Johan Holdings Berhad

(Company No. 314-K)

annual report

for the year ended 31 January 2011

Johan Holdings Berhad | 314-K

annual report for the year ended 31 January 2011

Johan Holdings Berhad

(Company No. 314-K)

contents

Corporate Profile	1
Chairman's Statement	2
Five-Year Group Financial Highlights	4
Review of Operations	6
Corporate Information	9
Directors' Profile	10
Group Senior Management	12
Statement on Corporate Governance	13
Statement on Corporate Social Responsibility	19
Audit Committee Report	20
Statement on Internal Control	22
Additional Information	23
Financial Statements	25
Shareholders' Information	107
Statement on Directors' Interests	110
List of Properties Held	111
Notice of Annual General Meeting	112
Statement Accompanying the Notice of Annual General Meeting	113
Form of Proxy	

Johan Holdings Berhad

(Company No. 314-K)

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, travel and tours, manufacture of ceramics wall and floor tiles, distribution and retailing of health foods and supplements, metal fabrication, 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 2011.

ECONOMIC AND BUSINESS ENVIRONMENT REVIEW

During 2010, the economy in the United States and parts of Europe remained in the doldrums. Recovery in Asia, under its own steam, however continued to surge ahead due to better growth prospects driven by strengthening domestic demand and a more robust financial sector. However structural issues such as high unemployment, a fragile financial sector and weak fiscal policies facing advanced economies posed downside risks to this growth outlook, given Asia's dependence on export demand.

The Malaysian economy registered commendable growth rate of 7.2% in 2010, underpinned by strong domestic demand and recovery in exports, supported by the Government's proactive stimulus packages and accommodative monetary policies. 2010 also saw the Government setting in place the necessary measures to start the National Transformation Programme to support sustainable growth and to achieve its objectives of Malaysia becoming a developed and high income nation in 2020.

In Singapore, GDP growth for 2010 was at 14.5% as a whole, surpassing the previous record of 13.8% set in 1970. In the 4th quarter, manufacturing rose 28.2% year on year against 13.8% in the 3rd quarter. For the services sector, which accounts for 65% of Singapore's GDP, output surged 8.8% in the 4th quarter. The tourism related services sector were also bolstered by strong visitor arrivals from the region. In 2010, it attracted 11.6 million visitors to its shores. The two integrated resorts have likely spurred the jump in tourists' arrival contributed to the growth in the services sector as shopping, sightseeing, entertainment and accommodation made up 61% of tourism receipts.

In tandem with growth of economies in the Asian countries, Indonesia and Hong Kong registered growth rates of 14.5%, 6.1% and 6.8% respectively in 2010, all higher than the respective countries' initial forecasts at the beginning of the year.

REVIEW OF FINANCIAL RESULTS

For the financial year ended 31 January 2011, your Group achieved a revenue of RM294.541 million, 6.7% lower than RM315.675 million recorded for the previous year. Many of our businesses registered lower revenue for the financial year under review. A lower Group pre-tax profit of RM8.572 million was achieved compared to RM29.261 million recorded for the previous year due to one-off charges and provisions totalling RM19.5 million made under FRS 139 by operating subsidiaries.

As a result of the lower profit, Earnings per share was 0.48 sen compared to 4.03 sen for the previous year. Net assets per share was 34.47 sen compared to 34.42 sen for the previous year.

DIVIDEND

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

Chairman's Statement
cont'd

BUSINESS OUTLOOK AND PROSPECTS

The Asian economies, including Malaysia's and Singapore's, are on track to achieve more sustainable growth rates. Proactive fiscal stimulus measures, strong domestic demand, robust regional demand for Asia's exports, and accommodative monetary policies will remain the key drivers of Asia's resilience compared to the advanced economies. We expect 2011 to be a better year, however the sovereign debt issue in Europe and rising inflationary pressures are expected to spill over to 2011. The recent upheaval in the Middle East may also negatively affect the global economy and cause oil prices to escalate, further aggravating inflationary pressure.

Despite the challenges, your Board will continue to look into new business opportunities for the Group as well as to enhance our competiveness going forward. Trading environment remains competitive. Your Board remains positive, albeit cautious, of the prospects for the current year.

ACKNOWLEDGEMENT

On behalf of your Board of Directors, I wish to thank the management and staff at all levels for their commitment, dedication and collective contribution to the Group's performance. I wish also to thank our valued customers, suppliers, business partners and shareholders for their continued support.

TAN SRI DATO' TAN KAY HOCK
Chairman

31 May 2011

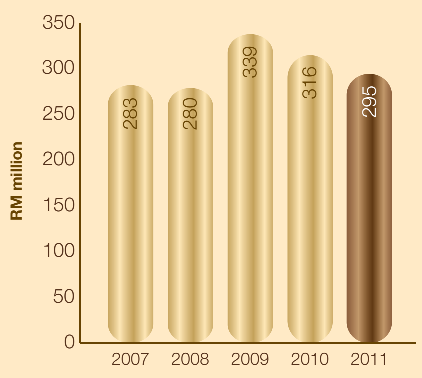
Five-Year Group Financial Highlights

	Year Ended 31 January				
	2011	2010	2009	2008	2007
	RM'000	RM'000	RM'000	RM'000	RM'000
		Restated	Restated	Restated	Restated
PROFITABILITY					
Consolidated income statement					
Revenue	**294,541**	315,675	338,850	279,579	282,522
Profit Before Tax	**8,572**	29,261	28,207	18,721	11,878
Income Tax (Expense)/Credit	**(5,094)**	(3,630)	(4,480)	1,966	(463)
Profit for the year	**3,478**	25,631	23,727	20,687	11,415
KEY BALANCE SHEET DATA					
Consolidated balance sheets					
Total non-current assets	**231,047**	207,103	205,563	302,693	302,802
Total current assets	**795,676**	801,307	693,346	597,398	552,973
Shareholders' fund	**214,730**	214,434	185,730	158,234	138,962
Minority Interest	**8,233**	4,659	3,808	3,616	3,079
Shareholders' Equity	**222,963**	219,093	189,538	161,850	142,041
Total non-current liabilities	**98,859**	22,159	61,078	61,244	96,601
Total current liabilities	**704,901**	767,158	648,293	676,997	617,133
SHARE INFORMATION					
Earnings per share, fully diluted basis (sen)	**0.48**	4.03	3.70	3.19	1.74
Net assets per share (sen)	**34.47**	34.42	33.32	31.09	27.31
Share price as at 31 January (RM)	**0.41**	0.28	0.16	0.28	0.14
FINANCIAL RATIOS					
Return on shareholders' fund after tax and minority interest (%)	**1.40**	11.70	12.42	12.56	7.81
Net Debt-equity ratio (Note 1)	**0.75 : 1**	0.75 : 1	0.75 : 1	0.80 : 1	0.81 : 1

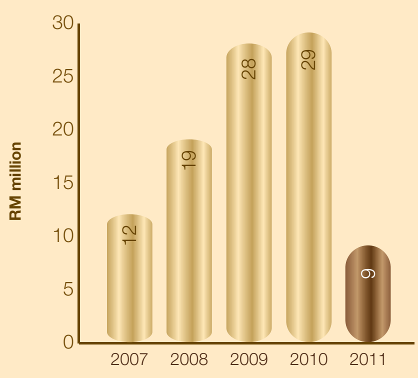
Note 1 : Net Debt comprise current & non-current loan and borrowings, trade and other payables, funding from non-recourse investors' certificates and senior certificates less cash and bank balances.

Five-Year Group Financial Highlights
cont'd

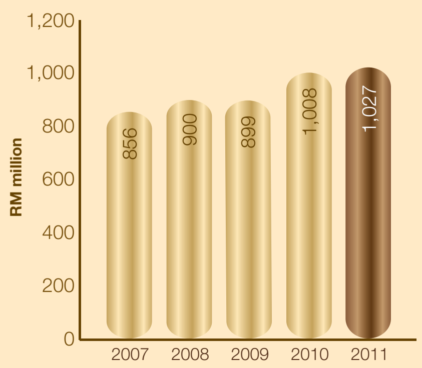
Revenue



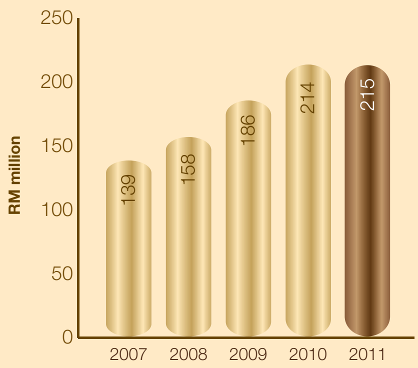
Profit before tax



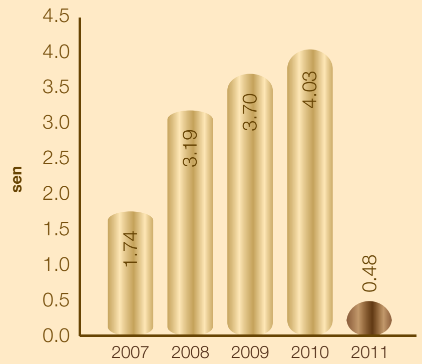
Total assets



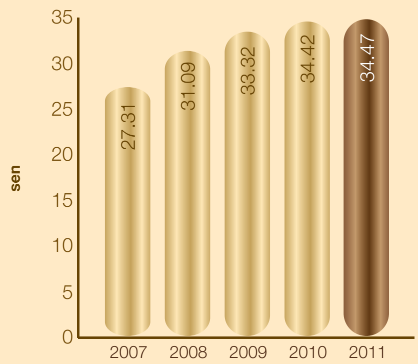
Shareholders' funds



Earnings per share



Net assets per share



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, travels and tours, manufacture of ceramic floor and wall tiles, distribution and retailing of health foods and supplements, metal fabrication, property development and resort hotel operation. The Group's businesses are based in Malaysia, Singapore, Australia and New Zealand.

DINERS CLUB CHARGE/CREDIT CARDS SERVICES & HOSPITALITY

The Johan 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") extended its card products offering to include credit card with the first Diners Club credit card issued in Malaysia in July 2010.

In promoting card usages, DCM embarked on rewarding their cardmembers. In early 2010, a "Save & Be Rewarded" campaign was launched where lucky cardmembers were treated to a full 100% rebate when they dine at any food & beverage (F&B) outlet in Malaysia. All the cardmember had to do was SMS the name of the F&B outlet and answer a simple question and the winning cardmember will receive 100% rebate on their meal amount spend.

In mid-2010, cardmembers were again feted with rewards whenever they charge their everyday's spending such as groceries, petrol, F&B entertainment etc. to their Diners Club card. A range of gifts ranging from shopping bags, umbrella, leather cardholders and toasters were rewarded based on the cardmember's total spending during the promotion period.

DCM also embarked on a new service to its cardmembers with the launch of DinersCA$H in Oct 2010. With DinersCA$H, cardmember can now transfer funds to their bank account of choice (within Malaysia) while opting for a more affordable fixed monthly repayment plan, up to 24 months. To further build its brand, DCM also sponsored several signages with strategic merchant partners throughout Greater Kuala Lumpur, Penang and Johor Bahru. The objective of the sponsorship is to build the Diners Club brand as well as gain greater acceptance. In return, the strategic merchant will offer privileges and offers to DC cardmembers.

On 11 May 2010, DCM successfully completed its RM150 million nominal value Medium Term Notes programme arising from the securitisation of its charge and credit cards receivables. Maybank IB is the sole principal adviser and lead arranger for this programme, which makes the first combined securitisation of credit and charge cards receivables in the Malaysian capital markets. The asset – backed securities issued out of this programme will support and complement DCM's business objectives. The flexible features of the Medium Term Notes programme will allow DCM to tap the Malaysian capital markets to fund its short to medium term needs to fuel its expansion and continued growth. RAM Rating Services Berhad ("RAM") has honoured DCM as the recipient of the RAM Award of Distinction 2010 – Blue Print Award : New Structured Finance Benchmark Deal for the RM150 million MTN programme by Domayne Asset 2 Corporation Berhad. This award exemplify the bond industry benchmark for excellence and ingenuity and are traditionally bestowed on exceptional trailblazers that have raised the bar in further advancing the Malaysian domestic bond market.

During the financial year under review, card growth of **Diners Club (Singapore) Pte Ltd** ("DCS") was focused on renewing and introducing new card acquisition channels and expanding reach for the major Cobrand cards such as Sheng Siong Cobrand and Courts Cobrand programs. New initiatives are also in place to acquire new Cobrand partners.

To drive revenue and increase card usage , major merchant accounts such as Cold Storage Supermarket Group, Tiger Airways were signed up including emerging markets such as Burger King chain stores. The Airport lounge Program was also expanded in year 2010 with the opening of 4 SATS Premium Airport Lounges at Singapore Changi Airport and the participation of Singapore Airlines, Krisflyer in Diners Club Rewards Program.

Review of Operations
cont'd

During the year, DCS, in collaboration with Diners Club International, had embarked on extensive Merchant Signage placement where Diners Club brand visibility is strengthened at major shopping locations.

DCS on 23 September 2010 successfully completed its S$223 million multi-tranche credit card and charge card securitisation renewal programme, with a 18 months revolving period. Australia and New Zealand Banking Group Limited and The Royal Bank of Scotland Plc are the joint lead managers for this programme. The funding under this programme will support and complement DCS 's business objectives and to allow it to fuel its continued growth and expansion in the card business. Fitch Ratings has assigned ratings to the floating rate investor interest certificates issued by Card Centre Asset Purchase Company Pte. Ltd, and backed by Singapore credit and charge cards receivables originated by DCS. The ratings reflect the quality of the credit card and charge receivables, the available credit enhancement, the underwriting and servicing capabilities of DCS.

DCS will invest up to S$6 million in computer hardware and software system to comply with the requirement by the Monetary Authority of Singapore for all Singapore card issuers and processors to implement EMV chip cards to replace all magnetic stripe cards.

During 2010 **Diners Club (New Zealand) Ltd** ("DCNZ") leveraged the new credit card platform to issue credit cards to existing personal charge card and co-brand customers with the launch of the new GAS Credit Card, NZ Thoroughbred Association and NZ Golf Cards. A key focus was on developing the new co-brand card partnership with the national body of New Zealand Golf. The new New Zealand Golf Co-Brand Card is now available exclusively for affiliated golf club members. The programme provides DCNZ access to an ideal consumer and business demographic, for the targeted 120,000 golfers. DCNZ also completed the interoperability of Discover Card within the DCNZ merchant network, Discover Cards can now be used at over 85,000 retail points of sale in New Zealand.

On 10 December 2010, DCNZ signed the transaction agreement for its S$50 million multi-tranche credit and charge card securitization programme with DBS Bank Limited, the lead manager for this programme.

Diners World Travel (Malaysia) Sdn Bhd ("DWTM") in September 2010 joined International Travel Partnership ("ITP"), a Global Network Alliances of travel management companies, based in United Kingdom. With this partnership, it will enable DWTM to have a worldwide presence in servicing multinational business travel clients.

Airlines recognitions for International sales achieved by DWTM for the Year 2010 were the "Diamond Award" by Malaysia Airline Systems and "Top Agent Award" by Cathay Pacific Airways Ltd.

Diners World Travel (Singapore) Pte Ltd ("DWTS") was in 2010 again awarded "Top Agent Award" by Singapore Airlines, "Million Dollar Award" by United Airlines, "Top Agent" by ANA, "Top Agent" by Insight Vacations and "Excellence Service Award" by Spring Singapore. On 1 September 2010, DWTS formally joined International Travel Partnership (ITP) as a member to broaden its global network so as to better serve the needs of its corporate customers.

Lumut Park Resort Sdn Bhd ("LPR") 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 revenue as that achieved for the previous financial year. However due to lower administrative costs, profit before tax of the hotel operation was 25% higher than that achieved for the previous financial year.

Lumut Marine Resort Berhad ("LMR") owns and operates The Lumut International Yacht Club ("LIYC") located about a kilometre from The Orient Star Resort Lumut. The LIYC continues to operate annually at a small loss in view of its membership base which is still below the optimum level to enable it to operate profitability.

Review of Operations
cont'd

BUILDING MATERIALS & ENGINEERING

Prestige Ceramics Sdn Bhd's revenue for the financial year under review was 20.8% lower when compared to the previous year due mainly to lower productivity and higher rejects of finished products. These two issues were mainly attributed to the shortage of experienced local technical and production staff as due to the nature of the industry, we have to rely heavily on the recruitment of foreign workers for our production need. The Malaysian government tightening of rules during the financial crisis in 2009 for non-renewal of the employment of foreign workers who had worked for more than 5 years had resulted in the plant not been able to retained experienced foreign workers for our production need. We also faced competition from other local manufacturers who have turned to the local market for their products due to slow recovery of their tradition export market as well as fierce completion in terms of pricing from large influx of tiles especially from Indonesia.

We foresee the smaller size ceramic tiles market to shrink further and replaced by the bigger size tiles. In line with market demand, we will have to go into producing these bigger size ceramic tiles and also porcelain tiles.

William Jacks (Australia) Pty Ltd, an Engineering company in the business of metal fabrication, installation of piping and ducting business in Australia, recorded a higher revenue of 37% when compared to that achieved for the previous financial year. However due to lower gross profit margin for contract works secured, a lower profit before tax of A$892,00 was recorded compared to A$975,000 achieved for the previous financial year.

TRADING OF HEALTH FOODS & SUPPLEMENTS

Retailing of health foods and supplements business are undertaken by **Nature's Farm Pte Ltd** (27 outlets in Singapore and 2 outlets in Brunei) and **Nature's Farm (Health Foods) Sdn Bhd** (6 outlets in Klang Valley, 1 outlet in Penang and 1 outlet in Sabah, Malaysia).

New products launched during the financial year under review includes Coromega Omega-3, Ohhira's Probiotics OM-X Delux 5, Nature's Farm Pycnogenol Rx Gold, Bioiberica Hyal-Joint and TSUBAKI Collagen drink. Nature's Farm offers over 250 products under its own brand name and more than 1,000 products in health food, vitamins & supplements, slimming, weight management, body building, hair and body care etc. under established brands from the United States, Japan and Europe.

PROPERTY DEVELOPMENT

The Property Division of **Lumut Park Resort Sdn Bhd** had in December 2010 commenced the development of Phase 2 comprising 17 units of 2 storey shop office, with dual frontage, situated along the esplanade of the Lumut Waterfront. Piling works were completed in early April 2011 and formwork structure is currently under construction. To date, a total of 8 shop office units have been sold.

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
T : 603-2092 1858
F : 603-2092 2812

BUSINESS OFFICE

11th Floor Wisma E&C
No. 2 Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur
T : 603-2092 1858
F : 603-2092 2812
E : jhb@johanholdings.com.my
W : 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
T : 603-2092 1858
F : 603-2092 2812
E : 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 COMMITTEE

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)

Australia and New Zealand Banking Group Limited
CIMB Bank Berhad
DBS Bank Ltd
Malayan Banking 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

Directors' Profile

Name	TAN SRI DATO' TAN KAY HOCK	PUAN SRI DATIN TAN SWEE BEE
Age	63	64
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 the Honourable Society of Lincoln's Inn, UK in 1971. In 1972, he was admitted as an advocate and solicitor to the Supreme Court of Malaysia. He is a non-practising lawyer. 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 the Honourable Society of Lincoln's Inn, UK in 1971. In 1972, she was admitted as an advocate and solicitor to the Supreme Court of Malaysia. She is a non- practising lawyer. 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	Chairman of Risk Management Committee and member of ESOS Committee	Member of the Remuneration Committee, Risk Management Committee and ESOS Committee.

Directors' Profile
cont'd

TAN SRI DATO' SERI DR TING CHEW PEH	**DATO' AHMAD KHAIRUMMUZAMMIL BIN MOHD YUSOFF**	**OOI TENG CHEW**
68	69	64
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 Messrs Ernst & Young and its predecessor firms. He retired in 2001. He is currently the Chairman of RGB International Berhad (formerly known as Dreamgate Corporation Berhad.)
• Pan Malaysia Capital Berhad • Puncak Niaga Holdings Berhad • Hua Yang Berhad • Pan Malaysia Corporation Berhad • Huaren Education Foundation	• Metrojaya Berhad	• RGB International Berhad *(formerly known as 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*
Yap Ee Seong	*General Manager – Properties*

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*

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, 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 2011, 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	5
Tan Sri Dato' Seri Dr Ting Chew Peh	5	5
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	5	5
Ooi Teng Chew	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 director 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 113 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 organised for Directors was the seminar entitled "Compliance of the Listing Requirements - Expectations on Directors of Listed Companies" 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. All these 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 *(Independent Non-Executive Director)*

Statement on Corporate Governance
cont'd

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, Internal Audit Manager 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 Pages 20 and 21 of this Annual Report.

(b) Risk Management Committee

During the financial year ended 31 January 2011, 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 Directors 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 *(Non-Independent Executive Director) – Chairman*
2. Puan Sri Datin Tan Swee Bee *(Non-Independent Executive 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 exercised 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 2011. Since 31 October 2003 to date, the ESOS Committee has not granted further option shares to eligible employees.

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 Groups 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. The Chairman of Audit Committee is paid an allowance of RM1,500/- per meeting and the each of the other two Audit Committee member is paid RM1,000/- per meeting.

The aggregate remuneration of the Directors categorised into the respective components for the year ended 31 January 2011 are 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	-	716	78	794
Puan Sri Datin Tan Swee Bee	-	548	32	580
Non-executive Directors				
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	55	-	-	55
Tan Sri Dato' Seri Dr Ting Chew Peh	50	-	-	50
Ooi Teng Chew	50	-	-	50
	155	1,278	110	1,543

Statement on Corporate Governance
cont'd

B. DIRECTORS' REMUNERATION cont'd

The number of Directors whose remuneration falls within the following bands are as follows:-

	Directors	
Range of Remuneration	Executive	Non-executive
RM10,000 to RM100,000	-	3
RM800,001 to RM1,000,000	1	-
RM1,000,001 to RM1,200,000	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 23 May 2011.

Statement on Corporate Social Responsibility

The Johan Group, as a responsible corporate citizen, is committed to the sound principles of Corporate Social Responsibility ("CSR") which is integral to the way we conduct our businesses, creating value to our shareholders and underpins our long-term growth strategy. The development and implementation of the Group's CSR policies and practices are directed in key areas of environmental management, employment, health and safety, community support and supply chain management.

THE ENVIRONMENT

We acknowledge our responsibilities for managing and reducing the impact that our businesses has on the environment and continues to operate in a responsible manner by optimising our resources and reducing the generation of waste.

Prestige Ceramics Sdn Bhd, which manufactures ceramic floor and wall tiles, conducts regular occupational safety and awareness programmes for its employees. The manufacturing plant in Puchong is connected to the national gas grid and hence this alternative energy source for gas firing of ceramic tiles help to reduce its dependency on fossil fuel consumption. The management also perform periodic checks and institute controls on environmental care and controls in the plant's intake and ensure proper treatment and discharge of its effluents.

THE COMMUNITY

We believe in adding value to the communities in which we operate our businesses through providing support in diverse areas of social welfare. The Group also supports charitable organisations in their noble efforts to help the needy and the disadvantaged. All employee are encouraged to participate in community projects and undertake voluntary works to help the needy.

Our hotel, The Orient Star Resort Lumut, during February 2010, donated essential food items to Carevilla Home for Senior Citizens and also sponsored a hi-tea reception for senior citizens of the Olds Folks Welfare Association in Seri Manjung. Our hotel also organised the annual blood donation campaign to replenish the blood bank of Hospital Seri Manjung. 10 staff from the Transfusion Unit together with 2 doctors of Hospital Seri Manjung were present to perform blood donations from the public and members of Tentera Laut Diraja Malaysia.

Our subsidiary, Nature's Farm Pte. Ltd in Singapore sponsored and distributed Nature's Farm Pycno drink in conjunction with the Children's Charities Association Annual Fair & Walkathon event on 6 November 2010 at Ngee Ann City Civic Plaza.

THE WORKPLACE

The Group recognises that our people are our key assets and acknowledges their invaluable contribution to the Group's growth. The Group places strong emphasis on talent management and developing human capital and has in place structured development programmes designed to develop leadership skills, technical knowledge and sodt skills among different groups of employees. With employees best interest in mind, medical benefits such as treatment at hospitals and clinics; insurance coverage for personal accidents, hospitalisation and surgery; and dental treatment are provided. The Group's human resource policies and procedures are regularly reviewed to keep abreast of industry benchmarks and best practices.

THE MARKETPLACE

The Group recognises the importance of market perception and confidence on the sustainability of our businesses. As such various policies, standards, best practices and procedures on quality, health and safety, good corporate governance and stakeholders engagement have been adopted. Details of the Group's corporate governance and investor relations are set out in the Statement on Corporate Governance on Page 17 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.
xi) To review the Risk Profile of respective business unit on a half-yearly basis, particularly on the strategic areas of the business.

Employees Share Option Scheme ("ESOS")

During the financial year ended 31 January 2011, no further share options were allocated pursuant to the Company's ESOS.

Audit Committee Report
cont'd

B. MEETINGS AND ACTIVITIES

During the year ended 31 January 2011, four (4) Audit Committee Meetings were held. Details of attendance of each Committee member were as follows:-

	No. of Meetings	
Audit Committee	**Held**	**Attended**
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff *(Chairman)*	4	4
Tan Sri Dato' Seri Dr Ting Chew Peh	4	4
Ooi Teng Chew	4	4

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 2011 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 and annual financial statements 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 had 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 2011 was RM409,822.62 (2010 : RM352,923).

This Statement is made in accordance with the resolution of the Board of Directors dated 23 May 2011.

Statement on Internal Control

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Company's assets. This statement is prepared in accordance with paragraph 15.26 (b) of the Main Market Listing Requirements ("LR") of Bursa Malaysia Securities Berhad.

DIRECTORS' RESPONSIBILITIES

The Board recognizes its responsibilities for and the importance of sound internal controls and risk management practices and for reviewing the adequacy and integrity of those systems. However, it should be noted that such systems are designed to manage rather than eliminate risk. Also any system can only provide reasonable and not absolute assurance against material loss or misstatement.

INTERNAL CONTROL ENVIRONMENT AND RISK MANAGEMENT FRAMEWORK

Internal audit plays a critical role in the objective assessment of the Group's business processes by providing the Audit Committee with reasonable independent assurance on the effectiveness and integrity of the Group's system of internal control. 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 Risk Management Committee, set up by the Board in September 2002, comprised 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 at least 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; and
- Any related party transaction and conflict of interest situations.

INTERNAL AUDIT

The Audit Committee is assisted by an in-house Internal Audit Department ("IAD") at Johan's Head Office, staffed by a team of professionally qualified personnel. The internal audit team is independent and has no involvement in the operations of Group companies. The role of the IAD is to perform regular independent reviews and monitor and ensure compliance with the Group's policies, procedures and systems of internal control. The IAD reports to the Audit Committee regarding the effectiveness of the risk and control management and also recommends improvements in controls. At the beginning of each year, the audit programme is agreed with the Audit Committee and findings are presented to the Committee on a timely manner for their consideration.

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 has been approved by the Board and reviewed by the external auditors as required under Paragraph 15.23 of the LR. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that cause them to believe that this Statement is inconsistent with their understanding with the procedures adopted by the Board in the review of the adequacy and integrity of the internal control systems of the Group.

This Statement is made in accordance with the resolution of the Board of Directors dated 23 May 2011.

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 2011.

SHARE BUYBACKS

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

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES EXERCISED

There were no exercise of options under the Company's Employees Share Option Scheme during the financial year ended 31 January 2011.

The Company did not issue any warrants or convertibles securities during the financial year ended 31 January 2011.

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 2011.

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 2011.

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 2011 amount to RM69,644 (2010 : RM69,644).

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 2011.

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.

financial statements

Directors' Report	26
Statement by Directors	30
Statutory Declaration	30
Independent Auditors' Report	31
Statements of Comprehensive Income	33
Statements of Financial Position	34
Consolidated Statement of Changes in Equity	36
Company Statement of Changes in Equity	37
Statements of Cash Flows	38
Notes to the Financial Statements	40

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 2011.

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, net of tax	3,478	35,099
Profit attributable to:		
Owners of the parent	3,013	35,099
Minority interests	465	-
	3,478	35,099

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 RM1,286,000 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 2011.

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' Report
cont'd

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 34 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 and options over shares in the Company during the financial year were as follows:

	← Number of ordinary shares of RM0.50 each →			
	At 1 February 2010	During the year Bought	Sold	At 31 January 2011
Direct and Indirect Interest:				
Tan Sri Dato' Tan Kay Hock & Puan Sri Datin Tan Swee Bee	275,208,584	-	(2,100,000)	**273,108,584**
Ooi Teng Chew	-	200,000	-	**200,000**

	Number of options over ordinary shares of RM0.50 each			
	At 1 February 2010	Granted	Exercised	At 31 January 2011
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.

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.

Directors' Report
cont'd

EMPLOYEE SHARE OPTIONS SCHEME cont'd

The Company has been granted exemption by the Companies Commission of Malaysia vide their letter dated 23 March 2011 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 2010**	**Granted**	**Exercised**	**At 31 January 2011**
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**

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

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position 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.

Directors' Report
cont'd

OTHER STATUTORY INFORMATION cont'd

(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.

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 23 May 2011.

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 105 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2011 and of their financial performance and cash flows for the year then ended.

The supplementary information set out in Note 41 to the financial statements on page 106 have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors dated 23 May 2011.

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 105 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 23 May 2011

Ng Yew Soon

Before me,

Mohan A. S. Maniam
No. W521
Pesuruhjaya Sumpah
(Commissioner for Oaths)
Malaysia.

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 statements of financial position as at 31 January 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 33 to 105.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with 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 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 2011 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 16 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

The supplementary information set out in Note 41 to the financial statements on page 106 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

Ernst & Young
AF: 0039
Chartered Accountants

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

Kuala Lumpur, Malaysia
23 May 2011

Statements of Comprehensive Income
for the financial year ended 31 January 2011

		Group		Company	
	Note	2011	2010	2011	2010
		RM'000	RM'000	RM'000	RM'000
Revenue	3	**294,541**	315,675	**7,994**	9,224
Cost of sales	4	**(107,412)**	(111,277)	**-**	-
Gross profit		**187,129**	204,398	**7,994**	9,224
Other income	5	**42,300**	30,693	**36,808**	1,164
Distribution expenses		**(32,176)**	(37,544)	**-**	-
Administrative expenses		**(138,972)**	(134,308)	**(6,376)**	(4,587)
Other expenses		**(6,035)**	(3,897)	**(3,300)**	(269)
Finance costs	6	**(43,674)**	(30,081)	**(27)**	(36)
Profit before tax	7	**8,572**	29,261	**35,099**	5,496
Income tax expense	10	**(5,094)**	(3,630)	**-**	(284)
Profit, net of tax		**3,478**	25,631	**35,099**	5,212
Other comprehensive income:					
Foreign currency translation difference for foreign operations		**(4,523)**	3,924	**-**	-
Revaluation of land		**4,915**	-	**-**	-
Other comprehensive income for the year, net of tax		**392**	3,924	**-**	-
Total comprehensive income for the year		**3,870**	29,555	**35,099**	5,212
Profit attributable to:					
Owners of the parent		**3,013**	25,085	**35,099**	5,212
Minority interests		**465**	546	**-**	-
		3,478	25,631	**35,099**	5,212
Total comprehensive income attributable to:					
Owners of the parent		**296**	28,704	**35,099**	5,212
Minority interests		**3,574**	851	**-**	-
		3,870	29,555	**35,099**	5,212
Earnings per share attributable to owners of the parent (sen per share):					
Basic and diluted	11	**0.48**	4.03		

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

Statements of Financial Position
as at 31 January 2011

		Group			Company	
	Note	2011	2010 (restated)	As at 01.02.2009 (restated)	2011	2010
		RM'000	RM'000	RM'000	RM'000	RM'000
Assets						
Non-current assets						
Property, plant and equipment	12	**202,529**	173,309	176,129	**1,038**	1,366
Land held for property development	13(a)	**6,097**	10,973	10,942	**-**	-
Intangible assets	15	**11,267**	10,961	7,726	**-**	-
Investment in subsidiaries	16	**-**	-	-	**53,442**	54,127
Investment securities	18	**69**	70	47	**-**	-
Deferred tax assets	30	**11,085**	11,790	10,719	**-**	-
		231,047	207,103	205,563	**54,480**	55,493
Current assets						
Property development costs	13(b)	**348**	23	1,067	**-**	-
Inventories	19	**31,999**	25,617	31,279	**-**	-
Trade receivables	20	**560,184**	585,424	499,247	**-**	-
Other receivables	21	**42,698**	42,003	11,152	**550**	392
Prepaid operating expenses		**4,215**	3,088	4,856	**25**	25
Amounts owing by subsidiaries	17	**-**	-	-	**204,403**	171,728
Investment securities	18	**15,822**	19,866	6,705	**-**	-
Cash and bank balances	22	**140,410**	125,286	139,040	**2,557**	2,870
		795,676	801,307	693,346	**207,535**	175,015
Total assets		**1,026,723**	1,008,410	898,909	**262,015**	230,508
Equity and liabilities						
Equity attributable to equity holders of the company						
Share capital	31	**311,474**	311,474	278,733	**311,474**	311,474
Share premium	33	**69,415**	69,415	69,415	**69,415**	69,415
Irredeemable convertible unsecured loan stocks	32	**-**	-	32,741	**-**	-
Revaluation reserve	33	**30,954**	29,439	29,413	**-**	-
Exchange reserve	33	**9,865**	14,097	10,504	**-**	-
Accumulated losses		**(206,978)**	(209,991)	(235,076)	**(153,946)**	(189,045)
		214,730	214,434	185,730	**226,943**	191,844
Minority interests		**8,233**	4,659	3,808	**-**	-
Total equity		**222,963**	219,093	189,538	**226,943**	191,844

Statements of Financial Position
as at 31 January 2011
cont'd

	Note	Group 2011	Group 2010 (restated)	Group As at 01.02.2009 (restated)	Company 2011	Company 2010
		RM'000	RM'000	RM'000	RM'000	RM'000
Non-current liabilities						
Deferred tax liabilities	30	**2,290**	1,595	1,835	**-**	-
Senior certificates	28	**30,500**	-	32,000	**-**	-
Loans and borrowings	29	**66,069**	20,564	27,243	**549**	759
		98,859	22,159	61,078	**549**	759
Current liabilities						
Trade payables	24	**86,824**	87,167	72,568	**-**	-
Other payables	25	**74,857**	66,137	58,019	**430**	744
Progress billings in respect of property development cost		**132**	102	-	**-**	-
Amounts owing to subsidiaries	26	**-**	-	-	**33,882**	36,943
Provision for reward points	27	**11,869**	13,208	13,421	**-**	-
Current tax payable		**4,342**	5,329	4,829	**-**	-
Investor certificates	28	**392,780**	476,745	413,041	**-**	-
Senior certificates	28	**-**	32,000	-	**-**	-
Loans and borrowings	29	**134,097**	86,470	86,415	**211**	218
		704,901	767,158	648,293	**34,523**	37,905
Total liabilities		**803,760**	789,317	709,371	**35,072**	38,664
Total equity and liabilities		**1,026,723**	1,008,410	898,909	**262,015**	230,508

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

Consolidated Statement of Changes in Equity

for the financial year ended 31 January 2011

	← Attributable to owners of the parent →								
		← Non distributable →							
	Share capital	Share premium	Irredeemable convertible unsecured loan stocks ("ICULS")	Revaluation reserve	Exchange reserve	Accumulated losses	Equity attributable to owners of the parent, 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 2009	278,733	69,415	32,741	29,413	10,504	(235,076)	185,730	3,808	189,538
Total comprehensive income	-	-	-	26	3,593	25,085	28,704	851	29,555
Conversion of ICULS, representing transactions with owners (Note 32)	32,741	-	(32,741)	-	-	-	-	-	-
At 31 January 2010	311,474	69,415	-	29,439	14,097	(209,991)	214,434	4,659	219,093
At 1 February 2010	311,474	69,415	-	29,439	14,097	(209,991)	214,434	4,659	219,093
Total comprehensive income	-	-	-	1,515	(4,232)	3,013	296	3,574	3,870
At 31 January 2011	**311,474**	**69,415**	**-**	**30,954**	**9,865**	**(206,978)**	**214,730**	**8,233**	**222,963**

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

Company Statement of Changes in Equity
for the financial year ended 31 January 2011

	← Attributable to owners of the parent →				
	Share capital RM'000	Share premium RM'000	ICULS RM'000	Accumulated losses RM'000	Total equity RM'000
As at 1 February 2009	278,733	69,415	32,741	(194,257)	186,632
Total comprehensive income	-	-	-	5,212	5,212
Conversion of ICULS, representing transactions with owners	32,741	-	(32,741)	-	-
As at 31 January 2010	311,474	69,415	-	(189,045)	191,844
As at 1 February 2010	311,474	69,415	-	(189,045)	191,844
Total comprehensive income	-	-	-	35,099	35,099
As at 31 January 2011	**311,474**	**69,415**	**-**	**(153,946)**	**226,943**

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

Statements of Cash Flows
for the financial year ended 31 January 2011

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before tax	**8,572**	29,261	**35,099**	5,496
Adjustments for:				
Interest income	**(3,248)**	(955)	**(281)**	(4)
Dividend income from subsidiaries	**-**	-	**(6,741)**	(7,651)
Interest expense	**43,674**	30,081	**27**	36
Net fair value gains on				
- Investment securities	**(177)**	(3,528)	**-**	-
(Write back)/impairment loss of:				
- Investment in subsidiaries	**-**	-	**685**	-
- Long-term leasehold land	**(22,955)**	-	**-**	-
Amortisation of Intangible assets	**515**	137	**-**	-
Depreciation of property, plant and equipment	**8,284**	7,611	**337**	293
Gain on disposal of investment securities	**(3,155)**	(5,515)	**-**	(81)
Loss/(gain) on disposal of property, plant and equipment	**12**	94	**-**	(58)
Loss on dissolution of subsidiary	**-**	-	**-**	2
Property, plant and equipment written off	**729**	-	**-**	-
Inventories written down	**48**	84	**-**	-
Reversal of inventories written down	**(398)**	(215)	**-**	-
Allowance for doubtful receivables				
- trade and other receivables	**30,132**	26,678	**-**	-
- subsidiaries	**-**	-	**2,604**	337
Write back of allowance for doubtful receivables				
- trade receivables	**(11,423)**	-	**-**	-
- other receivables	**(1,008)**	(4,707)	**-**	-
- subsidiaries	**-**	-	**(36,527)**	(1,056)
Debt waiver	**(1,286)**	(10,300)	**-**	-
Reversal of quit rent over accrued	**(711)**	(1,091)	**-**	-
Bad debts recovered	**(2,501)**	(2,873)	**-**	-
Provision for reward points	**6,742**	9,109	**-**	-
Net unrealised foreign exchange loss	**7,200**	1,531	**-**	-
Operating profit/(loss) before working capital changes carried forward	**59,046**	75,402	**(4,797)**	(2,686)

Statements of Cash Flows

for the financial year ended 31 January 2011
cont'd

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Operating profit/(loss) before working capital changes brought forward	**59,046**	75,402	**(4,797)**	(2,686)
Property development costs	**(298)**	1,075	**-**	-
Inventories	**(5,785)**	5,568	**-**	-
Trade and other receivables	**20,803**	(145,500)	**(158)**	98
Trade and other payables	**(11,620)**	32,904	**(314)**	(1,480)
Provision for reward points	**(7,954)**	(11,403)	**-**	-
Inter-company balances	**-**	-	**(1,813)**	(1,642)
	54,192	(41,954)	**(7,082)**	(5,710)
Interest paid	**(43,674)**	(30,081)	**(27)**	(36)
Interest received	**3,248**	955	**281**	4
Taxes paid	**(4,755)**	(3,044)	**-**	(284)
Net cash generated from/(used in) operating activities	**9,011**	(74,124)	**(6,828)**	(6,026)
Cash flows from investing activities				
Purchase of property, plant and equipment	**(5,798)**	(2,664)	**(9)**	(63)
Proceeds from disposal of property, plant and equipment	**357**	216	**-**	58
Proceeds from disposal of investment securities	**12,556**	20,031	**-**	334
Cost incurred for land held for development	**(26)**	(31)	**-**	-
Purchase of intangible assets	**(623)**	(228)	**-**	-
Acquisition of investment securities	**(5,229)**	(24,089)	**-**	-
Increase in paid up share capital of a subsidiary	**-**	-	**-**	(350)
Dividend income from subsidiaries	**-**	-	**6,741**	7,651
Net cash generated from/(used in) investing activities	**1,237**	(6,765)	**6,732**	7,630
Cash flows from financing activities				
Payment of lease obligation and finance lease obligations	**(2,503)**	(1,590)	**(217)**	(336)
Net proceeds from investor and senior certificates	**(85,465)**	63,704	**-**	-
Drawdown of bank borrowings	**64,327**	3,625	**-**	-
Net cash (used in)/generated from financing activities	**(23,641)**	65,739	**(217)**	(336)
Net change in cash and cash equivalents	**(13,393)**	(15,150)	**(313)**	1,268
Effects of foreign exchange rate changes	**(2,013)**	1,684	**-**	-
Cash and cash equivalents at beginning of year	**85,997**	99,463	**2,870**	1,602
Cash and cash equivalents at end of year (Note 22)	**70,591**	85,997	**2,557**	2,870

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

Notes to the Financial Statements
31 January 2011

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 16. 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 23 May 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

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

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

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

On 1 February 2010, the Group and the Company adopted the following applicable new and amended FRSs and IC Interpretations that are mandatory for financial year beginning on or after 1 February 2010:

FRS 7 Financial Instruments: Disclosures
FRS 101 Presentation of Financial Statements (Revised)
FRS 123 Borrowing Costs
Amendment to FRS 108: Accounting Policies, Changes in Accounting Estimates Errors
Amendments to FRS 7: Financial Instruments: Disclosures
Amendment to FRS 117: Leases
Amendment to FRS 119: Employee Benefits
Amendment to FRS 120: Accounting for Government Grants and Disclosure of Government Assistance
Amendment to 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
Amendment to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 127: Consolidated and Separate Financial Statements
Amendment to FRS 128: Investments in Associates
Amendment to FRS 129: Financial Reporting in Hyperinflationary Economies
Amendment to FRS 131: Interests in Joint Ventures
Amendments to FRS 132: Financial Instruments: Presentation
Amendment to FRS 134: Interim Financial Reporting

Notes to the Financial Statements

31 January 2011
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

2.2 Changes in Accounting Policies cont'd

On 1 February 2010, the Group and the Company adopted the following applicable new and amended FRSs and IC Interpretations that are mandatory for financial year beginning on or after 1 February 2010: cont'd

Amendments to FRS138: Intangible Assets
Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
Amendment to FRS 140: Investment Property
IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 10: Interim Financial Reporting and Impairment
IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13: Customer Loyalty Programmes
IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of these FRSs and IC Interpretations has no significant effect on the financial performance or position of the Group and of the Company except for those discussed below:

FRS 7 Financial Instruments : Disclosures

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

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 31 January 2011.

FRS 101 Presentation of Financial Statements (Revised)

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

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

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital (see Note 39).

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

Notes to the Financial Statements
31 January 2011
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

2.2 Changes in Accounting Policies cont'd

Amendments to FRS 117 Leases

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

The amendments to FRS 117 Leases clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. Hence, the adoption of the amendments to FRS 117 has resulted in certain unexpired land leases to be reclassified as finance leases.

The Group has applied this change in accounting policy retrospectively and certain comparatives have been restated. The following are effects to the consolidated statement of financial position as at 31 January 2011 arising from the above change in accounting policy:

The following comparatives have been restated:

Consolidated statement of financial position	Note	As previously stated RM'000	RM'000	As restated RM'000
31 January 2010				
Property, plant and equipment	12	170,074	3,235	173,309
Prepaid land lease payments	14	3,235	(3,235)	-
1 February 2009				
Property, plant and equipment	12	172,853	3,276	176,129
Prepaid land lease payments	14	3,276	(3,276)	-

2.3 Standards and Interpretations Issued but Not Yet Effective

At the date of authorisation of these financial statements, the following new or revised FRSs, amendments to FRSs and IC Interpretations have been issued but are not yet effective and have not been adopted by the Group and by the Company:

Effective for Financial Periods Beginning On or After 1 July 2010
FRS 1 First-time Adoption of Financial Reporting Standards (revised)
FRS 3 Business Combinations (revised)
Amendment to FRS 127 Consolidated and Separate Financial Statements
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
IC Interpretation 12 Service Concession Arrangements
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17 Distributions of Non-cash Assets to Owners
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

2.3 Standards and Interpretations Issued but Not Yet Effective cont'd

At the date of authorisation of these financial statements, the following new or revised FRSs, amendments to FRSs and IC Interpretations have been issued but are not yet effective and have not been adopted by the Group and by the Company: cont'd

Effective for Financial Periods Beginning On or After 1 January 2011

Amendments to FRS 1: Additional Exemptions for First-time Adopters & Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7: Improving Disclosures about Financial Instruments
IC Interpretation 4: Determining Whether an Arrangement Contains a Lease
IC Interpretation 18: Transfers of Assets from Customers
Amendments to FRSs contained in the documents entitled 'Improvements to FRSs (2010)'
- Amendments to FRS 1: First-time Adoption of Financial Reporting Standards
- Amendments to FRS 3: Business Combinations
- Amendments to FRS 7: Financial Instruments: Disclosures
- Amendments to FRS 101: Presentation of Financial Statements
- Amendments to FRS 121: The Effects of Changes in Foreign Exchange Rates
- Amendments to FRS 128: Investments in Associates
- Amendments to FRS 131: Interests in Joint Ventures
- Amendments to FRS 132: Financial Instruments: Presentation
- Amendments to FRS 134: Interim Financial Reporting
- Amendments to FRS 139: Financial Instruments: Recognition and Measurement

Effective for Financial Periods Beginning On or After 1 July 2011

IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement

Effective for Financial Periods Beginning On or After 1 January 2012

FRS 124: Related Party Disclosures
IC Interpretation 15 and Amendments to IC Interpretation 15: Agreements for the Construction of Real Estate

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

2.4 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.

Notes to the Financial Statements
31 January 2011
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

2.4 Summary of Significant Accounting Policies cont'd

(a) Subsidiaries and Basis of Consolidation cont'd

(ii) Basis of Consolidation

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

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

Acquisitions of subsidiaries are accounted for using the 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 as income in profit or loss on the date of acquisition.

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 reporting date.

Notes to the Financial Statements
31 January 2011
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

2.4 Summary of Significant Accounting Policies cont'd

(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 profit or loss during the financial period in which they are incurred.

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 and long-term leasehold land are 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 reporting 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 profit or loss, in which case the increase is recognised in profit or loss to the extent of the decrease previously recognised. A revaluation deficit is recognised in profit or loss, except to the extent that if offsets an existing surplus on the same asset carried in the asset revaluation reserve.

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.

Long-term leasehold land are depreciated based on the carrying values of the land over the remaining period of the leases.

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-term leasehold buildings	1.76% - 2%
Long-term 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. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

Notes to the Financial Statements
31 January 2011
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

2.4 Summary of Significant Accounting Policies cont'd

(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.

(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 profit or loss 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 profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss 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 reporting 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 reporting 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.

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

2.4 Summary of Significant Accounting Policies cont'd

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

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

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

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

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

(f) Financial Assets

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments or available-for-sale financial assets, as appropriate. Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual 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 and the Company determine 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

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

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

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

Notes to the Financial Statements
31 January 2011
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

2.4 Summary of Significant Accounting Policies cont'd

(f) Financial Assets cont'd

(i) Loans and receivables cont'd

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

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

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

The Group has designated certain investment securities as at fair value through profit or loss.

(iii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

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

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

The Group and the Company have not designated any financial assets as held-to-maturity investments.

(iv) Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

2.4 Summary of Significant Accounting Policies cont'd

(f) Financial Assets cont'd

(iv) Available-for-sale financial assets cont'd

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

The Group has designated certain of its investment securities as available-for-sale financial assets.

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

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

(g) Impairment of Financial Assets

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

(i) Trade and other receivables and other financial assets carried at amortised cost amortised cost

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

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

Notes to the Financial Statements
31 January 2011
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

2.4 Summary of Significant Accounting Policies cont'd

(g) Impairment of Financial Assets cont'd

(i) Trade and other receivables and other financial assets carried at amortised cost amortised cost cont'd

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

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

(ii) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(iii) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

(h) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

(i) 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.

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

2.4 Summary of Significant Accounting Policies cont'd

(i) *Inventories* cont'd

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.

Contract work-in-progress include amounts of work completed and estimates of the realisable value of work done but not charged to clients at period end. The statement of comprehensive income reflects the profits and losses on contracts completed prior to the end and the results of current contracts based on the percentage of completion method.

(j) *Financial Liabilities*

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

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

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(ii) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

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

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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

Notes to the Financial Statements
31 January 2011
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

2.4 Summary of Significant Accounting Policies cont'd

(j) Financial Liabilities cont'd

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

(k) Leases

(i) As lessee

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

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

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

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.

(ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.4(q)(ix).

(l) 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 or substantively enacted by the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

2.4 Summary of Significant Accounting Policies cont'd

(l) 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 by the reporting date. Deferred tax is recognised as income or an expense and included in profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(m) Provisions

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

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(n) 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 profit or loss 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

2.4 Summary of Significant Accounting Policies cont'd

(n) 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 reporting 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 profit or loss, 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.

(o) Borrowing Costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(p) 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

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

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

2.4 Summary of Significant Accounting Policies cont'd

(p) Functional Currencies cont'd

(ii) Foreign currency transactions cont'd

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

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

(iii) Foreign operations

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

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

(q) 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. Revenue is measured at the fair value of consideration received or receivable. 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.

Notes to the Financial Statements
31 January 2011
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

2.4 Summary of Significant Accounting Policies cont'd

(q) Revenue Recognition cont'd

(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.

(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 as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period, when the outcome of an engineering contract can be estimated reliably. When the outcome of an engineering contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised as expense in the period in which they are incurred. An expected loss on the engineering contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

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

The stage of completion is determined by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

(ix) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

2.4 Summary of Significant Accounting Policies cont'd

(r) 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 guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.5 Significant Accounting Estimates and Judgements

Key Sources of Estimation Uncertainty

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

(i) Engineering contracts

The Group recognises contract revenue by reference to the stage of completion of the contract activity at the end of each reporting period, when the outcome of an engineering contract can be estimated reliably. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that will affect the stage of completion. The estimates are made based on past experience and knowledge of the project engineers.

(ii) 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 2011 was RM5,214,000 (2010: RM5,222,000). More details are given in Note 15.

(iii) 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 2011 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.

(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 and charge 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 RM11,869,000 (2010: RM13,208,000) represents costs which are expected to be incurred.

Notes to the Financial Statements
31 January 2011
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

2.5 Significant Accounting Estimates and Judgements cont'd

Key Sources of Estimation Uncertainty cont'd

(v) 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 RM79,916,000 (2010: RM81,172,000) and the unrecognised tax losses, capital allowances, unutilised reinvestment allowances of the Group and of the company was RM127,298,000 (2010: RM107,578,000).

(vi) Assessment of allowance for doubtful receivables

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

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Company's loans and receivables at the end of the reporting period is disclosed in Note 20.

(vii) Property development

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

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

3. REVENUE

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Credit & charge cards operations, ticket sales, and resort operations	**175,331**	182,425	**-**	-
Sale of goods	**91,991**	106,544	**-**	-
Engineering contracts	**27,004**	19,256	**-**	-
Management services	**112**	101	**-**	-
Sale of properties	**103**	7,349	**-**	-
Management fees from subsidiaries	**-**	-	**1,253**	1,573
Dividend income from subsidiaries	**-**	-	**6,741**	7,651
	294,541	315,675	**7,994**	9,224

4. COST OF SALES

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Ticketing services' costs and resort operations' related costs	**25,579**	24,537	**-**	-
Cost of inventories sold	**62,424**	71,122	**-**	-
Property development costs (Note13(b))	**83**	3,554	**-**	-
Engineering contracts costs	**19,326**	12,064	**-**	-
	107,412	111,277	**-**	-

5. OTHER INCOME

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Airline incentives	**1,445**	1,875	**-**	-
Interest income	**3,248**	955	**281**	4
Sales of scrap	**1,565**	1,544	**-**	-
Electronic data capture terminal income	**2,307**	2,111	**-**	-
Net reversal of allowance for doubtful receivables - subsidiaries	**-**	-	**36,527**	1,056
Debt waiver	**1,286**	10,300	**-**	-
Reversal of quit rent over accrued	**711**	1,091	**-**	-
Government Grant from Job Credit Scheme	**77**	634	**-**	-
Legal settlement	**-**	620	**-**	-
Dividend income from investment securities	**382**	339	**-**	-
Visa application, hotel booking and airport transfer fees	**675**	748	**-**	-
Write back of impairment loss of long-term leasehold land	**22,955**	-	**-**	-
Gain on disposal of investment securities	**3,155**	5,515	**-**	81
Net fair value gains on investment securities	**177**	3,528	**-**	-
Compensation received	**2,808**	-	**-**	-
Miscellaneous	**1,509**	1,433	**-**	23
	42,300	30,693	**36,808**	1,164

Notes to the Financial Statements
31 January 2011
cont'd

6. FINANCE COSTS

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
Non-recourse investors' certificates and senior certificates	**32,573**	27,179	**-**	-
Bank borrowings	**8,195**	2,666	**-**	-
Hire purchase	**2,905**	139	**33**	26
Others	**1**	97	**(6)**	10
	43,674	30,081	**27**	36

7. PROFIT BEFORE TAX

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

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:				
- auditors of the Company	**205**	192	**46**	46
- other auditors	**838**	927	**-**	-
Asset Securitisation Program expenses	**12,944**	5,837	**-**	-
Loss on dissolution of subsidiary	**-**	-	**-**	2
Depreciation of property, plant and equipment (Note 12)	**8,284**	7,611	**337**	293
Loss/(gain) on disposal of property, plant and equipment	**12**	94	**-**	(58)
Property, plant and equipment written off (Note 12)	**729**	-	**-**	-
Amortisation of intangible assets (Note 15)	**515**	137	**-**	-
Impairment loss of investment in subsidiaries	**-**	-	**685**	-
Inventories written down	**48**	84	**-**	-
Reversal of inventories written down	**(398)**	(215)	**-**	-
Bad debts recovered	**(2,501)**	(2,873)	**-**	-
Allowance for doubtful receivables				
- subsidiaries	**-**	-	**2,604**	337
- trade and other receivables	**30,132**	26,678	**-**	-
Write back of allowance for doubtful receivables				
- trade receivables (Note 20)	**(11,423)**	-	**-**	-
- other receivables (Note 21)	**(1,008)**	(4,707)	**-**	-

7. PROFIT BEFORE TAX cont'd

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

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Provision for reward points (Note 27)	**6,742**	9,109	**-**	-
Net foreign exchange (gain)/loss:				
- realised	**(3,257)**	(847)	**11**	10
- unrealised	**7,200**	1,531	**-**	-
Operating lease payments for:				
- use of land and buildings	**12,648**	14,032	**499**	499
- use of office equipments	**602**	626	**11**	15
Employee benefits expense (Note 8)	**78,387**	77,592	**4,341**	3,084
Non-executive directors' remuneration (Note 9)	**270**	248	**169**	144

8. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	**65,154**	66,927	**4,007**	2,767
Social security contributions	**342**	208	**17**	15
Pension cost - defined contribution plans	**6,772**	6,834	**153**	134
Other staff related expenses	**6,119**	3,623	**164**	168
	78,387	77,592	**4,341**	3,084

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM3,300,000 (2010: RM3,708,000) and RM1,264,000 (2010: RM1,317,000) respectively as further disclosed in Note 9.

Notes to the Financial Statements
31 January 2011
cont'd

9. DIRECTORS' REMUNERATION

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	**1,879**	2,323	**1,264**	1,317
Pension cost	**-**	-	**-**	-
Benefits-in-kind	**110**	115	**110**	115
	1,989	2,438	**1,374**	1,432
Non-executive:				
Fees	**155**	144	**155**	144
Other emoluments	**14**	-	**14**	-
	169	144	**169**	144
	2,158	2,582	**1,543**	1,576
Directors of subsidiaries				
Executive:				
Salaries and other emoluments	**1,388**	1,344	**-**	-
Pension cost	**33**	41	**-**	-
	1,421	1,385	**-**	-
Non-executive:				
Fees	**101**	104	**-**	-
	1,522	1,489	**-**	-
Total	**3,680**	4,071	**1,543**	1,576
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind	**3,300**	3,708	**1,264**	1,317
Total non-executive directors' remuneration excluding benefits-in-kind	**270**	248	**169**	144
Total directors' remuneration excluding benefits-in-kind	**3,570**	3,956	**1,433**	1,461

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	
	2011	2010
Executive directors:		
RM800,001 - RM1,000,000	**1**	-
RM1,000,001 - RM1,200,000	**1**	1
RM1,200,001 - RM1,400,000	**-**	1
Non-executive directors:		
RM10,000 - RM100,000	**3**	3

10. INCOME TAX

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
Malaysian tax	**308**	258	**-**	-
Foreign tax	**3,820**	3,462	**-**	-
	4,128	3,720	**-**	-
(Over)/under provision in prior years	**(360)**	321	**-**	284
	3,768	4,041	**-**	284
Deferred tax (Note 30):				
Relating to origination and reversal of temporary differences	**2,010**	57	**-**	-
Relating to changes in tax rate	**-**	-	**-**	-
Overprovision in prior years	**(684)**	(468)	**-**	-
	1,326	(411)	**-**	-
Total income tax expense	**5,094**	3,630	**-**	284

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2010: 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
31 January 2011
cont'd

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	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Profit before tax	**8,572**	29,261	**35,099**	5,496
Tax at Malaysian statutory tax rate of 25% (2010: 25%)	**2,143**	7,315	**8,775**	1,374
Effect of different tax rates in foreign countries	**(82)**	110	**-**	-
Effect of changes in tax rates on opening balance of deferred tax	**-**	-	**-**	-
Effect of tax exemption	**(419)**	(218)	**-**	-
Effect of income not subject to tax	**(13,546)**	(9,939)	**(10,701)**	(2,085)
Effect of expenses not deductible for tax purposes	**12,434**	7,938	**933**	147
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**138**	(534)	**-**	-
Utilisation of previously unrecognised unutilised reinvestment allowances	**(47)**	(1,335)	**-**	-
Deferred tax recognised on unused tax losses	**-**	-	**(14)**	-
Deferred tax assets not recognised during the year	**4,839**	422	**1,007**	564
Overprovision of deferred tax in prior years	**(684)**	(468)	**-**	-
(Over)/under provision of tax expense in prior years	**(360)**	321	**-**	284
Withholding tax	**506**	-	**-**	-
Others	**172**	18	**-**	-
Income tax for the year	**5,094**	3,630	**-**	284

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, the Irredeemable Convertible Unsecured Loan Stocks ("ICULS") are included in the calculation of basic earnings per share as they are mandatorily convertible instruments.

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

	Group	
	2011	**2010**
	RM'000	**RM'000**
Profit attributable to ordinary equity holders of the parent including assumed conversion	**3,013**	25,085
Number of ordinary shares ('000) brought forward	**622,948**	557,465
Conversion of ICULS to ordinary shares ('000)	**-**	65,483
Number of ordinary shares ('000) carried forward	**622,948**	622,948
Effects of dilution: ICULS ('000)	**-**	-
Number of ordinary shares in issue and issuable	**622,948**	622,948
Basic/diluted earnings per share for:		
Profit for the year (sen)	**0.48**	4.03

12. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Freehold buildings RM'000	Long-term leasehold land RM'000	Long-term leasehold buildings RM'000	Long-term leasehold hotel properties RM'000	Plant and machinery RM'000	Furniture, equipment and vehicles RM'000	Total RM'000
At 31 January 2011								
Cost or valuation								
At 1 February 2010 (as previously stated)								
At cost	-	21,492	-	51,841	24,460	96,052	66,432	260,277
At valuation	30,850	-	-	-	-	-	-	30,850
Effect of adopting the amendments to FRS 117	-	-	6,925	1,212	1,117	-	-	9,254
At 1 February 2010 (as restated)	30,850	21,492	6,925	53,053	25,577	96,052	66,432	300,381
Transfer from land held for development	-	-	-	-	-	-	-	-
Additions	-	166	-	-	-	2,492	3,906	6,564
Disposals/written off	-	(108)	-	-	-	(3,312)	(1,740)	(5,160)
Transfer from land held for development	-	-	43,821	-	-	-	-	43,821
Revaluation surplus recognised in other comprehensive income	-	-	1,515	-	-	-	-	1,515
Exchange differences	-	-	-	(833)	-	(25)	(50)	(908)
At 31 January 2011	30,850	21,550	52,261	52,220	25,577	95,207	68,548	346,213
Representing:								
At cost	-	21,550	-	52,220	25,577	95,207	68,548	263,102
At valuation	30,850	-	52,261	-	-	-	-	83,111
At 31 January 2011	30,850	21,550	52,261	52,220	25,577	95,207	68,548	346,213

12. PROPERTY, PLANT AND EQUIPMENT cont'd

Group cont'd	Freehold land RM'000	Freehold buildings RM'000	Long-term leasehold land RM'000	Long-term leasehold buildings RM'000	Long-term leasehold hotel properties RM'000	Plant and machinery RM'000	Furniture, equipment and vehicles RM'000	Total RM'000
At 31 January 2011 cont'd								
Accumulated depreciation and impairment								
At 1 February 2010 (as previously stated)	-	4,955	-	10,264	2,213	47,301	56,320	121,053
Effect of adopting the amendments to FRS 117	-	-	5,883	72	64	-	-	6,019
At 1 February 2010 (as restated)	-	4,955	5,883	10,336	2,277	47,301	56,320	127,072
Depreciation charge for the year (Note 7)	-	432	208	1,147	496	3,282	2,719	8,284
Disposals/written off	-	(27)	-	-	-	(2,648)	(1,387)	(4,062)
Impairment losses transfer from land held for development	-	-	39,221	-	-	-	-	39,221
Reversal of impairment of long-term leasehold land recognised in profit or loss	-	-	(22,955)	-	-	-	-	(22,955)
Reversal of impairment of long-term leasehold land recognised in other comprehensive income (minority interest)	-	-	(3,400)	-	-	-	-	(3,400)
Exchange differences	-	-	-	(510)	-	(42)	76	(476)
At 31 January 2011	-	5,360	18,957	10,973	2,773	47,893	57,728	143,684
Net carrying amount								
At cost	-	16,190	-	41,247	22,804	47,314	10,820	138,375
At valuation	30,850	-	33,304	-	-	-	-	64,154
At 31 January 2011	30,850	16,190	33,304	41,247	22,804	47,314	10,820	202,529

Notes to the Financial Statements
31 January 2011
cont'd

12. PROPERTY, PLANT AND EQUIPMENT cont'd

Group cont'd	Freehold land RM'000	Freehold buildings RM'000	Long-term leasehold land RM'000	Long-term leasehold buildings RM'000	Long-term leasehold hotel properties RM'000	Plant and machinery RM'000	Furniture, equipment and vehicles RM'000	Total RM'000
At 31 January 2010								
Cost or valuation								
At 1 February 2009 (as previously stated)								
At cost	-	21,461	-	51,127	24,435	94,577	63,570	255,170
At valuation	30,850	-		-	-	-	-	30,850
Effect of adopting the amendments to FRS 117	-	-	6,925	1,212	1,117	-	-	9,254
At 1 February 2009 (as restated)	30,850	21,461	6,925	52,339	25,552	94,577	63,570	295,274
Additions	-	31	-	-	25	895	3,007	3,958
Disposals/written off	-	-	-	-	-	(438)	(1,261)	(1,699)
Exchange differences	-	-	-	714	-	1,018	1,116	2,848
At 31 January 2010	30,850	21,492	6,925	53,053	25,577	96,052	66,432	300,381
Representing:								
At cost	-	21,492	-	53,053	25,577	96,052	66,432	262,606
At valuation	30,850	-	6,925	-	-	-	-	37,775
At 31 January 2010	30,850	21,492	6,925	53,053	25,577	96,052	66,432	300,381

Notes to the Financial Statements

31 January 2011
cont'd

12. PROPERTY, PLANT AND EQUIPMENT cont'd

Group cont'd	Freehold land RM'000	Freehold buildings RM'000	Long-term leasehold land RM'000	Long-term leasehold buildings RM'000	Long-term leasehold hotel properties RM'000	Plant and machinery RM'000	Furniture, equipment and vehicles RM'000	Total RM'000
At 31 January 2010 cont'd								
Accumulated depreciation and impairment								
At 1 February 2009 (as previously stated)	-	4,526	-	9,391	1,730	43,204	54,316	113,167
Effect of adopting the amendments to FRS 117	-	-	5,870	57	51	-	-	5,978
At 1 February 2009 (as restated)	-	4,526	5,870	9,448	1,781	43,204	54,316	119,145
Depreciation charge for the year (Note 7)	-	429	13	771	496	3,330	2,572	7,611
Disposals/written off	-	-	-	-	-	(202)	(1,187)	(1,389)
Exchange differences	-	-	-	117	-	969	619	1,705
At 31 January 2010	-	4,955	5,883	10,336	2,277	47,301	56,320	127,072
Net carrying amount								
At cost	-	16,537	-	42,717	23,300	48,751	10,112	141,417
At valuation	30,850	-	1,042	-	-	-	-	31,892
At 31 January 2010	30,850	16,537	1,042	42,717	23,300	48,751	10,112	173,309

Notes to the Financial Statements
31 January 2011
cont'd

12. PROPERTY, PLANT AND EQUIPMENT cont'd

	Company	
	2011	2010
	RM'000	RM'000
Furniture, equipment and vehicles		
Cost		
At 1 February 2010/2009	**3,657**	3,201
Additions	**9**	938
Disposals	**(4)**	(482)
At 31 January 2011/2010	**3,662**	3,657
Accumulated depreciation		
At 1 February 2010/2009	**2,291**	2,480
Charge for the year (Note 7)	**337**	293
Disposals	**(4)**	(482)
At 31 January 2011/2010	**2,624**	2,291
Net carrying amount		
At 31 January 2011/2010	**1,038**	1,366

12. PROPERTY, PLANT AND EQUIPMENT cont'd

(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	
	2011	2010
	RM'000	RM'000
Freehold land	**10,979**	10,979
Long-term leasehold land	**5,629**	1,042
	16,608	12,021

(b) Assets Acquired Under Finance Lease

During the financial year, the Group and the Company acquired property, plant and equipment at aggregate costs of RM6,564,000 (2010: RM3,958,000) and RM9,000 (2010: RM938,000) respectively of which RM766,000 (2010: RM1,294,000) and RM Nil (2010: RM875,000) respectively were acquired by means of finance lease arrangements. The carrying value of property, plant and equipment held under finance lease arrangements were as follows:

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Furniture, equipment and vehicles	**3,181**	2,906	**940**	1,122

(c) Assets Pledged as Security

In addition to assets held under finance lease, the Group's property, plant and equipment with the following carrying values are pledged to financial institutions for banking facilities granted to the Group:

	Group	
	2011	2010
	RM'000	RM'000
Freehold land and buildings	**47,040**	47,387
Long-term leasehold buildings	**41,125**	42,518
Plant and machinery	**46,849**	48,509
	135,014	138,414

Notes to the Financial Statements
31 January 2011
cont'd

13. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land Held for Property Development

	Leasehold land RM'000	Development expenditure RM'000	Total RM'000
Group			
At 31 January 2011			
Cost			
At 1 February 2010	**32,528**	**17,666**	**50,194**
Additions	**-**	**26**	**26**
Transfer to property, plant and equipment (Note 12)	**(27,954)**	**(15,867)**	**(43,821)**
Transfer to property development costs (Note 13(b))	**(223)**	**(79)**	**(302)**
At 31 January 2011	**4,351**	**1,746**	**6,097**
Accumulated impairment losses			
At 1 February 2010	**26,355**	**12,866**	**39,221**
Transfer to property, plant and equipment (Note 12)	**(26,355)**	**(12,866)**	**(39,221)**
At 31 January 2011	**-**	**-**	**-**
Carrying amount as at 31 January 2011	**4,351**	**1,746**	**6,097**
At 31 January 2010			
Cost			
At 1 February 2009	32,528	17,635	50,163
Additions	-	31	31
At 31 January 2010	32,528	17,666	50,194
Accumulated impairment losses			
At 1 February 2009/At 31 January 2010	26,355	12,866	39,221
Carrying amount as at 31 January 2010	6,173	4,800	10,973

Leasehold land and development expenditure of RM Nil (2010: RM4,600,000) are pledged to a bank for a term loan granted to a subsidiary as disclosed in Note 29.

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

(b) Property Development Costs

	Leasehold land RM'000	Development expenditure RM'000	Total RM'000
Group			
At 31 January 2011			
Cumulative property development costs			
At 1 February 2010	**141**	**4,794**	**4,935**
Costs incurred during the year	**-**	**106**	**106**
Transfer from land held for property development (Note 13(a))	**223**	**79**	**302**
Reversal of completed projects	**(141)**	**(4,854)**	**(4,995)**
At 31 January 2011	**223**	**125**	**348**
Cumulative costs recognised in profit or loss			
At 1 February 2010	**141**	**4,771**	**4,912**
Recognised during the year (Note 4)	**-**	**83**	**83**
Reversal of completed projects	**(141)**	**(4,854)**	**(4,995)**
At 31 January 2011	**-**	**-**	**-**
Property development costs at 31 January 2011	**223**	**125**	**348**
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 profit or loss			
At 1 February 2009	-	1,358	1,358
Recognised during the year (Note 4)	141	3,413	3,554
At 31 January 2010	141	4,771	4,912
Property development costs at 31 January 2010	-	23	23

Notes to the Financial Statements
31 January 2011
cont'd

14. PREPAID LAND LEASE PAYMENTS

	Group 2011 RM'000	Group 2010 RM'000
Cost:		
At 1 February (as previously stated)	**9,254**	9,254
Effect of adopting the amendments to FRS 117	**(9,254)**	(9,254)
At 31 January (as restated)	**-**	-
Accumulated amortisation and impairment:		
At 1 February (as previously stated)	**6,019**	5,978
Amortisation for the year	**38**	41
Effect of adopting the amendments to FRS 117	**(6,057)**	(6,019)
At 31 January (as restated)	**-**	-
Net carrying amount	**-**	-

The adoption of the amendments to FRS 117 has resulted in certain unexpired land leases to be reclassified as finance lease. The Group has reassessed the lease classification and determined that the leasehold land of the Group is in substance a finance lease. The Group has applied this change in accounting policy retrospectively and the above prepaid land and lease payments has been reclassified as property, plant and equipment.

15. INTANGIBLE ASSETS

Group	Goodwill RM'000	Computer software RM'000	Total RM'000
Cost			
At 1 February 2010	5,222	8,426	13,648
Additions	-	898	898
Exchange differences	(8)	(79)	(87)
At 31 January 2011	5,214	9,245	14,459
Accumulated amortisation			
At 1 February 2010	-	(2,687)	(2,687)
Amortisation for the year (Note 7)	-	(515)	(515)
Exchange differences	-	10	10
At 31 January 2011	-	(3,192)	(3,192)
Net carrying amount			
At 31 January 2011	5,214	6,053	11,267

15. INTANGIBLE ASSETS cont'd

Group cont'd

	Goodwill RM'000	Computer software RM'000	Total RM'000
Cost			
At 1 February 2009	5,067	4,824	9,891
Additions	-	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 (Note 7)	-	(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

Assets Acquired Under Finance Lease

During the financial year, the Group acquired computer software at aggregate costs of RM898,000 (2010: RM2,514,000) of which RM275,000 (2010: RM2,286,000) 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 2011 is RM3,355,000 (2010: RM3,126,000).

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	
	2011 RM'000	2010 RM'000
Carrying amount of goodwill	**5,214**	5,222

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 11% and 5% respectively (2010: 12% and 4.8% respectively).

Notes to the Financial Statements
31 January 2011
cont'd

16. INVESTMENT IN SUBSIDIARIES

	Company 2011 RM'000	Company 2010 RM'000
Shares, at cost	**111,317**	111,317
Less: Accumulated Impairment losses	**(57,875)**	(57,190)
Carrying amount of investments	**53,442**	54,127

Subsidiaries	Principal activities	Effective equity interest 2011 %	Effective equity interest 2010 %
Incorporated in Malaysia			
(1) Johan Management Services Sdn Bhd	Provision of secretarial and management services	**100.00**	100.00
(1) Johan Land Sdn Bhd	Property development and investment holding	**100.00**	100.00
(1) Johan Properties Sdn Bhd	Property holding and investment	**100.00**	100.00
(1) Johan Pasifik Sdn Bhd	Investment holding	**100.00**	100.00
(1) Johan Capital Sdn Bhd	Investment holding and management services	**100.00**	100.00
(1) Johan Equities Sdn Bhd	Investment trading	**100.00**	100.00
(1) Diners Club (Malaysia) Sdn Bhd	Provision of charge card services under Diners Club Franchise	**100.00**	100.00
(1) Diners World Travel (Malaysia) Sdn Bhd	In-bound and out-bound tour and ticketing agent	**100.00**	100.00
(1) Prestige Ceramics Sdn Bhd	Manufacturing and marketing of ceramic tiles	**100.00**	100.00
(1) William Jacks & Company (Malaysia) Sendirian Berhad	Investment holding and trading of engineering and building material	**100.00**	100.00
(1) Nature's Farm (Health Foods) Sdn Bhd	Trading in health foods and supplements	**100.00**	100.00
(1) Vitamin World Sdn Bhd	Inactive	**100.00**	100.00
(1) Wismer Automation Sdn Bhd	Inactive	**96.68**	96.68
(1) Lumut Marine Resort Berhad	Operation and management of marine club	**70.00**	70.00
(1) Mustika Resort Sdn Bhd	Operation of hotel and resort related business	**85.00**	85.00
(1) Lumut Park Resort Sdn Bhd	Operation of hotel and resort related business	**80.00**	80.00
(1) JCC Equities Sdn Bhd	Management Services	**100.00**	100.00
(1) Jacks Edar Sdn Bhd	Inactive	**100.00**	100.00
(1) Johan Leasing Sdn Bhd	Inactive	**100.00**	100.00
(1) Johan Nominees (Tempatan) Sdn Bhd	Inactive	**100.00**	100.00

16. INVESTMENT IN SUBSIDIARIES cont'd

Subsidiaries	Principal activities	Effective equity interest 2011 %	2010 %
Incorporated in Malaysia cont'd			
(1) Johan Air Services Sdn Bhd	Inactive	**100.00**	100.00
(1) Johan Industries (Malaysia) Sdn Bhd	Inactive	**100.00**	100.00
(1) Strategic Usage Sdn Bhd	Investment holding	**100.00**	100.00
^^ Domayne Asset 2 Corporation Berhad	Provision of financing agreement between Diners Club (Malaysia) Sdn Bhd and institutional lenders	**-**	-
Incorporated in Singapore			
(2) Johan Investment Private Limited	Investment holding	**100.00**	100.00
(2) Diners Club (Singapore) Private Limited	Provision of charge card and credit card services under Diners Club franchise	**100.00**	100.00
(2) Johan Air Services Pte Ltd	Inactive	**100.00**	100.00
(2) Diners World Travel Pte Ltd	In-bound and out-bound tour and ticketing agent	**100.00**	100.00
(2) Diners World Holdings Pte Ltd	Investment holding	**100.00**	100.00
(2) Diners Publishing Private Limited	Inactive	**100.00**	100.00
(2) Lifestyle Collection (S) Pte Ltd	Merchandiser	**100.00**	100.00
(1) George Kent (Singapore) Pte Limited	Trading in engineering products	**100.00**	100.00
# (2) Jacks International Limited	Investment holding	**86.75**	86.75
(2) William Jacks & Co (Singapore) Pte Ltd	Trading in health foods and supplements	**86.75**	86.75
(2) Nature's Farm Pte Ltd	Trading in health foods and supplements	**86.75**	86.75
(2) Nature's Farm (Shanghai) Co Ltd	Trading in health foods and supplements	**86.75**	86.75
(2) Kent Precision Engineering Pte Ltd	Inactive	**100.00**	100.00
(2) Nutra-Source Pte Ltd	Trading in health foods and supplements	**86.75**	86.75
(2) 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
+ Worldwide Victory Limited	Investment holding	**100.00**	100.00

Notes to the Financial Statements
31 January 2011
cont'd

16. INVESTMENT IN SUBSIDIARIES cont'd

	Subsidiaries	Principal activities	Effective equity interest 2011 %	2010 %
	Incorporated in Netherlands			
*	Abacus Pacific N.V.	Investment holding	**100.00**	100.00
*	Fidelity Capital B.V.	Investment holding	**100.00**	100.00
	Incorporated in Australia			
(2)	William Jacks (Australia) Pty Ltd	Property and investment holding	**86.75**	86.75
(2)	Skinner Engineering Pty Ltd	Engineering	**86.75**	86.75
	Incorporated in Bahamas			
(2)	Jacks Overseas Limited	Investment holding and management	**86.75**	86.75
	Incorporated in Republic of Liberia			
/	Sudlow Services Inc	Management	**-**	100.00
	Incorporated in British Virgin Islands			
+	Capital Prime Ltd	Investment holding	**100.00**	100.00
	Incorporated in Brunei			
(2)	William Jacks & Co (Borneo) Sdn Bhd	Inactive	**86.75**	86.75
	Incorporated In New Zealand			
(2)	DCNZ Holdings Limited	Investment holding	**100.00**	100.00
(2)	Diners Club (New Zealand) Ltd	Provision of charge card services under Diners Club franchise	**100.00**	100.00
^^	Perpetual Trust Limited	Provision of financing agreement between Diners Club NZ Limited and institutional lenders	**-**	-

(1) *Audited by Ernst & Young, Malaysia*
(2) *Audited by member firms of Ernst & Young Global in the respective countries*
Quoted on the Singapore Exchange Securities Trading Limited
+ *Audited by a firm other than Ernst & Young*
* *Not required to present audited financial statements under the laws of its country of incorporation*
/ *Deregistered during the year*
^^ *Although the Group does not hold shares in these special purpose entities ("SPE"), they are considered as subsidiaries as the activities of the 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 SPE.*

17. AMOUNTS OWING BY SUBSIDIARIES

	Company 2011 RM'000	Company 2010 RM'000
Amounts owing by subsidiaries	**304,528**	305,776
Less: Allowance for doubtful receivables	**(100,125)**	(134,048)
	204,403	171,728

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

Movement in allowance accounts:

	Company 2011 RM'000
At 1 February	**134,048**
Reversal of impairment losses	**(36,527)**
Allowance for doubtful receivables	**2,604**
At 31 January	**100,125**

18. INVESTMENT SECURITIES

	Group 2011 RM'000 Carrying amount	Group 2011 RM'000 Market value of quoted investments	Group 2010 RM'000 Carrying amount	Group 2010 RM'000 Market value of quoted investments
Current :				
Fair value through profit or loss				
Held for trading investments				
- Equity instruments (quoted in Malaysia)	**12,208**	**12,208**	8,159	8,159
- Equity instruments (quoted outside Malaysia)	**3,614**	**3,614**	11,707	11,707
Total current investment securities	**15,822**		19,866	
Non-current:				
Available-for-sale financial assets				
- Equity instruments (quoted outside Malaysia)	**62**	**50**	63	50
- Equity instruments (unquoted), at cost	**7**	*	7	*
	69		70	
Total investment securities	**15,891**		19,936	

* *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.*

Notes to the Financial Statements
31 January 2011
cont'd

18. INVESTMENT SECURITIES cont'd

Investments pledged as security

The Group's investment in equity instruments amounting to RM5,716,200 (2010: nil) has been pledged as security for a short term bank loan (Note 29).

19. INVENTORIES

	Group	
	2011	2010
	RM'000	RM'000
Costs		
Raw materials and components	**7,153**	8,488
Work-in-progress	**231**	144
Contract work-in-progress (Note a)	**58**	77
Finished goods	**22,867**	16,130
	30,309	24,839
Net realisable value		
Finished goods	**1,690**	778
	31,999	25,617

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM81,750,000 (2010: RM83,186,000). The reversal of write-down of inventories was made during the year when the related inventories were sold above their carrying amounts (Note 7).

(a) Gross Amount Due From/(To) Customers for Contract Work

	Group	
	2011	2010
	RM'000	RM'000
Aggregate amount of costs incurred to date	**44**	826
Attributable profits	**14**	55
	58	881
Less: Progress billings	**-**	(804)
	58	77

20. TRADE RECEIVABLES

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Trade receivables				
Securitised trade receivables (Note 20(a),(b),(c))	**464,672**	470,961	**-**	-
Non-securitised trade receivables	**267,333**	274,871	**-**	-
	732,005	745,832	**-**	-
Less: Allowance for individual impairment	**(14,462)**	(14,155)	**-**	-
Less: Allowance for collective impairment	**(157,359)**	(146,253)	**-**	-
	(171,821)	(160,408)	**-**	-
Trade receivables, net	**560,184**	585,424	**-**	-
Add: Other receivables (Note 21)	**42,698**	42,003	**550**	392
Add: Amounts owing by subsidiaries (Note 17)	**-**	-	**204,403**	171,728
Add: Cash and bank balances (Note 22)	**140,410**	125,286	**2,557**	2,870
Total loans and receivables	**743,292**	752,713	**207,510**	174,990

Trade receivables are non-interest bearing and are generally on 30 to 90 days terms (2010: 30 to 90 days). 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(a).

Ageing analysis of trade receivables

The Group's trade receivables include balances amounting to RM122,159,000 that are past due at the reporting date but not individually impaired. These receivables are unsecured and the analysis of their aging at the reporting date is as follow:

	Group
	2011
	RM'000
Trade receivables that are past due but not individually impaired:	
- 1 to 30 days	**47,102**
- 31 to 60 days	**8,694**
- 61 to 90 days	**3,699**
- More than 91 days	**62,664**
	122,159

Included in trade receivables past due but not individually impaired are a total of RM114,371,000 arising from charge and credit card receivables.

Notes to the Financial Statements
31 January 2011
cont'd

20. TRADE RECEIVABLES cont'd

Trade receivables that are impaired

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

	Individually Impaired	
	Group	Company
	2011	2011
	RM'000	RM'000
Trade receivables - nominal amounts	15,151	-
Less: Allowance for individual impairment	(14,462)	-
	689	-

Movement in allowance accounts for individual and collective impairment:

	Group
	2011
	RM'000
At 1 February	160,408
Charge for the year (Note 7)	30,132
Write-back for the year	(11,423)
Bad debts written off	(4,773)
Exchange differences	(2,523)
At 31 January	171,821

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

(a) Singapore

On 9 September 2010, Diners Club (Singapore) Private Limited ("DCS") renewed its Asset Securitisation Program (the "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 S$223.0 million (RM528.5 million) over a 18-month period through the securitisation of its credit and charge card receivables which meet pre-determined criteria ("eligible trade receivables").

In CCAPC, a trust is declared over the eligible trade receivables sold by DCS. The ownership of the trust assets is held through six certificates of beneficial interest, namely Class A certificates, Class B certificates, Class C certificates, Class D certificates, Class D2 certificates and Seller certificates, Class D2 certificate and Seller certificate are the two certificates representing DCS' interest in the trust assets. Neither DCS nor any other entities within the Group is obliged to support any losses suffered by the investors.

20. TRADE RECEIVABLES cont'd

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

(a) Singapore cont'd

During the period of the program, the eligible trade receivables outstanding as at the 9th working day before the sixth of each month (referred to as "calculation date") will be sold to CCAPC subject to the receivable purchase agreement. The collections from the securitised trade receivables, received by DCS in trust for CCAPC, between two settlement dates (6th calendar day of two consecutive months) will be utilised as follows:

(i) a percentage of 15% of the collections up to the Target Interest Collection will be used by CCAPC to meet the financing costs, administrative expenses and other costs incurred relating to the program. Any excess will be paid by CCAPC to DCS on the next settlement date; and

(ii) the balances of the collections will be advanced by CCAPC to DCS on a daily basis for the purchase of new receivables at the next calculation date.

The Securitised Trade Receivables have not been derecognised as DCS retains the rights and obligations over the Securitised Trade Receivables sold.

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

(b) New Zealand

In December 2010, Diners Club (NZ) Limited ("DCNZ") entered into a new arrangement for its Asset Securitisation Programme (the "Programme") involving the revolving sale of its charge and credit card receivables ("Card receivables") to Perpetual Trust Limited, in its capacity as the trustees of Craigieburn Trust (the "Trust"), a special purpose entity set up for the purpose to raise funds of up to NZ$60.6 million (RM142.2 million) over a three year period.

The Trust has two beneficiaries: DCNZ is the income beneficiary of the Trust and Development Bank of Singapore ("DBS") is the capital beneficiary of the Trust. As income beneficiary, DCNZ is entitled to receive distributions from the Trust as per the Trust Deed. The capital beneficiary has the right to receive only any residual sums remaining in the Trust on its termination and after effecting certain distributions. The securitised card receivables continue to be recognised in DCNZ's financial statements as the company retains substantially all of the risks and rewards over the securitised card receivables sold.

During the period of the Programme, eligible Card receivables outstanding as at the last working day of the end of the month (referred to as "Calculation date") will be sold to the Trust subject to the receivable purchase agreement. Between two consecutive transaction dates, the collections from securitised Card receivables will be utilised as follows:

(i) 7% to 9% of the collection will be used by the Trust to meet the financing costs, administrative expenses and audit fees incurred relating to the Programme. Any excess will be paid back to DCNZ on a monthly basis on the 16th calendar day of the following month or the next working day where the 16th is a non working day.

(ii) the balances of the collections are held by the Trust to acquire new eligible Card 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 29 April 2010, Diners Club (Malaysia) Sdn. Bhd. ("DCM") redeemed it's Asset Securitisation Programme (the "Programme") which was used to raise funds of up to RM132.0 million with Domayne Asset Corporation Berhad ("DACB"), a special purpose entity set up for the Programme and private institution lenders through the securitisation of DCM's charge card receivables ("eligible trade receivables").

20. TRADE RECEIVABLES cont'd

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

(c) Malaysia cont'd

On 1 April 2010, DCM entered into new agreements ("Agreements") with private institution lenders for a new asset securitisation programme (the "new Programme") to raise funds of up to RM150.0 million over a 4.25 year period with Domayne Asset 2 Corporation Berhad ("DA2CB"), a special purpose entity set up for this purpose and private institution lenders through the securitisation of DCM's charge card and credit card receivables which are eligible for the new Programme ("eligible trade receivables"). The new Programme will be expiring on 10 July 2014.

In DA2CB, a trust is declared over the eligible trade receivables sold by DCM to DA2CB ("Securitised Trade Receivables") and all other assets of DA2CB. 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 being retained by DCM. Neither DCM nor any other entities in the Group is obliged to support any losses suffered by the investors.

DCM receives on behalf of DA2CB collections from the Securitised Trade Receivables sold by DCM. The collections are placed in designated trust accounts in DA2CB and are utilised as follows:

(i) 7% of the collections will be placed in a designated trust account in DA2CB and will be used by DA2CB to meet Programme-related expenses including Senior Certificate interest, administrative expenses and other costs as stated in the Agreements. Any excess will be paid by DA2CB to DCM on the next settlement date as variable interest on the Subordinated Certificates. The settlement dates are on the 10th calendar day of each month; and

(ii) 93% of the collections will be placed in a designated trust account in DA2CB ("Principal Collections Account") and will be advanced by DA2CB to DCM on a daily basis for the purchase of new eligible trade receivables by DA2CB from DCM.

During the period of the Programme, 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 DA2CB pursuant to terms of the Agreements. Collections from Securitised Trade Receivables sold at the previous Calculation Date will be advanced on a daily basis to DCM for the purchase by DA2CB of new eligible trade receivables before they are identified as Securitised Trade Receivables at the next Calculation Date. The amount of eligible trade receivables purchased on a daily basis shall be equal to the balance in the Principal Collections Account ("Daily Cash Amount") on each day divided by 93%. The purchase price is the Daily Cash Amount, which is 93% of the face value of the eligible trade receivables purchased. The balances advanced on a daily basis is subject to eligible trade receivables balances available.

The Securitised Trade Receivables are secured to obtain the funding from investors disclosed as Senior Certificates in Note 28. Collections from these Securitised Trade Receivables are restricted for utilisation as described in the two preceding paragraphs.

The Securitised Trade Receivables have not been derecognised in DCM as DCM retains certain rights and obligations over the Securitised Trade Receivables sold.

Pursuant to the terms of the Programme, 1% of the proceeds from the issuance of Senior Certificates is retained in a designated trust account in DA2CB and will be returned to DCM upon termination of the Programme, subject to the terms of the Programme.

21. OTHER RECEIVABLES

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Other receivables	**109,225**	109,698	**178**	180
Tax credits	**372**	212	**372**	212
	109,597	109,910	**550**	392
Less: Allowance for doubtful receivables	**(66,899)**	(67,907)	**-**	-
	42,698	42,003	**550**	392

Included in other receivables is a net amount owing from a foreign debtor of RM5,700,000 (2010: RM4,700,000), after the allowance for doubtful receivables of RM66,849,000 (2010: RM67,849,000).

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

Ageing analysis of other receivables

The ageing analysis of the Group's and the Company's other receivables is as follows:

	Group	Company
	2011	2011
	RM'000	RM'000
Neither past due nor impaired	**36,998**	**550**
Impaired	**72,599**	**-**
	109,597	**550**

Other Receivables that are impaired

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

	Group
	2011
	RM'000
Other receivables - nominal amounts	**72,599**
Less: Allowance for impairment	**(66,899)**
	5,700

Movement in allowance accounts:

	Group
	2011
	RM'000
At 1 February	**67,907**
Reversal of impairment losses (Note 7)	**(1,008)**
At 31 January	**66,899**

Notes to the Financial Statements
31 January 2011
cont'd

22. CASH AND BANK BALANCES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deposits with licensed banks	**18,441**	18,889	**2,350**	2,600
Cash on hand and at banks	**121,969**	106,397	**207**	270
	140,410	125,286	**2,557**	2,870

Fixed deposits amounting to RM4,486,000 (2010: RM4,470,000) are pledged with financial institutions for banking facilities extended to the subsidiaries as disclosed in Note 29.

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 RM53,491,000 (2010: RM53,775,000) 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:

	← Group/Company →			
	2011		2010	
	Effective interest rates (%)	Maturities days	Effective interest rates (%)	Maturities days
Licensed banks	**0.25 - 16.13**	**1 - 365**	0.25 - 10.50	1 - 365
Licensed finance companies	**2.44**	**365**	1.97	365

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash and bank balances	**140,410**	125,286	**2,557**	2,870
Bank overdrafts (Note 29)	**(69,819)**	(39,289)	**-**	-
Total cash and cash equivalents	**70,591**	85,997	**2,557**	2,870

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:

		Number of share options		
	Exercise price	1.2.2010	Lapsed	31.1.2011
	RM '000	RM '000	RM '000	RM '000
Exercise period				
31 October 2003 to 31 October 2013	0.50	1,541	125	**1,416**

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

Notes to the Financial Statements
31 January 2011
cont'd

24. TRADE PAYABLES

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Trade payables	**86,824**	87,167	**-**	-
Add: Other payables (Note 25)	**74,857**	66,137	**430**	744
Add: Amounts owing to subsidiaries (Note 26)	**-**	-	**33,882**	36,943
Add: Loans and borrowings (Note 29)	**200,166**	107,034	**760**	977
Total financial liabilities carried at amortised cost	**361,847**	260,338	**35,072**	38,664

The normal credit terms granted to the Group range from 30 days to 120 days (2010: 15 days to 120 days).

Other information on financial risks are disclosed in Note 38.

25. OTHER PAYABLES

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Other payables and accruals	**74,857**	66,137	**430**	744

Other information on financial risks are disclosed in Note 38.

26. AMOUNTS 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	
	2011	2010
	RM'000	RM'000
At 1 February	**13,208**	13,421
Recognised in profit or loss (Note 7)	**6,742**	9,109
Utilisation	**(7,954)**	(11,403)
Exchange differences	**(127)**	2,081
At 31 January	**11,869**	13,208

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 5.33% to 7.75% (2010: 3.77% to 10.41%) 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 9.20% (2010: 8.75%).

29. LOANS AND BORROWINGS

		Group		Company	
		2011	2010	2011	2010
	Maturity	RM'000	RM'000	RM'000	RM'000
Current					
Secured:					
Bank overdrafts	On demand	**66,989**	37,590	**-**	-
Revolving credits and short term loans	2011	**23,092**	18,909	**-**	-
Trust receipts and bankers' acceptance	2011	**7,052**	7,256	**-**	-
Term loans	2012	**11,102**	6,249	**-**	-
Obligation under finance lease (Note 35(c))	2011	**1,572**	1,665	**211**	218
		109,807	71,669	**211**	218
Unsecured:					
Bank overdrafts		**2,830**	1,699	**-**	-
Revolving credits		**21,460**	13,102	**-**	-
		24,290	14,801	**-**	-
		134,097	86,470	**211**	218
Non-current					
Secured:					
Obligation under finance lease (Note 35(c))		**2,636**	3,477	**549**	759
Term loans		**63,433**	17,087	**-**	-
		66,069	20,564	**549**	759
Total loans and borrowings		**200,166**	107,034	**760**	977
Total loans and borrowings					
Bank overdrafts (Note 22)		**69,819**	39,289	**-**	-
Revolving credits and short term loans		**44,552**	32,011	**-**	-
Trust receipts and bankers' acceptance		**7,052**	7,256	**-**	-
Term loans		**74,535**	23,336	**-**	-
Obligation under finance lease (Note 35(c))		**4,208**	5,142	**760**	977
		200,166	107,034	**760**	977

29. LOANS AND BORROWINGS cont'd

The remaining maturities of the loans and borrowings as at 31 January 2011 are as follows:

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
On demand or within one year	**134,097**	86,470	**211**	218
More than 1 year and less than 2 years	**64,011**	9,814	**199**	211
More than 2 years and less than 5 years	**1,046**	9,668	**331**	477
5 years or more	**1,012**	1,082	**19**	71
	200,166	107,034	**760**	977

The weighted average of interest rates per annum for borrowings at the end of the financial year excluding hire purchase payables, were as follows:

	Group		Company	
	2011	2010	2011	2010
	%	%	%	%
Bank overdrafts	**6.93**	6.80	**-**	-
Revolving credits and short term loans	**6.31**	5.31	**-**	-
Trust receipts and bankers' acceptance	**5.14**	5.18	**-**	-
Term loans	**6.68**	4.14	**-**	-
Obligation under finance lease	**6.64**	6.68	**3.62**	3.62
Senior certificates	**9.20**	8.75	**-**	-
Investors certificates	**6.54**	7.09	**-**	-

The secured term loans of the Group are secured by charges over certain freehold land and buildings, leasehold buildings, plant and machinery, land held for property development, development expenditure, investment securities and fixed deposits as disclosed in Note 12(c), Note 13(a), Note 18 and Note 22 respectively.

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

30. DEFERRED TAX

	Group	
	2011	2010
	RM'000	RM'000
At 1 February	**(10,195)**	(8,884)
Recognised in profit or loss (Note 10)	**1,326**	(411)
Exchange differences	**74**	(900)
At 31 January	**(8,795)**	(10,195)
Presented after appropriate offsetting as follows:		
Deferred tax assets	**(11,085)**	(11,790)
Deferred tax liabilities	**2,290**	1,595
	(8,795)	(10,195)

30. DEFERRED TAX cont'd

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 2010	**10,350**	**931**	**3,377**	**14,658**
Recognised in profit or loss	**(517)**	**(50)**	**97**	**(470)**
Exchange differences	**(9)**	**(20)**	**(65)**	**(94)**
At 31 January 2011	**9,824**	**861**	**3,409**	**14,094**
At 1 February 2009	10,654	1,486	-	12,140
Reclassification	45	(466)	2,847	2,426
Recognised in profit or loss	(369)	(106)	421	(54)
Exchange differences	20	17	109	146
At 31 January 2010	10,350	931	3,377	14,658

Deferred tax assets of the Group:

	Unused tax losses, unabsorbed capital allowances and unutilised reinvestment allowances RM'000	Provision for liabilities RM'000	Receivables	Total RM'000
At 1 February 2010	**(20,293)**	**(3,059)**	**(1,501)**	**(24,853)**
Recognised in profit or loss	**277**	**577**	**996**	**1,850**
Exchange differences	**37**	**43**	**34**	**114**
At 31 January 2011	**(19,979)**	**(2,439)**	**(471)**	**(22,889)**
At 1 February 2009	(18,495)	(1,625)	(904)	(21,024)
Reclassification	-	(2,731)	305	(2,426)
Recognised in profit or loss	(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)

Notes to the Financial Statements
31 January 2011
cont'd

30. DEFERRED TAX cont'd

Deferred tax assets have not been recognised as follows:

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Unused tax losses	**82,716**	77,752	**15,709**	11,737
Unabsorbed capital allowances	**1,934**	-	**-**	-
Unutilised reinvestment allowances	**29,825**	29,826	**-**	-
Other deductible temporary differences	**12,823**	-	**-**	-
	127,298	107,578	**15,709**	11,737

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.

31. SHARE CAPITAL

	Group/Company			
	Number of ordinary shares of RM0.50 each		Amount	
	2011	2010	2011	2010
	'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 2010/2009	**622,948**	557,465	**311,474**	278,733
Arising from conversion of ICULS	**-**	65,483	**-**	32,741
At 31 January	**622,948**	622,948	**311,474**	311,474

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

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

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

	Group/Company			
	Number of ICULS with nominal value of RM0.50 each		Amount	
	2011	2010	2011	2010
	'000	'000	RM'000	RM'000
At 1 February 2010/2009	-	65,483	-	32,741
Arising from conversion of ICULS	-	(65,483)	-	(32,741)
At 31 January	-	-	-	-

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.

(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

In prior year, the Company has converted the entire ICULS of RM0.50 each into ordinary shares of RM0.50 each, detailed as follows:

(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.

Notes to the Financial Statements
31 January 2011
cont'd

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

(g) Conversion of ICULS into Ordinary Shares cont'd

(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.

33. OTHER RESERVES

(a) Share Premium

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

(b) Exchange Reserve

Exchange reserve represents exchange difference 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 part of the Group's investment in foreign operations.

(c) Revaluation Reserve

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

34. RELATED PARTY DISCLOSURES

(a) Sales and Purchase of Goods and Services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Company	
	2011	2010
	RM'000	RM'000
Transactions with subsidiaries		
- dividend income	**6,741**	7,651
- management fees	**1,253**	1,573

34. RELATED PARTY DISCLOSURES cont'd

(a) Sales and Purchase of Goods and Services cont'd

	Group 2011 RM'000	Group 2010 RM'000
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	**321**	292
- Sales of tiles	**414**	1
- Recovery of share registration charges	**79**	81

(b) Compensation of Key Management Personnel

	Group 2011 RM'000	Group 2010 RM'000
Directors' fees		
- Directors of the Company	**155**	144
- Directors of the subsidiaries	**101**	104
Short-term employee benefits	**5,217**	6,122
Pension benefits	**142**	178
Total compensation paid to key management personnel	**5,615**	6,548
Comprise amounts paid to:		
Directors of the Company (excluding benefits-in-kind)	**2,048**	2,467
Directors of the subsidiaries	**1,522**	1,489
Other key management personnel	**2,045**	2,592
	5,615	6,548

35. COMMITMENTS

(a) Capital Commitments

Capital expenditure as at the reporting date is as follows:

	Group 2011 RM'000	Group 2010 RM'000
Capital expenditure		
Approved and contracted for:Property, plant and equipment	**4,448**	461

Notes to the Financial Statements

31 January 2011

cont'd

35. COMMITMENTS cont'd

(b) Operating Lease Commitments - As Lessee

The Group has entered into commercial property leases for the use of land and buildings and office equipments. 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.

Operating lease payments recognised as an expense in the consolidated statement of comprehensive income during the year amounted to RM12,648,000 (2010: RM14,032,000).

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

	Group	
	2011	**2010**
	RM'000	**RM'000**
Not later than one year	**13,618**	12,867
Later than one year and not later than five years	**10,225**	10,388
	23,843	23,255

(c) Finance Lease Commitments

The Group has finance leases for certain items of its motor vehicles, plant and equipment and furniture and fixtures (Note 12). These leases do not have terms of renewal, but have purchase options at nominal values at the end of the lease term.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Minimum lease payments:				
Not later than 1 year	**1,776**	1,898	**243**	251
Later than 1 year but notlater than 5 years	**2,957**	3,831	**621**	799
Later than 5 years	**29**	93	**22**	86
Total minimum lease payments	**4,762**	5,822	**886**	1,136
Less : Amounts representing finance charges	**(554)**	(680)	**(126)**	(159)
Present value of minimum lease payments	**4,208**	5,142	**760**	977
Present value of payments :				
Not later than 1 year	**1,572**	1,665	**211**	218
Later than 1 year but not later than 5 years	**2,536**	3,394	**530**	688
Later than 5 years	**100**	83	**19**	71
Present value of minimum lease payments (Note 29)	**4,208**	5,142	**760**	977
Less : Amount due within 12 months (Note 29)	**(1,572)**	(1,665)	**(211)**	(218)
Amount due after 12 months (Note 29)	**2,636**	3,477	**549**	759

36. CONTINGENCIES

(a) Contingent Liabilities

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Unsecured				
Corporate guarantee given to banks for credit facilities granted to subsidiaries	**-**	-	**33,777**	-
Guarantee given in favour of a third party through a subsidiary	**105**	105	-	-

(b) Contingent Assets

A subsidiary, Johan Properties Sdn Bhd ("JPSB") had on 25 July 1996 filed a suit against five Defendants for return of a deposit sum of RM1.7 million, special and general damages, interest and costs ("Claims") for wrongful repudiation or breach of a contract in relation to a property held under Lot 289, Section 57, Bandar Kuala Lumpur. On 2 June 2003, the High Court dismissed JPSB's suit and the Defendants' counter claim. On 21 July 2010, the Court of Appeal had allowed JPSB's appeal against the High Court decision on 2 June 2003. The Defendants' application for leave to appeal to the Federal Court was dismissed on 4 April 2011. The Claims, which have been quantified will now have to be assessed by the High Court. The Directors are of the opinion that this claim by JPSB is probable to be recovered in full in the near future.

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Fair Value of Financial Instruments by Classes That Are Not Carried at Fair Value and Whose Carrying Amounts Are Not Reasonable Approximation of Fair Value

	2011		2010	
	RM'000		RM'000	
	Carrying amount	Fair value	Carrying amount	Fair value
Group				
Financial liabilities:				
Fixed rate term loan, secured	**7,780**	**7,914**	1,125	1,012
Finance lease obligations	**2,636**	**2,920**	3,477	3,320
Company				
Financial liabilities:				
Finance lease obligations	**549**	**513**	759	709

Notes to the Financial Statements
31 January 2011
cont'd

37. FAIR VALUE OF FINANCIAL INSTRUMENTS cont'd

(b) Financial Instruments That Are Not Carried at Fair Value and Whose Carrying Amounts Are Reasonable Approximation of Fair Value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade receivables	20
Other receivables	21
Trade payables	24
Other payables	25
Loans and borrowings	29

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders while minimising the potential adverse effects on the performance of the Group.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the general managers of the respective operating units. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

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

(a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES cont'd

(a) Credit Risk cont'd

The Group control their credit risk by the application of credit approval limits and monitoring procedures. Credit evaluation are performed on customers requiring credit over a certain amount. Trade receivables are monitored on an on-going basis.

Exposure to Credit Risk

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

Credit Risk Concentration Profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group 2011 RM'000	% of total
By country:		
Singapore	439,182	78%
Australia	3,247	1%
New Zealand	54,444	10%
Malaysia & others	63,311	11%
	560,184	100%
By segment:		
Engineering & building materials	12,442	2%
General trading	1,000	0%
Credit & charge cards business and hospitality	546,722	98%
Investment holding and secretarial services	20	0%
	560,184	100%

Financial Assets That Are Neither Past Due Nor Impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 20 and Note 21. Deposits with banks and other financial institutions and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial Assets That Are Either Past Due Or Impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 20 and Note 21.

Notes to the Financial Statements
31 January 2011
cont'd

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES cont'd

(b) Liquidity Risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

At the reporting date, approximately 67% (2010: 81%) and 28% (2010: 22%) of the Group's and the Company's loans and borrowings (Note 29) respectively will mature in less than one year based on the carrying amounts reflected in the financial statements.

Analysis of Financial Instruments by Remaining Contractual Maturities

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

	Group 2011 RM'000			
	On demand or within one year	One to five years	Over five years	Total
Group				
Financial liabilities:				
Trade and other payables	161,681	-	-	161,681
Investor certificates	392,780	-	-	392,780
Senior certificates	-	30,500	-	30,500
Loans and borrowings	134,097	65,057	1,012	200,166
Total undiscounted financial liabilities	688,558	95,557	1,012	785,127
Company				
Financial liabilities:				
Trade and other payables	430	-	-	430
Loans and borrowings	211	530	19	760
Total undiscounted financial liabilities	641	530	19	1,190

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings.

Sensitivity Analysis for Interest Rate Risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM434,000 lower/higher, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings and higher/lower interest income from floating rate deposit. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES cont'd

(d) Foreign Currency Risk

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

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily RM, Singapore Dollar ("SGD"), Australian Dollar ("AUD") and New Zealand Dollar ("NZD").

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

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Singapore, Australia, New Zealand and Hong Kong.

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

Sensitivity Analysis for Foreign Currency Risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the SGD and USD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Group 2011 RM'000 Profit net of tax	Group 2011 RM'000 Equity
SGD/RM	- strengthened 5%	+4,616	+7,754
	- weakened 5%	-4,616	-7,754
USD/RM	- strengthened 5%	+906	+625
	- weakened 5%	-906	-625

(e) Market Price Risk

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

The Group is exposed to equity price risk arising from its investments in quoted equity instruments in Malaysia, Singapore, Indonesia, Thailand & Hong Kong stock exchanges. These instruments are mainly classified as fair value through profit or loss. The Group does not have exposure to commodity price risk.

Sensitivity Analysis for Equity Price Risk

At the reporting date, if the share price had been 5% (2010: 5%) higher/lower with all other variables held constant, the Group's profit net of tax would have been RM593,000 higher/lower (2010: RM745,000), arising as a result of higher/lower fair value gains on its investments in quoted equity instruments.

Notes to the Financial Statements
31 January 2011
cont'd

39. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 January 2010 and 31 January 2011.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, trade and other payables, funding from non-recourse investors' certificates and senior certificates, less cash and cash equivalents. Capital includes equity attributable to the equity holders of the parent.

		Group	
	Note	2011	2010
		RM'000	RM'000
Loans and borrowings	29	**200,166**	107,034
Trade and other payables	24, 25	**161,681**	153,304
Funding from non-recourse investors' certificates and senior certificates	28	**423,280**	508,745
Less: Cash and bank balances	22	**(140,410)**	(125,286)
Net debt		**644,717**	643,797
Equity attributable to the owners of the parent		**214,730**	214,434
Capital and net debt		**859,447**	858,231
Gearing ratio		**75%**	75%

40. SEGMENT INFORMATION

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

(i) Engineering & building materials
(ii) General trading
(iii) Property
(iv) Credit & charge cards business and hospitality
(v) Investment holding & secretarial services

Except as indicated above, no operating segments have been aggregated to form the above reportable operations segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

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

Notes to the Financial Statements
31 January 2011
cont'd

40. SEGMENT INFORMATION cont'd

	Engineering & building materials		General trading		Property		Credit & charge cards business and hospitality		Investment holding & secretarial services		Elimination		Notes	Per consolidated financial statements	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010		2011	2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
Revenue															
External customers	**72,719**	77,039	**46,276**	48,761	**103**	7,349	**175,331**	182,425	**112**	101	**-**	-		**294,541**	315,675
Inter-segment	**-**	-	**14,375**	13,777	**-**	-	**-**	-	**124**	128	**(14,499)**	(13,905)	A	**-**	-
Total revenue	**72,719**	77,039	**60,651**	62,538	**103**	7,349	**175,331**	182,425	**236**	229	**(14,499)**	(13,905)		**294,541**	315,675
Results:															
Interest income	**395**	260	**12**	16	**20**	-	**11,493**	10,082	**2,316**	586	**(10,988)**	(9,989)	A	**3,248**	955
Dividend income	**-**	-	**-**	-	**-**	-	**-**	-	**7,359**	7,989	**(6,977)**	(7,650)	A	**382**	339
Depreciation and amortisation	**3,913**	3,951	**1,004**	861	**-**	-	**3,544**	2,643	**338**	293	**-**	-		**8,799**	7,748
Other non-cash expenses	**385**	36	**(1,092)**	64	**-**	-	**6,361**	21,563	**(4,405)**	(12,396)	**-**	-	B	**1,249**	9,267
Segment profit/ (loss)	**2,919**	6,780	**(137)**	2,740	**(82)**	3,816	**13,750**	11,633	**3,110**	14,281	**(10,988)**	(9,989)	A	**8,572**	29,261
Assets:															
Additions to non-current assets	**3,219**	1,538	**1,255**	114	**-**	97	**2,967**	3,784	**21**	939	**-**	-	C	**7,462**	6,472
Segment assets	**93,553**	105,125	**34,146**	30,742	**33,471**	34,719	**868,540**	863,199	**17,156**	28,147	**(20,143)**	(53,522)	D	**1,026,723**	1,008,410
Segment liabilities	**43,497**	53,845	**18,785**	14,190	**40,521**	44,058	**702,828**	675,390	**(421)**	3,284	**(1,450)**	(1,450)	E	**803,760**	789,317

Notes to the Financial Statements
31 January 2011
cont'd

40. SEGMENT INFORMATION cont'd

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

A Inter-segment revenues and expenses eliminations.

B Other material non-cash expenses and income consist of the following items as presented in the respective notes to the financial statements:

	Note	2011 RM'000	2010 RM'000
Write back of impairment loss of long-term leasehold land	5	**(22,955)**	-
Net fair value gains on investment securities	7	**(177)**	(3,528)
Gain on disposal of investment securities	7	**(3,155)**	(5,515)
Loss on disposal of property, plant and equipment	7	**12**	94
Bad debts recovered	7	**(2,501)**	(2,873)
Allowance for doubtful receivables			
- trade and other receivables	7	**30,132**	26,678
Write back of allowance for doubtful receivables	7		
- trade receivables		**(11,423)**	-
- other receivables		**(1,008)**	(4,707)
Debt waiver	5	**(1,286)**	(10,300)
Reversal of quit rent over accrued	5	**(711)**	(1,091)
Provision for reward points	7	**6,742**	9,109
Net unrealised foreign exchange loss	7	**7,200**	1,531
Reversal of inventories written down	7	**(398)**	(215)
Inventories written down	7	**48**	84
Property, plant and equipment written off	7	**729**	-
		1,249	9,267

C Additions to non-current assets consist of:

	Note	2011 RM'000	2010 RM'000
Property, plant and equipment	12	**6,564**	3,958
Intangible assets	15	**898**	2,514
		7,462	6,472

40. SEGMENT INFORMATION cont'd

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

D The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2011 RM'000	2010 RM'000
Deferred tax assets	**(178)**	-
Inter-segment assets	**(19,965)**	(53,522)
	(20,143)	(53,522)

E The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2011 RM'000	2010 RM'000
Inter-segment liabilities	**(1,450)**	(1,450)

Geographical Information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Singapore	**169,201**	181,617	**44,072**	45,835
Australia	**26,872**	18,944	**1,418**	869
New Zealand	**17,171**	7,816	**13,006**	11,722
Malaysia & others	**81,297**	107,298	**161,397**	136,817
	294,541	315,675	**219,893**	195,243

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	2011 RM'000	2010 RM'000
Property, plant and equipment	**202,529**	173,309
Land held for property development	**6,097**	10,973
Intangible assets	**11,267**	10,961
	219,893	195,243

Notes to the Financial Statements
31 January 2011
cont'd

41. SUPPLEMENTARY INFORMATION - BREAKDOWN OF RETAINED EARNINGS/(ACCUMULATED LOSSES) INTO REALISED AND UNREALISED

The breakdown of the retained profits or accumulated losses of the Group and of the Company as at 31 January 2011 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	2011 RM'000	2010 RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised	**(397,559)**	(153,946)
- Unrealised	**20,680**	-
	(376,879)	(153,946)
Consolidation adjustments	**169,901**	-
Accumulated losses as per financial statements	**(206,978)**	(153,946)

Shareholders' Information

SHARE CAPITAL AS AT 18 MAY 2011

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 18 MAY 2011

No. of Holders	%	Size of Holdings	Total Holdings	%
93	0.90	Less than 100 shares	2,687	0.00
2,860	27.69	100 to 1,000 shares	2,684,497	0.43
5,491	53.17	1,001 to 10,000 shares	24,769,175	3.98
1,656	16.04	10,001 to 100,000 shares	54,344,881	8.72
224	2.17	100,001 to less than 5% of issued shares	419,567,070	67.35
3	0.03	5% and above of issued shares	121,580,217	19.52
10,327	**100.00**	**Total**	**622,948,527**	**100.00**

LIST OF THIRTY LARGEST REGISTERED SHAREHOLDERS AS AT 18 MAY 2011

(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	HSBC Nominees (Asing) Sdn Bhd *- For Tan Swee Bee*	23,970,900	3.85
10	Kwok Heng Holdings Limited	20,000,000	3.21
11	Norris Pie Limited	19,377,800	3.11
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	HDM Nominees (Asing) Sdn Bhd *- Pledged securities account for Promoto Company Limited*	12,022,000	1.93

Shareholders' Information
cont'd

No.	Name of Shareholders	No. of Shares Held	%
15	HSBC Nominees (Asing) Sdn Bhd *- Exempt AN for Credit Suisse (Sg BR-TST-Asing)*	11,683,900	1.88
16	CIMB Group Nominees (Tempatan) Sdn Bhd *- Pledged securities account for Tan Kay Hock*	11,355,000	1.82
17	Mikonwadi Sdn Bhd	8,651,000	1.39
18	Cherubim Investment (HK) Limited	8,150,000	1.31
19	HDM Nominees (Asing) Sdn Bhd *- Pledged securities account for Aimup Consultants Limited*	7,054,000	1.13
20	ECML Nominees (Asing) Sdn Bhd *- DMG & Partners Securities Pte Ltd for Keen Capital Investments Ltd*	6,750,400	1.08
21	PM Nominees (Tempatan) Sdn Bhd *- PCB Asset Management Sdn Bhd for MUI Continental Insurance Berhad*	6,000,000	0.96
22	RCI Ventures Sdn Bhd	5,550,000	0.89
23	Cimsec Nominees (Tempatan) Sdn Bhd *- CIMB Bank for Tan Kay Hock*	5,121,000	0.82
24	Cimsec Nominees (Asing) Sdn Bhd *- CIMB Bank for Tan Swee Bee*	5,100,000	0.82
25	Cheah See Han	4,164,700	0.67
26	EB Nominees (Asing) Sdn Bhd *- Pledged securities account for Tan Swee Bee*	4,051,000	0.65
27	EB Nominees (Tempatan) Sdn Bhd *- Pledged securities account for Tan Kay Hock*	3,796,000	0.61
28	Mega First Housing Development Sdn Bhd	2,834,200	0.46
29	Bekalsama Silkscreening & Services Sdn Bhd	2,483,700	0.40
30	Alliancegroup Nominees (Tempatan) Sdn Bhd *- Pledged securities account for Lee Cheng Chuan*	2,105,200	0.34
		463,925,402	**74.47**

Shareholders' Information
cont'd

SUBSTANTIAL SHAREHOLDERS (EXCLUDING BARE TRUSTEES) AS AT 18 MAY 2011
(as per Register of Substantial Shareholders)

	No. Of Shares Held			
Name of Substantial Shareholder	**Direct Interest**	**%**	**Deemed Interest**	**%**
Tan Sri Dato' Tan Kay Hock	59,491,100	9.55	213,817,484(1)	34.32
Puan Sri Datin Tan Swee Bee	85,219,367	13.68	188,089,217(1)	30.19
Star Wealth Investment Limited	47,306,117	7.59	-	-
Tan Sri Dato' Khoo Kay Peng	-	-	53,001,000(2)	8.51
Malayan United Industries Berhad	-	-	44,851,000(3)	7.20
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 which holds the balance of 8,651,000 shares being its wholly owned subsidiaries.*

Statement on Directors' Interests
in the Company and Related Corporation
as at 18 May 2011

DIRECTORS' INTEREST IN SHARES AS AT 18 MAY 2011
(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	213,817,484*	34.32
Puan Sri Datin Tan Swee Bee	85,119,367	13.66	188,089,217*	30.19
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 2011

	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	47,040	15	2000	1996
	Lot 4182 Jalan Titi Panjang 32200 Lumut, Perak	Marine Club	12,141	Leasehold - Expiring 29.4.2093	2,292	15	2003	1996
	PT 4106 Mukim Lumut Daerah Manjung Perak Darul Ridzuan	Hotel	16,137	Leasehold - Expiring 14.1.2092	22,804	19	1997	1992
	No. S1-22 1st Floor, Wisma Abad Century Garden Johor Bharu	Office lot	22	Freehold	37	22	-	1989
2)	**SINGAPORE**							
	7500E Beach Road #02-201, #03-301, #04-201, The Plaza, Singapore	Offices	1,435	Leasehold - Expiring 2.9.2067	37,604	33	1996	1978
	18 Kaki Bukit Road 3 #05-16 Entrepreneur Business Centre, Singapore	Office	395	Leasehold- Expiring 8.1.2055	1,436	16	-	2004

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eighty-sixth 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, 13 July 2011 at 11:00 a.m. for the following purposes:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31 January 2011 and the Directors' and Auditors' Reports thereon. ***(Please refer to Note A.)***
2. To re-elect Puan Sri Datin Tan Swee Bee who retires by rotation as a Director pursuant to Article 83 of the Articles of Association and being eligible, has offered herself for re-election. ***(Resolution 1)***
3. To re-elect Dato' Ahmad Khairummuzammil bin Mohd Yusoff who retires 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' fees of RM155,000 in respect of year ended 31 January 2011 (2010: RM144,000). ***(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 Resolution:-

   Authority To Allot And Issue Shares In General Pursuant To Section 132D Of The Companies Act, 1965 ***(Resolution 5)***

   "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."

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

By Order Of The Board.

Teh Yong Fah
Group Secretary *(MACS00400)*
KUALA LUMPUR
20 June 2011

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.

Notice of Annual General Meeting
cont'd

Explanatory Notes on Special Business

1. 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 is also to 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 (AGM) of the Company.

The Company has not issued any new shares under this general authority which was approved at the last AGM held on 30 June 2010 and which will lapse at the conclusion of this AGM. A renewal of this general authority is being sought at this AGM under the proposed Resolution 5. The renewed mandate is to provide flexibility to the Company for any possible future fund raising activities including but not limited to placement of shares for purposes of funding future investments, working capital and/or acquisitions.

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 standing for re-election at the Eighty-sixth Annual General Meeting of the Company are as follows:-

Puan Sri Datin Tan Swee Bee	- Article 83 of the Articles of Association
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	- Article 83 of the Articles of Association

The profile and further details of the above Directors standing for re-election are set out on Pages 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 2011 can be found on Pages 110 and 14 in the Annual Report respectively.

INFORMATION FOR SHAREHOLDERS

The Eighty-sixth 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, 13 July 2011 at 11:00 a.m.

Details of the Eighty-sixth Annual General Meeting are set out in the Notice of Annual General Meeting which accompanies the Annual Report 2011 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 Depository (ROD) as at 15 June 2011 for the purpose of determining the members to whom the Notice of Eighty-sixth Annual General Meeting shall be given by the Company. Only a depositor whose name appears on the ROD as at 15 June 2011 shall be given the notice of the said meeting.

The General Meeting ROD as at 8 July 2011 will determine a member who shall be entitled to attend the Eighty-sixth Annual General Meeting or to appoint proxy(s) to attend and/or vote on his/her behalf.

This page has been left intentionally blank.

Johan Holdings Berhad

(Company No. 314-K)

No. of Shares Held	
CDS Account No.	

FORM OF PROXY

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

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-sixth 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, 13 July 2011 at 11:00 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 Puan Sri Datin Tan Swee Bee as a Director		
2	To re-elect Dato' Ahmad Khairummuzammil Bin Mohd Yusoff as a Director		
3	To approve the payment of Directors' fees		
4	Re-appointment of Auditors and to authorise Directors to fix their remuneration		
5	Authority to Directors to allot and issue shares		

(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 ___________, 2011.

____

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

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

Prestige Ceramics Sdn. Bhd.
Lot 1115, Batu 15, Jalan Puchong
47100 Puchong
Selangor Darul Ehsan
Tel : 603 8062 5388
Fax : 603 8062 1418
E-mail : prestige@po.jaring.my

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

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

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

SINGAPORE

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

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

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

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