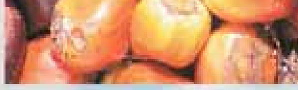
CEPATWAWASAN GROUP BERHAD

(Company No: 536499-K)

Annual Report 2008



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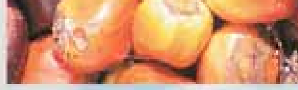


Notice of the Ninth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Ninth Annual General Meeting of the Company will be held at Executive Parlour (6th Floor), Sabah Hotel Sandakan, KM 1, Jalan Utara, Sandakan, Sabah on Monday, 27 April 2009 at 10.00 a.m. for the following business:-

AGENDA	**Resolution No.**
1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2008 together with the Directors' and Auditors' Reports thereon.	
2. To approve the payment of a single tier final dividend of 1.5% in respect of the financial year ended 31 December 2008.	1
3. To re-elect Dato' Mah King Seng retiring in accordance with Article 76 of the Company's Articles of Association.	2
4. To re-elect Chan Kam Leong retiring in accordance with Article 83 of the Company's Articles of Association.	3
5. To re-elect Choong Pak Wan retiring in accordance with Article 83 of the Company's Articles of Association.	4
6. To appoint Messrs Ernst & Young as Auditors of the Company for the ensuring year and to authorize the Directors to fix their remuneration.	5
7. As Special Business to consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications:-	

AS ORDINARY RESOLUTION
- AUTHORITY TO ISSUE SHARES

"THAT subject always to the Companies Act, 1965 ("Act") and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Act, to issue and to allot shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." 6

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

BY ORDER OF THE BOARD
KANG SHEW MENG
SEOW FEI SAN
Secretaries

Petaling Jaya
Date: 3 April 2009

Notes:-

(i) **Proxy**

(a) A proxy may but need not be a member of the Company and if the proxy is not a member of the Company, the proxy shall be an advocate or an approved company auditor or a person approved by the Registrar of Companies.

(b) To be valid this form duly completed must be deposited at the Company's Share Registrar's Office at Epsilon Registration Services Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting.

(c) A member shall be entitled to appoint more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting.

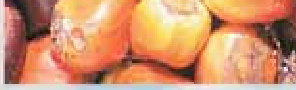
(d) Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

(e) If the appointer is a corporation, the Form of Proxy must be executed under its seal or under the hand of its attorney.

(f) Form of Proxy sent through facsimile transmission shall not be accepted.

(ii) **Explanatory Note on Special Business**

◆ **Resolution No. 6**
The proposed Ordinary Resolution no. 6, if passed, is to give the Directors of the Company flexibility to issue and allot shares for such purposes as the Directors in their absolute discretion consider to be in the interest of the Company, without having to convene a general meeting. This authority will expire at the next Annual General Meeting of the Company.



Statement Accompanying Notice of Ninth Annual General Meeting

1. Name of Director who is standing for election:

(a)	Dato' Mah King Seng	- Article 76
(b)	Mr. Chan Kam Leong	- Article 83
(c)	Mr. Choong Pak Wan	- Article 83

   Further details of the abovementioned retiring Directors are set out on pages 6 and 8 of this Annual Report.

Corporate Information

BOARD OF DIRECTORS

Executive Chairman
Dato' Mah King Thian @ Mah King Thiam

Managing Director
Dato' Mah King Seng

Chief Executive Officer
Tan Ah Seng

Independent & Non-Executive Directors
Chua Kim Yin
Chan Kam Leong
Choong Pak Wan

AUDIT COMMITTEE
Chua Kim Yin *(Chairman)*
Chan Kam Leong *(Member)*
Choong Pak Wan

EXECUTIVE COMMITTEE
Dato' Mah King Seng *(Chairman)*
Dato' Mah King Thian
@ Mah King Thiam *(Member)*
Tan Ah Seng *(Member)*

REMUNERATION COMMITTEE
Dato' Mah King Thian
@ Mah King Thiam *(Chairman)*
Chua Kim Yin *(Member)*
Chan Kam Leong *(Member)*

NOMINATION COMMITTEE
Chua Kim Yin *(Chairman)*
Chan Kam Leong *(Member)*
Tan Ah Seng *(Member)*

COMPANY SECRETARIES
Kang Shew Meng *(MAICSA 0778565)*
Seow Fei San *(MAICSA 7009732)*

REGISTERED OFFICE
Lot 39-40, Block C
Taman Indah Jaya Shophouses
Mile 4, North Road
P. O. Box 1562
90717 Sandakan, Sabah
Tel: 089-272773
Fax: 089-272772, 220881
E-mail: pa@cepatgroup.com.my

AUDITORS
Ernst & Young
16th Floor
Wisma Khoo Siak Chiew
Jalan Buli Sim Sim
90000 Sandakan, Sabah
Tel: 089-217266
Fax: 089-272002

SHARE REGISTRAR
Epsilon Registration
Services Sdn Bhd
Level 17, The Gardens North
Tower, Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: 03-22643883
Fax: 03-22821886

PRINCIPAL BANKERS
Alliance Bank Malaysia Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
Public Bank Berhad
RHB Bank Berhad

STOCK EXCHANGE LISTING
Main Board of Bursa Malaysia
Securities Berhad

DATO' MAH KING THIAN @ MAH KING THIAM
Malaysian aged 45
Executive Director/Chairman

Dato' Mah King Thian @ Mah King Thiam was appointed as Director and Chairman of the Company on 27 October 2005 and 31 October 2005 respectively. He is also a member of the Executive Committee and Remuneration Committee.

He graduated from Monash University, Australia with a Bachelor of Economics Degree, majoring in Accounting in 1986 and also a Bachelor of Laws Degree in 1987. He was subsequently admitted and enrolled as an Advocate and Solicitor of the High Court of Malaya in 1989. He is also a Fellow Member of Certified Practising Accountant Australia (FCPA). He is the Managing Director of MHC Plantations Bhd and a Director of Anson Oil Industries Berhad, both public companies, and also a Director of Behrang 2020 Sdn Bhd and several other private limited companies.

Dato' Mah King Thian @ Mah King Thiam is deemed connected to MHC Plantations Bhd, one of the substantial shareholders of the Company. He is the younger brother of Dato' Mah King Seng, the Managing Director of the Company and he has no conviction for offences within the past ten (10) years.

DATO' MAH KING SENG
Malaysian aged 50
Managing Director

Dato' Mah King Seng was appointed as Director and Managing Director of the Company on 27 October 2005 and 27 February 2008 respectively. He is the Chairman of the Executive Committee.

He graduated from University of Minnesota, United States of America with a degree in Agricultural Science in 1978. In 1980, he attended the Palm Oil Mill Engineer/Executive Training course on palm oil mill operations organised by the Malaysian Oil Palm Growers Council. He subsequently obtained his Bachelor of Laws Degree in 1985 from the University of Buckingham, United Kingdom and was admitted and enrolled as an Advocate and Solicitor of the High Court of Malaya in 1990. He is the Executive Chairman of MHC Plantations Berhad and a Director of Anson Oil Industries Berhad, both public companies, and also a Director of Behrang 2020 Sdn Bhd and several other private limited companies.

Dato' Mah King Seng is deemed connected to MHC Plantations Bhd, one of the substantial shareholders of the Company. He is the elder brother of Dato' Mah King Thian @ Mah King Thiam, the Executive Director/Chairman of the Company and he has no conviction for offences within the past ten (10) years.

TAN AH SENG
Malaysian aged 61
Executive Director/Chief Executive Officer

Mr. Tan Ah Seng was appointed as Director of the Company on 21 July 2005 and he is the Chief Executive Officer of the Company. He is also a member of the Executive Committee and Nomination Committee.

He started his career as a laboratory assistant in the Entomology Division, Ministry of Agriculture in 1966. Then in 1967, he went for further education in Britannia Royal Naval College in United Kingdom. Upon returning from United Kingdom, he joined the Royal Malaysian Navy as Short Service Commission Officer for eight (8) years. He left the Royal Malaysian Navy and started his career in the plantation industry in 1975 with SOCFIN Company Berhad. In 1995, he attended the Corporate and Executive Development Course at Sundridge Park in United Kingdom. He has more than thirty (30) years of experience in the plantation industry.

He is a member of the Incorporated Society of Planters since 1975. Prior to joining the Company, he was the Plantation Controller of IOI Corporation Berhad for Sandakan Regional Office in Sabah.

He has no family relationship with any directors and/or major shareholders of the Company and he has no conviction for offences within the past ten (10) years.

CHUA KIM YIN (JP)
Malaysian aged 47
Independent Non-Executive Director

Mr. Chua Kim Yin was appointed as a Director of the Company on 21 July 2005 and he is the Chairman of both the Audit Committee and Nomination Committee. He is also a member of the Remuneration Committee. Mr. Chua was appointed a Justice of The Peace (JP) by Yang Di-Pertua Negeri Sabah in September 1996.

He obtained his Bachelor of Economics (Accounting) in 1984 and Bachelor of Laws in 1986 from Monash University, Victoria, Australia. He was then admitted to practice as a Barrister and Solicitor of the Supreme Court of Victoria, Australia in 1987. A year later, he was admitted as an Advocate of the High Court in Borneo, in the State of Sabah. He is currently a partner in the legal firm, Messrs RCK & Co. in Kota Kinabalu, Sabah. He is also an Associate Member of Certified Practising Accountant Australia.

He has no family relationship with any directors and/or major shareholders of the Company and he has no conviction for offences within the past ten (10) years.

CHAN KAM LEONG
Malaysian aged 68
Independent Non-Executive Director

Mr. Chan Kam Leong was appointed as Independent Non-Executive Director of the Company on 2 May 2008. He is a member of the Audit Committee, Remuneration Committee and Nomination Committee.

He holds the qualifications of BSc (Eng), MSc (Construction Management) and Professional Engineer, Malaysia as well as Chartered Engineer, United Kingdom (UK). He is also members of The Institution of Civil Engineers, UK, The Institution of Structural Engineers, UK, The Institution of Engineers, Malaysia (IEM) and The Association of Consulting Engineers, Malaysia.

He had worked three years in Singapore and three and a half years in London before founding K.L. Chan & Associates of which he is still a partner. He has more than thirty one years of experience in civil and structural engineering consultancy. He was also the winner of the TAN SRI HJ. YUSOFF PRIZE in 2007 for publishing an outstanding paper in the IEM Journal.

He is a Director of MHC Plantations Berhad, a company listed on the Main Board of Bursa Securities.

He has no family relationship with any directors and/or major shareholders of the Company and he has no conviction for offences within the past ten (10) years.

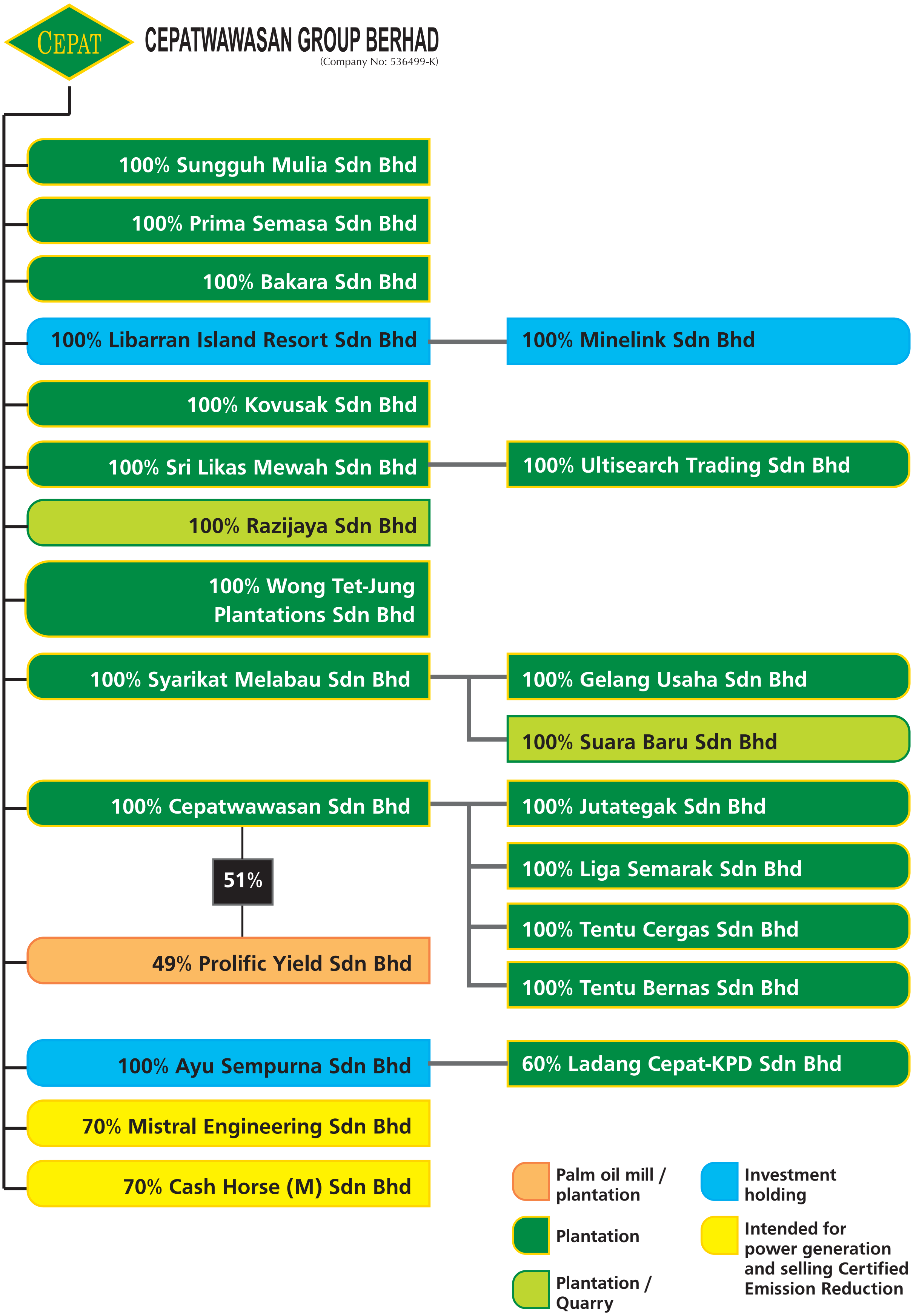
CHOONG PAK WAN
Malaysian aged 64
Independent Non-Executive Director

Mr. Choong Pak Wan was appointed as Independent Non-Executive Director of the Company on 25 February 2009. He is a member of the Audit Committee.

He is a Project Director in an established Architect Firm in Ipoh. He has more than 40 years experience in the property development and construction industries, mainly in development planning, project feasibility study and implementation. He also acts as adviser and is a director of various development companies namely AI Archi-Management Sdn Bhd, MC Square Sdn Bhd, CNT Builders Sdn Bhd and Simpulai Land Sdn Bhd.

He has no family relationship with any directors and/or major shareholders of the Company and he has no conviction for offences within the past ten (10) years.

Group Structure



Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report of the Company and its subsidiaries ("Group") for the new financial year ended 31 December 2008.

Group Performance

For the financial year (12 months) under review, the Group recorded revenue of RM 246.96 million and a profit after tax of RM41.51 million compared with revenue of RM164.21 million and a profit after tax of RM32.63 million recorded in the previous financial period (8 months).

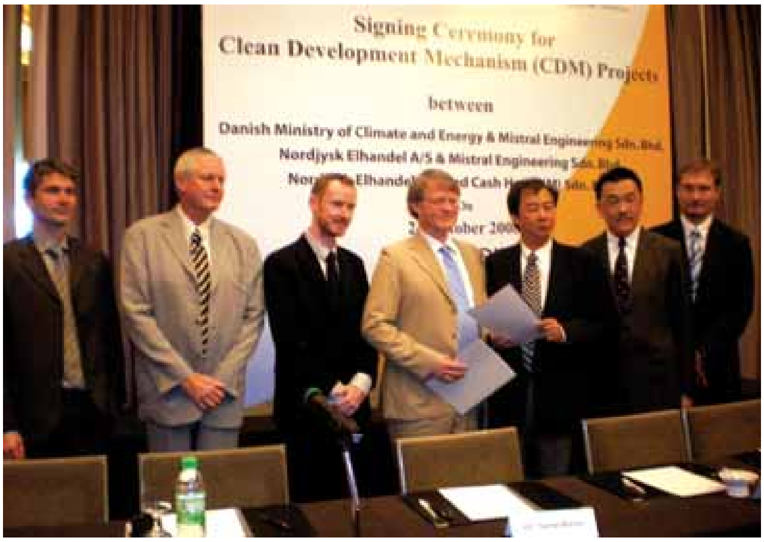
The increases in revenue and profit after tax were mainly due to the increase in the prices of Crude Palm Oil ("CPO") and Palm Kernel ("PK"). As such, the Group's net earnings per share improved to 18.52 sen from 14.55 sen previously and net assets per share attributable to ordinary equity holders of the parent also increased from 139.00 sen to 156.00 sen.

During the financial year, the Group's plantations produced 138,018 Metric Tonnes ("MT") of Fresh Fruit Bunches ("FFB") at an average FFB yield of 20.71 MT per hectare. This includes the newly matured area of 799 Hectares in Paitan Division.

The Group's Palm Oil Mill produced 70,606 MT of CPO at an average Oil Extraction Rate of 20.41% and 17,884 MT of PK at an average Kernel Extraction Rate of 5.17%. During the financial year, CPO was sold at an average price of RM2,792 per MT whereas PK was sold at an average price of RM1,558 per MT.

Dividend

On 17 November 2008, the Company declared a single tier interim dividend of 1% on 215,456,915 ordinary shares in respect of the financial year ended 31 December 2008 amounting to RM2,154,569, which was paid on 24 December 2008.



At the forthcoming Annual General Meeting, a single tier final dividend in respect of the financial year ended 31 December 2008 of 1.5% on 215,456,915 ordinary shares, amounting to a dividend payable of RM 3,231,854, will be proposed for your approval.

Significant Events

On 16 October 2008, Cash Horse (M) Sdn. Bhd. ("CHSB") and Mistral Engineering Sdn. Bhd. ("MESB"), both subsidiaries of the Group, obtained the approval of the Ministry of Energy, Water and Communications Malaysia for their following projects at Prolific Yield Oil Mill in Segaluid, Sandakan under the Small Renewable Energy Programme (SREP):

1. Proposed 12.0 MW Biomass Power Plant by CHSB; and
2. Proposed 2.0 MW Biogas Power Plant by MESB.

On 24 October 2008, CHSB and MESB entered into the following Letters of Intent:

1. Letter of Intent between CHSB and Nordjysk Elhandel A/S, a company incorporated in Denmark, to sell the Certified Emission Reductions or Carbon Credits from the 12.0 MW Biomass Power Plant Project to Nordjysk Elhandel A/S;
2. Letter of Intent between MESB and Nordjysk Elhandel A/S to sell part of the Carbon Credits from the 2.0 MW Biogas Power Plant Project to Nordjysk Elhandel A/S; and
3. Letter of Intent between MESB and the Danish Ministry of Climate and Energy to sell part of the Carbon Credits from the 3.0MW Biogas Power Plant Project to the Danish Ministry.

The relevant Purchase Agreements or Emission Reductions Purchase Agreements will be executed within twelve (12) months.

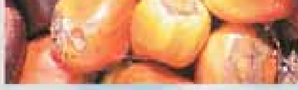
Prospects

Since the last quarter of 2008, CPO prices have fallen dramatically and thus, the Group expects lower profits for the financial year ending 31 December 2009.

CPO prices are currently hovering between RM 1,800 to 1,900 per MT. Numerous schemes introduced by the Malaysian Government including the replanting incentive scheme and the duty-exempted CPO export scheme will hopefully stabilize CPO prices in the short to medium term. If CPO prices continue to trade at above RM 1,500 per MT, your Board of Directors is confident that the Group will remain profitable because of its low operating cost and gearing.

About 25% of the Group's total planted area has matured in 2008 and this will significantly enhance the Group's productivity in 2009. The remaining 75% comprises mainly trees in their prime between 8 to 16 years.

The Group expects positive contributions from its two (2) bio-energy projects after 2010.


Corporate Social Responsibility Initiative

As part of its Corporate Social Responsibility ("CSR") Initiative, the Group is donating and constructing an Education Resource Centre on a two (2) acre site at Segaliud in Sandakan.

The Centre known as Cepatwawasan Education Resource Center is intended to provide tuition for primary school children from 7 to 12 years old. It will benefit local children living in and around Segaliud, Sukau and Kinabatangan, in particular children from the "Orang Sungai " communities.

Facilities will include a library, a play corner, study rooms, an outdoor playground and a field. There is also ample room for future development.

Total cost is estimated at about RM1 million, which is inclusive of land, site preparation, building, staff quarter, infrastructure, library, computer room, furniture and fixtures.

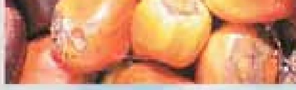
Acknowledgement

I would like to take this opportunity to thank all our Management and Staff for their dedicated services and immense contributions during the year.

To all our valued suppliers, customers, bankers, business associates and advisers, thank you very much for your loyalty and commitment to the Group.

And finally, to all of you, our highly valued shareholders, please accept my heartfelt thanks for your unwavering and continuous support. May I wish you all a very successful and prosperous year ahead.

Dato' Mah King Thian @ Mah King Thiam
Executive Chairman



Corporate Governance Statement

The Board of Directors (the 'Board') of Cepatwawasan Group Berhad (the 'Company') is pleased to present to the shareholders a report on the manner in which the Company has applied the principles and the extent of compliance with the Best Practices of Corporate Governance as contained in the Malaysian Code on Corporate Governance pursuant to paragraph 15.26 of the Listing Requirements of Bursa Malaysia Securities Berhad ('Listing Requirements').

The Board recognises that the exercise of good Corporate Governance is a pre-requisite towards the continuing success of the Company as well as safeguarding and enhancing shareholders' value and protecting the interest of other stakeholders.

1. Directors

1.1 Board Composition

The Board currently consists of six Directors as at the date of this report:-

Executive Director/Chairman
Dato' Mah King Thian @ Mah King Thiam

Managing Director
Dato' Mah King Seng

Chief Executive Officer
Mr. Tan Ah Seng

Independent Non-Executive Directors
Mr. Chua Kim Yin
Mr. Chan Kam Leong (Appointed on 2 May 2008)
Mr. Choong Pak Wan (Appointed on 25 February 2009)
Mr. Kee Chit Huei (Retired on 28 April 2008)
Mr. Fong Wai Leong (Resigned on 9 April 2008)

The Chairman, Managing Director and Chief Executive Officer have many years of experience in the operations of plantations and palm oil mill. The Non-Executive Directors have extensive experience in commercial and corporate finance. The Independent Directors are actively involved in the Board Meetings and the meetings of the various Board Committees and provide unbiased and independent judgement into all deliberations.

The roles of the Chairman, the Managing Director and the Chief Executive Officer are separate and each has a clearly accepted division of responsibilities to ensure a balance of power and authority. The Chairman is primarily responsible for the orderly conduct and working of the Board while the Managing Director has overall responsibilities in the implementation of Board policies and decisions. The Chief Executive Officer is primarily responsible for the Group's day-to-day operations.

1. Directors (cont'd)

1.1 Board Composition (cont'd)

The Company has complied with the requirement of paragraph 15.02 of the Listing Requirements whereby half of the Board of Directors are Independent Non-Executive Directors.

The Board held four (4) Board Meetings during the financial year. The details of attendance of each individual Director are as follows:-

Name	Meetings attended
Dato' Mah King Thian @ Mah King Thiam	4/4
Dato' Mah King Seng	4/4
Tan Ah Seng	4/4
Chua Kim Yin	4/4
Chan Kam Leong*	3/3
Kee Chit Huei**	1/1
Fong Wai Leong***	1/1

* Chan Kam Leong was appointed as director of the company on 2 May 2008 and since then, only three meetings were held.

** Kee Chit Huei retired on 28 April 2008.

*** Fong Wai Leong resigned on 9 April 2008.

1.2 Principal responsibility of the Board

The Board assumes full responsibility for the operations of the Group. In discharging their responsibility, the Board considers all aspects of the operations of the Group and in particular the following areas:

- Reviewing and adopting a strategic business plan for the Group.
- Overseeing the conduct of the business of the Group.
- Identifying and putting in place systems to manage any principal risk.
- Succession planning for senior management.
- Developing and implementing investor relations programme or shareholder communications policy.
- Reviewing internal control and management information systems.

The Board has a formal schedule of matters reserved to itself, which includes the overall Group business strategy, acquisition or divestment policy, approval of major capital expenditure, consideration of significant financial matters and it reviews the financial and operating performance of the Group.

1. Directors (cont'd)

1.3 Supply of information

In carrying out their duties, the Directors have complete access to all staff for information pertaining to the Group's affairs. The Directors also have full access to advice and services of the Company Secretary. Where necessary, the Directors engage independent professional for advice at the Group's expense to enable them to discharge their duties with full knowledge of the cause and effect.

1.4 Appointment and Re-election of Directors

The Articles of Association of the Company requires that all Directors shall be subject to election by shareholders at the first opportunity after their appointment and that at least one third (1/3) or the number nearest to one third (1/3) of the Directors, be subject to re-election thereafter by rotation once at least in every three (3) years at the Annual General Meeting.

1.5 Committee of Directors

The Company has established four Committee of Directors ('Committees') to assist in the performance of certain duties of the Board under specific terms of reference. Three (3) of the Committees are composed of a majority of Non-Executive Directors. The Board considers that the mix of commercial experience from the Non-Executive Directors will complement the Executive Directors and create an effective Board.

The Committees established are as follows:

(i) Audit Committee

The role of the Audit Committee is to support the Board of Directors in overseeing the processes for production of the financial data, reviewing the financial reports and the internal controls of the Company. The composition and terms of reference of this Committee together with its report are presented on pages 22 to 26 of the Annual Report.

(ii) Nomination Committee

The functions of the Nomination Committee are as follows:

- Recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board.
- Consider, in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any Director or shareholder.
- Recommend to the Board, Directors to fill the seats on Committees of Directors.

1. Directors (cont'd)

1.5 Committee of Directors (cont'd)

(ii) Nomination Committee (cont'd)

- The Nomination Committee are enabled by the Board to:
  - annually review the required mix of skills and experience and other qualities including core competencies which Non-Executives should bring to the Board.
  - annually assess the effectiveness of the Board as a whole, the Committees of Directors and the contribution of each Director.

(iii) Remuneration Committee

The functions of the Remuneration Committee are as follows:

- Review the annual remuneration packages of Executive Directors such that the levels of remuneration are sufficient to attract and retain the Directors needed to run the Company successfully.
- To recommend to the Board, the remuneration packages of the Executive Directors of the Company.

(iv) Executive Committee ("EXCO")

The EXCO is entrusted with the responsibility of carrying out tasks which are assigned to it by the Board under a set of terms of reference. The EXCO acts on behalf of the Board on matters concerning administrations, operations, capital expenditure, debt approvals and investments. It meets at regular intervals to review and decide on administrative and operational matters, budgets and investment strategies of the Group.

2. Directors' Remuneration

2.1 The Level and Make-up of Remuneration

The Remuneration Committee provides remuneration packages which are sufficient and necessary to attract, retain and motivate Executive Directors to run the Company. The remuneration of Non-Executive Directors is linked to their experience and level of responsibilities undertaken by them.

2. Directors' Remuneration (cont'd)

2.2 Procedures

The Remuneration Committee consists of three members, the majority of whom are Independent Non-Executive Directors. The Committee is responsible for setting up a policy framework for all elements of remuneration such as reward structure, fringe benefits and other terms of employment of the Executive Directors.

2.3 Disclosure

The aggregate remuneration paid or payable to all Directors of the Company for the financial year ended 31 December 2008 are as follows:-

	Fees RM	Emoluments RM	EPF RM	Total RM
Executive Directors	-	1,687,658	202,525	1,890,183
Non-Executive Directors	82,000	-	-	82,000
Total	82,000	1,687,658	202,525	1,972,183

The number of Directors whose total remuneration falls within the following range are as follows:

Range of Remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	-	4
RM350,001 to RM400,000	1	-
RM650,001 to RM700,000	2	-

3. Directors' Training

All the Directors have undergone the Mandatory Accreditation Programme (MAP) except Mr. Choong Pak Wan, a newly appointed director, will attend the MAP on 23 June 2009. The Directors have complied with Practice Note 15/2003 (now repealed) and have all obtained the requisite Continuing Education Programme (CEP) points. During the year, the Executive Directors had attended the World Sustainable Palm Oil Conference held in London. The World Sustainable Palm Oil Conference was organised in London to discuss the future of oil palm as a sustainable agricultural crop. It aimed to provide an international platform for the interchange of views and sharing of knowledge and information on the production and use of sustainable palm oil. It also enabled stakeholders in the palm oil supply chain to discuss critical issues with senior government decision makers and industry leaders. More importantly, it encouraged dialogue between civil society groups, end-users and producers on the sustainability of palm oil The Directors will continue to undergo training and other relevant programmes to further enhance their skills and knowledge where relevant.

4. Shareholders

4.1 Dialogue between Companies and Investors

The annual report, quarterly reports and various mandatory announcements are the main channel of information by the Company of its financial performance, operations and corporate developments.

The Board considers it essential that investors are kept informed of all the latest financial result and developments of the Company and where appropriate, will provide disclosure that is in the best interest of the Company and also of the shareholders. All such reporting information can be obtained from the website of Bursa Malaysia Securities Berhad.

4.2 The Annual General Meeting

The Annual General Meeting is an important event for the Company as the Board has the opportunity to have a dialogue with the shareholders to present the results and performance of the Group and to address all questions that may arise. Suggestions and comments by shareholders will be noted by the Board for consideration.

5. Corporate Social Responsibility Initiative

The Company is committed to ensuring that its action not only benefits its shareholders but also its employees, the community and the environment.

As part of its Corporate Social Responsibility ("CSR") Initiative, the Group is donating and constructing an Education Resource Centre on a two (2) acre site at Segaliud in Sandakan.

The Centre known as Cepatwawasan Education Resource Center is intended to provide tuition for primary school children from 7 to 12 years old. It will benefit local children living in and around Segaliud, Sukau and Kinabatangan, in particular children from the "Orang Sungai " communities.

Facilities will include a library, a play corner, study rooms, an outdoor playground and a field. There is also ample room for future development.

Total cost is estimated at about RM1 million, which is inclusive of land, site preparation, building, staff quarter, infrastructure, library, computer room, furniture and fixtures.

6 Financial Reporting

The financial statements of the Company are drawn up in compliance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia. The Board is responsible to ensure that the financial statements of the Company give a true and fair view of the state of affairs of the Company. Accordingly, the Board has prepared the statement of responsibility for the preparation of the annual audited financial statements on page 21.

The quarterly and annual financial statements are reviewed by the Audit Committee and subsequently by the Board, prior to release for announcement to Bursa Malaysia Securities Berhad.

7. Internal Control

The Directors acknowledge their responsibility to maintain a system of internal control for the Group including risk assessment and risk management to ensure that the operations of the Group are run effectively and efficiently, proper financial and corporate compliance controls are in place and the assets of the Group are safeguarded so as to protect shareholders' investment. The Group's system of internal control can only provide reasonable but not absolute assurance against material misstatements, fraud or loss.

The Board has prepared the statement on internal control, which can be found on pages 27 and 28.

8. Relationship with Auditors

The Company has always maintained a formal and transparent relationship with its auditors.

The role of the Audit Committee in relation to the external auditors is set out in the Report on Audit Committee on pages 22 to 26.

9. Compliance Statement

The Company has complied with the Best Practices of Corporate Governance as contained in the Malaysian Code on Corporate Governance except for the following minor exceptions that, in the opinion of the Directors, adequately suits the circumstances:

- Disclosure of remuneration is not made in detail for each Director. However, the remuneration paid is disclosed in aggregates of the categories of remuneration and, in compliance with the Listing Requirements, is analysed into bands of RM50,000.

10. Additional Compliance Information

In compliance with the Listing Requirements, the following additional information is provided:-

10.1 Utilisation of Proceeds

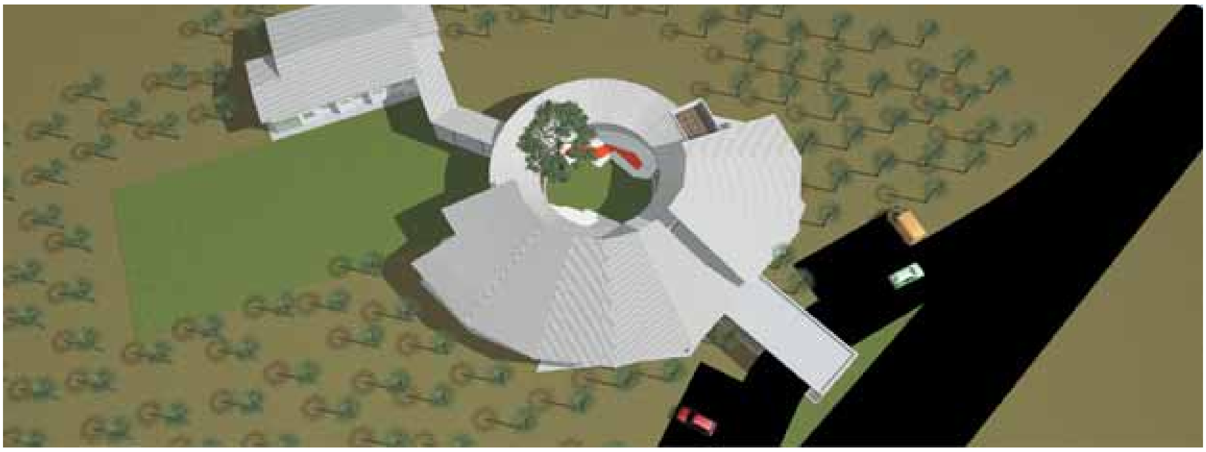
This was not applicable during the financial year.

10.2 Share Buybacks

During the financial year, there were no share buybacks by the Company.

10.3 Options, Warrants or Convertible Securities

There are no options, warrants or convertible securities exercised in respect of the financial year under review.



Cepat's Education Resource Centre

10. Additional Compliance Information (cont'd)

10.4 American Deposit Receipt ('ADR') or Global Deposit Receipt ('GDR') Programme

During the financial year, the Company did not sponsor any ADR or GDR programme.

10.5 Imposition of Sanctions/Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant authorities.

10.6 Non-Audit Fees

No non-audit fees were paid to the external auditors in respect of the financial year.

10.7 Profit Estimate, Forecast or Projection

No material variance arose between the audited results for the financial year and the unaudited results previously announced. There were no profit estimates, forecasts or projections for the financial year ended 31 December 2008.

10.8 Profit Guarantee

No profit guarantee was given by the Company in respect of the financial year.

10.9 Material Contracts

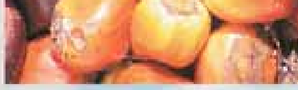
There were no material contracts entered into by the Company and its subsidiaries involving Directors and substantial shareholders either subsisting at the end of the financial year ended 31 December 2008 or entered into since the previous financial period.

10.10 Revaluation Policy

The Group does not have a revaluation policy on landed properties.

10.11 Recurrent Related Party Transactions

There are no recurrent related party transactions transacted by the Company and its subsidiaries.



Statement of Directors' Responsibility for Preparing the Financial Statements

The Directors are required by the Companies Act, 1965 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 their results and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

- selected appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- stated whether applicable accounting standards have been followed and made a statement to the effect in the financial statements, subject to any material departures being disclosed and explained in the financial statements.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting standards in Malaysia. They are responsible for taking reasonable steps to safeguard the assets of the Group and of the Company for the prevention and detection of fraud and other irregularities.

COMMITTEE MEMBERS

The members of the Audit Committee as at the date of this report are as follows:

Chairman
Mr. Chua Kim Yin
(Independent Non-Executive Director)

Committee Members
Mr. Chan Kam Leong (appointed on 2 May 2008)
(Independent Non-Executive Director)
Mr. Choong Pak Wan (appointed on 25 February 2009)
(Independent Non-Executive Director)

TERMS OF REFERENCE

1. Composition

1.1 The Committee shall comprise at least three directors who must be Non-Executive Director and a majority of whom are independent directors. There shall be at least one member who is:

(a) a member of the Malaysian Institute of Accountants, or

(b) otherwise, he shall have at least 3 years' working experience and
   i. he shall have passed the examinations specified in Part 1 of the First Schedule of the Accountants Act 1967; or
   ii. he shall be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

(c) he fulfils such other requirements as prescribed or approved by the Exchange.

1.2 The members of the audit committee shall elect a Chairman from among their number who shall be an independent director.

1.3 No alternate director, Chief Executive Officer or Managing Director shall be appointed as a member of the Audit Committee.

1.4 Any vacancy in the Audit Committee resulting in the non-compliance of the above, shall be filled within three months.

2. Authority

The audit committee shall:

(a) have the authority to investigate any activity of the Group within its terms of reference;

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

(c) have full and unrestricted access to the Group's information;

(d) have direct communication channels with the external auditors, internal auditors and all employees of the Group;

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

(f) be able to convene meetings with the external auditors, the internal auditors or both (excluding the executive directors and employees), if necessary.

3. Functions

The audit committee is to:

3.1 Review the following and report the same to the board of directors:

a) with the external auditors:

i) the external audit plan,
ii) the evaluation of the system of internal controls; and
iii) the external audit report.

b) assistance given by the Company's officers to the external auditors;

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

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

e) the quarterly financial reports and year end financial statements, prior to the approval by the board of directors, focusing particularly on:
- changes in or implementation of major accounting policy changes;
- significant and unusual events;
- the going concern assumption; and
- compliance with accounting standards and other legal requirements.
- significant transactions not forming a normal part of the Company's operations;
- significant adjustments proposed by the external auditors.

3. Functions (cont'd)

3.1 Review the following and report the same to the board of directors: (cont'd)

f) any related party transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;

g) letter of resignation from the external auditors, if any; and

h) whether there is any reason (supported by grounds) to believe that the external auditors is not suitable for reappointment.

3.2 Consider the nomination of external auditors.

3.3 Review the scope of audit and general extent of the external auditor's examination, including their engagement letter.

3.4 Review with the Company's management, external auditors and the internal auditor, the Company's general policies and procedures to reasonably assure the adequacy of internal accounting and financial reporting controls.

3.5 Discuss with the external auditors any relevant recommendations, which the external auditors may have, especially those in their letter of comments and recommendations. Topics to be considered during this discussion include improving internal financial controls, the selection of accounting principles, and management reporting systems. Review written responses of management to the letter of comments and recommendations from the external auditors.

3.6 Evaluate the cooperation received by the external auditors during their examination, including their access to all requested records, data and information. Also, elicit the comments of management regarding the responsiveness of the external auditors to the Company's needs. Enquire the external auditors whether there have been any disagreements with management, which if not satisfactorily resolved would have caused them to issue a non-standard report on the company's financial statements.

3.7 Review the scope and results of the internal audit procedures and discuss with the Company management the remedial actions taken on the areas that need improvement.

3.8 Apprise the board of directors, through minutes and special presentations as necessary, of significant developments in the course of performing the above duties.

3.9 Perform such other functions as may be agreed to by the Audit Committee and the Board of Directors.

4. Quorum and Attendance of Meetings

4.1 The quorum of meetings of the Committee shall be majority of the members who are Independent Directors.

4.2 Members of the audit committee are to be present at all meetings. If necessary or desirable, the chairman may request that members of management, the head of internal audit and representatives of the external auditors be present at meetings of the Committee.

4.3 The Company Secretary or his/her representative shall be the secretary of the Audit Committee.

5. Frequency of Meetings and Minutes

5.1 The Audit Committee is to meet at least four times per year.

5.2 At least twice a year, the Committee shall meet with the external auditors, the internal auditors or both without the presence of any executives of the Company.

5.3 Minutes of each Audit Committee meeting are to be made available to the Board of Directors.

MEETINGS

The Audit Committee members held four (4) meetings during the financial year ended 31 December 2008.

The attendance of the members at the Audit Committee meetings is as follows:

Member	Meetings attended
Chua Kim Yin	4/4
Chan Kam Leong*	3/3
Dato' Mah King Thian @ Mah King Thiam**	3/3
Kee Chit Huei***	1/1

* Chan Kam Leong was appointed on 2 May 2008.
** Dato' Mah King Thian @ Mah King Thiam resigned on 16 January 2009.
*** Kee Chit Huei vacated his office on 28 April 2008.

Members of the senior management were invited to attend these meetings as and when necessary. The external auditors have also attended the meetings by invitation.

ACTIVITIES

The summary of the activities of the Audit Committee in the discharge of its duties and responsibilities for the financial year included the following:-

(i) Reviewed the scope of work and audit plan of the external auditors.

(ii) Reviewed, with the external auditors, the results of their audit, the audit report and internal control recommendations in respect of improvements in the internal control procedures noted in the course of their audit.

(iii) Reviewed the adequacy of the internal audit scope and plan, and the findings identified by the internal audit function.

(iv) Reviewed the necessity and need for special audit.

(v) Reviewed the annual report and the audited financial statements of the Company prior to submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board.

(vi) Reviewed the compliance of the Company with the Revamped Listing Requirements of the Bursa Malaysia Securities Berhad and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board.

(vii) Reviewed the unaudited quarterly Group results before recommending to the Board for approval for announcement to Bursa Malaysia Securities Berhad.

(viii) Reviewed the related party transactions entered into by the Group.

(ix) Reviewed and recommended to the Board the re-appointment of external auditors and their audit fees.

(x) Reviewed the status of compliance of the Company with the Malaysian Code on Corporate Governance for the purpose of issuing the Corporate Governance Statement pursuant to the requirement of paragraph 15.26 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

INTERNAL AUDIT FUNCTION

The principal role of the internal audit function is to provide the Audit Committee with independent and objective reports on the adequacy, efficiency and effectiveness of the internal control system to ensure compliance with the systems and standard operating procedures in the Group.

In this connection, the Company has engaged Messrs KPMG to assist in carrying out the internal audit function. During the financial year, four (4) cycles of internal audit were conducted. The Audit Committee had reviewed the auditor's findings and management's responses and had ensured that appropriate actions were taken by management on the audit recommendations.

BOARD'S RESPONSIBILITY

The Board acknowledges its responsibility for establishing an efficient and effective system of internal control covering not only financial controls but also controls relating to operational, compliance and risk management to safeguard shareholders' value and the Group's assets. There is an on-going review process by the Board to ensure its adequacy and integrity of the system.

In view of the limitations that are inherent in any system of internal control, this system is designed to manage, rather than eliminate the risk of failure to achieve corporate objectives. Accordingly, the system can only provide reasonable but not absolute assurance against material misstatement, operational failures, fraud or loss.

RISK MANAGEMENT FRAMEWORK AND CONTROL SELF-ASSESSMENT

The Management has reviewed the Group's internal control system and formalised the risk management practices to comply with the Malaysian Code on Corporate Governance ("the Code"). In consequence, a formal risk management framework has been established to ensure that structured and consistent approach and methods are practised in the on-going process of identifying and assessing various critical risks that are considered likely to affect the profitable operation of the business units in the Group. The Board is supported by the Group Risk Management Committee that comprises the Executive Chairman, Managing Director, Chief Executive Officer and senior management in overseeing the risk management efforts within the Group.

The Management has worked within the approved and adopted framework for principal risks affecting the Group's strategic business objectives throughout the year. Additional reviews will be carried out as and when required annually.

The on-going implementation is monitored by the Management and is reported quarterly to the Board.

INTERNAL AUDIT FUNCTION

The Board recognised that effective monitoring on a continuous basis is a vital component of a sound internal control system. In this respect, the Board through the Audit Committee regularly receives and reviews reports on internal control from its internal audit function.

The internal audit function is outsourced to KPMG which reports directly to the Audit Committee. The scope of work covered by the internal audit function is determined by the Audit Committee after careful consideration and discussion of the audit plan with the Board. The costs incurred for the internal Audit function for the financial year ended 31 December 2008 were RM 35,000.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Other key elements of the Group's internal control are as follows:

i. BOARD MEETINGS

The Board meets at least quarterly and has a formal agenda on matters for discussion. The Chairman, together with the Chief Executive Officer, leads the presentations of board papers and provides comprehensive explanation of pertinent issues. The Board is also kept updated on the Company's and the Group's activities and operations on a regular basis including any material issues discussed and approved by the Executive Committee ("EXCO").

ii. ORGANISATIONAL STRUCTURE

The Group's organisational structure is formed with formally defined reporting lines and authorities to facilitate quick response to changes in the evolving business environment and accountability for operational performance.

To identify, discuss and resolve business and operational issues, weekly management meetings at head office as well as scheduled meetings at operation sites are held. The EXCO is aware of the significant issues identified in those meetings, and when necessary the EXCO shall be involved in resolving those issues. The Group has been restructured in such a way that duties are properly segregated to ensure safe custody of the Group's assets and to provide clear and transparent reporting lines.

iii. PERFORMANCE MANAGEMENT FRAME WORK

Management reports are generated on a monthly basis to facilitate the Board's review of the Group's financial and operating performance. The review covers areas such as financial and non-financial key performance indicators and variances between budget and operating results.

The Board has reviewed and approved the Group's budget for the next financial year. The budgeting process involves the preparation of budgets by individual operating units, which are then reviewed and approved at management level and ultimately by the Board. The Management will monitor the actual performance against the Group's budget on a monthly basis. Significant variances are identified, investigated and reported to the EXCO and the Board for immediate corrective actions.

WEAKNESS IN INTERNAL CONTROL

There were no material internal control failures nor have any of the reported weaknesses resulted in material losses or contingencies during the financial year.

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2008.

Principal Activities

The principal activities of the Company are investment holding and provision of management services to its subsidiary companies. The principal activities of the subsidiary companies are stated in Note 20 to the financial statements.

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

Results

	Group 1.1.2008 to 31.12.2008 RM	**Company 1.5.2007 to 31.12.2007 RM**
Profit for the year	41,513,385	6,488,686
Attributable to:		
Equity holders of the Company	39,903,189	6,488,686
Minority interests	1,610,196	-
	41,513,385	6,488,686

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

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than effect arising from the disposal of a property by a subsidiary company, resulting in an increase in the Group's profit for the year by RM4,267,871.

Dividends

On 27 November 2008, the Company declared a single tier interim dividend of 1%, on 215,456,915 ordinary shares amounting to RM2,154,569 in respect of the current financial year and paid on 24 December 2008.

At the forthcoming Annual General Meeting, a single tier final dividend in respect of the financial year ended 31 December 2008, of 1.5% on 215,456,915 ordinary shares, amounting to a dividend payable of RM3,231,854 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2009.

Directors

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

Dato' Mah King Thian @ Mah King Thiam	
Dato' Mah King Seng	
Tan Ah Seng	
Chua Kim Yin	
Chan Kam Leong	(Appointed on 2 May 2008)
Choong Pak Wan	(Appointed on 25 February 2009)
Fong Wai Leong	(Resigned on 9 April 2008)
Kee Chit Huei	(Retired on 28 April 2008)

Directors' Benefits

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

Since the end of the previous financial period, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 11 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Directors' Interests

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

	Number of Ordinary Shares of RM1.00 Each				
Name of Directors	**1.1.2008**	**At date of appointment**	**Acquired**	**Sold**	**31.12.2008**
Direct interest:					
Tan Ah Seng	100	-	-	-	100
Indirect interest:					
Dato' Mah King Thian @ Mah King Thiam	69,000,000	-	-	-	69,000,000
Dato' Mah King Seng	69,000,000	-	-	-	69,000,000
Chan Kam Leong	-	161,500	-	-	161,500

Dato' Mah King Thian @ Mah King Thiam and Dato' Mah King Seng by virtue of their interests in shares in the Company are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

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

Other Statutory Information

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

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

Other Statutory Information (cont'd)

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

(i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

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

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

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

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

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

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

(f) In the opinion of the Directors:

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

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

Significant Events

Details of the significant events are disclosed in Note 3 to the financial statements.

Material Litigation

The details of the material litigation are disclosed in Note 4 to the financial statements.

Auditors

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

Signed on behalf of the Board in accordance with a resolution of the Directors dated 13 March 2009.

DATO' MAH KING THIAN @ MAH KING THIAM **TAN AH SENG**

Statement by Directors

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

We, DATO' MAH KING THIAN @ MAH KING THIAM and TAN AH SENG, being two of the Directors of CEPATWAWASAN GROUP BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 37 to 94 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2008 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 13 March 2009.

DATO' MAH KING THIAN @ MAH KING THIAM **TAN AH SENG**

Statutory Declaration

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

I, NOK CHUNG YUAN, being the Officer primarily responsible for the financial management of CEPATWAWASAN GROUP BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 37 to 94 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed NOK CHUNG YUAN
at Sandakan in the State of Sabah on
13 March 2009.

NOK CHUNG YUAN

Before me,

RAMSAH BINTI HJ. MOHD. TAHA
Commissioner of Oaths (No. S-029)

Report of the Auditors to the Members of
Cepatwawasan Group Berhad (Incorporated in Malaysia)

We have audited the financial statements of Cepatwawasan Group Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 37 to 94 .

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2008 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

In forming our opinion, we have considered the adequacy of the disclosure made in Note 2 to the financial statements concerning the recoverability of the alleged wrongful payments of RM16 million and the adequacy of the provision for doubtful debts of RM12.8 million made in respect thereof which are dependent on the outcome of the judgement in respect of the lawsuit for recovery of the said alleged wrongful payments, which were wrongfully paid out by the former directors who were removed on 6 August 2004 to third parties which may eventually not be recoverable . In relation to the balance of RM3.2 million, which have not been provided, we considered that it should be drawn to your attention, but our opinion is not qualified in that respect.

Report on other legal and regulatory requirements

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

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

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

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

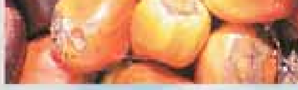
Other matters

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

ERNST & YOUNG
AF: 0039
Chartered Accountants

CHIN MUI KHIONG PETER
1881/03/10 (J)
Chartered Accountant

Kuching, Malaysia
13 March 2009



Income Statements

For the Year Ended 31 December 2008

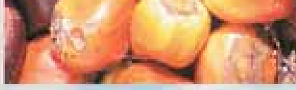
		Group		Company	
	Note	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM
Revenue	6	246,962,156	164,207,252	11,219,456	6,488,053
Cost of sales		(187,460,265)	(116,294,721)	-	-
Gross profit		59,501,891	47,912,531	11,219,456	6,488,053
Other income	7	5,362,877	1,701,064	689,277	416,126
Distribution costs		(3,529,156)	(2,147,239)	-	-
Administrative expenses		(7,005,216)	(4,552,160)	(2,358,261)	(1,813,497)
Operating profit		54,330,396	42,914,196	9,550,472	5,090,682
Finance costs	8	(1,125,115)	(928,916)	(689,628)	(416,126)
Profit before tax	9	53,205,281	41,985,280	8,860,844	4,674,556
Income tax expense	12	(11,691,896)	(9,354,321)	(2,372,158)	(1,381,132)
Profit for the year/period		41,513,385	32,630,959	6,488,686	3,293,424
Attributable to:					
Equity holders of the Company		39,903,189	31,339,303	6,488,686	3,293,424
Minority interests		1,610,196	1,291,656	-	-
		41,513,385	32,630,959	6,488,686	3,293,424

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

Balance Sheets

As at 31 December 2008

	Note	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	15	62,031,913	59,053,186	1,599,140	429,316
Prepaid land lease payments	16	64,146,398	70,395,829	-	-
Biological assets	17	150,373,608	147,316,500	-	-
Investment properties	18	20,279,089	-	-	-
Intangible assets	19	92,088,118	93,265,917	-	-
Investments in subsidiaries	20	-	-	217,203,013	216,873,013
Deferred tax assets	21	748,881	532,579	-	-
		389,668,007	370,564,011	218,802,153	217,302,329
Current Assets					
Inventories	22	13,796,217	13,123,941	-	-
Trade and other receivables	23	10,575,601	13,910,756	94,003,614	67,551,978
Tax refundable		2,205,541	581,796	753,403	580,343
Short term investments	24	1,092,264	-	-	-
Cash and cash equivalents	25	28,547,680	42,058,395	243,330	1,741,261
		56,217,303	69,674,888	95,000,347	69,873,582
TOTAL ASSETS		445,885,310	440,238,899	313,802,500	287,175,911
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	26	215,456,915	215,456,915	215,456,915	215,456,915
Retained profits/ (accumulated losses)		118,420,862	83,861,004	(3,606,725)	(4,752,080)
		333,877,777	299,317,919	211,850,190	210,704,835
Minority interests		15,631,518	13,876,643	-	-
Total equity		349,509,295	313,194,562	211,850,190	210,704,835
Non-Current Liabilities					
Borrowings	27	28,264,021	30,264,874	-	-
Deferred tax liabilities	21	45,805,162	46,099,167	-	-
Lease rental payable	29	267,050	267,050	-	-
		74,336,233	76,631,091	-	-



Balance Sheets

As at 31 December 2008 (cont'd)

	Note	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Current Liabilities					
Borrowings	27	8,654,288	22,543,050	-	-
Trade and other payables	30	12,413,662	23,054,434	101,952,310	76,471,076
Provision for taxation		971,832	4,815,762	-	-
		22,039,782	50,413,246	101,952,310	76,471,076
Total Liabilities		96,376,015	127,044,337	101,952,310	76,471,076
TOTAL EQUITY AND LIABILITIES		445,885,310	440,238,899	313,802,500	287,175,911

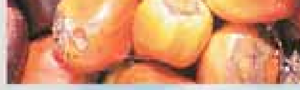
The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity

For the Year Ended 31 December 2008

		← Attributable to Equity Holders of the Company →			Minority Interests	Total Equity
	Note	Share Capital RM	Distributable Retained Profits/ (Accumulated Losses) RM	Total RM	RM	RM
Group						
At 1 May 2007		215,456,915	55,667,372	271,124,287	-	271,124,287
Acquisition of subsidiaries	20	-	-	-	12,584,987	12,584,987
Profit for the period		-	31,339,303	31,339,303	1,291,656	32,630,959
Dividend	14	-	(3,145,671)	(3,145,671)	-	(3,145,671)
At 31 December 2007		215,456,915	83,861,004	299,317,919	13,876,643	313,194,562
Acquisition of shares by minority shareholders	20	-	-	-	144,679	144,679
Profit for the year		-	39,903,189	39,903,189	1,610,196	41,513,385
Dividend	14	-	(5,343,331)	(5,343,331)	-	(5,343,331)
At 31 December 2008		215,456,915	118,420,862	333,877,777	15,631,518	349,509,295
Company						
At 1 May 2007		215,456,915	(4,899,833)	210,557,082	-	210,557,082
Profit for the period		-	3,293,424	3,293,424	-	3,293,424
Dividend	14	-	(3,145,671)	(3,145,671)	-	(3,145,671)
At 31 December 2007		215,456,915	(4,752,080)	210,704,835	-	210,704,835
Profit for the year		-	6,488,686	6,488,686	-	6,488,686
Dividend	14	-	(5,343,331)	(5,343,331)	-	(5,343,331)
At 31 December 2008		215,456,915	(3,606,725)	211,850,190	-	211,850,19

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


Cash Flow Statements

For the Year Ended 31 December 2008

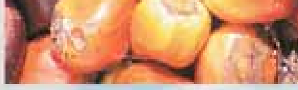
	Note	Group		Company	
		1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM
Cash Flows From Operating Activities					
Profit before tax		53,205,281	41,985,280	8,860,844	4,674,556
Adjustments for:					
Amortisation of quarry development expenditure	9	-	87,454	-	-
Amortisation of prepaid land lease payments	9	1,031,675	352,278	-	-
Bad debts written off	9	170,327	184,006	-	-
Depreciation of property, plant and equipment	9	4,400,959	2,760,793	936	234
Equipment scrapped	9	35,232	2	-	-
Provision for doubtful debts	9	95,757	128,331	-	-
Interest expense	8	1,125,115	928,916	689,628	416,126
Dividend income	6	-	-	(9,000,000)	(5,000,000)
Gain on disposal of prepaid land lease payments	7	(4,267,871)	-	-	-
Gain on disposal of plant and equipment	7	(11,188)	(1,334)	-	-
Gain on deemed disposal of subsidiaries	7	(5,321)	-	-	-
Interest income	7	(812,879)	(257,442)	(689,277)	(416,126)
Realisation of negative goodwill	7	-	(557,906)	-	-
Operating profit/(loss)before working capital changes		54,967,087	45,610,378	(137,869)	(325,210)
Increase in inventories		(672,276)	(5,243,199)	-	-
Decrease in receivables		3,065,090	13,149,316	3,070	13,961,400
(Decrease)/increase in payables		(10,640,772)	(7,295,335)	247,774	555,234
Cash generated from operations		46,719,129	46,221,160	112,975	14,191,424
Income tax paid		(17,669,878)	(5,645,285)	(2,545,218)	(1,519,364)
Interest paid		(2,020,559)	(1,705,824)	(689,628)	(416,126)
Net cash generated from/(used in) operating activities		27,028,692	38,870,051	(3,121,871)	12,255,934

Cash Flow Statements

For the Year Ended 31 December 2008 (cont'd)

	Note	Group 1.1.2008 to 31.12.2008 RM	Group 1.5.2007 to 31.12.2007 RM	Company 1.1.2008 to 31.12.2008 RM	Company 1.5.2007 to 31.12.2007 RM
Cash Flows From Operating Activities					
Proceeds from disposal of prepaid land lease payments		10,663,426	-	-	-
Dividend received		-	-	9,000,000	5,000,000
Increase in amounts due from subsidiary companies		-	-	(26,454,706)	(24,058,407)
Interest received		812,879	257,442	689,277	416,126
Proceeds from disposal of property, plant and equipment		27,502	8,135	-	-
Additions of property, plant and equipment	15	(6,551,033)	(3,507,632)	(1,170,760)	(9,550)
Additions of biological assets	17	(1,874,482)	(2,236,422)	-	-
Acquisition of subsidiaries	20	-	(13,833,659)	-	(14,157,004)
Acquisition of investment properties		(20,279,089)	-	-	-
Additional investments in subsidiaries		-	-	(330,000)	(19,996)
Net cash used in investing activities		(17,200,797)	(19,312,136)	(18,266,189)	(32,828,831)
Cash Flows From Financing Activities					
Proceeds from issuance of share capital to minority interest by subsidiaries		150,000	-	-	-
Proceeds from drawdown of bankers' acceptances		6,000,000	-	-	-
Proceeds from drawdown of term loans		-	21,000,000	-	-
Dividend paid		(5,343,331)	(6,291,342)	(5,343,331)	(6,291,342)
Increase in amounts due to subsidiary companies		-	-	25,233,460	28,516,136
Proceeds from revolving credits		-	15,545,016	-	-
Repayment of revolving credits		(18,056,630)	-	-	-
Repayment of term loans		(3,824,587)	(11,513,283)	-	-
Repayment of hire purchase liabilities		(1,171,798)	(946,210)	-	-
Net cash (used in)/generated from financing activities		(22,246,346)	17,794,181	19,890,129	22,224,794
Net (decrease)/increase in cash and cash equivalents		(12,418,451)	37,352,096	(1,497,931)	1,651,897
Cash and cash equivalents at beginning of year/period		42,058,395	4,706,299	1,741,261	89,364
Cash and cash equivalents at end of year/period	25	29,639,944	42,058,395	243,330	1,741,261

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



1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of Bursa Malaysia Securities. The registered office and the principal place at which the Company's business is carried out are located at Lot 39 - 40, Block C, Taman Indah Jaya Shophouses, Mile 4, North Road, P. O. Box 1562, 90717 Sandakan, Sabah.

The principal activities of the Company are investment holding and provision of management services to its subsidiary companies. The principal activities of the subsidiary companies are stated in Note 20 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 13 March 2009.

2. Significant Uncertainty

On 18 August 2004, the Directors discovered that, prior to their appointments, payments totalling RM16 million were wrongfully and fraudulently paid out from a bank account of a subsidiary company, Prolific Yield Sdn. Bhd. ("Prolific Yield"), to third parties by the former directors who were removed on 6 August 2004. The Company and Prolific Yield have since filed a Writ of Summons at the Kuala Lumpur High Court against seven of the former directors of the Company and eleven others for recovery of the total amount of RM16 million as referred to in Note 4. The Court has on 24 June 2005 granted the Company's application for order for attachment of assets before judgement by the Kuala Lumpur High Court. The Directors have recorded the said wrongful payments in other receivables pending the outcome of the judgement. As at period end, the Directors have reviewed the recoverability of the above said wrongful payments and they are of the opinion that the provision for doubtful debts of RM12.8 million, which was made in previous year is adequate.

The recoverability of the wrongful payments totaling RM16 million and the adequacy of provision for doubtful debts of RM12.8 million thereof are dependent on the outcome of the judgement by the Kuala Lumpur High Court. However, the Directors are of the opinion that the Court will rule in favour of the Company and Prolific Yield and that the amount of provision is adequate. The financial statements do not include any adjustments that would be required if the judgement is not concluded in favour of the Company and Prolific Yield.

3. Significant Events

(i) On 5 June 2008, Minelink Sdn. Bhd. ("MLSB"), a wholly-owned subsidiary of the Group, acquired two parcels of freehold land for a total cash consideration of RM12,230,080. Subsequent to the acquisition of the two parcels, on 30 December 2008 MLSB further acquired another parcel of land adjacent to it at a cash consideration of RM7,400,000. These acquisitions are classified under investment properties.

3. Significant Events (cont'd)

(ii) On 15 August 2008, the Company subscribed for additional 165,000 ordinary shares of RM1.00 each at par in Cash Horse (M) Sdn. Bhd. its allotment of 240,000 ordinary shares of RM1.00 each at par resulting the effective ownership interest of the Group reduced from 100% to 70%.

(iii) On 15 August 2008, the Company subscribed for additional 165,000 ordinary shares of RM1.00 each at par in Mistral Engineering Sdn. Bhd. its allotment of 240,000 ordinary shares of RM1.00 each at par resulting the effective ownership interest of the Group reduced from 100% to 70%.

(iv) On 16 October 2008, the Group, obtained approval from the Malaysian authorities for Small Renewable Energy Programme application in connection with its propose 11.5 MW Biomass Power Plant ("Biomass") and 2.0 MW Biogas Power Plant ("Biogas") Projects.

Subsequently, on 24 October 2008, the Group entered into letters of intent with the followings:

(a) Nordjysk Elhandel A/S, a company incorporated in Denmark to regulate the sale of Certified Emission Reductions ("CER") from the Group's Biomass and Biogas Projects; and

(b) The Danish Ministry of Climate and Energy to regulate the sale of CER from the Group's Biogas Project.

Respective Emission Reductions Purchase Agreements ("ERPA") would be executed within one year from the date of execution of the respective Letters of Intent to replace the aforesaid Letters of Intent when all parties are ready to enter into such an agreement.

4. Material Litigation

In July 2004, the Company and its subsidiary company, Prolific Yield Sdn. Bhd. ("Prolific Yield") filed a Writ of Summons at the Kuala Lumpur High Court against the following persons:

Name of Defendants

Tengku Dato' Kamal Ibni Sultan Sir Abu Bakar	1st Defendant
Lt Kol Tengku Dato' Kamarul Zaman Ibni Sultan Sir Abu Bakar	2nd Defendant
Kassim Bin Mohamed Ali	3rd Defendant
Abdul Rahim Bin Sendiri	4th Defendant
Opti Temasek Sdn. Bhd.	5th Defendant
Yip Kum Wah	6th Defendant
Lee Ah Lan	7th Defendant
Sheikh Abdul Rahim Bin Sheikh Hassan	8th Defendant
Yip Fook Yian	9th Defendant
Yip Chee Meng	10th Defendant
Yip Ha @ Yip See Khow	11th Defendant
Chew Poh Kong	12th Defendant
Hew Yen Fatt	13th Defendant
Tan Sri Datuk Chai Kin Kong	14th Defendant
Dato Chua Tiong Moon	15th Defendant
Chai Kim Chong	16th Defendant
Chai Woon Chet	17th Defendant
Tan Kok Aun	18th Defendant

for recovery of:

(a) RM13 million which was wrongfully and fraudulently paid out by the former directors of Prolific Yield who were removed on 6 August 2004 to Opti Temasek Sdn. Bhd.;

(b) RM3 million which was wrongfully and fraudulently paid to Sheikh Abdul Rahim Bin Sheikh Hassan as an advance with no interest and no fixed term of repayment; and

(c) RM287,915 which was misused by the 14th to 16th Defendants for improper purpose.

Mareva Injunction to freeze the assets of the Defendants were obtained against the 1st to 13th Defendants.

The hearing of the 1st to 4th Defendant's application for stay of execution of Attachment Before Judgment Order before the Court of Appeal is adjourned to 22 June 2009

The case management of this matter is adjourned to 13 July 2009 pending the disposal of the Plaintiff's appeal to the Court of Appeal with regard to the High Court's decision in striking out the Plaintiffs Statement of Claim against the 14th - 17th Defendants.

4. Material Litigation (cont'd)

The Court has allowed the 7th Defendant's application to deal with her personal assets including the withdrawal of monies from her bank accounts subject to the 7th Defendant producing original documents to the Court to verify its existences. The matter is fixed for mention on 24 March 2009 for the purpose of verification.

The Court has fixed 13 July 2009 for case management.

5. Significant Accounting Policies

5.1 Basis of Preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia. At the beginning of the current financial period, the Group and the Company had adopted new and revised Financial Reporting Standards ("FRSs") which are mandatory for financial periods beginning on or after 1 January 2008 as described fully in Note 5.3 below.

The financial statements of the Group and of the Company have also been prepared on a historical basis except when otherwise indicated.

The financial statements are presented in Ringgit Malaysia (RM).

5.2 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

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

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

(ii) Basis of Consolidation

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

5. Significant Accounting Policies (cont'd)

5.2 Summary of Significant Accounting Policies (cont'd)

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

(ii) Basis of Consolidation (cont'd)

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

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

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

Minority interests represent the portion of income statement and net assets in subsidiaries not attributable to the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

(b) Intangible Assets

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

5. Significant Accounting Policies (cont'd)

5.2 Summary of Significant Accounting Policies (cont'd)

(c) Property, Plant and Equipment, and Depreciation

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

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Direct expenditure incurred on quarry development is capitalised under quarry development expenditure. A portion of the indirect overheads which include general and administrative expenses and interest expense incurred on quarry development is similarly capitalised under quarry development expenditure until such time when the quarry commences operation.

Quarry development expenditure is amortised based on the proportion of stone volume extracted over the estimated volume of extractable stone from the quarry reserve.

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

Leasehold property	2%
Oil mill and other buildings	5% - 7%
Heavy equipment, plant and machinery	6% - 10%
Motor vehicles	15%
Furniture, fittings and equipment	10%

Capital work-in-progress is stated at cost and not depreciated until they are fully completed and ready for use.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in income statement.

5. Significant Accounting Policies (cont'd)

5.2 Summary of Significant Accounting Policies (cont'd)

(d) Biological Assets

Biological assets comprise oil palm planting expenditure. New planting expenditure incurred on land clearing and upkeep of palms to maturity is stated at cost and capitalised under biological assets. A portion of the direct overheads which include general and administrative expenses and interest expense incurred on immature plantation is similarly capitalised under biological assets until such time when the plantation attains maturity.

No amortisation is considered necessary on oil palm planting expenditure as its value is maintained through replanting programme. Replanting expenditure is recognised in the income statement in the year in which the expenditure is incurred.

(e) Impairment of Non-financial Assets

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

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

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

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

An impairment loss is recognised in profit or loss in the period in which it arises.

5. Significant Accounting Policies (cont'd)

5.2 Summary of Significant Accounting Policies (cont'd)

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

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

(f) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and any accumulated impairment loss.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in income statement in the year in which they arise.

(g) Inventories

All categories of inventories are valued at the lower of cost and net realisable value.

Costs of crude palm oil, milled oil palm produce and quarry inventories consist of direct material cost, direct labour cost, other direct charges and an appropriate proportion of factory overheads and are determined on the monthly weighted average basis.

Costs of consumable stores consist of purchase cost and expenses in bringing them into stores and are determined on the weighted average basis.

Cost of oil palm nurseries is computed using the weighted average cost method and includes the actual cost of seedlings and upkeep expenses.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

5. Significant Accounting Policies (cont'd)

5.2 Summary of Significant Accounting Policies (cont'd)

(h) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as assets, liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial assets and liabilities are offset against each other when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposit at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(ii) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iii) Payables

Payables are stated at the fair value of the consideration to be paid in the future for goods and services received.

(iv) Interest-Bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(v) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

5. Significant Accounting Policies (cont'd)

5.2 Summary of Significant Accounting Policies (cont'd)

(i) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Company all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exceptions:

- Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease; and

- Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

(ii) Finance Leases - the Company as Lessee

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

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

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 5.2(c).

5. Significant Accounting Policies (cont'd)

5.2 Summary of Significant Accounting Policies (cont'd)

(i) Leases (cont'd)

(iii) Operating Leases - the Company as Lessee

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

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowing entity that are outstanding during the period.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(k) Income Tax

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

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

5. Significant Accounting Policies (cont'd)

5.2 Summary of Significant Accounting Policies (cont'd)

(k) Income Tax (cont'd)

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

(l) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(m) Employee Benefits

(i) Short Term Benefits

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

(ii) Defined Contribution Plans

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

5. Significant Accounting Policies (cont'd)

5.2 Summary of Significant Accounting Policies (cont'd)

(n) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognised criteria must also be met before revenue is recognised.

(i) Sale of plantation produce

Sale of plantation produce is recognised on an accrual basis upon delivery of products to customers, less returns.

(ii) Sale of stones

Sale of stones is recognised upon delivery of products and customers' acceptance.

(iii) Dividend income

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

(iv) Management fees

Revenue from management service is recognised upon rendering of services to subsidiary companies.

(o) Segment Information

Segment information is presented in respect of the Group's business segments as the Group's risk and rates of return are affected predominantly by differences in the products it produces.

Segment results, assets and liabilities included items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise finance cost and corporate administration expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that is expected to be used for more than one accounting period.

5. Significant Accounting Policies (cont'd)

5.3 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRSs

On 1 January 2008, the Group and the Company adopted the following revised FRS, amendment to FRS and Interpretations:

FRS 107: Cash Flow Statements
FRS 111: Construction Contracts
FRS 112: Income Taxes
FRS 118: Revenue
FRS 120: Accounting for Government Grants and Disclosure of Government Assistance
FRS 134: Interim Financial Reporting
FRS 137: Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6: Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7: Applying the Restatement Approach under FRS 129 *Financial Reporting in Hyperinflationary Economies*
IC Interpretation 8: Scope of FRS 2

The revised FRSs, amendment to FRSs and Interpretations above do not have any significant impact on the financial statements of the Group and of the Company.

5.4 Standards and Interpretations Issued but Not Yet Effective

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

FRSs, Amendment to FRSs and Interpretations	**Effective for financial periods beginning on or after**
FRS 7: Financial Instruments: Disclosures	1 January 2010
FRS 8: Operating Segments	1 July 2009
FRS 139: Financial Instruments: Recognition and measurement	1 January 2010
IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10: Interim Financial Reporting and Impairment	1 January 2010

The new FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Group and of the Company upon their initial application except for the changes in disclosures arising from the adoption of FRS 7 and FRS 8.

5. Significant Accounting Policies (cont'd)

5.4 Standards and Interpretations Issued but Not Yet Effective (cont'd)

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

5.5 Key Sources of Estimation Uncertainty

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

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 December 2008 was RM92,088,118 (2007: RM93,265,917). Further details are disclosed in Note 19.

(ii) Depreciation of property, plant and equipment

The cost of plant and machinery is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and machinery to be between 5 to 20 years. These are common life expectancies applied in the plantation and quarry industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised tax losses and capital allowances of the Group was RM35,505,994 (2007: RM33,065,724) and the unrecognised capital allowances of the Group was RM2,158,947 (2007: RM2,294,316).

(iv) Allowance for doubtful debts

The Group recognises an allowance for doubtful debts when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

Significant judgement is required in the assessment of the recoverability of receivables, which have a financial impact on the amount of allowance for doubtful debts recognised.

6. Revenue

	Group		Company	
	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM
Sales of crude palm oil	197,312,136	129,739,043	-	-
Sales of palm kernel	27,099,229	18,503,787	-	-
Sales of earth and stones	2,236,320	4,511,828	-	-
Sales of fresh fruit bunches	20,314,471	11,452,594	-	-
Management fees	-	-	2,219,456	1,488,053
Dividend income	-	-	9,000,000	5,000,000
	246,962,156	164,207,252	11,219,456	6,488,053

7. Other Income

	Group		Company	
	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM
Equipment hiring income	149,049	120,714	-	-
Gain on disposal of prepaid land lease payments *	4,267,871	-	-	-
Gain on disposal of plant and equipment	11,188	1,334	-	-
Gain on deemed disposal of subsidiaries	5,321	-	-	-
Interest received on advances given	-	-	689,277	416,126
Interest received on short term investments	812,879	257,442	-	-
Insurance claim	17,967	15,147	-	-
Transportation income	41,024	7,285	-	-
Realisation of negative goodwill	-	557,906	-	-
Sales of sludge oil and empty fruit bunches	-	618,476	-	-
Miscellaneous	57,578	122,760	-	-
	5,362,877	1,701,064	689,277	416,126

* Stated after set-off of derecognition of goodwill of RM 1,177,799 as stated in Note 19 to the financial statements

8. Finance Costs

	Group		Company	
	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM
Interest on:				
Advances obtained	-	-	689,277	416,126
Bankers' acceptances	24,836	-	-	-
Bank overdrafts	23	84,773	-	-
Term loans	1,747,022	1,175,521	-	-
Hire purchase	104,647	94,847	-	-
Revolving credits	143,680	350,683	-	-
Others	351	-	351	-
	2,020,559	1,705,824	689,628	416,126
Less: Interest expense capitalised under biological assets (Note 17):				
Term loans	(876,533)	(750,607)	-	-
Hire purchase	(18,911)	(26,301)	-	-
	1,125,115	928,916	689,628	416,126

9. Profit before Tax

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

	Group		Company	
	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM
Amortisation of quarry development expenditure (Note 15)	-	87,454	-	-
Amortisation of prepaid land lease payments (Note 16)	1,031,675	352,278	-	-
Employee benefits expense (Note 10)	11,332,757	7,415,416	1,725,178	1,131,849
Non-executive Directors' remuneration (Note 11)	82,000	66,000	82,000	66,000
Auditors' remuneration				
- current year	89,900	83,200	33,000	30,000
- under/(over)provided in prior years	700	(2,000)	1,000	-
Bad debts written off	170,327	184,006	-	-
Provision for doubtful debts	95,757	128,331	-	-
Depreciation of property, plant and equipment (Note 15)	4,400,959	2,760,793	936	234
Hire of equipment	161,096	32,699	-	-
Equipment scrapped	35,232	2	-	-
Rental of land and buildings	68,575	45,600	1,000	-

10. Employee Benefit Expense

Wages and salaries	12,064,512	8,036,475	1,540,097	1,018,154
Contributions to defined contributions plans	464,967	386,928	116,697	111,274
Social security contributions	101,824	27,392	68,384	2,421
	12,631,303	8,450,795	1,725,178	1,131,849
Capitalised under biological assets:				
- Immature plantations	1,183,627	994,702	-	-
- Nurseries	114,919	40,677	-	-
Recognised in income statements	11,332,757	7,415,416	1,725,178	1,131,849

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM2,558,983 (2007: RM1,898,440) and RM1,048,752 (2007: RM706,160) respectively as further disclosed in Note 11.

11. Directors' Remuneration

	Group		Company	
	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM
Executive directors' remuneration (Note 10):				
Other emoluments	2,558,983	1,898,440	1,048,752	706,160
Non-executive directors' remuneration (Note 9):				
Fees	82,000	66,000	82,000	66,000
Total directors' remuneration	2,640,983	1,964,440	1,130,752	772,160

11. Directors' Remuneration (cont'd)

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

	Group		Company	
	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM
Executive:				
Salaries and other emoluments	1,687,658	1,237,000	936,383	630,500
Defined contribution plan	202,525	148,440	112,369	75,660
	1,890,183	1,385,440	1,048,752	706,160
Non-Executive:				
Fees	82,000	66,000	82,000	66,000
	1,972,183	1,451,440	1,130,752	772,160

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

	Number of Directors	
	2008	2007
Executive Directors:		
RM200,001 to RM250,000	-	1
RM350,001 to RM400,000	1	-
RM500,001 to RM550,000	-	2
RM650,001 to RM700,000	2	-
Non-Executive Directors:		
Below RM50,000	4	3

12. Income Tax Expense

	Group		Company	
	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM
Income tax:				
On results for the year/period	12,197,358	9,933,225	2,372,158	1,369,100
Underprovision in prior years	4,845	156,967	-	12,032
	12,202,203	10,090,192	2,372,158	1,381,132
Deferred tax (Note 21):				
Relating to origination and reversal of temporary differences	(453,655)	654,741	-	-
Relating to change in tax rate	(1,135)	(1,411,323)	-	-
(Over)/underprovision in prior years	(55,517)	20,711	-	-
	(510,307)	(735,871)	-	-
Total income tax expense	11,691,896	9,354,321	2,372,158	1,381,132

Domestic income tax is calculated at the Malaysian statutory tax rate of 26% of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 25% from the current year's rate of 26% with effect from the year of assessment 2009. The computation of deferred tax as at 31 December 2008 has reflected these changes.

12. Income Tax Expense (cont'd)

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

	Group		Company	
	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM
Profit before tax	53,205,281	41,985,280	8,860,844	4,674,556
Taxation at statutory tax rate of 26%	13,833,373	10,916,173	2,303,819	1,215,385
Effect on income subject to tax rate of 20%*	(33,000)	(272,000)	-	-
Effect on change of tax rate on deferred tax	(2,662)	(1,539,054)	-	-
Effect of income not subject to tax	(1,111,655)	-	-	-
Effect of expenses not deductible for tax purposes	127,173	186,659	68,339	153,715
Effect of utilisation of current year's reinvestment allowances	-	(3,084)	-	-
Effect of utilisation of previously unrecognised unabsorbed capital allowances	(29,533)	(112,051)	-	-
Realisation of deferred tax upon disposal of leasehold land	(1,041,128)	-	-	-
Underprovision of income tax expense in prior years	4,845	156,967	-	12,032
(Over)/underprovision of deferred tax in prior years	(55,517)	20,711	-	-
Income tax expense for the year/period	11,691,896	9,354,321	2,372,158	1,381,132

* Pursuant to Paragraph 2A, Schedule 1, Part 1 of the Income Tax Act, 1967, the income tax rate applicable to the first RM500,000 (2007: RM500,000) of the chargeable income of certain subsidiaries is 20%, as those subsidiary companies are considered small and medium scale companies.

12. Income Tax Expense (cont'd)

	Group		Company	
	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM
Tax savings during the financial year/period arising from:				
Utilisation of capital allowances brought forward from previous years	1,663,657	-	-	-
Unutilised tax losses and unabsorbed agriculture and capital allowances are analysed as follows:				
Unutilised tax losses carried forward	18,351,537	14,262,172	-	-
Unabsorbed agriculture and capital allowances carried forward	19,313,404	13,393,951	-	-

13. Earnings Per Share

(a) Basic

Basic earnings per share amounts are calculated by dividing the Group's profit for the year/period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year/period.

	Group	
	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM
Profit attributable to ordinary equity holders of the Company (RM)	39,903,189	31,339,303
Weighted average number of ordinary shares in issue	215,456,915	215,456,915
Basic earnings per share (sen)	18.52	14.55

(b) Diluted

The Group has no potential ordinary shares in issue as at balance sheet date and therefore, diluted earnings per share has not been presented.

14. Dividends

	Dividend in Respect of Year/Period		Dividend Recognised in Year/Period	
	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM
Recognised during the year/period:				
Interim dividend:				
2% less 27% taxation on 215,456,915 ordinary shares (1.46 sen per ordinary share)	-	3,145,671	-	3,145,671
1% single tier dividend on 215,456,915 ordinary shares (1.00 sen per ordinary share)	2,154,569	-	2,154,569	-
Final dividend:				
2% less 26% taxation on 215,456,915 ordinary shares (1.48 sen per ordinary shares)	-	3,188,762	3,188,762	-
	2,154,569	6,334,433	5,343,331	3,145,671

At the forthcoming Annual General Meeting, a single tier final dividend in respect of the financial year ended 31 December 2008, of 1.5% on 215,456,915 ordinary shares, amounting to a dividend payable of RM3,231,854 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2009.

15. Property, Plant and Equipment

Group	Buildings, plantation infrastructure and quarry RM	Heavy equipment, plant and machinery RM	Motor vehicles RM	Furniture, fittings and equipment RM	Capital work-in-progress RM	Total RM
At 31 December 2008						
Cost						
At 1 January 2008	43,602,522	41,534,054	3,578,008	2,377,173	954,314	92,046,071
Additions	3,095,820	1,777,029	466,781	197,419	2,177,384	7,714,433
Disposals	-	(4,200)	(66,000)	-	-	(70,200)
Scrapped	-	(212,330)	-	-	-	(212,330)
Reclassifications	484,188	-	-	-	(484,188)	-
At 31 December 2008	47,182,530	43,094,553	3,978,789	2,574,592	2,647,510	99,477,974
Accumulated depreciation						
At 1 January 2008	5,965,532	23,707,302	1,711,794	1,608,257	-	32,992,885
Depreciation charge for the year	1,003,516	3,073,389	382,708	224,547	-	4,684,160
Recognised in income statement	979,976	2,913,188	307,958	199,837	-	4,400,959
Capitalised under biological assets	23,540	160,201	74,750	24,710	-	283,201
Disposals	-	(4,199)	(49,687)	-	-	(53,886)
Scrapped	-	(177,098)	-	-	-	(177,098)
At 31 December 2008	6,969,048	26,599,394	2,044,815	1,832,804	-	37,446,061
Net carrying amount						
At 31 December 2008	40,213,482	16,495,159	1,933,974	741,788	2,647,510	62,031,913

15. Property, Plant and Equipment (cont'd)

Group	Buildings, plantation infrastructure and quarry RM	Heavy equipment, plant and machinery RM	Motor vehicles RM	Furniture, fittings and equipment RM	Capital work-in-progress RM	Total RM
At 31 December 2007						
Cost						
At 1 May 2007	34,541,697	39,405,251	3,401,443	2,273,015	2,413,599	82,035,005
Acquisition of subsidiaries	5,017,342	1,209,388	62,565	32,328	50,000	6,371,623
Additions	543,487	450,592	122,000	71,830	2,656,523	3,844,432
Disposals	-	-	(8,000)	-	-	(8,000)
Scrapped	-	(65,077)	-	-	-	(65,077)
Reclassifications	3,499,996	533,900	-	-	(4,033,896)	-
Transferred to prepaid land lease payments (Note 16)	-	-	-	-	(131,912)	(131,912)
At 31 December 2007	43,602,522	41,534,054	3,578,008	2,377,173	954,314	92,046,071
Accumulated depreciation						
At 1 May 2007	4,683,654	21,502,565	1,416,089	1,282,407	-	28,884,715
Acquisition of subsidiaries	544,954	454,389	49,932	10,297	-	1,059,572
Depreciation charge for the period	736,924	1,815,423	246,972	315,553	-	3,114,872
Recognised in income statement	683,362	1,677,019	196,706	291,160	-	2,848,247
Capitalised under biological assets	53,562	138,404	50,266	24,393	-	266,625
Disposals	-	-	(1,199)	-	-	(1,199)
Scrapped	-	(65,075)	-	-	-	(65,075)
At 31 December 2007	5,965,532	23,707,302	1,711,794	1,608,257	-	32,992,885
Net carrying amount						
At 31 December 2007	37,636,990	17,826,752	1,866,214	768,916	954,314	59,053,186

15. Property, Plant and Equipment (cont'd)

Buildings, plantation infrastructure and quarry comprise:

Group	Leasehold property RM	Oil mill and other buildings RM	Plantation infrastructure development expenditure RM	Quarry RM	Total RM
At 31 December 2008					
Cost					
At 1 January 2008	780,094	13,465,318	19,909,112	9,447,998	43,602,522
Additions	-	983,868	2,111,952	-	3,095,820
Reclassifications	-	201,860	282,328	-	484,188
At 31 December 2008	780,094	14,651,046	22,303,392	9,447,998	47,182,530
Accumulated depreciation					
At 1 January 2008	141,122	4,901,646	536,447	386,317	5,965,532
Depreciation charge for the year	15,602	772,634	215,280	-	1,003,516
Recognised in income statement	15,602	749,094	215,280	-	979,976
Capitalised under biological assets	-	23,540	-	-	23,540
At 31 December 2008	156,724	5,674,280	751,727	386,317	6,969,048
Net carrying amount					
At 31 December 2008	623,370	8,976,766	21,551,665	9,061,681	40,213,482

15. Property, Plant and Equipment (cont'd)

Buildings, plantation infrastructure and quarry comprise:

Group	Leasehold property RM	Oil mill and other buildings RM	Plantation infrastructure development expenditure RM	Quarry RM	Total RM
At 31 December 2007					
Cost					
At 1 May 2007	780,094	12,666,070	11,647,535	9,447,998	34,541,697
Acquisition of subsidiaries	-	799,248	4,218,094	-	5,017,342
Additions	-	-	543,487	-	543,487
Reclassifications	-	-	3,499,996	-	3,499,996
At 31 December 2007	780,094	13,465,318	19,909,112	9,447,998	43,602,522
Accumulated depreciation					
At 1 May 2007	130,730	4,254,061	-	298,863	4,683,654
Acquisition of subsidiaries	-	149,109	395,845	-	544,954
Depreciation charge for the period	10,392	498,476	140,602	87,454	736,924
Recognised in income statement	10,392	475,212	110,304	87,454	683,362
Capitalised under biological assets	-	23,264	30,298	-	53,562
At 31 December 2007	141,122	4,901,646	536,447	386,317	5,965,532
Net carrying amount					
At 31 December 2007	638,972	8,563,672	19,372,665	9,061,681	37,636,990

15. Property, Plant and Equipment (cont'd)

Company

	Furniture, Fittings and Equipment RM	Capital Work-in-Progress RM	Total RM
At 31 December 2008			
Cost			
At 1 January 2008	9,550	420,000	429,550
Additions	-	1,170,760	1,170,760
At 31 December 2008	9,550	1,590,760	1,600,310
Accumulated depreciation			
At 1 January 2008	234	-	234
Charge for the year	936	-	936
At 31 December 2008	1,170	-	1,170
Net carrying amount			
At 31 December 2008	8,380	1,590,760	1,599,140
At 31 December 2007			
Cost			
At 1 May 2007	-	-	-
Additions	9,550	420,000	429,550
At 31 December 2007	9,550	420,000	429,550
Accumulated depreciation			
At 1 May 2007	-	-	-
Charge for the period	234	-	234
At 31 December 2007	234	-	234
Net carrying amount			
At 31 December 2007	9,316	420,000	429,316

15. Property, Plant and Equipment (cont'd)

(i) During the financial year/period, the Group acquired property, plant and equipment at aggregate cost of RM7,714,433 (2007: RM3,844,432) of which RM1,163,400 (2007: RM336,800) were acquired by means of hire purchase arrangements. Net carrying amounts of property, plant and equipment held under hire purchase arrangements are as follows:

	Group 2008 RM	Group 2007 RM
Furniture, fittings and equipment	-	24,011
Heavy equipment	2,097,498	2,578,326
Motor vehicles	1,118,564	1,299,453
	3,216,062	3,901,790

(ii) The net carrying amounts of property, plant and equipment pledged as securities for borrowings (Note 27) are as follows:

	Group 2008 RM	Group 2007 RM
Buildings	3,563,082	3,944,266
Plant and machinery	8,463,945	9,594,789
Plantation infrastructure development expenditure	8,624,297	6,344,010
	20,651,324	19,883,065

16. Prepaid Land Lease Payments

	Leasehold land unexpired period more than 50 years 2008 RM	Leasehold land unexpired period more than 50 years 2007 RM
At beginning of year/period	70,395,829	54,185,400
Acquisition of subsidiaries	-	16,430,795
Amortisation for the year/period (Note 9)	(1,031,675)	(352,278)
Disposal	(5,217,756)	-
Transferred from capital work-in-progress (Note 15)	-	131,912
At end of year/period	64,146,398	70,395,829

The long leasehold land of the Group amounting RM39,231,070 (2007: RM43,594,632) has been pledged as securities for borrowings (Note 27) of certain subsidiaries.

17. Biological Assets

	Group 2008 RM	Group 2007 RM
Plantation development expenditure		
Cost		
At beginning of year/period	147,316,500	110,579,390
Acquisition of subsidiaries	-	33,457,155
Additions	3,057,108	3,279,955
At end of year/period	150,373,608	147,316,500

	Group 2008 RM	Group 2007 RM
Biological assets incurred during the year/period included the followings:		
Depreciation of property, plant and equipment (Note 15)	283,201	266,625
Interest on term loans (Note 8)	876,533	750,607
Interest on hire purchase (Note 8)	18,911	26,301
Employee benefits expense (Note 10)	1,183,627	994,702

The biological assets pledged as securities amounted to RM70,432,172 (2007: RM66,896,782) for borrowings, as disclosed in Note 27.

18. Investment Properties

	Group 2008 RM	Group 2007 RM
Cost		
At beginning of year/period	-	-
Additions	20,279,089	-
At end of year/period	20,279,089	-

The investment properties consist of three parcels of freehold land for development into residential properties.

The Directors estimate the fair values of the investment properties which are located in prime areas to be approximately RM21,780,000 based on the independent valuations by professional valuers which have been carried out during the year to determine the fair values of the first two parcels of freehold properties acquired.

19. Intangible Assets

	Group 2008 RM	Group 2007 RM
Goodwill		
At beginning of year/period	93,265,917	93,255,988
Acquisition of subsidiaries	-	9,929
Derecognised upon disposal of land	(1,177,799)	-
At end of year/period	92,088,118	93,265,917

Allocation of goodwill

Goodwill has been allocated to the Group's CGU identified according to business segment as follows:

	Group 2008 RM	Group 2007 RM
Plantation and mill	87,371,756	88,549,555
Quarry	4,716,362	4,716,362
	92,088,118	93,265,917

Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) the pre-tax discount rates used is 8%;

(ii) the growth rate used for the plantation companies is determined based on the management's estimate of commodity prices, palm yields, oil extraction rates as well as cost of productions whilst growth rates of companies in other segments are determined based on the industry trends and past performances of the respective companies;

(iii) profit margins are projected based on historical profit margin achieved; and

(iv) the discount rates used are pre-tax and reflect specific rates relating to the relevant segments.

19. Intangible Assets (cont'd)

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the palm oil products unit and quarry unit, the management believes that no reasonably possible change in the any of the above key assumptions would cause the carrying values of the units to materially exceed their recoverable amounts.

20. Investments in Subsidiaries

	Company	
	2008 RM	2007 RM
Unquoted shares - at cost	217,203,013	216,873,013

Details of the subsidiaries, which are all incorporated in Malaysia, are as follows:

Name of Subsidiaries	Principal Activities	Proportion of Ownership Interest 2008	2007
Cepatwawasan Sdn. Bhd.	Cultivation of oil palm	100%	100%
Syarikat Melabau Sdn. Bhd.	Cultivation of oil palm	100%	100%
Wong Tet-Jung Plantations Sdn. Bhd.	Cultivation of oil palm	100%	100%
Razijaya Sdn. Bhd.	Cultivation of oil palm, and operation of a quarry	100%	100%
Sri Likas Mewah Sdn. Bhd.	Cultivation of oil palm	100%	100%
Kovusak Sdn. Bhd.	Cultivation of oil palm	100%	100%
Libarran Island Resort Sdn. Bhd.	Investment holding	100%	100%
Bakara Sdn. Bhd.	Cultivation of oil palm	100%	100%
Sungguh Mulia Sdn. Bhd.	Cultivation of oil palm,	100%	100%
Prima Semasa Sdn. Bhd.	Cultivation of oil palm, currently under development stage	100%	100%
Ayu Sempurna Sdn. Bhd.	Investment holding	100%	100%

20. Investments in Subsidiaries (cont'd)

Name of Subsidiaries	Principal Activities	Proportion of Ownership Interest 2008	2007
Mistral Engineering Sdn. Bhd.	Intended for power generation and selling Certified Emission Reduction	70%	100%
Cash Horse (M) Sdn. Bhd.	Intended for power generation and selling Certified Emission Reduction	70%	100%
Subsidiaries of Cepatwawasan Sdn. Bhd.			
Prolific Yield Sdn. Bhd.	Milling and sales of oil palm products	100%	100%
Jutategak Sdn. Bhd.	Cultivation of oil palm	100%	100%
Liga Semarak Sdn. Bhd.	Cultivation of oil palm	100%	100%
Tentu Cergas Sdn. Bhd.	Cultivation of oil palm	100%	100%
Tentu Bernas Sdn. Bhd.	Cultivation of oil palm	100%	100%
Subsidiaries of Syarikat Melabau Sdn. Bhd.			
Suara Baru Sdn. Bhd.	Cultivation of oil palm and operation of a quarry	100%	100%
Gelang Usaha Sdn. Bhd.	Cultivation of oil palm	100%	100%
Subsidiary of Sri Likas Mewah Sdn. Bhd.			
Ultisearch Trading Sdn. Bhd.	Cultivation of oil palm	100%	100%
Subsidiary of Libarran Island Resort Sdn. Bhd.			
Minelink Sdn. Bhd.	Investment property holding	100%	100%
Subsidiary of Ayu Sempurna Sdn. Bhd.			
Ladang Cepat - KPD Sdn. Bhd.	Cultivation of oil palm	60%	60%

20. Investments in Subsidiaries (cont'd)

(i) There were no acquisitions of subsidiaries during the financial year ended 31 December 2008.

(ii) Acquisition for the period ended 31 December 2007.

During the last financial period, the Company acquired 3 subsidiaries.

The acquired subsidiaries had contributed the following results to the Group for the previous financial period:

	2007 (8 months) RM
Revenue	6,319,003
Profit after taxation	3,496,847

The assets and liabilities arising from the acquisitions are as follows:

	Fair value recognised on acquisition RM	Acquiree's carrying amount RM
Property, plant and equipment	5,312,051	5,312,051
Prepaid land lease payments	16,430,795	2,121,786
Biological assets	33,457,155	14,855,443
Inventories	140,376	140,376
Trade and other receivables	675,355	675,355
Cash and bank balances	323,345	323,345
	56,339,077	23,428,356
Trade and other payables	19,389,388	19,389,388
Hire purchase payable	28,759	28,759
Deferred tax liabilities	9,630,962	1,074,175
	29,049,109	20,492,322
Fair value of net assets	27,289,968	
Less: Minority interests	(12,584,987)	
Group's share of net assets	14,704,981	
Goodwill on acquisition	9,929	
Negative goodwill on acquisition	(557,906)	
Total cost of acquisition	14,157,004	

The cash outflow on acquisition is as follows:

Purchase consideration satisfied by cash	14,157,004
Cash and cash equivalents of subsidiary companies acquired	(323,345)
Net cash outflow of the Group	13,833,659

20. Investments in Subsidiaries (cont'd)

(iii) On 15 August 2008, the Company subscribed for additional 165,000 ordinary shares of RM1.00 each at par in Cash Horse (M) Sdn. Bhd. its allotment of 240,000 ordinary shares of RM1.00 each at par resulting in the effective ownership interest of the Group reduced from 100% to 70%.

(iv) On 15 August 2008, the Company subscribed for additional 165,000 ordinary shares of RM1.00 each at par in Mistral Engineering Sdn. Bhd. its allotment of 240,000 ordinary shares of RM1.00 each at par resulting in the effective ownership interest of the Group reduced from 100% to 70%.

21. Deferred Tax

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
At beginning of year/period	45,566,588	36,671,497	-	-
Acquisition of subsidiaries	-	9,630,962	-	-
Recognised in income statements (Note 12)	(510,307)	(735,871)	-	-
At end of year/period	45,056,281	45,566,588	-	-
Presented after appropriate offsetting as follows:				
Deferred tax assets	(748,881)	(532,579)	-	-
Deferred tax liabilities	45,805,162	46,099,167	-	-
	45,056,281	45,566,588	-	-

21. Deferred Tax (cont'd)

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

	Unutilised Tax Losses RM	Unabsorbed Agriculture and Capital Allowances RM	Total RM
Deferred Tax Assets of the Group:			
At 1 January 2008	(3,802,073)	(4,464,358)	(8,266,431)
Recognised in income statements	(785,811)	175,743	(610,068)
At 31 December 2008	(4,587,884)	(4,288,615)	(8,876,499)
At 1 May 2007	(3,049,547)	(2,620,617)	(5,670,164)
Acquisition of subsidiaries	(186,438)	(2,436,601)	(2,623,039)
Recognised in income statements	(566,088)	592,860	26,772
At 31 December 2007	(3,802,073)	(4,464,358)	(8,266,431)

Deferred Tax Liabilities of the Group:

	Prepaid Land Lease Payments RM	Property, Plant and Equipment RM	Biological Assets RM	Total RM
At 1 January 2008	11,074,297	9,631,793	33,126,929	53,833,019
Recognised in income statements	(1,220,353)	(38,678)	1,358,792	99,761
At 31 December 2008	9,853,944	9,593,115	34,485,721	53,932,780
At 1 May 2007	7,689,533	9,084,358	25,567,770	42,341,661
Acquisition of subsidiaries	3,720,342	908,568	7,625,091	12,254,001
Recognised in income statements	(335,578)	(322,455)	(104,610)	(762,643)
At 31 December 2007	11,074,297	9,670,471	33,088,251	53,833,019

Deferred tax assets of the Group in respect of unabsorbed capital allowances amounting to RM2,158,947 (2007: RM2,294,316) have not been recognised as there may not be available future taxable profits in one of the subsidiary companies against which the unabsorbed capital allowances can be utilised.

The unutilised tax losses and unabsorbed capital allowances of the Group are available indefinitely for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

22. Inventories

	Group 2008 RM	Group 2007 RM
At cost:		
Crude palm oil	2,330,499	4,533,174
Palm kernels	508,892	728,352
Quarry stocks	4,553,524	4,141,938
Fertilisers and chemicals	5,125,555	2,517,864
Store, spares and consumable supplies	747,813	895,528
Nurseries	529,934	307,085
	13,796,217	13,123,941

There were no inventories stated at net realisable value as at 31 December 2008 and 2007.

23. Trade and Other Receivables

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Trade receivables				
- Third parties	4,731,634	7,106,576	-	-
- Subsidiaries	-	-	-	549,880
	4,731,634	7,106,576	-	549,880
Less: Provision for doubtful debts	(224,088)	(128,331)	-	-
Trade receivables, net	4,507,546	6,978,245	-	549,880

23. Trade and Other Receivables (cont'd)

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Other receivables				
Amounts due from subsidiaries				
- Balances arising from settlement of purchase considerations on behalf of certain subsidiaries in respect of various acquisitions made by them pursuant to the restructuring exercise in year 2002	-	-	8,143,944	8,143,944
- Interest bearing advances	-	-	85,778,140	58,773,554
	-	-	93,922,084	66,917,498
Amounts recoverable from former directors and third parties	16,000,000	16,000,000	-	-
Amounts receivable on disposal of heavy machinery and equipment	202,375	202,375	-	-
Advances given to a sub-contractor	1,071,374	748,666	-	-
Deposits	543,090	533,972	76,900	84,600
Prepayments	290,945	305,589	-	-
Sundry receivables	1,309,040	2,490,678	276,647	272,017
	19,416,824	20,281,280	94,275,631	67,274,115
Less: Provision for doubtful debts	(13,348,769)	(13,348,769)	(272,017)	(272,017)
Other receivables, net	6,068,055	6,932,511	94,003,614	67,002,098
	10,575,601	13,910,756	94,003,614	67,551,978
Bad debts written off against provision for doubtful debts	-	34,994	-	-

(i) Trade Receivables

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period 7 days to 14 days. Overdue balances are reviewed regularly by senior management. In view of the aforementioned, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

(ii) Amounts due from subsidiaries

The advances given to subsidiaries are unsecured and have no fixed terms of repayment.

The interest bearing advances are subject to interest charge based on recovery of borrowing cost incurred by the Company.

23. Trade and Other Receivables (cont'd)

(iii) Amounts recoverable from former directors and third parties

These represent wrongful payments made by the former directors who were removed on 6 August 2004 to third parties as referred to in Note 2 to the financial statements. A provision for doubtful debts of RM12,800,000 has been made in respect thereof.

Further details on related party transactions are disclosed in Note 33.

Other information on financial risks of other receivables are disclosed in Note 34.

24. Short Term Investments

	Group	
	2008 RM	2007 RM
Medium-term money market fund	957,714	-
Short-term money market fund	134,550	-
	1,092,264	-

Other information on financial risks of short term investment are disclosed in Note 34.

25. Cash and Cash Equivalents

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Cash on hand and at bank	4,876,061	8,656,664	243,330	1,741,261
Deposits with licensed bank	23,671,619	33,401,731	-	-
Short term investments (Note 24)	1,092,264	-	-	-
Cash and bank balances	29,639,944	42,058,395	243,330	1,741,261

Deposits with financial institutions of the Group amounting to RM145,897 (2007: RM137,410) are pledged as security for banking facilities granted.

Other information on financial risks of cash and cash equivalents are disclosed in Note 34.

26. Share Capital

	Number of Ordinary Shares of RM1 Each 2008	Number of Ordinary Shares of RM1 Each 2007	Amount 2008 RM	Amount 2007 RM
Authorised				
At beginning and end of year/period	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid				
At beginning and end of year/period	215,456,915	215,456,915	215,456,915	215,456,915

27. Borrowings

	Group 2008 RM	Group 2007 RM
Short Term Borrowings		
Secured:		
Bankers' acceptance	6,000,000	-
Revolving credits	-	18,056,630
Term loans	1,784,747	3,475,257
Hire purchase payables (Note 28)	869,541	1,011,163
	8,654,288	22,543,050
Long Term Borrowings		
Secured:		
Term loans	27,257,204	29,391,281
Hire purchase payables (Note 28)	1,006,817	873,593
	28,264,021	30,264,874
Total Borrowings		
Bankers' acceptance	6,000,000	-
Revolving credits	-	18,056,630
Term loans	29,041,951	32,866,538
Hire purchase payables (Note 28)	1,876,358	1,884,756
	36,918,309	52,807,924

Included in borrowings of the Group are amounts totalling RM8,195,437 (2007: RM11,793,623) obtained under the Syariah principle of Bai Inah and Bai Bithaman Ajil.

27. Borrowings (cont'd)

The above banking facilities are secured by:

(a) legal charges over certain leasehold plantations together with the plant and machinery and palm oil mill of subsidiary companies;
(b) debentures incorporating fixed and floating charges over all the assets of subsidiary companies presently owned and subsequently acquired; and
(c) corporate guarantees given by the Company and a subsidiary company.

Other information on financial risks of borrowings are disclosed in Note 34.

28. Hire Purchase Payables

	Group	
	2008	**2007**
	RM	**RM**
Future minimum lease payments:		
Not later than 1 year	951,793	1,085,053
Later than 1 year and not later than 2 years	666,437	529,599
Later than 2 years and not later than 5 years	387,972	393,066
	2,006,202	2,007,718
Less: Future finance charges	(129,844)	(122,962)
Present value of hire purchase liabilities	1,876,358	1,884,756
Analysis of present value of hire purchase liabilities		
Not later than 1 year	869,541	1,011,163
Later than 1 year and not later than 2 years	628,175	493,504
Later than 2 years and not later than 5 years	378,642	380,089
	1,876,358	1,884,756
Less: Amount due within 12 months (Note 27)	(869,541)	(1,011,163)
Amount due after 12 months (Note 27)	1,006,817	873,593

Other information on financial risks of hire purchase payables are disclosed in Note 34.

29. Lease Rental Payable

This represents sublease rental for 107 parcels of leasehold land of certain subsidiary companies which is payable over the remaining lease term of 49 years commencing in the year 2049.

30. Trade and Other Payables

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Trade payables				
- Third parties	7,103,216	15,382,284	-	-
Other payables				
Amounts due to subsidiaries	-	-	100,910,027	75,676,567
Accruals	4,244,382	4,827,576	904,275	661,631
Deposit for disposal of leasehold land	-	1,135,000	-	-
Sundry payables	1,066,064	1,709,574	138,008	132,878
	5,310,446	7,672,150	101,952,310	76,471,076
	12,413,662	23,054,434	101,952,310	76,471,076

(i) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 days to 90 days.

(ii) Amounts due to subsidiaries

These amounts are subject to interest charge based on recovery of borrowing costs incurred by the respective subsidiaries concerned. It is unsecured and have no fixed terms of repayment.

Further details on related party transactions are disclosed in Note 33.

Other information on financial risks of other payables are disclosed in Note 34.

31. Capital Commitments

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Purchase of property, plant and equipment				
Approved and contracted for	1,844,784	1,765,000	480,480	1,260,000
Approved but not contracted for	2,531,010	-	-	-
	4,375,794	1,765,000	480,480	1,260,000

32. Contingent Liabilities

Contingent liability not provided for:

Unsecured

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Guarantee for banking facilities granted to subsidiaries	-	-	35,041,892	50,923,109

33. Significant Related Party Disclosures

(a) In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions with related parties during the financial year/period:

		Company	
		1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM
Transactions with subsidiary companies:			
- Trade transactions			
Management fees received		2,219,456	1,488,053
Interest on advances given	(1)	689,277	416,126
Interest on advances obtained	(2)	689,277	416,126
Gross dividend income		9,000,000	5,000,000

33. Significant Related Party Disclosures (cont'd)

(1) The interest on advances given arose from amounts due from subsidiaries. Further details are disclosed in Note 23(ii).

(2) The interest on advances obtained arose from amounts due to subsidiaries. Further details are disclosed in Note 30(ii).

The Directors are of the opinion that all related party transactions above have been entered into in the normal course of business and have been established on terms and conditions mutually agreed between the relevant parties.

Information regarding outstanding balances arising from related party transactions as at 31 December 2008 are disclosed in Note 23 and Note 30.

(b) Compensation of key management personnel

The remuneration of Directors and other members of key management during the year/period was as follows:

	Group		Company	
	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM	1.1.2008 to 31.12.2008 RM	1.5.2007 to 31.12.2007 RM
Short-term employee benefits	3,233,058	2,342,660	1,362,584	845,754
Defined contribution plan	296,060	210,845	153,427	93,576
	3,529,118	2,553,505	1,516,011	939,330
Included in the total key management personnel are:				
Directors' remuneration	2,640,983	1,964,440	1,130,752	772,160

34. Financial Instruments

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks, liquidity risk and credit risk. The Group operates within clearly defined guidelines that are approved by the Board of Directors and the Group's policy is not to engage in speculative transactions.

(b) Interest Rate Risks

The Group's primary interest rate risk relates to interest-bearing borrowings. The Group had no substantial long term interest-bearing assets as at 31 December 2008. The investments in financial assets are mainly short term in nature and have been mostly placed in fixed deposits, marketable securities or occasionally, in short term commercial papers.

34. Financial Instruments (cont'd)

(b) Interest Rate Risks (cont'd)

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

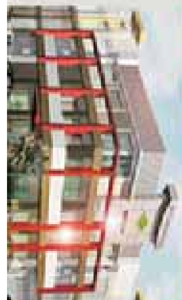
	Note	WAEIR %	Within 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	4-5 years RM	More than 5 years RM	Total RM
At 31 December 2008									
Group									
Fixed rate									
Term loans	27	5.91	1,326,427	1,277,971	1,369,149	1,473,465	1,587,355	1,161,070	8,195,437
Hire purchase	28	5.58	869,541	628,175	378,642	-	-	-	1,876,358
Floating rate									
Banker's acceptances	27	3.74	6,000,000	-	-	-	-	-	6,000,000
Term loans	27	4.03	458,320	495,705	536,209	580,022	627,415	18,148,843	20,846,514
Cash and cash equivalents	25	3.70	24,763,883	-	-			-	24,763,883

34. Financial Instruments (cont'd)

(b) Interest Rate Risks (ont'd)

	Note	WAEIR %	Within 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	4-5 years RM	More than 5 years RM	Total RM
At 31 December 2007									
Group									
Fixed rate									
Term loans	27	5.97	2,350,051	1,519,807	1,488,755	1,594,930	1,716,773	3,123,307	11,793,623
Hire purchase	28	5.59	1,011,163	493,504	380,089	-	-	-	1,884,756
Floating rate									
Revolving credits	27	4.85	18,056,630	-	-	-	-	-	18,056,630
Term loans	27	7.88	1,125,206	1,069,497	1,069,497	1,069,497	1,069,497	15,669,721	21,072,915
Cash and cash equivalents	25	3.70	33,401,731	-	-	-	-	-	33,401,731

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 6 months except for term loans and floating rate loans which are repriced annually. Interest on financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Group and the Company that are not included in the above tables are not subject to interest rate risks.



34. Financial Instruments (cont'd)

(c) Liquidity Risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position.

(d) Credit Risk

Credit risks, or the risk of counterparties defaulting, are controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

(e) Fair Values

There is no disclosure of fair value for borrowings under the basis of Islamic principal as these are excluded from FRS 132 - Financial Instruments: Disclosure and Presentation.

The carrying amount of financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values except for the followings:

		2008		2007	
	Note	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Group					
Financial Assets					
Trade and other receivables	23	3,200,000	++	3,200,000	++
Financial Liabilities					
Lease rental payable	29	267,050	27,284	267,050	25,675

++ It is not practicable to estimate the fair value of the balance recoverable from former directors and third parties due to uncertainties on the outcome of the judgement in respect of the law suit for the recovery of the alleged wrongful payments.

34. Financial Instruments (cont'd)

(e) Fair Values (cont'd)

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash and Cash Equivalents, Receivables/Payables and Short Term Borrowings

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

(ii) Amounts Due From/To Subsidiary Companies

It is not practicable to estimate the fair values of amounts due from/to subsidiary companies due principally to a lack of fixed repayment terms entered into by the parties involved. However, the Company does not anticipate the carrying amount recorded in the balance sheet to be significantly different from the value that would eventually be received or settled.

(iii) Borrowings

The carrying amounts of borrowings as reflected in the balance sheets approximate to their fair value.

(iv) Lease Rental Payable

The fair value of lease rental payable has been calculated at the present value of the estimated future cash flows, discounted at an assumed rate of 3.7% per annum.

35. Segment Information

The Group comprises the following business segments:

(i) Plantation and mill - Cultivation and sale of oil palm products
(ii) Quarry - Extraction and sale of earth and stones

35. Segment Information (cont'd)

Business Segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments:

	Plantation and mill RM	Quarry RM	Elimination RM	Consolidated RM
31 December 2008				
Revenue				
External sales	244,725,836	2,236,320	-	246,962,156
Inter-segment sales	-	1,481,714	(1,481,714)	-
Total revenue	244,725,836	3,718,034	(1,481,714)	246,962,156
Results				
Segment results	55,342,475	698,437		56,040,912
Unallocated corporate expenses				(2,523,395)
Operating profit				53,517,517
Interest income				812,879
Finance costs				(1,125,115)
Profit before tax				53,205,281
Income tax expense				(11,691,896)
Profit for the year				41,513,385
Assets				
Segment assets	307,843,467	18,263,018	-	326,106,485
Unallocated corporate assets				119,778,825
Consolidated total assets				445,885,310
Liabilities				
Segment liabilities	11,058,436	300,529		11,358,965
Unallocated corporate liabilities				85,017,050
Consolidated total liabilities				96,376,015

35. Segment Information (cont'd)

Business Segments (cont'd)

	Plantation and mill RM	Quarry RM	Elimination RM	Consolidated RM
31 December 2008				
Other Information				
Capital expenditure	10,771,541	-		10,771,541
Depreciation	3,928,219	472,740		4,400,959
Amortisation	1,031,443	-		1,031,443
Non-cash expenses other than depreciation, amortisation and impairment loss	205,559	95,757		301,316
31 December 2007				
Revenue				
External sales	159,695,424	4,511,828	-	164,207,252
Inter-segment sales	-	1,055,654	(1,055,654)	-
Total revenue	159,695,424	5,567,482	(1,055,654)	164,207,252
Results				
Segment results	43,068,283	434,358		43,502,641
Unallocated corporate expenses				(845,887)
Operating profit				42,656,754
Interest income				257,442
Finance costs				(928,916)
Profit before tax				41,985,280
Income tax expense				(9,354,321)
Profit for the period				32,630,959

35. Segment Information (cont'd)

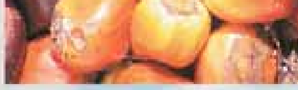
Business Segments (cont'd)

	Plantation and mill RM	Quarry RM	Elimination RM	Consolidated RM
31 December 2007				
Assets				
Segment assets	321,117,169	21,401,702	-	342,518,871
Unallocated corporate assets				97,720,028
Consolidated total assets				440,238,899
Liabilities				
Segment liabilities	21,735,263	512,221	-	22,247,484
Unallocated corporate liabilities				104,796,853
Consolidated total liabilities				127,044,337
Other Information				
Capital expenditure	7,124,387	-		7,124,387
Depreciation	2,227,903	602,560		2,830,463
Amortisation	352,278	-		352,278
Non-cash expenses other than depreciation, amortisation and impairment loss	184,008	128,331		312,339

35. Segment Information (cont'd)

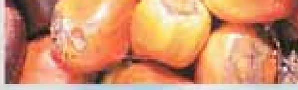
Business Segments (cont'd)

31 December 2007	Plantation and mill RM	Quarry RM	Elimination RM	Consolidated RM
Assets				
Segment assets	321,117,169	21,401,702	-	342,518,871
Unallocated corporate assets				97,720,028
Consolidated total assets				440,238,899
Liabilities				
Segment liabilities	21,735,263	512,221	-	22,247,484
Unallocated corporate liabilities				104,796,853
Consolidated total liabilities				127,044,337
Other Information				
Capital expenditure	7,124,387	-		7,124,387
Depreciation	2,227,903	602,560		2,830,463
Amortisation	352,278	-		352,278
Non-cash expenses other than depreciation, amortisation and impairment loss	184,008	128,331		312,339



List of Properties of the Group
as at 31 December 2008

	Location of Property Sabah	Tenure	Year of Expiry	Land Area		Description	Net Book Value As At 31.12.2008 RM'000	Year Acquired
1	Prolific, Wong Tet-Jung	Leasehold 99 years	2069	39.752	hectares	Oil Palm Plantation	19,655	2001
	Plantations Off KM 63.7,		2070	30.607	hectares	& Oil Mill		
	Sandakan-Lahad Datu		2074	18.195	hectares			
	Highway		2075	207.991	hectares			
			2076	9.967	hectares			
			2077	24.460	hectares			2005
			2082	6.463	hectares			
			2082	72.790	hectares			2005
		Perpetuity (Sublease						
		99 years)	2097	6.435	hectares			
	Kolapis-Beluran Area	Leasehold 99 years	2073	2.250	hectares	Plantable Reserve		2002
	District of Labuk Sugut			**418.910**	**hectares**			
	Prolific Yield Lot 38, Block C Taman Indah Jaya Phase 4A, Mile 4, Jalan Utara, Sandakan	Under Sub Division Leasehold 99 years (Parent title TL077552035)	2081	**167.220**	**Sq.M**	Double Storey Terrace Shoplot	171	2002
	Prolific Yield Lot 39, Block C, Taman Indah Jaya Phase 4A, Mile 4, Jalan Utara, Sandakan	Under Sub Division Leasehold 99 years (Parent title TL077552035)	2081	**167.220**	**Sq.M**	Double Storey Terrace Shoplot	234	2001
	Prolific Yield Lot 40, Block C, Taman Indah Jaya Phase 4A, Mile 4, Jalan Utara, Sandakan	Under Sub Division Leasehold 99 years (Parent title TL077552035)	2081	**213.200**	**Sq.M**	Double Storey Terrace Shoplot	234	2001
2	Melabau, Suara Baru &	Leasehold 99 years	2069	27.480	hectares	Oil Palm Plantation	652	2002
	Gelang Usaha		2078	17.110	hectares	Oil Palm Plantation	36,284	2001
	0.2 Km East of KM 96,		2079	260.780	hectares	& Quarry		
	Sandakan-Lahad Datu Highway		2080	202.303	hectares			
			2081	136.615	hectares			
			2082	88.690	hectares			
			2085	252.660	hectares			
			2086	14.930	hectares			
			2095	4.993	hectares			
			2093	154.700	hectares			
			2097	12.300	hectares			
		Perpetuity (Sublease						
		99 years)	2075	316.549	hectares			
			2080	136.763	hectares			
			2093	5.751	hectares			
			2097	10.930	hectares			
	KM 28, Jalan Labuk	Leasehold 99 years	2065	3.055	hectares	Plantable Reserve		
				1,645.609	**hectares**			

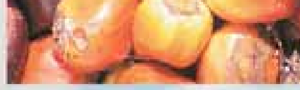


List of Properties of the Group
as at 31 December 2008 (cont'd)

	Location of Property Sabah	Tenure	Year of Expiry	Land Area		Description	Net Book Value As At 31.12.2008 RM'000	Year Acquired
3	Sri Likas Mewah & Ultisearch Trading 2.6 KM north of KM 31, Sukau Road	Leasehold 99 years	2085 2094 2096 2098	10.120 386.100 168.700 47.750 **612.670**	hectares hectares hectares hectares **hectares**	Oil Palm Plantation	14,024	2001
4	Bakara Bukit Garam/Sg. Lokan Off KM 76.5, Sandakan-Lahad Highway	Leasehold 99 years	2085 2087	150.300 400.000 **550.300**	hectares hectares **hectares**	Oil Palm Plantation	12,892	2001
5	Cepatwawasan & Kovusak KM 4.5, Jalan Beluran	Leasehold 99 years	2061 2071 2078	992.700 133.550 485.300 **1,611.550**	hectares hectares hectares **hectares**	Oil Palm Plantation	40,824	2001
6	Razijaya & Sugguh Mulia Sungai-Sungai Locality, 99 KM North-West of Sandakan	Leasehold 99 years	2098	**362.200**	**hectares**	Oil Palm Plantation, Quarry & Plantable Reserve	15,117	2001
7	Prima Semasa Sonsogon Suyad, Paitan Locality 105 KM North-West of Sandakan	Leasehold 99 years	2094	**2,997.000**	**hectares**	Oil Palm Plantation & Plantable Reserve	31,651	2003
8	Cepatwawasan, Tentu Bernas, Tentu Cergas, Liga Semarak & Jutategak Sg. Kawananan Locality 113 KM North-West of Sandakan	Leasehold 99 years	2097 2098 2099 2100	242.800 145.710 48.550 48.520 **485.580**	hectares hectares hectares hectares **hectares**	Oil Palm Plantation & Plantable Reserve	8,267	2005
9	Ladang Cepat-KPD 85 KM South-West of Beaufort	Leasehold 99 years	2087	**1,618.740**	**hectares**	Oil Palm Plantation	49,913	2007

List of Properties of the Group
as at 31 December 2008 (cont'd)

	Location of Property Kuala Lumpur	Tenure	Year of Expiry	Land Area		Description	Net Book Value As At 31.12.2008 RM'000	Year Acquired
10	Minelink HS (D) 32033, No. PT 808 Damansara Heights Mukim of Kuala Lumpur	Freehold	-	**1,774.669**	**Sq.M**	High-end residential property	7,637	2008
	Minelink HS (D) 32033, No. PT 809 Damansara Heights Mukim of Kuala Lumpur	Freehold	-	**1,775.377**	**Sq.M**	High-end residential property	6,305	2008
	Minelink HS (D) 32033, No. PT 810 Damansara Heights Mukim of Kuala Lumpur	Freehold	-	**1,775.284**	**Sq.M**	High-end residential property	6,337	2008



Statistical Report
as at 27 February 2009

Issued & Fully Paid-Up Share Capital	:	215,456,915
Authorised Share Capital	:	500,000,000
Type of Share	:	Ordinary Share of RM1.00 each
No. of Shareholders	:	7,298
Voting Rights	:	One Vote for Every Share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Holders	(%)	No. of Shares	Percentage (%)
1 to 99	53	0.73	2,179	0.00
100 to 1,000	1,430	19.59	1,193,107	0.55
1,001 to 10,000	4,414	60.48	21,149,418	9.82
10,001 to 100,000	1,247	17.09	39,050,751	18.13
100,001 to 10,772,844	152	2.08	102,497,060	47.57
10,772,845 and above (5% of issued securities)	2	0.03	51,564,400	23.93
TOTAL	**7,298**	**100.00**	**215,456,915**	**100.00**

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders' interests in shares of the Company as at 27 February 2009 are as follows:-

	No. of Shares Held			
Shareholders	**Direct**	**%**	**Indirect**	**%**
MHC Plantations Bhd	49,000,000	22.74	20,000,000	9.28 (1)
Dato' Mah King Thian @ Mah King Thiam	-	-	69,000,000	32.02 (2)
Dato' Mah King Seng	-	-	69,000,000	32.02 (2)
Dato' Mah Pooi Soo Realty Sdn Bhd	-	-	69,000,000	32.02 (2)
Datin Seri Ooi Ah Thin	-	-	69,000,000	32.02 (2)
Dato' Seri Tiong King Sing	13,064.400	6.06	-	-

Notes:
(1) Deemed interest by virtue of its shareholdings in Yew Lee Holdings Sdn. Berhad and Hutan Melintang Plantations Sdn. Berhad.
(2) Deemed interest by virtue of Section 6A of the Companies Act 1965.

DIRECTORS' INTERESTS

The directors' interests in shares of the Company as at 27 February 2009 are as follows:-

	No. of Shares Held			
Directors	**Direct**	**%**	**Indirect**	**%**
Dato' Mah King Thian @ Mah King Thiam	-	-	69,000,000	32.02 (1)
Dato' Mah King Seng	-	-	69,000,000	32.02 (1)
Tan Ah Seng	100	-	-	-
Chan Kam Leong	-	-	161,500	-
Choong Pak Wan	10,000	-	-	-

Note:
(1) Deemed interest by virtue of Section 6A of the Companies Act 1965.

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS:

No	Name	Shares Held	%
1	MHC PLANTATIONS BHD	38,500,000	17.87
2	OSK NOMINEES (TEMPATAN) SDN BERHAD *Qualifier : Pledged securities account for TIONG KING SING*	13,064,400	6.06
3	YEW LEE HOLDINGS SDN. BERHAD	10,703,500	4.97
4	MAYBAN NOMINEES (ASING) SDN BHD *Qualifier : COMMERZBANK (SEA) LTD for PIVOT GLOBAL FUND*	10,654,800	4.95
5	MHC PLANTATIONS BHD	10,500,000	4.87
6	HLG NOMINEE (ASING) SDN BHD *Qualifier : COMMERZBANK (SEA) LTD for DEXON DYNAMIC INVESTMENT FD*	9,550,900	4.43
7	HUTAN MELINTANG PLANTATIONS SDN. BERHAD	9,296,500	4.31
8	TAN LAI KIM	3,558,500	1.65
9	LI NAI KWONG	3,437,309	1.60
10	JUWITAWAN SDN BHD	2,358,700	1.09
11	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD *Qualifier : Pledged securities account for FONG SILING (CEB)*	1,380,000	0.64
12	MAYBAN NOMINEES (TEMPATAN) SDN BHD *Qualifier : JINCAN SDN BHD*	1,369,300	0.64
13	KENANGA NOMINEES (TEMPATAN) SDN BHD *Qualifier: Pledged securities account for TEE KIM TEE @ TEE CHING TEE*	1,171,000	0.54
14	CITIGROUP NOMINEES (ASING) SDN BHD *Qualifier: Exempt AN for MELLONBANK (ABNAMRO MELLON)*	1,062,000	0.49
15	TEY POR YEE	1,000,000	0.46
16	TAN CHEE SING	1,000,000	0.46
17	HSBC NOMINEES (ASING) SDN BHD *Qualifier : EXEMPT AN for CREDIT SUISSE (SG BR-TST-ASING)*	1,000,000	0.46

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS:

No	Name	Shares Held	%
18	MKW JAYA SDN. BHD.	985,500	0.46
19	AFFIN NOMINEES (TEMPATAN) SDN BHD *Qualifier: Pledged securities account for TEE KIM TEE @ TEE CHING TEE (TEE0063C)*	925,900	0.43
20	EDMOND HOYT YUNG	900,000	0.42
21	RICKOH CORPORATION SDN BHD	860,000	0.40
22	CIMSEC NOMINEES (TEMPATAN) SDN BHD *Qualifier: CIMB BANK for KOH KIN LIP (MY0502)*	850,000	0.39
23	HDM NOMINEES (ASING) SDN BHD *Qualifier: DBS VICKERS SECS (S) PTE LTD for GREAT FOREST LIMITED*	791,300	0.37
24	AIBB NOMINEES (TEMPATAN) SDN BHD *Qualifier: Pledged securities account for ENG KIN HONG (D18)*	713,000	0.33
25	AFFIN NOMINEES (TEMPATAN) SDN BHD *Qualifier : Pledged securities account for ROVENT SDN BHD (ROV0001C)*	645,400	0.30
26	UNITED OVERSEAS NOMINEES (TEMPATAN) SDN BHD *Qualifier : Pledged securities account for TAN POH THYE (MKL)*	612,000	0.28
27	DATO' TEO SOO CHENG	505,000	0.23
28	SEE HONG CHEEN @ SEE HONG CHEN	500,000	0.23
29	HOE SENG COMPANY PTE LIMITED	500,000	0.23
30	CIMSEC NOMINEES (TEMPATAN) SDN BHD *Qualifier: CIMB for LEOW MING FONG @ LEOW MIN FONG (PB)*	455,000	0.21
	TOTAL	**128,850,009**	**59.80**

TOTAL ISSUED SHARES: 215,456,915

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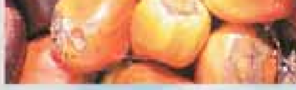

PROXY FORM

No of Shares Held	

I/We ____(BLOCK LETTERS)

NRIC No./Company No. ____of

____

being (a) Member(s) of CEPATWAWASAN GROUP BERHAD (536499-K) hereby appoint the following person(s):

	Name of proxy, NRIC No. & Address	No. of shares to be represented by proxy
1.	______________________________	______________
2.	______________________________	______________

or failing him/her,

1.	______________________________	______________
2.	______________________________	______________

as my/our proxy to vote for me/us on my/our behalf at the Ninth Annual General Meeting of the Company to be held at Executive Parlour (6th Floor), Sabah Hotel Sandakan, KM 1, Jalan Utara, 90000 Sandakan, Sabah on Monday, 27 April 2009 at 10.00 a.m. and at any adjournment thereof and to vote as indicated below:-

RESOLUTION NO.	FOR	AGAINST
1		
2		
3		
4		
5		
6		

Please indicate with an "X" in the space above on how you wish to cast your vote. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Signed this .... day of ...., 2009

____

Signature / Seal of Member

Notes:

(a) A proxy may but need not be a member of the Company and if the proxy is not a member of the Company, the proxy shall be an advocate or an approved company auditor or a person approved by the Registrar of Companies.

(b) To be valid this form duly completed must be deposited at the Company's Share Registrar's Office at Epsilon Registration Services Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting.

(c) A member shall be entitled to appoint more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting.

(d) Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

(e) If the appointer is a corporation, the Form of Proxy must be executed under its seal or under the hand of its attorney.

(f) Form of Proxy sent through facsimile transmission shall not be accepted.

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Stamp

The Company Secretary
CEPATWAWASAN GROUP BERHAD (536499-K)
c/o Epsilon Registration Services Sdn Bhd,
Level 17, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur.

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