

annual
report 08



MALPAC

Malpac Holdings Berhad (197424-V)

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NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting of the Company will be held at Rasah Room of The Royale Bintang Seremban, Jalan Dato' A.S. Dawood, 70000 Seremban, Negeri Sembilan Darul Khusus on Friday, 19 June 2009 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the audited financial statements for the year ended 31 December 2008 together with the Reports of the Directors and Auditors thereon. Resolution 1
2. To approve the payment of Directors' Fee of RM60,000.00 for the year ended 31 December 2008. Resolution 2
3. To re-elect the following Director who retires in accordance with Articles 80 and 82 of the Company's Articles of Association:

Mr Lim Hong Liang Resolution 3
4. To consider and if thought fit, pass the following Resolutions in accordance with Section 129(6) of the Companies Act, 1965:-
 - 4.1 "That Mr. Chew Loy Chee, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company to hold office until the next Annual General Meeting." Resolution 4
 - 4.2 "That Mr. Tan Chon Sing @ Tan Kim Tieng, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company to hold office until the next Annual General Meeting." Resolution 5
5. To appoint Auditors of the Company and to authorize the Directors to fix their remuneration. Resolution 6

Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, has been received by the Company for the nomination of Messrs. Ernst & Young, who have given their consent to act as auditors of the Company and of the intention to propose the following Resolution:-

"That Messrs. Ernst & Young be and are hereby appointed auditors of the Company in place of the retiring Auditors, M/s BDO Binder, and to hold office until the conclusion of the next Annual General Meeting at a fee to be determined by the Directors."

NOTICE OF **ANNUAL GENERAL MEETING** (CONT'D)

6. As Special Business, to consider and if thought fit, to pass the following resolutions as an Ordinary Resolution:

6.1 Authority to issue shares pursuant to Section 132(D) of the Companies Act, 1965

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

Resolution 7

6.2 Proposed renewal of authority to purchase its own shares by the Company.

"THAT, subject always to the Companies Act, 1965 ("Act"), the provisions of the Memorandum and Articles of Association of the Company and the Listing Requirements ("Listing Requirements") of the Bursa Malaysia Securities Berhad and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the extent permitted by law, to buy-back and/or hold such amount of ordinary shares of RM1.00 each in the Company ("Shares") and to take all such steps as are necessary (including the opening and maintaining of a central depositories account under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company, subject further to the following:-

- (i) The aggregate number of Shares bought-back and/or held does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company subject to the restriction that the issued and paid-up capital of the Company does not fall below the applicable minimum share capital requirement of the Listing Requirement;
- (ii) The maximum amount to be allocated for the buy- back of the Company's own Shares shall not exceed the retained profits and the share premium account of the Company;
- (iii) As prescribed by the act, rules, regulations and orders made pursuant to the act and the requirements of Bursa Securities and any other relevant authority for the time being in force; and
- (iv) Upon completion of buy-back by the Company of its own Shares, the Directors of the Company are authorised to deal with the shares so bought-back in any of the following manner:-

NOTICE OF **ANNUAL GENERAL MEETING** (CONT'D)

- (a) cancel the Shares so purchased; or
- (b) retain the Shares so purchased as treasury shares and held by the Company; or
- (c) retain part of the Shares so purchased as treasury shares and cancel the remainder,

and the treasury shares may be distributed as dividends to the Company's shareholders and/or resold on Securities Exchange and/or subsequently cancelled or any combination of the three and in any other manner.

The approval conferred by this resolution will commence immediately upon the passing of this resolution and will expire at the conclusion of the next annual general meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed, either unconditionally or subject to conditions; or the expiration of the period within which the next annual general meeting after that date is required by law to be held; or the revocation or variation by ordinary resolution passed by the shareholders of the Company in a general meeting, whichever is the earliest;

Resolution 8

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8. To transact any other ordinary business of which due Notice shall have been received.

By Order Of The Board

NG BEE LIAN
Company Secretary

Seremban
28 May 2009

Notes:

1. A member of the Company who is entitled to attend and vote in the Meeting is entitled to appoint a proxy / proxies to attend and vote in his / her stead. A proxy may but need not be a member of the Company

The Form of Proxy must be deposited with the Company Secretary at the registered office of the Company at 1st Floor, 275 Jalan Haruan 1, Oakland Industrial Park, 70200 Seremban, Negeri Sembilan Darul Khusus not less than 48 hours before the time appointed for holding the Meeting.

2. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the Seal or under the hand of an officer or attorney duly authorized.
3. Where a member appoints two or more proxies to attend at the same meeting, the appointment shall be invalid unless the holder specified the proportion of his shareholdings to be represented by each proxy.

Explanatory Notes

Ordinary Resolution No. 7

The Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/diversification proposals involves the issue of new shares, the Directors, under certain circumstances, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the issued capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of share, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total 10% of the issued share capital of the Company for the time being, for such purposes. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

Ordinary Resolution No. 8

If passed, will provide the mandate for the Company to buy-back its own shares up to a limit of 10% of the issued and paid-up share capital of the Company.

STATEMENT ACCOMPANYING **NOTICE OF ANNUAL GENERAL MEETING**

(PURSUANT TO PARAGRAPH 8.28(2) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

1. Details of Director Standing for Re-Election.

Director who is standing for re-election at the 19th Annual General Meeting is as follows:-

Articles 80 and 82 of the Company's Articles of Association:

- Mr Lim Hong Liang

2. Details of Directors Standing for Re-Appointment.

Directors standing for re-appointment pursuant to Section 129(6) of the Companies Act, 1965 are as follows:-

- Mr Chew Loy Chee
- Mr Tan Chon Sing @ Tan Kim Tieng

The details of the above Directors standing for re-election/re-appointment are set out in their respective profiles which appear on pages 8 to 10 of the Company's 2008 Annual Report.

3. Details of Attendances of Directors at Board Meeting.

A total of five (5) Board of Directors' meetings were held at the Board Room, 4th Floor, Wisma Concorde, No. 2, Jalan Sultan Ismail, 50250 Kuala Lumpur during the financial year. Details of attendances of Directors at the Board Meeting are set out in the Statement on Corporate Governance on pages 17 to 21 of the Annual Report.

NOTICE OF **NOMINATION OF NEW AUDITOR**

Tan Chon Sing @ Tan Kim Tieng
2348 Taman Labu Utama
Jalan Sungai Ujong
70200 Seremban
Negeri Sembilan

April 22, 2009

The Board of Directors
Malpac Holdings Berhad
Tingkat 2, No. 23 Jalan Kong Sang
70000 Seremban
Negeri Sembilan

Dear Sirs

NOTICE OF NOMINATION OF NEW AUDITOR

I, Tan Chon Sing @ Tan Kim Tieng, being a member of Malpac Holdings Berhad holding more than 10% of the capital of the Company, hereby give notice pursuant to Section 172 (11) of the Companies Act, 1965 of my intention to nominate M/s Ernst & Young of Level 23A, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur for appointment as Auditors of the Company in place of the retiring Auditors M/s BDO Binder and of my intention to move the following motion to be passed as an Ordinary Resolution at the Annual General Meeting of the Company.

Proposed Change of Company's Auditors

"THAT M/s Ernst & Young be and are hereby appointed auditors of the Company in place of the retiring Auditors, M/s BDO Binder, and to hold office until the conclusion of the next Annual General Meeting at a fee to be determined by the Directors."

Yours faithfully



Tan Chon Sing @ Tan Kim Tieng

CORPORATE INFORMATION

Board Of Directors

Mr Chew Loy Chee Deputy Chairman
Non-Independent Non-Executive Director

Mr Lim Hong Liang
Non-Independent Executive Director

Mr Kan Ah Chun
Non-Independent Executive Director

Mr Tan Chon Sing @ Tan Kim Tieng
Non-Independent Non-Executive Director

Mr Gan Teck Chong
@ Gan Kwan Chong
Non-Independent Non-Executive Director

Encik Muhayuddin Bin Musa
Independent Non-Executive Director

Encik Johari Low Bin Abdullah
Independent Non-Executive Director

Chief Executive Officer

Mr Ang Poo Guan

Audit Committee

Chairman

Encik Johari Low Bin Abdullah

Members

Mr Tan Chon Sing @ Tan Kim Tieng

Encik Muhayuddin Bin Musa

Remuneration Committee

Chairman

Mr Lim Hong Liang

Members

Encik Muhayuddin Bin Musa

Encik Johari Low Bin Abdullah

Nomination Committee

Chairman

Mr Tan Chon Sing @ Tan Kim Tieng

Members

Encik Muhayuddin Bin Musa

Encik Johari Low Bin Abdullah

Company Secretary

Ms Ng Bee Lian (MAICSA 7041392)

Registered Office

1st Floor, 275, Jalan Haruan 1
Oakland Industrial Park,
70200 Seremban
Negeri Sembilan Darul Khusus
Tel : 06-7625463
Fax : 06-7629693

Principal Place Of Business

2nd Floor, No. 23, Jalan Kong Sang
70000 Seremban,
Negeri Sembilan Darul Khusus
Tel : 06-7653816 & 7653836
Fax : 06-7653815

Auditors

BDO Binder, Chartered
Accountants (AF: 0206)
2nd Floor, 275, Jalan Haruan 1
Oakland Industrial Park
70200 Seremban,
Negeri Sembilan Darul Khusus

Tax Consultant

BDO Binder Tax
Services Sdn Bhd (263930-P)
1st Floor, 275, Jalan Haruan 1
Oakland Industrial Park
70200 Seremban,
Negeri Sembilan Darul Khusus

Solicitors

Farol, Pretam & Co
Logan Sabapathy & Co

Share Registrar

Sectrars Services Sdn Bhd
No. 28-1, Jalan Tun Sambanthan 3,
Brickfields
50470 Kuala Lumpur
Tel : 03-22746133
Fax : 03-22741016

Principal Bankers

CIMB Bank Berhad
The Royal Bank of Scotland Berhad
Hong Leong Islamic Bank Berhad
Alliance Bank Malaysia Berhad
AmBank (M) Berhad

Stock Exchange Listing

Bursa Malaysia Securities Berhad
Main Board

PROFILE OF THE **BOARD OF DIRECTORS** **AND CHIEF EXECUTIVE OFFICER**

MR CHEW LOY CHEE Deputy Chairman

Mr Chew Loy Chee, Singaporean/Malaysian Permanent Resident, aged 72, is a Non-Independent and Non-Executive Director of Malpac Holdings Berhad. He was appointed to the Board as Deputy Chairman on 31 May 1990.

He was engaged in the commercial banking sector for twenty years prior to being involved in the stockbroking industry and was a member of the KLSE (now known as Bursa Malaysia) from 1976 to 2001. He was a senior partner of Chew & Teo, a former member firm of the KLSE (now known as Bursa Malaysia) from 1976 to March 1987. The firm was converted into a private limited company known as Seremban Securities Sdn. Bhd. (SSSB) in April 1987. The name of SSSB was changed to Malpac Securities Sdn. Bhd. in July 1996 and to Malpac Management Sdn. Bhd. in November 2001. He has been a director of the Company from 1987 till now.

He also sits on the Board of several other companies within the Malpac Group and currently holds a dealer's representative licence under the Securities Industry Act, 1983.

Mr. Chew attended all of the five (5) Board Meetings held in the financial year 2008.

MR TAN CHON SING @ TAN KIM TIENG

Mr Tan Chon Sing @ Tan Kim Tieng, Malaysian, aged 70, is a Non-Independent and Non-Executive Director of Malpac Holdings Berhad. He was appointed to the Board on 15 May 1990. He is the Chairman of the Nomination Committee and a member of the Audit Committee of the Company.

He graduated from Nanyang University in 1963 with a Bachelor of Commerce degree and was a banker for eleven years before joining the stockbroking industry in 1976 as Manager in Chew & Teo, a former member firm of the KLSE (now known as Bursa Malaysia). He was admitted as a member of KLSE in 1987 (now known as Bursa Malaysia) and appointed as a Director of Seremban Securities Sdn. Bhd (SSSB). The name of SSSB was changed to Malpac Securities Sdn. Bhd. in July 1996 and to Malpac Management Sdn. Bhd. in November 2001. He has been a director of the Company from 1987 till now.

His directorship in other public listed company is in Three-A Resources Bhd. He also sits on the Board of several other companies within the Malpac Group as well as few other private limited companies. He currently holds a dealer's representative licence under the Securities Industry Act, 1983.

Mr Tan attended all of the five (5) Board Meetings held in the financial year 2008.

PROFILE OF THE **BOARD OF DIRECTORS** **AND CHIEF EXECUTIVE OFFICER** (CONT'D)

MR GAN TECK CHONG @ GAN KWAN CHONG

Mr Gan Teck Chong @ Gan Kwan Chong, Malaysian, aged 62, is a Non-Independent and Non-Executive Director of Malpac Holdings Berhad. He was appointed to the Board on 15 May 1990. He has been in the stockbroking business for more than twenty years. He commenced his career as a remisier with Chua & Co., Melaka, and joined Chew & Teo, a former member firm of the KLSE (now known as Bursa Malaysia), in 1976 as Assistant Manager. He was admitted as a member of the KLSE (now known as Bursa Malaysia) and a partner of Chew & Teo in 1979. The firm was converted into a private limited company known as Seremban Securities Sdn. Bhd. (SSSB) in April 1987. The name of SSSB was changed to Malpac Securities Sdn. Bhd. in July 1996 and to Malpac Management Sdn. Bhd. in November 2001. He has been a director of the Company from 1987 till now.

He also sits on the Board of several other companies within the Malpac Group and currently holds a dealer's representative licence under the Securities Industry Act, 1983.

Mr Gan attended all of the five (5) Board Meetings held in the financial year 2008.

MR LIM HONG LIANG

Mr Lim Hong Liang, Malaysian, aged 50, is a Non-Independent and Executive Director of Malpac Holdings Berhad. He was appointed to the Board on 16 October 1990. He is the Chairman of the Remuneration Committee of the Company.

He holds a Bachelor of Commerce (Accounting) and Master of Commerce from University of New South Wales, Sydney. Before joining Malpac, he was employed in the commercial banking sector for six years.

He is a director of two other public listed companies, Kumpulan Powernet Berhad and APB Resources Berhad, and also sits on the Board of two other companies within the Malpac Group as well as several other private limited companies.

Mr Lim attended all of the five (5) Board Meetings held in the financial year 2008.

MR KAN AH CHUN

Mr Kan Ah Chun, Malaysian, aged 55, is a Non-Independent and Executive Director of Malpac Holdings Berhad. He was appointed to the Board on 10 September 1996.

After graduating from University of Malaya with a Bachelor of Science (Hons) Degree in 1977, he was attached to the teaching profession from 1978 to 1982. He then joined a commercial bank until 1996 when he joined Malpac Securities Sdn. Bhd.

He also sits on the Board of a company within the Malpac Group as well as another public listed company, Sequoia Holdings Berhad (formerly known as G. A. Blue International Bhd.) and several other private limited companies.

Mr Kan attended four of the five (5) Board Meetings held in the financial year 2008.

PROFILE OF THE **BOARD OF DIRECTORS** **AND CHIEF EXECUTIVE OFFICER** (CONT'D)

ENCIK MUHAYUDDIN BIN MUSA

Encik Muhayuddin Bin Musa, Malaysian, aged 46, was appointed to the Board of Malpac Holdings Berhad as an Independent and Non-Executive Director on 9 March 2005. He is also a member of the Audit, Remuneration and Nomination Committees of the Company. He graduated with a Bachelor of Commerce (Hons) degree from the Carleton University, Ottawa, Canada.

He started his career as a Financial Officer with Lembaga Letrik Negara ('LLN') (1985 - 1987). Thereafter, he joined the banking industry and has held various positions in both local and foreign banks. Subsequently, in 1993 he joined Federal Furniture Holdings (M) Berhad as Corporate Affairs Manager and Managing Director of a subsidiary of Federal Furniture Holdings (M) Berhad. En Muhayuddin is currently the Executive Director/Chief Executive Officer of Computer Forms (Malaysia) Berhad, a post he continues to hold till today since 1996.

Encik Muhayuddin currently sits on the Board of Directors of Computer Forms (Malaysia) Berhad as an Executive Director and APB Resources Berhad as an Independent Non-Executive Director.

Encik Muhayuddin attended all of the five (5) Board Meetings held in the financial year 2008.

ENCIK JOHARI LOW BIN ABDULLAH

Encik Johari Low Bin Abdullah, Malaysian, aged 59, was appointed to the Board of Malpac Holdings Berhad as an Independent and Non-Executive Director on 9 May 2007. He is also the Chairman of the Audit Committee and a member of the Remuneration and Nomination Committees of the Company.

Encik Johari is a Fellow Member of The Institute of Chartered Accountants (England & Wales), the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He is also a member of Mensa International.

He was previously an auditor with Coopers Lybrand London and Deloitte Kuala Lumpur, Executive Director of Ambank Group, Group Managing Director of Berjaya Group Berhad, CEO of KFC Holdings (M) Berhad, Deputy Chairman of Anglo Eastern Plantations PLC and Director of Metroplex Berhad. He is currently the Chairman of the Rockwills International Group, the first and largest will-writing franchise system in Malaysia. He is also a director of APB Resources Berhad, Nam Fatt Corporation Berhad and Kumpulan Powernet Berhad. He resigned as a director of Global Carriers Berhad on 10 July 2007.

Encik Johari attended all of the five (5) Board Meetings held in the financial year 2008.

NONE OF THE DIRECTORS HAS:

- Any family relationship with any other Director and/or major shareholder of Malpac Holdings Berhad.
- Any conflict of interest with Malpac Holdings Berhad.
- Any conviction for offences within the past 10 years other than traffic offences.

PROFILE OF THE **BOARD OF DIRECTORS** **AND CHIEF EXECUTIVE OFFICER** (CONT'D)

MR ANG POO GUAN Chief Executive Officer

Mr Ang Poo Guan, Malaysian, aged 60, was appointed as Chief Executive Officer of Malpac Holdings Berhad on 1 March 2002. He also holds directorships in a few subsidiary companies of the Group.

He graduated from the University of Malaya in 1972 with a Bachelor of Agric. Sc. (Hon.) degree. He joined a plantation management company for a short stint before joining an agricultural development bank in 1973. In 1980 he joined a foreign commercial bank where he rose to the position of Senior Vice President. In 1996, he left the banking sector to join Malpac Management Sdn. Bhd., a subsidiary of Malpac Holdings Berhad, where he was appointed Chief Executive Officer cum Director.

He also holds directorships in a public listed company, Ralco Corporation Berhad and a public company, Kai Peng Berhad.

Mr Ang attended all of the five (5) Board Meetings held in the financial year 2008.

Mr Ang does not have any family relationship with any director and/or major shareholder of Malpac Holdings Berhad, nor has he any conflict of interest with the Company. He has no convictions for any offences within the past ten years.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors,
I am pleased to present to you our Annual Report & Audited
Financial statement for the financial year ended
31 Dec 2008 (FY2008).

FY2008 recorded another successful year for Malpac Holdings Berhad and this year our group has achieved better revenues and earnings, largely due to higher average CPO price recorded as compared to the previous years.

ECONOMIC REVIEW

In year 2008 we observed an unprecedented global financial crisis where many major banks have succumbed to the credit crunch. Commodity prices, stock prices and demand for goods and services had plummeted drastically across the globe and global economic downturn news has been reaching out to everyone in the world in an unprecedented speed via the advance media technology and the Internet. We have also observed the unprecedented fiscal stimulus packages from governments around the world which were trying to jump start their economies.

On the local front, our country is also not insulated from the economic downturn which is haunting the world now. Malaysia 4Q 2008 GDP growth has dropped to 0.1% which is the slowest in the last 8 years and the jobless claims have set a new record. Likewise, for a trade-driven corporate like Malpac, the Group's near future earnings and revenues will be influenced by the uncertain commodity prices as a consequence of weaker demand. The board envisages the Group's near term prospect to be tougher but opportune for diversification.

FINANCIAL PERFORMANCE

I am pleased to report significantly stronger earnings for the year ended 31 December 2008.

Revenue recorded continue to have double digit growth at 27% from RM13.5 million to RM17.1 million while after tax profit also recorded a healthy growth of 13% to RM11.8 million. These improvements were achieved mainly due to the more favorable average CPO price recorded in FY2008, higher interest receipts from investments and fixed deposits and a one-off loan recovery, moderated to a certain extent by provisions for diminution in value of investment shares held as a result of the extremely weak stock market conditions.

The Group's balance sheet has strengthened, boosted by our strong financial performance in FY2008. As at 31 December 2008, the Group has accumulated total asset of RM 184 million with zero gearing. The financial strength has positioned the Group on the right track for future expansion.

PROSPECTS

The Group's mainstream income is still strongly dependant on its palm oil production. Hence, the Group's near term performance would still be highly correlated to the CPO prices, which is expected to be much lower in 2009. Returns from fixed deposits and investments are also expected to be lower due to the much lower current interest rate regime and continued poor stock market conditions.

Amid the financial crisis and uncertainties in the global economic environment, the Group will persist to drive cost efficiency and explore new opportunities to extend the value chain for the existing palm oil production. In the longer term, the outlook remains bullish as the Group is actively pursuing diversification and investment opportunities both locally and abroad.

Shareholders' risk-adjusted return remains the highest priority for the Group future expansion and the board is firmly committed to the sustainable growth.

COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate citizen, we regard seriously our social responsibility by complying with environmental and pollution standards. We have been managing our plantation and mill in a manner consistent with internationally accepted standards and practices.

DIVIDEND

The Board of Directors does not recommend the payment of any dividend for the year under review.

APPRECIATION

On behalf of the Board of Directors, I would like to express my appreciation to all the directors, management and staff for their strong commitment and contribution towards the continued success of the Group. My appreciation also goes to our valued shareholders, bankers and business partners for their continued support and confidence in the Group.

Chew Loy Chee

Deputy Chairman

AUDIT COMMITTEE REPORT

INTRODUCTION

The Board of Directors is pleased to issue the following Report of the Audit Committee and its activities for the financial year ended 31 December 2008.

COMPOSITION AND MEETINGS

The members of the Audit Committee and attendance at each Audit Committee meeting during the financial year ended 31 December 2008 are as follows:-

Name	Status	Attendance
Chairman Johari Low Bin Abdullah	Independent Non-Executive Director	5/5
Members Tan Chon Sing @ Tan Kim Tieng Muhayuddin Bin Musa	Non-Independent Non-Executive Director Independent Non-Executive Director	5/5 5/5

TERMS OF REFERENCE

Membership

- The Audit Committee shall be appointed by the Board from among the Directors and shall compose of no fewer than three (3) members, all must be non-executive directors with majority of them being independent directors.
- At least one (1) member of the committee must be:
 - i) a member of Malaysian Institute of Accountants (MIA); or
 - ii) if non-MIA member, a person who must have at least three (3) years working experience and have passed the examination specified in Part I of the First Schedule of the Accountants Act, 1967 or is a member of one of the associations specified in Part II of the said Schedule; or
 - iii) a person who holds a degree/master/doctorate in accounting/finance with three (3) years' post qualification experience; or
 - iv) a person with at least seven (7) years experience being Chief Financial Officer.
 - v) fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
- No alternate director shall be appointed as a member of the Audit Committee.
- The members of the Audit Committee shall elect a chairman from among their member who shall be an independent director.
- In the event of any vacancy in the Audit Committee which results in a breach of the Listing Requirements of Bursa Malaysia Securities Berhad, the vacancy must be filled within three (3) months.

Objective

The objective of the Committee is to assist the Board of Directors in fulfilling its responsibilities especially on the following:

- To oversee and appraise the quality of the audits conducted by the Company's internal and external auditors.
- To determine the adequacy of the Company's administrative, operating and accounting controls.
- To maintain open lines of communications among the Board, the Company's employees and external auditors and to exchange views and information.
- To undertake any other such duties and responsibilities as may be required by the Board.

Duties & Responsibilities

The duties and responsibilities of the Committee shall be:

- To review with the internal auditors, the scope, functions, competency and adequacy of resources, authority, internal audit programme and results, processes or investigation undertaken and the action taken on their recommendations.
- To review the quarterly financial results and annual financial statements before submission to the Board for approval.
- To discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of other directors and management where necessary).
- To review the effectiveness of internal audit function.
- To identify and direct any special projects of investigations deemed necessary.
- To consider any related party transactions that may arise within the Group.
- To review the suitability of the external auditors for recommendation to the Board for re-appointment and the audit fee thereof.
- To review any resignation from external and internal auditors and to nominate external and internal auditors for the Group.

Authority

The Audit Committee is empowered to, accordance with the procedures determined by the Board of Directors and at the cost of the Company:-

- Investigate any matters within its term of reference.
- Have full access to all information in relation to the Company and its subsidiaries.
- Have direct communication channels with the external auditors and internal auditors.
- To convene meetings with the internal auditors without the presence of Executive Directors and employees of the Company, whenever deemed necessary.
- To convene meetings with the external auditors at least twice a year without the presence of the Executive Directors and management staff.
- Obtain independent professional or other advice as necessary.

Notwithstanding anything to the contrary hereinbefore stated, the Committee does not have executive powers and shall report to the Board of Directors on matter considered and its recommendations thereon, pertaining to the Group.

Meetings

The Committee will meet at least four times in a year. The quorum for the meeting shall consist of two members of which majority of members present must be Independent directors. The Directors, employees, auditors or others may attend meetings upon the invitation of the Audit Committee.

The Company Secretary shall be the Secretary to the Audit Committee.

Minutes

The Secretary shall maintain minutes of the proceedings of the meeting and circulate such minutes to all members of the Audit Committee. The Chairman of the Committee shall report on each meeting to the Board of Directors.

SUMMARY OF ACTIVITIES

The following activities were carried out by members of the Audit Committee for the financial year under review:-

- Reviewed the quarterly financial results and the annual financial statements of the Company and made recommendations to the Board of Directors for approval prior to the release of the results to Bursa.
- Reviewed with the external auditors, the audit plan and the nature and scope of audit.

SUMMARY OF ACTIVITIES (cont'd)

- Reviewed the major findings of internal audit reports and their recommendations relating thereto as well as the management response.
- Reviewed the internal and external audit reports to ensure that appropriate and adequate remedial actions were taken by the Management on significant lapses in controls and procedures that were identified if any.
- Meeting with the external auditors in the absence of the Executive Directors.
- Assessed the performance of the auditors and make recommendations to the Board of Directors for their appointment and removal.
- Reviewed the Audit Committee Report and Statement on Internal Control prior to its inclusion in the Annual Report.
- Evaluated the audit fees payable to the internal auditors and external auditors.

INTERNAL AUDIT FUNCTION

For Financial Year Ended 31 December 2008, the Group has outsourced its internal audit functions to an independent consulting firm. The principal role of the internal audit function is to undertake independent regular and systematic reviews of the systems of internal control so as to provide reasonable assurance that such systems continued to operate satisfactorily and effectively. The internal audit function reports directly to the Audit Committee and it is the responsibility of the internal audit function to provide the Audit Committee with independent and objective reports for their review and subsequently recommending to the Board for strengthening the internal controls and corporate governance of the Group.

Further details of the activities of the internal audit function are set out in the Statement on Internal Control on page 22 of the Annual Report.

STATEMENT ON **CORPORATE GOVERNANCE**

The Malaysian Code on Corporate Governance (the Code) sets out basic principles and best practices on structures and processes that companies may adopt in their operations towards achieving the optimal governance framework.

The Board of Directors of Malpac Holdings Berhad is committed to ensure the highest standards of corporate governance throughout the Group as a fundamental basis in the discharge of their fiduciary duties and responsibilities to protect and enhance long term shareholder values whilst taking into account the interests of other stakeholders.

In line with the Listing Requirements of Bursa Malaysia, the Board of Directors present herewith the report on how the Group has applied the principles of the Code and the extent of compliance with the best practices provision.

I. THE BOARD OF DIRECTORS

The Board assumes responsibility for leading and controlling the Group towards realising long term shareholder values.

1. Composition of the Board

The Board currently has seven members, comprising of two executive non-independent directors, three non-executive non-independent directors and two non-executive independent directors. The Company is in compliance with the Listing Requirements of Bursa Malaysia which requires 1/3 of total number of directors being Independent Directors.

As at the date of this report, the Board has not elected a Chairman for the Company. Currently the Deputy Chairman chairs all the Board meetings. Upon identification of a potential candidate, the nomination committee would assess and make the appropriate recommendations to the board for consideration. Meanwhile, the Board acknowledges the importance of distinguishing the roles of chairman and chief executive officer of the Company.

2. Board Meetings

The Board meets on a quarterly basis, with additional meetings convened as and when necessary. All Board members bring to bear an independent judgment on issues of strategy, performance, resources and standards of conduct.

During the financial year, the Board met five (5) times. The numbers of meetings attended by each director are as follows:-

Name of Directors	No. of Meetings Attended
Chew Loy Chee	5/5
Gan Teck Chong @ Gan Kwan Chong	5/5
Tan Chon Sing @ Tan Kim Tieng	5/5
Lim Hong Liang	5/5
Kan Ah Chun	4/5
Muhayuddin Bin Musa	5/5
Johari Low Bin Abdullah	5/5

3. Board Balance

The Board has a balanced composition of executive and non-executive directors so that no individual or small group of individuals can dominate the Board's decision making. Together, the Directors bring with them a wide range of business and financial experience relevant to the Group.

I. THE BOARD OF DIRECTORS (cont'd)

3. Board Balance (cont'd)

A brief description of the background of each Director is given on pages 8 to 10 of the Annual Report.

Represented on the Board, are two independent non-executive Directors who can exercise their independent judgment in the decision making process to ensure a fully balanced, objective and unbiased deliberation process that can safeguard the interests of other stakeholders.

The Board had reviewed the term of office and performance of each and every Audit Committee member pursuant to paragraph 15.21 of The Listing Requirements of Bursa Malaysia.

4. Board Committee

The following Board Committees have been established to assist the Board in execution of its duties and responsibilities. The functions and terms of reference of the committees as well as authority delegated by the Board to these Committees are clearly defined.

a. Audit Committee

The Board is assisted by the Audit Committee, whose composition, duties and responsibilities and summary of its activities during the financial year are set out in the Audit Committee Report on pages 14 to 16 of the Annual Report.

b. Nomination Committee

The Committee consists entirely of Non-Executive Directors, with majority being Independent Directors. The members of the Nomination Committee are:

- (i) Tan Chon Sing @ Tan Kim Tieng - Chairman
- (ii) Johari Low Bin Abdullah
- (iii) Muhayuddin Bin Musa

The Nomination Committee is to assist the Board in assessing the effectiveness of the Board as a whole and Board Committees, and assessing the contributions of each individual Director including Chief Executive Officer ("CEO") on an annual basis.

The Nomination Committee is also responsible for nominating the right candidates with the required skills, experience and attributes for recommendation to and appointment by the Board wherever the need arises.

The Nomination Committee meets as and when necessary and can also make decisions by way of circular resolution.

c. Remuneration Committee

The Committee consists mainly of Non-Executive Directors with majority being Independent Directors. The members of the Remuneration Committee are:-

- (i) Lim Hong Liang - Chairman
- (ii) Johari Low Bin Abdullah
- (iii) Muhayuddin Bin Musa

The Remuneration Committee is responsible for recommending to the Board the remuneration packages of the Executive Directors, whilst the Board as a whole determines the remuneration of the Non-Executive Directors. Individual Directors do not participate in discussions or decisions concerning their own remuneration packages.

STATEMENT ON **CORPORATE GOVERNANCE** (CONT'D)

I. THE BOARD OF DIRECTORS (cont'd)

5. Re-election of Directors

In accordance with the Company's Articles of Association, one-third (1/3) of the Directors shall retire from office, at least once in three (3) years. Retiring directors can offer themselves for re-election. Directors who are appointed by the Board during the financial year are subject to re-election by the shareholders at the next Annual General Meeting held following their appointments. Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

6. Supply of Information

Board members are provided with all relevant papers and reports in advance of each Board and Committee Meeting in accordance to the agenda for discussion. This ensures that Directors have sufficient time to appreciate issues deliberated at meetings and expedites the decision making process. Senior management staff are invited to attend Board or Committee Meetings to present the financial performance, reports or other proposals affecting the business areas as at when and where necessary.

The Directors have direct access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures are followed and the regulatory requirements are met.

The Directors are also given access to seek independent professional advice when necessary at the Company's expense.

7. Directors' Training

All the Directors have completed the Mandatory Accreditation Programme and attended various training programmes under the Continuing Education Programmes pursuant to the requirements of Bursa Securities Listing Requirements. For the financial year ended 31 December 2008, all the Directors have attended at least one training course. The Board encourages its Directors to attend talks, workshops, seminars and conferences to update and enhance their skills and knowledge to keep abreast with the changing business developments relevant to the industry within which the Group operates.

During the financial year ended 31 December 2008, the Company organized the participation for board members in the following programmes:-

Training Programme Attended	Date
• KPMG Corporate Governance Focus Group Session	18.04.2008
• Enterprise Risk Management	02.08.2008
• Economics and Capital Markets 1: Force Shaping Global Capital Markets	23.08.2008
• Essential of Fundamental Analytics 1: Analyzing Company Performance	24.08.2008
• 2008 PLC Directors' Training	27.09.2008

STATEMENT ON **CORPORATE GOVERNANCE** (CONT'D)

II. **DIRECTORS' REMUNERATION**

The remuneration policy of the Company for Executive Directors is structured to link rewards to corporate and individual performance. As for Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular non-executive concerned. The aggregate remuneration paid/payable to the Directors of the Company for the financial year ended 31 December 2008 is as follows:-

	Fee (RM)	Salaries & Allowance (RM)	Other Emoluments (RM)	Total (RM)
Executive Directors	24,000	163,680	100,000	287,680
Non-Executive Directors	36,000	324,520	150,000	510,520

The number of Directors whose remuneration falls into the respective bands is as follows:-

Range of Remuneration (RM)	Executive Directors	Non- Executive Directors
50,000 and below	-	2
100,001 – 150,000	2	3

III. **INVESTORS RELATIONS & SHAREHOLDERS COMMUNICATION**

1. **Shareholders**

The Group recognises the importance of accountability to its shareholders and investors through timely and proper communications. Press release and announcements for public dissemination are made as and when there are significant corporate events. Bursa Securities also provides for the Company to electronically publish all its announcements, including full version of its quarterly financial results announcements and Annual Report which can be accessed through Bursa Securities' website at www.bursamalaysia.com

2. **Annual General Meeting ("AGM")**

Notice of the AGM which is contained in the Annual Report is sent out at least twenty-one (21) days prior to the date of the meeting. The AGM serves as a principal forum for dialogue and interaction with all shareholders who are encouraged to participate in a question and answer session. The Chairman of the meeting or the CEO will facilitate the discussion with the shareholders and provide further information in response to shareholders' queries.

IV. **ACCOUNTABILITY AND AUDIT**

1. **Financial Reporting**

In presenting the annual financial statements and quarterly announcements of results to shareholders, the Directors take responsibility to present a balanced and understandable assessment of the Group's position and prospects. The Audit Committee of the Board assists by scrutinizing the information to be disclosed to ensure accuracy and adequacy. A full Directors' Responsibility statement is set out on page 23 of the Annual Report.

IV. ACCOUNTABILITY AND AUDIT (cont'd)

2. Internal Control Statement

The Board has overall responsibilities for corporate governance and the development of sound internal control system for the Group to achieve its objectives within the acceptable risk profile as well as safeguarding shareholders' interest and the Group's assets.

The Statement on Internal Control is set out on page 22. It provides an overview of the state of internal control within the Group.

3. Audit Committee

The Group's financial reporting and internal control system is overseen by the Audit Committee, which comprises of two (2) independent non-executive Directors and one (1) non-independent and non-executive Director. The composition, terms of reference and summary of the activities of the Audit Committee during the financial year are disclosed in the Audit Committee Report.

The Audit Committee meets quarterly. Additional meetings are held as and when required. For financial year ended 31 December 2008, five meetings were held.

The Audit Committee's meetings are always held before the Board's meetings. This is to ensure that all critical issues highlighted can be brought to the Board on a timely basis.

4. Relationship with the Auditors

The Company has established transparent and appropriate relationship with the Company's internal and external auditors. The internal and external auditors attend meetings of the Audit Committee when necessary to review issues in relation to the audit of the Group's financial statements.

A summary of activities of the Audit Committee is set out in the Audit Committee Report on Pages 14 to 16 of the Annual Report.

V. COMPLIANCE WITH BEST PRACTICES

The Company is in general compliance with the Best practices in Corporate Governance set out in Part 2 of the Code.

For the non-disclosure of detailed remuneration of each director, the Board is of the view that the transparency of directors' remuneration has been sufficiently dealt with by 'band disclosure' presented in this statement.

STATEMENT ON **INTERNAL CONTROL**

Board Responsibility

The Board affirms their responsibilities for a sound system of internal control, quality risk management practices and for reviewing the Group's adequacy and integrity in these systems. The principal function of internal control system is intended to identify and to manage significant risks faced by the Group's business operations, which may impede the achievement of the Group's objective. The Board is of the view that the system of internal control in place is sound and sufficient to safeguard the Group's assets.

The Board also acknowledges that these systems are designed to ensure that risks are identified and managed at acceptable levels rather than to eliminate such risks. Hence, systems can only provide reasonable but not absolute assurance against financial losses or uncertainties.

Risk Management

The Board regards risk management as an integral part of the Group's business operations and has established on-going reviews to be carried out for identifying, evaluating and managing the significant risks faced by the Group. These reviews will constantly be monitored to ensure that risks are actively updated and effectively managed.

Currently the Group's income is predominantly derived from the oil palm plantation. The operations of the oil palm plantation are currently run by a group of external experienced oil mill operators and management personnel. The principal risks faced by the Group are the non-collection of income from the oil palm plantation and natural calamities (eg. fire, flood, diseases and etc.)

Internal Control

The outsourced internal auditors have on a semi-annual basis assessed the adequacy and effectiveness of the Group's system of internal control, risk management processes and compliance frameworks, and have subsequently reported their findings to the Audit Committee. The Audit Committee reviewed the internal audit reports and informed the Board on the adequacy and effectiveness of the Group's system of internal control.

For the financial year under review, the Board is satisfied with the adequacy of the Group's system of risk management and internal control. No major weaknesses or uncertainties, which could result in material losses, were identified nor would require separate disclosure.

The key elements of the Group's internal control system are:-

- Organization structure with clearly defined lines of authority and the appropriate levels of delegation.
- Policies and procedures are clearly communicated to all staff members.
- The Chief Executive Officer (CEO) and the senior management meet regularly to discuss the possible risk areas on the Group's operational and management issues.
- The CEO oversees the Group's operations and internal controls and reports to the Board on the key risks.
- The Audit Committee meets on a quarterly basis or as and when required to discuss on internal control and any other matter raised by the CEO.
- All major decisions are subject to detailed appraisal and review. The Board receives regular and comprehensive information covering all decisions within the group.

The Board, together with the management will, when necessary put in place appropriate action plans to further enhance the Group's system of internal control.

STATEMENT OF **DIRECTORS' RESPONSIBILITY**

This statement is made pursuant to paragraph 15.27(a) of Listing Requirements of Bursa Malaysia.

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured that all applicable approved accounting standards have been followed; and
- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

OTHER INFORMATION

1. Material contracts

There were no material contracts entered into by the Company and/or its subsidiaries which involve Directors' and major shareholders' interests, either still subsisting at the end of the financial year 2008 or which were entered into since the end of the previous financial year.

2. Options, warrants or convertible securities

The Company has not issued any options, warrants or convertible securities during the financial year 2008.

3. Imposition of sanctions/penalties

There were no material sanctions and/or penalties imposed on the Company and its subsidiaries, directors and management by the relevant regulatory bodies during the financial year 2008.

4. Non-audit fees

There were no non-audit fees paid to the external auditors for the financial year ended 31 December 2008.

5. Variation in results

There were no variances of 10% or more between the results for the financial year 2008 and unaudited results previously announced.

6. Profit guarantees

During the financial year 2008, there was no profit guarantee given by the Company.

7. American Depositary Receipt ('ADR') or Global Depositary Receipt ('GDR') Programme

During the financial year 2008, the Company did not sponsor any ADR or GDR programme.

8. Recurrent related party transactions of revenue nature

There were no recurrent related party transactions of revenue nature during the financial year 2008.

9. Utilisation of proceeds raised from corporate proposal

There was no corporate proposal involving the raising of funds during the financial year 2008.

10. Share buy back

The Company did not enter into any share buy-back transactions during the financial year.

11. Revaluation Policy on Landed Properties

The Group has not adopted any revaluation policy on the landed properties.

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DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year attributable to equity holders of the Company	11,822,851	18,467,589

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend payment in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

OPTION GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The Directors who held office since the date of the last report are:-

Chew Loy Chee (Deputy Chairman)
Tan Chon Sing @ Tan Kim Tieng
Gan Teck Chong @ Gan Kwan Chong
Lim Hong Liang
Kan Ah Chun
Muhayuddin Bin Musa
Johari Low Bin Abdullah

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2008 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act 1965 were as follows:-

	Number of ordinary shares of RM1 each			
	Balance as at 1.1.2008	Bought	Sold	Balance as at 31.12.2008
Name of Directors				
<u>Direct interests</u>				
Chew Loy Chee	3,152,188	-	-	3,152,188
Tan Chon Sing @ Tan Kim Tieng	10,315,393	-	-	10,315,393
Gan Teck Chong @ Gan Kwan Chong	3,917,303	-	-	3,917,303
Lim Hong Liang	11,694,408	682,700	-	12,377,108
Kan Ah Chun	1,472,860	70,600	-	1,543,460

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY**(I) AS AT THE END OF THE FINANCIAL YEAR**

- (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 have satisfied themselves that all known bad debts had been written off and adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (cont'd)

(I) AS AT THE END OF THE FINANCIAL YEAR (cont'd)

- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except for :
- (i) the effects arising from the allowance for diminution in value of quoted investments resulting in a decrease in the Group's profit for the financial year by RM5,537,102 as disclosed in Note 19 to the financial statements;
 - (ii) the effects arising from impairment losses on investments in subsidiaries resulting in a decrease in the Company's profit for the financial year by RM27,850,001 as disclosed in Note 19 to the financial statements; and
 - (iii) the effects arising from allowance for doubtful debts no longer required resulting in an increase in the Group's and Company's profits for the financial year by RM3,500,000 and RM41,879,629 respectively as disclosed in Note 19 to the financial statements.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:-
- (i) which would render 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 material extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:-
- (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) 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 and of the Company to meet their obligations as and when they fall due.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (cont'd)

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 3 March 2008, the Company disposed of its 70% equity interest in Rentak Khusus Sdn. Bhd., comprising 7 ordinary shares of RM1 each, for a cash consideration of RM7.

SIGNIFICANT EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

On 10 February 2009, the Company acquired 100% equity interest in Discovery Assets Sdn. Bhd., comprising 2 ordinary shares of RM1 each for a consideration of RM2.

AUDITORS

The retiring auditors, BDO Binder, have indicated that they do not wish to seek re-appointment at the forthcoming Annual General Meeting.

Signed on behalf of the Board in accordance with a resolution of the Directors.

Tan Chon Sing @ Tan Kim Tieng
Director

Seremban
22 April 2009

Gan Teck Chong @ Gan Kwan Chong
Director

STATEMENT **BY DIRECTORS**

In the opinion of the Directors, the financial statements set out on pages 33 to 69 have been drawn up in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2008 and of the results of the operations of the Group and of the Company and of the cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Tan Chon Sing @ Tan Kim Tieng

Director

Seremban

22 April 2009

Gan Teck Chong @ Gan Kwan Chong

Director

STATUTORY **DECLARATION**

I, Tan Chon Sing @ Tan Kim Tieng, being the Director primarily responsible for the financial management of Malpac Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 33 to 69 are, to the best of my knowledge and belief, 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 at Seremban,
Negeri Sembilan Darul Khusus
this 22 April 2009

Before me:-

Pang Moi Nga @ Phang Meei Yar *PMC, PJK*
N 033
Commissioner For Oaths
Seremban

INDEPENDENT **AUDITORS' REPORT** TO THE MEMBERS OF MALPAC HOLDINGS BERHAD (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Malpac Holdings 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 financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 33 to 69.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MALPAC HOLDINGS BERHAD (CONT'D)
(Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965, 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 financial statements of the subsidiaries, that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

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

BDO Binder

AF: 0206
Chartered Accountants

Seremban
22 April 2009

Law Kian Huat

2855/07/10 (J)
Partner

BALANCE SHEETS

AS AT 31 DECEMBER 2008

		Group		Company	
		2008	2007	2008	2007
	NOTE	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	7	58,903,643	55,877,045	115,633	22,615
Prepaid lease payments for land	8	41,217,519	42,866,220	-	-
Investments in subsidiaries	9	-	-	262,580,202	130,430,210
Other investments	10	3,762,545	12,115,494	-	-
		103,883,707	110,858,759	262,695,835	130,452,825
Current assets					
Trade and other receivables	11	781,116	2,194,263	97,322	124,471,804
Tax recoverable		810,652	763,167	451,293	451,293
Other investments	10	20,291,542	-	14,995,348	-
Non-marketable securities	12	-	3,036,086	-	3,036,086
Cash and cash equivalents	13	58,279,112	47,126,219	30,871,388	25,369,529
		80,162,422	53,119,735	46,415,351	153,328,712
Assets of disposal group classified as held for sale	14	-	9,331,960	-	9,331,960
		80,162,422	62,451,695	46,415,351	162,660,672
TOTAL ASSETS		184,046,129	173,310,454	309,111,186	293,113,497
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	15	75,000,000	75,000,000	75,000,000	75,000,000
Reserves	16	102,839,363	91,016,512	81,507,377	63,039,788
TOTAL EQUITY		177,839,363	166,016,512	156,507,377	138,039,788
LIABILITIES					
Current liabilities					
Trade and other payables	17	6,206,602	6,865,068	152,603,809	154,647,497
Current tax payable		164	2,662	-	-
		6,206,766	6,867,730	152,603,809	154,647,497
Liabilities of disposal group classified as held for sale	14	-	426,212	-	426,212
TOTAL LIABILITIES		6,206,766	7,293,942	152,603,809	155,073,709
TOTAL EQUITY AND LIABILITIES		184,046,129	173,310,454	309,111,186	293,113,497

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

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

		Group		Company	
	NOTE	2008 RM	2007 RM	2008 RM	2007 RM
Revenue	18	17,163,036	13,509,922	6,659,428	6,385,000
Other operating income		5,728,995	5,390,958	42,589,429	746,385
Administration expenses		(4,504,193)	(4,947,155)	(1,548,223)	(2,191,306)
Other operating expenses		(6,543,561)	(3,479,664)	(27,868,045)	(1,512)
Profit before tax	19	11,844,277	10,474,061	19,832,589	4,938,567
Taxation	20	(21,426)	(74,803)	(1,365,000)	(1,458,000)
Profit for the financial year		11,822,851	10,399,258	18,467,589	3,480,567
Earnings per ordinary share attributable to equity holders of the Company (sen):					
Basic	21	15.8	13.9		
Diluted	21	15.8	13.9		

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

STATEMENTS OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Share capital RM	Share premium RM	Capital reserve RM	Retained earnings RM	Total RM
Group					
Balance as at 31 December 2006	75,000,000	24,366,593	23,000,000	33,250,661	155,617,254
Profit for the financial year, representing total income and expense for the financial year	-	-	-	10,399,258	10,399,258
Balance as at 31 December 2007	75,000,000	24,366,593	23,000,000	43,649,919	166,016,512
Profit for the financial year, representing total income and expense for the financial year	-	-	-	11,822,851	11,822,851
Balance as at 31 December 2008	75,000,000	24,366,593	23,000,000	55,472,770	177,839,363
Company					
Balance as at 31 December 2006	75,000,000	24,366,593	-	35,192,628	134,559,221
Profit for the financial year, representing total income and expense for the financial year	-	-	-	3,480,567	3,480,567
Balance as at 31 December 2007	75,000,000	24,366,593	-	38,673,195	138,039,788
Profit for the financial year, representing total income and expense for the financial year	-	-	-	18,467,589	18,467,589
Balance as at 31 December 2008	75,000,000	24,366,593	-	57,140,784	156,507,377

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

CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

NOTE	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	11,844,277	10,474,061	19,832,589	4,938,567
Adjustments for:-				
Allowance for diminution in value of quoted investments	5,537,102	-	-	-
Allowance for diminution in value of quoted investments no longer required	-	(918,389)	-	-
Impairment losses on investments in subsidiaries	-	-	27,850,001	-
Allowance for doubtful debts - loan receivables	-	1,750,000	-	-
Allowance for doubtful debts no longer required	(3,500,000)	(1,819,286)	-	-
Allowance for doubtful debts no longer required - subsidiaries	-	-	(41,879,629)	-
Amortisation of prepaid lease payments for land	8	1,648,701	-	-
Bad debts recovered	(500)	-	-	-
Bad debts written off	18,320	-	9,136	-
Depreciation of property, plant and equipment	7	391,414	282,703	9,685
Distribution income from unit trust	(87,470)	-	(77,269)	-
Dividend income	(255,905)	(258,982)	(5,250,000)	(5,400,000)
Gain on disposal of assets held for sale	(60,000)	-	(60,000)	-
Gain on disposal of a subsidiary	(8,793)	-	-	-
Gain on disposal of marketable securities	(34,889)	-	(28,001)	-
Gain on disposal of unquoted investments	(621,799)	-	(621,799)	-
Gain on disposal of quoted investments	(307,259)	(1,744,331)	-	-
Gain on voluntary winding up of a subsidiary	-	-	-	(746,385)
Interest income	(4,693,886)	(1,690,772)	(1,332,159)	(985,000)
Property, plant and equipment written off	7	-	1,513	-
Operating profit/(loss) before working capital changes	9,869,313	7,725,218	(1,547,446)	(2,185,385)
Decrease in trade and other receivables	4,895,327	2,632,756	4,123,615	-
(Decrease)/Increase in trade and other payables	(649,680)	692,905	(2,048,541)	883,440
Cash generated from/(used in) operations	14,114,960	11,050,879	527,628	(1,301,945)
Interest received	1,095,504	55,798	-	-
Tax paid	(22,013)	(53,226)	-	-
Net cash from/(used in) operating activities	15,188,451	11,053,451	527,628	(1,301,945)

CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008 (CONT'D)

NOTE	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Distribution income received from unit trust	87,470	-	77,269	-
Dividends received	206,509	192,942	3,885,000	3,942,000
Interest received	2,248,382	1,634,974	1,332,159	985,000
Purchase of property, plant and equipment	24 (2,068,012)	(529,719)	(102,703)	(8,619)
Proceeds from disposal of a subsidiary	9 7	-	7	3
Proceeds from return of surplus assets from a subsidiary	-	-	-	967,262
Purchase of quoted investments	(8,627,786)	(15,942,852)	-	-
Proceeds from disposal of quoted investments	6,454,698	16,953,309	-	-
Purchase of assets held for sale	(1,000,000)	-	(1,000,000)	-
Proceeds from disposal of assets held for sale	1,060,000	-	1,060,000	-
Purchase of marketable securities	(41,668,148)	-	(37,214,037)	-
Proceeds from disposal of marketable securities	26,707,689	-	22,246,690	-
Purchase of non-marketable securities	-	(3,036,086)	-	(3,036,086)
Proceeds from disposal of non-marketable securities	3,036,086	-	3,036,086	-
Proceeds from disposal of unquoted investments	9,527,547	-	9,527,547	-
Net purchase of non-current assets classified as held for sale	14 -	(8,905,748)	-	(8,905,748)
Decrease/(Increase) in trust monies	6,042	(309)	-	-
Net cash (used in)/from investing activities	(4,029,516)	(9,633,489)	2,848,018	(6,056,188)
CASH FLOWS FROM FINANCING ACTIVITY				
Advances from a subsidiary	-	-	4,853	413,003
Repayment from subsidiaries	-	-	2,121,360	430,030
Net cash from financing activities	-	-	2,126,213	843,033
Net increase/(decrease) in cash and cash equivalents	11,158,935	1,419,962	5,501,859	(6,515,100)
Cash and cash equivalents at beginning of the financial year	47,120,177	45,700,215	25,369,529	31,884,629
Cash and cash equivalents at end of the financial year	13 58,279,112	47,120,177	30,871,388	25,369,529

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

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 Berhad.

The registered office of the Company is located at 1st Floor, 275, Jalan Haruan 1, Oakland Industrial Park, 70200 Seremban, Negeri Sembilan Darul Khusus.

The principal place of business of the Company is located at 2nd Floor, 23, Jalan Kong Sang, 70000 Seremban, Negeri Sembilan Darul Khusus.

The financial statements are presented in Ringgit Malaysia, which is also the Company's functional currency.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 22 April 2009.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards ("FRS") in Malaysia and the provisions of the Companies Act 1965.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to the end of the financial year using the purchase method of accounting.

Under the purchase method of accounting, the cost of business combinations is measured at the aggregate of fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued plus costs directly attributable to the business combination.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.2 Basis of consolidation (cont'd)

At the acquisition date, the cost of business combinations is allocated to identifiable assets, liabilities and contingent liabilities in the business combination which are measured initially at their fair values at the acquisition date. 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 is recognised as goodwill. If the cost of business combination is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will:-

- (a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and
- (b) recognise immediately in profit or loss any excess remaining after that reassessment.

When a business combination includes more than one exchange transaction, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

Subsidiaries are consolidated from the acquisition date, which is the date on which the Group effectively obtains control, until the date on which the Group ceases to control the subsidiaries. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are exercisable are taken into account.

Intragroup balances, transactions and unrealised gains and losses on intragroup transactions are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

The gain or loss on disposal of a subsidiary, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the carrying amount of goodwill and the cumulative amount of any exchange differences that relate to the subsidiary, is recognised in the consolidated income statement.

Minority interest is that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Group. It is measured at the minority's share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minority's share of changes in the subsidiaries' equity since that date.

Where losses applicable to the minority in a subsidiary exceed the minority's interest in the equity of that subsidiary, the excess and any further losses applicable to the minority are allocated against the Group's interest except to the extent that the minority has a binding obligation and is able to make additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the Group's interest until the minority's share of losses previously absorbed by the Group has been recovered.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.2 Basis of consolidation (cont'd)

Minority interest is presented in the consolidated balance sheet within equity and is presented in the consolidated statement of changes in equity separately from equity attributable to equity holders of the Company.

Minority interest in the results of the Group is presented in the consolidated income statement as an allocation of the total profit or loss for the financial year between minority interest and equity holders of the Company.

4.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

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

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:-

Freehold land and building	2%
Buildings	2%
Computer equipment	20%
Motor vehicles	20%
Renovation, electrical installation, office equipment, furniture and fittings	10% - 12%
Plant and machinery	10%

Freehold land is not depreciated. Depreciation has been provided on certain freehold land as the Group has not been able to segregate the cost of the building from the cost of the related freehold land. The Directors are of the opinion that the depreciation of the freehold land has no material effect on the financial statements of the Group.

At each balance sheet date, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.3 Property, plant and equipment and depreciation (cont'd)

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

The carrying amount of an item of property, plant and equipment is derecognised on 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 carrying amount is included in profit and loss and the revaluation surplus related to those assets, if any, is transferred directly to retained earnings.

4.4 Leases of land

For leases of land, these leases are classified as operating leases in the same way as leases of other assets.

Leasehold land that normally has an indefinite economic life and where the lease does not transfer substantially all the risks and rewards incidental to ownership is treated as an operating lease. The lump-sum upfront payments made on entering into or acquiring leasehold land are accounted for as prepaid lease payments and are amortised over the lease term on a straight line basis.

4.5 Investments

4.5.1 Subsidiaries

A subsidiary is an entity in which the Group and the Company has power to control the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

An investment in subsidiary, which is eliminated on consolidation, is stated in the Company's separate financial statements at cost less impairment losses, if any. On disposal of such an investment, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

4.5.2 Other investments

Non-current investments other than investments in subsidiaries, are stated at cost and an allowance for diminution in value is made where in the opinion of the Directors, there is a decline other than temporary in the value of such investments.

All current investments, comprising quoted investment and investment in unit trusts, are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investment.

Upon disposal of such investments, the different between net disposal proceeds and its carrying amount is recognised in profit or loss.

4.5.3 Non-marketable securities

Non-marketable securities are acquired and held with the intention of resale in the short-term are stated at the lower of cost and net realisable value.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.6 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries) and non-current assets held for sale, 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.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGU or groups of CGU that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether the other assets or liabilities of the acquiree are assigned to those units or groups of units.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal 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 for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in the income statement when the carrying amount of the asset or the CGU, including goodwill or intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in the income statement immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation reserve to the extent of the surplus credited from the previous revaluation for the same asset with the excess of the impairment loss charged to income statement.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in the income statement except for the reversal of an impairment loss on a revalued asset where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation reserve account of the same asset. However, to the extent that an impairment loss on the same revalued asset was previously recognised in profit or loss, a reversal of that impairment loss is also recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

4.7.1 Financial instruments recognised on the balance sheets

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

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual agreement. Interest, dividends and losses and gains relating to a financial instrument or a component that is a financial liability shall be recognised as income or expense in profit or loss. Distributions to holders of an equity instrument are debited directly to equity, net of any related tax effect. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

(a) Receivables

Receivables including amounts owing by related parties are carried at anticipated realisable value. Known bad debts are written off and allowance is made for debts considered to be doubtful of collection.

Receivables are not held for trading purposes.

(b) Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, deposits and other short-term, highly liquid investments which are readily convertible to cash and which are subject to insignificant risk of changes in values.

(c) Payables

Liabilities for trade and other amounts payable, including amounts owing to related parties are initially recognised at fair value of the consideration to be paid in the future for goods and services received, and subsequently measured at amortised cost using the effective interest method.

(d) Equity instruments

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to the income statements.

Dividends to shareholders are recognised in equity in the period in which they are declared.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.7 Financial instruments (cont'd)

4.7.2 Financial instruments not recognised on the balance sheets

There is no financial instrument not recognised on the balance sheets.

4.8 Income taxes

Income taxes include all domestic taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes and real property gain taxes payable on disposal of properties, prior to 1 April 2007, if any.

Taxes in the income statement comprise current taxation and deferred tax.

(a) Current taxation

Current taxation is the amount of income taxes payable or receivable in respect of the taxable profit or loss for a period.

Current tax for the current and prior periods is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted by the balance sheet date.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only 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. The carrying amount of a deferred tax asset is reviewed at each balance sheet date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.9 Provisions

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

4.10 Employee benefits

4.10.1 Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, bonuses and non monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as expense 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 absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when reliable estimate can be made of the amount of the obligation.

4.10.2 Defined contribution plan

The Company and its subsidiaries make contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

4.11 Revenue recognition

Revenue is measured at the fair value of consideration received or receivable net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the Group's activities as follows:-

(a) Income from oil palm plantation and service charges

Income from oil palm plantation and service charges are recognised on accrual basis.

(b) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(c) Dividend income

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

(d) Distribution income from unit trust

Distribution income from unit trust is recognised when the holder's right to receive payment is established.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.12 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal groups) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable.

Immediately before the initial classification as held for sale, the carrying amounts of the non-current assets (or all the assets and liabilities in a disposal group) are measured in accordance with applicable FRS. On initial classification as held for sale, non-current assets or disposal groups (other than financial assets carried at fair value) are measured at the lower of carrying amount immediately before the initial classification as held for sale and fair value less costs to sell. Any differences are recognised in profit or loss as impairment loss.

Non-current assets (or disposal groups) held for sale are classified as current assets (and current liabilities, in the case of non-current liabilities included within disposal groups) on the face of the balance sheet and are stated at the lower of carrying amount immediately before initial classification and fair value less costs to sell and are not depreciated. Any cumulative income or expense recognised directly in equity relating to the non-current asset (or disposal groups) classified as held for sale is presented separately.

If the Group has classified an asset (or disposal groups) as held for sale but subsequently the criteria for classification is no longer met, the Group ceases to classify the asset (or disposal groups) as held for sale. The Group measures a non-current asset that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of:-

- (a) its carrying amount before the asset (or disposal groups) was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal groups) not been classified as held for sale; and
- (b) its recoverable amount at the date of the subsequent decision not to sell.

5. ADOPTION OF NEW FRS AND AMENDMENT TO FRS

5.1 New FRS and amendment to FRS adopted

- (a) The following FRS are mandatory for annual periods beginning on or after 1 July 2007.

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

These standards align the Malaysian Accounting Standards Board ("MASB") FRS with the equivalent International Accounting Standards, both in terms of form and content. The adoption of these standards will only impact the form and content of disclosures presented in the financial statements. FRS 120 is not relevant to the Group's operations.

5. ADOPTION OF NEW FRS AND AMENDMENT TO FRS (cont'd)

5.1 New FRS and amendment to FRS adopted (cont'd)

- (b) Framework for the Preparation and Presentation of Financial Statements ("Framework") is effective for annual periods beginning on or after 1 July 2007

The Framework sets out the concepts that underlie the preparation and presentation of financial statements for external users. It is not a MASB approved FRS as defined in paragraph 11 of FRS 101 *Presentation of Financial Statements* and hence does not define standards for any particular measurement or disclosure issue.

- (c) Amendment to FRS and IC Interpretations which are effective for annual periods beginning on or after 1 July 2007.

- 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 above amendment to FRS and IC Interpretations are not relevant to the Group's operations.

5.2 New FRS not adopted

- (a) FRS 8 Operating Segments and the consequential amendments resulting from FRS 8 are mandatory for annual financial periods beginning on or after 1 July 2009.

FRS 8 sets out the requirements for disclosure of information on an entity's operating segments, products and services, the geographical areas in which it operates and its customers.

The requirements of this standard are based on the information about the components of the entity that management uses to make decisions about operating matters. The standard requires identification of operating segments on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance.

The standard also requires the amount reported for each operating segment item to be the measure reported to the chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance. Segment information for prior years that is reported as comparative information for the initial year of application would be restated to conform to the requirements of this standard.

5. ADOPTION OF NEW FRS AND AMENDMENT TO FRS (cont'd)

5.2 New FRS not adopted (cont'd)

- (b) FRS 4 Insurance Contracts and the consequential amendments resulting from FRS 4 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 4 replaces the existing FRS 202²⁰⁰⁴ General Insurance Business and FRS 2003²⁰⁰⁴ Life Insurance Business.

The standard applies to all insurance contracts, including reinsurance contracts that an entity issues and to reinsurance contracts that it holds. The standard prohibits provisions for potential claims under contracts that are not in existence at the reporting date, and requires a test for the adequacy of recognised insurance liabilities and an impairment test for reinsurance assets. The standard also requires an insurer to keep insurance liabilities in its balance sheet until they are discharged or cancelled, or expire, and to present insurance liabilities without offsetting them against related reinsurance assets.

FRS 4 is not relevant to the Group's operations.

- (c) FRS 7 Financial Instruments: Disclosures and the consequential amendments resulting from FRS 7 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 7 replaces the disclosure requirements of the existing FRS 132 Financial Instruments: Disclosure and Presentation.

The standard applies to all risks arising from a wide array of financial instruments and requires the disclosure of the significance of financial instruments for an entity's financial position and performance.

The standard requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk. The qualitative disclosures describe the management's objectives, policies and processes for managing those risks. The quantitative disclosures provide information on the extent to which the entity is exposed to risk, based on information provided internally to the entity's key management personnel.

- (d) FRS 139 Financial instruments: Recognition and Measurement and the consequential amendments resulting from FRS 139 are mandatory for annual financial periods beginning on or after 1 January 2010.

The standard establishes the principles for the recognition and measurement of financial assets and financial liabilities including circumstances under which hedge accounting is permitted. By virtue of the exemption provided under paragraph 103AB of FRS 139, the impact of applying FRS 139 on the consolidated financial statements upon first adoption of the FRS as required by paragraph 30(b) of FRS 108 Accounting Policies, Change in Accounting Estimates and Errors is not disclosed.

5. ADOPTION OF NEW FRS AND AMENDMENT TO FRS (cont'd)

5.2 New FRS not adopted (cont'd)

- (e) IC Interpretation 9 Reassessment of Embedded Derivatives is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation prohibits the subsequent reassessment of embedded derivative unless there is a change in the terms of the host contract that significantly modifies the cash flows that would otherwise be required by the host contract.

The Group does not expect any impact on the consolidated financial statements arising from the adoption of this Interpretation.

- (f) IC Interpretation 10 Interim Financial Reporting and Impairment is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.

The Group does not expect any impact on the consolidated financial statements arising from the adoption of this Interpretation in the future.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 Critical judgements made in applying accounting policies

There is no critical judgement made in applying accounting policies.

6.2 Key sources of estimation uncertainty

The following are key assumption 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.

(a) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on straight-line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within five (5) to fifty (50) years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised. A five percent difference in the average useful lives of these assets from management's estimates would result in approximately one percent variance in profit for the financial year.

(b) Allowance for doubtful debts of receivables

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The Directors and management specifically analyse historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008 (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.1.2008 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.12.2008 RM
2008				
Carrying amount				
Freehold land	53,785,402	-	-	53,785,402
Freehold land and building	99,000	-	2,000	97,000
Buildings	-	1,350,000	9,000	1,341,000
Computer equipment	17,939	9,344	7,253	20,030
Motor vehicles	95,287	675,465	86,337	684,415
Renovation, electrical installation, office equipment, furniture and fittings	15,219	100,643	6,639	109,223
Plant and machinery	1,864,198	1,282,560	280,185	2,866,573
Total	55,877,045	3,418,012	391,414	58,903,643

	Cost RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	53,785,402	-	53,785,402
Freehold land and building	100,000	3,000	97,000
Buildings	1,350,000	9,000	1,341,000
Computer equipment	40,411	20,381	20,030
Motor vehicles	1,151,390	466,975	684,415
Renovation, electrical installation, office equipment, furniture and fittings	381,417	272,194	109,223
Plant and machinery	3,656,887	790,314	2,866,573
Total	60,465,507	1,561,864	58,903,643

Group	Balance as at 1.1.2007 RM	Additions RM	Written off RM	Depreciation charge for the financial year RM	Balance as at 31.12.2007 RM
2007					
Carrying amount					
Freehold land	53,367,232	418,170	-	-	53,785,402
Freehold land and building	-	100,000	-	1,000	99,000
Computer equipment	12,674	10,229	1	4,963	17,939
Motor vehicles	131,012	-	-	35,725	95,287
Renovation, electrical installation, office equipment, furniture and fittings	18,993	1,320	1,512	3,582	15,219
Plant and machinery	2,101,631	-	-	237,433	1,864,198
Total	55,631,542	529,719	1,513	282,703	55,877,045

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008 (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Cost RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	53,785,402	-	53,785,402
Freehold land and building	100,000	1,000	99,000
Computer equipment	324,006	306,066	17,940
Motor vehicles	182,986	87,700	95,286
Renovation, electrical installation, office equipment, furniture and fittings	280,774	265,555	15,219
Plant and machinery	2,374,327	510,129	1,864,198
Total	57,047,495	1,170,450	55,877,045

Company	Balance as at 1.1.2008 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.12.2008 RM
2008				
Carrying amount				
Computer equipment	13,082	2,750	4,751	11,081
Motor vehicles	1	-	-	1
Renovation, electrical installation, office equipment, furniture and fittings	9,532	99,953	4,934	104,551
Total	22,615	102,703	9,685	115,633

	Cost RM	Accumulated depreciation RM	Carrying amount RM
Computer equipment	26,937	15,856	11,081
Motor vehicles	4,343	4,342	1
Renovation, electrical installation, office equipment, furniture and fittings	343,385	238,834	104,551
Total	374,665	259,032	115,633

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008 (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Balance as at 1.1.2007 RM	Additions RM	Written off RM	Depreciation charge for the financial year RM	Balance as at 31.12.2007 RM
2007					
Carrying amount					
Computer equipment	9,908	7,299	-	4,125	13,082
Motor vehicles	1	-	-	-	1
Renovation, electrical installation, office equipment, furniture and fittings	11,520	1,320	1,512	1,796	9,532
Total	21,429	8,619	1,512	5,921	22,615

	Cost RM	Accumulated depreciation RM	Carrying amount RM
Computer equipment	24,187	11,105	13,082
Motor vehicles	4,343	4,342	1
Renovation, electrical installation, office equipment, furniture and fittings	243,432	233,900	9,532
Total	271,962	249,347	22,615

Certain freehold land, plant and machinery and motor vehicles amounting to RM55,426,776 (2007: RM54,297,163) are registered under the names of wholly owned subsidiaries, Radiant Response Sdn. Bhd., Malpac Land Sdn. Bhd. and Malpac Assets Management Sdn. Bhd., which are holding the assets in trust for another subsidiary, Malpac Capital Sdn. Bhd.

8. PREPAID LEASE PAYMENTS FOR LAND

2008	Balance as at 1.1.2008 RM	Amortisation charge for the year RM	Balance as at 31.12.2008 RM
Group			
Carrying amount			
Leasehold plantation land, at cost	42,866,220	(1,648,701)	41,217,519

	Cost RM	Accumulated amortisation and impairment RM	Carrying amount RM
Leasehold plantation land, at cost	46,163,622	(4,946,103)	41,217,519

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008 (CONT'D)

8. PREPAID LEASE PAYMENTS FOR LAND (cont'd)

2007

Group	Balance as at 1.1.2007 RM	Amortisation charge for the year RM	Balance as at 31.12.2007 RM
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Carrying amount

Leasehold plantation land, at cost	44,514,921	(1,648,701)	42,866,220
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	At 31 December 2007		
	Cost RM	Accumulated amortisation and impairment RM	Carrying amount RM
Leasehold plantation land, at cost	46,163,622	(3,297,402)	42,866,220

9. INVESTMENTS IN SUBSIDIARIES

	Company	
	2008 RM	2007 RM
Unquoted shares, at cost	295,430,202	135,430,209
Less: Impairment losses	(32,850,000)	(4,999,999)
	262,580,202	130,430,210

The subsidiaries, all incorporated in Malaysia, are as follows:-

Name of company	Effective interest		Principal activities
	2008 %	2007 %	
Malpac Management Sdn. Bhd.	100	100	Provision of management services
Malpac Capital Sdn. Bhd.	100	100	Money lending and cultivation of oil palm
Malpac Assets Management Sdn. Bhd.	100	100	Dormant
Malpac Land Sdn. Bhd.	100	100	Dormant

Subsidiary company of Malpac Capital Sdn. Bhd.

Radiant Response Sdn. Bhd.	100	100	Dormant
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All the subsidiaries are audited by BDO Binder.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008 (CONT'D)

9. INVESTMENTS IN SUBSIDIARIES (cont'd)

On 3 March 2008, the Company disposed of its 70% equity interest in Rentak Khusus Sdn. Bhd. comprising 7 ordinary shares of RM1 each for a cash consideration of RM7. The gain on disposal of the subsidiary is as follows:-

Group	2008 RM
Other payables and accruals	(8,786)
Net liabilities disposed	(8,786)
Gain on disposal of a subsidiary	8,793
Total sale consideration	7
Less: Cash and bank balances disposed	-
Disposal of a subsidiary, net of cash disposed	7

In 2007, the Company disposed of its 30% equity interest in Rentak Khusus Sdn. Bhd. comprising 3 ordinary shares of RM1 each for a cash consideration of RM3.

Malpac Venture Capital Sdn. Bhd. was voluntarily wound up in 2007, with all its assets and liabilities being fully absorbed by the Company resulting in a gain of RM746,385.

Two wholly-owned subsidiaries of Malpac Management Sdn. Bhd., namely Malpac Nominees (Asing) Sdn. Bhd. and Malpac Nominees (Tempatan) Sdn. Bhd., were voluntarily wound up in 2007, resulting in a gain on winding up of RM1,407,954. However, this did not have any financial effect to the results of the Group.

10. OTHER INVESTMENTS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Non-current				
Quoted shares in Malaysia, at cost	7,473,236	13,250,145	-	-
Less: Allowance for diminution in value	(3,710,691)	(1,134,651)	-	-
	3,762,545	12,115,494	-	-
Market value of quoted investments	3,762,857	12,694,738	-	-
Current				
Quoted shares in Malaysia, at cost	8,257,256	-	-	-
Less: Allowance for diminution in value	(2,961,062)	-	-	-
	5,296,194	-	-	-
Investment in unit trusts	14,995,348	-	14,995,348	-
	20,291,542	-	14,995,348	-
Market value:-				
- quoted investments	5,329,950	-	-	-
- unit trusts	14,997,320	-	14,997,320	-
	20,327,270	-	14,997,320	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008 (CONT'D)

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Trade				
Third parties	569,688	1,465,877	-	-
Loan receivable	2,291,047	5,850,334	-	-
	2,860,735	7,316,211	-	-
Less: Allowance for doubtful debts	(2,291,047)	(5,791,047)	-	-
	569,688	1,525,164	-	-
Amounts owing by clients	23,344,377	23,703,487	-	-
Less: Allowance for doubtful debts	(23,292,663)	(23,372,411)	-	-
	51,714	331,076	-	-
	621,402	1,856,240	-	-
Non-trade				
Amounts owing by subsidiaries	-	-	43,331	166,308,753
Less: Allowances for doubtful debts	-	-	-	(41,879,629)
	-	-	43,331	124,429,124
Advances to clients	8,508,045	8,508,045	-	-
Less: Allowance for doubtful debts	(8,508,045)	(8,508,045)	-	-
	-	-	-	-
Other receivables	97,944	287,543	21	-
Deposits	61,770	50,480	53,970	42,680
	159,714	338,023	97,322	124,471,804
	781,116	2,194,263	97,322	124,471,804

- (a) The credit term offered by the Group in respect of trade receivable is 30 days from date of invoice.
 (b) The credit terms of short term loan receivables range from 3 months to 1 year.
 (c) The amounts owing by subsidiaries represent advances and payments made on behalf which are unsecured, interest-free and have no fixed terms of repayment.
 (d) The amounts owing by clients which arose from the previous stockbroking business of the Group are secured by collateral.

The allowance for doubtful debts for amounts owing by clients is net of bad debts written off as follows:-

	Group and Company	
	2008 RM	2007 RM
Bad debts written off	79,748	3,207,491

- (e) The advances to clients are secured by collateral and due for settlement.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008 (CONT'D)

12. NON-MARKETABLE SECURITIES

	Group and Company 2008 RM	2007 RM
Quoted in Malaysia, at cost		
- bonds in corporations	-	3,036,086

13. CASH AND CASH EQUIVALENTS

	Group 2008 RM	2007 RM	Company 2008 RM	2007 RM
Fixed deposits with licensed banks	57,959,138	46,777,675	30,776,736	25,276,442
Cash and bank balances	319,974	348,544	94,652	93,087
	58,279,112	47,126,219	30,871,388	25,369,529
Less: Bank balances maintained as trust monies	-	(6,042)	-	-
	58,279,112	47,120,177	30,871,388	25,369,529

The range of interest rates earned during the financial year and the maturity of deposits as at balance sheet date are as follows:-

2008	Range of annual interest rate %	Range of maturity
Group		
Deposits with licensed banks	2.00 - 3.80	1 day - 8 months
Company		
Deposits with licensed banks	2.70 - 3.80	1 day - 8 months
2007		
Group		
Deposits with licensed banks	2.40 - 3.50	1 day - 31 days
Company		
Deposits with licensed banks	2.80 - 3.50	14 days - 31 days

Included in the cash and cash equivalents of the Group are bank balances of Nil (2007: RM6,042) which are maintained as trust monies in accordance with the requirements of Bursa Malaysia Securities Berhad and are not available for use by the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008 (CONT'D)

14. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

	Group and Company	
	2008	2007
	RM	RM
Assets of disposal group classified as held for sale		
Property	-	1,000,000
Investments in unquoted shares	-	8,331,960
	-	9,331,960

Liabilities of disposal group classified as held for sale

Liabilities associated to disposal group classified as held for sale	-	426,212
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Property that belonged to a subsidiary, namely Primatrax Pinang Sdn. Bhd. and unquoted shares, namely Central Cables Berhad were presented as assets of disposal group classified as held for sale pursuant to the Company's disposal of Primatrax Pinang Sdn. Bhd. to Mohd Afdzal Bin Mohd Nadzri and Ili Safia Binti Mohd Nadzri and Central Cables Berhad to Eastern Compatibles Sdn. Bhd. in February 2008 respectively.

Primatrax was acquired on 2 November 2007 and there was no effect of acquisition to the results of the Group.

15. SHARE CAPITAL

	Group and Company	
	2008	2007
	RM	RM
Authorised:-		
200,000,000 ordinary shares of RM1 each	200,000,000	200,000,000
Issued and fully paid:-		
75,000,000 ordinary shares of RM1 each	75,000,000	75,000,000

16. RESERVES

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Non-distributable:-				
Share premium	24,366,593	24,366,593	24,366,593	24,366,593
Capital reserve	23,000,000	23,000,000	-	-
	47,366,593	47,366,593	24,366,593	24,366,593
Distributable:-				
Retained earnings	55,472,770	43,649,919	57,140,784	38,673,195
	102,839,363	91,016,512	81,507,377	63,039,788

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008 (CONT'D)

16. RESERVES (cont'd)

Capital reserve represents the capitalisation of post-acquisition retained earnings for a bonus issue of shares by a subsidiary.

Subject to agreement by the Inland Revenue Board:-

- (i) the Company has sufficient tax credit under Section 108 of the Income Tax Act 1967 to frank the payment of net dividends amounting to approximately RM38,073,290 (2007: RM38,673,195) out of its retained earnings without incurring additional tax liabilities.
- (ii) the Company has tax exempt income amounting to approximately RM708,300 (2007: RM708,300) available for the distribution of tax exempt dividends; and
- (iii) certain subsidiary companies have tax exempt income amounting to approximately RM50,000 (2007: RM2,300) available for the distribution of tax exempt dividends.

17. TRADE AND OTHER PAYABLES

	Group		Company	
Trade	2008 RM	2007 RM	2008 RM	2007 RM
Third parties	-	349,160	-	-
Non-trade				
Amount owing to a subsidiary	-	-	151,417,746	153,539,106
Other payables	4,600,404	4,740,651	1	1
Accruals	1,606,198	1,775,257	1,186,062	1,108,390
	6,206,602	6,515,908	152,603,809	154,647,497
	6,206,602	6,865,068	152,603,809	154,647,497

- (a) The credit term available to the Group in respect of trade payables is sixty (60) days from date of invoice.
- (b) The amount owing to a subsidiary represents advances and payments made on behalf which are unsecured, interest-free and have no fixed terms of repayment.
- (c) Included in other payables of the Group are:-
 - (i) deposit from a third party amounting to RM4,100,000 (2007: RM4,100,000) for the disposal of a subsidiary, Radiant Response Sdn. Bhd. and the leasehold plantation land. The proposed disposal is currently suspended (Note 30(ii)); and
 - (ii) amounts owing to clients amounting to Nil (2007: RM344,021) representing proceeds received for the disposal of shares on behalf of clients. This amount is interest-free and has no fixed terms of repayment.
- (d) The accruals were made for bonuses, staff amenities and unutilised annual leave.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008 (CONT'D)

18. REVENUE

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Distribution income from unit trust	77,269	-	77,269	-
Gross dividend income from a subsidiary	-	-	5,250,000	5,400,000
Income from oil palm plantation	13,307,984	12,469,024	-	-
Interest income from:-				
- bond	124,772	-	124,772	-
- clients	2,445,504	55,798	-	-
- fixed deposits	1,207,387	985,000	1,207,387	985,000
Service charge	120	100	-	-
	17,163,036	13,509,922	6,659,428	6,385,000

Income from oil palm plantation represents entitlement from Sri Ganda Oil Mill Sdn. Bhd. ("SGOM") for managing the oil palm plantation for the Group together with the lease rental received from SGOM for the leasehold plantation land.

19. PROFIT BEFORE TAX

	NOTE	2008 RM	2007 RM	2008 RM	2007 RM
This is stated after charging/ (crediting)					
Allowance for diminution in value of quoted investments		5,537,102	-	-	-
Allowance for doubtful debts		-	1,750,000	-	-
Amortisation of prepaid lease payments for land	8	1,648,701	1,648,701	-	-
Auditors' remuneration:-					
- statutory:-					
- current year		36,400	31,100	17,000	16,000
- under provision in prior years		3,450	1,000	-	2,000
- non-statutory		8,450	3,500	8,450	3,500
Bad debts written off		18,320	-	9,136	-
Depreciation of property, plant and equipment	7	391,414	282,703	9,685	5,921
Directors' remuneration:-					
- fees:-					
- payable by the Company		60,000	60,000	60,000	60,000
- other emoluments:-					
- payable by the Company		488,200	720,200	488,200	720,200
- payable by the subsidiaries:-					
- current year		250,000	473,169	-	-
- over provision in prior years		(473,169)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008 (CONT'D)

19. PROFIT BEFORE TAX (cont'd)

		Group		Company	
	NOTE	2008 RM	2007 RM	2008 RM	2007 RM
This is stated after charging/ (crediting)					
Impairment losses on investments in subsidiaries		-	-	27,850,001	-
Property, plant and equipment written off	7	-	1,513	-	1,512
Rental of:-					
- computer		10,360	11,040	10,360	11,040
- premises		153,480	141,600	134,280	122,400
Allowance for diminution in value of quoted investments no longer required		-	(918,389)	-	-
Allowance for doubtful debts no longer required		(3,500,000)	(1,819,286)	(41,879,629)	-
Bad debts recovered		(500)	-	-	-
Distribution income from unit trusts		(87,470)	-	(77,269)	-
Gain on disposal of:-					
- a subsidiary	9	(8,793)	-	-	-
- asset held for sales		(60,000)	-	(60,000)	-
- marketable securities		(34,889)	-	(28,001)	-
- unquoted investments		(621,799)	-	(621,799)	-
- quoted investments		(307,259)	(1,744,331)	-	-
Gain on voluntary winding up of a subsidiary	9	-	-	-	(746,385)
Gross dividend income from:-					
- quoted investments in Malaysia		(255,905)	(258,982)	-	-
- a unquoted subsidiary		-	-	(5,250,000)	(5,400,000)
Interest income from:-					
- bond		(136,415)	(31,964)	(124,772)	-
- clients		(2,445,504)	(55,798)	-	-
- fixed deposits		(2,111,967)	(1,603,010)	(1,207,387)	(985,000)
Lease rental from leasehold Plantation land		(300,000)	(300,000)	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008 (CONT'D)

20. TAXATION

	Group 2008 RM	2007 RM	Company 2008 RM	2007 RM
Current taxation based on profit for the financial year	58,680	115,707	1,365,000	1,458,000
Over provision in prior years	(37,254)	(40,904)	-	-
	21,426	74,803	1,365,000	1,458,000

The Malaysian income tax is calculated at the statutory tax rate of 26% (2007: 27%) of the estimated taxable profit for the basis year. The Malaysian statutory tax rate will be reduced to 25% from the current year's rate of 26% for the basis year of assessment 2009 and onwards.

The numerical reconciliation between taxation and the amount derived from profit before tax multiplied by the applicable tax rate are as follows:-

	Group 2008 RM	2007 RM	Company 2008 RM	2007 RM
Profit before tax	11,844,277	10,474,061	19,832,589	4,938,567
Tax at the applicable tax rate of 26% (2007: 27%)	3,079,512	2,827,997	5,156,473	1,333,413
Tax effect in respect of:-				
Depreciation on non-qualifying property, plant and equipment	506,522	512,098	719	-
Non allowable expenses	1,726,254	1,197,592	103,957	15,377
Non taxable income	(1,132,551)	(1,803,812)	-	(201,524)
Deferred tax assets not recognised	-	310,734	-	310,734
Utilisation of previously unrecognised deferred tax assets	(3,874,274)	(2,928,737)	(3,649,537)	-
Reduction in tax rate on first RM500,000 chargeable income	(171)	(165)	-	-
Others	(246,612)	-	(246,612)	-
	58,680	115,707	1,365,000	1,458,000
Over provision in prior years	(37,254)	(40,904)	-	-
Taxation	21,426	74,803	1,365,000	1,458,000

21. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share:-

The basic earnings per ordinary share for the financial year has been calculated based on the consolidated profit for the financial year divided by the number of ordinary shares in issue during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008 (CONT'D)

21. EARNINGS PER ORDINARY SHARE (cont'd)

	Group	
	2008 RM	2007 RM
Consolidated profit for the financial year	11,822,851	10,399,258
Number of ordinary shares in issue	75,000,000	75,000,000
Basic earnings per ordinary share (sen)	15.8	13.9

Diluted earnings per ordinary share:-

The diluted earnings per ordinary share is equivalent to the basic earnings per ordinary share as the Company does not have any dilutive potential ordinary shares.

22. DEFERRED TAX ASSETS

The amount of temporary differences for which no deferred tax assets have been recognised in the balance sheets are as follows:-

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Unabsorbed tax losses	18,671,472	33,565,423	-	-
Other temporary differences	(21,881)	(14,830)	32,828,119	46,864,798
	18,649,591	33,550,593	32,828,119	46,864,798

Deferred tax assets have not been recognised in respect of these items as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

23. EMPLOYEE BENEFITS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Salaries and allowances:-				
- current year	1,436,665	2,069,317	960,765	1,411,923
- over provision in prior year	(473,169)	-	-	-
Employees' provident fund	69,833	56,315	46,332	36,848
Other employee benefits	73,216	282,760	46,167	234,788
	1,106,545	2,408,392	1,053,264	1,683,559

Included in employee benefits of the Group and of the Company are executive and non-executive Directors' remuneration amounting to RM325,031 (2007: RM1,253,369) and RM548,200 (2007: RM780,200) respectively as disclosed in Note 25 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008 (CONT'D)

24. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:-

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Purchase of property, plant and equipment (Note 7)	3,418,012	529,719	102,703	8,619
Offsetting with debts owing by loan receivable	(1,350,000)	-	-	-
Cash payments on purchase of property, plant and equipment	2,068,012	529,719	102,703	8,619

25. RELATED PARTY DISCLOSURE

Compensation of key management personnel

The remuneration of Directors and other key management personnel during the financial year were as follows:-

- Aggregate remuneration categorised into appropriate components:-

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Executive Directors:-				
Salaries and other emoluments	263,680	470,155	163,680	397,280
- over provision in prior year	(72,875)	-	-	-
Fees	24,000	24,000	24,000	24,000
	214,805	494,155	187,680	421,280
Non-executive Directors:-				
Allowances	324,520	322,920	324,520	322,920
Fees	36,000	36,000	36,000	36,000
Others emoluments:-				
- current year	150,000	400,294	-	-
- over provision in prior year	(400,294)	-	-	-
	110,226	759,214	360,520	358,920
	325,031	1,253,369	548,200	780,200
Other key management personnel:-				
Salaries and bonuses	270,000	590,000	270,000	590,000
	595,031	1,843,369	818,200	1,370,200

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008 (CONT'D)

25. RELATED PARTY DISCLOSURE (cont'd)

2. Number of Directors whose remuneration falls into the following bands:-

	Group Number of directors		Company Number of directors	
	Executive	Non-Executive	Executive	Non-Executive
Range of remuneration				
0 - RM50,000	-	2	-	2
RM50,001 - RM100,000	-	-	2	3
RM100,001 - RM150,000	2	3	-	-
	2	5	2	5

26. SEGMENT REPORTING

No segment information is presented as the Group is operating mainly in oil palm cultivation in Malaysia.

27. FINANCIAL INSTRUMENTS

(a) Financial risk management objective and policies

Financial instruments such as trade receivables, amounts owing by/to clients, advances to clients, loan receivables, other receivables, trade payables and other payables and accruals arise directly from the Group's operations.

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

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

Interest rate risk

The carrying amounts, the weighted average effective interest rates as at the balance sheet date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk are as follows:-

Group	Note	Weighted average effective interest rate %	Within 1 year RM
At 31 December 2008			
Fixed rates			
Fixed deposits with licensed banks	13	3.89	57,959,138

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008 (CONT'D)

27. FINANCIAL INSTRUMENTS (cont'd)

(a) Financial risk management objective and policies (cont'd)

Group	Note	Weighted average effective interest rate %	Within 1 year RM
At 31 December 2007			
Fixed rates			
Fixed deposits with licensed banks	13	3.50	46,777,675
Company			
At 31 December 2008			
Fixed rates			
Fixed deposits with licensed banks	13	3.89	30,776,736
At 31 December 2007			
Fixed rates			
Fixed deposits with licensed banks	13	3.50	25,276,442

Liquidity risk

Short term cash commitments are achieved by utilising existing cash and cash equivalents.

Credit risk

Cash deposits, trade receivables, amounts owing by clients, advances to clients, loan receivables and other receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the Group's policy to monitor the financial standing of these counter parties to ensure that the Group is exposed to minimal credit risk.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008 (CONT'D)

27. FINANCIAL INSTRUMENTS (cont'd)

(a) Financial risk management objective and policies (cont'd)

As at balance sheet date, the amounts owing by clients of the Group have been outstanding as follows:-

	Amount outstanding * RM	Group Period outstanding
2008		
Amounts owing by clients	51,714	More than 7 years

2007

Amounts owing by clients	331,076	More than 6 years
--------------------------	---------	-------------------

Other than as mentioned, the Group has no significant concentration of credit risk. The maximum exposures to credit risk are represented by the carrying amounts of the financial assets in the balance sheets.

* Net of allowance for doubtful debts and are secured by collateral pledged by clients.

(b) Fair values

The carrying amounts of the financial instruments of the Group and of the Company as at balance sheet date approximate their fair values due to the relatively short term maturity of the financial instruments except as set out below:-

31 December 2008	Note	Group		Company	
		Carrying amount RM	Fair value RM	Carrying Amount RM	Fair value RM
Unquoted investments in subsidiaries	9	-	-	262,580,202	#
Quoted investments	10	9,058,739	9,092,807	-	-
Investment in unit trusts	10	14,995,348	14,997,320	14,995,348	14,997,320

31 December 2007	Note	Group		Company	
		Carrying amount RM	Fair value RM	Carrying Amount RM	Fair value RM
Unquoted investments in subsidiaries	9	-	-	130,430,210	#
Quoted investments	10	12,115,494	12,694,738	-	-
Non-marketable securities	12	3,036,086	3,086,400	3,036,086	3,086,400

27. FINANCIAL INSTRUMENTS (cont'd)

(b) Fair values (cont'd)

- # It is not practical to estimate the fair values of the investments in subsidiaries because of the lack of quoted market prices and the inability to estimate fair values without incurring excessive costs. The Directors believe that the carrying amount represents the recoverable value.

The following methods and assumptions are used to determine the fair value of financial instruments:-

- (i) The carrying amounts of the financial assets and liabilities maturing within twelve months approximate their fair values due to the relatively short term maturity of these financial instruments.
- (ii) The fair values of quoted investments are estimated based on quoted market prices. For investment for which there is no quoted market price, a reasonable estimate of fair value could not be made without incurring excessive costs. Therefore, such investments are valued at cost subject to review for impairment.

28. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 3 March 2008, the Company disposed of its 70% equity interest in Rentak Khusus Sdn. Bhd., comprising 7 ordinary shares of RM1, each for a cash consideration of RM7.

29. SIGNIFICANT EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

On 10 February 2009, the Company acquired 100% equity interest in Discovery Assets Sdn. Bhd., comprising 2 ordinary shares of RM1 each for a consideration of RM2.

30. MATERIAL LITIGATION

- (i) On 3 December 1997, the Company entered into a loan agreement with Techno Asia Holdings Berhad ("TAHB"). The loan advanced to TAHB was partly secured by two parcels of leasehold land and two parcels of freehold land (the "Land") belonging to Ganda Plantations (Perak) Sdn. Bhd., Cempaka Sepakat Sdn. Bhd. and Mount Austin Properties Sdn. Bhd. (the "Chargors").

On 24 November 1999, Malpac Management Sdn. Bhd. ("MMSB"), a related company, purchased the loan together with its rights and benefits from the Company. On 1 August 2004, the loan was repurchased by the Company from MMSB.

Special Administrators ("SA") was appointed for TAHB and the Chargors by Pengurusan Danaharta Nasional Berhad on 30 April 2001.

On 2 January 2002, the Company had, through a workout proposal by the SA, accepted an offer by the SA to take a transfer of the Land as partial settlement of the loan owed by TAHB. On 7 July 2003, the workout proposal by the SA was approved by the relevant authorities. The Land are registered under the names of a wholly owned subsidiary, Radiant Response Sdn. Bhd. and related companies, Malpac Land Sdn. Bhd. and Malpac Assets Management Sdn. Bhd., which are holding the properties in trust for the Company

On 10 December 2003, the Company was named as one of the defendants in a Writ issued by the High Court in Ipoh. The plaintiffs are Ganda Plantation Sdn. Bhd. ("GPSB") and its Directors and shareholders. GPSB is the subsidiary company of TAHB and holding company to the Chargors.

30. MATERIAL LITIGATION (cont'd)

The principal relief sought by the plaintiffs are:-

- (a) The cancellation of the transfer as set out in the SA's Workout proposal by Order of Court and the surrender of management to the plaintiffs on terms deemed fit and equitable by the Court;
- (b) An injunction by the Court to stop the participation of the defendants in the management of the Land; and
- (c) General and exemplary damages to be determined by the Court and interest of 8% per annum thereon.

The matter is now fixed for mention on 27 April 2009.

The Directors are of the opinion that the possibility of the Court ruling in favour of the plaintiffs is remote.

- (ii) On 5 April 2002, the Company entered into a Conditional Sale and Purchase Agreement (the "Agreement") to dispose of its subsidiary, Radiant Response Sdn. Bhd. ("RRSB") together with 2 parcels of leasehold land as mentioned in (i) to Yong Toi Mee and Cheang Kim Leong (the "Purchasers") for a consideration of RM2 and the repayment by the Purchasers of the shareholder's loan of RRSB of RM30,600,000.

On 15 November 2002, the Agreement was suspended to enable the Company and the Purchasers for re-negotiation as not all approvals from the relevant authorities have been obtained.

On 21 April 2007, the Purchasers filed a writ of summons and statements of claim against the Company and RRSB.

On 30 July 2007, the Company and RRSB filed and served their defence and counter claim on the Purchasers' solicitors.

On 12 November 2007, the Company's solicitors have filed in an Order 14A Application to High Court for determination of certain issues on point of law. This case has been fixed for trial from 12 October 2009 to 16 October 2009.

The Directors are of the opinion that the possibility of the Court ruling in favour of the plaintiff is remote.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008 (CONT'D)

31. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year presentation:-

	Group		Company	
	As previously reported RM	As restated RM	As previously reported RM	As restated RM
Balance sheets				
Trade and other receivables	-	2,194,263	-	124,471,804
Trade receivable	1,465,877	-	-	-
Advances to clients	331,076	-	-	-
Loan receivables	59,287	-	-	-
Other receivables and deposits	338,023	-	42,680	-
Amounts owing by subsidiaries	-	-	124,429,124	-
Cash and cash equivalents	-	47,126,219	-	25,369,529
Fixed deposits with licensed banks	46,777,675	-	25,276,442	-
Cash and bank balances	348,544	-	93,087	-
Trade and other payables	-	6,865,068	-	154,647,497
Trade payables	349,160	-	-	-
Other payables and accruals	4,834,751	-	16,001	-
Provisions	1,681,157	-	1,092,390	-
Amount owing to a subsidiary	-	-	153,539,106	-

LIST OF **PROPERTIES HELD**

AS AT 31 DECEMBER 2008

Location	Description and current use	Land Tenure	Land Area	Net Book Value (RM'000)	Date of Acquisition
Lot No. 11644 Mukim Durian Sebatang Daerah Hilir Perak Perak Darul Ridzuan	Oil palm estate	Leasehold (expiring 24.7.2034)	1,266.05 hectares	25,663	4.8.2003
Lot No. 6863 Mukim Hutan Melintang Daerah Hilir Perak Perak Darul Ridzuan	Oil palm estate	Leasehold (expiring 24.7.2034)	767.33 hectares	15,554	4.8.2003
Lot PT.65571 Mukim Tebrau Daerah Johor Bahru Johor Darul Takzim	Vacant commercial land	Freehold	6.74 hectares	37,364	9.9.2003
PTD 58152-58177 HS(D) 216990-217015 PTD 58179-58211 HS(D) 217016-217048 PTD 58213-58331 HS(D) 217049-217167 Mukim of Tebrau Daerah of Johor Bahru Johor Darul Takzim	178 vacant bungalow lots	Freehold	113,369.85 sq. metres	15,118	9.9.2003
Lot 491 Mukim & Daerah Seremban Negeri Sembilan Darul Khusus	Vacant land	Freehold	6.481 acres	679	5.10.2004
Lot 5142 Bandar & Daerah Seremban Negeri Sembilan Darul Khusus	Vacant land	Freehold	34.50 poles	206	5.10.2004
Lot No. 618 Geran 18677 Town and District of Seremban	Vacant Land	Freehold	1,295 sq. metres	418	30.6.2007

LIST OF **PROPERTIES HELD**

AS AT 31 DECEMBER 2008 (CONT'D)

Location	Description and current use	Land Tenure	Land Area	Net Book Value (RM'000)	Date of Acquisition
PT 2749 Geran 28042 Mukim of Jelei District of Kuala Pilah	An Intermediate 2-storey terrace house	Freehold	163.5 sq. metres	97	30.6.2007
B-6-10, B-9-10, B-12-3A West Wing 10 Semantan No. 10 Jalan Semantan 50490 Kuala Lumpur	3 units of 2- bedroom condominium	Freehold	980 sq. feet per unit	1,341	27.6.2008

ANALYSIS OF SHAREHOLDINGS

AS AT 27 APRIL 2009

Share Capital

Authorised share capital	: RM200,000,000.00
Issued and paid-up capital	: RM75,000,000.00
Class of shares	: Ordinary shares of RM1.00 each
Voting rights	: 1 vote per ordinary share
No. of shareholders	: 2,925

Directors' Shareholdings

Name of Directors	Direct Interest	% of Issued Shares	Indirect Interest	% of Issued Shares
Lim Hong Liang	12,377,108	16.50	3,691,900 *	4.92
Tan Chon Sing @ Tan Kim Tieng	10,315,393	13.75	1,986,300**	2.64
Gan Teck Chong @ Gan Kwan Chong	3,917,303	5.22	1,934,200**	2.57
Chew Loy Chee	3,152,188	4.20	-	-
Kan Ah Chun	1,543,460	2.05	-	-
Muhayuddin Bin Musa	-	-	-	-
Johari Low Bin Abdullah	-	-	-	-

Notes:

* Deemed indirect interest by virtue of him being a director and shareholder in Wawasan Lembaran Sdn Bhd which in turn holds 4.92% in Malpac Holdings Berhad.

** Indirect interest through family members.

Size of Shareholdings

Size of Holdings	No. of Holders	% of Holders	No. of Shares Held	% of Issued Shares
Less than 100	12	0.41	466	0.00
100 - 1,000	1,027	35.11	1,005,687	1.34
1,001 - 10,000	1,638	56.00	6,289,600	8.39
10,001 - 100,000	201	6.87	5,778,500	7.70
100,001 - 3,749,999 *	43	1.47	27,278,443	36.37
3,750,000 and above **	4	0.14	34,647,304	46.20
	2,925	100	75,000,000	100

* Less than 5% of issued shares.

** 5% and above of issued shares.

ANALYSIS OF SHAREHOLDINGS

AS AT 27 APRIL 2009 (CONT'D)

Substantial Shareholders

Name of Substantial Shareholders	Direct Interest	% of Issued Shares	Indirect Interest	% of Issued Shares
Lim Hong Liang	12,377,108	16.50	3,691,900 *	4.92
Tan Chon Sing @ Tan Kim Tieng	10,315,393	13.75	1,986,300**	2.64
Advance Synergy Capital Berhad (ASCB)	8,037,500	10.71	-	-
Advance Synergy Berhad (ASB)	-	-	8,037,500 ^	10.71
Dato' Ahmad Sebi Bakar	-	-	8,037,500 +	10.71
Suasana Dinamik Sdn Bhd	-	-	8,037,500 #	10.71
Gan Teck Chong @ Gan Kwan Chong	3,917,303	5.22	1,934,200**	2.57

Notes:

* Deemed indirect interest by virtue of him being a director and shareholder in Wawasan Lembaran Sdn Bhd which in turn holds 4.92% in Malpac Holdings Berhad.

** Indirect interest through family members.

^ Deemed indirect interest by virtue of its 91.76% shareholding in ASCB.

+ Deemed indirect interest by virtue of his interest in ASB which in turn holds 91.76% in ASCB.

Deemed indirect interest by virtue of its interest in ASB which in turn holds 91.76% in ASCB.

30 Largest Shareholders

No.	Name of Shareholders	No. Of Shares Held	% of Issued Shares
1.	Lim Hong Liang	12,377,108	16.50
2.	Tan Chon Sing @ Tan Kim Tieng	10,315,393	13.75
3.	Advance Synergy Capital Berhad	8,037,500	10.71
4.	Gan Teck Chong @ Gan Kwan Chong	3,917,303	5.22
5.	Wawasan Lembaran Sdn Bhd	3,691,900	4.92
6.	Chew Loy Chee	3,152,188	4.20
7.	TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Garth Kevin Albuquerque</i>	2,001,000	2.66
8.	Ng Faai @ Ng Yoke Pei	1,986,300	2.64
9.	Mary Tan @ Tan Hui Ngoh	1,934,200	2.57
10.	JF Apex Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Teo Kwee Hock (Margin)</i>	1,732,000	2.30
11.	Kan Ah Chun	1,543,460	2.05
12.	JF Apex Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Teo Siew Lai (Margin)</i>	1,542,200	2.05
13.	Loh Siew Hooi	1,414,800	1.88
14.	Yee Quek Peng	938,000	1.25

ANALYSIS OF SHAREHOLDINGS

AS AT 27 APRIL 2009 (CONT'D)

30 Largest Shareholders (cont'd)

No.	Name of Shareholders	No. Of Shares Held	% of Issued Shares
15.	Ten Ah Man	437,000	0.58
16.	Gan Ah Ai	397,300	0.52
17.	Looi Lei Chow	396,800	0.52
18.	Chong Wann Kuen	389,800	0.51
19.	TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Soh Chee Wen</i>	365,000	0.48
20.	Chin Kian Fong	350,000	0.46
21.	Yong Toi Mee	335,400	0.44
22.	Ng Choo Hai	312,000	0.41
23.	Goh Ah Peng	289,600	0.38
24.	Gan Kim Huat	284,900	0.37
25.	United Overseas Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Tee Jin Gee Enterprise Sdn Bhd (MKU)</i>	245,000	0.32
26.	Yap Choh Tee	230,000	0.30
27.	Tan Akuan	227,800	0.30
28.	Affin Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Phng Hooi Siang @ Fong Hooi Siang</i>	210,000	0.28
29.	Tong Seow Mei	200,000	0.26
30.	Razman Bin Abdul Rahman	184,395	0.24
Total		59,438,347	79.07



MALPAC HOLDINGS BERHAD
(197424-V)

Number of Shares Held

PROXY **FORM**

I/We, _____
(PLEASE USE BLOCK LETTERS)

of _____

being a member(s) of MALPAC HOLDINGS BERHAD, hereby appoint _____

_____ of _____

or _____ of _____

or the Chairman of the meeting to be my/our proxy/proxies to attend and on a poll to vote for me/us on my/our behalf at the Nineteenth Annual General Meeting of the Company to be held at Rasah Room of The Royale Bintang Seremban, Jalan Dato' A.S. Dawood, 70000 Seremban, Negeri Sembilan Darul Khusus on Friday, 19 June 2009 at 10.00 a.m. or at any adjournment thereof.

My/Our proxy/proxies is/are to vote as indicated below:

Resolution		For	Against
1.	To receive and adopt the audited financial statements for the year ended 31 December 2008 together with the Reports of Directors and Auditors thereon.		
2.	To approve the payment of Directors' Fee of RM60,000.00 for the year ended 31 December 2008.		
3.	To re-elect Mr Lim Hong Liang who retires pursuant to Article 80 and 82 of the Company's Articles of Association.		
4.	To re-appoint Mr Chew Loy Chee pursuant to Section 129 (6) of the Companies Act 1965.		
5.	To re-appoint Mr Tan Chon Sing @ Tan Kim Tieng pursuant to Section 129 (6) of the Companies Act 1965.		
6.	To appoint Messrs Ernst & Young as Auditors of the Company		
7.	Special Business: Authority to issue shares pursuant to Section 132(D) of the Companies Act 1965. (Ordinary Resolution)		
8.	Special Business: Proposed renewal of authority to purchase its own shares by the Company (Ordinary Resolution)		

Date _____ day of _____, 2009

Signature/Common Seal

Notes:

- A member of the Company who is entitled to attend and vote in the Meeting is entitled to appoint a proxy / proxies to attend and vote in his / her stead. A proxy may but need not be a member of the Company

The Form of Proxy must be deposited with the Company Secretary at the registered office of the Company at 1st Floor, 275 Jalan Haruan 1, Oakland Industrial Park, 70200 Seremban, Negeri Sembilan Darul Khusus not less than 48 hours before the time appointed for holding the Meeting.
- The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the Seal or under the hand of an officer or attorney duly authorized.
- Where a member appoints two or more proxies to attend at the same meeting, the appointment shall be invalid unless the holder specified the proportion of his shareholdings to be represented by each proxy.
- Please indicate with an "X" in the appropriate box how you wish your vote to be cast in respect of each resolution. If this proxy is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain from voting at his discretion.
- Any alteration made in this form must be initialed by the person who signs it.

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STAMP

THE COMPANY SECRETARY
MALPAC HOLDINGS BERHAD
(197424-V)

1st Floor, 275 Jalan Haruan 1
Oakland Industrial Park
70200 Seremban
Negeri Sembilan Darul Khusus

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