MBM RESOURCES BERHAD
(Incorporated in Malaysia)
(Co. No. 284496-V)
No. 1-6, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia
Tel: (603) 2287 6803   Fax: (603) 2287 6805   Website: www.mbmr.com.my

produced by mintlavande.com

MBM RESOURCES BERHAD

ANNUAL REPORT 2008

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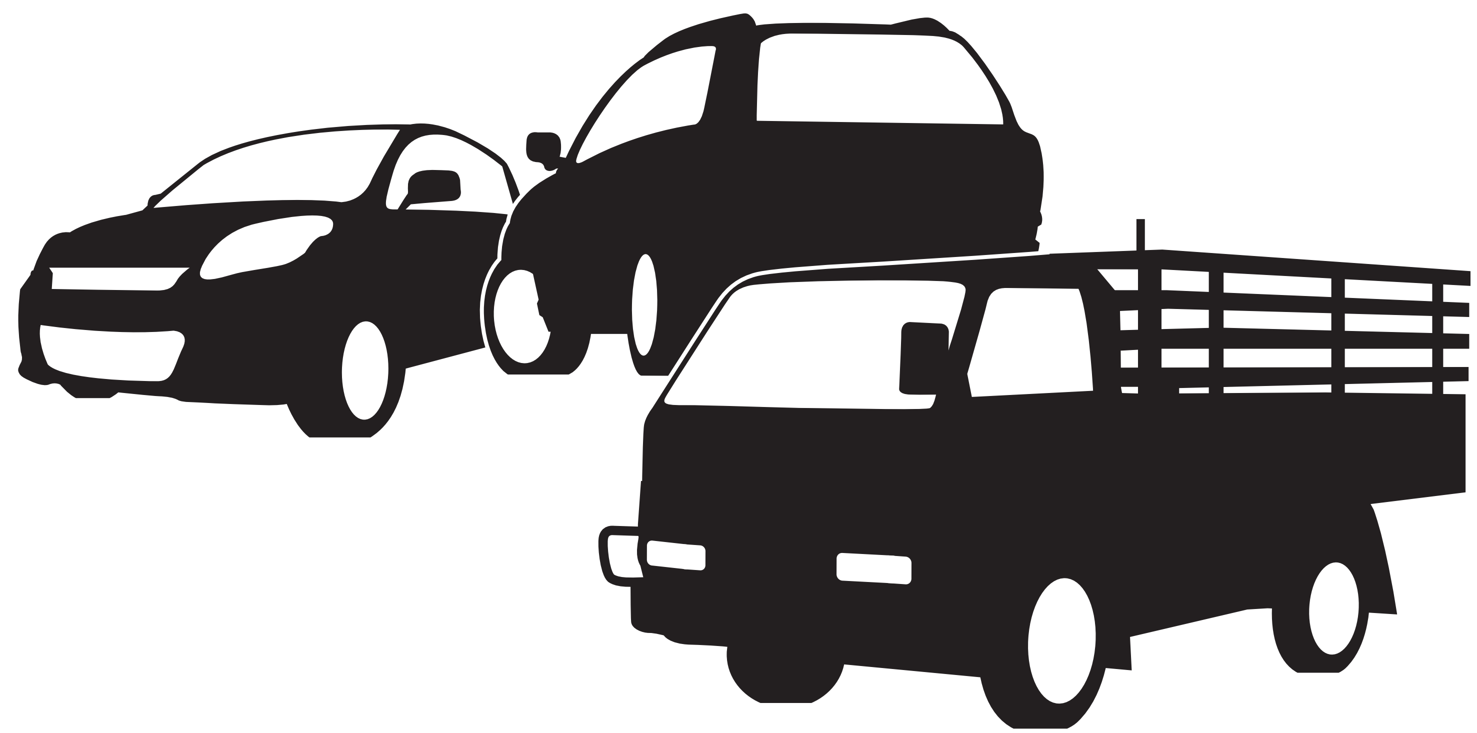

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COVER RATIONALE

The colour white represents simplicity that is reflected in MBM Resources Berhad's (MBMR) business focus that is the motor industry. It also signifies optimism, a positive spirit by all employees in driving the growth of the Company. Against the background are images of the various models the Group sells, showing the wide segments of the market we serve.

Essentially, the cover shows our continued focus in growing our core motor business prudently. MBMR will remain steadfast on our goals and hold firm to the tenets of delivering quality to customers, despite the challenges ahead.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Y. Bhg. Dato' Abdul Rahim Abdul Halim (Chairman) | Mr. Looi Kok Loon (Managing Director)

Y. Bhg. Tan Sri Dato' Lee Lam Thye | Encik Iskander Ismail Mohamed Ali | Encik Aqil Ahmad Azizuddin

Mr. Low Hin Choong | Mr. Wong Wei Khin

COMPANY SECRETARIES

Puan Shahrizat bt Othman (MAICSA 0764744) | Puan Zaharah bt Ibrahim (MAICSA 7012004)

CORPORATE OFFICE

No. 1-6, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia
Tel: (603) 2287 6803 Fax: (603) 2287 6805 Website: www.mbmr.com.my

REGISTERED OFFICE

Suite 11-3A, 11th Floor, Menara Haw Par, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
Tel: (603) 2072 8007 Fax: (603) 2072 8006

PRINCIPAL BANKERS

HSBC Bank (Malaysia) Berhad | Citibank Berhad | Hong Leong Bank Berhad

AUDITORS

Deloitte KassimChan (AF: 0080)
Chartered Accountants

SHARE REGISTRAR

AAJ Registration Services Sdn Bhd
Suite 11-3A, 11th Floor, Menara Haw Par, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
Tel: (603) 2072 8007 Fax: (603) 2072 8006

STOCK EXCHANGE LISTING

The Main Board : Bursa Malaysia Securities Berhad

PROFILE OF DIRECTORS

A qualified economist, Y. Bhg. Dato' Abdul Rahim was MBM Resources Berhad's (MBMR) Managing Director until 28 February 2006. He is currently the Chairman of MBMR and a member of the Audit Committee. He held several senior positions in the Ministry of International Trade and Industry (MITI) and Daihatsu (Malaysia) Sdn. Bhd. (DMSB) prior to his appointment to MBMR's Board on 17 December 1993. Dato' Abdul Rahim has extensive experience in the motor vehicle industry and is presently on the Boards of Intelligent Edge Berhad, Rubberex Corporation (M) Berhad, Central Cables Berhad and Ewein Berhad as well as several other private companies. He holds a Bachelor of Economics (Honours) degree from the University of Malaya.
He is the Chairman of the Boards of the following group companies – WSA Capital Corporation Sdn. Bhd. (WCC), Oriental Metal Industries (M) Sdn. Bhd. (OMI), Summit Vehicles Body Works Sdn. Bhd. (SVBW) and Hino Motors (Malaysia) Sdn. Bhd. (HMMSB) and a Board member of Perusahaan Otomobil Kedua Sdn. Bhd. (Perodua).

Y. Bhg. Dato' Abdul Rahim Abdul Halim

Aged 60, Malaysian
Chairman
Non-Independent Non-Executive Director

PROFILE OF DIRECTORS

Mr. Looi Kok Loon was appointed to the Board on 18 May 2001 and subsequently Managing Director since 1 March 2006. He had previously worked for a foreign investment bank. Mr. Looi holds a Bachelor's degree in Government and Economics from Brunel University and a Master's degree in Management from the University of Kent, United Kingdom. He represents MBMR on the Boards of the following companies – Perodua, HMMSB, DMSB, Federal Auto Holdings Berhad (FAHB), WCC and OMI. He is also a Board member of Ewein Berhad.

Mr. Looi Kok Loon

Aged 42, Malaysian
Managing Director

PROFILE OF DIRECTORS

Y. Bhg. Tan Sri Dato' Lee Lam Thye was appointed to the Board on 28 February 1994 and is a member of all the Company's standing committees. Before retiring from politics in 1990, he was the elected State Legislative Assemblyman for Bukit Nenas, Selangor from 1969 to 1974 and served as a Member of Parliament for Bandar Kuala Lumpur from 1974 to 1990.

He is presently the Chairman of the National Institute of Occupational Safety & Health and SP Setia Foundation, and Vice-Chairman of the Malaysian Crime Prevention Foundation.

In the private sector, Y. Bhg. Tan Sri Dato' Lee serves as a director of several public-listed companies, namely AMDB Berhad, Media Prima Berhad, and SP Setia Berhad.

Y. Bhg. Tan Sri Dato' Lee Lam Thye

Aged 63, Malaysian
Independent Non-Executive Director

PROFILE OF DIRECTORS

Encik Iskander Ismail was appointed to the Board of MBMR on 8 May 2008 and is currently Chairman of MBMR's Audit Committee and a member of the Nomination and Remuneration Committees. A chartered accountant (member) of the Malaysian Institute of Accountants and fellow member of the Association of Chartered Certified Accountants, Encik Iskander is presently the Executive Director and Chief Executive Officer of Kenanga Asset Management Sdn. Bhd. Having been in the fund management industry since 1982, he had previously held various senior management roles and served as director of companies under the Amanah Capital Partners Group and K&N Kenanga Holdings Berhad Group. He was Chairman of the Malaysian Association of Asset Managers, he served for the Capital Market Advisory Council chaired by the Securities Commission and now is member of the Continuing Professional Education Advisory Group, member of a sub-committee of Bursa Malaysia Berhad and member of Institutional Shareholders' Pro Tem Committee under the Minority Shareholder Watchdog Group.

Encik Iskander Ismail Mohamed Ali

Aged 59, Malaysian
Independent Non-Executive Director

PROFILE OF DIRECTORS

Encik Aqil Ahmad Azizuddin began his career with DMSB where he held various senior management positions prior to his appointment to the Board on 18 May 2001. He is currently the Chairman of DMSB. He holds a Bachelor of Science degree in Business Economics from Southern Illinois University, USA. He is also a director on the Boards of Perodua and FAHB.

Encik Aqil Ahmad Azizuddin

Aged 50, Malaysian
Executive Director

PROFILE OF DIRECTORS

Mr. Low Hin Choong joined the Board on 18 May 2001 and is currently a member of the Remuneration Committee. He has more than 20 years experience in the IT industry, having worked as a systems analyst and software manager.
He graduated from Queen's University of Belfast, United Kingdom with a Bachelor of Science (Honours) degree in Business Administration & Computer Science and is currently managing his own successful software applications business.
He is also a member of the Board of WCC.

Mr. Low Hin Choong
Aged 48, Malaysian
Non-Independent Non-Executive Director

PROFILE OF DIRECTORS

Mr. Wong Wei Khin previously served MBMR as a corporate manager and was nominated to the Board on 23 May 2002. He is currently a member of the Nomination Committee. He graduated from the University of Sydney with a Bachelor of Economics and Bachelor of Laws degrees. He is also a member of the Board of DMSB.

Mr. Wong Wei Khin

Aged 41, Malaysian
Non-Independent Non-Executive Director

ATTENDANCE AT BOARD OF DIRECTORS' MEETINGS AND ANNUAL GENERAL MEETING

The number of Board of Directors' meetings held during the directors' tenure in office in the current financial year and the number of meetings attended by each director are as follows :

Directors	Number of Board Meetings Held During Directors' Tenure in Office	Number of Meetings Attended by Directors
Y. Bhg. Dato' Abdul Rahim Abdul Halim (Chairman)	4	4
Y. Bhg. Dr. Nawawi Mat Awin (deceased on 14 March 2008)	1	1
Mr. Looi Kok Loon	4	4
Y. Bhg. Tan Sri Dato' Lee Lam Thye	4	4
Encik Iskander Ismail Mohamed Ali (appointed on 8 May 2008)	3	3
Encik Aqil Ahmad Azizuddin	4	4
Mr. Low Hin Choong	4	4
Mr. Wong Wei Khin	4	4

Date of Board of Directors' Meetings :

1) 26 February 2008
2) 8 May 2008
3) 7 August 2008
4) 6 November 2008

Annual General Meeting

The Fourteenth Annual General Meeting held on 8 May 2008 was attended by all directors.

Notes:

1. None of the Directors has any family relationship with any Director and/or major shareholder of the Company.
2. None of the Directors has any conflict of interest with the Company.
3. None of the Directors has been convicted of any offences other than traffic offences within the past 10 years.

MANAGEMENT TEAM

MBM RESOURCES BERHAD

No. 1-6, The Boulevard Office,
Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur
Tel: (603) 2287 6803

Group Managing Director : Mr. Looi Kok Loon
Group General Manager : Mr. Poh Chee Kwan
Group Finance Manager : Mr. Kong Kam Seong
General Manager (Manufacturing) : Mr. Tan Khay Boon

SUBSIDIARIES

Daihatsu (Malaysia) Sdn. Bhd. (DMSB)

Lot 1, Jalan Keluli, Section 15, 40000 Shah Alam
Tel: (603) 5510 9988

Managing Director : Ms. Belinda Lim

•

Federal Auto Holdings Berhad (FAHB)

No. 9, Jalan Klang, 58000 Kuala Lumpur
Tel: (603) 2274 6602

General Manager : Mr. Steven Lee

•

Oriental Metal Industries (M) Sdn. Bhd. (OMI)

Lot. 51, Jalan Utas 15/7, Section 15, 40200 Shah Alam
Tel: (603) 5519 4075

Executive Director : Encik Ahmad Zaki Dato' Abdul Rahim
General Manager : Mr. Chai Kin Poh

•

WSA Capital Corporation Sdn. Bhd. (WCC)

B-17-6, Block B, Megan Avenue II, No 12, Jalan Yap Kwan Seng, 50490 Kuala Lumpur
Tel: (603) 2161 0080

Managing Director : Datuk Dr. Wan Mohamed WE

•

Summit Vehicles Body Works Sdn. Bhd. (SVBW)

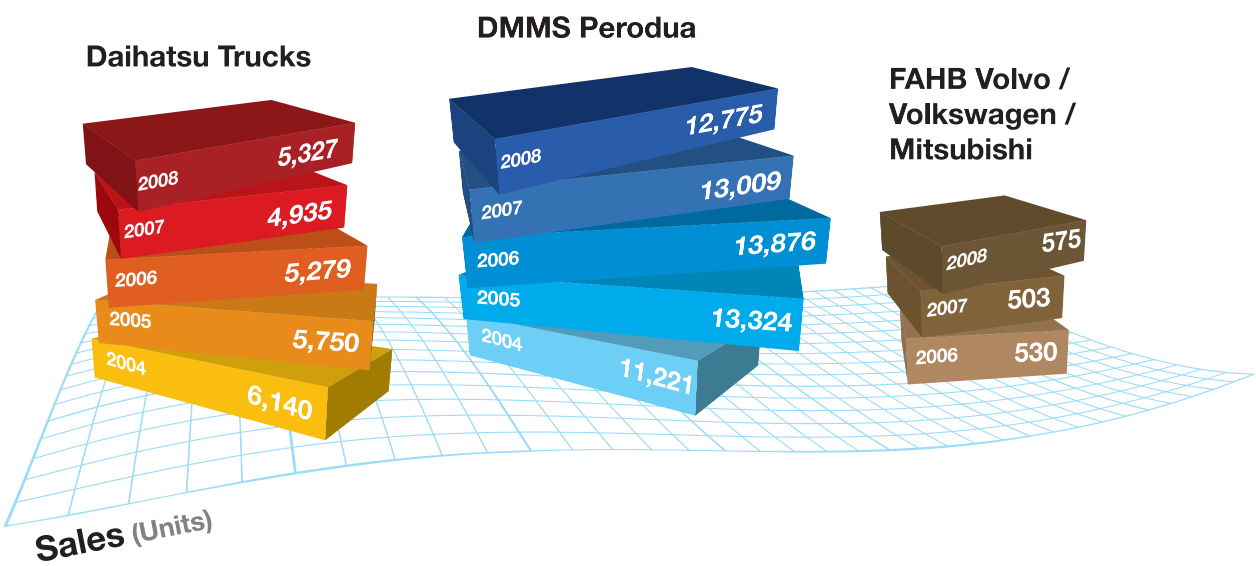
Lot 42684, Jalan Omboh 34/1, Off Jalan Bukit Kemuning, Seksyen 34, 40470 Shah Alam
Tel: (603) 5162 7072

Managing Director : Mr. Liew Sin Tuck

CORPORATE STRUCTURE
AS AT 27 MARCH 2009

5 YEARS GROUP FINANCIAL PERFORMANCE
YEAR ENDED 31 DECEMBER

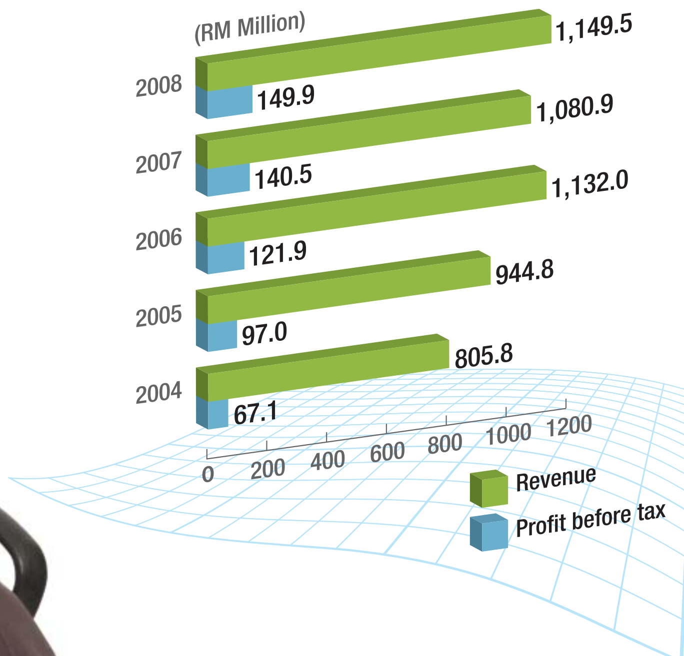
RESULTS (RM MILLION)	2004	2005	2006	2007	2008
Revenue	805.8	944.8	1,132.0	1,080.9	1,149.5
Profit from operations	43.9	38.8	49.0	53.7	70.5
Profit before taxation	67.1	97.0	121.9	140.5	149.9
Attributable profits	46.1	73.8	92.1	110.5	117.1
BALANCE SHEET (RM MILLION)					
Share capital	234.8	234.8	238.5	242.0	242.1
Shareholders' equity	544.9	580.4	661.1	765.9	849.1
Total cash	95.9	70.5	108.3	110.7	127.7
Total assets	781.9	898.8	954.6	1,001.3	1,077.1
Total borrowings	95.0	109.2	77.4	45.1	35.8
Net assets per share (RM)	2.32	2.47	2.77	3.16	3.51
FINANCIAL RATIOS					
Profit from operations on revenue (%)	5.4	4.1	4.3	5.0	6.1
Return on equity (%)	8.5	12.7	13.9	14.4	13.8
SALES (UNITS)					
Daihatsu trucks	6,140	5,750	5,279	4,935	5,327
DMMS Perodua	11,221	13,324	13,876	13,009	12,775
FAHB Volvo / Volkswagen / Mitsubishi	--	--	530	503	575

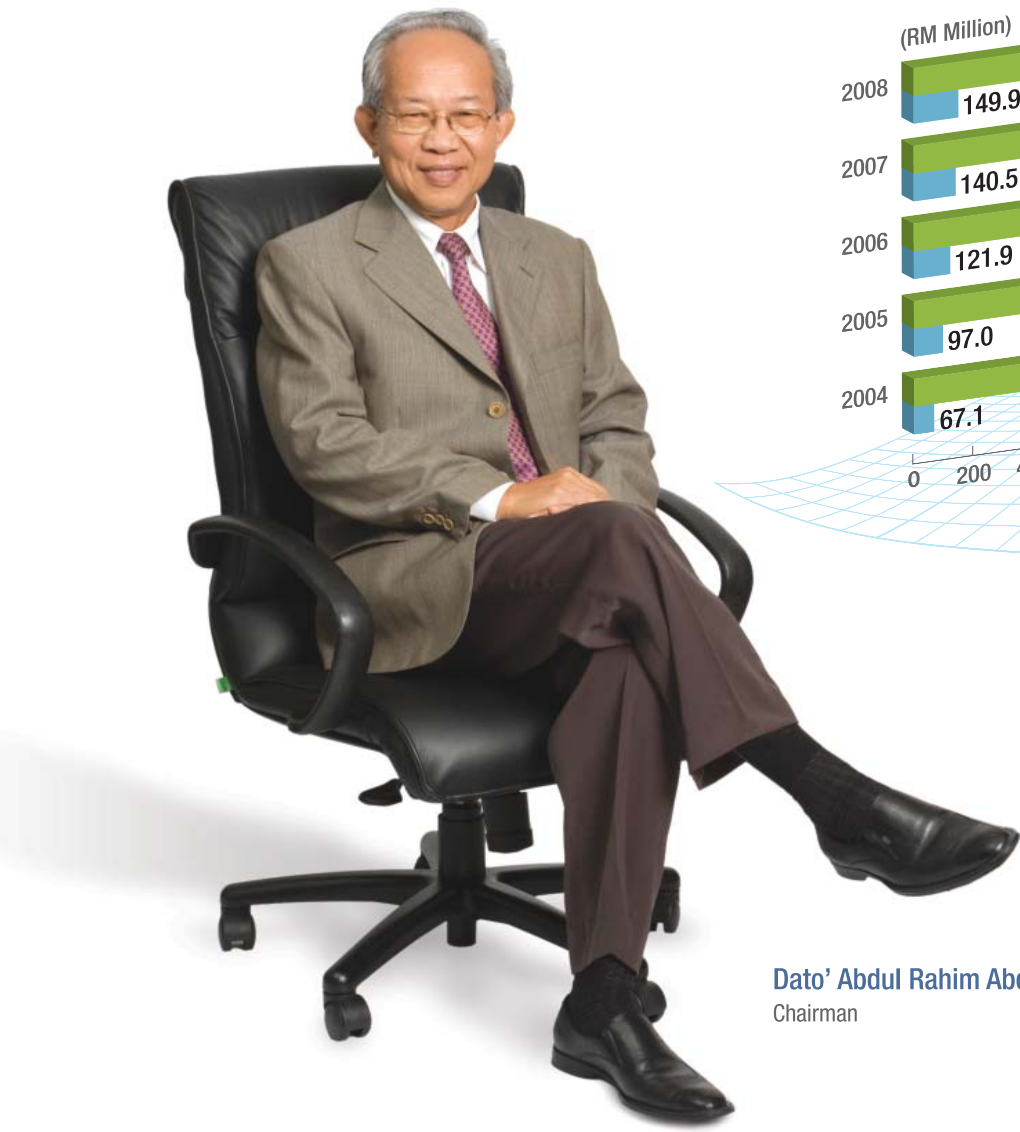


CHAIRMAN'S STATEMENT

I am pleased to report another strong performance from the MBM Resources Berhad (MBMR) Group for the year 2008. Revenues grew by 6.3% to RM1.15 billion and profit before tax increased by 6.7% to RM149.9 million, both are new record achievements for the Group. These were achieved against an exceptional and volatile year.

5 YEARS OF REVENUE & PROFIT BEFORE TAX (PBT)





Dato' Abdul Rahim Abdul Halim
Chairman

CHAIRMAN'S STATEMENT

In my last statement I expressed our optimism for the operating environment in 2008. Indeed, in the first half of the year the Group performed creditably. For the six months to 30 June 2008, revenues grew by 13.8% to RM574.8 million whilst profit before tax improved 44.3% to RM88.2 million from the same period in the previous year (refer to Chart 1). However, as the world economic environment deteriorated in the latter part of the year, there was a visible negative impact on domestic consumption. The Ringgit, which had strengthened in the past two years, fell particularly against the Japanese Yen, which raised the cost of imports for some of the businesses in the Group. The last quarter of the year therefore recorded a weaker performance compared with the same period in 2007, revenues dropped 4.4% and profit before tax declined 36.7% from a year before (refer to Chart 2).

I am mindful that as this Statement is prepared, the Malaysian economy is entering into a period of weakness. I shall touch briefly on the performance of the Group in 2008, followed by what we envisage will be the outlook for this year and how MBMR will weather through this difficult period.

MOTOR TRADING DIVISION

The motor trading division consists of entities, Daihatsu (Malaysia) Sdn. Bhd. (DMSB) Group, the distributor for Daihatsu trucks and the largest Perodua dealership in Malaysia, and Federal Auto Holdings Berhad (FAHB), the largest dealer of Volvo luxury cars in Malaysia and more recently the dealership for Mitsubishi cars.

We had a promising start to the year. Total industry volume (TIV) built on the momentum from 2007 with vehicle sales climbing steadily over the year, peaking in the third quarter of 2008, before dropping 22.2% in the fourth quarter against the previous quarter and by 8.3% from the same period in 2007. (Refer to Table 1) Nevertheless, for the year TIV was 12.5% higher compared to 2007 at 548,115 units, the second highest on record and just a whisker from the high of 551,042 recorded in 2005.

Daihatsu maintained its market leadership in the light truck segment and sales enjoyed a good year, reversing the previous three years of declines. The new Kota Kinabalu branch was officially opened in May 2008. Its Perodua dealership however fared less well when compared with national sales but we have seen a recovery in market share this year.

Chart 1

REVENUE AND PBT : first half 2008 vs 2007

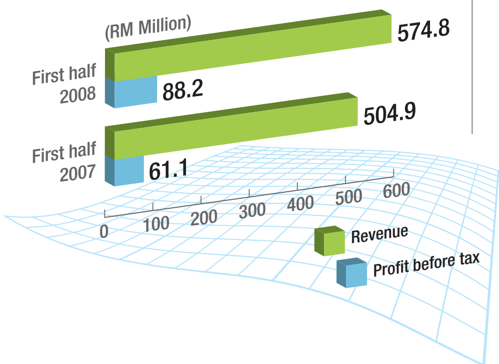


Chart 2

REVENUE AND PBT : fourth quarter 2008 vs 2007

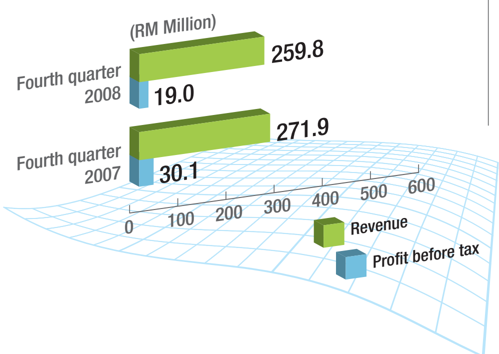


Table 1

TIV BY QUARTER

	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08
Passenger	95,636	104,818	125,088	117,343	120,251	134,001	138,141	105,066
Commercial	9,314	10,971	12,407	11,599	10,523	13,198	13,799	13,136
	104,950	115,789	137,495	128,942	130,774	147,199	151,940	118,202

CHAIRMAN'S STATEMENT

Unit sales of Volvo cars are still trailing the other luxury makes in the market but we stand a good chance of reversing this trend as our strategies are put into place. Progress of the new Glenmarie 3S (sales, service and spare parts) centre is well underway and when completed this year, will enhance the image of Volvo and provide customers with new improved experiences.

We have reviewed the other dealerships under the FAHB group and decided to mutually terminate our dealership for Volkswagen vehicles with effect on 31 March 2009, and to place our focus on strengthening our Volvo business and develop the Mitsubishi dealership further.

MANUFACTURING DIVISION

The manufacturing division enjoyed a busy year in 2008, spurred by higher vehicle sales as well as securing new businesses from the main auto customers. The manufacturing division which consists of steel wheel manufacturing and tyre assembly under Oriental Metal Industries (M) Sdn. Bhd. (OMI), manufacture of interior parts, namely carpets, headliners, door trims and package trays under WSA Capital Corporation Sdn. Bhd. (WCC), and body building specialist, Summit Vehicles Body Works Sdn. Bhd. (SVBW), recorded a year of strong performance.

OMI's new tyre module plant in Sungei Choh is progressing well and is in the final stages of completion. When commissioned later this year, it will provide expanded and improved facilities to cater to our customers' needs, standards which are unmatched in the market.

During the year, MBMR increased its stake in WCC by 21.5% to 73.3% at a cost of RM2 million cash. This helps to consolidate further MBMR's interest in WCC.

OMI's new tyre module plant, Sg. Choh

ASSOCIATES

There are two Associate companies contributing to the MBMR Group, namely, the 23.6% ownership in Perusahaan Otomobil Kedua Sdn. Bhd. (Perodua) and the 42% stake in Hino Motors (Malaysia) Sdn. Bhd. (HMMSB). Perodua retained its market leadership for the third year in a row, with registrations rising by 3.2% to 167,000 units. The Myvi and Viva remained the core volume models for the Company. During the year Perodua launched the new four wheel drive model, Nautica and a facelift to its best selling model, Myvi.

Perodua Nautica Launch – May 2008

HMMSB set new records in volume sales with new model introductions and demand from a cross section of the economy. HMMSB recorded a 32.6% growth in vehicle registrations for the year.

OUTLOOK

Recent economic data indicates the Malaysian economy is slowing fast. Government fiscal and monetary policies have been relaxed in trying to keep the Malaysian economy from falling into a deep recession. It is inevitable the economic conditions will have an impact on consumer spending and business investment plans. There are differences when comparing the last major economic downturn in 1998 when the economy was hit by the regional financial crisis with the present economic weakness. Interest rates have declined to new lows and liquidity remains relatively healthy, conditions which were the reverse in 1998. Nevertheless, given the weak economic scenario, it is unlikely that the Group will be able to match last year's financial performance. The Group also faces pressure from higher import costs as a result of the weak Ringgit. As at the time of writing the Malaysian Automotive Association (MAA) has forecasted a 12.2% drop in TIV for 2009.

Past strategies have positioned the Group well in defending its leadership in the segments it operates in. In an economic downturn, consumers and businesses are more conscious on costs. Perodua gained market share from 17% in 1997 to 27.4% in 1998, as demand shifted to small and affordable cars. We anticipate Perodua to also make some gains in the current economic scenario as buyers become more budget conscious in their selection of cars. As the Perodua vehicle population has grown, we also look to strengthen further our initiatives on aftersales.

Daihatsu truck sales declined in 1998 by 85% but was quick to recover the next year by 80%. The Daihatsu brand is synonymous with build quality, reliability and economical to run, qualities which are reinforced in the current economic scenario, which have earned Daihatsu its leadership in the light truck market for the past eight consecutive years. We believe Daihatsu is well placed to defend its number 1 position in the light truck market, especially in the current economic conditions.

We see opportunities in developing and growing our share of the luxury market with our Volvo dealerships under FAHB. We will focus on multiple aspects of the business - strengthening our retail operations by investing in updating our branches, starting with the all-new Glenmarie branch expected completion by the third quarter of this year; and implementing our initiatives at focusing on customer service.

The manufacturing division will be affected by lower TIV but the lower raw material costs resulting from the slower world economy will partially offset the weaker demand conditions.

Our balance sheet is healthy with a net cash of RM91.9 million despite investments and a special dividend paid during the year. We will monitor closely the operating environment which may require conservation of the cash or to be utilised for investments at an opportune time.

DIVIDENDS

The Company paid a first interim dividend of gross 6 sen per share less 26% taxation plus a Special Dividend of 6 sen (3 sen less 26% tax and 3 sen tax exempt) on 4 September 2008. A second interim dividend of 6 sen tax exempted was paid on 25 March 2009, bringing the total dividends paid for the 2008 financial year to 18 sen per share compared with 12 sen in 2007 financial year.

APPRECIATION

We would like to extend a warm welcome to Encik Iskander Ismail, who joined the Board on 8 May 2008. We look forward to his contribution and sharing of his views and guidance.

On behalf of the Board I wish to thank the management and staff for their hardwork and commitment in helping the MBMR Group achieve another record year performance. I also thank our customers, principals, suppliers, bankers, business partners and shareholders for their continued support.

DATO' ABDUL RAHIM ABDUL HALIM
Chairman

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

We delivered another strong year of performance. In 2008, MBMR's profit before tax grew to a record high of RM149.9 million, a growth of 6.7% over the previous year and revenues touched RM1.15 billion, a growth of 6.3%. Consequently, the net worth of the Group, measured by the net tangible assets per share, improved by 11.1% to RM3.51 from RM3.16 in the previous year.

RESULTS

RM MILLION 31 December	2008	2007	% Change
Revenue	1,149.47	1,080.91	6.3%
Operating profit			
- Continuing	64.37	53.66	20.0%
- Gain on disposal of asso.	6.14	0.00	100.0%
Share of Assoc Results			
- Continuing	78.22	81.09	-3.5%
- Discontinued	1.16	5.73	-79.8%
Profit before Tax	149.89	140.48	6.7%
Net Profit attributable to Equity holders of the Co	117.14	110.52	6.0%
EPS (sen)	48.39	45.88	5.5%
Dividend (sen)	18.00	12.00	50.0%

Mr. Looi Kok Loon
Managing Director

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

At the investing level, MBMR realised its investment in Associate, MBM Industries Sdn. Bhd. (MBMI) for RM27.17 million, resulting in a once off gain of RM6.14 million in profit before tax for the Company in March 2008. At the operating level, despite the challenges of rising raw material costs and higher import costs from a weaker Ringgit coupled with increased competition, operating margins improved from 5.0% to 6.1%. MBMR's balance sheet remains strong despite the major capital expenditures and dividend payments made during the year. The net cash position improved from RM65.6 million as at the end of 2007 to RM91.9 million in 2008. Our return on equity fell slightly to 13.8% from 14.4%. The Group maintained a generous dividend payout, with a payout ratio of 64.3% of dividends it received from its investments during the year.

The economic environment had been volatile for the year. A quarterly analysis of our performance shows that the fourth quarter of 2008 had seen deterioration in the operating environment, particularly in volume sales and the Ringgit weakness. Nevertheless, in spite of these challenges, the Group still managed to record a profit before tax of RM19.0 million in the fourth quarter 2008 (refer to Chart 3).

Total Industry Volume (TIV) recorded an overall growth of 12.5% for the year, helped by a strong economy, positive consumer sentiment and new model launches.

Daihatsu truck sales reversed its three years declining trend to record a 7.9% growth to 5,327 units. Together with Associate Hino Motors (Malaysia) Sdn. Bhd. (HMMSB), we account for about half of new light truck sales in Malaysia (refer to Chart 4).

Daihatsu (Malaysia) Sdn. Bhd.'s (DMSB) financial performance also showed positive growth with revenues 4.2% higher at RM898.4 million and PBT improved 9.6% to RM54.5 million. This was achieved despite the Yen rates booked were 4% higher during the year compared with the previous year. Wholly-owned subsidiary DMM Sales Sdn. Bhd. (DMMS), the Perodua dealership business, however recorded a slight decline in unit sales by 1.8% to 12,775. Our share of national sales has dropped consequently as the number of Perodua branches has increased.

Chart 3

QUARTERLY REVENUE AND PBT

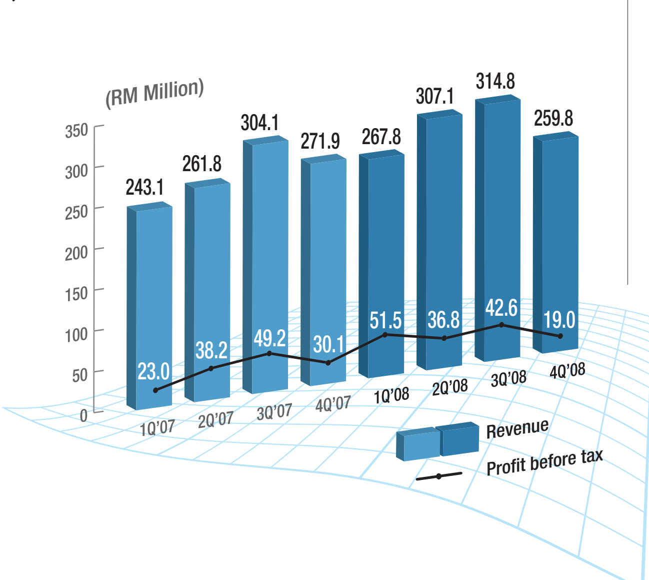
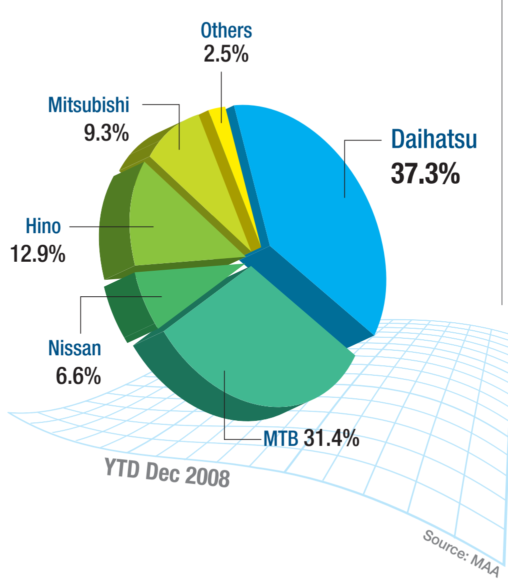


Chart 4

LIGHT TRUCK MARKET SHARE



MANAGING DIRECTOR'S REVIEW OF OPERATIONS

DMSB will be facing a challenging year in 2009. As the economy slows, commercial vehicle sales will be dampened. Coupled with the higher Yen exchange rate, we envisage our operating margins will deteriorate although this will be potentially offset partially by price adjustments and tighter cost controls. DMSB will be introducing a new pick-up truck this year to provide an opportunity to generate additional sales. DMMS has launched its initiative at capturing a larger share of Perodua sales with emphasis on customer service and more aggressive marketing.

Federal Auto Holdings Berhad (FAHB) was faced with intense competition in its market segment. Sales of Volvo cars declined 23.9% to 370 units. However, the additional dealerships for Mitsubishi and Volkswagen provided for an overall growth in unit sales for the group of 14.3% to 575 units. Revenues fell 3.8% to RM120.6 million, but profit before tax improved by 62.5% to RM3.0 million due to recovery of certain non-operating expenses accrued in prior years (operationally better by 6.5% to RM1.96 million).

Volvo C30 Model

Although FAHB will be facing a highly competitive market, the Volvo dealership will gear towards trying to re-capture its share of the luxury market. The model line-up it carries has all been updated during the year with an added new model, the C30 coupe, launched in June 2008. The diesel version of the best selling SUV XC90 was introduced in February 2009 and the much anticipated new model XC60 is expected to be introduced to the Malaysian market later this year.

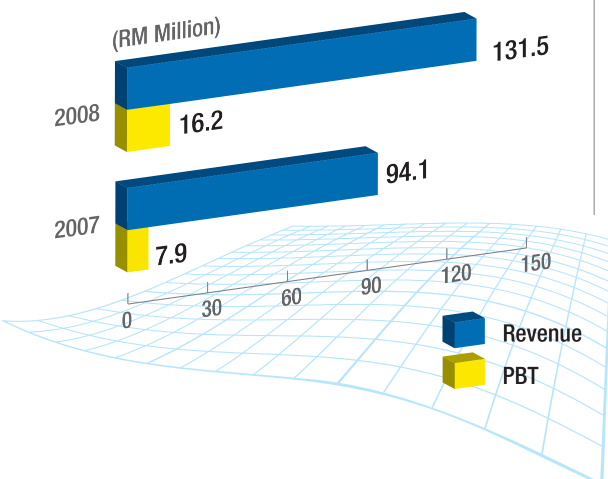
Our ongoing revamp of the Volvo dealership will be given a boost by the new Glenmarie 3S (sales, service and spare parts) centre, expected to be ready by the third quarter of this year. Together with our focus on customer service and an exciting and competitively priced model lineup, FAHB should see an improvement in its share of the luxury market segment.

We reviewed our portfolio of dealerships under FAHB and decided that we will focus on strengthening the Volvo dealerships and to develop the Mitsubishi dealership which commenced in early 2008. We reached a mutual agreement on 31 March 2009 with Volkswagen Group Malaysia Sdn Bhd to terminate the Volkswagen dealership.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

Chart 5

REVENUE AND PBT FOR MANUFACTURING DIVISION



The manufacturing division enjoyed strong growth in 2008. Revenues grew by 39.7% to RM131.5 million whilst profit before tax jumped 105.2% to RM16.2 million (refer to Chart 5). Although as a division, it is relatively small in contribution to the overall Group's revenues and profits, the growth has been robust, albeit from a smaller base. This division has strong earnings prospects, providing additional boost to the Group's long term plans, with added margin expansion potential. The Group's strategic philosophy is to focus and strengthen our competitive position in our market segments.

Oriental Metal Industries (M) Sdn. Bhd. (OMI) recorded a 17.5% jump in sales of steel wheels and a 25.7% rise in tyres assembled. With our technical assistance partner from Japan, Central Motor Wheel Company Ltd, we have established a reputation for quality of our steel wheels produced and the provision of tyre assembly services.

WSA Capital Corporation Sdn. Bhd. (WCC) recorded a revenue growth of 63.7% and returned to profitability (from a loss in previous year). Despite faced with rapid increase in operating costs and high material prices, WCC made major progress in production efficiencies and reduced reject rates. WCC is today the leading producer of interior car parts such as headliners, package trays and car carpets, having secured the supply to the major models of the main auto companies in Malaysia.

Summit Vehicles Body Works Sdn. Bhd. (SVBW) benefited from the jump in commercial vehicle sales. Revenues improved 13.2% but recorded a marginal loss for the year, hit by higher material costs. Looking ahead, SVBW will focus on higher margined specialised body works and to expand its parts, service and repairs (PSR) revenue stream.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

ASSOCIATES

Perodua's new corporate identity launched in June 2008

Perusahaan Otomobil Kedua Sdn. Bhd. (Perodua)

Perodua enjoyed another year of success. It achieved 167,000 units of vehicle registrations in 2008, a record high for the Company and an improvement of 3.2% from the previous year. It captured 30.5% market share of the enlarged TIV in 2008. This is the third consecutive year Perodua has maintained the lead as the No.1 car company in terms of number of registrations.

During the year Perodua introduced the all new four wheel drive model, Nautica, in May 2008, providing it with a wider model lineup. Additionally, a face-lift to the popular Myvi model was introduced in August 2008, giving it a refreshed look with enhanced features.

The face-lifted Myvi

Perodua was also impacted by the acceleration in material costs during the year and the appreciation of the Japanese Yen against the Ringgit. Measures were taken to cushion the impact by tighter costs control and more aggressive plant improvements in efficiencies.

Hino Motors (Malaysia) Sdn. Bhd. (HMMSB)

HMMSB had one of its best years in 2008, achieving record unit sales. The share of its relative market segments, namely the heavy, medium as well as light commercial vehicles improved across the board. Registration units for prime movers doubled while for buses moved up 8.5% compared to the previous year. HMMSB's light trucks registration recorded growth of 35.6%.

Range of HINO products

During the year HMMSB extended its range of products with the introduction of new models of buses, prime movers and light commercial vehicles. This will strengthen Hino's representation in the various market segments.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

MBM Resources Berhad CSR Activity – 2008 Rat Race, Kuala Lumpur

SOCIAL RESPONSIBILITIES

The MBMR Group participated in the Rat Race, an annual charity event organized by The Edge and Bursa Malaysia, for the first time in 2008. The Group fielded nine teams of 47 participants to the race and together contributed RM70,000 to the total RM1.75 million raised for 20 charities across Malaysia. The subsidiaries also individually assisted several charitable organisations with donations to various causes, including the orphanage "Anak-anak Yatim Al-Munirah" and Montfort Boys Town.

OMI CSR Acitivity – Donation of computers to Monfort Boys Town

We provide regular internship programmes for undergraduates to gain working experience at our operations and have also organized short day seminars for students to gain some practical knowledge of our business and exposure to the business environment.

OMI Think First Safety Campaign

Training programmes were conducted during the year for our employees at various levels. We believe in investing in our people in improving their skills so that they can be effective in executing their duties. Our safety awareness programmes were stepped up during the year with exchanges between group companies in learning how to further improve our safety practices.

ACKNOWLEDGEMENTS

All divisions within the Group contributed positively to the performance for the year. I wish to extend my appreciation to all stakeholders: our customers, staff, business partners and bankers for their relentless support in helping us achieve our results. Thank you to my fellow Directors of the Board for their guidance and to our Shareholders, for your confidence in us.

LOOI KOK LOON
Managing Director

COMPLIANCE & FINANCIALS

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of MBMR adheres to the best practice in its standards of business integrity in all its activities. This includes a commitment to follow the highest standards of corporate governance throughout the Group.

This statement sets out what the Board has considered the manner in which it has applied the Principles and complied with the Best Practices of the revised Malaysian Code on Corporate Governance released by the Securities Commission on 1 October 2007 (the “Code”) throughout the financial year to 31 December 2008.

DIRECTORS

Composition of the Board

During the financial year ended 31 December 2008, the Board had seven members, five of whom are non-executive directors, two of whom are independent. No individual or group of individuals dominates the Board’s decision-making and the number of directors fairly reflects the investment of the shareholders.

There is a clear division of responsibility between the Chairman and Managing Director to ensure a balance of power and authority. The principal duties of the Chairman are to conduct the meetings of the Board and shareholders and to facilitate constructive discussions at these meetings. The Managing Director is responsible for the day-to-day running of the businesses of the group and to develop and implement strategies.

The Company considers that its complement of non-executive directors provide for an effective Board with a mix of industry-specific knowledge and commercial experience. This balance enables the Board to provide clear and effective leadership to the Company and bring informed and independent judgement to many aspects of the Company’s strategy and performance so as to ensure that the Company maintains the highest standards of conduct and integrity. The profile of the Board members are set out on pages 3 to 9.

One-third of the Board comprise independent directors since the Company recognises the contribution of independent directors as equal Board members to the development of the Company’s strategies, the importance of representing the interest of public shareholders and providing a balanced and independent view to the Board. All independent directors are independent of management and free from any relationship that could interfere with their independent judgement.

Board Responsibilities

The Board retains full and effective control of the Company. This includes responsibility for determining the Company’s overall strategic direction as well as development and control of the Group. Key matters, such as approval of annual and interim results, acquisitions and disposals, as well as material agreements are reserved for the Board.

The Board has four regularly scheduled meetings annually. In 2008, the Board held four meetings, for which dates and attendance are set out on page 10. At each regularly scheduled meeting, there is a full financial and business review and discussion, including trading performance to-date against the same period the year before.

The Board has also delegated certain responsibilities to other Board committees, which operate within clearly defined terms of reference. Standing committees of the Board include the Audit Committee (please refer to the Report on Audit Committee set out on pages 32 to 34, Nomination Committee and Remuneration Committee.

Supply of Information

Each Board member receives quarterly operating results, including a comprehensive review and analysis. Prior to each Board meeting, directors are sent an agenda and a full set of Board papers for each agenda item to be discussed at the meeting. This is issued in sufficient time to enable the directors to obtain further explanations, where necessary, in order to be sufficiently briefed before the meeting.

Directors have access to all information within the Company whether as full board or in their individual capacity, in furtherance of their duties. Directors also have direct access to the advice and the services of the Group’s Company Secretary who is responsible for ensuring that Board procedures are followed.

STATEMENT ON CORPORATE GOVERNANCE

Appointments of the Board and Re-election

NOMINATION COMMITTEE

Chairman

Y. Bhg. Tan Sri Dato' Lee Lam Thye		**Independent Non-Executive Director**

Members

En. Iskander Ismail Mohamed Ali	(appointed on 8 May 2008)	**Independent Non-Executive Director**
Y. Bhg. Dato' Abdul Rahim Abdul Halim	(resigned on 8 May 2008)	**Non-Independent Non-Executive Director**
Y. Bhg. Dr. Nawawi Mat Awin	(deceased on 14 March 2008)	**Independent Non-Executive Director**
Mr. Wong Wei Khin	(appointed on 8 May 2008)	**Non-Independent Non-Executive Director**

	Number of Nomination Committee meetings held	Number of meetings attended
Y. Bhg. Tan Sri Dato' Lee Lam Thye	1	1
En. Iskander Ismail Mohamed Ali (appointed 8 May 2008)	0	0
Y. Bhg. Dato' Abdul Rahim Abdul Halim (resigned on 8 May 2008)	1	1
Y. Bhg. Dr. Nawawi Mat Awin (deceased on 14 March 2008)	1	1
Mr. Wong Wei Khin (appointed on 8 May 2008)	0	0

The Committee met on 26 February 2008 and was fully attended by all members standing as of this date.

Nomination Policy and Procedure

During the financial year ended 31 December 2008, the Board had a Nomination Committee comprising two independent directors. This Committee is empowered to bring to the Board recommendations as to the appointment of any new executive or non-executive director, provided that the Chairman of the Nomination Committee, Tan Sri Dato' Lee Lam Thye, in developing such recommendations, consults all directors and reflects that consultation in any recommendation of the Nomination Committee brought forward to the Board.

The Nomination Committee also ensures that the Board has an appropriate balance of expertise and ability. For this purpose, the Committee regularly reviews the profile of the required skills and attributes. This profile is used to assess the suitability as executive or non-executive directors of candidates put forward by the directors. In addition, the Committee also regularly assesses the effectiveness of the Board as a whole and the contribution of each individual director.

The directors have direct access to the advice and services of the Company Secretary who is responsible for ensuring that all appointments are in order and all necessary information is obtained from directors, both for the Company's own records and for the purposes of meeting the requirements of the Companies Act 1965, Listing Requirements of the Bursa Malaysia Securities Berhad and other regulatory requirements.

On appointment, directors take part in an induction programme where they receive the latest information about the Group. This is supplemented by visits to key locations and meetings with senior executives. Directors are also advised on appointment of their legal and other obligations as a director of a public-listed company.

In accordance with the Company's Articles of Association, all directors shall retire from office once at least in each three years but shall be eligible for re-election.

DIRECTORS' REMUNERATION

REMUNERATION COMMITTEE

Chairman

Y. Bhg. Tan Sri Dato' Lee Lam Thye	**Independent Non-Executive Director**

Members

En. Iskander Ismail Mohamed Ali	(appointed on 8 May 2008) **Independent Non-Executive Director**
Y. Bhg. Dr. Nawawi Mat Awin	(deceased on 14 March 2008) **Independent Non-Executive Director**
Mr. Low Hin Choong	**Non-Independent Non-Executive Director**

	Number of Remuneration Committee meetings held	Number of meetings attended
Y. Bhg. Tan Sri Dato' Lee Lam Thye	1	1
En. Iskander Ismail Mohamed Ali (appointed 8 May 2008)	0	0
Y. Bhg. Dr. Nawawi Mat Awin (deceased on 14 March 2008)	1	1
Mr. Low Hin Choong	1	1

The Committee met on 26 February 2008 to deal with matters relating to 2007 and 2008 remuneration.

Remuneration Policy and Procedure

During the financial year ended 31 December 2008, the Remuneration Committee comprised two independent directors. The Remuneration Committee reviews and approves the annual salaries, incentive arrangements, service arrangements and other employment conditions for the executive directors.

The executive directors will not be present when matters affecting his/her own remuneration arrangements are considered. The determination of remuneration of non-executive directors is a matter for the Board as a whole. The non-executive directors abstain from discussing their own remuneration.

The policy of the Remuneration Committee is in line with the Group's overall practice on compensation and benefits, which is to reward employees competitively, taking into account performance, market comparisons and competitive pressures in the industry. Whilst not seeking to maintain a strict market position, it takes into account comparable roles in similar organisations.

STATEMENT ON CORPORATE GOVERNANCE

The remuneration package for the Chairman, Managing Director and other directors comprise some or all of the following elements:

- **Basic Salaries and Fees**
  In setting the basic salary for each executive director, the Remuneration Committee takes into account the compensation practices of other companies and the performance of each individual director. Salaries are reviewed (although not necessarily increased) annually depending on the category of employment. Salaries are increased only where the Committee believes that adjustments are appropriate to reflect performance, increased responsibilities and/or market pressures.

  The Board determines fees payable to all directors with the approval from shareholders at the Annual General Meeting.

- **Annual Incentive Plan (Bonus Scheme)**
  The Group operates a bonus scheme for all employees, including the executive directors, and the criteria for this scheme is dependent on the financial performance of the Group. Bonus payable to the executive directors are reviewed by the Remuneration Committee and approved by the Board.

- **Retirement Plan**
  Contributions are made to the Employees Provident Fund ("EPF"), the national mandatory defined contribution plan, in respect of all Malaysian-resident executive directors. A scheme of retirement gratuity is also provided for all eligible directors and is reviewed annually by the Remuneration Committee and approved by the Board.

- **Other Benefits**
  Other benefits include car and driver allowance as well as medical insurance policy.

Directors' Remuneration

The number of directors of the Company whose total remuneration during the year fall within the following bands is as follows:

	Number of Directors	
Directors	**2008**	**2007**
Executive directors:		
RM250,001 – RM300,000	-	1
RM450,001 – RM500,000	1	1
RM600,001 – RM650,000	1	-
Non-Executive directors:		
Below RM50,000	4	4
RM50,001 – RM100,000	-	1
RM200,001 – RM250,000	1	-
RM350,001 – RM400,000	1	-

Directors' Training

The Company arranges relevant training programs for all Directors. In addition, individual Directors may also attend additional training courses according to their needs as a director or member of Board Committees on which they serve. In 2008, all Directors have attended development and training programs to further enhance their skill and knowledge and complied with paragraph 15.09 of Bursa Malaysia Securities Listing Requirements. The newly appointed Director has attended an induction program organized by the Company to familiarize with the Group's business and governance. The new Director has been scheduled to attend the Mandatory Accredited Program prescribed by Bursa Malaysia Securities Berhad.

SHAREHOLDERS

Dialogue Between the Company and Investors

As part of the Board's responsibility in developing and implementing an investor relations programme, regular formal and informal dialogues were held between senior management and analysts/fund managers throughout the year. Permissible disclosures are made to explain the Group's performance and major development programmes. Price-sensitive information about the Group is, however, not disclosed in these exchanges until after the prescribed announcement to Bursa Malaysia has been made. During the year 2008, the Company held two formal analysts/fund managers briefing on 27 February 2008 and 8 August 2008, conducted by the Managing Director and senior executives of the Group.

Annual General Meeting

The Annual General Meeting is the principal forum for dialogue with shareholders. Notice of the Annual General Meeting and annual reports are sent out to shareholders at least 21 days before the date of meeting.

Besides the usual agenda for the Annual General Meeting, the Board provides opportunities for shareholders to raise questions pertaining to the business activities of the Group. All directors are available to provide responses to questions from the shareholders during these meetings.

For re-election of directors, the Board ensures that full information is disclosed through the notice of meeting regarding directors who are retiring and who are willing to serve if re-elected.

An explanatory statement to facilitate full understanding and evaluation of the issues involved will accompany items of special business included in the notice of the meeting.

ACCOUNTABILITY AND AUDIT

Financial reporting

For financial reporting through quarterly reports to Bursa Malaysia and the annual report to shareholders, the directors have a responsibility to present a fair assessment of the Group's position and prospects. The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness. The Statement by Directors pursuant to Section 169 of the Companies Act 1965 is set out on page 42 of this annual report.

Relationship with Auditors

The roles of the Audit Committee in relation to the auditors are stated in the report on Audit Committee set out on pages 32 to 34. The Company has always maintained a close and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia.

Corporate Social Responsibility

MBMR is committed to ensuring that our decisions and actions benefit our shareholders as well as our employees, society and the environment we operate in.

We strive to maintain safe and healthy working conditions for all employees.

The Company encourages the practice of giving back to the community to which we have contributed to various charitable causes during the year.

Statement of Compliance with the Best Practice of the Code

The Company is committed to achieving high standards of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings. The Board considers that it has complied throughout the financial year with the Best Practices as set in the Code.

Statement made in accordance with the resolution of the Board of Directors dated 31 March 2009.

Dato' Abdul Rahim Abdul Halim
Chairman

OTHER INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

SHARE BUYBACK

During the financial year, the company did not enter into any share buyback transactions.

OPTIONS or WARRANTS

During the financial year, 49,000 options shares of par value RM1.00 each were exercised at an option price of RM2.43 per share. Total number of unexercised share options as at 31 December 2008 was 3,435,000.

The company does not have any outstanding warrants during the financial year.

AMERICAN DEPOSITORY RECEIPT ("ADR") or GLOBAL DEPOSITORY RECEIPT ("GDR")

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

IMPOSITION OF SANCTIONS and PENALTIES

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

NON-AUDIT FEES

There were no non-audit fees paid to the external auditors by the Group and by the Company during the year except for fees incurred for Review of Statement on Internal Control for the financial year ending 31 December 2007 which amounted to RM7,000.

PROFIT ESTIMATE, FORECAST and PROJECTION

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

PROFIT GUARANTEE

During the financial year, there were no profit guarantees given by the Company.

STATEMENT OF INTERNAL CONTROL

RESPONSIBILITY

The Board has overall responsibility for the Group's system of internal control and for reviewing its effectiveness while the role of management is to implement the Board's policies on risk and control. Due to limitations that are inherent in any system of internal control, the system is designed to manage and mitigate, rather than eliminate, the risk of failure in achieving the Group's business objectives. Internal controls can only provide reasonable, and not absolute, assurance against material misstatement or loss.

KEY PROCESSES

The Board confirms that there is a continuous process for identifying, evaluating and managing the significant risks faced by the Group, which has been in place for the financial year under review and up to the date of approval of the annual report and financial statements. Internal control weaknesses identified, which are not major, have been addressed by the management. None of the weaknesses has resulted in any material loss that would require disclosure in the Group's financial statements.

The process is regularly reviewed by the Board and is in accordance with the guidance as contained in the publication – Statement of Internal Control: Guidance for Directors of Public Listed Companies.

The key processes that the directors have established in reviewing the adequacy and integrity of the system of internal control are as follows:

1. The Group's risk management principles and procedures are clearly documented. The Group's management operates a risk management process that identifies the key risks faced by the Group. Further details of the Group's financial risk management policies are set out in Note 48 to the financial statements.

2. The Board receives and reviews regular reports from the management on key operating statistics, legal, environment and regulatory matters. The Board approves appropriate responses or significant amendments to the Group's policy.

3. There is a comprehensive budgeting and forecasting system that is governed by policies and guidelines of the Group. The results of the lines of business are reported monthly in the management reports where variances are analysed against budget and acted on in a timely manner. Where necessary, budgets are revised at mid-year, taking into account significant business risks.

4. The Group's internal audit department, reporting to the Audit Committee, performs regular reviews of business processes to assess the overall effectiveness of internal controls and highlight significant risks faced by the Group. The Audit Committee conducts annual reviews on the adequacy of the internal audit department's scope of work and resources.

5. The Audit Committee, on behalf of the Board, regularly reviews and holds discussions with management on the action taken on internal control issues identified in reports prepared by the internal audit department, the external auditors and the management.

6. There is a clearly defined framework for investment appraisal covering the acquisition and disposal of any business, acceptance of projects, application of capital expenditure and approval of borrowings. Post implementation reviews are conducted and reported to the Board.

7. Policies and standard operating procedures manuals are sent to all employees setting out the Group's reporting hierarchy and procedures.

8. There is Board representation in our associate companies. Information on the financial performance of the associated companies is provided regularly to the Management of the Company.

Statement made in accordance with the resolution of the Board of Directors dated 31 March 2009.

REPORT ON AUDIT COMMITTEE

COMPOSITION OF AUDIT COMMITTEE

Chairman

En. Iskander Ismail Mohamed Ali	(appointed 8 May 2008)	**Independent Non-Executive Director**

Members

Y. Bhg. Tan Sri Dato' Lee Lam Thye		**Independent Non-Executive Director**
Y. Bhg. Dato' Abdul Rahim Abdul Halim	(appointed on 8 May 2008)	**Non-Independent Non-Executive Director**
Mr. Wong Wei Khin	(resigned on 8 May 2008)	**Non-Independent Non-Executive Director**

(The late Y. Bhg. Dr. Nawawi Mat Awin was Chairman of the Audit Committee up to his demise on 14 March 2008, afterwhich his office was temporarily filled by Mr. Wong Wei Khin up to 8 May 2008)

All members of the Committee have a working familiarity with basic finance and accounting practices, and one of its members i.e. En. Iskander Ismail Mohamed Ali is a member of the Malaysian Institute of Accountants.

The Audit Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than three (3) members, a majority of whom are independent and all shall be non-executive directors, consistent with the Best Practices of the revised Malaysian Code on Corporate Governance released by the Securities Commission on 1 October 2007. A quorum should be 2 independent members, one of whom shall be the Chairman of the Audit Committee.

MEETINGS

The Committee meets at least four times a year, or more frequently at the discretion of the Committee, out of which one meeting shall be held prior to annual financial statements being presented to the Board for approval. The Managing Director, Group Finance Manager, Internal Audit Managers and representatives of the external auditors will normally attend the meetings. Other board members may attend meetings upon invitation of the Committee. However, the Committee will meet at least once a year with the external auditors without the presence of executive directors and the management. The external auditors have the right to appear and be heard at any meetings of the Audit Committee and shall appear before the Committee when required to do so by the Audit Committee.

The Company Secretary shall be Secretary of the Audit Committee.

The Committee met four times during the year for the following purposes:

- To review the financial statements before the quarterly announcements to Bursa Malaysia Securities Berhad.
- To review year-end financial statements together with external auditors' management letter and management's response.
- To discuss with external auditors the audit plan and scope for the year as well as the audit procedures to be utilised.
- To discuss with internal auditors on its scope of work, adequacy of resources and co-ordination with external auditors.
- Review the reports prepared by the internal auditors on the state of internal control of the Group.

REPORT ON AUDIT COMMITTEE

The number of Audit Committee meetings held during the members' tenure in office in the current financial year and the number of meetings attended by each member are as follows:

Committee Members	Number of Audit Committee meetings held during members' tenure in office	Number of meetings attended by members
En. Iskander Ismail Mohamed Ali (appointed on 8 May 2008)	2	2
Y. Bhg. Dr. Nawawi Mat Awin (deceased on 14 March 2008)	1	1
Y. Bhg. Tan Sri Dato' Lee Lam Thye	4	4
Y. Bhg. Dato' Abdul Rahim Abdul Halim (appointed on 8 May 2008)	2	2
Mr. Wong Wei Khin (resigned on 8 May 2008)	2	2

(Due to the demise of the late Y. Bhg. Dr. Nawawi Mat Awin on 14 March 2008, there was a vacancy of an independent non-executive director. The Company was granted extension until mid-May 2008 to fill up this vacancy, during which this period a meeting was attended by two non-executive directors)

The Committee met on 26 February 2008, 7 May 2008, 7 August 2008 and 4 November 2008 and was fully attended by all members standing as of these dates.

The Chairman of Audit Committee regularly engage with the Chairman of the Board of Directors, the Managing Director, the Group Finance Manager and the Internal Auditors in order to be kept informed of matters with regards to the Group and the Company's affairs.

RESPONSIBILITIES AND DUTIES

The duties of the Committee shall be:

- To consider the appointment of the external auditors, the audit fees and any questions of resignation or dismissal;
- To discuss with external auditors before the audit commences, the nature and scope of audit, and ensure co-ordination where more than one audit firm is involved;
- To review the quarterly and year-end financial statements of the Group and the Company, focusing particularly on any changes in or implementation of major accounting policies and practices, significant adjustments arising from the audit, the going concern assumptions and compliance with applicable approved accounting standards and other legal and regulatory requirements;
- To discuss problems and reservations arising from the interim and final audit, and any matters the external auditors may wish to discuss (in absence of management where necessary);
- To review external auditors' management letters and management's responses;

REPORT ON AUDIT COMMITTEE

- To do the following in respect of the internal audit function:

    - review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;

    - review the internal audit programme and results of the internal audit process and where necessary ensure that appropriate actions are taken on the recommendations of the internal audit function;

    - review any appraisal or assessment of the performance of members of the internal audit function;

    - approve any appointment or termination of senior staff members of the internal audit function; and

    - take cognisance of resignations of internal audit staff members and provide the opportunity for the resigning staff member to submit his reasons for resigning;

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

- To consider the major findings of internal investigation and the management's response;

- To have explicit authority to investigate certain matters, the resources which it needs to do so e.g. professional advice and full access to information; and

- To promptly report to the Bursa Malaysia Securities Berhad on matters reported by it to the Board that have not been satisfactorily resolved in a breach of the Listing Requirements of Bursa Malaysia Securities Berhad.

INTERNAL AUDIT FUNCTION

The Audit Committee is supported in its functions by the Group's Internal Audit Department, its associates' audit committees and external auditors.

Since the Group has expanded, the Group has restructured and strengthened its internal audit department. During the year, the Internal Audit functions were co-sourced with some functions handled by the Group's in-house Internal Audit Department and some functions outsourced to a professional internal audit firm (both collectively referred to as "the IA team").

The professional internal audit firm undertakes to ascertain the completeness of existing policies and procedures documentation, improved and updated the Internal Audit Charter and provided practical training to the Company's internal auditors. The professional internal audit firm is independent from the Group's main external auditors.

The principal responsibility of the in-house Internal Audit Department is to undertake regular and systematic reviews of the system of internal controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Company and the Group.

The IA team reports directly to the Audit Committee, and is independent of the activities it audits. The IA team undertakes internal audit functions based on the audit plan approved by the Audit Committee and endorsed by the Board. The audit plan covers, inter alia, a review of operational controls, the effectiveness of Management in identifying and managing principal risks, compliance with law and regulations, quality of assets and management efficiencies. Internal audit reports are deliberated by the Audit Committee and recommendations are duly acted upon by Management within the time stipulated.

The cost incurred for the internal audit function in the financial year 2008 was made up of a fee paid to the professional internal audit firm of RM25,000 and remuneration paid to the in-house internal auditors of RM150,000.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

This statement is prepared as required by the Listing Requirements of the Bursa Malaysia Securities Berhad.

The directors are required to prepare financial statements which give a true and fair view of the state of affairs of the Group and of the Company as at the end of each financial year and of their results and their cash flows for that year then ended.

The directors consider that in preparing the financial statements:

- the Group and the Company have used appropriate accounting policies and are consistently applied;
- reasonable and prudent judgements and estimates were made; and
- all applicable approved accounting standards in Malaysia have been followed.

The directors are responsible for ensuring that the Company maintains accounting records that 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 requirements of the Companies Act, 1965.

The directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

DIRECTORS' REPORT

The directors of **MBM RESOURCES BERHAD** have pleasure in presenting 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 principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are as disclosed in Note 49 to the financial statements.

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

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM'000	The Company RM'000
Profit for the year	137,943	103,447
Attributable to:		
Equity holders of the Company	117,144	103,447
Minority interests	20,799	-
	137,943	103,447

In the opinion of the directors, the results of 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.

DIVIDENDS

The amount of dividends paid by the Company since 1 January 2008 are as follows:

	RM'000
<u>In respect of the financial year ended 31 December 2007 as reported in the directors' report of that year:</u>	
Second interim dividend of 6%, less 26% tax, on 242,061,667 ordinary shares, declared on 26 February 2008 and paid on 27 March 2008	10,748
<u>In respect of the financial year ended 31 December 2008:</u>	
First interim dividend of 6%, less 26% tax, on 242,072,667 ordinary shares, declared on 7 August 2008 and paid on 4 September 2008	10,748
Special dividend of 6%, comprising 3%, less 26% tax, and 3% tax exempted, on 242,072,667 ordinary shares, declared on 7 August 2008 and paid on 4 September 2008	12,636
	34,132

DIVIDEND (cont'd)

On 24 February 2009, the directors declared a second interim tax exempt dividend of 6% on 242,072,667 ordinary shares amounting to RM14,524,360 in respect of the current financial year ended 31 December 2008. The financial statements for current financial year do not reflect this declared dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2009.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the current financial year, the issued and paid-up ordinary share capital of the Company was increased from RM242,023,667 to RM242,072,667 by the issuance of 49,000 new ordinary shares of RM1.00 each at an issue price of RM2.43 per ordinary share for cash pursuant to the exercise of options under the Company's Employee Share Options Scheme ("ESOS").

The resulting share premium of RM70,070 arising from the issue of shares had been credited to the share premium account.

The new ordinary shares issued during the current financial year rank *pari passu* in all respects with the then existing ordinary shares of the Company.

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

SHARE OPTIONS

The Company's ESOS is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 15 August 2002. The ESOS was implemented on 2 September 2002 and is to be in force for a period of 10 years from the date of implementation.

The main features of the ESOS and the movements in the share options for the year ended 31 December 2008 are disclosed in Note 32(b) to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of employees who have been granted options to subscribe for less than 200,000 ordinary shares of RM1 each.

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

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION

Before the income statements and the balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

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

(b) 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.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; and

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; and

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

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, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

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

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

Dato' Abdul Rahim bin Abdul Halim
Looi Kok Loon
Tan Sri Dato' Lee Lam Thye
Iskander bin Ismail Mohamed Ali (appointed on 8 May 2008)
Aqil bin Tan Sri Dato' Haji Ahmad Azizuddin
Low Hin Choong
Wong Wei Khin

In accordance with Article 78 of the Company's Articles of Association, Dato' Abdul Rahim bin Abdul Halim and Mr. Wong Wei Khin retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 85 of the Company's Articles of Association, Encik Iskander bin Ismail Mohamed Ali who was appointed after the last Annual General Meeting, is required to retire by casual vacancy at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

DIRECTORS' INTERESTS

The shareholdings in the Company and in the related companies of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 are as follows:

	No. of Ordinary Shares of RM1 each			
	Balance as of 1.1.2008	**Bought**	**Sold**	**Balance as of 31.12.2008**
Shares in the Company				
Registered in the name of the Directors				
Dato' Abdul Rahim bin Abdul Halim	657,828	-	-	657,828
Looi Kok Loon	393,243	-	-	393,243
Aqil bin Tan Sri Dato' Haji Ahmad Azizuddin	596,666	-	-	596,666
Low Hin Choong	10,000	10,000	-	20,000
Wong Wei Khin	343,333	240,000	(10,000)	573,333
Indirect interest				
Dato' Abdul Rahim bin Abdul Halim	1,350,000	-	-	1,350,000
Looi Kok Loon	2,452,247	-	-	2,452,247
Aqil bin Tan Sri Dato' Haji Ahmad Azizuddin	3,512,259	10,000	-	3,522,259
Low Hin Choong	895,598	-	-	895,598
Wong Wei Khin	1,816,104	238,000	(1,160,000)	894,104

DIRECTORS' REPORT

DIRECTORS' INTERESTS (cont'd)

	No. of Ordinary Shares of RM1 each			
	Balance as of 1.1.2008	Bought	Sold	Balance as of 31.12.2008
Shares in the holding company, Med-Bumikar Mara Sdn. Bhd.				
Direct interest				
Dato' Abdul Rahim bin Abdul Halim	5,686,650	-	-	5,686,650
Wong Wei Khin	1,023,489	-	-	1,023,489
Indirect interest				
Dato' Abdul Rahim bin Abdul Halim	2,430,065	-	-	2,430,065
Looi Kok Loon	4,955,172	927,684	-	5,882,856
Aqil bin Tan Sri Dato' Haji Ahmad Azizuddin	6,799,853	-	-	6,799,853
Wong Wei Khin	4,544,565	-	-	4,544,565

In addition to the above, the following director is deemed to have interest in the shares of the Company by virtue of the options granted to him pursuant to the ESOS of the Company:

	No. of Options over Ordinary Shares of RM1 each			
	Balance as of 1.1.2008	Granted	Exercised	Balance as of 31.12.2008
Aqil bin Tan Sri Dato' Haji Ahmad Azizuddin	150,000	-	-	150,000

None of the other directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Company or its related companies during and at the end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefits (other than the benefits included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in the financial statements or the fixed salary of full-time employees of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for the options granted to a director pursuant to the Company's ESOS as disclosed above.

DIRECTORS' REPORT

HOLDING COMPANY

The immediate and ultimate holding company of the Company is Med-Bumikar Mara Sdn. Bhd., a company incorporated in Malaysia.

SIGNIFICANT EVENT

The significant event during the financial year is disclosed in Note 45 to the financial statements.

SUBSEQUENT EVENTS

The significant events subsequent to the end of financial year are disclosed in Note 46 to the financial statements.

AUDITORS

The auditors, Messrs Deloitte KassimChan, have indicated their willingness to continue in office.

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

DATO' ABDUL RAHIM BIN ABDUL HALIM

LOOI KOK LOON

Kuala Lumpur
31 March 2009

STATEMENT BY DIRECTORS

The directors of **MBM RESOURCES BERHAD** state that, in their opinion, the accompanying balance sheets and the related statements of income, cash flows and changes in equity are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable Malaysian Accounting Standards Board approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of 31 December 2008 and of the results of the businesses and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with
a resolution of the Directors,

DATO' ABDUL RAHIM BIN ABDUL HALIM

LOOI KOK LOON

Kuala Lumpur
31 March 2009

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **LOOI KOK LOON**, the director primarily responsible for the financial management of **MBM RESOURCES BERHAD**, do solemnly and sincerely declare that the accompanying balance sheets and the related statements of income, cash flows and changes in equity are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

LOOI KOK LOON

Subscribed and solemnly declared by
the abovenamed **LOOI KOK LOON** at
PETALING JAYA
this 31st day of March 2009.

Before me,

S. SELVARAJAH (B144)
COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MBM RESOURCES BERHAD (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **MBM RESOURCES BERHAD**, which comprise the balance sheets of the Group and of the Company as of 31 December 2008, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 45 to 106.

The financial statements of the Group and of the Company for the preceding year were audited by another firm of auditors and are presented here merely for comparative purposes. The report issued by the predecessor auditors, which was dated 28 March 2008, was not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Companies Act, 1965 in Malaysia.

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 the applicable Malaysian Accounting Standards Board approved accounting standards in Malaysia and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

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 the 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 that 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 the applicable Malaysian Accounting Standards Board approved accounting standards in Malaysia and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2008 and of their financial performance and cash flows for the year then ended.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MBM RESOURCES BERHAD (Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

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

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

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

(c) The auditors' reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Sub-section (3) of Section 174 of the Act.

DELOITTE KASSIMCHAN
AF: 0080
Chartered Accountants

TEO SWEE CHUA
Partner - 2846/01/10 (J)
Chartered Accountant

Petaling Jaya
31 March 2009

INCOME STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

		The Group		The Company	
	Note	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue	5	1,149,466	1,080,910	62,061	51,202
Cost of sales	6	(1,020,230)	(967,149)	-	-
Gross profit		129,236	113,761	62,061	51,202
Other income		21,361	18,385	52,169	1,399
Administrative and other expenses		(48,989)	(47,081)	(3,789)	(2,219)
Selling and marketing expenses		(31,554)	(30,269)	-	-
Profit from operations	7	70,054	54,796	110,441	50,382
Finance costs	10	(2,507)	(3,975)	(268)	(1,898)
Interest income	11	2,963	2,837	1,901	545
Share of results of associates		79,384	86,817	-	-
Profit before tax		149,894	140,475	112,074	49,029
Income tax expense	12	(11,951)	(13,648)	(8,627)	(12,913)
Profit for the year		137,943	126,827	103,447	36,116
Attributable to:					
Equity holders of the Company		117,144	110,523	103,447	36,116
Minority interests		20,799	16,304	-	-
		137,943	126,827	103,447	36,116
Earnings per share (sen)	13				
Basic		48.4	45.9		
Diluted		47.7	45.2		
Net dividends per ordinary share (sen)	14	14.10	8.76		

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

BALANCE SHEETS

AS OF 31 DECEMBER 2008

	Note	The Group 2008 RM'000	The Group As restated 2007 RM'000	The Company 2008 RM'000	The Company 2007 RM'000
ASSETS					
Non-current Assets					
Property, plant and equipment	15	122,391	111,652	565	257
Investment properties	16	22,475	13,929	-	-
Prepaid land lease payments	17	43,348	35,783	-	-
Investment in subsidiaries	18	-	-	113,941	111,247
Investment in associates	19	505,987	482,475	173,989	183,174
Jointly controlled entity	20	54	54	-	-
Other investment	21	-	-	-	-
Hire purchase receivables	22	832	1,576	-	-
Goodwill on consolidation	23	14,799	13,546	-	-
Total non-current assets		709,886	659,015	288,495	294,678
Current Assets					
Inventories	24	142,743	106,365	-	-
Trade receivables	25	63,702	84,379	-	-
Other receivables and prepaid expenses	26	18,301	21,765	82	-
Tax recoverable		8,537	3,959	2,445	2,336
Amount owing by associates	27	-	36	-	36
Amount owing by subsidiaries	28	-	-	68,820	65,903
Short term investment	29	134	251	-	-
Cash and bank balances	30	127,657	110,721	34,168	3,356
		361,074	327,476	105,515	71,631
Non-current assets classified as held for sale	31	6,103	14,816	-	-
Total current assets		367,177	342,292	105,515	71,631
Total Assets		1,077,063	1,001,307	394,010	366,309

BALANCE SHEETS

AS OF 31 DECEMBER 2008

	Note	The Group 2008 RM'000	The Group As restated 2007 RM'000	The Company 2008 RM'000	The Company 2007 RM'000
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	32	242,073	242,024	242,073	242,024
Reserves	33	606,998	523,916	150,328	80,943
Equity attributable to equity holders of the Company		849,071	765,940	392,401	322,967
Minority interests		130,577	120,575	-	-
Total equity		979,648	886,515	392,401	322,967
Non-current and Deferred Liabilities					
Long-term borrowings	34	16,916	14,468	-	-
Deferred tax liabilities	35	637	543	-	-
Provision for retirement benefits	36	2,143	1,157	1,095	-
Hire purchase payables					
- non-current portion	40	181	583	-	-
Total non-current and deferred liabilities		19,877	16,751	1,095	-
Current Liabilities					
Provision for liabilities	37	2,862	4,607	-	-
Short term borrowings	34	18,354	29,210	-	8,000
Trade payables	38	40,352	40,133	-	-
Other payables and accrued expenses	39	14,039	18,921	324	1,215
Amount owing to holding company	27	190	1,347	190	219
Amount owing to subsidiaries	27	-	-	-	33,908
Hire purchase payables					
- current portion	40	300	818	-	-
Tax liabilities		1,441	3,005	-	-
Total current liabilities		77,538	98,041	514	43,342
Total liabilities		97,415	114,792	1,609	43,342
Total Equity and Liabilities		1,077,063	1,001,307	394,010	366,309

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2008

The Group	Note	Share capital RM'000	Non-Distributable reserve - Share premium RM'000	Distributable reserve - Retained earnings RM'000	Attributable to equity holders of the company RM'000	Minority interests RM'000	Total RM'000
Balance as previously reported as of 1 January 2007		238,537	25,313	397,231	661,081	118,848	779,929
Prior year adjustments	41	-	-	7,060	7,060	426	7,486
As restated as of 1 January 2007		238,537	25,313	404,291	668,141	119,274	787,415
Issue of ordinary shares pursuant to ESOS	32	3,487	5,156	-	8,643	-	8,643
Additional purchase of shares in a subsidiary		-	-	-	-	(8,685)	(8,685)
Right issue of shares in a subsidiary		-	-	(259)	(259)	1,362	1,103
Total recognised income and expense - Profit for the year		-	-	110,523	110,523	16,304	126,827
Dividends distributed to equity holders	14	-	-	(21,108)	(21,108)	-	(21,108)
Dividends paid by subsidiaries		-	-	-	-	(7,680)	(7,680)
Balance as of 31 December 2007		242,024	30,469	493,447	765,940	120,575	886,515
Balance as previously reported as of 1 January 2008		242,024	30,469	486,387	758,880	120,149	879,029
Prior year adjustments	41	-	-	7,060	7,060	426	7,486
As restated as of 1 January 2008		242,024	30,469	493,447	765,940	120,575	886,515
Issue of ordinary shares pursuant to ESOS	32	49	70	-	119	-	119
Additional purchase of shares in a subsidiary		-	-	-	-	(748)	(748)
Additional purchase of shares in a subsidiary by minorities		-	-	-	-	325	325
Total recognised income and expense - Profit for the year		-	-	117,144	117,144	20,799	137,943
Dividends distributed to equity holders	14	-	-	(34,132)	(34,132)	-	(34,132)
Dividends paid by subsidiaries		-	-	-	-	(10,374)	(10,374)
Balance as of 31 December 2008		242,073	30,539	576,459	849,071	130,577	979,648

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2008

The Company	Note	Share capital RM'000	Non-Distributable reserve - Share premium RM'000	Distributable reserve - Retained earnings RM'000	Total RM'000
Balance as of 1 January 2007		238,537	25,313	35,466	299,316
Issue of ordinary shares pursuant to ESOS	32	3,487	5,156	-	8,643
Total recognised income and expense					
- Profit for the year		-	-	36,116	36,116
Dividends	14	-	-	(21,108)	(21,108)
Balance as of 31 December 2007		242,024	30,469	50,474	322,967
Balance as of 1 January 2008		242,024	30,469	50,474	322,967
Issue of ordinary shares pursuant to ESOS	32	49	70	-	119
Total recognised income and expense					
- Profit for the year		-	-	103,447	103,447
Dividends	14	-	-	(34,132)	(34,132)
Balance as of 31 December 2008		242,073	30,539	119,789	392,401

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

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	The Group		The Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the year		137,943	126,827	103,447	36,116
Adjustments for:					
Income tax expense		11,951	13,648	8,627	12,913
Share of results of associates		(79,384)	(86,817)	-	-
Bad debts written off		-	93	-	-
Waiver of amount owing to subsidiaries		-	-	(33,908)	-
Depreciation of:					
Property, plant and equipment		8,610	9,394	111	108
Investment properties		167	195	-	-
Amortisation of prepaid land lease payments		501	425	-	-
Impairment of property, plant and equipment		-	28	-	-
Finance costs		2,507	3,975	268	1,898
Provision for-defined benefit plans		503	525	-	-
Provision for retirement gratuity		1,095	-	1,095	-
Property, plant and equipment written off		121	138	90	-
Allowance for doubtful debts		843	578	-	-
Reversal of provision for warranty		-	(594)	-	-
Reversal of provision for service maintenance		(456)	(101)	-	-
Reversal of provision for contingent liabilities		(828)	(100)	-	-
Bad debts recovered		(305)	(477)	-	-
(Gain)/Loss on disposal of:					
Associate		(6,140)	-	(17,986)	-
Subsidiaries		(9)	-	(36)	-
Property, plant and equipment		(122)	(864)	-	-
Investment properties		-	128	-	-
Non-current assets classified as held for sale		-	(65)	-	-
Reversal of impairment loss of other investment		(240)	(1,400)	(240)	(1,400)
Write down of inventories		164	63	-	-
Dividend income		-	-	(61,846)	(51,130)
Interest income on amount owing by subsidiaries		-	-	(1,252)	-
Interest income		(2,963)	(2,837)	(649)	(545)
Operating Profit/(Loss) Before Working Capital Changes		73,958	62,762	(2,279)	(2,040)
Decrease/(Increase) in:					
Receivables		24,347	460	(82)	-
Inventories		(36,542)	49,730	-	-
Net changes in related company balances		(1,121)	(11)	(2,910)	(10,621)
Increase/(Decrease) in:					
Payables		(4,663)	(28,774)	(891)	(895)
Provisions		(1,073)	(796)	-	-
Cash Generated From/(Used In) Operations		54,906	83,371	(6,162)	(13,556)
Income tax refunded		-	-	-	610
Income tax paid		(18,034)	(10,997)	-	-
Net Cash Generated From/(Used In) Operating Activities		36,872	72,374	(6,162)	(12,946)

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	The Group		The Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received from					
Subsidiaries		-	-	24,868	24,405
Associates		34,841	15,892	28,240	12,806
Interest income from amount owing by subsidiaries		-	-	1,252	-
Interest received		2,963	2,837	649	545
Purchase of property, plant and equipment		(20,707)	(23,901)	(590)	(11)
Additions to prepaid land lease payments		(8,066)	(6,138)	-	-
Proceeds from disposal of:					
Property, plant and equipment		1,359	1,955	81	-
Investment properties		-	2,700	-	-
Non-current assets classified as held for sale		-	70	-	-
Associate		27,172	-	27,172	-
Subsidiaries		42	-	42	-
Acquisition of:					
Subsidiaries		(2,000)	(9,353)	(2,699)	(1,300)
Joint controlled entity		-	(54)	-	-
Short-term investment held under Al-Mudharabah General Investment ("Facility") on lien to a bank for the said Facility		117	(251)	-	-
Recovery of other investment		240	1,400	240	1,400
Net Cash From/(Used In) Investing Activities		35,961	(14,843)	79,255	37,845
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(34,132)	(21,108)	(34,132)	(21,108)
Dividends paid to minorities of a subsidiary		(10,374)	(7,680)	-	-
Proceeds from exercise of ESOS		119	8,643	119	8,643
Proceeds from issue of shares in a subsidiary to minorities		325	1,103	-	-
Finance costs		(2,507)	(3,975)	(268)	(1,898)
Net increase/(repayment of):					
Term loan		223	(29,314)	-	(40,000)
Other borrowings		(4,811)	(3,782)	-	-
Hire purchase payables		(920)	(1,779)	-	-
Net Cash Used In Financing Activities		(52,077)	(57,892)	(34,281)	(54,363)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		20,756	(361)	38,812	(29,464)
CASH AND CASH EQUIVALENTS AS OF 1 JANUARY 2008		99,690	100,051	(4,644)	24,820
CASH AND CASH EQUIVALENTS AS OF 31 DECEMBER 2008	30	120,446	99,690	34,168	(4,644)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

1. GENERAL 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 principal activity of the Company is investment holding.

The principal activities of the subsidiaries are as disclosed in Note 49.

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

The registered office of the Company is Suite 11-3A, 11th Floor, Menara Haw Par, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia and the principal place of business of the Company is located at No. 1-6, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance in accordance with a resolution of the directors on 31 March 2009.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and with the applicable Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards in Malaysia.

Adoption of Financial Reporting Standards

In the current financial year, the Group and the Company adopted all the revised Financial Reporting Standards ("FRSs"), amendments to FRSs and IC Interpretations ("IC Int.") issued by MASB that are relevant to their operations and effective for period beginning on or after 1 January 2008 as follows:

FRS 107:	Cash Flow Statements
FRS 112:	Income Taxes
FRS 118:	Revenue
FRS 119:	Employee Benefits
FRS 120:	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134:	Interim Financial Reporting
FRS 137:	Provisions, Contingent Liabilities and Contingent Assets
IC Int. 8:	Scope of FRS 2 Share-based Payment

The adoption of these revised FRSs and IC Int. has no material effect on the financial statements of the Group and of the Company except for FRS 112: Income Taxes which had resulted in prior year adjustments as disclosed in Note 41.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont'd)

Accounting Standards and Interpretations in Issue But Not Yet Adopted

At the date of authorisation of issue of these financial statements, the following FRS and IC Interpretations were in issue but not yet effective:

FRS 4 :	Insurance Contracts
FRS 7 :	Financial Instruments: Disclosures
FRS 8 :	Operating Segments
FRS 139 :	Financial Instruments: Recognition and Measurement
IC Int. 9 :	Reassessment of Embedded Derivatives
IC Int. 10 :	Interim Financial Reporting and Impairment

Consequential amendments were also made to various FRS as a result of these new FRS.

Except for FRS 8 which is effective for financial statements for periods beginning on or after 1 July 2009, the above new FRS and IC Int. are effective for periods beginning on or after 1 January 2010.

By virtue of the exemption provided in paragraph 103AB of FRS 139, the impact of applying FRS 139 on the financial statements of the Group and of the Company upon initial application of this standard as required by paragraph 30(b) of FRS 108: Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed.

The directors anticipate that all of the above FRS and IC Int. will be adopted in the Group financial statements for the period commencing 1 January 2010 and that the adoption of these new FRS and IC Int. will have no material impact on the financial statements of the Group and of the Company in the period of initial application. The adoption of FRS 7 and the consequential amendment to FRS 101: Presentation of Financial Statements introduce new disclosure requirement to Group's and the Company's financial instruments and the objectives, policies and processes for managing capital. FRS 8 which replaces FRS114$_{2004}$: Segment Reporting, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and to assess its performance. Currently, the Group presents its segment information based on its business segments (Note 47).

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company made up to the end of the financial year. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when the Company owns, directly or indirectly through subsidiaries, more than half of the voting power of the entity.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation (cont'd)

All intra-group transactions, balances and resulting unrealised gains are eliminated on consolidation. Unrealised losses are eliminated on consolidation unless costs cannot be recovered. Uniform accounting policies are adopted in the Group's financial statements for like transactions and events in similar circumstances.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interest consists of the amount of those interests at the date of the original business combination (refer to policy on "Business Combinations" below) and the minority's share of changes in equity since the date of combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover its share of these losses.

Business Combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 3: Business Combinations, are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with FRS 5: Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the excess is recognised immediately in the income statements.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Investment in Subsidiaries

A subsidiary is an entity over which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from its activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Investment in subsidiaries, which is eliminated on consolidation, is stated at cost less impairment losses, if any, in the Company's separate financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Investment in Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with FRS 5: Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in income statements.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Investment in associates is stated at cost less impairment losses, if any, in the Company's separate financial statements.

Other Investment

Other investment in unquoted bond is recorded at cost, adjusted for accretion of interest over the period of the bonds, less any impairment losses.

Jointly Controlled Entity

The Group has an interest in a joint venture which is jointly controlled entity. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investments in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting as described in accounting policy - "Investment in Associates".

In the Company's separate financial statements, investment in jointly controlled entity is stated as cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in income statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Goodwill on Consolidation

Goodwill on consolidation represents the excess of the cost of acquisition of subsidiaries over the Group's interest in net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiaries at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Non-Current Assets Classified as Held for Sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the assets is brought up-to-date in accordance with applicable FRSs. Then, on initial classification as held for sale, assets (other than deferred tax assets, employee benefit assets, financial assets and inventories) are measured in accordance with FRS 5 that is the lower of carrying amount and fair value less cost to sell. Any differences are included in income statements.

Revenue Recognition

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

(i) Sales of Goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding the recovery of the consideration due, associated costs or the possible return of the goods.

(ii) Revenue from Services

Revenue from services rendered is recognised net of service taxes and discounts as and when the services are performed.

(iii) Dividend Income

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue Recognition (cont'd)

(iv) Interest Income

Interest income from hire purchase transactions is recognised on the sum of digits method. When an account become non-performing, interest is suspended until it is realised on cash basis. Hire purchase accounts are deemed to be non-performing when repayments are in arrears for more than six months.

(v) Rental Income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

Foreign Currency

(i) Functional and Presentation Currencies

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates ("the functional currency"). For the purposes of the consolidated financial statements, the results and the financial position of each group entity are expressed in Ringgit Malaysia ("RM") which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

(ii) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in foreign currencies other than the entity's functional currency (i.e. foreign currencies) are recorded at the rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in income statements for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in income statements for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Employee Benefits

(i) Short-term Employee Benefits

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Employee Benefits (cont'd)

(ii) Defined Contribution Plan

The Company and certain subsidiary companies make statutory contributions to approved provident fund and the contributions are charged to income statements for the period. The approved provident fund is defined contribution plan. Once the contributions have been paid, there are no further payment obligations.

(iii) Retirement Benefits

The Company and the subsidiaries of WSA Engineering Sdn. Bhd., namely, Carpets International Malaysia (Distribution) Sdn. Bhd., Carpets International Manufacturing Malaysia Sdn. Bhd. and Peninsular Carpet Manufacturing Sdn. Bhd. (hereinafter collectively referred to as "WSAE Subsidiaries") operate an unfunded scheme for its eligible employees based on certain terms of the employment contract. The Group's net obligations in respect of the plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. The calculation is performed by a qualified actuary using the projected unit credit method. Contributions relating to the plan are charged to the income statements when incurred.

Daihatsu (Malaysia) Sdn. Bhd. and its subsidiaries ("Daihatsu Group") operate a funded, defined Retirement Benefit Scheme ("Scheme") for its eligible employees. Daihatsu Group's obligation under the Scheme, calculated using the Projected Unit Credit Method, is determined based on actuarial computations by independent actuaries, through which the amount of benefit that employees have earned in return for their services in the current and prior years is estimated. That benefit is discounted in order to determine its present value.

The amounts recognised in the balance sheets represent the present value of the defined benefit obligations for unrecognised actuarial gains and losses and unrecognised past service costs, and reduced by the fair value of plan assets for Daihatsu Group and full provision for eligible employees for the Company and WSAE Subsidiaries.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in income statements in the period in which they are incurred.

Taxation

Income tax expense for the year comprises current and deferred tax.

<u>Current tax</u>

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the balance sheet date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or recoverable).

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Deferred tax

Deferred tax is accounted for, using the "balance sheet liability" method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is charged or credited to the income statements, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

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 they relate to income taxes by same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in the income statements.

Freehold land and building under construction are not depreciated. Depreciation of other property, plant and equipment is computed on the straight-line method to write off the cost of the various property, plant and equipment to their residual values over their estimated useful lives at the following annual rates:

Buildings	2% - 5%
Plant and machinery	5% - 33 1/3%
Renovations and leasehold improvements	10% - 33 1/3%
Furniture, fixtures, fittings, equipment and tools and implement	5% - 33 1/3%
Motor vehicles	20% - 25%

The residual values, estimated useful lives and depreciation method are reviewed at each balance sheet date and, if expectations differ from previous estimates, the changes will be accounted for as a change in an accounting estimate.

Assets held under finance lease are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Investment Properties

Investment properties, comprising certain freehold land and buildings and leasehold land and buildings, are held for long-term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment properties are stated at cost less accumulated depreciation and any impairment losses.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised (eliminated from the balance sheets). The difference between the net disposal proceeds and the carrying amount is recognised in the income statements.

Freehold land within investment properties is not depreciated. Freehold buildings and leasehold land and buildings are depreciated on the straight-line method at an annual rates of 1% - 5%.

Impairment of Non-financial Assets Excluding Goodwill

At each balance sheet date, the Group and the Company review the carrying amounts of their non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statements.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statements.

Leases

(i) Classification

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Leases (cont'd)

(ii) Finance Lease - the Group as Lessee

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

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

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment.

(iii) Operating Lease - the Group as Lessee

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

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

Leasehold land recognised as prepaid land lease payments are amortised in equal instalments over their lease periods ranging from 31 years to 99 years.

Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first in, first out method. The cost of raw materials comprises cost of purchase. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportion of overheads based on normal operating capacity.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the Directors' best estimate of the amount required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Provisions for estimated expenses related to policy and product warranties are made at the time products are sold. These estimates are established using historical information on the nature, frequency, and average cost of claims. Revision to the reserves for estimated policy and products warranties is made when necessary, based on changes in these factors. We actively study trends of claims and take action to improve vehicle quality and minimise claims.

At each balance sheet date, provisions are reviewed by the Directors and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that the Group will be required to settle the obligation.

Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

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

(i) Receivables

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

(ii) Payables

Payables are stated at cost which is the nominal value of the consideration to be paid in the future for goods and services received.

(iii) Interest-bearing borrowings

Interest-bearing borrowings are recorded at the amount of proceeds received, net of transaction costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the income statements in the period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

(iv) Ordinary shares

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

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(v) Derivative financial instruments

The Group enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risk. Derivative financial instruments are not recognised in the financial statements on inception.

Cash Flow Statements

The Group and the Company adopt the indirect method in the preparation of the cash flow statements.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 3 above, management is of the opinion that there are no instances of application of judgement which are expected to have significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

Management believes that there are no key assumptions made 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 except as discussed below:

(a) Allowance for doubtful debts

Allowance for doubtful debts is made based on the evaluation of collectibility and aging analysis of accounts and on management's estimate. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the creditworthiness and the past collection history of each customer. If the financial conditions of the customers with which the Group deals were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(ii) Key sources of estimation uncertainty (cont'd)

(b) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140: Investment Property in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

(c) Impairment of goodwill

The Group determines whether goodwill is impaired at least on annual basis. This requires an estimation of the value in use of the cash generating units ("CGU") to which the goodwill is allocated. Estimating value in use requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as of 31 December 2008 is RM14,799,000 (2007: RM13,546,000). Further details are disclosed in Note 23.

(d) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

5. REVENUE

Revenue of the Group and the Company consist of the following:

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Sale of goods and services	1,148,709	1,079,585	-	-
Interest income from hire-purchase receivables	576	1,190	-	-
Gross dividends from:				
Subsidiaries	-	-	33,605	33,588
Associates	-	-	28,241	17,542
Management fee receivable from subsidiaries	-	-	215	72
Property and car rental income	181	135	-	-
	1,149,466	1,080,910	62,061	51,202

6. COST OF SALES

Cost of sales of the Group represents cost of sales for goods sold and services rendered during the financial year.

7. PROFIT FROM OPERATIONS

Profit from operations is arrived at after the following charges/(credits):

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Auditors' remuneration	305	297	32	30
Bad debts written off	-	93	-	-
Depreciation of property, plant and equipment (Note 15)	8,610	9,394	111	108
Depreciation of investment properties (Note 16)	167	195	-	-
Amortisation of prepaid land lease payments (Note 17)	501	425	-	-
Directors' remuneration (Note 9)	2,713	1,609	1,005	635
Impairment of property, plant and equipment	-	28	-	-
Reversal of impairment loss of other investment	(240)	(1,400)	(240)	(1,400)
Allowance for doubtful debts	843	578	-	-
Reversal of provision for warranty	-	(594)	-	-
Reversal of provision for service maintenance	(456)	(101)	-	-
Reversal of provision for contingent liabilities	(828)	(100)	-	-
Property, plant and equipment written off	121	138	90	-
Rental expenses	3,790	1,564	107	144
Royalty expenses	699	668	-	-
Employee benefits expense (Note 8)	38,117	35,115	1,141	1,081
Bad debts recovered	(305)	(477)	-	-
Waiver of amount owing to subsidiaries	-	-	(33,908)	-
(Gain)/Loss on disposal of:				
Property, plant and equipment	(122)	(864)	-	-
Investment properties	-	128	-	-
Non-current assets classified as held for sale	-	(65)	-	-
Associate	(6,140)	-	(17,986)	-
Subsidiaries (Note 18)	(9)	-	(36)	-
Write down of inventories	164	63	-	-
Rental income from land and buildings	(2,357)	(2,070)	-	-
Interest income on:				
Amount owing by subsidiaries	-	-	(1,252)	-
Deposits	(2,963)	(2,837)	(649)	(545)

The costs of inventories recognised as expenses of the Group and the Company amounting to RM1,015,859,169 and RMNil (2007: RM944,963,055 and RMNil) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

8. EMPLOYEE BENEFITS EXPENSE

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Wages and salaries	29,857	27,013	1,002	927
Pension costs:				
Defined contribution plans	3,475	3,345	131	148
Defined benefit plans (Note 36)	581	525	-	-
Social security costs	437	427	4	5
Other benefits	3,767	3,805	4	1
	38,117	35,115	1,141	1,081

9. DIRECTORS' REMUNERATION

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	539	533	327	318
Fees	119	120	50	56
Bonus	101	108	55	61
Ex-gratia payment for former director	357	-	-	-
	1,116	761	432	435
Non-Executive:				
Fees	265	210	220	200
Ex-gratia payment for former director	496	-	353	-
	761	210	573	200
	1,877	971	1,005	635

9. DIRECTORS' REMUNERATION (cont'd)

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Directors of subsidiaries				
Executive:				
Salaries and other emoluments	350	443	-	-
Non-executive:				
Fees	145	195	-	-
Other emoluments	61	-	-	-
Ex-gratia payment for former director	280	-	-	-
	486	195	-	-
	836	638	-	-
	2,713	1,609	1,005	635

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is as follows:

	Number of Directors	
	2008	2007
Executive directors:		
RM250,001 - RM300,000	-	1
RM450,001 - RM500,000	1	1
RM600,001 - RM650,000	1	-
Non-Executive directors:		
Below RM50,000	4	4
RM50,001 - RM100,000	-	1
RM200,001 - RM250,000	1	-
RM350,001 - RM400,000	1	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

10. FINANCE COSTS

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Interest on borrowings	2,507	3,975	268	1,898

11. INTEREST INCOME

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Interest income on:				
Deposits	2,963	2,837	649	545
Amount owing by Subsidiaries	-	-	1,252	-
	2,963	2,837	1,901	545

12. INCOME TAX EXPENSE

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Income tax expense:				
Current year	17,868	15,711	8,627	12,913
Overprovision in prior year	(6,011)	(1,926)	-	-
	11,857	13,785	8,627	12,913
Deferred tax (Note 35):				
Relating to origination and reversal of temporary differences	23	(178)	-	-
Relating to change in tax rates	(11)	(2)	-	-
Under provision in prior years	82	43	-	-
	94	(137)	-	-
Total	11,951	13,648	8,627	12,913

Income tax is calculated at the statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the year.

12. INCOME TAX EXPENSE (cont'd)

Tax in respect of small and medium scale subsidiaries with paid-up capital of RM2,500,000 and below is calculated at the rate of 20% on chargeable income up to RM500,000. For chargeable income in excess of RM500,000, the statutory tax rate of 26% is applicable. However, with effect from year of assessment 2009, this preferential tax rate will no longer be applicable for companies that controls or being controlled directly or indirectly by another company which has a paid-up ordinary share capital of more than RM2,500,000. Hence, with effect from 1 January 2009, all subsidiaries under the Group will be subject to the same statutory tax rate as the Company.

The statutory tax rate will be reduced to 25% from the current year's rate of 26%, effective year of assessment 2009.

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

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Profit before tax	149,894	140,475	112,074	49,029
Taxation at statutory tax rate of 26% (2006: 27%)	38,972	37,928	29,139	13,238
Income subject to tax rate of 20%	(4)	(59)	-	-
Adjustment for tax applicable to share of results in associates	(20,640)	(23,441)	-	-
Income not subject to tax	(2,063)	(598)	(20,906)	(378)
Expenses not deductible for tax purposes	2,969	1,653	394	53
Effect of changes in tax rates on opening balance of deferred tax	(11)	(2)	-	-
Subsidiaries domiciled in tax heaven country	-	(34)	-	-
Utilisation of previously unrecognised deferred tax assets and reinvestment allowances	(1,813)	(628)	-	-
Deferred tax assets not recognised during the year	470	712	-	-
Under/(Over)provision in prior year:				
Deferred tax	82	43	-	-
Current tax	(6,011)	(1,926)	-	-
Tax expense for the year	11,951	13,648	8,627	12,913

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13. EARNINGS PER SHARE

(a) Basic

Basic earnings per share ("EPS") is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2008	2007
Profit for the year attributable to ordinary equity holders of the Company (RM'000)	117,144	110,523
Weighted average number of ordinary shares in issue ('000)	242,064	240,908
Basic EPS (sen)	48.4	45.9

(b) Diluted

Fully diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year adjusted for the dilutive effects of share options granted to employees.

	The Group	
	2008	2007
Profit for the year attributable to ordinary equity holders of the Company (RM'000)	117,144	110,523
Weighted average number of ordinary shares in issue ('000)	242,064	240,908
Adjustment for assumed exercise of ESOS ('000)	3,435	3,484
Weighted average number of ordinary shares for the purposes of diluted earnings per share	245,499	244,392
Basic EPS (sen)	47.7	45.2

14. DIVIDENDS

	The Group and The Company			
	Amount		Net Dividends per Ordinary Share	
	2008 RM'000	2007 RM'000	2008 Sen	2007 Sen
In respect of the financial year ended 31 December 2006:				
Second interim dividend of 6%, less 27% tax	-	10,526	-	4.38
In respect of the financial year ended 31 December 2007:				
First interim dividend of 6%, less 27% tax	-	10,582	-	4.38
Second interim dividend of 6%, less 26% tax	10,748	-	4.44	-
In respect of the financial year ended 31 December 2008:				
First interim dividend of 6%, less 26% tax	10,748	-	4.44	-
Special dividend of 6% comprising 3%, less 26% tax, and 3% tax exempted	12,636	-	5.22	-
	34,132	21,108	14.10	8.76

On 24 February 2009, the directors declared a second interim tax exempt dividend of 6% on 242,072,667 ordinary shares amounting to RM14,524,360 in respect of the current financial year ended 31 December 2008. The financial statements for current financial year do not reflect this declared dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2009.

15. PROPERTY, PLANT AND EQUIPMENT

The Group

At 31 December 2008	**Freehold land RM'000**	**Buildings RM'000**	**Building under construc-tion RM'000**	**Plant and machinery RM'000**	**Renovations and leasehold improve-ments RM'000**	**Furniture, fixtures, fittings, equipment and tools and implement RM'000**	**Motor vehicles RM'000**	**Total RM'000**
Cost/Valuation								
At 1 January 2008	28,865	78,975	-	83,927	12,908	34,117	12,459	251,251
Reclassifications	1	(4,733)	-	(18)	4,802	4,474	(4,526)	-
Additions	-	3,548	7,017	1,588	2,273	2,459	3,822	20,707
Disposals	-	-	-	-	(67)	(661)	(3,922)	(4,650)
Write-offs	-	-	-	(452)	(466)	(778)	-	(1,696)
At 31 December 2008	28,866	77,790	7,017	85,045	19,450	39,611	7,833	265,612
Representing:								
At cost	26,267	69,929	7,017	85,045	19,450	39,611	7,833	255,152
At valuation	2,599	7,861	-	-	-	-	-	10,460
	28,866	77,790	7,017	85,045	19,450	39,611	7,833	265,612
Accumulated Depreciation and Impairment Losses								
At 1 January 2008	-	19,692	-	72,058	9,314	29,824	8,711	139,599
Reclassifications	-	(4,906)	-	(5)	4,940	4,050	(4,079)	-
Depreciation charge for the year	-	1,223	-	2,135	1,742	2,246	1,264	8,610
Disposals	-	-	-	-	(64)	(656)	(2,693)	(3,413)
Write-offs	-	-	-	(452)	(380)	(743)	-	(1,575)
At 31 December 2008	-	16,009	-	73,736	15,552	34,721	3,203	143,221
Net Book Value								
At 31 December 2008								
At cost	26,267	56,901	7,017	11,309	3,898	4,890	4,630	114,912
At valuation	2,599	4,880	-	-	-	-	-	7,479
	28,866	61,781	7,017	11,309	3,898	4,890	4,630	122,391

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

The Group

At 31 December 2007	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Renovations and leasehold improvements RM'000	Furniture, fixtures, fittings, equipment and tools and implement RM'000	Motor vehicles RM'000	Total RM'000
Cost/Valuation							
At 1 January 2007	14,362	76,202	82,834	12,235	33,724	10,932	230,289
Additions	14,503	2,773	2,387	967	1,050	2,221	23,901
Disposals	-	-	(1,294)	(72)	(657)	(694)	(2,717)
Write-offs	-	-	-	(222)	-	-	(222)
At 31 December 2007	28,865	78,975	83,927	12,908	34,117	12,459	251,251
Representing:							
At cost	26,266	71,114	83,927	12,908	34,117	12,459	240,791
At valuation	2,599	7,861	-	-	-	-	10,460
	28,865	78,975	83,927	12,908	34,117	12,459	251,251
Accumulated Depreciation and Impairment Losses							
At 1 January 2007	-	17,474	70,482	7,935	28,029	7,967	131,887
Depreciation charge for the year	-	2,218	2,096	1,520	2,214	1,346	9,394
Impairment charge for the year	-	-	-	-	-	28	28
Disposals	-	-	(520)	(57)	(419)	(630)	(1,626)
Write-offs	-	-	-	(84)	-	-	(84)
At 31 December 2007	-	19,692	72,058	9,314	29,824	8,711	139,599
Net Book Value							
At 31 December 2007:							
At cost	26,266	54,246	11,869	3,594	4,293	3,748	104,016
At valuation	2,599	5,037	-	-	-	-	7,636
	28,865	59,283	11,869	3,594	4,293	3,748	111,652

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

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

The Company

At 31 December 2008	**Furniture, fittings and equipment RM'000**	**Renova-tions RM'000**	**Motor vehicles RM'000**	**Total RM'000**
Cost				
At 1 January 2008	236	115	338	689
Additions	29	253	308	590
Disposals	(7)	-	(338)	(345)
Write-offs	(2)	(114)	-	(116)
At 31 December 2008	256	254	308	818
Accumulated Depreciation				
At 1 January 2008	176	19	237	432
Depreciation charge for the year	32	21	58	111
Disposals	(6)	-	(258)	(264)
Write-offs	(2)	(24)	-	(26)
At 31 December 2008	200	16	37	253
Net Book Value	56	238	271	565
At 31 December 2007				
Cost				
At 1 January 2007	225	115	338	678
Additions	11	-	-	11
At 31 December 2007	236	115	338	689
Accumulated Depreciation				
At 1 January 2007	147	8	169	324
Depreciation charge for the year	29	11	68	108
At 31 December 2007	176	19	237	432
Net Book Value	60	96	101	257

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

(a) The following properties of the Group stated at directors' valuation are based on independent professional valuation of land and buildings of the Group at their market values at the date of valuation:

Year of Valuation	Description of Property	Valuation RM'000
1983	Freehold land and buildings	10,460

These land and buildings have continued to be stated on the basis of their 1983 valuation as allowed by the transitional provisions issued by the Malaysian Accounting Standards Board upon adoption of International Accounting Standard 16 (Revised), Property, Plant and Equipment.

At 31 December 2008, had the revalued freehold land and buildings been carried at historical cost, the net book value would have been as follows:

	The Group	
	2008 RM'000	2007 RM'000
Freehold land and buildings	1,272	1,388

(b) The net book values of property, plant and equipment pledged for borrowings as disclosed in Note 34 is as follows:

	The Group	
	2008 RM'000	2007 RM'000
Freehold land	14,503	10,182
Plant and machinery	4,071	4,454
	18,574	14,636

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

16. INVESTMENT PROPERTIES

	The Group	
	2008 RM'000	**2007 RM'000**
Net carrying amount		
At 1 January	13,929	16,952
Transfer from non-current assets classified as held for sale (Note 31)	8,713	-
Depreciation charge for the year	(167)	(195)
Disposal	-	(2,828)
At 31 December	22,475	13,929
At 1 January		
Cost	15,488	18,502
Accumulated depreciation	(1,559)	(1,550)
Net carrying amount	13,929	16,952
At 31 December		
Cost	15,488	15,488
Transfer from non-current assets classified as held for sale (Note 31)	8,713	-
Accumulated depreciation	(1,726)	(1,559)
Net carrying amount	22,475	13,929
Represent:		
Freehold land	11,161	2,449
Freehold buildings	1,917	1,966
Leasehold land and building	9,397	9,514
	22,475	13,929

Rental income earned by the Group from the investment properties, all of which are leased out under operating leases, amounted to RM1,686,000 (2007: RM1,694,000).

Fair value of the investment properties of the Group as at 31 December 2008 is estimated at RM26,518,000 (2007: RM 17,462,000) based on directors' assessment of the current prices in an active market for the respective properties within each vicinity.

Certain investment properties of the Group which were previously recorded as property, plant and equipment were stated at directors' valuation based on independent professional valuation at their market values in 1984.

Year of Valuation	Description of Property	Valuation RM'000
1984	Leasehold buildings	1,415
	Freehold land and buildings	250

As permitted by the transitional provisions of FRS 140, the last revalued amounts stated above less accumulated depreciation are now treated as the surrogate carrying amounts of investment properties.

17. PREPAID LAND LEASE PAYMENTS

	The Group	
	2008 RM'000	2007 RM'000
At 1 January	35,783	30,070
Additions	8,066	6,138
Amortisation for the year	(501)	(425)
At 31 December	43,348	35,783
Analysed as:		
Long term leasehold land	41,881	34,257
Short term leasehold land	1,467	1,526
	43,348	35,783

Certain prepaid land lease payments were stated at directors' valuation based on independent professional valuation of long term leasehold land of the Group at their market values at the date of valuation:

Year of Valuation	Description of Property	Valuation RM'000
2002	Long term leasehold land in Gombak, Rawang, Selangor Darul Ehsan	3,580

As permitted by the transitional provisions of FRS 117, the last revalued amount stated above less accumulated amortisation is now treated as the surrogate carrying amount of prepaid land lease payments.

Long term leasehold land of the Group amounting to RM2,306,000 (2007: RM2,332,000) are pledged for borrowings as disclosed in Note 34.

As at 31 December 2008, the unexpired lease periods of the Group are as follows:

	The Group	
	2008 RM'000	2007 RM'000
Within 31 to 60 years	1,467	1,526
Within 61 to 99 years	41,881	34,257
	43,348	35,783

18. INVESTMENT IN SUBSIDIARIES

	The Company	
	2008 RM'000	2007 RM'000
Unquoted shares, at cost	114,549	111,855
Less: Accumulated impairment losses	(608)	(608)
	113,941	111,247

Details of the subsidiaries are disclosed in Note 49.

(a) Acquisition of additional equity interest in subsidiaries

(i) On 8 May 2008, the Group acquired additional 1,620,246 ordinary shares of RM1.00 each in WSA Capital Coporation Sdn. Bhd. ("WSACC") representing 21.52% of the issued and paid-up share capital of WSACC from Med-Bumikar Mara Sdn. Bhd. ("MBMSB"), the holding company of the Company, for total cash consideration of RM2,000,000. With the completion of the acquisition, the Group's equity interest in WSACC increased from 51.80% to 73.32%. The acquisition has given rise to a goodwill on acquisition of RM1,253,000.

(ii) On 17 November 2008, the Company entered into a Shareholders' Agreement with Teknikhas Holdings Sdn. Bhd. ("THSB"), Meridian Residence Sdn. Bhd. ("MRSB") and Inai Benua Sdn. Bhd. ("IBSB"), details as disclosed in Note 45. Pursuant to this, the Company subscribed for an additional 699,998 ordinary shares of RM1 each representing 69.99% of the enlarged issued and paid-up share capital of IBSB, for a cash consideration of RM699,998. The new issuance of shares and subscription by the respective shareholders were completed on 12 December 2008 and the Group's equity interest in IBSB decreased from 100% (2 ordinary shares of RM1 each) to 70% (700,000 ordinary shares of RM1 each).

(iii) On 28 February 2008, Federal Auto Holdings Bhd., an indirect 86% owned subsidiary of the Company, subscribed for an additional 1,400,000 ordinary shares of RM1 each in F.A. Automobiles Sdn. Bhd., an existing wholly owned subsidiary, for a cash consideration of RM1,400,000.

(b) Disposal of a subsidiaries

On 28 August 2008, the Company disposed its entire 100% equity interest in Auto Style Enterprise Limited (including its wholly owned subsidiary, Sun Motors Limited) to MBMSB for a total cash consideration of RM41,960.

The effects of the disposal on the financial position and results of the Group are not material.

19. INVESTMENT IN ASSOCIATES

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
In Malaysia:				
Unquoted shares, at cost	180,989	190,174	173,989	183,174
Share of post-acquisition reserves	324,998	292,301	-	-
	505,987	482,475	173,989	183,174
Represented by:				
Share of net assets	499,964	476,452		
Goodwill on acquisition	6,023	6,023		
	505,987	482,475		

Details of the associates are disclosed in Note 50.

On 13 February 2008, the Company disposed of its entire 39.90% equity interest in MBM Industries Sdn. Bhd., an associate of the Company, comprising of 7,180,000 ordinary shares of RM1 each, to Ewein Berhad ("Ewein") for a total consideration of RM19,738,017, fully satisfied by the issuance of 39,476,034 new ordinary shares of RM0.50 each in Ewein, representing 37.43% equity interest of the enlarged issued and paid-up share capital of Ewein.

Subsequently, the Company completed the restricted offer for sale to Med-Bumikar Mara Sdn. Bhd. ("MBMSB"), the holding company of the Company, in respect of its 21,358,477 ordinary shares of RM0.50 each in Ewein for RM14,950,934 or RM0.70 per share.

On 28 March 2008, the Company completed the disposal of the remaining 18,117,557 ordinary shares of RM0.50 each in Ewein through a non-renounceable restricted offer for sale by the Company to the public shareholders of the Company other than MBMSB, Central Shore Sdn Bhd and Malayan Building Development Sdn Bhd at an offer price of RM0.70 per share in conjunction with the listing of Ewein on the Second Board of Bursa Malaysia Securities Berhad.

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19. INVESTMENT IN ASSOCIATES (cont'd)

The summarised financial information of the associates are as follows:

	2008 RM'000	2007 RM'000
Assets and liabilities		
Non-current assets	1,360,562	1,287,681
Current assets	1,297,521	1,150,217
Total assets	2,658,083	2,437,898
Non-current liabilities	571	4,674
Current liabilities	714,610	603,885
Total liabilities	715,181	608,559
Net assets	1,942,902	1,829,339
Group's share of assets	499,964	476,452
Results		
Revenue	7,445,250	7,044,310
Profit for the year	293,996	320,154
Group's share of profit for the year	79,384	86,817

The financial year ends of the associates are coterminous with the financial year end of the Group, except for Hino Motors (Malaysia) Sdn. Bhd. which has a financial year end of 31 March. For the purpose of applying the equity method of accounting, the share of results of the associates is arrived at based on the management financial statements.

20. JOINTLY CONTROLLED ENTITY

	The Group	
	2008 RM'000	2007 RM'000
In Malaysia:		
Unquoted shares, at cost	54	54

Details of the jointly controlled entity are disclosed in Note 51.

21. OTHER INVESTMENT

	The Group and The Company	
	2008 RM'000	2007 RM'000
Unquoted bonds, at cost	2,360	2,600
Less: Accumulated impairment loss	(2,360)	(2,600)
	-	-

The unquoted bonds were matured on 28 December 2007 and an amount of RM240,000 (2007: RM1,400,000) was recovered during the current financial year. Full provision for impairment loss has been made as the directors are of the opinion that the carrying amount is unlikely to be recovered.

22. HIRE PURCHASE RECEIVABLES

	The Group	
	2008 RM'000	2007 RM'000
Minimum hire purchase receivables:		
Not later than 1 year	3,541	5,913
Later than 1 year and not later than 2 year	877	2,828
Later than 2 years and not later than 5 years	46	1,145
	4,464	9,886
Less: Future finance charges	(326)	(843)
Present value of hire purchase receivables	4,138	9,043
Less: Allowance for doubtful debts	(1,259)	(1,554)
	2,879	7,489
Analysed as:		
Due within 12 months (Note 25)	2,047	5,913
Due after 12 months	832	1,576
	2,879	7,489

During the financial year, the Group wrote off hire purchase receivables amounting to RM394,000 (2007: RM685,000) against allowance for doubtful debts.

The effective interest rate at the balance sheet date was 9.2% (2007: 9.2%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

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23. GOODWILL ON CONSOLIDATION

	The Group	
	2008 RM'000	2007 RM'000
Cost:		
At 1 January	13,546	12,878
Acquisition of subsidiary (Note 18 (a))	1,253	668
At 31 December	14,799	13,546

Impairment test for goodwill

Goodwill has been allocated to the Group's cash generating units ("CGUs") identified according to the particular business segment as follows:

	The Group		
	2008 RM'000	2007 RM'000	Discount rate
Manufacturing of automotive components	14,131	12,878	8%
Trading of motor vehicles, spare parts and other related activities	668	668	8%
	14,799	13,546	

The recoverable amount of CGU is determined based on value in use calculations applying a discounted cash flow model based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are projected based on the assumptions that the 5th year operating cash flow will be generated by the respective CGUs perpetually. Discount rate used is based on the pre-tax weighted average cost of capital.

Management believes that any reasonably possible change in the key assumptions would not cause the carrying values of the goodwill to materially exceed their recoverable amounts.

24. INVENTORIES

	The Group	
	2008 RM'000	2007 RM'000
At cost:		
Completed and unassembled vehicles	106,562	83,392
Raw materials	13,629	9,890
Work in progress	9,373	2,496
Parts and consumables	8,182	7,591
Finished goods	4,997	2,996
	142,743	106,365

25. TRADE RECEIVABLES

	The Group	
	2008 RM'000	2007 RM'000
Trade receivables	64,794	80,923
Hire purchase receivables (Note 22)	2,047	5,913
	66,841	86,836
Less: Allowance for doubtful debts	(3,139)	(2,457)
	63,702	84,379

Included in trade receivables of the Group is an amount of RM3,719,000 (2007: RM4,605,000) due from subsidiaries of Perusahaan Otomobil Kedua Sdn. Bhd., an associate of the Group.

The Group's normal trade credit term granted to customers ranges from 14 days to 120 days (2007: 14 days to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

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

26. OTHER RECEIVABLES AND PREPAID EXPENSES

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Deposits and advances paid	2,045	8,964	46	-
Incentive due from a supplier	6,655	6,228	-	-
Prepayments	5,115	4,004	-	-
Sundry receivables	4,486	2,569	36	-
	18,301	21,765	82	-

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

27. AMOUNT OWING BY ASSOCIATES/AMOUNT OWING TO HOLDING COMPANY AND SUBSIDIARIES

Amount owing by associates and amounts owing to holding company and subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

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28. AMOUNT OWING BY SUBSIDIARIES

Analysis of amount owing by subsidiaries is as follows:

	The Company	
	2008 RM'000	2007 RM'000
Interest free	63,921	62,147
Bear interest at 8% per annum	4,899	3,756
	68,820	65,903

Amount due from subsidiaries is unsecured and has no fixed terms of repayment.

29. SHORT TERM INVESTMENT

	The Group	
	2008 RM'000	2007 RM'000
Al-Mudharabah General Investment	134	251

Deposits in the form of Al-Mudharabah General Investment of a subsidiary are on lien to a bank in relation to the Al-Mudharabah financing facility obtained from the bank.

30. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash on hand and at banks	23,585	31,378	371	56
Deposits with licensed banks	104,072	79,343	33,797	3,300
Cash and bank balances	127,657	110,721	34,168	3,356
Less: Bank overdrafts (Note 34)	(7,211)	(11,031)	-	(8,000)
Cash and cash equivalents	120,446	99,690	34,168	(4,644)

The effective interest rates of deposits with licensed banks of the Group and of the Company at the balance sheet date range from 2.8% to 3.4% (2007: 2.8% to 3.0%) per annum.

The average maturities of deposits with licensed banks of the Group and of the Company at the balance sheet date range from 7 days to 90 days (2007: 15 days to 90 days).

31. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	The Group	
	2008 RM'000	2007 RM'000
Net carrying amount upon classification as held for sale:		
Long term leasehold land (a)	6,103	6,103
Freehold land (b)	-	8,713
	6,103	14,816

(a) This represents a piece of long term leasehold land of a subsidiary located at Port Klang, Selangor, which had been previously revalued by an independent professional valuer based on open market value. The subsidiary had entered into a conditional sale and purchase agreement with a third party to dispose of this land. The disposal has not been completed as at 31 December 2008.

(b) This represents a piece of freehold land of a subsidiary located at Klang, Selangor. The Group made a commitment in prior year to dispose of this asset. However, in 2008, the Group decided to continue to hold the said land for long term capital appreciation and, accordingly, the land has been reclassified as investment properties.

32. SHARE CAPITAL

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Authorised:				
At 1 January/31 December	500,000	500,000	500,000	500,000
Issued and fully paid:				
At 1 January	242,024	238,537	242,024	238,537
Exercise of ESOS	49	3,487	49	3,487
At 31 December	242,073	242,024	242,073	242,024

(a) During the financial year, the issued and paid-up share capital of the Company was increased from RM242,023,667 to RM242,072,667 by the issuance of 49,000 new ordinary shares of RM1.00 each at an issue price of RM2.43 per share for cash pursuant to the exercise of options under the Company's ESOS.

The resulting share premium of RM70,070 arising from the issue of shares had been credited to the share premium account.

The new ordinary shares issued during the current financial year rank *pari passu* in all respects with the then existing ordinary shares of the Company.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

32. SHARE CAPITAL (cont'd)

(b) The Company's ESOS is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 15 August 2002. The ESOS was implemented on 2 September 2002.

The main features of the ESOS are as follows:

(i) The ESOS shall be in force for a period of ten years from the date of the receipt of the last of the requisite approvals.

(ii) Eligible persons are employees of the Group (including executive directors) who have been confirmed in the employment of the Group and have served for at least one year before the date of the offer. The eligibility for participation in the ESOS shall be at the discretion of the Option Committee appointed by the Board of Directors.

(iii) The total number of shares to be issued under the ESOS shall not exceed in aggregate 10% of the issued and paid-up share capital of the Company at any point in time during the tenure of the ESOS.

(iv) The option price for each share shall be based on the weighted average market price of the shares as shown in the daily official list issued by Bursa Malaysia Securities Berhad for the 5 market days immediately preceding the date of offer subject to a discount of not more than 10%, or the par value of the shares of the Company of RM1, whichever is the higher.

(v) No option shall be granted for less than 1,000 shares nor more than 23,166,667 shares to any eligible employee.

(vi) An option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company commencing from the date of the offer but before the expiry of ten years from the date of the receipt of the last of the requisite approvals.

(vii) The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

The movement in the number of share options during the financial year are as follows:

		Number of Share Options			
	Exercise Price RM	**At 1 January 2008 '000**	**Granted '000**	**Exercised '000**	**At 31 December 2008 '000**
Grant date					
September 2002	2.54	1,895	-	-	1,895
October 2005	2.43	1,589	-	(49)	1,540
		3,484	-	(49)	3,435

32. SHARE CAPITAL (cont'd)

	Exercise Price RM	Number of Share Options: 1 January 2007 '000	Granted '000	Exercised '000	At 31 December 2007 '000
Grant date					
September 2002	2.54	3,437	-	(1,542)	1,895
October 2005	2.43	3,534	-	(1,945)	1,589
		6,971	-	(3,487)	3,484

Details of share options exercised during the year and the fair value, at exercise date, of ordinary shares issued are as follows:

Period Exercised	Exercise price RM	Fair values of ordinary shares RM	Number of share options '000	Considera-tion received RM'000
2008				
January to December 2008	2.54	2.55	-	-
January to December 2008	2.43	2.55	49	119
				119
Less: Par value of ordinary shares				(49)
Share premium				70
2007				
January to December 2007	2.54	3.06	1,542	3,917
January to December 2007	2.43	3.06	1,945	4,726
				8,643
Less: Par value of ordinary shares				(3,487)
Share premium				5,156

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

33. RESERVES

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Non-distributable:				
Share premium	30,539	30,469	30,539	30,469
Distributable:				
Retained earnings	576,459	493,447	119,789	50,474
	606,998	523,916	150,328	80,943

(a) Share Premium

Share premium arose from the issuance of ordinary shares at a premium in the current and prior financial years.

(b) Retained Earnings

In accordance with the Finance Act 2007, the single tier income tax system became effective from the year of assessment 2008. Under this system, tax on a company's profit is a final tax and dividends paid are exempted from tax in the hands of the shareholders. Unlike the previous imputation system, the recipient of the dividend will no longer be able to claim any tax credit.

Companies without Section 108 tax credit will automatically move to the single tier tax system on 1 January 2008. However, companies with such tax credits are given an irrevocable option to elect for the single tier tax system and disregard the tax credit or to continue to use the tax credits under Section 108 account to frank the payment of cash dividends on ordinary shares for a period of 6 years ending 31 December 2013 or until the tax credits are fully utilised, whichever comes first. During the transitional period, any tax paid will not be added to the Section 108 account and any tax credits utilised will reduce the tax credit balance. All companies will be in the new system on 1 January 2014.

During the current financial year, the Company has elected to switch to the single tier income tax system.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

34. BORROWINGS

	The Group		The Company	
	2008 RM'000	**2007 RM'000**	**2008 RM'000**	**2007 RM'000**
Short Term Borrowings				
Unsecured:				
Bank overdrafts	454	8,000	-	8,000
Secured:				
Bank overdrafts	6,757	3,031	-	-
Bankers' acceptances	7,982	13,079	-	-
Term loans	56	2,281	-	-
Trade loans	3,032	1,816	-	-
Trust receipts	73	1,003	-	-
	17,900	21,210	-	-
	18,354	29,210	-	8,000
Long Term Borrowings				
Secured:				
Term loans	16,916	14,468	-	-
Total Borrowings				
Bank overdrafts	7,211	11,031	-	8,000
Bankers' acceptances	7,982	13,079	-	-
Term loans	16,972	16,749	-	-
Trade loans	3,032	1,816	-	-
Trust receipts	73	1,003	-	-
	35,270	43,678	-	8,000

Borrowings are repayable as follows:

	The Group 2008 RM'000	The Group 2007 RM'000	The Company 2008 RM'000	The Company 2007 RM'000
Within one year	18,354	29,210	-	8,000
More than 1 year and less than 2 years	2,157	2,512	-	-
More than 2 year and less than 5 years	4,847	3,445	-	-
More than 5 years	9,912	8,511	-	-
	35,270	43,678	-	8,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

34. BORROWINGS (cont'd)

(a) The secured bank overdrafts, bankers' acceptances, trade loans, term loans and trust receipts are secured by the following:

(i) first legal charge on plant and machinery and freehold land of certain subsidiaries as disclosed in Note 15(b);

(ii) a deed of assignment cum loan agreement over leasehold land owned by a subsidiary as disclosed in Note 17;

(iii) a debenture incorporating a fixed and floating charge over the assets of subsidiaries, both present and future;

(iv) assignment of contract proceeds from certain receivables; and

(v) corporate guarantees by the Company, holding company and a subsidiary.

(b) The average effective interest rates per annum of the borrowings are as follows:

	The Group		The Company	
	2008 %	2007 %	2008 %	2007 %
Bank overdrafts	5.2	8.4	-	8.3
Bankers' acceptances	5.4	5.1	-	-
Term loans	8.2	8.1	-	-
Trade loans	4.7	5.3	-	-
Trust receipts	8.8	8.7	-	-

35. DEFERRED TAX LIABILITIES

	The Group	
	2008 RM'000	2007 RM'000
At 1 January	543	680
Recognised in the income statement (Note 12)	94	(137)
At 31 December	637	543
Presented after appropriate offsetting as follows:		
Deferred tax liabilities	2,079	2,549
Deferred tax assets	(1,442)	(2,006)
	637	543

35. DEFERRED TAX LIABILITIES (cont'd)

The component and movement of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Revaluation reserve RM'000	Property, plant and equipment RM'000	Total RM'000
At 1 January 2008	89	2,460	2,549
Recognised in the income statement	(1)	(469)	(470)
At 31 December 2008	88	1,991	2,079
At 1 January 2007	276	2,697	2,973
Recognised in the income statement	(187)	(237)	(424)
At 31 December 2007	89	2,460	2,549

Deferred tax assets of the Group:

	Provisions RM'000	Unused tax losses and unabsorbed capital allowances RM'000	Total RM'000
At 1 January 2008	(1,339)	(667)	(2,006)
Recognised in the income statement	409	155	564
At 31 December 2008	(930)	(512)	(1,442)
At 1 January 2007	(1,635)	(658)	(2,293)
Recognised in the income statement	296	(9)	287
At 31 December 2007	(1,339)	(667)	(2,006)

NOTES TO THE FINANCIAL STATEMENTS

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35. DEFERRED TAX LIABILITIES (cont'd)

The tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to net deferred tax assets are generally recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of 31 December 2008, the estimated amount of deferred tax asset calculated at the current tax rate, which has not been recognised in the financial statements due to uncertainty of its realisation, is as follows:

	The Group Deferred Tax Asset	
	2008 RM'000	**2007 RM'000**
Unused tax losses	4,083	5,465
Unabsorbed capital allowances	835	1,051
Others	422	167
	5,340	6,683

The unused tax losses and unabsorbed capital allowances, subject to the agreement by the tax authorities, are available for offset against future chargeable income.

36. PROVISION FOR RETIREMENT BENEFITS

	The Group		The Company	
	2008 RM'000	**2007 RM'000**	**2008 RM'000**	**2007 RM'000**
At 1 January	1,157	1,328	-	-
Provision during the year:				
Defined benefit plans (Note 8)	581	525	-	-
Retirement gratuity	1,095	-	1,095	-
Contribution paid during the year	(612)	(696)	-	-
Reversal during the year	(78)	-	-	-
At 31 December	2,143	1,157	1,095	-

Daihatsu Group operates a funded, defined benefit Retirement Benefit Scheme ("Scheme") for its eligible employees. Contributions to the Scheme are made to a separately administered fund. The Company and WSAE Subsidiaries operate an unfunded Scheme for the eligible employees. Under both Schemes, eligible employees are entitled to retirement benefits of final salary on attainment of the retirement age of 55.

36. PROVISION FOR RETIREMENT BENEFITS (cont'd)

The amounts recognised in the balance sheets are determined as follows:

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Provision for unfunded defined benefit obligations	1,006	1,122	-	-
Provision for unfunded retirement gratuity	1,095	-	1,095	-
	2,101	1,122	1,095	-
Present value of funded defined benefit obligations	3,395	3,051	-	-
Fair value of plan assets	(3,935)	(3,924)	-	-
	(540)	(873)	-	-
Unrecognised actuarial gains	582	908	-	-
	42	35	-	-
Total	2,143	1,157	1,095	-

The amounts recognised in the income statements are as follows:

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Defined benefits plan				
Current service cost	642	584	-	-
Interest cost	191	180	-	-
Expected return on Scheme assets	(252)	(239)	-	-
Total, included in employee benefits expense (Note 8)	581	525	-	-
Retirement gratuity				
Current service cost	1,095	-	1,095	-
Total	1,676	525	1,095	-

The actual return on the plan assets of the Group was RM212,000 (2007: RM199,000).

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

36. PROVISION FOR RETIREMENT BENEFITS (cont'd)

Principal actuarial assumptions used are as follows:

	The Group	
	2008 %	2007 %
Discount rate	6.0	6.0
Average salary increase	5.0	5.0
Expected rate of return on plan assets	6.0	5.5

37. PROVISION FOR LIABILITIES

The Group	Warranty RM'000	Service Maintenance RM'000	Contingent Liabilities RM'000	Total RM'000
At 1 January 2007	1,379	1,648	2,475	5,502
Additional provision during the year	295	185	-	480
Utilisation during the year	-	-	(100)	(100)
Reversal during the year	(889)	(286)	(100)	(1,275)
At 31 December 2007	785	1,547	2,275	4,607
Additional provision during the year	-	461	642	1,103
Utilisation during the year	-	(441)	(20)	(461)
Reversal during the year	-	(917)	(1,470)	(2,387)
At 31 December 2008	785	650	1,427	2,862

Provision for warranty is made based on the estimated liability on all products under warranty. A provision for warranty is recognised for products under warranty at the balance sheet date based on past claims experience arising during the period of warranty.

Provision for service maintenance is made for the estimated liability for service maintenance under warranty. A provision for service maintenance is recognised for service maintenance under warranty at the balance sheet date based on number of cars sold.

Provision for contingent liabilities is made based on the estimated liability for industrial relations and civil cases. A provision is recognised for industrial relations and civil cases at the balance sheet date based on an assessment as to the likelihood of such claims crystallising.

38. TRADE PAYABLES

Included in trade payables of the Group is an amount of RM11,882,705 (2007: RM1,428,900) due to a subsidiary of Perusahaan Otomobil Kedua Sdn. Bhd., an associate.

The normal trade credit terms granted to the Group by trade payables ranges from 2 days to 90 days (2007: 2 days to 90 days).

39. OTHER PAYABLES AND ACCRUED EXPENSES

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Accruals	6,987	9,968	324	1,215
Sundry payables	3,190	4,062	-	-
Deposits received from customers	2,010	3,435	-	-
Sales tax and import duties payable	1,274	956	-	-
Accruals for dealers and salesmen incentives	284	300	-	-
Amount due for insurance premium on vehicles sold	294	200	-	-
	14,039	18,921	324	1,215

40. HIRE PURCHASE PAYABLES

	The Group	
	2008 RM'000	2007 RM'000
Minimum hire purchase payments:		
Within one year	406	892
In the second to fifth years inclusive	148	665
	554	1,557
Less: Future finance charges	(73)	(156)
Present value of hire purchase payables	481	1,401
Analysed as:		
Due within one year	300	818
Due in the second to fifth years inclusive	181	583
	481	1,401

Hire purchase payables bear interest at rates ranging from 3.15% to 5.91% (2007: 3.15% to 5.91%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

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41. PRIOR YEAR ADJUSTMENTS

In prior year, an associate of the Group had early adopted the revised FRS 112: Income Taxes. This revised standard has removed the relevant provisions in FRS 112 which explicitly prohibit the recognition of deferred tax on reinvestment allowances or other allowances in excess of capital allowances. Therefore, entities with unused investment tax allowances ("ITA") and reinvestment allowances ("RA") will have to recognise deferred tax asset on such unused ITA and RA, to the extent that it is probable that future taxable profit will be available against which the unused ITA and RA can be utilised. The associate adopted the revised standard financial year ended 31 December 2007.

During the financial year, the Group adopted all the revised FRSs issued by MASB that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2008 as described in Note 2. The Group made adjustments in respect of the adoption of the revised FRS 112 which resulted in the Group changing its accounting policy to recognise deferred tax asset on unused ITA and RA, to the extent that is probable that future taxable profit will be available against which the unused ITA and RA can be utilised. This change in accounting policy has been accounted for retrospectively and effects of these changes are shown as prior year adjustments as follows:

	As previously stated RM'000	Adoption of FRS 112 RM'000	As restated RM'000
Consolidated balance sheet as of 31 December 2007			
Investment in associates	474,989	7,486	482,475
Retained earnings	486,387	7,060	493,447
Minority interests	120,149	426	120,575
Consolidated statement of changes in equity as of 31 December 2006			
Retained earnings	397,231	7,060	404,291
Minority interests	118,848	426	119,274
Total equity	779,929	7,486	787,415

42. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company have the following transactions with related parties during the financial year:

	The Group	
	2008 RM'000	2007 RM'000
Purchases from Daihatsu Motor Co. Ltd., its subsidiaries and associates*	205,099	144,569
Purchases from a subsidiary of Perusahaan Otomobil Kedua Sdn Bhd ("Perodua")	507,760	473,160
Sales to subsidiaries of Perodua	53,548	52,703
Purchases from Toyota Tsusho Co., its subsidiaries and associates	19,098	15,148
Central Motor Wheels Co:		
Royalty fee payable	699	668
Technical fee payable	54	153
Development expenses	143	116
Med-Bumikar Mara Sdn Bhd, the holding company:		
Consideration received for the disposal of shares	14,951	-

42. RELATED PARTY TRANSACTIONS (cont'd)

	The Company	
	2008 RM'000	**2007 RM'000**
Gross dividends from:		
Subsidiaries	33,605	33,588
Associates	28,240	17,542
Med-Bumikar Mara Sdn Bhd, the holding company:		
Consideration received for the disposal of shares	14,951	-

* Includes subsidiaries and associates of Daihatsu Motor Co., Ltd. other than the subsidiaries of the Company.

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Related parties and the relationships are described as follows:

Related Parties	Nature of Relationship
Toyota Tsusho Co. ("TT")	TT is a corporate shareholder of Oriental Metal Industries (M) Sdn. Bhd. ("OMI"), a subsidiary of the Company
Central Motors Wheels Co. ("CMW")	CMW is a corporate shareholder of OMI
Daihatsu Motor Co. Ltd. ("DMC")	DMC is a corporate shareholder of Daihatsu (Malaysia) Sdn. Bhd, a subsidiary of the Company
Perusahaan Otomobil Kedua Sdn. Bhd. ("Perodua")	Perodua is an associate of the Company

(b) Compensation of key management personnel are as follows:

	The Group		The Company	
	2008 RM'000	**2007 RM'000**	**2008 RM'000**	**2007 RM'000**
Short term employee benefits	1,373	1,092	391	395
Employees Provident Fund	63	82	41	40
Other benefits	30	30	-	-
Total compensation of key management personnel	1,466	1,204	432	435
Consist of amount paid to:				
Directors of the Company	1,116	761	432	435
Directors of subsidiaries	350	443	-	-
	1,466	1,204	432	435

(c) As of 31 December 2008, the share options granted to a director of the Company pursuant to the ESOS of the Company that remain unexercised amounted to 150,000 options.

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43. CAPITAL COMMITMENT

As of 31 December 2008, the Group has the following capital commitments:

	The Group	
	2008 RM'000	2007 RM'000
Approved and contracted for in respect of purchase of property, plant and equipment	14,278	17,600

44. CONTINGENT LIABILITIES

(a) Corporate Guarantee

The Company is contingently liable to financial institutions for corporate guaranteed given to the financial institutions for credit facilities granted to certain subsidiaries. As of 31 December 2008, the credit facilities obtained by the subsidiaries amounted to RM20,302,000 (2007: RM19,760,000).

(b) Industrial Relations

The Company's indirect 86% owned subsidiary, Federal Auto Holdings Berhad ("FAHB") has litigations in relation to constructive dismissal of employees and product liability claims. Provisions of RM881,000 has been recognised for expected claims arising from these litigations. The directors of FAHB are of the opinion that the possibility of these claims exceeding the amount provided is remote.

45. SIGNIFICANT EVENT

The following is the significant event other than those relating to the Group's investment in subsidiaries and investments in associates which has been disclosed in Note 18 (a), 18 (b) and Note 19.

On 17 November 2008, the Company entered into a Shareholders' Agreement with Teknikhas Holdings Sdn. Bhd. ("THSB"), Meridian Residence Sdn. Bhd. ("MRSB") and Inai Benua Sdn. Bhd. ("IBSB") to formalise the Company, THSB and MRSB's relationship as shareholders of the Joint Venture Company, IBSB, for the purpose of developing Lot 15 (No. 9 Jalan Klang, Kuala Lumpur where the existing showroom, workshop and office of Federal Auto Holdings Berhad ("FAHB") are) and the surrounding land into a high-rise commercial office block with showrooms on the ground floor for owner occupation, sale or rent. Pursuant to the Shareholders' Agreement, IBSB increased its issued and paid-up capital from RM2 (2 ordinary shares of RM1 each) to RM1,000,000 (1,000,000 ordinary shares of RM1 each) and the additional ordinary shares were subscribed by the Company, THSB and MRSB in the proportion of 70%, 20% and 10% respectively. The Company subscribed for an additional of 699,998 ordinary shares at RM1 each. With the completion of new issuance of shares by IBSB and subscriptions by respective shareholders, the Group's equity interest in IBSB was decreased from 100% (2 ordinary shares of RM1 each) to 70% (700,000 ordinary shares of RM1 each).

46. SUBSEQUENT EVENTS

(a) Subsequent to the Shareholders' Agreement entered into as mentioned in Note 45, on 14 January 2009, IBSB and FAHB entered into a Joint Venture Agreement ("JVA") for the purpose of developing Lot 15.

(b) On 31 March 2009, the Company's 86% owned subsidiary Federal Auto Holdings Berhad's wholly owned subsidiary F.A. Wagen Sdn. Bhd. entered into an agreement with Volkswagen Group Malaysia Sdn. Bhd. to mutually terminate the dealer agreement entered on 25 May 2007.

47. SEGMENT INFORMATION

The Group's operating businesses are organised into three major business segments:

(i) Investment holding
(ii) Marketing and distribution of motor vehicles and other related activities
(iii) Manufacturing of automotive parts, vehicle body building and other related activities

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

No analysis of geographical segment is presented as the Group operates principally in Malaysia.

Segment revenue and expenses: Segment revenue and expenses are the operating revenue and expense reported in the Group's income statement that are directly attributable to a segment and the relevant portion of such revenue and expenses that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of operating receivables, inventories and property, plant and equipment, net of allowances and provisions. Capital additions include the total cost incurred to acquire property, plant and equipment directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of account payables and accruals.

Investment in associates: Income from associates are allocated as they are specifically attributable to business segments, and correspondingly the investments in associates are included as segment assets of the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

47. SEGMENT INFORMATION (cont'd)

	Investment holding		Marketing and distribution of motor vehicles and other related activities		Manufacturing of automotive parts, vehicle body building and other related activities		Eliminations		Consolidated	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
REVENUE AND EXPENSES										
Revenue										
External revenue	181	134	1,018,825	987,612	130,460	93,164	-	-	1,149,466	1,080,910
Inter-segment revenue	63,699	60,356	-	-	1,001	933	(64,700)	(61,289)	-	-
Total revenue	63,880	60,490	1,018,825	987,612	131,461	94,097	(64,700)	(61,289)	1,149,466	1,080,910
Results										
Profit from operations	66,187	59,333	56,502	51,098	17,441	9,164	(70,076)	(64,799)	70,054	54,796
Finance costs	(268)	(1,898)	(763)	(619)	(1,832)	(1,773)	356	315	(2,507)	(3,975)
Interest income	1,901	654	1,752	1,695	562	488	(1,252)	-	2,963	2,837
Share of results of associates									79,384	86,817
Income tax expense									(11,951)	(13,648)
Profit for the year									137,943	126,827
Attributable to:										
Equity holders of the Company									117,144	110,523
Minority interests									20,799	16,304
									137,943	126,827

47. SEGMENT INFORMATION (cont'd)

	Investment holding		Marketing and distribution of motor vehicles and other related activities		Manufacturing of automotive parts, vehicle body building and other related activities		Eliminations		Consolidated	
	2008 RM'000	As restated 2007 RM'000	As restated 2008 RM'000	As restated 2007 RM'000	As restated 2008 RM'000	As restated 2007 RM'000	As restated 2008 RM'000	As restated 2007 RM'000	As restated 2008 RM'000	As restated 2007 RM'000
ASSESTS AND LIABILITIES										
Segment assets	61,716	26,668	377,649	380,793	131,711	111,371	-	-	571,076	518,832
Investment in associates	-	19,874	505,987	462,601	-	-	-	-	505,987	482,475
Consolidated total assets									1,077,063	1,001,307
Segment liabilities	2,837	9,681	48,623	66,257	45,955	38,854	-	-	97,415	114,792
OTHER INFORMATION										
Capital expenditure	590	11	19,442	16,670	8,741	13,358	-	-	28,773	30,039
Depreciation	111	107	4,511	5,159	4,155	4,323	-	-	8,777	9,589
Amortisation	-	-	327	251	174	174	-	-	501	425
Impairment loss	-	-	-	28	-	-	-	-	-	28
Other significant non-cash expenses:										
Provisions	1,095	-	1,462	931	222	74	-	-	2,779	1,005

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

48. FINANCIAL RISK MANAGEMENT

The operation of the Group are subject to a variety of financial risks, including foreign exchange risk, interest rate risk, credit risk, liquidity risk and cash flow risk. The Group has taken measures to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

(a) Foreign Exchange Risk

The Group transacts business in various foreign currencies, including the United States dollar and Japanese Yen and therefore is exposed to foreign exchange risk.

As of 31 December 2008, the fair value of the foreign currency forward contract of the Group is as follows:

	2008		2007	
	Contracted Value RM'000	Fair Value RM'000	Contracted Value RM'000	Fair Value RM'000
Off Balance Sheet Item				
Foreign currency forward contract	16,591	17,119	6,784	7,013

The fair value of the foreign currency forward exchange contract is the amount that would be payable or receivable on the termination of the outstanding position and is determined by reference to the difference between the contracted rate and forward exchange rate as at the balance sheet date applied to a contract of a similar quantum and maturity profile.

(b) Interest Rate Risk

The Group's primary interest rate risk relates to interest bearing borrowings. The investment in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits.

The Group manages its interest rate exposure by maintaining a mixture of fixed and floating rate borrowings. The Group reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The information on maturity dates and effective interest rates of the financial assets and liabilities are disclosed in their respective notes.

(c) Credit Risk

The Group's principal financial assets are cash and bank balances, trade and other receivables and investments.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowance for doubtful debts. An allowance for doubtful debts is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the receivables.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

48. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Liquidity Risk

The Group maintains sufficient cash and cash equivalents, credit facilities and internally generated cash flows to finance its activities.

(e) Cash Flow Risk

The Group reviews its cash position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

Fair Values

The carrying amounts of financial assets and financial liabilities of the Group and of the Company at the balance sheet date approximate their fair values due to their relatively short term maturity except for the following:

		The Group		The Company	
	Note	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Financial assets					
At 31 December 2008					
Other investment	21	-	*	-	*
Hire purchase receivables	22	832	750	-	-
At 31 December 2007					
Other investment	21	-	*	-	*
Hire purchase receivables	22	1,576	1,515	-	-
Financial liabilities					
At 31 December 2008					
Long term borrowings	34	16,916	15,958	-	-
Hire purchase payables	40	181	171	-	-
At 31 December 2007					
Long term borrowings	34	14,468	13,649	-	-
Hire purchase payables	40	583	550	-	-

* It is not practical to estimate the fair values of the Group's non-current unquoted bonds because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs.

The fair values of hire purchase receivables, long-term borrowings and hire purchase payables are estimated using discounted cash flow analysis, based on current incremental borrowing and lending rates for similar types of lending and borrowing arrangements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

49. SUBSIDIARIES

Direct Subsidiaries	Country of Incorporation	Effective Equity Interest 2008 %	2007 %	Principal Activities
Daihatsu (Malaysia) Sdn. Bhd.	Malaysia	71.50	71.50	Marketing and distribution of motor vehicles, spare parts and provision of related motor repair services
WSA Capital Corporation Sdn. Bhd.	Malaysia	73.32	51.80	Manufacturing, designing and supplying of automotive components
Galaxy Waves Sdn Bhd.	Malaysia	100	100	Investment holding
Summit Vehicles Body Works Sdn. Bhd.	Malaysia	100	100	Vehicles body building, and general engineering works
Oriental Extrusions Sdn. Bhd.	Malaysia	100	100	Investment holding
Summer Gallery Sdn. Bhd.	Malaysia	100	100	Investment holding
Auto Style Enterprise Limited	British Virgin Islands	-	100	Investment holding
Inai Benua Sdn. Bhd.	Malaysia	70	100	Investment holding

Indirect Subsidiaries	Country of Incorporation	Effective Equity Interest 2008 %	2007 %	Principal Activities
DMM Sales Sdn. Bhd.	Malaysia	71.50	71.50	Marketing and distribution of motor vehicles, related spare parts and other related activities
DMM Engineering Sdn. Bhd.	Malaysia	71.50	71.50	Repair and touching-up, construction of vehicles body parts for sale, providing holding company and handling services to its distribution of spare parts and trucks
DMM Credit Sdn. Bhd.	Malaysia	71.50	71.50	Provision of hire purchase facilities
DMM Assembly Services Sdn. Bhd.	Malaysia	71.50	71.50	Dormant
WSA Precision Sdn. Bhd.	Malaysia	73.32	51.80	Dormant
WSA Engineering Sdn. Bhd.	Malaysia	73.32	51.80	Manufacturing, designing and supplying of automotive components

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

49. SUBSIDIARIES (cont'd)

Indirect Subsidiaries	Country of Incorporation	Effective Equity Interest 2008 %	2007 %	Principal Activities
Carpets International Malaysia Manufacturing Sdn. Bhd.	Malaysia	73.32	51.80	Manufacturing and distributor of carpets and rugs
Carpets International Malaysia (Distribution) Sdn. Bhd.	Malaysia	73.32	51.80	Distributor of carpets and rugs
Peninsular Carpet Manufacturing Sdn. Bhd.	Malaysia	73.32	51.80	Manufacturing of carpets and rugs
WSA Marketing & Distribution Sdn. Bhd.	Malaysia	73.32	51.80	Dormant
Federal Auto Holdings Berhad	Malaysia	86	86	Investment holding, letting, maintenance and management of properties and provision of management services
Federal Auto Cars Sdn. Bhd.	Malaysia	86	86	Trading of motor vehicles and spare parts and providing ancillary services
F.A. Premier Autoland Sdn. Bhd.	Malaysia	86	86	Non-operating
Fadara Properties Sdn. Bhd.	Malaysia	86	86	Rental and management of properties
Fadara Trading Sdn. Bhd.	Malaysia	86	86	Non-operating
Federal Auto Cars Retail Sdn. Bhd.	Malaysia	86	86	Investment holding
Federal Auto Cars (Kuala Lumpur) Sdn. Bhd.	Malaysia	86	86	Non-operating
F.A. Wagen Sdn. Bhd.	Malaysia	86	86	Trading of motor vehicles and spare parts and providing ancillary services
F.A. Serve Sdn. Bhd.	Malaysia	86	86	Operating petrol station and providing workshop services
F.A. Leasing and Credit Sdn. Bhd.	Malaysia	86	86	Securing end-financing for motor vehicle purchasers and providing lease financing
Liberty Car Rental Sdn. Bhd.	Malaysia	86	86	Car rental business
F.A. Automobiles Sdn. Bhd.	Malaysia	86	86	Investment holding
F.A. Automobiles (Ipoh) Sdn. Bhd.	Malaysia	86	86	Trading of motor vehicles and spare parts and providing ancillary services

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

49. SUBSIDIARIES (cont'd)

Indirect Subsidiaries	Country of Incorporation	Effective Equity Interest 2008 %	2007 %	Principal Activities
F.A. Autoprima Sdn. Bhd.	Malaysia	86	86	Non-operating
F.A. Autosoft Sdn. Bhd.	Malaysia	86	86	Non-operating
Oriental Metal Industries (M) Sdn. Bhd.	Malaysia	78	78	Manufacturing of steel wheel rims for motor vehicles and related activities
Sun Motor Limited	British Virgin Islands	-	100	Investment holding

50. ASSOCIATE COMPANIES

Name of Company	Country of Incorporation	Equity Interests Held 2008 %	2007 %	Principal Activities
Perusahaan Otomobil Kedua Sdn. Bhd.*	Malaysia	23.60	23.60	Investment holding, provision for management and administration services, marketing and distribution of motor vehicles and related spare parts
Hino Motors (Malaysia) Sdn. Bhd.*	Malaysia	42.00	42.00	Marketing and servicing of heavy commercial vehicles and related spare parts
MBM Industries Sdn. Bhd. *	Malaysia	-	39.90	Investment holding

* Audited by a firm other than Deloitte KassimChan.

51. JOINTLY CONTROLLED ENTITY

Name of Company	Country of Incorporation	Equity Interests Held 2008 %	2007 %	Principal Activities
Autoparts Networks Alliances Sdn. Bhd.*	Malaysia	21.43	21.43	Dormant

* Audited by a firm other than Deloitte KassimChan.

LIST OF PROPERTIES

Location	Land Area (Built-Up Area) Sq. Metre	Description of Property and Existing Use	Approx. Age of Building	Tenure	Book Value as at 31.12.08 (RM'000)
Proprietor: Daihatsu (Malaysia) Sdn. Bhd.					
Lot 2B Jalan Keluli Section 15 40000 Shah Alam Selangor Darul Ehsan	9,821	Industrial land used as vehicle storage yard	18	Leasehold (expiring on 26.1.2087)	1,051
Lot 1 Lorong 51A/227C 46100 Petaling Jaya Selangor Darul Ehsan	1,677 (674)	Industrial land building used as workshop	16	Leasehold (expiring on 13.3.2074)	1,385
B-317 Blue Lagoon Port Dickson Negeri Sembilan Darul Khusus	(78)	2-bedroom condominium used for leisure and recreation	16	Freehold	118
Lot 1 Jalan Keluli Section 15 40000 Shah Alam Selangor Darul Ehsan	11,294 (4,860)	Industrial land with building used as showroom, workshop and office	20	Leasehold (expiring on 12.1.2086)	6,236
Lot 2A Jalan Keluli Section 15 40000 Shah Alam Selangor Darul Ehsan	14,928 (4,608)	Industrial land with building used as body building, workshop and store	16	Leasehold (expiring on 26.1.2087)	4,542
Lot 68-G, 68-1 Lot 69-G, 69-1 Selayang Baru Selangor Darul Ehsan	(944)	2 units of Ground & 1st Floor of shop office building	16	Leasehold (expiring in year 2092)	1,041
Apartment 401 Block 2 Jalan SS18/47 40000 Shah Alam Selangor Darul Ehsan	(66)	3-bedroom apartment used as accomodation for employees when attending training	16	Leasehold (expiring on 29.7.2096)	34

LIST OF PROPERTIES

Location	Land Area (Built-Up Area) Sq. Metre	Description of Property and Existing Use	Approx. Age of Building	Tenure	Book Value as at 31.12.08 (RM'000)
20, Jalan 54 Desa Jaya Kepong 52100 Kuala Lumpur	270 (1,080)	4-storey shop lot used as showroom and workshop	15	Leasehold (expiring on 8.3.2081)	623
47, Jalan Tun Abdul Razak 30100 Ipoh Perak Darul Ridzuan	3,728 (750)	Land with double-storey building used as showroom and workshop	20	Freehold	1,847
32, Jalan Tun Razak 80200 Johor Bahru Johor Darul Takzim	4,805 (939)	Land with building used as showroom and workshop	14	Leasehold (expiring on 21.12.2030)	1,460
Lot No. 20 Sedco Industrial Estate Jalan Kelembong Inanam 88450 Kota Kinabalu Sabah	4,309	Industrial land with building used as workshop	15	Leasehold (expiring on 31.12.2034)	850
Lot 1A Jalan Keluli Section 15 40000 Shah Alam Selangor Darul Ehsan	440	Commercial land with building used as showroom	13	Leasehold (expiring on 12.1.2086)	420
Lot 27, 28 and 29 Selayang Baru Selangor Darul Ehsan	(1,131)	3 units of 1 1/2-storey terrace factory used as workshop	15	Leasehold (expiring in year 2092)	1,063
1, Jalan Memanda 7/1 Ampang Triangle Off Jalan Ampang 68000 Kuala Lumpur	304 (1,331)	Corner 4 1/2-storey shop lot used as showroom	13	Freehold	1,469

LIST OF PROPERTIES

Location	Land Area (Built-Up Area) Sq. Metre	Description of Property and Existing Use	Approx. Age of Building	Tenure	Book Value as at 31.12.08 (RM'000)
11A, Level 11 Genting View Resort Genting Highlands Bentong Pahang Darul Makmu	(92)	3-bedroom apartment used for leisure and recreation	16	Freehold	136
2, Jalan 19/36 45300 Petaling Jaya Selangor Darul Ehsan	(966)	Land with 4-storey corner shophouse	12	Freehold	2,440
Lot 6165A Bukit Beruntung Industrial Park Selangor Darul Ehsan	5,681	Industrial land with building	14	Freehold	2,004
3/G10 Ground & First Floor Api Api Centre Kota Kinabalu Sabah	127 (242)	Showroom	12	Leasehold (expiring on 6.2.2094)	593
5/G8 Ground & First Floor Api Api Centre Kota Kinabalu Sabah	127 (242)	Showroom	12	Leasehold (expiring on 6.2.2094)	784
Lot 2 Jalan Gergaji 15/4 Shah Alam Selangor Darul Ehsan	12,070	Industrial land with building	10	Leasehold (expiring in year 2094)	4,081
Lot 48 & 57 Bukit Beruntung Industrial Park Selangor Darul Ehsan	8,247	Industrial land	14	Freehold	3,500
Units 3, 4, 7 and 8 Level 4 and 5 Block K Bandar Bukit Beruntung Apartments Selangor Darul Ehsan	(653)	8 units apartments	14	Freehold	136

LIST OF PROPERTIES

Location	Land Area (Built-Up Area) Sq. Metre	Description of Property and Existing Use	Approx. Age of Building	Tenure	Book Value as at 31.12.08 (RM'000)
Lot 7, 8 and 9 HS (D) 70978, 67686 Bandar Kuala Lumpur	502	Commercial with land building used as showroom	14	Leasehold (expiring on 12.1.2067)	7,875
111, Jalan Laksamana Cheng Ho 75000 Melaka	5,263 (814)	Land with double-storey building used as showroom and workshop	16	Freehold	1,746
Lot 2702 Palm Spring Port Dickson Negeri Sembilan Darul Khusus	834	Bungalow lot	17	Freehold	188
Block SA-01 Signature Offices Mid Valley Phase 1 Bandar Kuala Lumpur	(3,062)	11-storey office, commercial building	7	Leasehold (expiring in year 2098)	10,951
No. 1, Jalan 7/3 Kawasan Perindustrian Sri Kembangan Selangor	25,287	Industrial land with 2 1/2 semi detached factory	9	Leasehold (expiring on 7.4.2088)	2,224
Lot 65 Section 22 Kuching Town District Sarawak	3,173	Industrial land with building used as showroom and workshop	6	Leasehold (expiring on 31.12.2090)	2,376
1/2 Miles Jalan Tuaran PO Box 22432 Kota Kinabalu Sabah	10,361	Vacant commercial land	2	Leasehold	10,406

LIST OF PROPERTIES

Location	Land Area (Built-Up Area) Sq. Metre	Description of Property and Existing Use	Approx. Age of Building	Tenure	Book Value as at 31.12.08 (RM'000)
No. 57, Jalan BRP 1/4 Bukit Rahman Putra 47000 Sg. Buloh Selangor	3,803	3 1/2-storey corner shop	4	Freehold	1,801
No. 29, Jalan SR 1/9 Taman Serdang Raya 43300 Seri Kembangan	(1,944)	3 1/2 storey Shop lot	2	Leasehold expiring on 16.6.2095	983
Lot 12, Jalan Dua Off Jalan Chan Sow Lin 55200 Kuala Lumpur	5,364	Detached Open sided Factory	1	Leasehold expiring on 27.4.2068	8,036
Proprietor: DMM Sales Sdn. Bhd.					
1262, Jalan Baru 13700 Perai Pulau Pinang	10,775	Industrial land with building	10	Freehold	1,463
No. 1, Jalan Damai Utama Taman Industri Damaiplus 83000 Batu Pahat Johor	6,787	Industrial land with building	9	Freehold	1,335
Proprietor: Federal Auto Holdings Berhad					
Lot 15 Section 95A No. 9, Jalan Klang Kuala Lumpur	5,213	Industrial land with building used as showroom, workshop and office	39	Freehold	7,478
Lot 89985 Township of Ipoh 221 Lahad Road Ipoh Perak	1,529	Industrial land with building	39	Freehold	207

LIST OF PROPERTIES

Location	Land Area (Built-Up Area) Sq. Metre	Description of Property and Existing Use	Approx. Age of Building	Tenure	Book Value as at 31.12.08 (RM'000)
1103TS 910 NED Penang 89-A Sungei Pinang Road Penang	1,874	Industrial land with building used as showroom, workshop and office	26	Freehold	2,463
Lot 4297 Mukim of Kuala Kinta District of Kinta 127, Jalan Kuala Kangsar Ipoh Perak	8,465	Industrial land with building used as showroom, workshop and office	26	Freehold	3,088
Lot No. 420 Mukim of Tebrau District of Johore Bahru Johor	10,652	Industrial land with building used as showroom, workshop and office	25	Freehold	3,938
Lot 43 Jalan Pelukis U/46, Seksyen U1, Mukim Damansara Daerah Petaling	7,657	Industrial land with building under construction to be used as showroom, workshop and office	-	Freehold	11,552
Proprietor: Fadara Properties Sdn. Bhd.					
HS (M) 11/1977 Plot 32 Mukim of Mergong Kedah	3,400	Industrial land with building	23	Leasehold (expiring in year 2076)	750
Proprietor: F.A. Serve Sdn. Bhd.					
Lot No. PT 13270 Mukim of Batu District of Kuala Lumpur	2,608	Petrol station	7	Freehold	2,155

LIST OF PROPERTIES

Location	Land Area (Built-Up Area) Sq. Metre	Description of Property and Existing Use	Approx. Age of Building	Tenure	Book Value as at 31.12.08 (RM'000)
Proprietor: Oriental Metal Industries (M) Sdn. Bhd.					
Lot 51 Jalan Utas 15/7 40200 Shah Alam Selangor	26,756	Industrial land with building used as manufacturing plant and office	24	Leasehold (expiring on 4.5.2074)	18,634
Lot No. 3 Jalan 5 Kawasan Bandar Sultan Sulaiman Port Klang Selangor	32,375	Vacant industrial land held for sale	-	Leasehold (expiring on 30.09.2090)	6,103
Lot 15017, Seksyen 20 Mukim Serendah Daerah Hulu Selangor	79,920	Vacant industrial land with building under construction to be used as manufacturing plant and office	-	Leasehold (expiring on 25.10.2098)	9,484
Proprietor: WSA Engineering Sdn. Bhd.					
Lot 1 Jalan Perusahaan 1 Batu 17 Kawasan Perindustrian PKNS 48000 Rawang Selangor	7,725 (3,716)	Industrial land with building used as factory, store and office	14	Leasehold (expiring on 20.12.2097)	3,562
Proprietor: Summit Vehicles Body Works Sdn. Bhd.					
Lot 42684, Jalan Omboh 34/1 Off Jalan Bukit Kemuning Seksyen 34 40470 Shah Alam Selangor		Industrial land with building	2	Freehold	6,265
Proprietor: Summer Gallery Sdn. Bhd.					
Lot 763 Jalan Haji Sirat off Jalan Meru 42100 Klang Selangor	19,936	Industrial land with building	13	Freehold	8,713
					169,589

ANALYSIS OF SHAREHOLDERS

AS AT 27 MARCH 2009

Authorised Share Capital	:	500,000,000
Paid-up & Issued Share Capital	:	242,072,667
Type of Shares	:	Ordinary Shares of RM1.00
No. of Shareholders	:	3,036
Voting Rights	:	One vote for every share

SIZE OF SHAREHOLDINGS

as at 27 March 2009

	No. of Holders	%	No. of Shares	%
1 - 1000	597	19.66	355,201	0.15
1001 - 10,000	2,037	67.10	6,579,952	2.72
10,001 - 100,000	304	10.01	9,671,115	4.00
100,001 - less than 5% of issued shares	93	3.06	83,216,465	34.38
5% and above of issued shares	5	0.17	142,249,934	58.75
	3,036	100	242,072,667	100

SUBSTANTIAL SHAREHOLDINGS

as at 27 March 2009

	Name of Shareholders	No. of Shares Held	%
1.	Med-Bumikar Mara Sdn Bhd	130,877,341	54.07
2.	Employee Provident Fund Board	12,752,133	5.27

Notes:

a Include deemed interest by virtue of its shareholding in Central Shore Sdn Bhd

DIRECTORS' SHAREHOLDINGS

as at 27 March 2009

		No. of Shares Held			
	Name of Shareholders	Direct	Indirect	Total	%
1.	Dato' Abdul Rahim Abdul Halim	657,828	1,350,000	2,007,828	0.83%
2.	Looi Kok Loon	393,243	2,452,247	2,845,490	1.18%
3.	Tan Sri Dato' Lee Lam Thye	-	-	-	0.00%
4.	Aqil Ahmad Azizuddin	596,666	3,522,259	4,118,925	1.70%
5.	Low Hin Choong	20,000	895,598	915,598	0.38%
6.	Wong Wei Khin	573,333	894,104	1,467,437	0.61%

ANALYSIS OF SHAREHOLDERS

AS AT 27 MARCH 2009

LIST OF TOP 30 SHAREHOLDERS

as at 27 March 2009

	Name	Holdings	
		No. of Shares	%
1.	Med-Bumikar Mara Sdn Bhd	72,497,801	29.95
2.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Accoun for Med-Bumikar Mara Sdn Bhd	57,000,000	23.55
3.	Employees Provident Fund Board	12,752,133	5.27
4.	Valuecap Sdn Bhd	10,010,200	4.14
5.	Lembaga Tabung Haji	6,261,665	2.59
6.	HSBC Nominees (Tempatan) Sdn Bhd Nomura Asset Mgmt Malaysia for Employees Provident Fund	4,455,000	1.84
7.	Permodalan Nasional Berhad	3,735,066	1.54
8.	Amanah Raya Nominees (Tempatan) Sdn Bhd Skim Amanah Saham Bumiputera	3,296,600	1.36
9.	Amanah Raya Nominees (Tempatan) Sdn Bhd for Sekim Amanah Saham Nasional	3,293,300	1.36
10.	Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Didik	3,039,300	1.26
11.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pheim Asset Management Sdn Bhd for Employees Provident Fund	2,988,300	1.23
12.	Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Wawasan 2020	2,932,000	1.21
13.	Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Malaysia	2,251,600	0.93
14.	Yap Lim Sen	1,836,918	0.76
15.	Looi Kum Pak @ Looi Kam Phak	1,769,943	0.73

ANALYSIS OF SHAREHOLDERS

AS AT 27 MARCH 2009

	Name	Holdings	
		No. of Shares	%
16.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (DR)	1,549,800	0.64
17.	Kumpulan Wang Simpanan Pekerja	1,500,000	0.62
18.	Central Shore Sdn Bhd	1,379,540	0.57
19.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For American International Assurance Berhad	1,379,300	0.57
20.	Ahmad Azizuddin bin Haji Zainal Abidin	1,275,926	0.53
21.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for MAAKL Al-Faid (4389)	1,245,000	0.51
22.	Amanah Raya Nominees (Tempatan) Sdn Bhd AUTB Progress Fund	1,000,000	0.41
23.	Zaharah binti Nordin	1,000,000	0.41
24.	Khoo Loh See @ Khoo Roh See	947,033	0.39
25.	Twin Ritz Sdn. Bhd.	938,900	0.39
26.	Summit Holdings Sdn Bhd	925,000	0.38
27.	Hong Leong Assurance Berhad As Beneficial Owner (Unitlinked GF)	895,600	0.37
28.	Yap Siew Chin	895,598	0.37
29.	Amsec Nominees (Tempatan) Sdn Bhd Amtrustee Berhad for Pacific Pearl Fund (UT-PM-PPF)	863,500	0.36
30.	Ong Koh Hou @ Won Kok Fong	860,000	0.36
	TOTAL	**204,775,023**	**84.59**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of the Company will be held on Thursday, 14 May 2009 at the Westside Room 3 & 4, Level 8, Boulevard Hotel, Mid-Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur at 10.00 a.m..

AGENDA

Resolution 1 To receive, consider and adopt the Audited Accounts for the year ended 31 December 2008 together with the Reports of the Directors and Auditors therein.

Resolution 2 To re-elect Dato' Abdul Rahim Abdul Halim who retire by rotation in accordance with Article 78 of the Articles of Association of the Company.

Resolution 3 To re-elect Mr. Wong Wei Khin who retire by rotation in accordance with Article 78 of the Articles of Association of the Company.

Resolution 4 To re-elect Encik Iskander bin Ismail Mohamed Ali who retire by casual vacancy in accordance with Article 85 of the Articles of Association of the Company.

Resolution 5 To approve the Directors' fees for the year ended 31 December 2008.

Resolution 6 To re-appoint Messrs. Deloitte KassimChan & Co as the Auditors of the Company and to authorise the Directors to fix their remuneration.

As Special Business
To consider and, if thought fit, pass with or without any modification, the following Resolutions:

Ordinary Resolution
Authority to allot shares pursuant to the Employees' Share Option Scheme

Resolution 7 "THAT pursuant to MBM Resources Berhad Employees Share Option Scheme ("ESOS") which was approved by an Ordinary Resolution at the Extraordinary General Meeting of the Company held on 15 August 2002, approval be and is hereby given to the Directors pursuant to Section 132D of the Companies Act, 1965 to allot and issue such number of new ordinary shares of RM1.00 each in the capital of the Company from time to time in accordance with the Bye-Laws of the ESOS."

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

NOTICE OF ANNUAL GENERAL MEETING

By Order of the Board
MBM RESOURCES BERHAD

Shahrizat bt Othman (MAICSA No.: 0764744)
Zaharah bt Ibrahim (MAICSA No.: 7012004)
Company Secretaries

Kuala Lumpur
22 April 2009

NOTES

Proxy

(i) A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.

(ii) A member shall be entitled to appoint not more than two (2) proxies to attend at the same meeting and that the provisions of Section 149(1)(c) of the Companies Act, 1965 shall apply.

(iii) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly appointed under a power of attorney or if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly appointed under a power of attorney.

(iv) The instrument appointing a proxy must be deposited at the Registered Office of the Company, Suite 11-3A, 11th Floor, Menara Haw Par, Jalan Sultan Ismail, 50250 Kuala Lumpur, at least forty-eight (48) hours before the time appointed for holding the Meeting.

Explanatory Notes to Special Business

Resolution 7 The Proposed Resolution No. 6, if passed, will empower the Directors to offer and grant options and issue shares in the Company pursuant to ESOS which was approved at the Extraordinary General Meeting of the Company held on 15 August 2002.

Annual Report 2008

The Company issues to the shareholders the Annual Report 2008 in CD-ROM format together with its abridged version. A full version of the Annual Report in hard copy form shall be provided to the shareholders within four (4) market days from the date of receipt of verbal or written request. Shareholders who wish to receive the full version of the Annual Report in hard copy form and who require assistance in viewing the CD-ROM, kindly contact the Company Administrator, Ms. Irene Chng Yan Eng at Tel. No.: 03-2287 6803. Alternatively, you may fax the duly completed request form for a hard copy of the full version of the Annual Report to Fax No.: 03-2287 6805 or send the duly completed request form to the Company's office address at No. 1-6, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur. For further information, please visit our website at www.mbmr.com.my

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STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Details of the individuals who are standing for re-election are set out in the Profile Of Directors appearing on pages 3 to 9 of the Annual Report.

MBM RESOURCES BERHAD
(Incorporated in Malaysia)
(Co. No. 284496-V)

	Number of Shares

I/We ____

of ____

being a member/members of **MBM RESOURCES BERHAD**, hereby appoint ______________________

____

of ____

or failing him/her, ____

of ____

or failing him/her, the Chairman of the Meeting as my proxy/our proxy to vote for me/us on my/our behalf at the **Fifteenth Annual General Meeting** of the Company to be held at Westside Room 3 & 4, Level 8, Boulevard Hotel, Mid-Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, on **Thursday, 14 May 2008 at 10.00 a.m.** and at any adjournment thereof.

My/Our proxy is to vote as indicated below:

Resolutions	For	Against
Ordinary Resolution No. 1		
Ordinary Resolution No. 2		
Ordinary Resolution No. 3		
Ordinary Resolution No. 4		
Ordinary Resolution No. 5		
Ordinary Resolution No. 6		
Ordinary Resolution No. 7		

(Please indicate with "X" how you wish to cast your vote)

Signature ______________________ Signed this ____________ day of ____________ 2009

NOTES

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.

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FOLD THIS FLAP FOR SEALING

AFFIX
STAMP

MBM RESOURCES BERHAD

The Company Secretaries
Suite 11-3A, 11th Floor
Menara Haw Par
Jalan Sultan Ismail
50520 Kuala Lumpur

2ND FOLD HERE

1ST FOLD HERE