2067	39,065	32	1996	1978
	18 Kaki Bukit Road 3 #05-16 Entrepreneur Business Centre, Singapore	Office	395	Leasehold- Expiring 8.1.2055	1,500	15	-	2004

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eighty-fifth Annual General Meeting of the Company will be held at George Kent Technology Centre, Lot 1115, Batu 15 Jalan Dengkil 47100 Puchong, Selangor Darul Ehsan on Wednesday, 30 June 2010 at 11:30 a.m. for the following purposes:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31 January 2010 and the Directors' and Auditors' Reports thereon. (Please refer to Note A.)

2. To re-elect Tan Sri Dato' Tan Kay Hock who retires by rotation as a Director pursuant to Article 83 of the Articles of Association and being eligible, has offered himself for re-election. **(Resolution 1)**

3. To re-elect Tan Sri Dato' Seri Dr. Ting Chew Peh who retires by rotation as a Director pursuant to Article 83 of the Articles of Association and being eligible, as offered himself for re-election. **(Resolution 2)**

4. To approve the payment of Directors' fee. **(Resolution 3)**

5. To re-appoint Auditors and to authorise the Directors to fix their remuneration. **(Resolution 4)**

SPECIAL BUSINESS

6. To consider and if thought fit, pass with or without modifications the following as Ordinary Resolutions:-

   6.1 Authority To Allot And Issue Shares Pursuant To Employee Share Option Scheme ("ESOS") **(Resolution 5)**

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time, in accordance with the terms and conditions of the Employee Share Option Scheme ("ESOS") as approved by the shareholders at the Extraordinary General Meeting held on 19 June 2003 AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

   6.2 Authority To Allot And Issue Shares In General Pursuant To Section 132D Of The Companies Act, 1965 **(Resolution 6)**

   "THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon the terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

Notice of Annual General Meeting
cont'd

7. To consider and if thought fit, pass with or without modifications the following as a Special Resolution:-

   Proposed Amendment to the Articles of Association of the Company **(Resolution 7)**

   "THAT Article 144 of the Company's Articles of Association be deleted in its entirety and be substituted thereof with the following new Article 144:

   Any dividend, interest or other monies payable in cash in respect of shares may be paid by *directly crediting the members' entitlements by means of electronic payment systems into their respective bank accounts provided to the Central Depository from time to time (eDividend) and where members have provided to the Central Depository the relevant contact details for purposes of electronic notifications in connection with eDividend, such members shall be electronically notified once the Company has paid the cash dividends out of its account. Such dividend, interest or other monies payable in cash in respect of shares may also be paid by* cheque or warrant sent through the post directed to the registered address of the member or person entitled thereto, or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons and to such address as such person may in writing direct. Every such cheque or warrant shall be payable to the order of the person to whom it is sent or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the monies 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.

   AND THAT the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be considered necessary to give full effect to the proposed amendments to the Articles of Association of the Company."

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

By Order Of The Board.

Teh Yong Fah
Group Secretary (MACS 00400)
KUALA LUMPUR
8 June 2010

Notes:-

A. This Agenda item is meant for discussion only. The provisions of Section 169 of the Companies Act, 1965 and the Articles of Association of the Company require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting. As such this Agenda item is not a business which requires a resolution to be put to the vote by shareholders.

1. A member entitled to attend and vote at the meeting of the Company is entitled to appoint not more than two proxies (who need not be members of the Company) to attend and vote instead of the member. Where a member appoints two proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.

2. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 11th Floor, Wisma E&C, No. 2 Lorong Dungun Kiri, Damansara Heights 50490 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting.

Explanatory Notes on Special Business

1. *Authority To Allot And Issue Shares Pursuant To Employee Share Option Scheme*

   The proposed Ordinary Resolution if passed will empower the Directors to allot and issue shares to eligible employees who from time to time exercise their options granted to them under the Employee Share Option Scheme of the Company.

2. *Authority to Allot and Issue Shares in general pursuant to Section 132D of The Companies Act, 1965*

   The proposed Ordinary Resolution if passed will empower the Directors to issue shares of the Company up to 10% of the issued capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delays and costs in convening a general meeting to specifically approve such an issue of shares. This authority unless revoked or varied by the Company in general meeting will expire at the next Annual General Meeting of the Company.

3. *Proposed Amendment to Articles of Association of the Company*

   The proposed Special Resolution for the amendment to Article 144 of the Articles of Association of the Company is to allow the Company to pay cash dividend electronically by crediting the dividend into each shareholder's bank account in line with eDividend implemented by Bursa Malaysia. Please refer to attached letter to shareholders dated 8 June 2010 in respect of eDividend for further information.

Statement Accompanying the Notice of Annual General Meeting

DIRECTORS STANDING FOR RE-ELECTION

Pursuant to Paragraph 8.28(2) of the Bursa Securities Listing Requirements, the Directors who are standing for re-election at the Eighty-fifth Annual General Meeting of the Company are as follows:-

Tan Sri Dato' Tan Kay Hock	-	Article 83 of the Articles of Association
Tan Sri Dato' Seri Dr. Ting Chew Peh	-	Article 83 of the Articles of Association

The profile and further details of the above Directors are set out on Page 10 and 11 in the Annual Report. Details of any interest in securities of the Company and their attendance of Board Meetings held during the financial year ended 31 January 2010 can be found on Page 107 and 14 respectively in the Annual Report.

INFORMATION FOR SHAREHOLDERS

The Eighty-fifth Annual General Meeting of the Company will be held at George Kent Technology Centre, Lot 1115, Batu 15 Jalan Dengkil 47100 Puchong, Selangor Darul Ehsan on Wednesday, 30 June 2010 at 11:30 a.m.

Details of the Eighty-fifth Annual General Meeting are set out in the Notice of AGM which accompanies the Annual Report 2010 together with a Form of Proxy.

The Company has requested Bursa Malaysia Depository in accordance with Article 57(1) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a Record of Depositors (ROD) as at 2 June 2010 for the purpose of determining the members to whom the Notice of Eighty-fifth Annual General Meeting shall be given by the Company. Only a depositor whose name appears on the ROD as at 2 June 2010 shall be given the notice of the said meeting.

The General Meeting ROD as at 25 June 2010 will determine the members who shall be entitled to attend the Eighty-fifth Annual General Meeting or to appoint proxy(s) to attend and/or vote on his/her behalf.

Electronic Dividend Payment (eDividend)

Date: 8 June 2010

Dear Shareholders,

RE: Electronic Dividend Payment (eDividend)

Electronic Dividend Payment or eDividend refers to the payment of cash dividends by a listed issuer to its shareholders by directly crediting the shareholders' cash dividend entitlements into their respective bank accounts. We wish to inform you that all listed issuer who make announcement on or after 1 September 2010 for books closing date for cash dividend entitlements are required to pay cash dividend via eDividend to shareholders who have provided their bank account information to Bursa Malaysia Depository Sdn. Bhd. ("Bursa Depository").

1. **Benefits of eDividend**

   eDividend extends to all companies listed on Bursa Malaysia Securities Berhad ("listed issuers") and provides, amongst others, faster access to your cash dividends, eliminates the inconvenience of having to deposit the dividend cheques and problems such as misplaced, lost or expired cheques, unauthorised deposit of dividend cheques and option to consolidate dividends from all your CDS accounts into one bank account for better account management.

2. **Registration for eDividend**

   Registration for eDividend had commence on 19 April 2010 for a period of 1 year until 18 April 2011, at no cost to the shareholders. If you register after 18 April 2011, an administrative charge will be imposed by Bursa Depository. To register for eDividend, you are required to provide to Bursa Depository through your stock broker, your bank account number and other information by completing the prescribed form. This form can be obtained from your stock broker's office where your CDS account is maintained, or downloaded from Bursa Malaysia's website at http://www.bursamalaysia.com.

   To register for eDividend, you need to submit to your stock broker, the duly completed prescribed form together with the following documents:-

   (a) Individual Depositor : Copy of identification documents i.e. NRIC, Passport, Authority Card or other acceptable identification documents. Original documents must be produced for your stock broker's verification.

   Corporate Depositor : Certified true copy of the Certificate of Incorporation/Certificate of Registration; and

   (b) Copy of your bank statement/bank savings book/details of your bank account obtained from your bank website, which has been certified by your bank or copy of letter from your bank confirming your bank account particulars. For individuals, original documents must be produced for your stock broker's verification. For corporate entities, a certified true copy is to be submitted. If the CDS account is held in the name of a nominee, the nominee will register for eDividend.

   You are encouraged to provide in the prescribed form, both your mobile phone number and e-mail address (if any). This is to enable electronic notification to you via SMS or e-mail, once the Company has remitted your cash dividend entitlement out of its account.

We look forward to successful implementation of eDividend through your active participation, and to serving you better as our valued shareholders. If you have any query relating to eDividend , please contact our Share Registrar, Johan Management Services Sdn. Bhd. (Contact person: Ms Fennie Lee or Ms Rachel Loh at 03-2092 1858 or email enquiry to: johanms@po.jaring.my).

Thank you.

Yours faithfully
Johan Holdings Berhad

Tan Sri Dato' Tan Kay Hock
Chairman

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Johan Holdings Berhad

(Company No. 314-K)

FORM OF PROXY

(Before completing the form, please refer to notes on next page)

No. of Shares Held	
CDS Account No.	

I/We ____ (Company/ NRIC/ Passport No. ________________)

of ____

being a member/members of **JOHAN HOLDINGS BERHAD** hereby appoint:-

Name	Address	NRIC/Passport No.	Proportion of Shareholding (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholding (%)

as my/our proxy/proxies to vote for me/us on my/our behalf at the Eighty-fifth Annual General Meeting of the Company, to be held at George Kent Technology Centre, Lot 1115, Batu 15 Jalan Dengkil 47100 Puchong, Selangor Darul Ehsan on Wednesday, 30 June 2010 at 11:30 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the meeting as hereunder indicated.

RESOLUTIONS		For	Against
1	To re-elect Tan Sri Dato' Tan Kay Hock as a Director		
2	To re-elect Tan Sri Dato' Seri Dr. Ting Chew Peh as a Director		
3	To approve the payment of Directors' fees		
3	Re-appointment of Auditors and to authorise Directors to fix their remuneration		
4	Authority to allot and issue shares pursuant to the Employee Share Option Scheme ("ESOS")		
5	Authority to Directors to allot shares		
6	Proposed amendment to Article 144 of the Articles of Association of the Company		

(Please indicate with a cross ("X") in the appropriate box against each Resolution how you wish your proxy/proxies to vote. If this proxy form is returned without any indication as to how the proxy/proxies shall vote, the proxy/proxies will vote or abstain as he/their think fit.)

Dated this ____________ day of June, 2010.

____

Signature/Common Seal

Then Fold Here

AFFIX
STAMP

The Company Secretary
JOHAN HOLDINGS BERHAD
11th Floor, Wisma E&C
No. 2 Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur

1st Fold Here

Notes:-

1. Vote may be given personally or by proxy/proxies (not more than two proxies) or in the case of a corporation by a representative duly authorised. Where a member appoints two proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. The instrument appointing proxy/proxies shall be in writing under the hand of the appointor or his attorney or if such an appointor is a corporation under its Common Seal or the hands of its attorney. Proxy/proxies need not be a member of the Company.

2. The instrument appointing proxy/proxies and the power of attorney (if any) under which it is signed or a notarially certified copy of the power or authority, shall be deposited at the Registered Office of the Company at 11th Floor, Wisma E&C, No. 2 Lorong Dungun Kiri, Damansara Heights 50490 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting (as the case may be) at which the person named in such instrument propose to vote but no instrument (other than power of attorney under seal) appointing proxy/proxies shall be valid after the expiration of twelve months from the date of its execution

Group Corporate Directory
Principal Companies

MALAYSIA

Johan Holdings Berhad
11th Floor, Wisma E&C
No. 2 Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur
Tel : 603 2092 1858
Fax : 603 2092 2812
E-mail : jhb@johanholdings.com.my
Website : www.johanholdings.com

Prestige Ceramics Sdn. Bhd.
Lot 1115, Batu 15, Jalan Puchong
47100 Puchong
Selangor Darul Ehsan
Tel : 603 8062 5388
Fax : 603 8062 1418

Lumut International Yacht Club
(owned by Lumut Marine Resort Berhad)
Lot 4182, Jalan Titi Panjang
32200 Lumut, Perak Darul Ridzuan
Tel : 605 683 5191
Fax : 605 683 7700

The Orient Star Resort, Lumut
(owned by Lumut Park Resort Sdn. Bhd.)
Lot 203 & 366 Jalan Iskandar Shah
32200 Lumut
Perak Darul Ridzuan
Tel : 605 683 4199
Fax : 605 683 4223

Diners Club (Malaysia) Sdn. Bhd.
15th Floor, Menara Tan & Tan
207 Jalan Tun Razak
P.O. Box 11095
50990 Kuala Lumpur
Tel : 603 2161 1322
Fax : 603 2161 1518
Website : www.dinersclub.com.my

Diners World Travel (Malaysia) Sdn. Bhd.
15th Floor, Menara Tan & Tan
207 Jalan Tun Razak
50400 Kuala Lumpur
Tel : 603 2164 0068
Fax : 603 2162 4577

Nature's Farm (Health Foods) Sdn. Bhd.
No. 9-1, Block A, Jaya One
No. 72A, Jalan Universiti
46200 Petaling Jaya
Tel : 603 7960 6133
Fax : 603 7960 6136

SINGAPORE

Jacks International Limited
7500-E, Beach Road
#03-201, The Plaza
Singapore 199595
Tel : 65 6416 0870
Fax : 65 6296 5981

Diners Club (Singapore) Pte. Ltd.
7500-E, Beach Road
#02-201, The Plaza
Singapore 199595
Tel : 65 6166 0800
Fax : 65 6294 0534
E-mail : csd@dinersclub.com.sg
Website : www.dinersclub.com.sg

Diners World Travel Pte. Ltd.
7500-E, Beach Road
#02-201, The Plaza
Singapore 199595
Tel : 65 6298 8988
Fax : 65 6295 1485
E-mail : enquiries@dinerstravel.com.sg
Website : www.dinerstravel.com.sg

Nature's Farm Pte. Ltd.
18, Kaki Bukit Road 3
#05-16 Entrepreneur Business Centre
Singapore 415978
Tel : 65 6748 9818
Fax : 65 6748 8135
Website : www.naturesfarm.com

George Kent (Singapore) Pte. Ltd.
No. 84, Genting Lane
#06-03 Cityneoh Design Centre
Singapore 349584
Tel : 65 6746 8232
Fax : 65 6746 9389
E-mail : gkentsin@singnet.com.sg

AUSTRALIA

Skinner Engineering Pty. Ltd.
89 Miller Street
Epping, Victoria 3076
Australia
Tel : 613 94088711
Fax : 613 94013565

NEW ZEALAND

Diners Club (New Zealand) Ltd.
Merck Sharp and Dohme Building
Level 1, 109 Carlton Gore Road
Newmarket, New Zealand
Tel : 09 359 7796
Fax : 09 259 7800
E-mail : info@dinersclub.co.nz
Website : www.dinersclub.co.nz