

Directors' Profile

DATUK RAZMAN MD. HASHIM

Independent Non-Executive Chairman

Datuk Razman Md. Hashim, a Malaysian, aged 71, was appointed Chairman of Multi-Purpose Holdings Berhad ("MPHB") on 7 May 2002. Datuk Razman is the Chairman of the Remuneration Committee of MPHB and a member of the Audit Committee and the Nomination Committee of MPHB.

He is currently the Deputy Chairman of the Sunway Group of Companies. He also sits on the Board of Sunway City Berhad, Sunway International Vacation Club Berhad, SILK Holdings Berhad, Ranhill Berhad, Malaysian Assurance Alliance Bhd, MAA Holdings Berhad, MAA Takaful Berhad, Berjaya Land Berhad and several private limited companies in Malaysia.

Datuk Razman is a member of the Australian Institute of Bankers. He started his career with Standard Chartered Bank as an Officer Trainee in 1967. In his 32 years with Standard Chartered Bank, Datuk Razman had served in the bank's offices in London, Europe, Hong Kong and Singapore. In Malaysia, he held various positions and was appointed Executive Director of Standard Chartered Bank in 1994 until he retired in June 1999. He was appointed chairman of MBf Finance Berhad by Bank Negara Malaysia as its nominee from June 1999 to January 2002 when the finance company was sold to the Arab-Malaysian Group.

As at 3 May 2010, Datuk Razman has a direct shareholding of 154,000 ordinary shares of RM1.00 each in MPHB. Datuk Razman does not hold any shares in the subsidiaries of MPHB. He has no family relationship with any other director and/or substantial shareholder of MPHB; neither does he have any conflict of interest with MPHB. He has had no convictions for offences within the past ten years.

He attended all the eight(8) Board Meetings of MPHB held during the financial year ended 31 December 2009 .

DATO' SURIN UPATKOON

Non-Independent Managing Director

Dato' Surin Upatkoon, a Thai national, aged 60, was appointed Executive Director of MPHB on 4 August 2000 and subsequently, on 28 August 2002, he was appointed Managing Director of MPHB. He is also a member of the Remuneration Committee of MPHB.

Dato' Surin has vast working experience particularly in the textile manufacturing industry, and has played a key role in the expansion and development of the MWE Group of Companies. He was first appointed the Managing Director of MWE Spinning Mills Sdn Bhd on 30 November 1974, taking care of its daily operations. Subsequently, he was appointed the Managing Director of MWE Weaving Mills Sdn Bhd and a director of MWE Holdings Berhad.

Currently, he also sits on the Board of Davex Holdings Berhad, Multi-Purpose Capital Holdings Berhad, Mimaland Berhad, Magnum 4D Berhad and several private limited companies in Malaysia. He is also a Trustee of Chang Ming Thien Foundation and Magnum Foundation.

As at 3 May 2010, Dato' Surin is deemed to have an indirect interest in 362,872,361 ordinary shares of RM1.00 each in MPHB by virtue of Section 6A(4) of the Companies Act, 1965 held through his shareholding interest in Casi Management Sdn Bhd ("CMSB") and Pinjaya Sdn Bhd ("Pinjaya"), a substantial shareholder of MWE Holdings Berhad.

By virtue of his deemed interest in the shares of MPHB held via CMSB and Pinjaya, Dato' Surin is also deemed to have an interest in the shares of all the subsidiaries of MPHB to the extent of MPHB's interest in these subsidiaries. He has no family relationship with any other director and/or substantial shareholder of MPHB, no conflict of interest with MPHB and has had no convictions for offences within the past ten years.

He attended all the eight (8) Board Meetings of MPHB held during the financial year ended 31 December 2009.

Directors' Profile

MR NG KOK CHEANG

Non-Independent Executive Director

Mr Ng Kok Cheang, a Malaysian, aged 53, was appointed as a Director of MPH B on 30 April 2002 and was subsequently appointed Executive Director on 28 August 2002. He does not sit on any Board committee of MPH B.

Mr Ng commenced his career in the Property Valuation/General Practice Surveying profession in 1979 with an established Chartered Valuation firm. He has vast working experience in property valuation and has acted as property & development consultant in various development companies. He also sits on the board of a subsidiary of MPH B and several private limited companies but he does not have any other directorships in other public companies.

Mr Ng does not hold any shares in MPH B or its subsidiaries, has no family relationship with any other director and/or substantial shareholder of MPH B. He has no conflict of interest with MPH B and has had no convictions for offences within the past ten years.

He attended all the eight(8) Board Meetings of MPH B held during the financial year ended 31 December 2009.

VIJAYARATNAM A/L V. THAMOTHARAM PILLAY

Non-Independent Non-Executive Director

Mr Vijeyaratnam a/l V. Thamo tharam Pillay, a Malaysian, aged 58, was appointed to the Board of MPH B on 16 November, 1999. He is the Chairman of the Nomination Committee and a member of the Audit Committee.

He is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants. Mr Vijeyaratnam has considerable experience in the fields of auditing, financial planning, general management and corporate advisory in various business environments. He is currently the Managing Director of his own corporate advisory and consultancy company.

Presently, Mr Vijeyaratnam also sits on the board of Eastern & Oriental Berhad, Bandar Raya Developments Berhad, Fututech Berhad, Mieco Chipboard Berhad, A.A. Anthony Securities Sdn Bhd and several other private limited companies in Malaysia.

Mr Vijeyaratnam does not hold any shares in MPH B or its subsidiaries, and has no family relationship with any other director and/or major shareholder of MPH B. He has no conflict of interest with MPH B and has had no convictions for offences within the past ten years.

He attended all the eight (8) Board Meetings of MPH B held during the financial year ended 31 December 2009.

Directors' Profile

DATO' LIM TIONG CHIN,

Non-Independent Non-Executive Director

Dato' Lim Tiong Chin, a Malaysian, aged 57, was appointed to the Board of MPH B on 30 April 2002. He does not sit on any Board committee of MPH B.

He is a Public Accountant by profession and is a Fellow of the Institute of Chartered Accountants in England and Wales. He is also an Associate Member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants.

Dato' Lim is currently the Managing Director of A.A. Anthony Securities Sdn Bhd. He also sits on the board of Multi-Purpose Insurans Bhd and a few other subsidiaries of MPH B and several private limited companies in Malaysia.

Prior to joining A.A. Anthony Securities Sdn Bhd, he was a Partner of Kiat & Associates from 1977 to 1983, General Manager of A.A. Anthony & Co. Sdn Bhd from 1983 to 1985, Chairman and Managing Director of A.A. Anthony & Co. Sdn Bhd from 1985 to 3 September, 2001.

As at 3 May 2010, Dato' Lim is deemed to have an indirect interest in 339,643,551 ordinary shares of RM1.00 each in MPH B by virtue of Section 6A(4) of the Companies Act, 1965 held through his shareholding interest of 15% in Casi Management Sdn Bhd.

By virtue of his interest in the voting shares of MPH B, Dato' Lim is also deemed to have an interest in the shares of all the subsidiaries of MPH B to the extent of MPH B's interest in these subsidiaries. He has no family relationship with any other director and/or major shareholder of MPH B and has no conflict of interest with MPH B. He has had no convictions for offences within the past ten years.

He attended all the eight (8) Board Meetings of MPH B held during the financial year ended 31 December 2009.

ENCIK SAHIBUDEEN ABDUL KADER

Independent Non-Executive Director

Encik Sahibudeen bin Abdul Kader, a Malaysian, aged 56, was appointed to the Board of MPH B on 30 April 2002. He is the Chairman of the Audit Committee and also a member of the Nomination Committee and the Remuneration Committee of MPH B.

Encik Sahibudeen graduated from the University Technology MARA in 1978 with a Diploma in Banking Studies. He has 14 years of experience in banking and stockbroking. Between 1996 and 2005, he provided consultancy services in the management and administration of ASEAN Business Forum, a non-profit organisation dedicated to the promotion and development of business and investment opportunities amongst the business community in the ASEAN region. In 1992, he ventured into his own business in property development and investment activities. He also sits on the board of Multi-Purpose Capital Holdings Berhad and a few private limited companies in Malaysia.

Encik Sahibudeen does not hold any shares in MPH B or its subsidiaries. He has no family relationship with any other director and/or substantial shareholder of MPH B and has no conflict of interest with MPH B. He has had no convictions for offences within the past ten years.

He attended all the eight (8) Board Meetings of MPH B held during the financial year ended 31 December 2009.

Directors' Profile

DATO' WONG PUAN WAH

Independent Non-Executive Director

Dato' Wong Puan Wah, a Malaysian, aged 62, was appointed to the Board of MPH B on 25 January 2007. He does not sit on any Board Committee of MPH B.

Dato' Wong graduated with a Bachelor of Science (honours) degree in Economics from the University of London in 1972. He has over 40 years experience in journalism. He started his career with the Straits Times in 1966 and joined the Australian Broadcasting Corporation, Kuala Lumpur, in 1969. He also worked for the Financial Times of London as its Malaysia correspondent. Between 1989 and 1996, he was the business correspondent for Radio Australia in Sydney. He joined Star Publications (Malaysia) Berhad as its Business Editor in 1996. He was appointed as the Star's Group Chief Editor in January 2004 until his retirement in December 2006.

Currently, Dato' Wong also sits on the Board of Bursa Malaysia Berhad and private limited company Assunta Hospital.

As at 3 May 2010, Dato' Wong has a direct shareholding of 11,000 ordinary shares of RM1.00 each in MPH B. He does not hold any shares in the subsidiaries of MPH B. He has no family relationship with any other director and/or substantial shareholder of MPH B and has no conflict of interest with MPH B. He has had no convictions for offences within the past 10 years.

He attended all the eight (8) Board meetings of MPH B held during the financial year ended 31 December 2009.

Chairman's Statement

On behalf of the Board of Directors of Multi-Purpose Holdings Berhad ("Board"), I am pleased to present the Annual Report and Audited Financial Statements of the Group and Company for the financial year ended 31 December 2009.

CORPORATE DEVELOPMENT AND PERFORMANCE

In spite of the continuing global economic recession due to the financial crisis in the United States and Europe, the Group, nevertheless, recorded a solid year.

For 2009, the Group recorded revenue of RM3.3 billion and profit before tax of RM519.8 million against the turnover of RM3.1 billion and profit before tax of RM346.5 million achieved in 2008 respectively. The introduction of the 4D Jackpot game by the Gaming Division on 23 September 2009, the overall improvements in the Stock Broking and Financial Services Divisions as well as gains from disposals of investments in quoted shares all contributed to the increase in revenue and the pre-tax profit.

In view of the above, the basic earnings per share rose by 86.8% to 31.2 sen for 2009 from 16.7 sen in 2008.

REVIEW OF OPERATIONS

Gaming Division

The Gaming Division posted a 5.2% growth in turnover to 3.0 billion in 2009 from RM2.9 billion in 2008. The improvement in revenue was mainly due to extra draws conducted for the classic game during the year under review and the introduction of the 4D Jackpot game in September 2009. The profit before tax of RM245.6 million was 62.8% higher than the pre-tax profit of RM150.9 million recorded in the preceding year. The increase in the number of draws together with lower prizes payout ratio had a favourable impact on the profit before tax for 2009.

During the financial year, the Gaming Division discontinued its property, leisure and trading activities and concentrated on its core business. The newly launched 4D Jackpot game proved to be a success and attracted many new customers, especially from the illegal markets.

This Division will continue to strive towards breaking into new markets in the near future as part of our efforts to improve shareholders value.

Stock Broking Division

Although 2009 had been a challenging year, the market had shown signs of recovery from the global financial crisis. Our stock broking business managed to register a pre-tax profit of RM13.4 million which represented a significant turnaround from the loss of RM3.6 million suffered in the previous year.

Since investors are always on the lookout for opportunities to tap into assets of fast growing global economies, investments in companies with good returns and good corporate governance standards, strong partnership with international stock brokers is beneficial to the Division. The presence of trading gateways to global financial markets has contributed positively to the brokerage revenue as this caters to the shift in the investors' strategy of focusing on the overseas markets.

The Division intends to set up an asset management unit in the near future to enhance the scope of services to complement its existing operations to achieve higher returns.

Chairman's Statement

Financial Services Division

The Group's insurance arm, Multi-Purpose Insurans Bhd ("MPIB") recorded a commendable profit before tax of RM31.25 million for the financial year 2009.

Compared to the previous year, there was a vast improvement in the performance in terms of higher underwriting margin. The encouraging performance was mainly due to underwriting prudence, tighter underwriting controls and stronger risk management practices put in place during the year. Investment returns for the year under review were also encouraging due to improved stock markets.

MPIB achieved a new high during the year by recording a gross premium of RM415 million which was an increase of 28% from RM324 million recorded in 2008. The Division continues to adopt a prudent underwriting policy and maintains a well-balanced portfolio mix of 23% motor and 77% non-motor business.

OUTLOOK AND FUTURE PROSPECTS

Generally, the stimulus packages introduced by the Government in November 2008 and March 2009 had managed to alleviate the impact of the global financial crisis on the Malaysian economy. The New Economic Model unveiled in March 2010, with its emphasis on private sector driven growth, is expected to boost confidence and investment as Malaysia strives to elevate itself from a middle income to a high income nation. It is encouraging to note that Bank Negara Malaysia, in its annual report, is projecting the economy to grow by between 4.5% and 5.5% for 2010, compared to a contraction of 1.7% in 2009.

Moving forward, the MPH Group will concentrate to improve the performance of its core businesses, namely:

(I) GAMING

To capture a larger market share and new customers especially with the 4D Jackpot game;

(II) STOCK BROKING

To expand the business by increasing international broking and to venture into asset management; and

(III) FINANCIAL SERVICES

To continue to grow its agency base and further strengthen its strategic business ties with Air Asia and Alliance Bank Malaysia Berhad to increase its personal lines and retail business for greater sustainability and profitability.

Going forward, the Group will strive to enhance the value of its land banks through professional asset management to increase the yield of existing completed assets such as the hotels and office block. The development of the land banks is in the planning stage whereby the Management is considering developing them on its own or through joint ventures.

DIVIDEND

The Board is proposing a final gross dividend of 5 sen per share less 25% tax. Together with the interim dividend of 4 sen per share less 25% tax paid on 25 March 2009 the total dividend for the year would be 9 sen per share less 25% tax.

Also, in appreciation of the continued support and loyalty of our shareholders, the Company distributed a total of 97,683,369 treasury shares as Share Dividend on 12 October 2009 to shareholders of the Company on the basis of one (1) treasury share for every ten (10) existing ordinary shares of RM1.00 each held in the Company.

The Company will continue to endeavour to reward its shareholders through dividends.

Chairman's Statement

RISK MANAGEMENT COMMITTEE.

At its meeting on 28 April 2010, the Board approved the setting up of a Risk Management Committee comprising its Independent Directors to complement the work of the risk management committees at the Group's divisions.

APPRECIATION AND ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to thank the management and staff of the Group for their continued hard work, dedication, and commitment.

I would also like to express my gratitude to my fellow Directors for their guidance and wisdom; and to our shareholders, business associates, customers and bankers for their unwavering confidence and support for the Group.

DATUK RAZMAN MD. HASHIM

CHAIRMAN

Penyata Pengerusi

Bagi pihak Lembaga Pengarah Multi-Purpose Holdings Berhad ("Lembaga"), saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan yang telah diaudit bagi Kumpulan dan Syarikat bagi tahun kewangan yang berakhir 31 Disember 2009.

PERKEMBANGAN DAN PRESTASI KORPORAT

Walaupun dalam kemelesetan ekonomi global berlanjutan yang disebabkan oleh krisis kewangan di Amerika Syarikat dan Eropah, Kumpulan telah merekodkan tahun yang memberangsangkan.

Bagi tahun 2009, Kumpulan telah mencatatkan pendapatan sebanyak RM3.3 bilion dan keuntungan sebelum cukai sebanyak RM519.8 juta berbanding perolehan sebanyak RM3.1 bilion dan keuntungan sebelum cukai sebanyak RM346.5 juta pada tahun 2008. Pengenalan perjudian 4D Jackpot oleh Bahagian Perjudian pada 23 September 2009, peningkatan secara keseluruhan dalam Bahagian Pembrokeran Saham dan Bahagian Perkhidmatan Kewangan serta keuntungan daripada pelupusan pelaburan dalam saham disebut telah menyumbang kepada peningkatan dalam pendapatan dan keuntungan sebelum cukai.

Selaras dengan apa yang disebut di atas, pendapatan asas sesaham telah meningkat sebanyak 86.8% kepada 31.2 sen bagi tahun 2009 daripada 16.7 sen bagi tahun 2008.

TINJAUAN OPERASI

Bahagian Perjudian

Bahagian Perjudian telah merekodkan pertumbuhan dalam perolehan sebanyak 5.2% kepada 3.0 bilion bagi tahun 2009 berbanding 2.9 bilion bagi tahun 2008. Sebab utama peningkatan dalam keuntungan adalah penambahan dalam cabutan yang dijalankan untuk perjudian klasik bagi tahun yang ditinjau dan juga pengenalan perjudian 4D Jackpot pada September 2009. Keuntungan sebelum cukai sebanyak RM245.6 juta adalah 62.8% lebih tinggi berbanding keuntungan sebelum cukai sebanyak RM150.9 juta yang telah dicatatkan pada tahun sebelumnya. Peningkatan dalam jumlah cabutan, bersama dengan nisbah pembayaran hadiah yang lebih rendah telah memberi satu kesan yang positif kepada keuntungan sebelum cukai bagi tahun 2009.

Bagi tahun kewangan yang disebut, Bahagian Perjudian telah menamatkan aktiviti hartanah, masa lapang serta perdagangan dan telah menumpukan perhatian kepada perniagaan terasnya. Perjudian 4D Jackpot yang baru dilancarkan telah terbukti kejayaannya dan juga telah meraih lebih banyak pelanggan-pelanggan baru, terutamanya daripada pasaran-pasaran haram.

Bahagian ini akan terus berusaha untuk menembusi pasaran baru dalam masa terdekat sebagai sebahagian daripada usaha untuk meningkatkan lagi nilai para pemegang saham.

Bahagian Pembrokeran Saham

Walaupun tahun 2009 adalah merupakan tahun yang mencabar, pasaran telah menunjukkan tanda-tanda pemulihan daripada krisis kewangan global. Perniagaan pembrokeran saham telah berjaya mencatatkan keuntungan sebelum cukai sebanyak RM13.4 juta di mana ia mewakili perubahan yang ketara daripada kerugian sebanyak RM3.6 juta yang dialami dalam tahun sebelumnya.

Memandangkan para pelabur sentiasa mencari peluang untuk meningkatkan aset melalui ekonomi global yang pesat berkembang, pelaburan-pelaburan di dalam syarikat yang memberi pulangan dan mempunyai piawai tadbir urus korporat yang baik, kerjasama yang kukuh dengan broker-broker saham antarabangsa adalah bermanfaat kepada Bahagian. Kewujudan pintu-pintu perdagangan ke pasaran kewangan global telah memberi sumbangan yang positif kepada pendapatan pembrokeran dan ini telah memenuhi perubahan dalam strategi pelabur yang memberi fokus dalam pasaran luar negeri.

Penyata Pengerusi

Bahagian ini bercadang untuk mewujudkan unit pengurusan aset dalam masa terdekat bagi meningkatkan lagi skop perkhidmatan serta melengkapkan operasi-operasi yang sedia ada untuk mencapai pulangan yang lebih tinggi.

Bahagian Perkhidmatan Kewangan

Insuran Kumpulan, Multi-Purpose Insurans Bhd ("MPIB") telah mencatatkan keuntungan sebelum cukai sebanyak RM31.25 juta bagi tahun kewangan 2009.

Berbanding dengan tahun sebelumnya, terdapat peningkatan yang meluas dalam prestasi margin pengunderaitan yang lebih tinggi. Prestasi yang menggalakkan ini adalah disebabkan oleh kebijaksanaan pengunderaitan, kawalan pengunderaitan yang lebih ketat dan amalan pengurusan risiko yang lebih kukuh pada tahun 2009. Pulangan pelaburan bagi tahun yang ditinjau juga menggalakkan disebabkan oleh pasaran saham yang lebih baik.

MPIB telah memperolehi pencapaian yang baru pada tahun 2009 dengan merekodkan premium kasar sebanyak RM415 juta di mana ia adalah peningkatan sebanyak 28% daripada RM324 juta yang telah direkodkan pada tahun 2008. Bahagian terus mengamalkan polisi pengunderaitan yang lebih cermat dan mengekalkan campuran portfolio yang seimbang sebanyak 23% dalam perniagaan permotoran dan 77% dalam perniagaan bukan permotoran.

TINJAUAN DAN PROSPEK MASA HADAPAN

Secara keseluruhannya, pakej-pakej rangsangan yang diperkenalkan oleh Kerajaan pada November 2008 dan Mac 2009 telah berjaya mengurangkan kesan daripada krisis kewangan global dalam ekonomi Malaysia. Model Ekonomi Baru telah diperkenalkan pada Mac 2010, dengan penekanan ke atas pertumbuhan dalam sektor swasta, dijangka akan meningkatkan keyakinan dan pelaburan di mana Malaysia berusaha untuk berkembang daripada negara berpendapatan sederhana kepada negara berpendapatan tinggi. Bank Negara Malaysia, dalam laporan kewangannya, menjangkakan bahawa ekonomi akan meningkat di antara 4.5% dan 5.5% bagi tahun 2010, berbanding penguncupan sebanyak 1.7% pada tahun 2009.

Dengan melangkah ke hadapan, Kumpulan MPH Bhd akan menumpukan perhatian untuk meningkatkan prestasi dalam perniagaan terasnya:

(I) Perjudian

Untuk menawan pasaran saham dan kumpulan pelanggan baru yang lebih besar terutamanya dengan perjudian 4D Jackpot;

(II) Pembrokeran Saham

Untuk memperluaskan perniagaan dengan meningkatkan pembrokeran antarabangsa dan melibatkan diri dalam pengurusan aset; dan

(III) Perkhidmatan Kewangan

Untuk membina kekuatan yang sedia wujud dan membangunkan perniagaan peribadi, kerjasama yang strategik dengan Air Asia Berhad dan Alliance Bank Malaysia Berhad demi memasuki perniagaan mereka.

Penyata Pengerusi

Dengan melangkah ke hadapan, Kumpulan akan berusaha untuk meningkatkan nilai bank tanah melalui pengurusan aset secara professional demi meningkatkan hasil daripada aset sedia ada seperti hotel dan blok pejabat. Pembangunan dalam hartanah adalah dalam peringkat perancangan di mana pihak Pengurusan sedang mempertimbangkan untuk memajukan hartanah sendiri melalui usahasama.

DIVIDEN

Lembaga mencadangkan dividen akhir sebanyak 5 sen sesaham kurang 25% cukai. Bersama dengan dividen interim sebanyak 4 sen sesaham kurang 25% cukai dibayar pada 25 Mac 2009, jumlah dividen tahunan akan menjadi 9 sen sesaham kurang 25% cukai.

Bagi menghargai sokongan yang berterusan dan kesetiaan para pemegang saham, Syarikat juga telah mengedarkan sejumlah 97,683,369 syer perbendaharaan sebagai Dividen Saham pada 12 Oktober 2009 untuk para pemegang saham Syarikat berdasarkan satu (1) saham perbendaharaan untuk genap sepuluh (10) saham-saham biasa yang wujud bagi RM1.00 setiap satu diadakan dalam Syarikat.

Syarikat akan terus memberi ganjaran kepada para pemegang saham melalui pembayaran dividen.

JAWATANKUASA PENGURUSAN RISIKO

Dalam mesyuaratnya pada 28 April 2010, Lembaga telah meluluskan penubuhan Jawatankuasa Pengurusan Risiko yang disertai oleh Pengarah-Pengarah Bebas bagi melengkapkan kerja jawatankuasa pengurusan risiko di bahagian-bahagian Kumpulan.

PENGHARGAAN DAN PENGIKTIRAFAN

Bagi pihak Lembaga, saya ingin mengambil peluang ini untuk mengucapkan terima kasih kepada pihak Pengurusan dan kakitangan Kumpulan ini di atas kerja keras, dedikasi dan komitmen mereka.

Saya juga ingin mengucapkan penghargaan kepada para Pengarah di atas bimbingan dan kebijaksanaan mereka; dan kepada para pemegang saham, rakan perniagaan, pelanggan dan jurubank di atas keyakinan dan sokongan teguh mereka terhadap Kumpulan.

DATUK RAZMAN MD. HASHIM

PENGERUSI

主席献词

本人谨此代表马化控股集团董事会，呈报本公司截至2009年12月31日为止的年度报告及经审计账目。

企业发展及业绩

虽然美国及欧洲发生的金融风波使得全球经济处于持续性衰退，本集团仍保持稳定收益。本集团的2009年销售量共达33亿令吉，其税前盈利共达5亿1千976万令吉；相比2008年所达之31亿令吉的销售量及3亿4千650万令吉的税前盈利，共提升了2亿的销售量及1亿7千326万令吉的税前盈利。2009年9月23日由博彩业务分部所推出的4D积宝游戏，整体证卷经纪部以及金融服务部的业绩进步，在加上出售上市股票所得的盈利，增加了集团之收入以及税前盈利。

基于上述原因，每股盈利从2008年的每股16.7仙，上升至2009年的每股31.2仙，每股盈利上上升了86.8%。

营运回顾

博彩业务分部

在2009年度，博彩业务分部的销售量共上升了5.2%。相比2008年的28.7亿令吉，2009年之销售量共达30亿令吉。收益增加的主要因素在于额外的投注次数，以及2009年推出的4D积宝游戏。2亿4千560万令吉的税前盈利，相比于前一年1亿5千90万令吉的税前盈利，共增长了62.8%。额外的投注次数及较低的奖金支付比率无疑帮助提升了2009年的利润收益。

在本财政年度，博彩业务分部停止其地产、休闲和贸易的业务，并专注于其核心业务。已推出的4D积宝游戏无疑非常成功，同时吸引了不少新客户，新客户当中更多以非法市场为主。

此分部将在未来努力开发更多新市场，极力提高股东利益。

证卷经纪业务分部

2009年是个充满挑战的一年。经济市场逐渐从经济风波中复苏。集团的证卷经纪业务进步，并成功设法取得1千340万的税前盈利，弥补了去年损失的3百60万。

投资者通常都会积极寻找机会进军快速增长的全球经济资产，并投资具有良好回酬的公司，以及拥有良好的治理标准的公司。与国际股票经纪拥有强而有力的伙伴关系，对分部无疑拥有无限的优势。集团的全球经济市场关口积极的贡献经济业务收入，这迎合了投资者对海外市场为重点的战略转移。

此分部打算成立资产管理单位，并在未来增加其服务范围以补充其现有的运转，以达到更高的回酬率。

金融服务业务分部

值得赞赏的是本集团的保险部门，即马化保险公司（MPIB）为2009年写下了3千125万令吉的税前盈利的优越纪录。比起去年，该集团在承保利润率上具有巨大的进步。这项令人鼓舞的成绩，主要是由于承保谨慎、严格的控制承保、以及强化的风险管理措施。由于改善了股票市场，年度投资也相对的提升了不少。

MPIB在年内记下了4亿1千5百万令吉的保费的纪录，比2008年的3亿2千4百万令吉，共提升了28%。该分部持续采用审慎的承保政策，维持平稳的投资组合，即23%的汽车行业，以及77%的非汽车行业。

未来展望

大体上，由政府于2008年11月及2009年3月推出的经济刺激方案，缓解了全球经济风波对马来西亚经济的影响。2010年3月政府宣布的新经济模式，着力推动私人领域，以增加其信心和投资，并致力将马来西亚由中收入国家提升至高收入国家。令人振奋的是，在马来西亚中央银行的年度报告里预算了2010年的经济将增加4.5%至5.5%。

马化控股集团将集中精力来改善其核心业务表现：

(i) 博彩业务

取得更大的市场份额以及于4D积宝游戏中吸引更多的新客户；

(ii) 股票经纪

增加国际经纪以扩展营业，投身入资产管理；

(iii) 金融服务

继续发展其机构，并进一步加强与亚航和马来西亚安联银行的业务联系，为其个人与零售业务带来更大以及持续性的盈利。

除了核心业务增长，管理层将极力提高集团所拥之土地的价值，通过专业资产管理，增加现有完成资产收益率，如：酒店和办公大楼。土地银行的发展仍处于规划阶段，管理层有意自行开发，或与人合资。

股息

董事会建议每股5仙扣除25%税务的股息。随着2009年3月25日的每股4仙扣除25%税务的中期股息，终年的股息是每股9仙扣除25%税务。

为了感激股东长久以来的支持，该集团于2009年10月12日发放了总值9千768万的库存股予公司股东们。

未来，公司还是会持续股息发放政策。

风险管理委员会

2010年4月28日的会议上，董事会批准了成立风险管理委员会，由独立董事负责该委员会。

致谢

本人谨代表董事会向集团管理层和全体职员致意，感谢大家所做出的努力和奉献。

本人也籍此向我的董事同僚的智慧指导致谢。最后也要向我们的股东、商业伙伴、顾客，以及金融机构不断给予的信任和支支持致万分谢意。

主席：**DATUK RAZMAN MD. HASHIM**

Corporate Social Responsibility Statement

The Board of Directors believes that as a socially responsible corporate citizen, the Group will continue to create business sustainability and enhance the value for the shareholders and other stakeholders in the Group. The Group is committed to continuously develop and implement corporate social responsibility ('CSR') initiatives.

THE COMMUNITY

- **Social/Community Welfare And Charity Programs**

During the year 2009, the Group had undertaken initiatives to provide financial assistance to the needy, the underprivileged and the less fortunate through various social/community welfare and charity programs.

During the Chinese New Year period in 2009, the Group had made contributions to 143 charitable and welfare homes nationwide in the form of "ang pows", goodies and cash donations. The Group also organized Deepavali parties for underprivileged children, old folks and single parents where food and games were provided and cash tokens were distributed. The Group also sponsored the "Magnum Cares" Children Party for underprivileged children and charity drives to raise funds for welfare homes in Penang and the East Coast of Malaysia.

In April 2009, Magnum 4D Berhad and the 4D sales outlets had jointly initiated the "Magnum Cares" Community Support Program to help to raise funds for the needy and less fortunate. This program is a localized charity program and the fund raising projects are organized in the neighbourhoods or districts for the deserving ones identified within their communities. The program also encourages the local people to help the poor and needy within their communities. Under this program, fund raising would be organized by placing the donation boxes at the 4D sales outlets. Each fund raising projects is organized for a period of 3 to 4 weeks and Magnum 4D Berhad would also donate RM1,000 for every fund raising projects. In 2009, a total of RM221,000 was collected and donated to 84 deserving persons consisting of 57 individuals and 27 welfare homes. Out of the total contributions, RM131,000 was collected from the public and the balance RM90,000 was donated by Magnum 4D Berhad.

As part of the Group's corporate social responsibility efforts, the employees of the Group have participated in various community services which include visits to bring cheer to old folk's homes, welfare homes, orphanages and organization of charity or fund raising events/programs such as the "We care" Charity & Community Service Program and the Christmas Charity Dip. The proceeds from these fund raising programs were donated to the poor and the needy.

- **Education**

Every year significant sum of funds is allocated by the Group for educational/motivation campaign. The Group provided financial assistance in the form of scholarships or educational support as well as cash rewards for students who excel in their studies through on-going education/motivation programs such as the Academic Excellence Award, Magnum & My FM Grant Program, Malaysian Indian Education "MiED" Award and SuperMind Dynamic Academic Seminar.

The Group also sponsored the "Morning Reading Campaign" for 20 Chinese primary schools from 29 April 2009 to 18 November 2009. During the period, 50 copies of Chinese newspaper, Nanyang Siang Pau, were distributed weekly to the schools with the objective of developing reading interest and promoting morale amongst the school children.

Corporate Social Responsibility Statement

- **Local festivals, cultural and religious activities**

The MPH Group contributed towards the promotion of local festivals, cultural and religious activities via the sponsorship of the Chinese New Year ("CNY") Countdown in Melaka's China Town; the CNY activities in Pahang; the "Lau Yah Keng" Deity Procession in Kuching; the Thaipusam celebrations in Perak and East Coast; the Chingay Parade in Johor; the KL-Maran Pilgrimage Walk for the Indian Community; the Hungry Ghost Festival in Melaka and Johor; and the Lantern Festival/Mid Autumn Festival in Selangor, Melaka, Pahang and Sarawak.

THE WORKPLACE

The Group is committed to ensuring that employees are offered fair and equitable employment terms and are given equal opportunities for career advancement based on performance. Employees are provided with continuous learning and development opportunities to equip them with the relevant skills, knowledge and experience. The benefits provided for employees include hospitalization insurance coverage, personal accident insurance coverage and staff retirement scheme.

As part of the staff's welfare programs, the Group had through "staff social, welfare & sports clubs" sponsored or subsidized overseas trips for staff.

THE ENVIRONMENT

The Group continued its initiatives in preserving the environment, including recycling paper waste, printing double-sided and communicating via e-mails to reduce usage of papers.

The Company uses environmental friendly and safe products in the management of the Company's properties and assets.

Corporate Governance Statement

The Board of Directors ("the Board") of Multi-Purpose Holdings Berhad ("the Company" or "MPHB") fully supports the recommendations of the Malaysian Code on Corporate Governance ("the Code") which sets out the broad principles for good governance and best practices for listed companies.

The Board is committed to ensuring that appropriate standards of corporate governance are practised throughout the Group to safeguard the interest of all stakeholders and enhance shareholders value.

The Board is pleased to set out below a statement which describes the practices that the Group has applied with respect to each key Principles and the extent of its compliance with the Best Practices as set out in the Code during the financial year ended 31 December 2009.

1. BOARD OF DIRECTORS

1.1 The Board and Board Responsibilities

The Board has seven (7) members, comprising a Non-Executive Chairman, a Managing Director, an Executive Director and four (4) Non-Executive Directors, of whom three (3) are Independent Non-Executive Directors.

The Board is principally responsible for formulating and reviewing the Group's strategic plans and key policies, and to chart the course of the Group's business operations, regular review of the Group's financial and operational performance, ensuring the existence of proper internal controls and the adoption of appropriate risk management systems for the Group.

The Board has a formal schedule of matters reserved specifically for its decision, including the approval of corporate plans and budgets, acquisitions and disposals of assets that are material to the Group, major investments, changes to management and control structure of the Group, including key policies, procedures and authority limits.

The Board has delegated certain responsibilities to the Board committees, namely, the Nomination Committee, Remuneration Committee and Audit Committee to support and assist the Board in discharging its fiduciary duties and responsibilities.

The Board has nominated Datuk Razman Md. Hashim, the Chairman of the Board, to whom any concerns of shareholders/investors may be conveyed.

1.2 Board Balance

The Board comprises individuals of high calibre and integrity, and they possess wide-ranging experiences, skills and expertise in areas of business management, property development, corporate affairs, banking, stockbroking, finance and accounting, corporate communication and journalism. The composition of the Board represents a mix of knowledge, skills and expertise necessary for the effective stewardship of the Company and the Group. A brief profile of each Director is set out in this Annual Report.

The Chairman of the Board, Datuk Razman Md. Hashim, is an independent non-executive Director. The two directors holding executive office are Managing Director, Dato' Surin Upatkoon and Executive Director, Mr Ng Kok Cheang

The roles and responsibilities of the Chairman, the Managing Director and the Executive Director are clearly segregated, each having separate responsibilities and authority. The Chairman is primarily responsible for the orderly conduct and working of the Board whilst the Managing Director and the Executive Director are responsible for the day-to-day running of the business and implementation of Board policies and decisions

The presence of 3 Independent Non-Executive Directors brings unbiased and independent views, advice and judgement to the decision making of the Board as they do not engage in the day-to-day management of the Company and do not participate in any business dealings of the Company. The Independent Non-Executive Directors have, from time to time, engaged with the Management and with both the external auditors as well as the internal auditors to address matters concerning the management and oversight of the Group's operational matters

Corporate Governance Statement

1.3 Board Meetings

The Board holds regular meeting of no less than 5 times a year. Special Board meetings are convened to consider urgent proposals or matters that require the expeditious review or consideration of the Board.

The members of the Board are committed and dedicated in fulfilling their duties and responsibilities as reflected by their full attendance at Board meetings during the financial year 2009 as set out below:-

Name of Directors	Total Number of Board Meetings Held and Attended by Directors in 2009
Datuk Razman Md. Hashim	8
Dato' Surin Upatkoon	8
Mr Ng Kok Cheang	8
Dato' Lim Tiong Chin	8
Mr Vijeyaratnam a/l V. Thamoatham Pillay	8
Encik Sahibudeen Abdul Kader	8
Dato' Wong Puan Wah	8

At the quarterly Board meetings, the Board reviews, inter-alia, the business performance of the Group and the quarterly results of the Group prior to release to Bursa Malaysia Securities Berhad. The Board also notes the decisions and salient issues deliberated by the Audit Committee through minutes of the Audit Committee meetings. The Chairman of the Audit Committee would inform the Directors at Board meetings, of any salient matters noted by the Audit Committee and which require the Board's attention or direction.

The Directors have the duty to declare immediately to the Board should they be directly or indirectly interested in any transaction entered into by the Company. An interested director will abstain from deliberations and decisions of the Board on the transaction.

The Board meetings for the ensuing financial year are scheduled in advance before the end of the financial year to facilitate the Directors to plan ahead and organise the following year's Board meetings into their respective schedules.

1.4 Supply of Information

Prior to the Board Meetings, a formal agenda together with a set of Board papers containing information relevant to the matters to be deliberated at the meeting are forwarded to all Directors in sufficient time to ensure that the directors are adequately prepared to go through the meeting agenda and if necessary, to obtain further clarification on the matters to be deliberated.

All directors, whether independent or otherwise, have full and unrestricted access to information from the senior management, including the advice and services of the Company Secretary. The directors may also seek independent professional advice, at the Company's expense, if required.

The Board is provided on a timely basis with all relevant information on all aspects of Group operations and performance through regular status reports, including monthly and year-to-date performance report of the Group's operations.

1.5 Appointment of Directors

The Board appoints its members through a formal process which is consistent with the Articles of Association of the Company. The Board has established a Nomination Committee to make recommendations on suitable candidates for appointment to the Board.

Corporate Governance Statement

The Nomination Committee comprise exclusively non-executive directors, the majority of whom are independent directors. The members of the Nomination Committee as at 31 December 2009 are:

- | | | |
|--|---|----------|
| (a) Mr Vijeyaratnam a/l V. Thamoatharam Pillay
(Non-Independent Non-Executive Director) | - | Chairman |
| (b) Datuk Razman Md. Hashim
(Independent Non-Executive Director) | - | Member |
| (c) Encik Sahibudeen Abdul Kader
(Independent Non-Executive Director) | - | Member |

The responsibilities of the Nomination Committee also include assessing the effectiveness of the Board and the contributions of each director towards the effectiveness of the Board's decision-making process.

1.6 Re-election of Directors

The Articles of Association of the Company and the Listing Requirements of Bursa Malaysia Securities Berhad provide that at least one-third of the Board are subject to retirement by rotation at each Annual General Meeting and that all Directors shall retire once in every three years. A retiring director is eligible for re-election. In accordance thereto, Mr Ng Kok Cheang and Dato' Lim Tiong Chin will be retiring by rotation at the forthcoming annual general meeting.

Pursuant to Section 129(6) of the Companies Act, 1965, Datuk Razman Md Hashim, who attains seventy-one years of age on 31 May 2010, will be submitting himself for re-appointment at the forthcoming annual general meeting.

The re-election/re-appointment of Directors ensures that shareholders have a regular opportunity to reassess the composition of the Board.

1.7 Directors' Training

In the year 2009, the directors have attended jointly or singularly the following training programmes or seminars:-

1. Training programme entitled "From Good Governance to Great Branding".
2. Bursa Malaysia Berhad's High Level Forum for Directors of Listed Issuers in Enhancing Corporate Governance.
3. The Non-Executive Director Development Series: "Is it worth the risk?";
4. Forum on FRS 139 Financial Instruments, Recognition and Measurement;
5. Forum on MASB ED 69 Financial Instruments and IASB ED/2009/12 Financial Instruments: Amortised Cost and Impairment.
6. SC-Bursa Malaysia Lecture Series – "Corporate Governance: Lessons from Hong Kong".
7. Training programme entitled "Evaluating Performance of the Board".

1.8 Directors' Remuneration Policy

The objective of the Group's remuneration policy is to attract, retain and motivate Directors to manage the business of the Group effectively. The remunerations of the Managing Director and Executive Director are linked to their individual performance while all Directors received a standard fee approved by shareholders at the annual general meeting. The quantum of fixed fee takes into consideration the increased fiduciary duties and responsibilities of the Directors under the relevant regulatory requirements.

Additional allowance is paid to the Independent Non-Executive Chairman of the Board while the two other Independent Non-Executive Directors of the Company are paid meeting allowances in accordance with the number of meetings attended during the year.

Corporate Governance Statement

1.9 Remuneration Committee

The Remuneration Committee comprises two(2) independent non-executive directors and an executive director. The members of the Remuneration Committee as at 31 December 2009 are:

- | | | | |
|-----|---|---|----------|
| (a) | Datuk Razman Md. Hashim
<i>(Independent Non-Executive Director)</i> | - | Chairman |
| (b) | Dato' Surin Upatkoon
<i>(Non-Independent Managing Director)</i> | - | Member |
| (c) | Encik Sahibudeen Abdul Kader
<i>(Independent Non-Executive Director)</i> | - | Member |

The responsibilities of the Remuneration Committee include the formulation of remuneration policy such as rewards and benefits and other terms of employment of the Managing Director and Executive Director as well as staff for recommendations to the Board. The Remuneration Committee held 1 meeting during the year, which were attended by all members.

The Board as a whole determines the level of fees of Non-Executive Directors and Executive Directors. The annual Directors' fees payable to directors are endorsed by the Board for approval by the shareholders of the Company at the Annual General Meeting. Directors do not participate in decisions regarding their own remuneration packages.

1.10 Disclosure of Directors' Remuneration

The aggregate remuneration of directors of the Company in respect of the financial year ended 31 December 2009 categorised into appropriate components are as follows:-

Directors of the Company	Number of Directors			
	2009		2008	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-executive Directors
RM50,001 to RM100,000	-	2	-	2
RM100,001 to RM150,000	-	1	-	1
RM250,001 to RM300,000	-	-	-	1
RM300,001 to RM350,000	-	1	-	-
RM550,001 to RM600,000	1	-	1	-
RM1,250,001 to RM1,300,000	-	-	1	-
RM1,400,001 to 1,450,000	-	-	1	-
RM2,250,0001 to RM2,300,000	1	-	-	-
RM2,500,0001 to RM2,550,000	1	-	-	-

1.11 Audit Committee

The Audit Committee reviews the Group's financial reporting process, the system of internal control and management of risk, the audit process and the Group's process for monitoring compliance with laws and regulations, and such other matters which may be delegated by the Board.

Full details of the composition, terms of reference and activities of the Audit Committee during the year are set out in the Audit Committee Report in this Annual Report.

Corporate Governance Statement

2. INVESTORS RELATION AND SHAREHOLDERS COMMUNICATION

The Company recognises the importance of timely and equal dissemination of information on major developments of the Group to the shareholders and investors, which is carried out by means of various disclosures and announcements to Bursa Malaysia Securities Berhad. The Group's performance is reported quarterly to Bursa Malaysia Securities Berhad and on a yearly basis, the Annual Report is an important channel used by the Company to provide its shareholders and investors with information on its business, financials and other key activities.

The Company maintains a corporate website at www.mphb.com.my which shareholders and members of the public can access for corporate information and new events relating to the Group.

The Annual General Meeting ("AGM") remains the key avenue of communication and dialogue with the shareholders of the Company. During the AGM, shareholders are accorded the opportunity and time to ask questions on the agenda items tabled at the meeting and also on matters relating to the affairs, activities and prospects of the Group. The Board members, Senior Management of the Company as well as the Auditors of the Company are in attendance to provide answers and clarifications to shareholders' queries.

As part of the Group's investor relations programmes, the Management conducted meetings with fund managers and research/investment analysts. In addition, the Company also provides press releases to the media on significant corporate developments and business initiatives. The press releases are intended to keep the investing community and shareholders updated on the progress and developments of the business of the Company.

3. ACCOUNTABILITY AND AUDIT

3.1 Financial Reporting

The Board is committed to provide a balanced, clear and meaningful assessment of the financial performance and prospects of the Group in the interim financial statements and annual financial statements to shareholders. The Board, assisted by the Audit Committee, oversees the financial reporting process of the Group. The Audit Committee reviews and monitors the integrity of the Group's annual and interim financial statements. It also reviews the appropriateness of the Group's accounting policies and the changes to these policies as well as ensures these financial statements comply with the accounting and regulatory requirements.

3.2 Internal Controls

The Company has in place an adequately resourced internal audit department to assist the Board in maintaining a sound system of internal control for the purposes of safeguarding shareholders' investment and the Group's assets. Formal procedures are in place for the internal auditors to report independently on their findings and make appropriate recommendations to the Management and the Audit Committee.

The Statement of Internal Control, which provides an overview of the state of internal control within the Group, is set out in the Annual Report.

3.3 Relationship with the Auditors

The Audit Committee has established a formal and transparent relationship with external auditors. The Audit Committee meets at least once a year with the external auditors to discuss the Company's annual financial statements and the audit findings. The Audit Committee also meets with the external auditors whenever it deems necessary.

The above Statement on Corporate Governance has been reviewed and approved by the Board of Directors.