FINANCIAL STATEMENTS

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

Principal Activities

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries are operation of oil palm plantation, palm oil mill and trading of fresh fruit bunches. Other activities include investment holding, property letting, provision of management services on purchasing of consumable stores, provision of transportation services, hotelier and fishery.

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

Results

	Group RM	Company RM
Profit for the year	43,045,776	10,590,742
Attributable to:		
Equity holders of the Company	39,571,248	10,590,742
Minority interests	3,474,528	-
	43,045,776	10,590,742

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

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

The amount of dividends paid by the Company since 31 December 2008 were as follows:

			RM
(a)	In respect of the financial year ended 31 December 2007 as reported in the Directors' report of that year:		
	(i)	Interim single tier dividend of 3 sen per share, on 120,000,000 ordinary shares, approved by the Board of Directors on 27 November 2007 and paid on 8 January 2008	3,600,000
	(ii)	Final single tier dividend of 3 sen per share, on 120,000,000 ordinary shares, approved by the shareholders at the Annual General Meeting on 27 June 2008 and paid on 13 August 2008	3,600,000
			7,200,000
(b)	In respect of the financial year ended 31 December 2008:		
	(i)	Interim single tier dividend of 6 sen per share, on 120,000,000 ordinary shares, approved by the Board of Directors on 27 August 2008 and paid on 10 October 2008	7,200,000

(ii) At the forthcoming Annual General Meeting, a final single tier dividend in respect of the financial year ended 31 December 2008 of 3 sen per share on 120,000,000 ordinary shares, amounting to a dividend payable of RM3,600,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2009.

Directors

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

Loo Ngin Kong
Dato' Seri Tengku Dr. Zainal Adlin Bin Tengku Mahamood
Dato' Loo Pang Kee
Wong Siew Ying
Lim Ted Hing
Dr. Edmond Fernandez
Dato' Koh Kin Lip
Tan Vun Su (Appointed on 7 November 2008)

Directors' Benefits

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

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 29 to the financial statements.

Directors' Interest

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

	Number of Ordinary Shares of RM1 Each				
	1.1.2008	At date of appointment	Acquired	Sold	31.12.2008
The Company					
Direct Interest:					
Loo Ngin Kong	7,961,724	-	-	-	7,961,724
Dato' Seri Tengku Dr. Zainal Adlin Bin Tengku Mahamood	1	-	-	-	1
Dato' Loo Pang Kee	10,256,706	-	452,400	(502,200)	10,206,906
Wong Siew Ying	5,622,684	-	-	-	5,622,684
Lim Ted Hing	804,000	-	-	-	804,000
Dr. Edmond Fernandez	30,000	-	-	-	30,000
Dato' Koh Kin Lip	19,783,344	-	-	-	19,783,344
Tan Vun Su	-	1	-	-	1
Indirect interest:					
Dato' Loo Pang Kee	38,400,000	-	-	-	38,400,000
Wong Siew Ying	38,400,000	-	-	-	38,400,000
Dato' Koh Kin Lip	2,817,350	-	-	-	2,817,350
Indirect interest of Loo Ngin Kong and Wong Siew Ying in the Company by virtue of shareholding of their child	4,200,000	-	-	-	4,200,000
Indirect interest of Dato' Koh Kin Lip in the Company by virtue of shareholding of his child	70,000	-	-	-	70,000

The Directors, Loo Ngin Kong, Dato' Loo Pang Kee, Wong Siew Ying and Dato' Koh Kin Lip by virtue of their interests in shares in the Company, are also deemed to have interest in shares in all of the Company's subsidiaries to the extent the Company has an interest.

Other Statutory Information

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

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and

Directors' Interest (Cont'd)

Other Statutory Information (Cont'd)

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

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

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

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

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

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

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

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

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

(f) In the opinion of the Directors:

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

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

Significant Events

Details of the significant events are disclosed in Note 31 to the financial statements.

Auditors

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

Signed on behalf of the Board in accordance with a resolution of the Directors dated 24 April 2009.

DATO' LOO PANG KEE **WONG SIEW YING**

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

We, DATO' LOO PANG KEE and WONG SIEW YING, being two of the Directors of NPC RESOURCES BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 43 to 104 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2008 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 24 April 2009.

DATO' LOO PANG KEE **WONG SIEW YING**

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

I, TAN VUN SU, being the Director primarily responsible for the financial management of NPC RESOURCES BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 43 to 104 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed TAN VUN SU at Kota Kinabalu in the State of Sabah on 24 April 2009

TAN VUN SU

Before me,

INDEPENDENT AUDITORS' REPORT
To The Members Of Npc Resources Berhad

Report on the financial statements

We have audited the financial statements of NPC Resources Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 43 to 104.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

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

Report on other legal and regulatory requirements

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

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

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

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

Other matters

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

Ernst & Young
AF: 0039
Chartered Accountants

Chin Mui Khiong Peter
1881/03/10(J)
Chartered Accountant

Kota Kinabalu, Malaysia
24 April 2009

INCOME STATEMENTS
For the Year Ended 31 December 2008

		Group		Company	
		2008	2007	2008	2007
	Note	RM	RM	RM	RM
Revenue	3	401,755,051	313,738,560	19,825,296	12,090,115
Cost of sales	4	(302,498,674)	(233,548,214)	-	-
Gross profit		99,256,377	80,190,346	19,825,296	12,090,115
Other income	5	2,983,381	838,006	1,497,939	973,470
Selling and distribution costs		(32,272,605)	(22,560,828)	-	-
Other expenses		(285,354)	(242,025)	-	-
Administrative expenses		(8,790,923)	(8,631,049)	(5,611,091)	(5,125,157)
Operating profit		60,890,876	49,594,450	15,712,144	7,938,428
Finance costs	6	(2,120,454)	(2,270,486)	(1,497,638)	(1,123,242)
Profit before tax	7	58,770,422	47,323,964	14,214,506	6,815,186
Income tax expense	10	(15,724,646)	(11,413,262)	(3,623,764)	(1,876,141)
Profit for the year		43,045,776	35,910,702	10,590,742	4,939,045
Attributable to:					
Equity holders of the Company		39,571,248	33,190,945	10,590,742	4,939,045
Minority interests		3,474,528	2,719,757	-	-
		43,045,776	35,910,702	10,590,742	4,939,045
Earnings per share attributable to equity holders of the Company (sen):					
Basic, for profit for the year	11	32.98	27.66		

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

BALANCE SHEETS As at 31 December 2008

	Note	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
ASSETS					
Non-current assets					
Property, plant and equipment	13	89,032,843	74,173,217	800,688	681,934
Prepaid land lease payments	14	79,361,958	74,415,693	-	-
Biological assets	15	102,923,312	101,869,292	-	-
Intangible asset	16	4,375,928	4,375,928	-	-
Investments in subsidiaries	17	-	-	209,935,672	309,065,672
Other receivables	19	4,809,034	-	-	-
Deferred tax assets	25	244,950	190,707	-	-
		280,748,025	255,024,837	210,736,360	309,747,606
Current assets					
Inventories	18	11,058,814	16,893,309	-	-
Biological assets	15	1,859,621	1,921,527	-	-
Trade and other receivables	19	13,470,361	14,278,571	62,655,558	79,569,774
Tax refundable		240,640	243,817	132,269	152,738
Cash and bank balances	20	12,183,202	10,912,029	183,443	278,509
		38,812,638	44,249,253	62,971,270	80,001,021
TOTAL ASSETS		319,560,663	299,274,090	273,707,630	389,748,627
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	21	120,000,000	120,000,000	120,000,000	120,000,000
Retained earnings	22	92,071,259	63,300,011	279,220	488,478
		212,071,259	183,300,011	120,279,220	120,488,478
Minority interests		7,101,999	13,620,563	-	-
Total equity		219,173,258	196,920,574	120,279,220	120,488,478

BALANCE SHEETS As at 31 December 2008 (cont'd)

	Note	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Non-current liabilities					
Borrowings	23	11,904,718	17,844,426	9,605,324	11,762,708
Deferred tax liabilities	25	32,881,121	32,456,242	43,732	17,932
		44,785,839	50,300,668	9,649,056	11,780,640
Current liabilities					
Borrowings	23	29,075,921	16,822,989	11,931,661	6,952,030
Trade and other payables	26	22,536,747	28,647,769	131,847,693	246,927,479
Provision for taxation		3,988,898	2,982,090	-	-
Dividend payable		-	3,600,000	-	3,600,000
		55,601,566	52,052,848	143,779,354	257,479,509
Total liabilities		100,387,405	102,353,516	153,428,410	269,260,149
TOTAL EQUITY AND LIABILITIES		319,560,663	299,274,090	273,707,630	389,748,627

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

STATEMENTS OF CHANGES IN EQUITY
For the Year Ended 31 December 2008

	Note	Attributable to Equity Holders of the Company			
		Share Capital (Note 21) RM	Distributable Retained Earnings (Note 22) RM	Minority Interests RM	Total Equity RM
Group					
At 1 January 2007		120,000,000	38,089,066	13,374,737	171,463,803
Profit for the year		-	33,190,945	2,719,757	35,910,702
Final capital distribution		-	-	(344,653)	(344,653)
Issuance of shares to minority interests by a subsidiary		-	-	300,000	300,000
Additional investment in subsidiary companies		-	-	(8,103)	(8,103)
Dividends	12	-	(7,980,000)	-	(7,980,000)
Dividends paid to minority interests		-	-	(2,421,175)	(2,421,175)
At 31 December 2007		120,000,000	63,300,011	13,620,563	196,920,574
Profit for the year		-	39,571,248	3,474,528	43,045,776
Dividends	12	-	(10,800,000)	-	(10,800,000)
Dividends paid to minority interests		-	-	(9,993,092)	(9,993,092)
At 31 December 2008		120,000,000	92,071,259	7,101,999	219,173,258
Company					
At 1 January 2007		120,000,000	3,529,433	-	123,529,433
Profit for the year		-	4,939,045	-	4,939,045
Dividends	12	-	(7,980,000)	-	(7,980,000)
At 31 December 2007		120,000,000	488,478	-	120,488,478
Profit for the year		-	10,590,742	-	10,590,742
Dividends	12	-	(10,800,000)		(10,800,000)
At 31 December 2008		120,000,000	279,220	-	120,279,220

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

CASH FLOW STATEMENTS
For the Year Ended 31 December 2008

	Note	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Cash Flows from Operating Activities					
Profit before tax		58,770,422	47,323,964	14,214,506	6,815,186
Adjustments for:					
Interest income	5	(86,439)	(74,428)	(1,497,939)	(973,370)
Gain on disposal of property, plant and equipment	5	(2,283,647)	(59,624)	-	-
Interest expense	6	2,120,454	2,270,486	1,497,638	1,123,242
Impairment of goodwill on consolidation	7	-	42,203	-	-
Inventories written off	7	-	12,024	-	-
Amortisation of prepaid land lease payments	7	854,374	821,432	-	-
Depreciation of property, plant and equipment	7	8,040,278	7,327,546	40,489	22,671
Provision for doubtful debts written back	5	-	(75,684)	-	-
Provision for doubtful debts	7	-	20,532	-	-
Loss on disposal of property, plant and equipment	7	6,177	45,393	-	-
Operating profit before working capital changes		67,421,619	57,653,844	14,254,694	6,987,729
Decrease in amounts due from subsidiaries		-	-	16,927,702	11,598,992
Decrease/(increase) in biological assets		130,212	(1,031,300)	-	-
Decrease/(increase) in inventories		5,834,495	(5,114,880)	-	-
(Increase)/decrease in receivables		(4,000,824)	2,013,537	(13,486)	2,087,368
Increase/(decrease) in amounts due to subsidiaries		-	-	8,171,880	(13,089,410)
(Decrease)/increase in payables		(6,111,022)	323,838	178,334	479,314
Cash generated from operations		63,274,480	53,845,039	39,519,124	8,063,993
Taxes paid		(14,344,025)	(10,178,224)	(3,577,495)	(1,849,315)
Interest paid		(2,093,143)	(2,281,110)	(1,487,236)	(1,123,242)
Net cash generated from operating activities		46,837,312	41,385,705	34,454,393	5,091,436

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

	Note	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Cash Flows from Investing Activities					
Purchase of property, plant and equipment	13	(24,194,642)	(10,858,067)	(159,243)	(591,502)
Purchase of prepaid land leases	14	(5,884,960)	(619,800)	-	-
Additions of biological assets	15	(875,585)	(942,710)	-	-
Interest received		86,439	74,428	1,497,939	973,370
Acquisition of minority interests		-	(150,462)	-	-
Subscription of shares in subsidiaries	17	-	-	(24,300,000)	-
Acquisition of additional shares in subsidiaries	17	-	-	-	(350,492)
Acquisition of subsidiaries	17	-	(11,192,599)	-	(11,307,642)
Net proceeds from disposal of property, plant and equipment		3,412,771	186,846	-	-
Net cash used in investing activities		(27,455,977)	(23,502,364)	(22,961,304)	(11,276,266)
Cash Flows from Financing Activities					
Proceeds from issuance of share capital to minority interests by a subsidiary		-	300,000	-	-
Capital distribution paid to minority interests by a subsidiary under members' voluntary winding up		-	(344,668)	-	-
Dividends paid		(14,400,000)	(4,380,000)	(14,400,000)	(4,380,000)
Dividends paid to minority interests		(9,993,092)	(2,421,175)	-	-
Proceeds from drawdown of term loans		-	14,700,000	-	14,700,000
Net proceeds from drawdown/(repayment) of bankers' acceptances		1,397,000	(8,318,000)	-	-
Repayment of bank loans		(6,373,959)	(5,552,306)	(2,157,384)	-
Repayment of hire purchase liabilities		(1,710,116)	(1,310,541)	-	-
Net proceeds from drawdown/(repayment) of revolving credits		12,000,000	(5,006,056)	4,000,000	(4,006,055)
Net cash (used in)/generated from financing activities		(19,080,167)	(12,332,746)	(12,557,384)	6,313,945
Net increase/(decrease) in cash and cash equivalents		301,168	5,550,595	(1,064,295)	129,115
Cash and cash equivalents at beginning of year		10,902,248	5,351,653	268,728	139,613
Cash and cash equivalents at end of year	20	11,203,416	10,902,248	(795,567)	268,728

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

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of the Bursa Malaysia Securities Berhad. The registered office of the Company is located at Lot 9, T3, Taman Tshun Ngen, Mile 5, Jalan Labuk, 90000 Sandakan, Sabah.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are operation of oil palm plantation, palm oil mill and trading of fresh fruit bunches. Other activities include investment holding, property letting, provision of management services on purchasing of consumable stores, provision of transportation services, hotelier and fishery. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 24 April 2009.

2. Significant Accounting Policies

2.1 Basis of Preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted the revised FRSs, amendment to FRSs and Interpretations which are mandatory for financial periods beginning on or after 1 July 2007 as described in Note 2.3.

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

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

2.2 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

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

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

2. Significant Accounting Policies (Cont'd.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(a) Subsidiaries and Basis of Consolidation (Cont'd.)

(ii) Basis of Consolidation

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

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

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

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

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

(b) Intangible Assets

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the

2. Significant Accounting Policies (Cont'd.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(b) Intangible Assets (Cont'd.)

(i) Goodwill (Cont'd.)

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

(ii) Other Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

(c) Property, Plant and Equipment, and Depreciation

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

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

Capital work-in-progress is stated at cost and not depreciated as this asset is not available for use.

2. Significant Accounting Policies (Cont'd.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(c) Property, Plant and Equipment, and Depreciation (Cont'd.)

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

Buildings	2% - 10%
Mill structure	5%
Plantation infrastructure development expenditure	Over remaining lease term of land
Oil mill and estate plant and machinery	8% - 20%
Heavy equipment	8% - 20%
Motor vehicles	8% - 20%
Furniture, fittings and equipment	10% - 20%
Platforms, net cages and water tanks	10% - 20%
Renovation	2% - 10%
Hotel plant and machinery	10% - 20%

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

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

(d) Biological Assets

(i) Oil palm planting expenditure

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

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

2. **Significant Accounting Policies (Cont'd.)**

2.2 **Summary of Significant Accounting Policies (Cont'd.)**

(d) **Biological Assets (Cont'd.)**

(ii) Broodstocks

All costs incurred on immature broodstocks which are accumulated on a project basis, are capitalised until such time when the broodstocks commence breeding. Costs incurred on immature broodstocks consist of the acquisition cost of the mother fish, cost of feeds and medication, direct labour cost and an appropriate proportion of farm operating overheads.

Maintenance costs of broodstocks after commencement of breeding are recognised in the income statement.

The costs of broodstocks are amortised over the economic egg production lives of 10 years.

Upon the disposal of broodstocks, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement.

(iii) Fishery livestock

Fishery livestock is stated at cost. The cost includes the cost of feeds and medication, direct labour cost and an appropriate proportion of farm operating overheads accumulated on a project basis and is recognised in income statement upon disposal.

(e) **Impairment of Non-financial Assets**

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

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

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

2. Significant Accounting Policies (Cont'd.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

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

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

An impairment loss is recognised in income statement in the period in which it arises.

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

(f) Inventories

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

Cost of crude palm oil and milled oil palm produce are determined on the first in, first out method. The cost comprises direct material cost, direct labour cost, other direct charges and an appropriate proportion of factory overheads.

Cost of fresh fruit bunches, consumable stores, culverts, food, beverages, tobacco and operating supplies are determined on the weighted average cost method. The cost comprises the actual cost of purchases and expenses in bringing them into stores.

Cost of oil palm nurseries is determined using the weighted average cost method. The cost comprises the actual cost of seedlings and upkeep expenses.

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

2. Significant Accounting Policies (Cont'd.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(g) Financial Instruments

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

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in 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) **Cash and Cash Equivalents**

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

(ii) **Trade Receivables**

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

(iii) **Trade Payables**

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

(iv) **Interest-Bearing Loans and Borrowings**

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

(v) **Equity Instruments**

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

2. Significant Accounting Policies (Cont'd.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(h) Leases

(i) Finance Leases

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 leases in the same way as leases of other asssets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are are classified as operating leases with the following exceptions:

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

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

(ii) Finance Leases – the Group as Lessee

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

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

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment as described in Note 2.2(c).

2. Significant Accounting Policies (Cont'd.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(h) Leases (Cont'd.)

(iii) Operating Leases - 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 the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

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

(i) 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 statement in the period in which they are incurred.

(j) Income Tax

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

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

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and

2. Significant Accounting Policies (Cont'd.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(j) Income Tax (Cont'd)

included in the income statement for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(k) Provisions

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

(l) Employee Benefits

(i) Short Term Benefits

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

(ii) Defined Contribution Plans

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

2. Significant Accounting Policies (Cont'd.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(m) 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) Sale of fresh fruit bunches, crude palm oil, palm kernel and fish

Revenue from sale of fresh fruit bunches, crude palm oil, palm kernel and fish are recognised upon the transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Management and transportation fees income

Revenue from management and transportation services is recognised upon rendering of services to customers.

(iii) Dividend income

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

(iv) Revenue from hotel operations

Revenue from room sales, and sale of food and beverage, are recognised net of sales taxes and discounts on an accrual basis.

(v) Sundry sales

Revenue from usage of telephone, laundry and other related services is recognised upon the rendering of services, net of sales taxes.

(n) Foreign Currencies

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange 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 translated.

2. Significant Accounting Policies (Cont'd.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(n) Foreign Currencies

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

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

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

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

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

2. Significant Accounting Policies (Cont'd.)

2.4 Standards and Interpretations Issued but Not Yet Effective

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

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

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

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

2.5 Changes in Estimates

The revised FRS 116: Property, Plant and Equipment requires the review of the residual value and remaining useful life of an item of property, plant and equipment at least at each financial year end. The Group reviewed the residual values and the estimated useful lives of all property, plant and equipment. The effects of the revisions are immaterial and no adjustment is made. The effects on future periods are dependent on the review of the residual value and remaining useful life of an item of property, plant and equipment in future periods.

2.6 Significant Accounting Estimates

Key Sources of Estimation Uncertainty

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

2. Significant Accounting Policies (Cont'd.)

2.6 Significant Accounting Estimates (Cont'd.)

Key Sources of Estimation Uncertainty (Cont'd.)

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill as at 31 December 2008 was RM4,375,928 (2007: RM4,375,928). Further details are disclosed in Note 16.

(ii) Depreciation of property, plant and equipment

The cost of plant and machinery of agriculture, fishery and hotel equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and machinery to be within 5 to 12.5 years. These are common life expectancies applied in the plantation, fishery and hotel industries respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised tax losses and capital and agriculture allowances of the Group was RM6,040,724 (2007: RM6,630,716) and the unrecognised tax losses and capital and agriculture allowances of the Group was RM3,246,423 (2007: RM4,604,452).

3. Revenue

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Sale of:				
- crude palm oil	338,107,397	259,481,403	-	-
- palm kernel	42,782,433	36,141,308	-	-
- fresh fruit bunches	14,410,050	13,924,995	-	-
- fish	1,846,270	99,579	-	-
Room sales	2,515,285	2,568,750	-	-
Food and beverage sales	1,874,558	1,258,583	-	
Sundry sales	28,192	53,379	-	-
Management fees	-	-	5,454,800	5,240,800
Dividend income from subsidiaries	-	-	14,370,496	6,849,315
Transportation income	190,866	210,563	-	-
	401,755,051	313,738,560	19,825,296	12,090,115

4. Cost of Sales

This represents cost of inventories sold and services rendered.

5. Other Income

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Gain on disposal of property, plant and equipment	2,283,647	59,624	-	-
Realised gain on foreign exchange	630	1,068	-	-
Interest income	86,439	74,428	1,497,939	973,370
Reversal of provision for doubtful debts	-	75,684	-	-
Rental income	178,065	106,056	-	-
Miscellaneous income	434,600	521,146	-	100
	2,983,381	838,006	1,497,939	973,470

6. Finance Costs

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Interest expense on:				
Advances from subsidiaries	-	-	397,627	232,203
Bankers' acceptances	138,873	434,797	-	-
Bank overdrafts	127,011	33,529	23,927	6,709
Bank loans	1,144,972	1,297,397	762,030	627,991
Hire purchase	167,206	178,873	-	-
Revolving credits	543,959	334,297	314,054	256,339
Others	1,416	2,217	-	-
	2,123,437	2,281,110	1,497,638	1,123,242
Interest capitalised in biological assets (Note 15)	(2,983)	(10,624)	-	-
	2,120,454	2,270,486	1,497,638	1,123,242

7. Profit Before Tax

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

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Auditors' remuneration:				
- current year	150,100	146,100	23,000	23,000
- underprovision in prior years	-	12,700	-	3,000
Amortisation of prepaid land lease payments (Note 14)	854,374	821,432	-	-
Depreciation of property, plant and equipment (Note 13)	8,040,278	7,327,546	40,489	22,671
Employee benefits expense (Note 8)	19,720,224	19,312,855	4,403,199	4,251,221
Non-executive Directors' remuneration (Note 9)	264,172	191,178	264,172	191,178
Rental of premises and land	348,189	151,200	198,000	180,000
Lease rental of land	1,716,370	1,280,674	-	-
Loss on disposal of property, plant and equipment	6,177	45,393	-	-
Inventories written off	-	12,024	-	-
Impairment of goodwill on consolidation (Note 16)	-	42,203	-	-
Provision for doubtful debts	-	20,532	-	-

8. Employee Benefits Expense

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Salaries and wages	18,669,794	18,363,173	3,845,841	3,721,824
Contributions to defined contribution plans	1,144,224	869,763	544,306	517,536
Social security contributions	86,898	158,395	13,052	11,861
	19,900,916	19,391,331	4,403,199	4,251,221
Capitalised in:				
-work-in-progress	(23,150)	-	-	-
-biological assets	(157,542)	(78,476)	-	-
Recognised in income statement	19,720,224	19,312,855	4,403,199	4,251,221

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM3,004,485 (2007: RM2,459,662) and RM2,780,461 (2007: RM2,437,621) respectively as further disclosed in Note 9.

9. Directors' Remuneration

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Executive Directors of the Company				
Salaries, bonus and other emoluments	2,701,211	2,345,218	2,701,211	2,345,218
Fees	40,000	30,000	40,000	30,000
Benefits-in-kind	39,250	56,750	39,250	56,750
	2,780,461	2,431,968	2,780,461	2,431,968
Executive Directors of Subsidiaries				
Salaries, bonus and other emoluments	224,024	22,041	-	-
Benefits-in-kind	-	5,653	-	5,653
	224,024	27,694	-	5,653
Total Executive Directors remuneration (Note 8)	3,004,485	2,459,662	2,780,461	2,437,621
Non-Executive Directors of the Company (Note 7)				
Allowances and other emoluments	224,172	151,178	224,172	151,178
Fees	40,000	40,000	40,000	40,000
	264,172	191,178	264,172	191,178
	3,268,657	2,650,840	3,044,633	2,628,799

10. Income Tax Expense

	Group		Company	
	2008	**2007**	**2008**	**2007**
	RM	**RM**	**RM**	**RM**
Current income tax:				
On results for the year	15,320,683	11,333,003	31,858	27,743
Tax credit arising from dividends received from subsidiaries	-	-	3,577,496	1,849,315
Under/(over)provision in prior years	33,327	(510)	(11,390)	2,980
	15,354,010	11,332,493	3,597,964	1,880,038
Deferred tax (Note 25):				
Relating to origination and reversal of temporary differences	300,598	993,136	12,003	(4,874)
Relating to changes in tax rates	-	(1,511,754)	-	(912)
Underprovision in prior years	70,038	579,791	13,797	1,889
	370,636	61,173	25,800	(3,897)
Real Property Gains Tax:				
Underprovision in prior years	-	19,596	-	-
	-	19,596	-	-
Total income tax expense	15,724,646	11,413,262	3,623,764	1,876,141

Domestic income tax is calculated at the Malaysian statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the year. Certain subsidiaries of the Company being Malaysian resident companies with paid-up capital of RM2.5 million or less qualify for the preferential tax rates under Paragraph 2A, Schedule 1 of the Income Tax Act, 1967 as follows:

On the first RM500,000 of chargeable income : 20%
In excess of RM500,000 of chargeable income : Malaysian corporate statutory tax rate

10. Income Tax Expense (Cont'd.)

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

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Profit before tax	58,770,422	47,323,964	14,214,506	6,815,186
Taxation at statutory tax rate of 26% (2007: 27%)	15,280,310	12,777,470	3,695,771	1,840,100
Effect of income subject to tax rate of 20%	(274,541)	(319,730)	-	-
Effect of income not subject to tax	-	-	(158,833)	-
Effect of expenses not deductible for tax purposes	613,880	349,729	84,899	31,694
Effect of changes in tax rates	(11,951)	(2,003,198)	(480)	(522)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(43,685)	-	-	-
Deferred tax assets recognised on previously unrecognised unutilised tax losses and unabsorbed capital allowance	(162,308)	-	-	-
Deferred tax assets previously recognised on unutilised tax losses, now unrecognised	-	8,038	-	-
Underprovision of deferred tax in prior years	70,038	579,791	13,797	1,889
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	219,576	2,076	-	-
Under/(over)provision of income tax expense in prior years	33,327	(510)	(11,390)	2,980
Underprovision of Real Property Gains Tax in prior years	-	19,596	-	-
Total income tax expense	15,724,646	11,413,262	3,623,764	1,876,141

10. Income Tax Expense (Cont'd.)

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Tax savings recognised during the year arising from utilisation of:				
- Tax losses brought forward	252,425	25,457	-	-
- Unabsorbed capital and agriculture allowances brought forward	834,217	798,490	-	-

11. Earnings Per Share

(a) Basic

Basic earnings per share amounts are calculated by dividing 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.

	Group	
	2008	2007
Profit attributable to ordinary equity holders of the Company(RM)	39,571,248	33,190,945
Weighted average number of ordinary shares in issue	120,000,000	120,000,000
Basic earnings per share for profit for the year (Sen)	32.98	27.66

(b) Diluted

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

12. Dividends

	Dividends in Respect of Year			Dividends Recognised in Year	
	2008 RM	2007 RM	2006 RM	2008 RM	2007 RM
Recognised during the year:					
Interim dividend for 2008: Single tier dividend of 6 sen per share on 120,000,000 ordinary shares	7,200,000	-	-	7,200,000	-
Final dividend for 2007: Single tier dividend of 3 sen per share on120,000,000 ordinary shares	-	3,600,000	-	3,600,000	-
Interim dividend for 2007: Single tier dividend of 3 sen per share on 120,000,000 ordinary shares	-	3,600,000	-	-	3,600,000
Interim dividend for 2006: 2% less 27% taxation on 120,000,000 ordinary shares (1.46 sen per ordinary share)	-	-	1,752,000	-	1,752,000
Final dividend for 2006: 3% less 27% taxation on 120,000,000 ordinary shares (2.19 sen per ordinary share)	-	-	2,628,000	-	2,628,000
	7,200,000	7,200,000	4,380,000	10,800,000	7,980,000
Proposed for approval at AGM (not recognised as at 31 December):					
Final dividend for 2008: Single tier dividend of 3 sen per share on 120,000,000 ordinary shares	3,600,000	-	-	-	-
	3,600,000	-	-	-	-

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the financial year ended 31 December 2008 of 3 sen per share on 120,000,000 ordinary shares, amounting to a dividend payable of RM3,600,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2009.

13. Property, Plant and Equipment

Group	Buildings and Mill Structure RM	Plantation and Fishery Infrastructure Development Expenditure RM	Oil Mill and Estate Plant and Machinery RM	Heavy Equipment and Motor Vehicles RM	Furniture, Fittings and Equipment RM	Platforms, Net Cages and Water Tanks RM	Renovation RM	Hotel Plant and Machinery RM	Capital Work-in-Progress RM	Total RM
At 31 December 2008										
Cost										
At 1 January 2008	46,044,649	18,498,858	34,769,432	26,747,991	5,846,569	813,190	1,032,487	1,794,478	2,645,188	138,192,842
Additions	4,764,850	-	1,754,577	3,610,808	2,230,360	40,050	123,841	1,480,111	10,190,045	24,194,642
Disposals	-	-	-	(5,255,458)	(82,571)	-	-	-	-	(5,338,029)
Reclassifications	1,496,797	44,798	499,720	-	1,352,933	-	-	344,636	(3,738,884)	-
At 31 December 2008	52,306,296	18,543,656	37,023,729	25,103,341	9,347,291	853,240	1,156,328	3,619,225	9,096,349	157,049,455
Accumulated depreciation										
At 1 January 2008	20,652,714	326,820	20,922,512	17,162,773	3,948,747	190,570	94,548	720,941	-	64,019,625
Depreciation charge for the year:	2,256,207	255,849	2,209,810	2,443,825	519,222	99,374	69,708	345,720	-	8,199,715
Recognised in income statement (Note 7)	2,180,210	244,468	2,207,241	2,443,825	518,038	31,068	69,708	345,720	-	8,040,278
Capitalised in biological assets (Note 15)	75,997	11,381	2,569	-	1,184	68,306	-	-	-	159,437
Disposals	-	-	-	(4,180,436)	(22,292)	-	-	-	-	(4,202,728)
At 31 December 2008	22,908,921	582,669	23,132,322	15,426,162	4,445,677	289,944	164,256	1,066,661	-	68,016,612
Net carrying amount										
At 31 December 2008	29,397,375	17,960,987	13,891,407	9,677,179	4,901,614	563,296	992,072	2,552,564	9,096,349	89,032,843

13. Property, Plant and Equipment (Cont'd.)

	Buildings and Mill Structure RM	Plantation Infrastructure Development Expenditure RM	Oil Mill Plant and Machinery RM	Heavy Equipment and Motor Vehicles RM	Furniture, Fittings and Equipment RM	Platforms, Net Cages and Water Tanks RM	Renovation RM	Plant and Machinery RM	Capital Work-in-Progress RM	Total RM
Group (Cont'd.)										
At 31 December 2007										
Cost										
At 1 January 2007	33,917,130	17,730,159	31,502,333	23,374,002	4,754,753	845,037	-	-	721,711	112,845,125
Acquisition of subsidiaries (Note 17)	8,764,421	-	-	267,542	572,926	-	544,021	2,260,639	-	12,409,549
Additions	2,643,395	223,623	3,260,183	3,256,928	656,678	6,088	488,466	434,274	3,450,852	14,420,487
Disposals	-	-	-	(270,380)	(137,788)	(37,935)	-	(900,435)	-	(1,346,538)
Reclassifications	719,703	545,076	6,916	119,899	-	-	-	-	(1,391,594)	-
Reclassified to biological assets (Note 15)	-	-	-	-	-	-	-	-	(135,781)	(135,781)
At 31 December 2007	46,044,649	18,498,858	34,769,432	26,747,991	5,846,569	813,190	1,032,487	1,794,478	2,645,188	138,192,842
Accumulated depreciation										
At 1 January 2007	18,740,729	83,450	18,747,950	14,584,842	3,270,299	113,110	-	-	-	55,540,380
Acquisition of subsidiaries (Note 17)	4,437	-	-	216,288	525,665	-	54,818	1,498,822	-	2,300,030
Depreciation charge for the year:	1,907,548	243,370	2,174,562	2,495,781	281,999	98,019	39,730	112,129	-	7,353,138
Recognised in income statement (Note 7)	1,898,865	238,080	2,174,230	2,486,655	279,838	98,019	39,730	112,129	-	7,327,546
Capitalised in biological assets (Note 15)	8,683	5,290	332	9,126	2,161	-	-	-	-	25,592
Disposals	-	-	-	(134,138)	(129,216)	(20,559)	-	(890,010)	-	(1,173,923)
At 31 December 2007	20,652,714	326,820	20,922,512	17,162,773	3,948,747	190,570	94,548	720,941	-	64,019,625
Net carrying amount										
At 31 December 2007	25,391,935	18,172,038	13,846,920	9,585,218	1,897,822	622,620	937,939	1,073,537	2,645,188	74,173,217

13. Property, Plant and Equipment (Cont'd.)

Company

	Renovation RM	Furniture, Fittings and Equipment RM	Total RM
At 31 December 2008			
Cost			
At 1 January 2008	476,026	263,733	739,759
Additions	-	159,243	159,243
At 31 December 2008	476,026	422,976	899,002
Accumulated depreciation			
At 1 January 2008	3,174	54,651	57,825
Depreciation charge for the year (Note 7)	9,520	30,969	40,489
At 31 December 2008	12,694	85,620	98,314
Net carrying amount			
At 31 December 2008	463,332	337,356	800,688
At 31 December 2007			
Cost			
At 1 January 2007	-	148,257	148,257
Additions	476,026	115,476	591,502
At 31 December 2007	476,026	263,733	739,759
Accumulated depreciation			
At 1 January 2007	-	35,154	35,154
Depreciation charge for the year (Note 7)	3,174	19,497	22,671
At 31 December 2007	3,174	54,651	57,825
Net carrying amount			
At 31 December 2007	472,852	209,082	681,934

13. Property, Plant and Equipment (Cont'd.)

(a) The buildings of certain subsidiaries are located on several parcels of land leased by the subsidiaries.

(b) During the financial year, the Group and the Company acquired property, plant and equipment at aggregate costs of RM24,194,642 and RM159,243 (2007: RM14,420,487 and RM591,502) respectively as follows:

	Group		Company	
	2008 RM	**2007 RM**	**2008 RM**	**2007 RM**
Property, plant and equipment acquired under hire purchase and finance lease arrangements	-	3,562,420	-	-
Cash payments made for acquisition of property, plant and equipment	24,194,642	10,858,067	159,243	591,502
	24,194,642	14,420,487	159,243	591,502

Net carrying amounts of property, plant and equipment held under hire purchase and finance lease arrangements are as follows:

	Group	
	2008 RM	**2007 RM**
Oil mill machinery	2,258,287	2,467,487
Heavy equipment	1,039,257	1,690,130
Motor vehicles	702,368	1,658,742
	3,999,912	5,816,359

(c) The net carrying amounts of property, plant and equipment pledged as securities for borrowings (Note 23) are as follows:

	Group	
	2008 RM	**2007 RM**
Buildings	2,720,650	2,185,091
Plantation infrastructure development expenditure	9,713,823	9,386,500
Mill structures	6,224,150	6,628,701
Capital work-in-progress	696,812	-
	19,355,435	18,200,292

14. Prepaid Land Lease Payments

	Long Term Land Lease RM	Short Term Land Lease RM	Total RM
Group			
At 31 December 2008			
Cost			
At 1 January 2008	72,960,254	2,838,632	75,798,886
Additions	5,884,960	-	5,884,960
At 31 December 2008	78,845,214	2,838,632	81,683,846
Accumulated amortisation			
At 1 January 2008	874,124	509,069	1,383,193
Amortisation for the year:	859,774	78,921	938,695
Recognised in income statement (Note 7)	834,868	19,506	854,374
Capitalised in biological assets (Note 15)	24,906	59,415	84,321
At 31 December 2008	1,733,898	587,990	2,321,888
Net carrying amount			
At 31 December 2008	77,111,316	2,250,642	79,361,958

14. Prepaid Land Lease Payments (Cont'd.)

	Long Term Land Lease RM	Short Term Land Lease RM	Total RM
Group (Cont'd.)			
At 31 December 2007			
Cost			
At 1 January 2007	60,897,469	2,838,632	63,736,101
Acquisition of subsidiaries (Note 17)	11,442,985	-	11,442,985
Additions	619,800	-	619,800
At 31 December 2007	72,960,254	2,838,632	75,798,886
Accumulated amortisation			
At 1 January 2007	-	430,148	430,148
Acquisition of subsidiaries (Note 17)	46,150	-	46,150
Amortisation for the year:	827,974	78,921	906,895
Recognised in income statement (Note 7)	801,926	19,506	821,432
Capitalised in biological assets (Note 15)	26,048	59,415	85,463
At 31 December 2007	874,124	509,069	1,383,193
Net carrying amount			
At 31 December 2007	72,086,130	2,329,563	74,415,693

Leasehold land with an aggregate carrying value of RM39,852,786 (2007: RM40,394,890) are pledged as securities for borrowings (Note 23).

15. Biological Assets

	Oil Palm Planting Expenditure RM	Broodstock RM	Fishery Livestock RM	Total RM
Group				
At 31 December 2008				
Cost				
At 1 January 2008	101,678,339	190,953	1,921,527	103,790,819
Additions	912,247	148,779	1,505,206	2,566,232
Disposals	-	(3,819)	(1,557,409)	(1,561,228)
Amortisation	-	(12,890)	-	(12,890)
Reclassfication	-	9,703	(9,703)	-
At 31 December 2008	102,590,586	332,726	1,859,621	104,782,933
Non-current	102,590,586	332,726	-	102,923,312
Current	-	-	1,859,621	1,859,621
	102,590,586	332,726	1,859,621	104,782,933
At 31 December 2007				
Cost				
At 1 January 2007	100,669,122	-	890,227	101,559,349
Additions	873,436	192,806	1,099,533	2,165,775
Reclassified from property, plant and equipment (Note 13)	135,781	-	-	135,781
Disposals	-	-	(68,233)	(68,233)
Amortisation	-	(1,853)	-	(1,853)
At 31 December 2007	101,678,339	190,953	1,921,527	103,790,819
Non-current	101,678,339	190,953	-	101,869,292
Current	-	-	1,921,527	1,921,527
	101,678,339	190,953	1,921,527	103,790,819

15. Biological Assets (Cont'd.)

(a) Oil palm planting expenditure capitalised during the financial year included the following:

	Group 2008 RM	Group 2007 RM
Amortisation of prepaid land lease payments (Note 14)	84,321	85,463
Depreciation of property, plant and equipment (Note 13)	159,437	25,592
Interest on term loans (Note 6)	2,983	10,547
Interest on hire purchase (Note 6)	-	77

(b) Fishery livestock incurred during the financial year included depreciation of property, plant and equipment of RM68,306 (2007: Nil).

(c) Biological assets with an aggregate carrying value of RM61,170,085 (2007: RM62,293,732) are pledged as securities for borrowings (Note 23).

16. Intangible Asset

	Group 2008 RM	Group 2007 RM
Goodwill		
Cost		
At 1 January	4,433,984	4,291,595
Acquisition of minority interests	-	142,389
At 31 December	4,433,984	4,433,984
Accumulated impairment loss		
At 1 January	58,056	15,853
Impairment loss recognised in income statement (Note 7)	-	42,203
At 31 December	58,056	58,056
Net carrying amount		
At 31 December	4,375,928	4,375,928

16. Intangible Asset (Cont'd.)

(a) Impairment loss recognised

The Company carried out a review of an indication of impairment of goodwill in previous financial year. The review led to the recognition of an impairment loss in investment in Miracle Display Sdn. Bhd. of RM42,203, which represents the whole amount of goodwill on consolidation arising from acquisition of minority interests during the previous financial year as the said subsidiary company has yet to commence operation since it ceased its fish rearing operation in September 2007.

(b) Impairment tests for goodwill

Allocation of goodwill

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

	2008 RM	2007 RM
Palm oil products	4,258,029	4,258,029
Fishery	117,899	117,899
	4,375,928	4,375,928

Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the growth rates stated below. The key assumptions used for value-in-use calculations are:

	Gross Margin		Growth Rate		Discount Rate	
	2008	2007	2008	2007	2008	2007
Palm oil products	13.00	22.00	5.00	10.00	9.80	9.20
Fishery	25.00	33.00	10.00	10.00	9.80	9.20

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

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year increased for expected efficiency improvements.

16. Intangible Asset (Cont'd.)

(b) Impairment tests for goodwill (Cont'd.)

(ii) Growth rate

The weighted average growth rates used are consistent with the long term average growth rate for the industry.

(iii) Discount rate

The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Sensitivity to changes in assumptions

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

17. Investments in Subsidiaries

	Company	
	2008	**2007**
	RM	**RM**
Unquoted shares at cost		
At 1 January	309,065,672	297,407,538
Acquisition of subsidiaries	-	11,307,642
Acquisition of additional shares in subsidiaries	-	350,492
Subscription of shares in subsidiaries	24,300,000	-
Dividends from subsidiaries arising from profits accumulated prior to acquisition	(123,430,000)	-
At 31 December	209,935,672	309,065,672

17. Investments in Subsidiaries (Cont'd.)

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

Name of Subsidiaries	Principal Activities	Proportion of Ownership Interest 2008 %	2007 %
Held by the Company:			
Agrisa Trading Sdn. Bhd.	Oil palm plantation	100	100
Berkat Setia Sdn. Bhd.	Oil palm plantation and palm oil mil	100	100
Ballerina Sdn. Bhd.	Property letting	100	100
Dat Soon Trading Sendirian Berhad	Trading of fresh fruit bunches	100	100
Growth Enterprise Sendirian Berhad	Oil palm plantation	100	100
Intan Ramai Sdn. Bhd.	Oil palm plantation	100	100
Kian Merculaba Sdn. Bhd.	Oil palm plantation	100	100
Kidat Sendirian Berhad	Transportation services	100	100
Sinar Ramai Sdn. Bhd.	Oil palm plantation	100	100
Seraya Plantation Sdn. Bhd.	Oil palm plantation	100	100
Sungai Ruku Oil Palm Plantation Sdn. Bhd.	Palm oil mill	100	100
Syarikat Emashijau Sdn. Bhd.	Management services	100	100
Syarikat Sofrah Sdn. Bhd.	Oil palm plantation	100	100
Transglobe Enterprise Sdn. Bhd.	Oil palm plantation	100	100
Wenow Enterprise Sdn. Bhd.	Trading of fresh fruit bunches	100	100
The Palace Ventures Sdn. Bhd.	Hotelier	100	100
Miracle Display Sdn. Bhd.	Dormant	100	100
Better Prospects Sdn. Bhd.	Fish rearing	70	70
Bintang Kinabalu Plantation Sdn. Bhd.	Dormant	100	100
Deltafort Sdn. Bhd.	Dormant	100	100
Mature Land Sdn. Bhd.	Dormant	100	100
Miasa Plantation Sdn. Bhd.	Dormant	100	100
Natural Plantation Sdn. Bhd.	Dormant	100	100
Ngin Kong Holdings Sdn. Bhd.	Dormant	100	100
Permata Alam Sdn. Bhd.	Dormant	100	100
Sebuda Sdn. Bhd.	Dormant	100	100
Soon Tai Enterprise Sdn. Bhd.	Dormant	100	100
Sungai Kenali Sdn. Bhd.	Dormant	100	100
Syarikat Jejco Sdn. Bhd.	Dormant	100	100
Held through Subsidiaries:			
Best Borneo Oil Palm Resources Sdn. Bhd.	Dormant	70	70
Telupid Kelapa Sawit Sdn. Bhd.	Investment holding	70	70
Pedoman Hasil Sdn. Bhd.	Transportation services	100	100
Bonus Indah Sdn. Bhd.	Oil palm plantation	70	70
Summer Focus Sdn. Bhd.	Dormant	100	100

17. Investments in Subsidiaries (Cont'd.)

(a) On 9 March 2007, the Company acquired 100% equity interests in The Palace Ventures Sdn. Bhd. (Formerly known as Berjaya Resort (Sabah) Sdn. Bhd.) for a cash consideration of RM11 million and the settlement of the amount due to the vendor of RM10 million by The Palace Ventures Sdn. Bhd.

The acquired subsidiary has contributed the following results to the Group:

	RM
Revenue	3,880,172
Loss for previous year	(116,471)

If the acquisition had occurred on 1 January 2007, the contribution to the Group's revenue and loss for previous year would have been RM4,717,550 and RM80,889 respectively.

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

	Fair value recognised on acquisition RM	Acquirees' carrying amount RM
Property, plant and equipment (Note 13)	10,109,519	16,157,518
Prepaid land lease payments (Note 14)	11,396,835	11,396,835
Deferred taxation	-	381,465
Inventories	173,573	173,573
Trade and other receivables	529,054	529,054
Cash on hand	115,043	115,043
	22,324,024	28,753,488
Trade and other payables	(11,016,382)	(11,016,382)
Fair value of net assets	11,307,642	
Goodwill on acquisition	-	
Total cost of acquisition	11,307,642	

The cash outflow on acquisition is as follows:

	RM
Cost of acquisition	11,307,642
Cash and cash equivalents of subsidiary	(115,043)
Net cash outflow of the Group	11,192,599

18. Inventories

	Group 2008 RM	Group 2007 RM
Cost		
Crude palm oil and palm kernel	8,468,228	14,601,469
Consumable stores	2,304,728	2,036,596
Oil palm nurseries	91,350	124,934
Culverts	-	28,473
Fish feed	9,658	-
Food, beverages and tobacco	74,338	80,443
Operating supplies	110,512	21,394
	11,058,814	16,893,309

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

19. Trade and Other Receivables

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Current				
Trade receivables				
Third parties	7,988,264	11,546,348	-	-
Other receivables				
Amounts due from related parties:				
Subsidiaries				
- Interest-bearing advances	-	-	42,012,906	20,786,613
- Interest-free advances	-	-	11,671,410	-
- Balances arising from Group internal restructuring exercise	-	-	8,935,344	58,760,749
	-	-	62,619,660	79,547,362

19. Trade and Other Receivables (Cont'd.)

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Other receivables (Cont'd.)				
Sundry deposits	794,530	634,121	19,600	15,000
Prepayments	493,353	739,372	-	-
Proceeds receivable from sales of heavy equipment and motor vehicles	3,312,150	-	-	-
Sundry receivables	902,596	1,379,262	16,298	7,412
	5,502,629	2,752,755	35,898	22,412
Less: Provision for doubtful debts				
At 1 January	20,532	75,684	-	-
Doubtful debts written back	-	(75,684)	-	-
Addition	-	20,532	-	-
At 31 December	20,532	20,532	-	-
	5,482,097	2,732,223	35,898	22,412
	13,470,361	14,278,571	62,655,558	79,569,774
Non-current other receivables				
Deposit and incidental costs paid for the acquisition of a foreign subsidiary	4,809,034	-	-	-

(a) Credit risk

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

19. Trade and Other Receivables (Cont'd.)

(b) Amounts due from related parties

The amounts are unsecured and have no fixed terms of repayment.

The interest-bearing advances are subject to interest charge at rates ranging from 4.81% to 5.75% (2007: 5.13% to 5.75%) per annum.

Further details on related party transactions are disclosed in Note 29.

20. Cash and Cash Equivalents

	Group		Company	
	2008 RM	**2007 RM**	**2008 RM**	**2007 RM**
Cash on hand and at banks	10,691,441	9,677,396	183,443	278,509
Fixed deposits with licensed banks	1,491,761	1,234,633	-	-
	12,183,202	10,912,029	183,443	278,509

All the fixed deposits of the Group are held under lien to secure bank guarantees issued in favour of third parties on behalf of the Group.

Other information on financial risks of cash and cash equivalents are disclosed in Note 30.

For the purpose of the cash flow statements, cash and cash equivalents comprise the following as at the balance sheets date:

	Group		Company	
	2008 RM	**2007 RM**	**2008 RM**	**2007 RM**
Cash and bank balances	12,183,202	10,912,029	183,443	278,509
Bank overdrafts (Note 23)	(979,786)	(9,781)	(979,010)	(9,781)
Total cash and cash equivalents	11,203,416	10,902,248	(795,567)	268,728

21. Share Capital

	Number of Ordinary Shares of RM1 Each		Amount	
	2008	2007	2008 RM	2007 RM
Authorised				
At 1 January and 31 December	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid				
At 1 January and 31 December	120,000,000	120,000,000	120,000,000	120,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

22. Retained Earnings

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act, 2007 which was gazetted on 28 December 2007, companies shall not deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act, 2007.

The Company has elected for the irrevocable option under the Finance Act, 2007 to disregard the 108 balance as at 31 December 2007. Hence, the Company will be able to distribute dividends out of its entire retained earnings as at 31 December 2008 and 2007 under the single tier system.

23. Borrowings

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Short term borrowings				
Secured:				
Bank overdrafts	979,786	9,781	979,010	9,781
Revolving credits	17,032,542	5,002,248	8,012,651	4,002,249
Bankers' acceptances	4,381,000	2,984,000	-	-
Bank loans	3,924,017	4,790,554	2,940,000	2,940,000
Islamic bank loans	1,509,776	2,492,958	-	-
Hire purchase payables (Note 24)	1,248,800	1,543,448	-	-
	29,075,921	16,822,989	11,931,661	6,952,030
Long term borrowings				
Secured:				
Bank loans	11,082,699	14,208,247	9,605,324	11,762,708
Islamic bank loans	173,170	1,571,862	-	-
Hire purchase payables (Note 24)	648,849	2,064,317	-	-
	11,904,718	17,844,426	9,605,324	11,762,708
Total borrowings				
Secured:				
Bank overdrafts (Note 20)	979,786	9,781	979,010	9,781
Revolving credits	17,032,542	5,002,248	8,012,651	4,002,249
Bankers' acceptances	4,381,000	2,984,000	-	-
Bank loans	15,006,716	18,998,801	12,545,324	14,702,708
Islamic bank loans	1,682,946	4,064,820	-	-
Hire purchase payables (Note 24)	1,897,649	3,607,765	-	-
	40,980,639	34,667,415	21,536,985	18,714,738

The borrowings are secured by:

(a) legal charges over biological assets and several parcels of leasehold land of certain subsidiaries together with the palm oil mill erected thereon as disclosed in Note 13, Note 14 and Note 15 to the financial statements;
(b) joint and several guarantees issued by certain Directors of the Company; and
(c) corporate guarantees given by the Company and certain subsidiaries.

Other information on financial risks of borrowings are disclosed in Note 30.

24. Hire Purchase Liabilities

	Group 2008 RM	Group 2007 RM
Future minimum lease payments:		
Not later than 1 year	1,326,623	1,719,979
Later than 1 year and not later than 2 years	533,805	1,384,439
Later than 2 years and not later than 5 years	134,213	788,793
	1,994,641	3,893,211
Less: Future finance charges	(96,992)	(285,446)
Present value of hire purchase liabilities	1,897,649	3,607,765
Analysis of present value of hire purchase liabilities:		
Not later than 1 year	1,248,800	1,543,448
Later than 1 year and not later than 2 years	519,498	1,300,869
Later than 2 years and not later than 5 years	129,351	763,448
	1,897,649	3,607,765
Less: Amount due within 12 months (Note 23)	1,248,800	1,543,448
Amount due after 12 months (Note 23)	648,849	2,064,317

Other information on financial risks of hire purchase liabilities are disclosed in Note 30.

25. Deferred Tax

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
At 1 January	32,265,535	32,204,362	17,932	21,829
Recognised in income statement (Note 10)	370,636	61,173	25,800	(3,897)
At 31 December	32,636,171	32,265,535	43,732	17,932
Presented after appropriate offsetting as follows:				
Deferred tax assets	(244,950)	(190,707)	-	-
Deferred tax liabilities	32,881,121	32,456,242	43,732	17,932
	32,636,171	32,265,535	43,732	17,932

25. Deferred Tax (Cont'd.)

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

Deferred tax liabilities of the Group in respect of property, plant and equipment:

	2008 RM	2007 RM
At 1 January	33,923,214	35,342,991
Recognised in income statement	223,138	(1,419,777)
At 31 December	34,146,352	33,923,214

Deferred tax assets of the Group:

	Unabsorbed Capital and Agriculture Allowances RM	Unutilised Tax Losses RM	Total RM
At 1 January 2008	(991,636)	(666,043)	(1,657,679)
Recognised in income statement	142,544	4,954	147,498
At 31 December 2008	(849,092)	(661,089)	(1,510,181)
At 1 January 2007	(2,024,020)	(1,114,609)	(3,138,629)
Recognised in income statement	1,032,384	448,566	1,480,950
At 31 December 2007	(991,636)	(666,043)	(1,657,679)

Deferred tax liabilities of the Company in respect of property, plant and equipment:

	2008 RM	2007 RM
At 1 January	17,932	21,829
Recognised in income statement	25,800	(3,897)
At 31 December	43,732	17,932

25. Deferred Tax (Cont'd.)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2008 RM	2007 RM
Unutilised tax losses	3,207,347	4,104,178
Unabsorbed capital and agriculture allowances	39,076	500,274
	3,246,423	4,604,452

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

26. Trade and Other Payables

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Trade payables				
Third parties	13,440,119	20,049,036	-	-
Other payables				
Amounts due to related parties:				
Subsidiaries				
- Balances arising from Group internal restructuring exercise	-	-	116,781,500	143,063,002
- Interest-bearing advances	-	-	7,554,890	6,648,234
- Interest-free advances	-	-	6,011,611	95,894,885
	-	-	130,348,001	245,606,121
Deposits	39,900	8,900	-	-
Accruals	2,976,656	3,030,380	103,0000	93,000
Sundry payables	6,080,072	5,559,453	1,396,692	1,228,358
	9,096,628	8,598,733	1,499,692	1,321,358
	22,536,747	28,647,769	131,847,693	246,927,479

26. Trade and Other Payables (Cont'd.)

(a) Trade payables

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

(b) Amounts due to related parties

The amounts are unsecured and have no fixed terms of repayment.

The interest-bearing advances are subject to interest charge at rates ranging from 5.75% to 6.50% (2007: 5.65% to 5.75%) per annum.

Further details on related party transactions are disclosed in Note 29.

27. Capital Commitments

	Group	
	2008	**2007**
	RM	**RM**
Capital expenditure:		
Approved and contracted for:		
Renovation of hotel building and rooms	2,857,587	1,342,657
Construction of estates' buildings and infrastructure	1,118,845	-
Construction of fishery's infrastructure	251,094	-
Acquisition of oil mill plant and machinery	7,205,314	495,000
Acquisition of a foreign subsidiary	12,043,146	-
Acquisition of hotel	-	2,220,000
	23,475,986	4,057,657
Approved but not contracted for:		
Acquisition of plant and machinery and extension of mill structures and buildings	8,759,500	7,039,000
Construction of estates' buildings and infrastructure	3,674,015	1,632,000
Acquisition of equipment	974,500	1,540,000
	13,408,015	10,211,000
	36,884,001	14,268,657

28. Contingent Liabilities

Group

There is a claim by Kwantas Oil Sdn. Bhd. ("Kwantas"), a customer of the Group for damages assessed at RM2,047,538.50 plus arbitration's fee of RM21,000 awarded against Sungai Ruku Oil Palm Plantation Sdn. Bhd. ("SROPP"), a wholly-owned subsidiary of the Company on 5 November 2008 pursuant to an arbitration under The Palm Oil Refiners Association of Malaysia ("PORAM") Rules of Arbitration and Appeal 2005 in connection with a disputed sales contract of crude palm oil ("CPO") in February 2007. SROPP has submitted an Appeal and a Statement of Claim to PORAM on 4 December 2008 and 11 April 2009 respectively. The Appeal has yet to be decided by the Appeal Board Members appointed by PORAM as at the date of authorisation of the financial statements for issue. The Group's legal opinion is that if SROPP is able to establish before the Appeal Board that the CPO delivery restrictions imposed by Kwantas sometime in early and mid 2006 had caused SROPP's delay or failure to fulfill the abovesaid disputed sales contract and thus was a breach of the sales contract, the Appeal Board may decide in favour of SROPP.

Company

	2008 RM	2007 RM
Unsecured:		
Corporate guarantees given as securities for banking/credit facilities granted to subsidiaries	64,303,990	62,492,390

29. Related Party Disclosures

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

	2008 RM	2007 RM
Group		
Transactions with a company in which the Directors of the Company, Loo Ngin Kong is a director and shareholder and Wong Siew Ying is a shareholder:		
Ladang Hassan & Loo Sdn. Bhd.		
- Transportation income	48,864	27,204
- Purchase of fresh fruit bunches	629,457	681,387

29. Related Party Disclosures (Cont'd.)

	2008 RM	2007 RM
Group (Cont'd.)		
Transactions with companies in which a Director of the Company, Dato' Loo Pang Kee is a director and has interests:		
Rental expense charged by Piquet Holdings Sdn. Bhd.	90,000	82,500
Greyzone Sdn. Bhd.		
- Transportation income	20,860	-
- Sales of oil palm seedling	126,345	-
Purchase of curtains and carpets and other hotel fittings from Perfect Display Sdn. Bhd.	221,743	-
Transactions with a Director of the Company, Loo Ngin Kong:		
Rental expense	39,600	32,400
Purchase of fresh fruit bunches	254,608	71,316
Transactions with a Director of the Company, Dato' Loo Pang Kee:		
Rental expense	-	7,500
Transactions with a company in which a Director of the Company, Dr. Edmond Fernandez is a director and shareholder:		
Medical expenses charged by Klinik Elopura Sdn. Bhd.	6,685	13,746
Transactions with a company in which a Director of the Company, Dato' Koh Kin Lip is a director and has indirect interests:		
Purchase of quarry stones from Sukau Quarry Sdn. Bhd.	25,449	-

29. Related Party Disclosures (Cont'd.)

	2008 RM	2007 RM
Company		
Transactions with subsidiaries:		
Purchasing handling fees paid to a subsidiary, Syarikat Emashijau Sdn. Bhd.	6,000	5,280
Gross dividends received from subsidiaries:		
- Growth Enterprise Sendirian Berhad	-	4,794,520
- Sungai Ruku Oil Palm Plantation Sdn. Bhd.	2,297,297	2,054,795
- Berkat Setia Sdn. Bhd.	11,392,118	-
- Agrisa Trading Sdn. Bhd.	681,081	-
Interest on advances and related charges charged by:		
- Sungai Ruku Oil Palm Plantation Sdn. Bhd.	79,675	41,734
- Natural Plantation Sdn. Bhd.	123,524	190,470
- Berkat Setia Sdn. Bhd.	194,428	-
Interest on advances charged to		
- Kian Merculaba Sdn. Bhd.	62,665	59,433
- Seraya Plantation Sdn. Bhd.	1,343	16,722
- Agrisa Trading Sdn. Bhd.	40,364	33,216
- Intan Ramai Sdn. Bhd.	128,463	90,615
- Bonus Indah Sdn. Bhd.	266,612	185,400
- Transglobe Enterprise Sdn. Bhd.	36,904	60,714
- Sinar Ramai Sdn. Bhd.	67,035	42,442
- The Palace Ventures Sdn. Bhd.	894,252	479,342
Room expenses charged by The Palace Ventures Sdn. Bhd.	12,030	43,487
Management fees charged to		
- Agrisa Trading Sdn. Bhd.	159,700	160,900
- Berkat Setia Sdn. Bhd.	1,858,400	1,762,300
- Bonus Indah Sdn. Bhd.	730,600	724,600
- Growth Enterprise Sendirian Berhad	92,900	92,200
- Intan Ramai Sdn. Bhd.	291,400	280,100
- Kian Merculaba Sdn. Bhd.	291,600	283,900
- Seraya Plantation Sdn. Bhd.	146,200	145,500
- Sungai Ruku Oil Palm Plantation Sdn. Bhd.	1,421,000	1,336,900
- Sinar Ramai Sdn. Bhd.	132,500	128,600
- Syarikat Sofrah Sdn. Bhd.	12,000	12,500
- Transglobe Enterprise Sdn. Bhd.	318,500	313,300

29. Related Party Disclosures (Cont'd.)

	2008 RM	2007 RM
Company (Cont'd.)		
Rent of premises charged by a subsidiary, Ballerina Sdn. Bhd.	90,000	90,000
Transportation fees charged by subsidiaries:		
- Pedoman Hasil Sdn. Bhd.	3,180	1,560
- Kidat Sendirian Berhad	17,335	2,550
Purchase of office equipment from subsidiary, Better Prospects Sdn. Bhd.	4,276	-
Dividends from subsidiaries arising from profits accumulated prior to acquisition:		
- Ngin Kong Holdings Sdn. Bhd.	57,740,000	-
- Soon Tai Enterprise Sdn. Bhd.	1,580,000	-
- Syarikat Jejco Sdn. Bhd.	780,000	-
- Bintang Kinabalu Plantation Sdn. Bhd.	9,260,000	-
- Sebuda Sdn. Bhd.	4,240,000	-
- Natural Plantation Sdn. Bhd.	37,770,000	-
- Miasa Plantation Sdn. Bhd.	7,480,000	-
- Deltafort Sdn. Bhd.	1,230,000	-
- Sungai Kenali Sdn. Bhd.	3,350,000	-

(1) The interest on advances received arose from amounts due from subsidiaries. Further details are disclosed in Note 19(b).

(2) The interest on advances obtained arose from amounts due to subsidiaries. Further details are disclosed in Note 26(b).

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

Information regarding outstanding balances arising from related party transactions as at 31 December 2008 are disclosed in Note 19 and Note 26.

29. Related Party Disclosures (Cont'd.)

(b) Compensation of key management personnel

The remuneration of Directors who are also the members of key management during the year was as follows:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Short-term employee benefits	2,588,426	2,119,084	2,388,162	2,091,390
Defined contribution plan	416,059	340,578	392,299	340,578
	3,004,485	2,459,662	2,780,461	2,431,968

30. Financial Instruments

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

(b) Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

30. Financial Instruments (Cont'd.)

(b) Interest Rate Risk (Cont'd.)

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

	Note	EIR %	Within 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	4-5 years RM	Total RM
At 31 December 2008								
Group								
Fixed rate								
Bank loans	23	6.30	933,333	933,333	544,042	-	-	2,410,708
Hire purchase liabilities	24	4.30 – 7.00	1,248,800	519,498	73,264	56,087	-	1,897,649
Islamic bank loans	23	5.25 - 5.75	1,509,776	173,170	-	-	-	1,682,946
Floating rate								
Bank overdrafts	23	6.50 – 7.60	979,786	-	-	-	-	979,786
Revolving credits	23	4.81 – 5.50	17,032,542	-	-	-	-	17,032,542
Bankers' acceptances	23	4.80 – 4.83	4,381,000	-	-	-	-	4,381,000
Bank loans	23	5.46 – 8.50	2,990,684	2,940,000	2,940,000	2,940,000	785,324	12,596,008
Company								
Floating rate								
Bank overdrafts	23	7.60	979,010	-	-	-	-	979,010
Revolving credits	23	4.81	8,012,651	-	-	-	-	8,012,651
Bank loans	23	5.46	2,940,000	2,940,000	2,940,000	2,940,000	785,324	12,545,324

30. Financial Instruments (Cont'd.)

(b) Interest Rate Risk (Cont'd.)

	Note	EIR %	Within 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	4-5 years RM	Total RM
At 31 December 2007								
Group								
Fixed rate								
Bank loans	23	5.25 - 6.30	1,332,912	933,334	933,334	544,443	-	3,744,023
Hire purchase liabilities	24	4.10 - 7.00	1,543,448	1,300,869	563,522	116,940	82,986	3,607,765
Islamic bank loans	23	5.25 - 5.75	2,492,958	1,352,647	219,215	-	-	4,064,820
Floating rate								
Bank overdrafts	23	7.75	9,781	-	-	-	-	9,781
Revolving credits	23	5.13 - 5.42	5,002,248	-	-	-	-	5,002,248
Bankers' acceptances	23	4.96 - 5.01	2,984,000	-	-	-	-	2,984,000
Bank loans	23	5.21 - 8.75	3,457,642	2,974,428	2,940,000	2,940,000	2,942,708	15,254,778
Company								
Floating rate								
Bank overdrafts	23	7.75	9,781	-	-	-	-	9,781
Revolving credits	23	5.13	4,002,249	-	-	-	-	4,002,249
Bank loans	23	5.21	2,940,000	2,940,000	2,940,000	2,940,000	2,942,708	14,702,708

(c) Liquidity Risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

30. Financial Instruments (Cont'd.)

(d) Credit Risk

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group has significant exposure to a few refinery customers and thus it has major concentration of credit risk related to trade receivables.

(e) Fair Values

The nominal amount and fair value of the contingent liabilities of the Company as disclosed in Note 28 to the financial statements not recognised in the balance sheet as at 31 December 2008 are RM64,303,990 (2007: RM62,492,390) and RM18,970,068 (2007: RM14,591,410) respectively.

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

(i) Cash and Cash Equivalents, Trade and Other Receivables/Payables

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

(ii) Amounts Due from/to Subsidiaries

It is not practicable to estimate the fair values of these amounts due principally to a lack of fixed repayment terms entered into by the parties involved.

(iii) Borrowings

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

31. Significant Events

(a) On 21 August 2008, the Company had announced to Bursa Malaysia that it had proposed to implement the following:

(i) a share split involving the subdivision of every one (1) existing ordinary share of RM1.00 each held in the Company into five (5) ordinary shares of RM0.20 each ("Proposed Share Split");

(ii) establishment of an employees' share option scheme of up to fifteen percent (15%) of the issued and paid-up share capital of the Company ("Proposed ESOS") after the completion of the Proposed Share Split; and

(iii) amendments to the Memorandum of Association of the Company required for the implementation of the Proposed Share Split ("Proposed Amendments").

(Collectively referred to as the "Proposals").

On 18 November 2008, the Company had announced that, after taking into consideration of the recent weak equity market sentiments, the Proposals are deferred until such time when the equity market condition has improved.

(b) On 24 September 2008, a wholly-owned subsidiary, Permata Alam Sdn. Bhd. entered into a Conditional Sale and Purchase Agreement with Mr Ir. Ikhsanudin and Mr Budiman ("the Vendors") in relation to the proposed acquisition of 500 fully paid up shares of IDR250,000 each in PT Enggang Alam Sawita ("EAS") at a total purchase price of USD4,788,030. The total purchase price shall be satisfied in six (6) progress payments upon fulfillment of the conditions as stipulated in the Conditional Sale and Purchase Agreement. The intended principal business activity of EAS is operation of oil palm plantation. EAS possesses Location Permit and Plantation Business Permit for oil palm cultivation with a total land area of approximately 12,277 hectares located at Kalimantan Timur, Indonesia.

The total progress payments paid to the Vendors as at todate is USD1,338,093, which represents 27.95% of the total purchase price.

32. Segmental Information

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. There was no reporting of geographical segment as all its operations are carried out in Malaysia. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

32. Segmental Information (Cont'd.)

(a) Reporting format (Cont'd.)

The Group comprises the following business segments:

(i)	Plantation and mill	-	Cultivation and sale of oil palm products
(ii)	Fishery	-	Fish rearing, hatchery and sale of fish and fries
(iii)	Hotelier	-	Hotel operation

(b) Allocation basis and transfer pricing

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

Transfer prices between business segments are mutually agreed between the relevant parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

(c) Business segments

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

	Plantation and mill RM	Fishery RM	Hotelier RM	Elimination RM	Consolidated RM
31 December 2008					
Revenue					
External sales	395,490,746	1,846,270	4,418,035	-	401,755,051
Inter-segment sales	-	1,403	12,030	(13,433)	-
Total revenue	395,490,746	1,847,673	4,430,065	(13,433)	401,755,051
Results					
Segment results	67,433,347	146,794	(815,409)	-	66,764,732
Unallocated corporate expenses					(5,873,856)
Operating profit					60,890,876
Finance costs					(2,120,454)
Profit before tax					58,770,422
Income tax expense					(15,724,646)
Profit for the year					43,045,776

32. Segmental Information (Cont'd.)

(c) Business segments (Cont'd)

	Plantation and mill RM	Fishery RM	Hotelier RM	Elimination RM	Consolidated RM
31 December 2008					
Assets					
Segment assets	266,566,793	6,914,991	39,070,692	-	312,552,476
Unallocated corporate assets					7,008,187
Total assets					319,560,663
Liabilities					
Segment liabilities	17,790,203	190,137	1,877,024	-	19,857,364
Unallocated corporate liabilities					80,530,041
Total liabilities					100,387,405
Other Information					
Capital expenditure	13,443,971	3,016,862	14,518,701	-	30,979,534
Depreciation	6,859,455	107,989	1,012,787	-	7,980,231
Amortisation	791,808	12,338	50,228	-	854,374
Non-cash expenses other than depreciation, amortisation and impairment loss	6,177	-	-	-	6,177
31 December 2007					
Revenue					
External sales	309,769,519	99,579	3,880,712	-	313,749,810
Inter-segment sales	-	-	43,487	(43,487)	-
Total revenue	309,769,519	99,579	3,924,199	(43,487)	313,749,810

32. Segmental Information (Cont'd.)

(c) Business segments (Cont'd)

31 December 2007	**Plantation and mill RM**	**Fishery RM**	**Hotelier RM**	**Elimination RM**	**Consolidated RM**
Results					
Segment results	54,520,223	(115,932)	372,952	-	54,777,243
Unallocated corporate expenses					(5,182,793)
Operating profit					49,594,450
Finance costs					(2,270,486)
Profit before tax					47,323,964
Income tax expense					(11,413,262)
Profit for the year					35,910,702
Assets					
Segment assets	265,790,481	4,040,352	26,598,169	-	296,429,002
Unallocated corporate assets					2,845,088
Total assets					299,274,090
Liabilities					
Segment liabilities	17,917,648	218,846	1,268,617	-	19,405,111
Unallocated corporate liabilities					82,948,405
Total liabilities					102,353,516
Other Information					
Capital expenditure	10,902,052	1,205,152	3,406,083	-	15,513,287
Depreciation	6,857,892	125,820	327,318	-	7,311,030
Amortisation	875,368	-	30,766	-	906,134
Non-cash expenses other than depreciation, amortisation and impairment loss	20,532	-	12,024		32,556

33. Comparative Figures

The comparative figures of the Group has been restated to conform with current year's presentation, as follows:

	Previously stated RM	Reclassifications RM	Restated RM
Revenue	313,749,810	(11,250)	313,738,560
Other income	826,756	11,250	838,006
Cost of sales	253,295,034	(19,746,820)	233,548,214
Distribution costs	2,646,810	(2,646,810)	-
Selling and marketing expenses	167,198	(167,198)	-
Selling and distribution costs	-	22,560,828	22,560,828

SHARE CAPITAL

Paid-Up & Issued Share Capital	:	120,000,000
Authorised Share Capital	:	500,000,000
Type of Shares	:	Ordinary shares of RM1.00 each
No. of shareholders	:	1,001
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of holdings	No. of Holders	% of Holders	Total Holdings	% of Holdings
1 to 99	33	3.30	671	0.00
100 to 1,000	597	59.64	130,465	0.11
1,001 to 10,000	282	28.17	1,076,156	0.90
10,001 to 100,000	49	4.89	1,723,400	1.44
100,001 to 5,999,999*	37	3.70	54,100,964	45.08
6,000,000 and above**	3	0.30	62,968,344	52.47
Total	1,001	100.00	120,000,000	100.00

Notes: * Less than 5% of issued holdings
** 5% and above of issued holdings

SUBSTANTIAL SHAREHOLDERS

According to the Register maintained under Section 69L of the Companies Act, 1965, the substantial shareholders' interests in shares of the Company (excluding bare trustees) are as follows:-

	Ordinary shares of RM1.00 each			
	Direct interests	**%**	**Indirect interests**	**%**
Jubilant Ventures Sdn Bhd	38,400,000	32.00	-	-
Dato' Koh Kin Lip	19,783,344	16.49	2,887,350*1	2.41
Dato' Loo Pang Kee	10,206,906	8.51	38,400,000*2	32.00
Loo Ngin Kong	7,961,724	6.63	-	-
Wong Siew Ying	5,622,684	4.69	38,400,000*2	32.00

Notes:
*1: Deemed interest via shareholdings of Rickoh Corporation Sdn. Bhd. in the Company pursuant to Section 6A(4), Companies Act, 1965 and via shareholdings of his daughter, Koh Se Gay, in the Company.
*2: Deemed interest via shareholdings of Jubilant Ventures Sdn. Bhd. in the Company pursuant to Section 6A(4), Companies Act, 1965.

DIRECTORS' INTERESTS

According to the Register maintained under Section 134 of the Companies Act, 1965, the directors' interests in shares of the Company are as follows:-

	Ordinary shares of RM1.00 each			
	Direct interests	**%**	**Indirect interests**	**%**
Name of Directors				
Loo Ngin Kong	7,961,724	6.63	4,200,000*1	3.50
Dato' Seri Tengku Dr. Zainal Adlin Bin Tengku Mahamood	1	0.00	-	-
Dato' Loo Pang Kee	10,206,906	8.51	38,400,000*2	32.00
Wong Siew Ying	5,622,684	4.69	42,600,000*3	35.50
Lim Ted Hing	804,000	0.67	-	-
Dr. Edmond Fernandez	30,000	0.03	-	-
Dato' Koh Kin Lip	19,783,344	16.49	2,887,350*4	2.41
Tan Vun Su	1	0.00	-	-

Notes:

*1: Deemed interest via shareholdings of his son, Loo Pang Chieng, in the Company.

*2: Deemed interest via shareholdings of Jubilant Ventures Sdn. Bhd. in the Company pursuant to Section 6A(4), Companies Act, 1965.

*3: Deemed interest via shareholdings of Jubilant Ventures Sdn. Bhd. in the Company pursuant to Section 6A(4), Companies Act, 1965 and via shareholdings of his son, Loo Pang Chieng, in the Company.

*4: Deemed interest via shareholdings of Rickoh Corporation Sdn. Bhd. in the Company pursuant to Section 6A(4), Companies Act, 1965 and via shareholdings of his daughter, Koh Se Gay, in the Company.

Thirty (30) Largest Securities Account Holders as at 30 April 2009

No.	Name	No. of Shares Held	%
1	Jubilant Ventures Sdn Bhd	38,400,000	32.00
2	Dato' Koh Kin Lip	18,568,344	15.47
3	AMMB Nominees (Tempatan) Sdn Bhd AmBank (M) Berhad for Dato' Loo Pang Kee	6,000,000	5.00
4	Amsec Nominees (Tempatan) Sdn Bhd AmBank (M) Berhad for Kirana Senja Sdn Bhd	5,900,000	4.92
5	Mayban Nominees (Tempatan) Sdn Bhd Amanahraya - JMF Asset Management Sdn Bhd for Mutual Yield Sdn Bhd (C318-240203)	5,452,500	4.54
6	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Siew Ying	5,000,000	4.17
7	Amsec Nominees (Tempatan) Sdn Bhd AmBank (M) Berhad for Dato' Loo Pang Kee	4,206,906	3.51
8	Loo Pang Chieng	4,200,000	3.50
9	Loo Ngin Kong	3,961,724	3.30
10	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Loo Ngin Kong (49299 STNG)	3,000,000	2.50
11	Cimsec Nominees (Asing) Sdn Bhd ING Asia Private Bank Ltd for Kyngdym Estates Limited	2,852,350	2.38
12	Cimsec Nominees (Asing) Sdn Bhd ING Asia Private Bank Ltd for Smart Trend Services Limited	2,697,900	2.25
13	Lai Ming Chun @ Lai Poh Lin	2,000,000	1.67
14	Seah Sen Onn @ David Seah	1,902,500	1.59
15	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Rickoh Corporation Sdn Bhd (MY0507)	1,500,000	1.25

Thirty (30) Largest Securities Account Holders as at 30 April 2009 (continued)

No.	Name	No. of Shares Held	%
16	Rickoh Corporation Sdn Bhd	1,317,350	1.10
17	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Dato' Koh Kin Lip (MY0502)	1,215,000	1.01
18	Phyllis Lo Set Fui	1,114,000	0.93
19	Loo Ngin Kong	1,000,000	0.83
20	Cimsec Nominees (Asing) Sdn Bhd ING Asia Private Bank Ltd for Parkey International Limited	877,100	0.73
21	Seah Sen Onn @ David Seah	815,000	0.68
22	Junior Koh Siew Hui	654,700	0.55
23	Lim Ted Hing	604,000	0.50
24	Koh Siew Boon	515,800	0.43
25	Wong Siew Ying	372,684	0.31
26	Citigroup Nominees (Asing) Sdn Bhd UBS AG Singapore for Multiasia International Limited	309,000	0.26
27	Rosalind Lo Nyit Ying	277,000	0.23
28	Junior Koh Siew Hui	275,000	0.23
29	Lie Tjie Moh @ Lee Chee Hiong	265,000	0.22
30	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lai Tan Kiong (E-SDK)	261,300	0.22

Description/ Title/Location	Land area Hectares (unless otherwise stated)	Tenure (years)	Age of buildings (years)	Usage	Net book value as at 31.12.2008 RM	Date Acquired
Plantation land						
Growth estate, KM 70, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	183.05	99 years lease expiring 31 December 2077 and 31 December 2086	N/A	Oil palm plantation	4,426,357	2002
Soon Tai estate, KM 71, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	38.03	99 years lease expiring 31 December 2077	N/A	Oil palm plantation	1,005,683	2002
Jejco estate, KM 71, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	40.71	99 years lease expiring 31 December 2077	N/A	Oil palm plantation	1,603,872	2002
Bintang estate, KM 71, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	195.47	99 years lease expiring 31 December 2078	N/A	Oil palm plantation	5,582,104	2002
SROPP estate and 7.7 hectares of durian orchard, KM 73, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	224.94	99 years lease expiring 31 December 2077 and 31 December 2080	N/A	Oil palm plantation	5,061,926	2002
Teh estate, KM 75, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	242.81	99 years lease expiring 31 December 2077 and 31 December 2079	N/A	Oil palm plantation	7,451,252	2005

Description/ Title/Location	Land area Hectares (unless otherwise stated)	Tenure (years)	Age of buildings (years)	Usage	Net book value as at 31.12.2008 RM	Date Acquired
Plantation land (Cont'd.)						
Ballerina estate, KM 80, Sandakan-Telupid-Kota Kinabalu Highway, District of Kinabatangan, Sabah	163.13	99 years lease expiring 31 December 2077	N/A	Oil palm plantation	4,132,486	2002
Sebuda estate, KM 80, Sandakan-Telupid-Kota Kinabalu Highway, District of Kinabatangan, Sabah	316.00	99 years lease expiring 31 December 2078	N/A	Oil palm plantation	6,489,503	2002
Telupid estates, KM 80 & KM 100, Sandakan-Telupid-Kota Kinabalu Highway, Districts of Kinabatangan & Labuk-Sugut, Sabah	1,379.95	99 years lease expiring 31 December 2078	N/A	Oil palm plantation	33,357,530	2002
Berkat estate, Mile 62, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	101.71	99 years lease 31 December 2096	N/A	Oil palm plantation	1,783,147	2002 & 2005
Bonus Indah estate, KM 111, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	999.60	99 years lease expiring 31 December 2091	N/A	Oil palm plantation	24,408,895	2002
Berkat estate, KM 111, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	432.50	99 years lease expiring 31 December 2083 and 31 December 2093	N/A	Oil palm plantation	8,440,466	2002

Description/ Title/Location	Land area Hectares (unless otherwise stated)	Tenure (years)	Age of buildings (years)	Usage	Net book value as at 31.12.2008 RM	Date Acquired
Plantation land (Cont'd.)						
Kian Merculaba estate, KM 113, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	498.40	99 years lease expiring 31 December 2091	N/A	Oil palm plantation	8,352,951	2003
Natural estate, KM 124, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	102.19	99 years lease expiring 31 December 2079	N/A	Oil palm plantation	2,550,847	2002
Miasa estate, KM 124, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	440.90	99 years lease expiring 31 December 2079 and 31 December 2081	N/A	Oil palm plantation	10,005,894	2002
Seraya estate, KM 124, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	181.79	99 years lease expiring 31 December 2080	N/A	Oil palm plantation	4,013,151	2002
Transglobe estate, KM 124, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	302.80	99 years lease expiring 31 December 2082	N/A	Oil palm plantation	6,722,298	2002
Sinar Ramai estate, KM 143,Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	192.30	99 years lease expiring 31 December 2086	N/A	Oil palm plantation	4,793,327	2002

Description/ Title/Location	Land area Hectares (unless otherwise stated)	Tenure (years)	Age of buildings (years)	Usage	Net book value as at 31.12.2008 RM	Date Acquired
Plantation land (Cont'd.)						
Intan Ramai estate, KM 143, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	228.10	99 years lease expiring 31 December 2086	N/A	Oil palm plantation	4,615,500	2002
Deltafort estate, KM 87, Segaliud Lokan, District of Kinabatangan, Sabah	400.30	99 years lease expiring 31 December 2087	N/A	Oil palm plantation & plantable reserve	6,315,760	2002
SROPP estate, KM87, Segaliud Lokan, District of Kinabatangan, Sabah	40.47	99 years lease expiring 31 December 2077	N/A	Oil palm plantation	1,131,841	2002
SROPP estate, KM30 Labuk Road, District of Sandakan, Sabah	39.02	99 years lease expiring 31 December 2060	N/A	Oil palm plantation	1,681,026	2002
Permata Alam estate, KM87, Sandakan-Lahad Datu Highway, District of Kinabatangan, Sabah	200.30	99 years lease expiring 31 December 2085	N/A	Oil palm plantation	5,028,508	2003
Sungai Kenali estate, KM87, Sandakan-Lahad Datu Highway, District of Kinabatangan, Sabah	197.90	99 years lease expiring 31 December 2085	N/A	Oil palm plantation	3,615,724	2003

Description/ Title/Location	Land area Hectares (unless otherwise stated)	Tenure (years)	Age of buildings (years)	Usage	Net book value as at 31.12.2008 RM	Date Acquired
Other landed properties						
Ballerina , 2 adjoining double storey shophouses with a built-up area of 782.13m², Lot 8 & 9, Taman Tshun Ngen, Mile 5, Labuk Road, District of Sandakan, Sabah	395.55m²	999 years lease expiring 9 July 2887	34	Office buildings	872,987	2002
Ballerina, 1 double storey shophouse with a built-up area of 391.07m², Lot 11, Taman Tshun Ngen, Mile 5, Labuk Road, District of Sandakan, Sabah	197.78 m²	999 years lease expiring 9 July 2887	34	Office building	308,909	2003
Berkat, 1 double storey detached house, Lot 134, Taman Tshun Ngen, Mile 5, Labuk Road, District of Sandakan, Sabah	11,120 sq ft	999 years lease expiring 9 July 2887	26	Employees' accomodation	648,024	2007
SROPP palm oil mill with a built-up area of 6,232m², KM 87, Segaliud-Lokan, Sandakan-Lahad Datu Highway, District of Kinabatangan, Sabah	35.39	99 years lease expiring 31 December 2077	14	Palm oil mill	4,679,645	2002
Berkat palm oil mill, with a built-up area of 4,193.80m², KM 70, Sandakan-Telupid-Kota Kinabalu Highway, District of Labuk-Sugut, Sabah	4.05	60 years lease expiring 31 December 2044	23	Palm oil mill	4,326,642	2002

Description/ Title/Location	Land area Hectares (unless otherwise stated)	Tenure (years)	Age of buildings (years)	Usage	Net book value as at 31.12.2008 RM	Date Acquired
Other landed properties (Cont'd.)						
Palace Hotel, 8 storey hotel building with 160 rooms and ancillary buildings together with hotel facilities, an open car park for visitors and a staff quarter with total floor area of 8,673 m^2, No. 1, Jalan Tangki, Karamunsing, Kota Kinabalu	1.789	999 years lease expiring 31 December 2907, 12 June 2913 and 2 October 2915 and 99 years lease expiring 28 April 2065	14	Hotel	27,272,398	2007 & 2008
Velvet Lodge & Lounge, three-storey lodging house with a café at ground floor with total floor area of 7,800 sq ft, Lot No. 56, Lorong Berjaya 5, Bandaran Berjaya, Kota Kinabalu, Sabah	1,700 sq ft	999 years lease expiring 21 January 2901	36	Lodge & lounge	2,414,818	2008
Better Prospects, Sungai Obar, Mile 7, Off Airport Road, 90000 Sandakan, Sabah	10.89	99 years lease expiring 31 December 2077	N/A	Fish ponds & nursery	3,100,675	2007 & 2008
TOTAL					**206,194,146**	

NPC Resources Berhad (502313-P)

PROXY FORM

I/We, ____________________

of ____________________

being a member/members of NPC RESOURCES BERHAD, hereby appoint ____________________

of ____________________

or failing him, ____________________

of ____________________

or failing him the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Ninth Annual General Meeting of the Company, to be held at the Conference Room 1, Pool Level, The Palace Hotel, No. 1, Jalan Tangki, Karamunsing, 88100 Kota Kinabalu, Sabah on Thursday, 25 June 2009 at 10.30 am or any adjournment thereof.

I/We direct my/our proxy to vote for or against the Resolutions to be proposed at the Meeting as hereinunder indicated.

No.	Resolutions	For	Against
1.	To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 31 December 2008.		
2.	To declare a final single tier dividend of 3.0 sen per share in respect of the financial year ended 31 December 2008.		
3.	To re-appoint Mr Loo Ngin Kong pursuant to Section 129(6) of the Companies Act, 1965.		
4.	To re-elect Dato' Seri Tengku Dr. Zainal Adlin Bin Tengku Mahamood retiring pursuant to Article 93.		
5.	To re-elect Madam Wong Siew Ying retiring pursuant to Article 93.		
6.	To re-elect Mr Tan Vun Su retiring pursuant to Article 100.		
7.	To approve the payment of Directors' fees of RM80,000 for the financial year ended 31 December 2008.		
8.	To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration.		
9.	Authority to issue shares pursuant to Section 132D, Companies Act, 1965.		
10.	Proposed Renewal of the Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

(Please indicate with an "x" in the appropriate box against each resolution how you wish your proxy to vote. If this form of proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit).

Dated this day of 2009

NO. OF SHARES HELD	

____

Signature(s) of Member(s)

Notes:

a) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act, shall not apply to the Company.

b) A member shall be entitled to appoint one (1) but not more than two (2) proxies to attend and vote at the same meeting and where a member appoints two (2) proxies to attend and vote instead of him at the same Meeting, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if such appointor is a corporation, either under its Common Seal or the hands of its officers or attorney duly authorised.

d) The instrument appointing a proxy shall be deposited at the Registered Office of the Company at Lot 9, T3, Taman Tshun Ngen, Mile 5, Jalan Labuk, 90000 Sandakan, Sabah, not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

Fold this flap for sealing

Affix
Stamp

The Company Secretary
NPC RESOURCES BERHAD(Company No. 502313-P)
Lot 9, T3
Taman Tshun Ngen
Mile 5, Jalan Labuk
90000 Sandakan
Sabah

Then fold here