A Dynamic and Experienced Property Developer with a commitment to Building and Sustaining Communities
GuocoLand (Malaysia) Berhad is a major developer of residential and commercial properties in the Kuala Lumpur city centre and various locations around the Klang Valley – from its early township developments to its current portfolio of prime projects including Damansara CITY in Damansara Heights, Commerce One along Old Klang Road, Emerald Rawang and The Cirrus in Cheras.

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

With over 50 solid years of operations, GuocoLand Malaysia is committed to building and sustaining business and residential communities, as well as playing a key role in the development of the property industry in Malaysia.
DIRECTORS
YBhg Tan Sri Quek Leng Chan  
Executive Chairman
Mr Poh Yang Hong  
Managing Director
YBhg Dato’ Ong Joo Theam
Mr Tan Keok Yin
YBhg Dato’ Chew Kong Seng
Mr Quek Chee Hoon
YBhg Tan Sri Nik Mohamed bin Nik Yaacob

SECRETARY
Ms Lim Yew Yoke

AUDITORS
Messrs Ernst & Young  
Level 23A, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur  
Tel : 03-7495 8000  
Fax : 03-2095 9076/78

REGISTRAR
Hong Leong Share Registration Services Sdn Bhd  
Level 5, Wisma Hong Leong  
18 Jalan Perak  
50450 Kuala Lumpur  
Tel : 03-2164 1818  
Fax : 03-2164 3703

REGISTERED OFFICE
Level 10, Wisma Hong Leong  
18 Jalan Perak  
50450 Kuala Lumpur  
Tel : 03-2164 1818  
Fax : 03-2164 2476
YBhg Tan Sri Quek Leng Chan  
*Executive Chairman/Non-Independent*

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

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

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

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

He has no conflict of interests with GLM and has no convictions for offences within the past 10 years.
Mr Poh Yang Hong  
*Managing Director/Non-Independent*

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

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

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

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

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

YBhg Dato’ Ong Joo Theam  
*Non-Executive Director/Non-Independent*

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

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

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

Dato’ Ong has no family relationship with other directors or major shareholders of GLM, has no conflict of interests with GLM and has no convictions for offences within the past 10 years.
Mr Tan Keok Yin  
Non-Executive Director/Independent

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Dato’ Chew has no family relationship with other directors or major shareholders of GLM, has no conflict of interests with GLM and has no convictions for offences within the past 10 years.
Mr Quek Chee Hoon
Non-Executive Director/Non-Independent

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

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

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

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

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

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

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

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

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

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

Tan Sri Nik Mohamed has no family relationship with other directors or major shareholders of GLM, has no conflict of interests with GLM and has no convictions for offences within the past 10 years.
NOTICE IS HEREBY GIVEN that the Eighty-fifth Annual General Meeting of GuocoLand (Malaysia) Berhad (the “Company”) will be held at the Theatrette, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Wednesday, 14 October 2009 at 11.00 a.m. in order:

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

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

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

4. To re-elect the following retiring Directors:
   (a) YBhg Dato’ Ong Joo Theam; and (Resolution 4)
   (b) Mr Tan Keok Yin.

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

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

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

   Authority To Directors To Issue Shares
   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares in the Company, at any time and from time to time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.” (Resolution 7)

   Proposed Shareholders’ Mandate On Recurrent Related Party Transactions Of A Revenue Or Trading Nature With Hong Leong Company (Malaysia) Berhad (“HLCM”) And Persons Connected With HLCM
   "THAT approval be and is hereby given for the Company and/or its subsidiaries to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature as set out in paragraph 2.3(A) of the Company’s Circular to Shareholders dated 18 September 2009 with HLCM and persons connected with HLCM provided that such transactions are undertaken in the ordinary course of business, on terms which are not more favourable to the related parties than those generally available to the public and are not, in the Company’s opinion, detrimental to the minority shareholders and that the breakdown of the aggregate value of the recurrent related party transactions conducted during the financial year, including the types of recurrent transactions made and the names of the related parties involved and their relationship with the Company and/or its subsidiaries, are disclosed in the annual report of the Company.” (Resolution 8)
AND THAT such approval shall continue to be in force until:

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

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

(iii) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier;

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

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

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

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

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

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

(iii) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution."
Proposed Shareholders’ Mandate On Recurrent Related Party Transactions Of A Revenue Or Trading Nature With Tower Real Estate Investment Trust ("Tower REIT")

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

THAT such approval shall continue to be in force until:

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

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

(iii) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier;

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

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

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

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

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

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

(iii) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier;
AND THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution.”

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

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

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

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

By Order of the Board

LIM YEW YOKE
Secretary
Kuala Lumpur
18 September 2009

NOTES:

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

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

3. Ordinary Resolution On Authority To Directors To Issue Shares

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

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

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


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

Detailed information on the Proposed Shareholders’ Mandate are set out in the Circular to Shareholders dated 18 September 2009 which is despatched together with the Company’s 2009 Annual Report.
BOARD AUDIT & RISK MANAGEMENT COMMITTEE REPORT

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

COMPOSITION
Mr Tan Keok Yin
Chairman, Independent Non-Executive Director

YBhg Dato’ Chew Kong Seng
Independent Non-Executive Director

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

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

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

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

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

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

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

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

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

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

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

ACTIVITIES

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

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

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

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

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

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

INTERNAL AUDIT

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

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

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

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

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

This Board Audit & Risk Management Committee Report is made in accordance with the resolution of the Board of Directors.
"Corporate Governance is the process and structure used to direct and manage the business and affairs of the Company towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long term shareholders’ value, whilst taking into account the interest of other stakeholders."

– Finance Committee on Corporate Governance

CORPORATE GOVERNANCE & INTERNAL CONTROL

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

A. DIRECTORS

I. The Board

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

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

The Board observes the Company Directors’ Code of Ethics established by the Companies Commission of Malaysia.
A. DIRECTORS cont’d

II  Board Balance

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

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

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

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

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

III  Board Meetings

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

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

IV  Supply of Information

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

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

V  Appointments to the Board

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

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

V Appointments to the Board cont’d

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

VI Re-appointment and Re-election

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

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

VII Training and Education

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

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

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

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

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

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

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

VII Training and Education  cont’d

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

B. DIRECTORS’ REMUNERATION

I  Level and make-up of Remuneration

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

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

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

II  Procedure

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

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

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

III  Disclosure

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

<table>
<thead>
<tr>
<th></th>
<th>Fees (RM)</th>
<th>Salaries &amp; Other Emoluments (RM)</th>
<th>Total (RM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Directors</td>
<td>85,877</td>
<td>476,198</td>
<td>562,075</td>
</tr>
<tr>
<td>Non-Executive Directors</td>
<td>200,000</td>
<td>-</td>
<td>200,000</td>
</tr>
</tbody>
</table>
CORPORATE GOVERNANCE & INTERNAL CONTROL

B. DIRECTORS’ REMUNERATION cont’d

III Disclosure cont’d

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

<table>
<thead>
<tr>
<th>Range Of Remuneration (RM)</th>
<th>Executive</th>
<th>Non-Executive</th>
</tr>
</thead>
<tbody>
<tr>
<td>50,000 and below</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>50,001 – 100,000</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>100,001 – 500,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>500,001 – 550,000</td>
<td>1</td>
<td>-</td>
</tr>
</tbody>
</table>

C. SHAREHOLDERS

I Dialogue between Companies and Investors

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

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

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

Queries may be conveyed to the following person:

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

II Annual General Meeting (“AGM”)

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

D. ACCOUNTABILITY AND AUDIT

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

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

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

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

I Financial Reporting

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

II Internal Control

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

III Relationship with Auditors

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

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

E. STATEMENT ON INTERNAL CONTROL

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

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

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

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

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

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

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

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

F. DIRECTORS’ RESPONSIBILITY IN FINANCIAL REPORTING

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

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

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

### Year Ended (RM Million)

<table>
<thead>
<tr>
<th></th>
<th>June 05</th>
<th>June 06</th>
<th>June 07</th>
<th>June 08</th>
<th>June 09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>146.3</td>
<td>131.0</td>
<td>146.0</td>
<td>120.1</td>
<td>82.0</td>
</tr>
<tr>
<td>Profit/(Loss) before taxation</td>
<td>15.9</td>
<td>63.9</td>
<td>63.5</td>
<td>46.2</td>
<td>(67.7)</td>
</tr>
<tr>
<td>Profit/(Loss) attributable to shareholders</td>
<td>12.6</td>
<td>50.8</td>
<td>49.5</td>
<td>41.2</td>
<td>(66.0)</td>
</tr>
<tr>
<td>Net earnings/(Loss) per share (sen)</td>
<td>1.8</td>
<td>7.3</td>
<td>7.4</td>
<td>6.2</td>
<td>(9.9)</td>
</tr>
<tr>
<td>Net dividend per share (sen)</td>
<td>0.7</td>
<td>1.4</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Gross dividend per share (sen)</td>
<td>1.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Shareholders’ funds</td>
<td>752.0</td>
<td>773.0</td>
<td>812.6</td>
<td>845.0</td>
<td>768.7</td>
</tr>
<tr>
<td>Total assets</td>
<td>1,237.4</td>
<td>993.4</td>
<td>1,052.6</td>
<td>1,654.4</td>
<td>1,788.2</td>
</tr>
</tbody>
</table>

### Charts

- **Revenue RM Million**
  - 2005: 146.3
  - 2006: 131.0
  - 2007: 146.0
  - 2008: 120.1
  - 2009: 82.0

- **Profit/(Loss) before taxation RM Million**
  - 2005: 15.9
  - 2006: 63.9
  - 2007: 63.5
  - 2008: 46.2
  - 2009: (67.7)

- **Shareholders’ Funds RM Million**
  - 2005: 752.0
  - 2006: 773.0
  - 2007: 812.6
  - 2008: 845.0
  - 2009: 768.7

- **Total Assets RM Million**
  - 2005: 1,237.4
  - 2006: 993.4
  - 2007: 1,052.6
  - 2008: 1,654.4
  - 2009: 1,788.2
CHAIRMAN’S STATEMENT

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

OPERATING ENVIRONMENT

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

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

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

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

PROSPECTS

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

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

DIVIDEND

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

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

APPRECIATION

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

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

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

TAN SRI QUEK LENG CHAN
Chairman
21 August 2009
For the financial year under review, the Group recorded a loss before tax of RM67.7 million on the back of revenue of RM82.0 million. The property development and hotel operations were the main contributors to the Group’s revenue. Meanwhile, the loss before tax was attributed to the challenging economic environment on the global as well as domestic front.

**PROPERTY DEVELOPMENT**

**RESIDENTIAL**

**OVAL Kuala Lumpur**

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

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

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

Emerald, Rawang

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

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

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

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