



**MINPLY HOLDINGS  
(M) BERHAD**

(325631-V)  
(Incorporated in Malaysia)

MINPLY HOLDINGS (M) BERHAD (325631-V) | ANNUAL REPORT 2008

No. 482, Jalan Zamrud 6, Taman Ko-op, 70200 Seremban,  
Negeri Sembilan Darul Khusus.  
Tel: +606-767 9353 / 767 9418 Fax: +606-763 7202

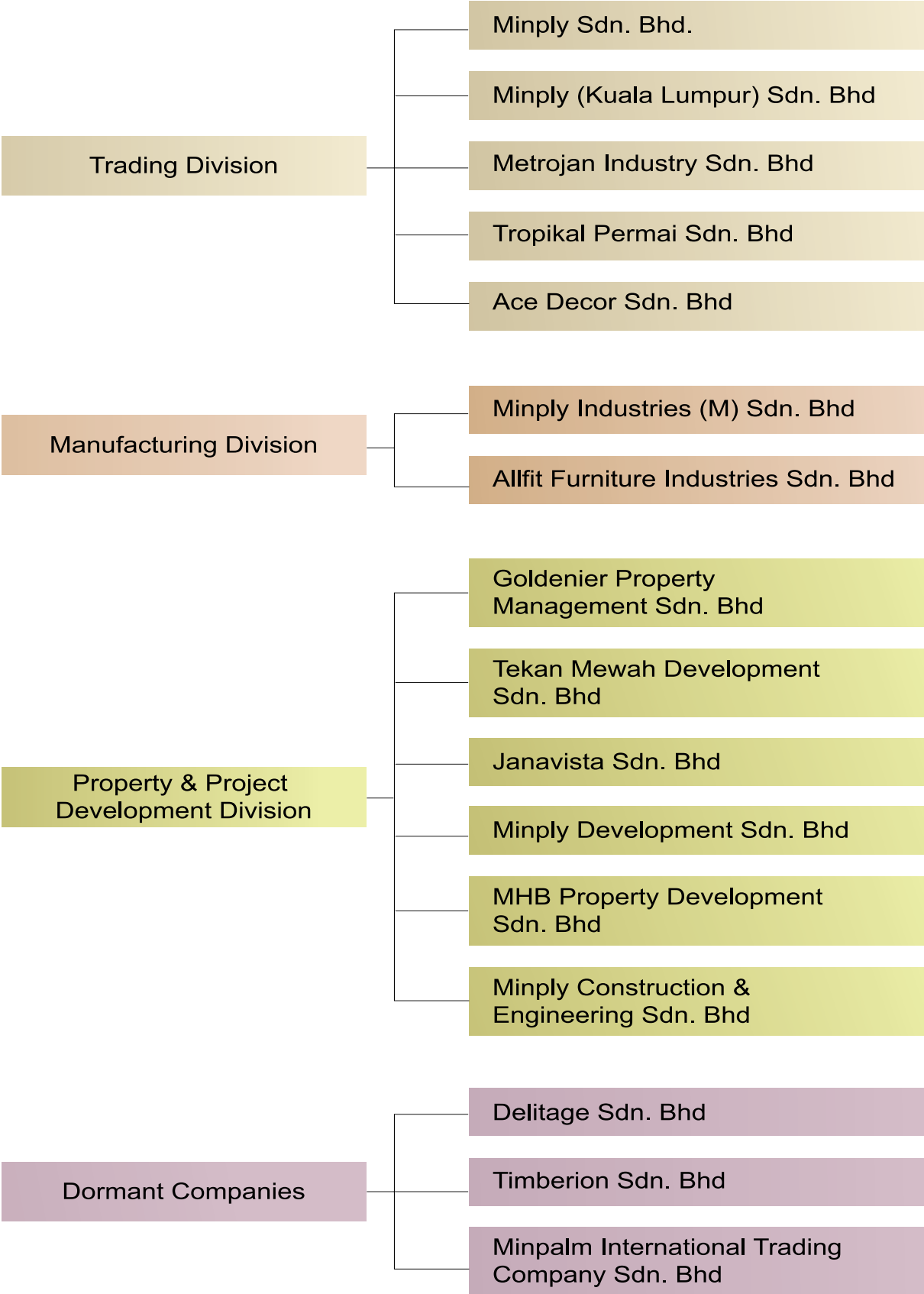


annual report  
**2008**

<b>CORPORATE STRUCTURE</b>	<b>2</b>
<b>CORPORATE INFORMATION</b>	<b>3</b>
<b>FINANCIAL HIGHLIGHTS</b>	<b>4</b>
<b>CHAIRMAN'S STATEMENT</b>	<b>5</b>
<b>PROFILE OF BOARD OF DIRECTORS</b>	<b>6</b>
<b>STATEMENT ON CORPORATE GOVERNANCE</b>	<b>8</b>
<b>CORPORATE SOCIAL RESPONSIBILITY</b>	<b>12</b>
<b>STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS</b>	<b>12</b>
<b>AUDIT COMMITTEE REPORT</b>	<b>13</b>
<b>ADDITIONAL COMPLIANCE INFORMATION</b>	<b>17</b>
<b>STATEMENT ON INTERNAL CONTROL</b>	<b>18</b>
<b>FINANCIAL STATEMENTS</b>	<b>19</b>
<b>LIST OF PROPERTIES OF THE GROUP</b>	<b>78</b>
<b>ANALYSIS OF SHAREHOLDINGS</b>	<b>79</b>
<b>NOTICE OF ANNUAL GENERAL MEETING</b>	<b>82</b>
<b>STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING</b>	<b>84</b>
<b>PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION PURSUANT TO THE LETTER DATED 14 DECEMBER 2006 FROM BURSA MALAYSIA BERHAD</b>	<b>85</b>
<b>FORM OF PROXY</b>	

# CONTENTS

# CORPORATE STRUCTURE



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

*Executive Chairman*

**Lee Gee Huy @ Lee Kong Fee**

*Executive Director*

**Tan Lee Chin**

*Managing Director*

**Dato' Tan Wei Lian**

*Independent Non-Executive Director*

**Chua Eng Chin**

## SECRETARY

Ng Bee Lian (f) (MAICSA 7041392)  
Tan Enk Purn (MAICSA 7045521)

## REGISTERED OFFICE

No. 482, Ground Floor,  
Jalan Zamrud 6, Taman Ko-op,  
70200 Seremban,  
Negeri Sembilan  
Tel : 06-7679353  
Fax : 06-7637202

## REGISTRAR

Securities Services (Holdings) Sdn Bhd  
Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights,  
50490 Kuala Lumpur  
Tel : 03-20849000  
Fax : 03-20949940/20950292

## AUDITORS

Messrs Bakar Tilly Monteiro Heng  
(AF 0117)  
22-1 Monteiro & Heng Chambers  
Jalan Tun Sambanthan 3,  
50470 Kuala Lumpur  
Tel No. : 03-22748988  
Fax No. : 03-22601708

## AUDIT COMMITTEE

Chua Eng Chin *Chairman*  
(*Independent Non-Executive Director*)

Lee Gee Huy @ Lee Kong Fee  
(*Independent Non-Executive Director*)

## NOMINATION COMMITTEE

Chua Eng Chin *Chairman*  
(*Independent Non-Executive Director*)

Lee Gee Huy @ Lee Kong Fee  
(*Independent Non-Executive Director*)

## REMUNERATION COMMITTEE

Lee Gee Huy @ Lee Kong Fee *Chairman*  
(*Independent Non-Executive Director*)

Chua Eng Chin  
(*Independent Non-Executive Director*)

## PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Berhad  
CIMB Bank Berhad

## STOCK EXCHANGE LISTING

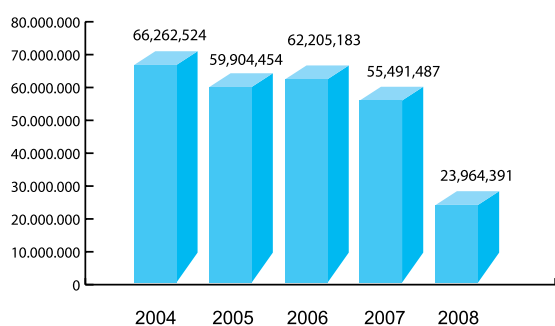
Second Board of the Bursa Malaysia

# FINANCIAL HIGHLIGHTS

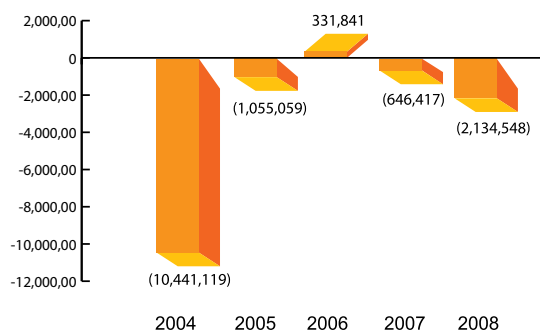
RM'000	2004	2005	2006	2007	2008
Turnover	66,262,524	59,904,454	62,205,183	55,491,487	23,964,391
(Loss)/Profit before taxation	(10,441,119)	(1,055,059)	331,841	(646,417)	(2,134,548)
(Loss)/Profit after taxation	(13,376,437)	(873,169)	261,016	(793,738)	(3,897,670)
Net assets	36,214,565	34,965,268*	35,348,784	35,568,451	31,622,375
Earning/(loss) per ordinary share (sen)	(31.30)	(1.98)	0.59	(1.82)	(8.85)

\* restated after adopting FRS 3

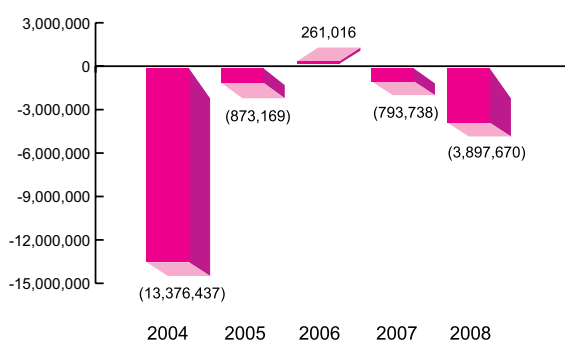
Turnover (RM'000)



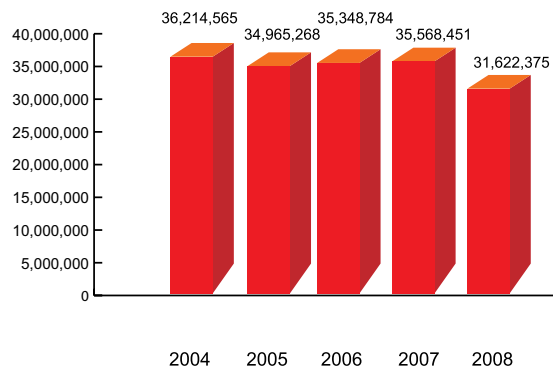
(Loss)/Profit before taxation (RM'000)



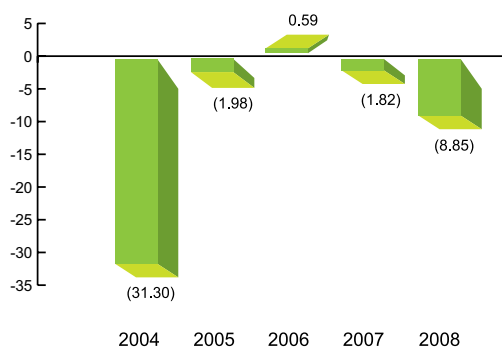
(Loss)/Profit after taxation (RM'000)



Net assets Earning/ (loss) per ordinary (RM'000)



share (sen) (RM'000)



# CHAIRMAN'S STATEMENT

## GROUP PERFORMANCE REVIEW

Year 2008 has been a very challenging year. The start of the year saw the price of crude oil reached a record high of USD 148 per barrel thereby adversely affecting consumer spending as well as increasing the operating costs of business. The last quarter of the year saw the weakening of the global economy due to financial crises in the United States and Europe which has greatly affected Industrial output and hence the reduction in trading. The biggest challenge during the year was the escalating and highly volatile cost of raw materials, fuel, transportation and freight charges caused mainly by the high price of crude oil and electricity.

During the financial period and review, the Group recorded a revenue of RM23.9 million and registered a loss before tax of RM2.1 million as compared to a revenue of RM55.4 million and a loss of RM0.646 for the preceding financial year end. This represent a decline of RM31.5 million in revenue which was mainly attributed to lower sales volume at the trading division and manufacturing division.

## FUTURE PROSPECTS

The RM60 billion economic stimulus package that was tabled in the Malaysian Parliament in March 2009 was intended to cushion the impact of the global economic slowdown. GDP growth for 2009 which was forecast to be in the range of -1% to 1%.

The outlook for the property section is expected to be challenging due to the economic uncertainty which has weakened the demand for properties. Going forward into a tough operating environment the Group will continue to seek further enhancements in processes to improve operational efficiency and productivity and product quality.

The Group would continue with its rationalization exercise of its manufacturing and its log trading activity to future streamline its operations in managing this challenging operating environment and mitigating any potential adverse effects.

## APPRECIATION

On behalf of the Board of Directors, I wish to thank our valued shareholders and customers for their continued support. To our suppliers, business associates and financiers, we wish to convey our sincere appreciation for your cooperation and understanding.

The board also wishes to take this opportunity to thank the management and staff of the company for their contribution, commitment, dedication and hard work during the year.

*Dear Shareholders*

*On behalf of the Board of Directors, it is my pleasure to present the Annual Report of the Group for the year ended 31st December 2008.*

# PROFILE OF BOARD OF DIRECTORS

## **DATO' TAN WEI LIAN** *Managing Director*

Dato' Tan Wei Lian, was appointed to the Board as Managing Director of MHB on 28 November 2006. After completed his upper secondary education in 1986, he started a colourful career as a property developer in his father's company. Dato' Tan has about 20 years of experience in property development and construction. He has completed RM300 million worth of property development. Dato' Tan was invited to the Group to help the company to diversify into property development.

He is the President of Negeri Sembilan Chinese Chamber of Commerce and Industry, Vice President of The Associated Chinese Chambers of Commerce and Industry of Malaysia. He is also Adviser of about twenty associations / organizations in Malaysia.

Dato' Tan has attended all the five Board of Directors' Meetings held during the financial year ended 31 December 2008.

Dato' Tan has no conflict of interest with the Company and has not been convicted of any offence in the last ten years.

Dato' Tan Wei Lian is the brother of Ms Tan Lee Chin, an Executive Director of MHB. His securities holdings are disclosed on page 22 of the Directors' Report.

## **TAN LEE CHIN** *Executive Director*

Ms Tan Lee Chin, was appointed to the Board as Executive Director of MHB on 29 February 2008. After completed her Diploma in Business Administration in 1987, she was with a construction and development company and pioneered the marketing, finance and administration division. In 1993, she joined her father's company in property development and trading company in Kuala Pilah and Seremban, Negeri Sembilan. She has more than 10 years experience in construction and property development and has completed approximately RM200 million worth of property development.

Ms Tan has attended four Board of Directors' Meetings held during the financial year ended 31 December 2008.

Ms Tan has no conflict of interest with the Company and has not been convicted of any offence in the last ten years.

Ms Tan Lee Chin is the sister of Dato' Tan Wei Lian, the Managing Director of MHB. She has a direct shareholding of 1,130,400 ordinary shares and indirect shareholding of 725,300 ordinary shares at the date of her appointment.



# PROFILE OF BOARD OF DIRECTORS

## **CHUA ENG CHIN** *Independent Non-Executive Director*

Mr Chua Eng Chin, aged 50 was appointed as Independent Non-Executive Director of MHB on 15 December 2006. He is a Fellow Member of the Association of Chartered Accountants (United Kingdom) and also a member of the Malaysian Institute of Accountants. After qualified as Chartered Accountant in 1984, he started his career in an accounting firm where he specializes in auditing and consultancy works. He had served in the internal audit department of Public Companies such as the Lion Group and the Berjaya Group. He also served as Senior Accountant in Berjaya Textiles Berhad and Senior Manager in Malpac Holdings Berhad. He is currently a Commissioned Dealer Representative with PM Securities Sdn Bhd. Presently, he sits on the Board of Harvest Court Industries Berhad, a company listed on the Second Board of the Bursa Malaysia.

Mr Chua is currently the Chairman of the Audit Committee and Nomination Committee and a member of the Remuneration Committee. He attended all the five Audit Committee Meetings and all the five Board of Directors' Meetings held during the financial year ended 31 December 2008.

Mr Chua has no conflict of interest with the Company and has not been convicted of any offence in the last ten years.

Mr Chua Eng Chin has no family relationship with any other director/major shareholder of MHB and he has no shareholdings in MHB.

## **DATO' LEE GEE HUY @ LEE KONG FEE** *Independent Non-Executive Director*

Dato' Lee Gee Huy @ Lee Kong Fee, aged 61 was appointed as Independent Non-Executive Director of MHB on 15 April 2007. He graduated from the University of Buckingham, United Kingdom with a License in Law degree and obtained his Barrister at Law from the Lincoln's Inn, United Kingdom. After obtaining his Barrister at Law, he set up his own practice and is now a partner in the firm of Messrs Lee Kong Fee & Co. He is the Vice President and Legal Advisor of Negeri Sembilan Chinese Chamber of Commerce & Industry, the President of the Negeri Sembilan United Lee's Association and Legal Advisor for about 30 Associations/Organisations in Negeri Sembilan. In 2007, he obtained his LL.M (Masters of Laws) from Universiti Kebangsaan Malaysia. Presently, he sits on the Boards of Sanbumi Holdings Berhad, a company listed on the Main Board of the Bursa Malaysia and Fajarbaru Builder Group Berhad, a company listed on the Second Board of the Bursa Malaysia.

Dato' Lee currently is the Independent Non-Executive Chairman of the Board, Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee. He attended all the five Audit Committee Meetings and all the five Board of Directors' Meetings held during the financial year ended 31 December 2008.

Dato' Lee has no conflict of interest with the Company and has not been convicted of any offence in the last ten years.

Dato' Lee Gee Huy @ Lee Kong Fee has no family relationship with any other director/major shareholder of MHB and he has no shareholdings in MHB.



# Statement On Corporate Governance

The Board of Directors ("Board") of Minply Holdings (M) Berhad remains committed to ensure that high standard of corporate governance is observed throughout the Group so that the affairs of the Group are conducted with integrity and professionalism with the objective to enhance shareholders' value and financial performance.

The Board is pleased to report to shareholders on the manner the Group has applied the principles, and the extent of compliance with the Best Practices of good governance as set out in Part 1 and Part 2 respectively of the Malaysian Code on Corporate Governance ("Code") pursuant to Paragraph 15.26 of the Listing Requirement of Bursa Securities. These principles and best practices have been applied and complied with throughout the financial year ended 31 December 2008.

## A. BOARD OF DIRECTORS

### Board Responsibilities

The Board has an overall responsibility for the corporate governance practices of the Group, strategic direction, development and control of the Group. The Board is committed to lead the Group towards a stellar performance, hence improving shareholders' value, and at the same time, taking into the account the interests of other stakeholders.

### Board Balance

The Board, as at the date of this statement, comprised of four Directors:

- Lee Gee Huy @ Lee Kong Fee – *Executive Chairman*
- Dato' Tan Wei Lian – *Managing Director*
- Tan Lee Chin – *Executive Director*
- Chua Eng Chin – *Independent Non-Executive Director*

The Company satisfies the requirement of the Code for Independent Non-Executive Directors to comprise at one third of the Board's composition. The Managing Director is generally responsible in making and implementing operational decisions whilst the Independent Non-Executive Directors bring to bear objective and independent judgement to the decision making of the Board and Board Committees.

The Company considers that its complement of non-executive directors provide an effective Board with a mix of industry-specific knowledge and broad business and commercial experience. This balance enables the Board to provide clear and effective leadership to the Company and to bring informed and independent judgement to many aspects of the Company's strategy and performance so as to ensure that the highest standards on conduct and integrity are maintained by the Company. Profile of the Directors can be found in the Profile of Directors section of the Annual Report. The Board is satisfied that the current Board composition fairly reflects the investment of minority shareholders in the Company.

### Board Meetings

The Board meets on a quarterly basis, with additional meetings convened as and when necessary. During the financial year ended 31 December 2008, five meetings were held. Details of the attendance of the Directors at Board Meetings held for the financial year under review are as follows:

Name of Directors	No. of Meetings Attendance
Chee Ah Leh ( <i>Resigned 25 July 2008</i> )	1/5 meetings
Dato' Tan Wei Lian	5/5 meetings
Lee Gee Huy @ Lee Kong Fee	5/5 meetings
Chua Eng Chin	5/5 meetings
Leng Kok Ooi ( <i>Resigned 28 February 2008</i> )	1/5 meetings
Tan Lee Chin ( <i>Appointed 29 February 2008</i> )	4/5 meetings
Cheng Swee Kee ( <i>Appointed 7 May 2008, Resigned 28 Nov 2008</i> )	2/5 meetings

# Statement On Corporate Governance

## A. BOARD OF DIRECTORS (Continued)

### Supply of Information

Board members are provided with all relevant information, papers and reports on financial, operational and audit matter in advance of each Board and Committee Meetings in accordance to the Agenda for discussion. Board papers are distributed prior to the meetings to give Directors sufficient time to deliberate on the issues to be raised at the meetings. All relevant information on the Company is also supplied to Directors upon specific requests.

The Board of Directors reviews the quarterly / annual performance report which includes a comprehensive review and analysis of major business and financial issues, customer satisfaction indices, market share, key business indicators, product and service quality.

There is a procedure agreed by the Board, whether as a full board or in their individual capacity, to take independent professional advice, where necessary and in appropriate circumstances, in furtherance of their duties, at the Company's expense. In addition, all Directors have direct access to the Senior Management and advice and services of the Company Secretaries.

### Board Committees

The Board delegates certain responsibilities to several Board Committees that operate within clear defined terms of reference.

#### (a) Audit Committee

The principal objective of the Audit Committee is to assist the Board in discharging its duties and responsibilities relating to accounting policy and presentation of financial reporting.

A summary of the activities and terms of reference of Audit Committee during financial year 2008 are set out in the Audit Committee Report on pages 13 to 17 of the Annual Report.

#### (b) Nomination Committee

The Board has established a Nomination Committee consisting entirely of the following non-executive directors, all of whom are independent directors. The Members of the Nomination Committee are:

Chua Eng Chin (*Chairman*)  
Lee Gee Huy @ Lee Kong Fee

The main responsibility of the Committee is to propose and recommend suitable candidates for appointment to the Board as well as assessing the effectiveness of the Board and its Committees as a whole.

#### (c) Remuneration Committee

The Board has established a Remuneration Committee consisting entirely of the following non-executive directors, all of whom are independent directors. The Members of the Remuneration Committee are:

Lee Gee Huy @ Lee Kong Fee (Chairman)  
Chua Eng Chin

### Re-election

In accordance with the Company's Articles of Association, the following are provided:-

- (a) all Directors who are appointed by the Board are subject to re-election by the shareholders at the forthcoming Annual General Meeting after their first appointment;
- (b) one-third of the remaining Directors are required to submit themselves for re-election by rotation at each Annual General Meeting; and
- (c) all Directors including the Managing Director are required to submit themselves for re-election at least once in every three years.

# Statement On Corporate Governance

## Directors' Training

The Directors had attended several relevant courses/seminars during the financial year as below:-

- 1) Mandatory Accreditation Programme
- 2) High Level Forum For Directors of Listed Issuers
- 3) Economics and Capital Markets 1: Forces Shaping Global Capital Markets
- 4) Essential of Fundamental Analytics 1: Analyzing Company Performance
- 5) The Art of Living (Managing and Mitigating STRESS)

The Board encourages its Directors to attend talks, workshops, seminars and conferences to update and enhance their skills and knowledge to keep abreast with the changing business developments relevant to the industry within which the Group operates.

## **B. DIRECTORS' REMUNERATION**

The remuneration policy of the Company for Executive Directors is structured to link rewards to corporate and individual performance. As for the Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular non-executive director concerned.

The aggregate Directors remuneration of the Group for the year ended 31 December 2008 is set out below:

Remuneration (In RM'000)	Executive Directors	Non-Executive Directors	Total
Salaries & other Emoluments	RM32,880	–	RM32,880
Fees	RM32,000	–	RM32,000
Bonus	–	–	–

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

Category	Executive Directors	Non-Executive Directors
Below RM50,000	3	2
RM50,001-100,000	–	–
RM100,001 -150,000	–	–
RM150,001 - 200,000	1	–

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

## **C. INVESTOR RELATIONS PROGRAMME**

The Company recognizes the importance of communication and proper dissemination of the information to shareholders, stakeholders and the public generally. The following are the channels of communication of the Company to its shareholders, stakeholders, analysts and the public:

1. the distribution of annual report and circulars to shareholders
2. timely disclosures and announcements including quarterly results made to the Bursa Malaysia
3. the AGM is the principle forum for dialogue with shareholders. At each AGM, the Board presents the progress and performance of the business and shareholders are encouraged to participate in the Q&A session. The Chairman of the meeting or the Managing Director will facilitate the discussion with the shareholders and provide further information in response to shareholders' queries.
4. the Board to ensure that each item of the special business included in the notice of the meeting are accompanied by a full explanation of the effects of a proposed resolution. Separate resolutions are for or against each separate resolution is indicated publicly.

# Statement On Corporate Governance

## D. ACCOUNTABILITY AND AUDIT

### Financial Reporting

In presenting the annual financial statements and quarterly announcement of results to shareholders, the Directors take responsibility to present a balanced and understandable assessment of the Group's position and prospects.

The Audit Committee assists by scrutinizing the information to be disclosed, to ensure accuracy and adequacy. The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and the Company as at the end of the accounting period and of their financial results and cash flows for the period then ended. This also includes other price-sensitive public reports to regulators. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been applied.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates.

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

### Statement of Internal Control

The Statement on Internal Control is set out on page 18 of the Annual Report and provides an overview of the state of the internal control within the Group.

### Relationship with the Auditor

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

A summary of the activities of the Audit Committee is set out in the Audit Committee Report on pages 13 to 17 of the Annual Report.

# Corporate Social Responsibility

Our Group's commitment to Corporate Social Responsibility ("CSR") is demonstrated and continuously improved by emphasising the importance of values and betterment of society and community.

Minply Group believes in fulfilling its role as a good corporate citizen and being socially responsible. Our Group Managing Director, Dato' Tan Wei Lian has on behalf of Minply Group, contributed to welfare organizations, associations and treatment centres. In addition in supporting various social causes, we are quick to respond to disaster relief. In the aftermath of the devastating Sichuan earthquake, we donated finances to the victims. Numerous associations, foundations etc including the followings had received our support:

The Associated Chinese Chambers of Commerce & Industry Malaysia (ACCCIM)

Pusat Haemodialysis Mawar Seremban, Negeri Sembilan

Taman Layang Layang Association, Negeri Sembilan

Ma's Clan Association, Negeri Sembilan

## Statement Of Directors' Responsibility In Respect Of The Financial Statements

The Directors are required to prepare financial statements for each financial year that give a true and fair view of the state of affairs and results of the Company and the Group's at the end of the financial year.

The Directors are responsible for ensuring that the Company and the Group have used the appropriate accounting policies and applied them consistently and supported by reasonable as well as prudent judgments and estimates.

The Directors are responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the Company and the Group to enable them to ensure that the financial statements comply with the Companies Act, 1965 and applicable approved accounting standards in Malaysia. The Directors are also responsible for the assets of the Company and the Group, and hence, for taking reasonable steps for the presentation and detection of fraud and other irregularities.

# Audit Committee Report

The Board of Directors of Minply Holdings (M) Berhad (“MHB”) is pleased to present the report of the Audit Committee and its activities for the financial year ended 31 December 2008.

## MEMBERS

The Audit Committee comprises of the following Members:

- Chua Eng Chin (*Chairman/Independent Non-Executive Director*)
- Lee Gee Huy @ Lee Kong Fee (*Independent Non-Executive Director*)
- Chee Ah Leh\* (*Executive Chairman*)  
(resigned on 7 May 2008)
- Cheng Swee Kee\*\* (*Independent Non-Executive Director*)  
(appointed on 7 May 2008 and resigned on 28 Nov 2008)

\* Chee Ah Leh resigned as a member of the Audit Committee on 7 May 2008, in compliance with the revised Malaysian Code on Corporate Governance which was issued by the Securities Commission on 1 October 2007.

\*\* Cheng Swee Kee was appointed a member of the Audit Committee with effect from 7 May 2008.

The Company had applied to Bursa Malaysia Securities Berhad for an extension of time to allow the Company to source for a new member to fill in the vacancy arising from the resignation of Ms Cheng Swee Kee as an Independent Non-executive Director who is also an Audit Committee Member. The Company is still pending for Bursa’s approval.

## TERMS OF REFERENCE

### Objectives

The primary objectives of the Audit Committee are to:

1. Provide assistance to the Board in fulfilling its fiduciary responsibilities and assure the shareholders of the Group that the Directors of MHB have complied with Malaysian financial standards and required disclosure policies developed and administered by Bursa Malaysia Securities Berhad (“Bursa Securities”).
2. Ensure transparency, integrity and accountability in the Group’s management of principal risks, the quality of the accounting function, the system of internal controls and audit function and strengthen public’s confidence in the Group’s reported results.
3. Maintain through regularly scheduled meetings, a direct line of communication among the Board, senior management, external auditors and internal auditors and to exchange views and information.

### Composition

The Committee shall be appointed by the Board from amongst its Directors and shall be no fewer than three (3) members, majority of whom shall be Independent Directors. All members of the Audit Committee must be non-executive directors.

# Audit Committee Report

## TERMS OF REFERENCE (Continued)

### Composition (Continued)

All members of the Audit Committee shall be financially literate and at least one of the members of the Audit Committee :-

- (i) must be a member of the Malaysian Institute of Accountants; or
- (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and
  - (aa) he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967; or
  - (bb) he must be a member of one of the association of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967 or
  - (cc) has a degree/masters/doctorate in accounting or finance and at least three (3) years' post qualification experience in accounting or finance or is a member of a professional accountancy organization which has been admitted as full members of the International Federation of Accountants and at least three (3) years' post qualification experience in accounting or finance or at least seven (7) years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation
- (iii) fulfils such other requirements as prescribed or approved by the Exchange.

No alternate director shall be appointed as a member of the Audit Committee.

The team of office and performance of the Committee members shall be reviewed by the Board at least once every three years to determine whether the members have carried out their duties in accordance with their terms of reference.

The Chairman who shall be elected by the members of the Committee, shall be an independent non-executive director.

## MEETINGS AND QUORUM

The Committee shall meet at least four (4) times a year, with each meeting planned to coincide with key dates in the Company's financial reporting cycle, or more frequently as circumstances dictate.

The quorum for any meeting shall be the majority of the members present who are Independent Directors.

The Company Secretary shall be the Secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, together with explanatory supporting documents, to the Committee members prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee members and to other members of the Board.

The Head of Finance and the external auditors shall attend all meetings of the Committee. Other Board members and employees may attend any particular meeting upon the invitation of the Audit Committee. However, the Committee shall meet with the external auditors at least once a year without the presence of the executive board members.

During the financial year ended 31 December 2008, the Committee held five (5) meetings and their attendance are as follows:

- |      |  |                 |
|------|--|-----------------|
| i)   | Chua Eng Chin  | 5 of 5 meetings |
| ii)  | Lee Gee Huy @ Lee Kong Fee                                       | 5 of 5 meetings |
| iii) | Chee Ah Leh (Resigned on 7 May 2008)                             | 1 of 5 meetings |
| iv)  | Cheng Swee Kee (Appointed on 7 May 2008 Resigned on 28 Nov 2008) | 2 of 5 meetings |



# Audit Committee Report

## AUTHORITY

The Committee is authorized by the Board to investigate any activities within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The Committee shall have the authority:-

- (a) convene meetings with the External Auditors without the presence of Executive Directors, Management or other employees of the Group unless specifically invited by the Committee;
- (b) have full and unrestricted access to information pertaining to the Group and Management. All employees of the Group are required to comply with requests made by the Audit Committee;
- (c) obtain external professional advice and invite persons with relevant experience to attend the meetings, if necessary;

## Function and Responsibilities

The function and responsibilities of the Committee are as follows:-

- (a) review the Group's quarterly results and annual financial statements before submission to the Board for approval, focusing particularly on:-
  - any changes in accounting policies and practices;
  - going concern assumptions;
  - significant adjustments arising from the audit;
  - compliances with accounting standards, regulatory and other legal requirements
- (b) review and discuss with external auditors of the following:-
  - external audit plan and scope of work;
  - external audit reports, management's response and actions taken;
  - external audit evaluation of the system of internal controls; and
  - problems and reservations arising out of external audits and any matters external auditors may wish to discuss, in the absence of management, if necessary
- (c) review any related party transactions and conflict of interest situations that may arise including transaction, procedure or course of conduct that raises a question of management integrity;
- (d) consider and recommend the nomination and appointment, the audit fee and any question of resignation, dismissal or re-appointment of external auditors;
- (e) to do the following, in relation to the internal audit function –
  - to review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its responsibilities together with the audit plan, audit reports and follow-up on the recommendations contained in such reports
- (f) to review and report to the Board on the internal audit programme, processes and results and the actions taken on the recommendations of the internal audit function.
- (g) to review and report to the Board on the appointment , performance and remuneration of the internal audit staff.
- (h) to consider any other areas as may be directed by the Board.

# Audit Committee Report

## DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee shall be:-

- a) review the quarterly results and year end financial statements before submission to the Board for approval, focusing particularly on:-
  - any changes in accounting policies and practices;
  - going concern assumptions;
  - significant adjustments arising from the audit;
  - compliances with accounting standards, regulatory and other legal requirements.
- b) review and discuss with external auditors of the following:
  - external audit plans and scope of work;
  - external audit reports, management's response and actions taken;
  - external audit evaluation of the system of internal controls; and
  - problems and reservations arising from interim and final audits and any matters the external auditors may wish to discuss, in the absence of other directors and management, if necessary.
- c) consider any related party transactions and situations where a conflict of interest may arise within the Group.
- d) to review the suitability of the External Auditors for recommendation to the Board for re-appointment and the audit fee thereof;
- e) to review any resignation from external and internal auditors and to nominate internal and external auditors of the Group.
- f) to review with the Internal Auditors, the scope, functions, competency and adequacy of resources, internal audit programmes and results, authority, processes or investigations undertaken and the action taken on their recommendations.
- g) to review the effectiveness of internal audit function.
- h) to consider any other areas as may be directed by the Board.

## SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During the financial year ended 31 December 2008, the main activities undertaken by the Committee were as follows:

- a) Reviewed the quarterly financial results and the annual financial statements of the Company and made recommendations to the Board for approval prior to the release of the results to Bursa.
- b) Reviewed with the external auditors' audit plan the nature and scope of audit
- c) Reviewed the major findings of internal audit reports and their recommendations relating thereto as well as the Management response.
- d) Reviewed the internal and external audit reports to ensure that appropriate and adequate remedial actions were taken by the Management on significant lapses in controls and procedures that were identified, if any
- e) Assessed the performance of the auditors and make recommendations to the Board of Directors for their appointment and removal
- f) Reviewed the Audit Committee Report and Statement on Internal Control prior to its inclusion in the Annual Report;
- g) Evaluated the audit fees payable to the internal auditors and external auditors.

# Audit Committee Report

## INTERNAL AUDIT FUNCTION

The Group has recognized that an internal audit function is essential in ensuring the effectiveness of the Group's systems of internal control and is an integral part of the risk management process. The Company established an internal audit function which is independent of the activities it audits. The Company ensures its internal audit function reports directly to the Audit Committee.

The internal audit function is outsourced to an independent firm of consultants to assist the Board in the review and appraisal of the internal control system within the Group. The internal audit function adopts a risk-based approach and prepares its audit strategy and plan based on the undated risk profiles of the major business units of the Group. Follow-up work on previous internal audit findings was also carried out by the internal audit function on the implementation of corrective actions by Management. The Audit Committee considers reports from the internal audit function and comments from Management before making recommendations to the Board to strengthen the internal control and governance systems.

## Additional Compliance Information

### Share Buy-Backs

During the financial year ended 31 December 2008, the Company did not enter into any share buy transaction.

### Options And Warrants

The Company has not issue any options and warrants during the financial year.

### American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")

The Company did not sponsor any ADR or GDR programme during the financial year.

### Sanctions And/Or Penalties

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by any regulatory bodies during the financial year.

### Utilisation of Proceeds

There were no proceeds raised from corporate proposal during the financial year.

### Non-Audit Fees

The amount of non audit-fees paid/payable to external auditors and its affiliates for the financial year 31 December 2008 amounted to approximately RM24,000.

### Revaluation Policy on Landed Properties

The revaluation policy on landed properties is as disclosed in the financial statement for the year ended 31 December 2008.

### Profit Estimate, Forecast or Projection

The Company did not make any release on the profit estimate, forecast or projections for the financial year.

### Recurrent Related Party Transaction of a Revenue or Trading Nature.

During the financial year, the company and its subsidiaries had not entered into any recurrent related party transactions, which are of revenue or trading nature, which requires shareholders' mandate.

### Material Contracts

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

### Profit Guarantee

The Company did not make any arrangement during the financial year under review which requires profit guarantee.

# Statement On Internal Control

## Introduction

Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad and as guided by the Bursa Malaysia's Statement on Internal Control: Guidance for Directors of Public Listed Companies, the Board of Directors ("the Board") of Minply Holdings (M) Berhad ("the Group") is pleased to include a statement on the state of the Group's internal control in the annual report.

## Responsibility for risk and internal control

The Board and Senior Management recognise their responsibility for maintaining a sound system of internal controls and for reviewing its adequacy and integrity in order to safeguard shareholders' investments and the assets of the Group. However, it is recognised that evaluation and implementation of the system can only provide reasonable assurance of the Group achieving its objectives. The system will not provide absolute assurance against any material losses. The Board confirms that the system of internal control with the key elements highlighted below was in place during the financial year. The system is subject to regular reviews by the Board.

## Risk Management Framework

Risk Management is regarded by the Board to be an essential part of corporate management to ensure achievement of the Group's business objectives and goals. The Group has established an informal internal audit team at the corporate office which involved monitoring and evaluations of the monthly management accounts submitted by the subsidiary companies and report their findings to senior management on a quarterly basis. The Group strived to manage risk effectively with a view to protect its assets and enhance shareholders' value.

## Other key elements of internal control

The following are other key elements of the Group's internal control systems:-

- The Board has put in place an organisation structures. These procedures are responsibility and delegation of authority.
- Internal control procedures are set out in a series of policies and procedures. These procedures are subject to regular reviews and improvements to reflect changing risks or to resolve operational deficiencies.
- Quarterly performance reports that provide the Board and the Management with comprehensive information on financial and key business indicators.

## Weaknesses in internal controls that result in material losses

There were no material losses incurred during the current financial year as a result of weaknesses in internal control.

The Board will continually to evaluate and take steps to further strengthen the Group's internal control environment.

DIRECTORS' REPORT	20
STATEMENT BY DIRECTORS	24
STATUTORY DECLARATION	24
INDEPENDENT AUDITORS' REPORT	25
BALANCE SHEETS	27
INCOME STATEMENTS	29
STATEMENT OF CHANGES IN EQUITY	30
CASH FLOW STATEMENTS	32
NOTES TO THE FINANCIAL STATEMENTS	35

# FINANCIAL STATEMENTS

# Directors' Report

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31st December 2008.

## PRINCIPAL ACTIVITIES

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

## RESULTS

	Group RM	Company RM
Net loss for the financial year	(3,946,076)	(13,099,305)
Attributable to:		
Equity holders of the Company	(3,894,778)	(13,099,305)
Minority interest	(51,298)	–
	(3,946,076)	(13,099,305)

## DIVIDENDS

No dividends was paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31st December 2008.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

## BAD AND DOUBTFUL DEBTS

Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that there were no bad debts and no allowance was required for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would render the amount written off for bad debts, or the amount of the allowance for doubtful debts, in the financial statements of the Group and of the Company inadequate to any substantial extent.

## CURRENT ASSETS

Before the income statement and balance sheet of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company had been written down to an amount that they might be expected to be realised.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

# Directors' Report

## VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

## CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person, or
- (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due other than as disclosed in Note 34 to the financial statements.

## CHANGE OF CIRCUMSTANCES

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

## ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

## ISSUE OF SHARES AND DEBENTURES

The Company had not issued any shares or debentures during the financial year.

## EMPLOYEES' SHARE OPTION SCHEME

An Employee Share Option Scheme ("ESOS") was approved by the Securities Commission and Ministry of International Trade and Industry on 11th September 2003 and 16th September 2003 respectively.

As at the date of this report, the ESOS which was approved by the shareholders on 30th January 2004 has not been offered to the eligible employees.

## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 33 to the financial statements.



# Directors' Report

## DIRECTORS

The directors in office since the date of the last report are:-

Chua Eng Chin  
Dato' Tan Wei Lian  
Tan Lee Chin  
Lee Gee Huy @ Lee Kong Fee  
Cheng Swee Kee (appointed on 7th May 2008, resigned on 28th November 2008)  
Chee Ah Leh (resigned on 25th July 2008)

## DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, the interests of those directors who held office at the end of the financial year in shares in the holding company during the financial year ended 31st December 2008 are as follows:-

	Number of ordinary shares of RM1/- each			
	At 1.1.2008	Bought	Sold	At 31.12.2008
<b>The Company</b>				
<b>Direct interest</b>				
Dato' Tan Wei Lian	725,300	12,905,200	(4,914,000)	8,716,500
Tan Lee Chin	1,737,400	254,000	(1,571,000)	420,400
<b>Indirect interest</b>				
Dato' Tan Wei Lian*	1,737,400	1,214,300	(1,624,000)	1,327,700
Tan Lee Chin*	725,300	13,865,500	(4,967,000)	9,623,800

\* Denote deemed interest which includes interest in shares held by close family members.

By virtue of the above directors' interest in shares of the Company, they are deemed to have an interest in shares of all the subsidiary companies to the extent the Company has an interest in the subsidiary companies.

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

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit (other than benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

# Directors' Report

## AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

On behalf of the Board,

**TAN LEE CHIN**  
Director

**DATO' TAN WEI LIAN**  
Director

Seremban  
Date: 27th April 2009

# Statement By Directors

We, **DATO' TAN WEI LIAN** and **TAN LEE CHIN**, being two of the directors of the Company, do hereby state that in the opinion of the directors, the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31st December 2008 and of the results and cash flows of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards.

On behalf of the Board,

**TAN LEE CHIN**  
Director

**DATO' TAN WEI LIAN**  
Director

Seremban  
Date: 27th April 2009

# Statutory Declaration

I, **TAN LEE CHIN**, being the director primarily responsible for the financial management of the Company, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly )  
declared by the abovenamed at )  
Seremban, Negeri Sembilan )  
on 27th April 2009. )

**TAN LEE CHIN**

Before me,

Commissioner for Oaths

# Independent Auditors' Report

## To The Members Of Minply Holdings (M) Berhad

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of MINPLY HOLDINGS (M) BERHAD, which comprise the balance sheet as at 31st December 2008, and the income statements, statements of changes in equity and cash flow statements for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out in pages 27 to 77.

The financial statements of the Group and of the Company as at 31st December 2007, were audited by another firm of chartered accountants whose report dated 30th April 2008 had the following qualified opinion:

*"As stated in Note 17(d), there is an amount of RM8,466,749/- owing by a sub-contractor in the books of certain subsidiary companies, namely Janavista Sdn. Bhd. and Minply Construction & Engineering Sdn. Bhd. which would be recovered by way of a contra for construction works to be carried out for certain subsidiary companies in the Group subsequent to the balance sheet date. We are of the view that the recoverability of this debt is doubtful."*

#### *Director's Responsibility for the Financial Statements*

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standard. This responsibility includes designing, implementing and maintaining internal controls 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 as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation and fair presentation of 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

#### *Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with applicable 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 Company as of 31st December 2008 and of its financial performance and cash flows for the financial year then ended.

# Independent Auditors' Report

## To The Members Of Minply Holdings (M) Berhad

### *Emphasis of matter*

Without qualifying our opinion, we draw attention to the following:-

- a) As stated in Note 2 to the financial statements, which discloses the premise upon which the Group and the Company have prepared its financial statements by applying the going concern assumption, notwithstanding that as of 31st December 2008, the Group and the Company recorded a loss of RM3,946,076/- and RM13,099,305/- respectively. Three subsidiaries have defaulted the repayment of bank borrowings as disclosed in Note 21 to the financial statements, thereby indicating the existence of a material uncertainty which may cast significant doubts about the Group's ability to continue as a going concern.
- b) As stated in Note 14 to the financial statements, which explains the current status of the matter that gave rise to the qualified audit opinion on the financial statements for the financial year ended 31st December 2007.

We have considered that these factors are of significance, and draw your attention to it, but our opinion is not qualified in this respect.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 9 to the financial statements.
- c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) Other than those subsidiaries with modified opinion in the auditors' reports as disclosed in Note 9 to the financial statements, the auditors' reports on the financial statements of the remaining subsidiaries did not contain any material qualification or any adverse comment made under Section 174(3) of the Act.

### OTHER MATTERS

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

**Baker Tilly Monteiro Heng**  
No. AF 0117  
Chartered Accountants

**Heng Ji Keng**  
No. 578/05/10 (J/PH)  
Partner

Kuala Lumpur  
Date: 27th April 2009

# Balance Sheets

## As At 31st December 2008

	Note	Group		Company	
		2008 RM	2007 RM	2008 RM	2007 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	14,315,794	15,130,344	41,120	190,115
Land held for property development	5(a)	3,664,808	3,664,808	–	–
Investment properties	6	1,936,471	1,962,658	–	–
Prepaid lease payments	7	541,996	549,778	–	–
Goodwill on consolidation	8	1,685,729	1,685,729	–	–
Investment in subsidiary companies	9	–	–	18,407,354	27,119,408
Other investment	10	–	249,000	–	–
Amount owing by subsidiary companies	11	–	–	16,640,655	20,709,196
Deferred tax assets	12	–	1,064,679	–	–
		22,144,798	24,306,996	35,089,129	48,018,719
<b>Current assets</b>					
Property development costs	5(b)	14,676,431	21,700,344	–	–
Inventories	13	529,017	912,199	–	–
Trade receivables	14	19,528,243	13,643,882	–	–
Other receivables, deposits and prepayments	15	1,778,458	12,693,814	120,497	26,590
Tax recoverable		684,834	639,834	395,921	395,921
Cash and bank balances	17	364,970	2,330,019	–	68,693
		37,561,953	51,920,092	516,418	491,204
Assets of disposal group classified as held for sale	18	6,929,748	–	2	–
<b>TOTAL ASSETS</b>		<b>66,636,499</b>	<b>76,227,088</b>	<b>35,605,549</b>	<b>48,509,923</b>

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

# Balance Sheets

As At 31st December 2008

	Note	Group		Company	
		2008 RM	2007 RM	2008 RM	2007 RM
<b>EQUITY AND LIABILITIES</b>					
Share capital	19	44,000,000	44,000,000	44,000,000	44,000,000
Reserves	20	(12,776,947)	(8,882,169)	(20,955,636)	(7,856,331)
		31,223,053	35,117,831	23,044,364	36,143,669
Minority interest		399,322	450,620	–	–
<b>TOTAL EQUITY</b>		<b>31,622,375</b>	<b>35,568,451</b>	<b>23,044,364</b>	<b>36,143,669</b>
<b>Non-current liabilities</b>					
Borrowings	21	1,773,720	5,590,606	–	–
Deferred tax liabilities	12	175,824	–	–	–
Amount due to subsidiary companies	11	–	–	12,217,863	12,129,093
		1,949,544	5,590,606	12,217,863	12,129,093
<b>Current liabilities</b>					
Trade payables	23	3,535,885	4,769,282	–	–
Other payables and accruals	24	6,800,601	8,482,368	342,467	237,161
Borrowings	21	19,039,438	18,799,665	855	–
Taxation		3,584,405	3,016,716	–	–
		32,960,329	35,068,031	343,322	237,161
Liabilities directly associated with assets classified as held for sale	18	104,251	–	–	–
<b>TOTAL LIABILITIES</b>		<b>35,014,124</b>	<b>40,658,637</b>	<b>12,561,185</b>	<b>12,366,254</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>66,636,499</b>	<b>76,227,088</b>	<b>35,605,549</b>	<b>48,509,923</b>



# Income Statements

## For The Financial Year Ended 31st December 2008

	Note	Group		Company	
		2008 RM	2007 RM	2008 RM	2007 RM
<b>Continuing Operations</b>					
Revenue	25	23,964,391	55,491,487	–	219,000
Cost of sales		(21,133,275)	(49,134,099)	–	–
Gross profit		2,831,116	6,357,388	–	219,000
Other operating income		1,085,481	4,953,023	317,554	4,222,337
Administrative expenses		(4,360,257)	(10,427,821)	(13,416,032)	(3,809,621)
Operating (loss)/profit	26	(443,660)	882,590	(13,098,478)	631,716
Finance costs	27	(1,690,888)	(1,529,007)	(827)	(117)
(Loss)/profit before tax		(2,134,548)	(646,417)	(13,099,305)	631,599
Taxation	28	(1,763,122)	(147,321)	–	299,886
Net (loss)/profit for the financial year from continuing operations		(3,897,670)	(793,738)	(13,099,305)	931,485
<b>Discontinued Operations</b>					
Net loss for the financial year from discontinued operations	18	(48,406)	–	–	–
Net (loss)/profit for the financial year		(3,946,076)	(793,738)	(13,099,305)	931,485
Attributable to:					
Equity holders of the Company		(3,894,778)	(801,503)		
Minority interest		(51,298)	7,765		
		(3,946,076)	(793,738)		
Loss per ordinary share attributable to equity holders of the Company (sen):					
- loss from continuing operations		(8.74)	(1.82)		
- loss from discontinued operations		(0.11)	–		
Basic, for loss for the financial year	29	(8.85)	(1.82)		

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

# Statements Of Changes In Equity

For The Financial Year Ended 31st December 2008

Group	← Attributable to equity holders of the Company →				Total RM	Minority interest RM	Total Equity RM
	Share Capital RM	Share Premium RM	Revaluation Reserves RM	Distributable Accumulated losses RM			
Balance as at 1st January 2007	44,000,000	13,038,507	244,162	(22,054,240)	35,228,429	120,355	35,348,784
Revaluation surplus	-	-	847,517	-	847,517	-	847,517
Ordinary shares contributed by minority shareholders of subsidiary companies	-	-	-	-	-	322,500	322,500
Reversal of deferred tax on revaluation reserves	-	-	141,521	-	141,521	-	141,521
Reversal of deferred tax on revaluation reserves upon disposal of property, plant and equipment	-	-	(298,133)	-	(298,133)	-	(298,133)
	-	-	(156,612)	-	(156,612)	-	(156,612)
Transfer of revaluation reserves upon disposal of property, plant and equipment	-	-	(868,506)	868,506	-	-	-
Loss for the financial year	-	-	-	(801,503)	(801,503)	7,765	(793,738)
Balance as at 31st December 2007	44,000,000	13,038,507	66,561	(21,987,237)	35,117,831	450,620	35,568,451
Loss for the financial year	-	-	-	(3,894,778)	(3,894,778)	(51,298)	(3,946,076)
Balance as at 31st December 2008	44,000,000	13,038,507	66,561	(25,882,015)	31,223,053	399,322	31,622,375

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

# Statements Of Changes In Equity

For The Financial Year Ended 31st December 2008

Company	Non-distributable			Distributable	Total Equity RM
	Share Capital RM	Share Premium RM	Revaluation reserves RM	Accumulated losses RM	
Balance as at 1st January 2007	44,000,000	13,038,507	–	(21,839,448)	35,199,059
Revaluation surplus	–	–	13,125	–	13,125
Profit for the financial year	–	–	–	931,485	931,485
Balance as at 31st December 2007	44,000,000	13,038,507	13,125	(20,907,963)	36,143,669
Loss for the financial year	–	–	–	(13,099,305)	(13,099,305)
Balance as at 31st December 2008	44,000,000	13,038,507	13,125	(34,007,268)	23,044,364

# Cash Flow Statements

For The Financial Year Ended 31st December 2008

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
(Loss)/profit before taxation				
Continuing operations	(2,134,548)	(646,417)	(13,099,305)	631,599
Discontinued operations	(48,406)	–	–	–
Adjustments for:				
Allowance for doubtful debts				
- third parties	1,376,405	6,376,661	–	3,094,159
- amount owing by subsidiary companies	–	–	4,067,797	–
Amortisation of prepaid lease payments	7,782	18,763	–	–
Allowance for doubtful debts no longer required	(481,977)	(2,481,222)	–	–
Bad debts recovered	(354,072)	–	–	–
Bad debts written off	515,256	7,054	–	–
Depreciation of investment property	26,187	17,743	–	–
Depreciation of property, plant and equipment	728,721	878,939	22,028	23,081
Dividend income	–	–	–	(219,000)
Impairment losses on:				
- investment in subsidiary companies	–	–	8,712,052	–
- property, plant and equipment	–	292,978	–	–
- leasehold land	–	8,197	–	–
- investment properties	–	25,909	–	–
- goodwill	–	17,674	–	–
Loss on disposal of:				
- property, plant and equipment	16,967	–	16,967	–
- other investment	12,450	–	–	–
Interest expenses	1,591,067	1,476,452	–	–
Interest income	(2,010)	(67,135)	–	–
Reversal of impairment loss on investment in subsidiary companies	–	–	–	(3,905,337)
Gain on disposal of property, plant and equipment	–	(1,804,647)	–	–
Gain on disposal of prepaid lease payments	–	(161,875)	–	–
Property, plant and equipment written off	–	2,816	–	–
Operating profit/(loss) before working capital changes	1,253,822	3,961,890	(280,461)	(375,498)
Changes in working capital:				
(Increase)/decrease in:				
Inventories	383,182	3,267,190	–	–
Property development costs	519,754	(10,291,196)	–	–
Receivables	3,595,583	10,836,586	(93,907)	4,561
Payables	(2,811,037)	(5,026,299)	105,306	24,979
Cash Generated from/(used in) Operations	2,941,304	2,748,171	(269,062)	(345,958)
Income tax refund/(paid)	70	(41,270)	–	74,014
Interest paid	(1,591,067)	(1,476,452)	–	–
Net Operating Cash Flow	1,350,307	1,230,449	(269,062)	(271,944)

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

# Cash Flow Statements

## For The Financial Year Ended 31st December 2008

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchase of property, plant and equipment	(86,904)	(139,395)	–	(9,030)
Acquisition of subsidiary companies, net of cash	–	(8,168,249)	–	(3,796)
Purchase of shares in subsidiary companies	–	–	–	(427,500)
Proceeds from disposal of property, plant and equipment	110,000	4,983,543	110,000	–
Proceeds from disposal of prepaid lease payments	–	1,398,798	–	–
Interest received	2,010	6,909	–	–
Proceeds from disposal of other investment	236,550	–	–	–
Purchase of land held for development	–	(68,897)	–	–
Net Investing Cash flow	261,656	(1,987,291)	110,000	(440,326)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
(Repayment to)/advance from subsidiary companies	–	–	89,514	657,236
Drawdown of term loans	–	9,106,000	–	–
Ordinary share capital contributed by minority shareholders of subsidiary companies	–	322,500	–	–
Repayment of hire-purchase payables	(68,067)	(310,330)	–	–
Repayment of bankers' acceptance	(3,581,220)	(5,379,477)	–	–
Repayment of term loans	(518,305)	(2,189,060)	–	–
Release of fixed deposit pledged to banks	1,457,167	–	–	–
Net Financing Cash Flow	(2,710,425)	1,549,633	89,514	657,236
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(1,098,462)	792,791	(69,548)	(55,034)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	(2,644,791)	(3,437,582)	68,693	123,727
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	(3,743,253)	(2,644,791)	(855)	68,693
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS:</b>				
Fixed deposits with licensed banks	38,205	1,514,617	–	–
Cash and bank balances	326,788	815,402	–	68,693
Bank overdraft	(4,070,041)	(3,479,438)	(855)	–
Less: Fixed deposit pledged to banks	(3,705,048)	(1,149,419)	(855)	68,693
	(38,205)	(1,495,372)	–	–
	(3,743,253)	(2,644,791)	(855)	68,693

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

# Cash Flow Statements

For The Financial Year Ended 31st December 2008

During the financial year ended 2007, the Group acquired Minpalm International Trading Company Sdn. Bhd., Minply Construction & Engineering Sdn. Bhd., Minply Development Sdn. Bhd., Minply Hotel Sdn. Bhd. and Janavista Sdn. Bhd. The fair values of the assets acquired and liabilities assumed are as follows:

	<b>Group 2007 RM</b>
Property, plant and equipment	286
Property development costs	7,326,469
Trade and other receivables	2,911,212
Accrued billings	1,090,601
Cash and bank balances	15,351
Trade and other payables	(18,667)
Borrowings	(2,483,288)
Current tax payables	(2,350,785)
<hr/>	
Total net assets	6,491,179
Goodwill on consolidation	1,692,421
<hr/>	
Total purchase consideration discharged by cash	8,183,600
Less: Cash and bank balances	(15,351)
<hr/>	
Cash flow on acquisition net of cash acquired	8,168,249
<hr/>	

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

# Notes To The Financial Statements

## 1. GENERAL INFORMATION

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

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Second Board of the Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Suite 3.6, Level 3, Menara Pelangi, No.2, Jalan Kuning, Taman Pelangi, 80400 Johor Bahru, Johor.

The principal place of business of the Company is located at Ground Floor, No. 482, Jalan Zamrud 6, Taman Ko-op, 70200 Seremban, Negeri Sembilan.

The financial statements are expressed in Ringgit Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27th April 2009.

## 2. FUNDAMANTAL ACCOUNTING POLICIES

During the financial year, the Group and the Company recorded a loss of RM3,946,076/- and RM13,099,305/- respectively. Three subsidiaries have defaulted the repayment of bank borrowings as disclosed in Note 21 to the financial statements. The directors have prepared the Group and the Company financial statements on a going concern assumption which is premise upon the assumption on the successful steps taken by the Group and the Company to remedy the defaults and ability to achieve sustainable and viable operations.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the accounting policies set out below, and comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards ("FRS").

The preparation of the financial statements in conformity with the applicable FRS requires the directors to make certain accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and reported amounts for revenue and expenses during the reported financial year. It also requires directors to exercise their judgements in the process of applying the Company's accounting policies. Although these estimates and judgements are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant in the financial statements are disclosed in Note 3.5 to the financial statements.

### 3.2 Adoption of Revised FRSs, Amendments to FRS and IC Interpretations

During the financial year, the Company has adopted the following new and revised FRSs issued by the MASB that are relevant to their operations and are mandatory for the current financial year.

The Group and the Company had adopted the following revised FRSs, amendments to FRS and IC Interpretations ("IC Int") for the current financial year:

# Notes To The Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 3.2 Adoption of Revised FRSs, Amendments to FRS and IC Interpretations (Continued)

#### Revised FRSs

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

#### Amendments to FRS

FRS 121	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
---------	--

#### IC Int

IC Int 1	Changes in Existing Decommissioning, Restoration & Similar Liabilities
IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments
IC Int 5	Rights to Interests arising from Decommissioning, Restoration & Environmental Rehabilitation Funds
IC Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical & Electronic Equipment
IC Int 7	Applying the Restatement Approach IAS 29 Financial Reporting in Hyperinflationary Economies
IC Int 8	Scope of FRS 2

The adoption of the above revised FRSs, amendments to FRS and IC Int did not result in any substantial changes in the Group's and the Company's accounting policies, and have any material impact on the results and the financial positions of the Group and of the Company.

### 3.3 FRSs and IC Interpretations that are issued, not yet effective and have not been adopted early

The Group and the Company have not adopted the following new FRSs and IC Int that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:

		Effective for financial periods beginning on or after
<b><u>New FRSs</u></b>		
FRS 4	Insurance Contracts	1st January 2010
FRS 7	Financial Instruments: Disclosures	1st January 2010
FRS 8	Operating Segments	1st July 2009
FRS 139	Financial Instruments: Recognition and Measurement	1st January 2010
<b><u>IC Int</u></b>		
IC Int 9	Reassessment of Embedded Derivatives	1st January 2010
IC Int 10	Interim Financial Reporting and Impairment	1st January 2010

Other than FRS 139, the directors do not anticipate that the application of the above new FRSs and IC Int, when they are effective, will have a material impact on the results and the financial position of the Group and of the Company.

The Group and the Company has applied the transitional provision in FRS 139.103AB which exempts entities from disclosing the possible impact arising from the initial recognition of this standard on the financial statements of the Group and of the Company as required by paragraph 30(b) of FRS 108.



# Notes To The Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 3.4 Summary of Significant Accounting Policies

#### (a) Subsidiary Companies and Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary companies, made up to the end of the financial year. The financial statements of the parent and its subsidiary companies are all drawn up to the same reporting date.

Subsidiary companies are those enterprises controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

The financial statements of the subsidiary companies are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Acquisitions of subsidiaries are accounted for using the purchase method. 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. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

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 on consolidation. 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 the income statement.

Intra group transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

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.

The gains or losses on disposal of subsidiary companies is the difference between net disposal proceeds and the Group's share of its assets together with any unamortised goodwill or reserve on consolidation, which was not previously recognised in the consolidated income statement.

#### (b) Goodwill on Consolidation

Goodwill represents the excess of the cost of business combination over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition. Following the initial recognition, goodwill is stated at cost less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.4(o).

Goodwill is not amortised but is reviewed for impairment, annually or more frequently for impairment in value and is written down where it is considered necessary. Impairment losses on goodwill are not reversed. The calculation of gains and losses on the disposal of an entity includes the carrying amount of goodwill relating to the entity being sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arise.

Negative goodwill represents the excess of the fair value of the Group's share of net assets acquired over the cost of acquisition. Negative goodwill is recognised directly in the income statement.

# Notes To The Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 3.4 Summary of Significant Accounting Policies (Continued)

#### (c) Investments

Investments in subsidiary companies are stated at cost less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.4(o).

Other investments are stated at cost less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.4(o).

On disposal of an investment, the differences between net disposal proceeds and its carrying amount is recognised in the income statement.

#### (d) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.4(o).

Freehold land is not amortised as it has an infinite life. The freehold land and buildings are revalued at least once in every 5 years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at balance sheet date. The surplus arising from such revaluations is credited to shareholders' equity as a revaluation reserve and any subsequent deficit is offset against such surplus to the extent of a previous increase for the same property. In all other cases, the deficit will be charged to the income statement. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

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

Buildings	2%
Electrical installation	10%
Factory equipment	10%
Furniture, fittings and equipment	10%
Motor vehicles	20%
Plant and machinery	10%
Renovation	10%

The residual values, useful life and depreciation methods are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates.

Fully depreciated assets, if any are retained in the accounts until the assets are no longer in use.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in income statements and the revaluation surplus related to those assets, if any, is transferred directly to retained earnings.

# Notes To The Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 3.4 Summary of Significant Accounting Policies (Continued)

#### (e) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of investment properties are provided for the straight line basis to write off the cost of investment properties to their residual value over their estimated useful lives of the investment properties.

Building is depreciated on a straight line basis to write off the cost over its estimated useful life at an annual rate of 2%.

No depreciation is provided on the freehold land as it has an indefinite useful life.

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

#### (f) 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 assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exceptions:

- Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease; and
- Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

#### (i) Finance Leases

Assets financed by hire purchase or finance lease arrangements which transfer substantially all the risks and rewards of ownership to the Group are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The assets so capitalised are depreciated in accordance with accounting policy on property, plant and equipment. Finance charges are charged to the income statements over the periods to give a constant periodic rate on interest on the remaining hire purchase liabilities.

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 relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

# Notes To The Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 3.4 Summary of Significant Accounting Policies (Continued)

#### (f) Leases (Continued)

##### (ii) Operating Leases

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 interest 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. Leasehold land is amortised over the terms of the lease period which range from 82 to 90 years.

#### (g) Property development activities

##### (i) Land held for property development

Land held for property development is stated at cost less impairment losses, if any. Such land is classified as non-current asset when no development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.

##### (ii) Property development costs

Property development costs comprise all cost that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities. They comprise the cost of land under development, construction costs and other related development costs common to the whole project including professional fees, stamp duties, commissions, conversion fees and other relevant levies as well as borrowing costs.

Property development costs not recognised as an expense are recognised as an asset measured at the lower of cost and net realisable value.

When revenue recognised in the income statement exceeds progress billings to purchasers, the balance is classified as accrued billings under current assets. When progress billings exceed revenue recognised in the income statement, the balance is classified as progress billings under current liabilities.

#### (h) Construction contracts

Contract costs comprise costs related directly to the specific contract and those that are attributable to the contract activity in general and can be allocated to the contract and such other costs that are specifically chargeable to the customer under the terms of the contract.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers for contract work. When progress billings exceed costs incurred plus recognised profit (less recognised losses), the balance is classified as amount due to customers for contract work.

# Notes To The Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 3.4 Summary of Significant Accounting Policies (Continued)

#### (i) Inventories

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

Cost is determined using first-in, first-out basis. The cost of raw materials comprises all costs of purchase plus the cost of bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct cost and a proportion production overheads based on normal operating capacity of the production facilities.

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

#### (j) Receivables

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

#### (k) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future, whether or not billed to the Group.

#### (l) Equity Instruments

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

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised in equity in the financial year in which the dividends are approved by the shareholders.

#### (m) Revaluation Reserves

Revaluation surplus arising from revaluation of freehold land and building are taken to capital reserve account and are not available for distribution.

#### (n) Foreign Currency

##### (i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entities operate (its functional currency). For the purposes of consolidated financial statements, the results and financial position of each entity are expressed in Ringgit Malaysia, which is also the Company's functional currency and the presentation currency for the consolidated financial statements.

# Notes To The Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 3.4 Summary of Significant Accounting Policies (Continued)

#### (n) Foreign Currency (Continued)

##### (ii) Foreign Currency Transactions

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

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

#### (o) Impairment of Assets

The carrying amount of assets, other than investment properties that are measured at fair value, construction contract assets, property development costs, inventories, deferred tax assets and non-current assets (or disposal group) held for sale, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment losses.

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, the 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, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to. Goodwill acquired on a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less cost 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 risk specific to the asset. Where the carrying amounts of an asset exceed 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 losses is recognised in the income statement in the period in which it arises.

Impairment losses on goodwill is not reversed in a subsequent period. An impairment losses 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 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 its carrying amount that would have been determined (net of amortisation or depreciation) had no impairment losses been recognised for the asset in prior years. A reversal of impairment losses for an asset other than goodwill is recognised in the income statement.

# Notes To The Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 3.4 Summary of Significant Accounting Policies (Continued)

#### (p) Income tax

The tax expense in income statements represents the aggregate amount of current tax and deferred tax included in the determination of net profit or loss for the financial year. Current tax expenses is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted at the balance sheet date, and adjustment to tax payable in respect of the previous year.

Deferred tax is provided for, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

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 in the income statement.

#### (q) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

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

#### (r) Borrowing costs

Borrowing costs directly attributable to the acquisition and construction of development properties are capitalised as part of cost of those assets, until such time as the assets are ready for their intended use or sale.

All other borrowing costs are charged to the income statement as an expense in the period in which they are incurred.

#### (s) Revenue

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

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



# Notes To The Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 3.4 Summary of Significant Accounting Policies (Continued)

#### (s) Revenue (Continued)

##### (i) Sale of goods

Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods has been transferred to the customer and where the Group retains neither continuing managerial involvement over the goods, which coincides with delivery of goods and services and acceptance by customers.

##### (ii) Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

##### (iii) Property development

Property development revenue is recognised in respect of all development units that have been sold. Revenue recognition commences when the sale of the development unit is effected, upon the commencement of development and construction activities and when the financial outcome can be reliably estimated. The attributable portion of property development cost is recognised as an expense in the period in which the related revenue is recognised. The amount of such revenue and expenses recognised is determined by reference to the stage of completion of development activity at the balance sheet date. The stage of completion is measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development cost.

When the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that is probable to be recoverable and the property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project is recognised as an expense immediately, including costs to be incurred over the defects liability period.

##### (iv) Dividend income

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

##### (v) Interest income

Interest income is recognised on an accruals basis using the effective interest method.



# Notes To The Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 3.4 Summary of Significant Accounting Policies (Continued)

#### (t) Employee Benefits

##### (i) Short term employee benefits

Wages, salaries, social security contributions, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by the employees.

##### (ii) Post-employment benefits

The Group contributes to the Employees' Provident Fund, the national defined contribution plan. The contributions are charged to the income statement in the period to which they are related. Once the contributions have been paid, the Group has no further payment obligations.

#### (u) Cash and Cash Equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, bank balances, demand deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

#### (v) Non-current Assets (or Disposal Groups) Held for Sale and Discontinued Operation

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

Immediately before classification as held for sale, the measurement of the non-current assets (or all the assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable FRSs. Then, on initial classification as held for sale, non-current assets or disposal groups (other than investment properties, deferred tax assets, employees benefits assets, financial assets and inventories) are measured in accordance with FRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed off and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

#### (w) Segmental Information

Segment revenue and expense are those directly attributable to the segments and include any joint revenue and expense where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. Most segment assets can be directly attributed to the segments on a reasonable basis. Segment assets and liabilities do not include income tax assets and liabilities respectively.

Segment revenue, expense and result include transfers between segments. The prices charged on intersegment transaction are the same as those charged for similar goods to parties outside of the economic entity at an arm's length transactions. These transfers are eliminated on consolidation.

# Notes To The Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 3.5 Significant Accounting Estimates and Judgements

#### (a) 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 as stated below:

##### (i) Depreciation of property, plant and equipment

The cost of the property, plant and 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 ten years. 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.

##### (ii) Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use.

##### (iii) Impairment of investment in subsidiary companies

The Company carried out the impairment test based on a variety of estimation including the value-in-use of the cash generating unit. Estimating the value-in-use requires the Group and the Company to make an estimate of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of investment in subsidiary companies of the Company as at 31st December 2008 was RM18,407,354/- (2007: RM27,119,408/-). During the financial year, the impairment on investment in subsidiary companies charged to the income statement was RM8,712,052/-.

##### (iv) Goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary.

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating unit to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying value of goodwill as at 31st December 2008 was RM1,685,729/- (2007: RM1,685,729/-).

##### (v) 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 carrying value of deferred tax assets as at 31st December 2008 was RM Nil (2007: RM1,064,679/-).

# Notes To The Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 3.5 Significant Accounting Estimates and Judgements (Continued)

#### (a) Key Sources of Estimation Uncertainty (Continued)

##### (vi) Allowances for doubtful debts

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

##### (vii) Property development

The Group recognises property development revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

##### (viii) Net realisable values of inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

##### (ix) Construction contracts

The Group recognises revenue and expenses from construction contracts in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

Significant judgement is exercised in determining the stage of completion, the extent of recovery of the contract costs incurred, the total estimated contract revenue and contract costs. The Group's judgement is based on past experience and by reference to work performed by specialists.

#### (b) Critical Judgements Made in Applying Accounting Policies

There are no critical judgements made by management in the process of applying the Group's accounting policies that have significant effect on the amounts recognised in the financial statement.

# Notes To The Financial Statements

## 4. PROPERTY, PLANT AND EQUIPMENT

Group 2008	Freehold land RM	Buildings RM	Electrical installation RM	Factory equipment RM	Furniture, fittings and equipment RM	Motor vehicles RM	Plant and machinery RM	Renovation RM	Total RM
<b>Carrying amount</b>									
At 1st January 2008	9,025,001	3,047,593	48,127	79,923	126,684	348,726	2,391,472	62,818	15,130,344
Additions	-	-	-	-	27,788	-	20,616	38,500	86,904
Depreciation for the financial year	-	(60,366)	(20,419)	(30,605)	(30,353)	(50,075)	(520,964)	(15,939)	(728,721)
Disposals	-	(126,967)	-	-	-	-	-	-	(126,967)
Reclassification as held for sale (Note 18)	-	-	-	-	(10,529)	-	-	(35,237)	(45,766)
At 31st December 2008	9,025,001	2,860,260	27,708	49,318	113,590	298,651	1,891,124	50,142	14,315,794

<b>Carrying amount</b>									
At 1st January 2008	9,025,001	2,964,003	228,285	748,368	656,979	422,249	10,400,363	220,751	24,665,999
Accumulated depreciation and impairment losses	-	(103,743)	(200,577)	(699,050)	(543,389)	(123,598)	(8,509,239)	(170,609)	(10,350,205)
At 31st December 2008	9,025,001	2,860,260	27,708	49,318	113,590	298,651	1,891,124	50,142	14,315,794

Group 2007	Freehold land RM	Buildings RM	Electrical installation RM	Factory equipment RM	Furniture, fittings and equipment RM	Motor vehicles RM	Plant and machinery RM	Renovation RM	Total RM
<b>Carrying amount</b>									
At 1st January 2007	9,075,942	7,139,382	64,868	116,365	193,754	276,481	3,222,270	51,423	20,140,485
Additions	-	-	4,800	-	31,639	389,409	52,830	23,317	501,995
Transfer to investment properties	-	(2,006,310)	-	-	-	-	-	-	(2,006,310)
Revaluation	813,059	34,458	-	-	-	-	-	-	847,517
Acquisition of subsidiaries	-	-	-	-	286	-	-	-	286
Impairment losses for the financial year	-	(78,172)	-	-	-	-	(214,806)	-	(292,978)
Depreciation for the financial year	-	(73,127)	(20,960)	(36,442)	(46,865)	(127,406)	(562,219)	(11,920)	(878,939)
Disposals	(864,000)	(1,968,638)	(581)	-	(49,314)	(189,758)	(106,603)	(2)	(3,178,896)
Written off	-	-	-	-	(2,816)	-	-	-	(2,816)
At 31st December 2007	9,025,001	3,047,593	48,127	79,923	126,684	348,726	2,391,472	62,818	15,130,344

<b>Carrying amount</b>									
At 1st January 2007	9,025,001	3,094,003	228,285	748,368	640,601	422,249	10,379,747	220,751	24,759,005
Accumulated depreciation and impairment losses	-	(46,410)	(180,158)	(668,445)	(513,917)	(73,523)	(7,988,275)	(157,933)	(9,628,661)
At 31st December 2007	9,025,001	3,047,593	48,127	79,923	126,684	348,726	2,391,472	62,818	15,130,344

# Notes To The Financial Statements

## 4. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company 2008	Buildings RM	Electrical installation RM	Furniture, fittings and equipment RM	Renovation RM	Total RM
<b>Carrying amount</b>					
At 1st January 2008	128,050	9,542	31,099	21,424	190,115
Additions	–	–	–	–	–
Disposals	(126,967)	–	–	–	(126,967)
Depreciation for the financial year	(1,083)	(3,802)	(9,549)	(7,594)	(22,028)
At 31st December 2008	–	5,740	21,550	13,830	41,120

<b>Carrying amount</b>					
At 1st January 2008	–	38,026	95,487	75,937	209,450
Accumulated depreciation and impairment losses	–	(32,286)	(73,937)	(62,107)	(168,330)
At 31st December 2008	–	5,740	21,550	13,830	41,120

Company 2007	Buildings RM	Electrical installation RM	Furniture, fittings and equipment RM	Renovation RM	Total RM
<b>Carrying amount</b>					
At 1st January 2007	117,500	13,344	31,179	29,018	191,041
Additions	–	–	9,030	–	9,030
Revaluation	13,125	–	–	–	13,125
Depreciation for the financial year	(2,575)	(3,802)	(9,110)	(7,594)	(23,081)
At 31st December 2007	128,050	9,542	31,099	21,424	190,115

<b>Carrying amount</b>					
At 1st January 2007					
- cost	–	38,026	95,487	75,937	209,450
- valuation	130,000	–	–	–	130,000
Accumulated depreciation and impairment losses	(1,950)	(28,484)	(64,388)	(54,513)	(149,335)
At 31st December 2007	128,050	9,542	31,099	21,424	190,115

# Notes To The Financial Statements

## 4. PROPERTY, PLANT AND EQUIPMENT (Continued)

- (a) The freehold land and buildings of the Group and of the Company were revalued in March 2007 by the Directors based on the valuation carried out by an independent professional valuer using the direct comparison method.

Had the revalued assets of the Group and of the Company been carried at cost less accumulated depreciation, the carrying amount would have been RM10,951,810/- (2007: RM10,767,760/-) and RMNil (2007: RM115,000/-) respectively.

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

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Purchase of property, plant and equipment	86,904	501,995	–	9,030
Financed by hire purchase arrangements	–	(360,800)	–	–
Financed by credit arrangements	–	(1,800)	–	–
	86,904	139,395	–	9,030

As at 31 December 2008, the net carrying amount of the Group's property, plant and equipment under finance leases are as follows:

	Group	
	2008 RM	2007 RM
Motor vehicles	301,204	351,086
Plant and machinery	237,667	268,667
	538,871	619,753

- (c) Freehold land and buildings with a carrying amount of RM11,630,500/- (2007: RM11,684,500/-) have been charged to banks for credit facilities granted to the Group (Note 21).
- (d) Other property, plant and equipment with net book value of RM304,615/- (2007: RM798,426/-) have been charged to licensed banks for credit facilities granted to the Group (Note 21).
- (e) Freehold building and motor vehicles of the Group with a carrying amount of RMNil (2007: RM128,050/-) and RM231,000/- (2007: RM259,000/-) respectively are held in trust by the third parties.
- (f) During the financial year ended 2007, revaluation surplus on freehold land and buildings amounting to RM847,517/- have been recognised during the financial year subsequent to a valuation carried out by an independent firm of valuer. The revaluation surplus is directly credited to revaluation reserves.

# Notes To The Financial Statements

## 5. PROPERTY DEVELOPMENT ACTIVITIES

### (a) Land held for property development

	Group	
	2008 RM	2007 RM
At the beginning of the financial year		
- freehold land, at cost	3,583,699	3,583,699
- development costs	81,109	12,212
	3,664,808	3,595,911
Add: Costs incurred during the financial year		
- freehold land	-	-
- development costs	-	68,897
	-	68,897
	3,664,808	3,664,808
At the end of the financial year		
- land	3,583,699	3,583,699
- development costs	81,109	81,109
	3,664,808	3,664,808

Freehold land has been charged to a bank for credit facilities granted to a subsidiary company (Note 21).

# Notes To The Financial Statements

## 5. PROPERTY DEVELOPMENT ACTIVITIES (Continued)

### (b) Property development costs

	Group	
	2008 RM	2007 RM
At the beginning of the financial year		
- freehold land	12,781,271	3,631,346
- development costs	23,088,622	451,333
- accumulated costs charged to the income statement	(14,169,549)	-
	21,700,344	4,082,679
Costs incurred during the financial year		
- freehold land	-	1,350,999
- development costs	9,434,282	14,297,354
	9,434,282	15,648,353
Arising from acquisition of a subsidiary company		
- freehold land	-	7,798,926
- development costs	-	8,339,935
	-	16,138,861
Costs recognised in income statement during the financial year	(9,954,036)	(14,169,549)
Reclassified as held for sale (Note 18)	(6,504,159)	-
At the end of the financial year		
- freehold land	12,781,271	12,781,271
- development costs	26,018,745	23,088,622
- accumulated cost charged to the income statement	(24,123,585)	(14,169,549)
	14,676,431	21,700,344

Included in the property development costs are interest expenses of RM1,186,878/ (2007: RM1,107,171/-).

The freehold land held under development has been charged to banks for credit facilities granted to subsidiary companies (Note 21).



# Notes To The Financial Statements

## 6. INVESTMENT PROPERTIES

	Group	
	2008 RM	2007 RM
At 1st January	1,962,658	–
Transfer from property, plant and equipment	–	2,006,310
Depreciation charged for the financial year	(26,187)	(17,743)
Impairment losses	–	(25,909)
<b>At 31st December</b>	<b>1,936,471</b>	<b>1,962,658</b>
<b>Consists of:-</b>		
Freehold buildings	714,100	728,900
Leasehold buildings	1,222,371	1,233,758
	<b>1,936,471</b>	<b>1,962,658</b>

- (a) The investment properties of the Group were revalued on 9 March 2007 by the Directors based on a valuation carried out in March 2007 by an independent professional valuer using the direct comparison method. An impairment loss of RM25,909/- have been recognised during the financial year ended 2007 due to the recoverable amount being less than the carrying amounts of the investment properties.
- (b) The investment properties have been charged to banks for credit facilities granted to the Group (Note 21).
- (c) As at 31st December 2008, the fair values of the investment properties are RM2,860,000/-. The fair values are arrived at by reference to market evidence of transaction prices for similar properties by the directors.

## 7. PREPAID LEASE PAYMENTS

	Group	
	2008 RM	2007 RM
<b>Cost or valuation</b>		
At 1st January	634,197	1,871,120
Disposal	–	(1,236,923)
<b>At 31st December</b>	<b>634,197</b>	<b>634,197</b>
<b>Accumulated amortisation</b>		
At 1st January	84,419	57,459
Amortisation for the financial year	7,782	18,763
Impairment losses for the financial year	–	8,197
<b>At 31st December</b>	<b>92,201</b>	<b>84,419</b>
<b>Carrying amount</b>		
At 31st December	541,996	549,778

# Notes To The Financial Statements

## 7. PREPAID LEASE PAYMENTS (Continued)

	Group	
	2008	2007
	RM	RM
Consists of:		
Current portion	7,782	6,705
Non-current portion	534,214	543,073
	541,996	549,778

The leasehold land has been charged to banks for credit facilities granted to the Group (Note 21).

## 8. GOODWILL ON CONSOLIDATION

	Group	
	2008	2007
	RM	RM
At 1st January	1,685,729	10,982
Arising from the acquisition of subsidiary companies	–	1,692,421
Impairment losses for the financial year	–	(17,674)
	1,685,729	1,685,729

## 9. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2008	2007
	RM	RM
Unquoted shares, at cost	32,583,244	32,583,244
Less: Accumulated impairment losses	(14,175,888)	(5,463,836)
	18,407,356	27,119,408
Reclassified as held for sale (Note 18)	(2)	–
	18,407,354	27,119,408

# Notes To The Financial Statements

## 9. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

The subsidiary companies are as follows:

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
<b>Held by the Company:</b>				
Minply Sdn. Bhd. #	Malaysia	100	100	Trading in plywood, furniture parts, furniture accessories, wood based panels and other related products and investment holding
Minply (Kuala Lumpur) Sdn. Bhd. #	Malaysia	100	100	Trading of plywood and related products
Minply Industries (M) Sdn. Bhd.	Malaysia	100	100	Manufacturing furniture parts and accessories
Allfit Furniture Industries Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading of wood based products
Tropikal Permai Sdn. Bhd. #	Malaysia	100	100	Trading in plywood, furniture parts, furniture accessories, wood based panels and other related products
Goldenier Property Management Sdn. Bhd. **	Malaysia	100	100	Property management and investment
Ace Décor Sdn. Bhd. **	Malaysia	100	100	General trading
Timberion Sdn. Bhd. **	Malaysia	100	100	Dormant
Delitage Sdn. Bhd. **	Malaysia	51	51	Dormant
Metrojan Industry Sdn. Bhd. **	Malaysia	100	100	General trading
Minpalm International Trading Company Sdn. Bhd. **	Malaysia	51	51	Dormant
Minply Construction & Engineering Sdn. Bhd. **	Malaysia	60	60	Construction
<b>Held by a Subsidiary company:</b>				
Tekan Mewah Development Sdn. Bhd. **	Malaysia	100	100	Property development and construction
Minply Development Sdn. Bhd. **^	Malaysia	100	100	Property development
Minply Hotel Sdn. Bhd. **	Malaysia	100	100	Dormant
Janavista Sdn. Bhd. **	Malaysia	100	100	Property development

# Notes To The Financial Statements

## 9. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

\*\* Audited by another firm of chartered accountants other than Baker Tilly Monteiro Heng.

^ Classified as discontinued operation during the current financial year.

# The Auditors' Report of these subsidiaries contained an emphasis of matter paragraph in relation to the going concern consideration.

### Acquisition of subsidiary companies

During the financial year ended 2007, the Group acquired the following subsidiary companies:

(a) Minpalm International Trading Company Sdn. Bhd. ("MP")

Acquired 127,500 ordinary shares of RM1/- each representing 51% equity interest in MP for a cash consideration of RM127,500/-. MP has been inactive since the acquisition date.

(b) Minply Construction & Engineering Sdn. Bhd. ("MCE")

Acquired 300,000 ordinary shares of RM1/- each representing 60% equity interest in MCE for a cash consideration of RM500,000/-. MCE is principally engaged in construction.

(c) Janavista Sdn. Bhd. ("JSB")

Acquired 1,000,000 ordinary shares of RM1/- each representing 100% equity interest in JSB for a purchase consideration of RM8,175,000/-. JSB is principally engaged in property development.

(d) Minply Development Sdn. Bhd. ("MD")

Acquired 100% equity interest in MD for a cash consideration of RM2/-. MD is principally engaged in property development.

(e) Minply Hotel Sdn. Bhd. ("MH")

Acquired 100% equity interest in MH for a cash consideration of RM2/-. MH has been inactive since the acquisition date.

# Notes To The Financial Statements

## 9. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

The effect of these acquisitions on the financial results of the Group during the financial year ended 2007 are as follows:

	2007 RM
Revenue	14,290,964
Operating costs	(10,805,191)
Profit before tax	3,485,773
Tax expense	(627,212)
	2,858,561
Less: Minority interest	(8,684)
Increase in Group net profit	2,849,877

The effects of these acquisitions on the financial position of the Group at the end of the financial year are as follows:

	2007 RM
<b>Assets:</b>	
Property, plant and equipment	36,371
Trade and other receivables	20,568,803
Property development costs	15,801,563
Cash and bank balances	40,699
	36,447,436
<b>Liabilities:</b>	
Trade and other payables	(3,058,948)
Borrowings	(2,025,883)
Deferred tax liabilities	(1,321)
Current tax liabilities	(2,976,676)
	(8,062,828)
Net assets acquired	28,384,608
Less : Minority interests	331,184
Increase in Group net assets	28,715,792

## 10. OTHER INVESTMENT

	2008 RM	Group 2007 RM
At cost		
Unquoted shares in Malaysia	-	249,000

# Notes To The Financial Statements

## 11. AMOUNT OWING BY SUBSIDIARY COMPANIES

Amounts owing by subsidiary companies are unsecured, interest-free and payable upon demand.

## 12. DEFERRED TAX (ASSETS)/LIABILITIES

	Group	
	2008 RM	2007 RM
At the beginning of the financial year	(1,064,679)	(909,133)
Transfer from income statements (Note 28)	1,240,503	(453,679)
Recognised in equity	–	298,133
<b>At the end of financial year</b>	<b>175,824</b>	<b>(1,064,679)</b>
Presented after appropriate offsetting:-		
Deferred tax assets, net	–	(1,671,000)
Deferred tax liabilities, net	175,824	606,321
	<b>175,824</b>	<b>(1,064,679)</b>

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

### Deferred tax assets of the Group

	Provisions RM	Unused tax losses and unabsorbed capital allowances RM	Total RM
At the beginning of the financial year	(1,239,000)	(432,000)	(1,671,000)
Transfer from income statements	1,239,000	432,000	1,671,000
<b>At the end of financial year</b>	<b>–</b>	<b>–</b>	<b>–</b>

### Deferred tax liabilities of the Group

	Property, plant and equipment RM
At the beginning of the financial year	606,321
Transfer from income statements	(430,497)
<b>At the end of financial year</b>	<b>175,824</b>

# Notes To The Financial Statements

## 12. DEFERRED TAX (ASSETS)/LIABILITIES (Continued)

The deferred tax assets have not been recognised for the following items:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Deductible temporary differences:				
Property, plant and equipment	(237,639)	(322,082)	(21,033)	(30,561)
Provisions	19,187,165	3,161,463	13,521,430	3,104,159
Unabsorbed capital allowances	1,042,214	1,021,598	69,844	69,844
Unused tax losses	2,647,359	238,961	387,675	110,211
	22,639,099	4,099,940	13,957,916	3,253,653

The tax effects of temporary differences, unused tax losses and unused tax credits which would give rise to net deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

## 13. INVENTORIES

	Group	
	2008 RM	2007 RM
At cost:		
Raw materials	79,210	92,200
Work-in-progress	275,454	296,028
Finished goods	411,311	523,971
	765,975	912,199
Allowance for slow moving inventories	(236,958)	–
	529,017	912,199

## 14. TRADE RECEIVABLES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Third parties	12,796,088	15,406,888	–	–
Less: Allowance for doubtful debts	(3,404,391)	(7,565,313)	–	–
	9,391,697	7,841,575	–	–
Accrued billings	9,217,979	5,762,604	–	–
Amount due from customers for contract works (Note 16)	918,567	39,703	–	–
	19,528,243	13,643,882	–	–

# Notes To The Financial Statements

## 14. TRADE RECEIVABLES (Continued)

Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 7 to 90 days.

Included in the trade and other receivables in the previous financial year, was an amount of RM10,913,802/- owing by a sub-contractor in the books of certain subsidiary companies namely Janavista Sdn. Bhd. and Minply Construction & Engineering Sdn. Bhd.. During the financial year, the amount was settled as follows:-

- Settlement of RM2,800,000/- by way of a contra with the amount owing to a director from a subsidiary company;
- Settlement of RM3,372,276/- by way of cash;
- Settlement of RM4,741,526/- by way of contra with construction works carried out by the sub-contractor.

## 15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Other receivables	5,025,251	15,327,992	3,216,813	3,106,059
Less: Allowance for doubtful debts	(3,398,201)	(3,555,606)	(3,104,159)	(3,104,159)
	1,627,050	11,772,386	112,654	1,900
Deposits	500,244	541,871	7,843	21,806
Prepayments	30,964	379,557	-	2,884
	2,158,258	12,693,814	120,497	26,590
Reclassified as held for sale (Note 18)	(379,800)	-	-	-
	1,778,458	12,693,814	120,497	26,590

Included in other receivables of the Group was an amount of RMNil (2007: RM2,300,000/-) representing deposits paid to acquire a subsidiary company, namely Janavista Sdn. Bhd.

## 16. AMOUNT DUE FROM/(TO) CUSTOMER FOR CONTRACT WORKS

	Group	
	2008 RM	2007 RM
Aggregate costs incurred to date	13,885,420	6,117,064
Add: Attributable profits	696,102	710,739
	14,581,522	6,827,803
Less: Progress billings	(13,701,379)	(6,826,524)
	880,143	1,279
Amount due from customers for contract works (Note14)	918,567	39,703
Amount due to customers for contract works (Note 23)	(38,424)	(38,424)
	880,143	1,279



# Notes To The Financial Statements

## 17. CASH AND BANK BALANCES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Cash and bank balances	326,788	815,402	–	68,693
Deposits with banks	38,205	1,514,617	–	–
	364,993	2,330,019	–	68,693
Reclassified as held for sale (Note 18)	(23)	–	–	–
	364,970	2,330,019	–	68,693

Fixed deposits amounting to RM38,205/- (2007: RM1,439,187/-) are pledged to a local bank as security for credit facilities granted to the Group.

## 18. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 11th November 2008, the Company announced the decision to discontinue and dispose of its subsidiary, Minply Development Sdn. Bhd. As at 31st December 2008, the assets and liabilities of Minply Development Sdn. Bhd. have been presented on the consolidated balance sheet as a disposal group held for sales and results from this subsidiary are presented separately on the consolidated income statement as a discontinued operation. The carrying amount of the investment in this subsidiary has also been presented as a non-current asset held for sale on the Company's balance sheet as at 31st December 2008.

An analysis of the result of the discontinued operations and the result recognised on the carrying value of the assets of the disposal group are as follows:

	Group 2008 RM
Revenue	–
Expenses	(48,406)
Loss before tax of discontinued operations	(48,406)
Income tax expense	–
Loss for the financial year from discontinued operations	(48,406)

The cash flows attributable to the discontinued operation are as follows:

	Group 2008 RM
Operating cash flows	79,788
Investing cash flows	(49,910)
Total cash flows	29,878

# Notes To The Financial Statements

## 18. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (Continued)

The major classes of assets and liabilities of Minply Development Sdn. Bhd. classified as held for sale on the consolidated balance sheet as at 31st December 2008 are as follows:

	Carrying amounts 2008 RM
<b>Assets</b>	
Property, plant and equipment	45,766
Development expenditure	6,504,159
Other receivables	379,800
Cash and bank balances	23
<hr/>	
Assets of disposal group classified as held for sale	6,929,748
<hr/>	
<b>Liabilities</b>	
Trade payables	74,117
Other payables	30,010
Bank overdraft	124
<hr/>	
Liabilities of disposal group classified as held for sale	104,251
<hr/>	

The non-current asset classified as held for sale on the Company's balance sheet as at 31st December 2008 are as follows:

	Carrying amounts 2008 RM
Investment in subsidiary companies	2
<hr/>	

## 19. SHARE CAPITAL

	2008 Number of shares Unit	Group and Company 2007 Number of shares Unit		2008 RM	2007 RM
Ordinary shares of RM1/- each					
Authorised:					
At the beginning/end of the financial year	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
<hr/>					
Issued and fully paid:					
At the beginning/end of the financial year	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000
<hr/>					

# Notes To The Financial Statements

## 20. RESERVES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Non-distributable reserves:				
Share premium	13,038,507	13,038,507	13,038,507	13,038,507
Revaluation reserves	66,561	66,561	13,125	13,125
	13,105,068	13,105,068	13,051,632	13,051,632
Distributable reserves:				
Accumulated losses	(25,882,015)	(21,987,237)	(34,007,268)	(20,907,963)
	(12,776,947)	(8,882,169)	(20,955,636)	(7,856,331)

(a) Asset revaluation reserves

The asset revaluation reserves are used to record the increase in fair value of the freehold land and buildings.

(b) Subject to the agreement of the Inland Revenue Board, the Company has:

- (i) Tax exempt account amounting to approximately RM581,000/- (2007: RM581,000/-) available for distribution out of tax exempt dividends; and
- (ii) Sufficient tax credits under Section 108 of the Income Tax Act, 1967 to frank the payment of net dividends amounting to approximately RM3,193,000/-(2007: RM3,193,000/-) out of its future profits.

# Notes To The Financial Statements

## 21. BORROWINGS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
<b>Current Liabilities</b>				
Bank overdraft	4,070,041	3,479,438	855	–
Bankers' acceptance and trust receipts	6,138,303	9,719,523	–	–
Hire purchase payables (Note 22)	180,272	135,140	–	–
Term loans	8,650,946	5,465,564	–	–
	19,039,562	18,799,665	855	–
Reclassified as held for sale (Note 18)	(124)	–	–	–
	19,039,438	18,799,665	855	–
<b>Non-current Liabilities</b>				
Hire purchase payables (Note 22)	140,878	254,077	–	–
Term loans	1,632,842	5,336,529	–	–
	1,773,720	5,590,606	–	–
<b>Total Borrowings</b>				
Bank overdraft	4,070,041	3,479,438	855	–
Bankers' acceptance and trust receipts	6,138,303	9,719,523	–	–
Hire purchase payables (Note 22)	321,150	389,217	–	–
Term loans	10,283,788	10,802,093	–	–
	20,813,282	24,390,271	855	–
Reclassified as held for sale (Note 18)	(124)	–	–	–
	20,813,158	24,390,271	855	–

- (a) Bank overdrafts and bankers' acceptance and trust receipts of the Group are secured by:
- (i) Fixed deposit of the subsidiary companies as disclosed in Note 17 to the financial statements;
  - (ii) Fixed and floating charges of certain property, plant and equipment, freehold land, investment properties and leasehold land as disclosed in Notes 4, 5, 6 and 7 to the financial statements; and
  - (iii) A corporate guarantee from the Company.
- (b) Term loans
- Term loans of the Group are secured by legal charges over the freehold land and buildings of the subsidiary companies as disclosed in Notes 4 and 5 to the financial statements and a corporate guarantee from the Company.

During the financial year, CIMB Bank Berhad has initiated legal proceedings against three wholly owned subsidiaries, being Minply (Kuala Lumpur) Sdn. Bhd., Minply Sdn. Bhd. and Tropikal Permai Sdn. Bhd. for the default in the repayment of bank borrowings. The details of the writ of summons have been disclosed in Note 35(b), Note 35(c) and Note 35(d) to the financial statements.

On 26th February 2009, the Company had announced the default in the repayment of bank borrowings pursuant to the requirements of Practice Note 1/2001 issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The Company further announced that all the three subsidiaries are not the major subsidiaries of the Company and all debts would be settle in full within twelve months from the date of the announcements. A solvency declaration has been filed by the directors of the Company to Bursa Malaysia on 26th February 2009.

# Notes To The Financial Statements

## 22. HIRE-PURCHASE PAYABLES

	Group	
	2008 RM	2007 RM
Minimum hire purchase payments		
- not later than one year	199,116	235,200
- later than one year but not later than five years	159,343	201,124
- later than five years	–	11,492
	358,459	447,816
Less: Future finance charges	(37,309)	(58,599)
	321,150	389,217
Represented by:-		
Current		
- not later than one year	180,272	135,140
Non-current		
- later than one year but not later than five years	140,878	242,743
- later than five years	–	11,334
	321,150	389,217

## 23. TRADE PAYABLES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Third parties	3,571,578	4,730,858	–	–
Amount due to customers for contract works (Note 16)	38,424	38,424	–	–
	3,610,002	4,769,282	–	–
Reclassified as held for sale (Note 18)	(74,117)	–	–	–
	3,535,885	4,769,282	–	–

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

Amounts due to all related parties are unsecured, interest-free and payable upon demand.

# Notes To The Financial Statements

## 24. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Amounts owing to Directors	866,611	3,611,732	16,950	31,950
Other payables	5,746,926	4,592,088	318,161	133,308
Accruals	217,074	278,548	7,356	71,903
	6,830,611	8,482,368	342,467	237,161
Reclassified as held for sale (Note 18)	(30,010)	–	–	–
	6,800,601	8,482,368	342,467	237,161

(a) Amounts owing to Directors represents advances from Directors which are unsecured, interest-free and have no fixed terms of repayments.

(b) Included in other payables of the Group are:

- (i) Amount owing to a former Director of a subsidiary company amounting to RMNil (2007: RM2,131/-); and
- (ii) Balance of the purchase consideration of RM3,509,195/- (2007: RM3,509,195/-) owing to a vendor of a subsidiary company arising from the net assets acquired.

## 25. REVENUE

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Sales of goods	8,560,159	44,261,883	–	–
Dividend income from a subsidiary company	–	–	–	219,000
Sale of development properties	12,772,903	7,935,660	–	–
Contract revenue	2,631,329	3,293,944	–	–
	23,964,391	55,491,487	–	219,000

# Notes To The Financial Statements

## 26. OPERATING (LOSS)/PROFIT BEFORE TAXATION

Operating (loss)/profit before taxation has been arrived at:-

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
After charging:-				
Allowance for doubtful debts				
- third parties	1,376,405	6,376,661	-	3,094,159
- amount owing by subsidiary companies	-	-	4,067,797	-
Allowance for slow moving inventories	226,722	-	-	-
Amortisation on prepaid lease payments for land	7,782	18,763	-	-
Auditors' remuneration	136,000	97,700	11,600	11,600
Bad debts written-off	515,256	7,054	-	-
Depreciation of investment properties	26,187	17,743	-	-
Depreciation of property, plant and equipment	728,721	878,939	22,028	23,081
Directors' remuneration:				
- fee payable by the Company under accrued in prior year	-	52,600	-	52,600
- payable by subsidiary companies	32,000	196,033	-	-
Hiring of lorries and machineries	18,502	100,000	-	-
Impairment losses on:				
- goodwill	-	17,674	-	-
- investment in subsidiary companies	-	-	8,712,052	-
- property, plant and equipment	-	292,978	-	-
- prepaid lease payments for land	-	8,197	-	-
- investment properties	-	25,909	-	-
Loss on disposal:				
- other investment	12,450	-	-	-
- property, plant and equipment	16,967	-	16,967	-
Property, plant and equipment written-off	-	2,816	-	-
Realised loss from foreign currency transactions	637	2,223	-	-
Rental expenses:				
- hostels	5,000	2,640	-	-
- lorries	-	1,167	-	-
- photocopy machines	-	2,863	-	2,863
- premises	169,276	206,116	50,316	44,256
Employee benefits				
- salaries, wages and bonuses	1,203,560	1,521,103	320,502	283,748
- Employees' Provident Fund	119,625	164,670	38,417	35,355
- other benefits	24,749	100,133	7,500	22,806
And crediting:-				
Allowance for doubtful debts no longer required	481,977	2,481,222	-	-
Bad debts recovered	354,072	-	-	-
Gain on disposal of property, plant and equipment	-	1,804,647	-	-
Gain on disposal of prepaid lease payments	-	161,875	-	-
Interest income	2,010	67,135	-	-
Rental income	152,764	185,400	-	-
Reversal of impairment losses on investment in subsidiary companies	-	-	-	3,905,337
Storage charge	78,133	35,464	-	-

# Notes To The Financial Statements

## 27. FINANCE COSTS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Bank charges	99,821	52,555	827	117
Interest on:				
Bank overdrafts	316,206	320,535	–	–
Term loans	754,222	303,660	–	–
Hire-purchase	21,291	31,250	–	–
Bankers' acceptance	454,848	778,272	–	–
Trust receipts	44,500	42,735	–	–
	1,591,067	1,476,452	–	–
	1,690,888	1,529,007	827	117

## 28. TAXATION

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Income tax				
- current year	(522,619)	(916,890)	–	–
- prior year	–	315,890	–	–
Deferred tax (Note 12)				
- current year	(1,240,503)	453,679	–	–
- prior year	–	–	–	299,886
	(1,763,122)	(147,321)	–	299,886

The income tax is calculated at the Malaysian statutory rate of 26% (2007: 27%) of the estimated assessable profit for the fiscal year. The statutory tax rates will be reduced to 25% from the current year's tax rate of 26% for the years of assessment 2009 onwards. The computation of deferred tax as at 31st December 2008 has been reflected with these changes accordingly.



# Notes To The Financial Statements

## 28. TAXATION (Continued)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follow:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
(Loss)/profit before taxation	(2,134,548)	(646,417)	(13,099,305)	631,599
Taxation at applicable tax rate of 26% (2007: 27%)	554,982	174,533	3,405,819	(170,532)
Tax effects arising from:				
- Non-taxable income	217,373	–	–	–
- Expenses not deductible for tax purposes	(301,717)	(1,345,407)	(622,710)	166,823
- Tax recoverable under Section 110	23,972	(23,747)	–	(23,747)
- (Origination)/reversal of deferred tax assets not recognised in the financial statements	(1,992,685)	(83,271)	(2,676,066)	(29,873)
- Net dividend income	–	–	–	59,130
- Others	–	23,692	–	–
- Change in tax rate	(88,018)	(17,404)	(107,043)	(1,801)
- (Over)/underprovision in prior years:				
-Income tax	–	317,210	–	299,886
-Deferred tax	(177,029)	807,073	–	–
Tax expense for the financial year	(1,763,122)	(147,321)	–	299,886

## 29. LOSS PER ORDINARY SHARE

	Group	
	2008 RM	2007 RM
Loss from continuing operations attributable to equity holders of the Company	(3,846,373)	(801,503)
Loss from discontinued operations attributable to equity holders of the Company	(48,406)	–
Net loss attributable to equity holders of the Company	(3,894,778)	(801,503)
Number of shares in issue	44,000,000	44,000,000
Basic loss per ordinary share (sen) for:		
- loss from continuing operations	(8.74)	(1.82)
- loss from discontinued operations	(0.11)	–
Basic, for loss for the financial year	(8.85)	(1.82)

The basic loss per ordinary share is calculated by dividing the consolidated net loss attributable to equity holders of the Company by the number of ordinary shares in issue during the financial year.

There is no dilution in basic loss per ordinary share of the Group as there were no potential ordinary shares outstanding as at 31st December 2008.

# Notes To The Financial Statements

## 30. SIGNIFICANT RELATED PARTY TRANSACTIONS

### (a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

### (b) 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:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Purchase of building materials from a related party	–	737,343	–	–
Loan from a related party	–	145,000	–	–
Legal fees paid to a firm of which a Director is a partner	–	166,015	–	–
Management fees charged to subsidiary companies	–	–	–	317,000
Accounting fees charged to subsidiary companies	–	–	317,544	–

The related party transactions described above was carried out on the terms and conditions not materially different from those obtainable from transactions with unrelated parties.

### (c) Compensation of key management personnel

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

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Directors' fee				
- under accrued in prior year	–	52,600	–	52,600
Directors' emoluments:				
- salary and allowances	32,000	196,033	–	–
Total short term employees benefits	32,000	248,633	–	52,600
Other key management personnel:				
- short term employees benefits	–	97,775	–	97,775
	32,000	346,408	–	150,375

# Notes To The Financial Statements

## 31. SEGMENT REPORTING

The Group comprise of the following main business segments:

- Manufacturing : Manufacturing of furniture parts, furniture accessories and wood based products
- Trading : Trading in plywood, furniture parts, furniture accessories, wood based panels and other related products
- Property development : Development of residential and commercial properties
- Others : Investment holding and dormant companies neither of which constitutes a separately reportable segment

Group 2008	Manufacturing RM	Trading RM	Property development RM	Others RM	Eliminations RM	Consolidated RM
<b>Revenue</b>						
External sales	2,578,026	9,192,984	21,099,103	-	(8,905,722)	23,964,391
Inter-segment sales	(1,593,990)	(1,616,862)	(5,694,870)	-	8,905,722	-
<b>Total revenue</b>	<b>984,036</b>	<b>7,576,122</b>	<b>15,404,233</b>	<b>-</b>	<b>-</b>	<b>23,964,391</b>
<b>Results</b>						
Segment results	(1,217,475)	(1,513,308)	2,630,054	(9,054,983)	8,712,052	(443,660)
Unallocated income						-
Unallocated expenses						-
Finance costs						(1,690,888)
Loss before tax						(2,134,548)
Income tax expense						(1,763,122)
<b>Loss for the financial year</b>						<b>(3,897,670)</b>
<b>Other information</b>						
Segment assets	10,903,999	48,113,552	46,671,208	45,360,871	(84,413,131)	66,636,499
Segment liabilities	11,603,176	28,883,444	35,993,526	28,594,747	(70,060,769)	35,014,124
Capital expenditure	20,616	-	16,378	-	-	36,994
Depreciation on property, plant and equipment	457,104	203,890	41,361	22,221	-	724,576
Depreciation on investment properties	14,800	11,387	-	-	-	26,187
Amortisation of prepaid lease payments	-	7,782	-	-	-	7,782

# Notes To The Financial Statements

## 31. SEGMENT REPORTING (Continued)

Group 2007	Manufacturing RM	Trading RM	Property development RM	Others RM	Eliminations RM	Consolidated RM
<b>Revenue</b>						
External sales	23,340,355	44,125,408	14,790,964	219,000	(26,984,240)	55,491,487
Inter-segment sales	(1,629,135)	(21,574,745)	(3,561,360)	(219,000)	26,984,240	–
<b>Total revenue</b>	<b>21,711,220</b>	<b>22,550,663</b>	<b>11,229,604</b>	<b>–</b>	<b>–</b>	<b>55,491,487</b>
<b>Results</b>						
Segment results	(295,240)	3,204,245	1,695,799	122,851	(4,144,391)	583,264
Unallocated income						317,000
Unallocated expenses						(17,674)
Finance costs						(1,529,007)
Loss before tax						(646,417)
Income tax expense						(147,321)
<b>Loss for the financial year</b>						<b>(793,738)</b>
<b>Other information</b>						
Segment assets	14,520,920	54,240,635	41,092,199	65,783,048	(99,409,714)	76,227,088
Segment liabilities	12,701,197	32,175,666	33,386,602	26,935,736	(64,540,564)	40,658,637
Capital expenditure	57,432	109,409	326,124	9,030	–	501,995
Depreciation on property, plant and equipment	501,303	323,846	30,515	23,275	–	878,939
Depreciation on investment properties	2,349	15,394	–	–	–	17,743
Amortisation of prepaid lease payments	18,763	–	–	–	–	18,763

### Geographical segments

The Group operates predominantly in Malaysia and accordingly, the segment assets and capital additions are located in Malaysia.

# Notes To The Financial Statements

## 32. FINANCIAL INSTRUMENTS

### (i) Financial Risk Management Objective and Policies

The Group's financial risk management objective is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group is exposed mainly to foreign currency risk, liquidity risk, interest rate risk and credit risk. Information on the management of the related expense are detailed below.

#### (a) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities. The Group also aims at maintaining flexibility in funding by keeping its credit lines available.

#### (b) Interest rate risk

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

	Average effective interest rate %	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
<b>At 31 December 2008</b>					
<b>Fixed rates</b>					
Deposit with banks	1.50 - 2.00	38,205	–	–	38,205
Hire purchase payables	4.20 - 9.30	180,272	140,878	–	321,150
<b>Floating rates</b>					
Bank overdrafts	8.00 - 8.75	4,070,041	–	–	4,070,041
Bankers' acceptance and trust receipts	8.00 - 8.75	6,138,303	–	–	6,138,303
Term loans	8.00 - 8.75	8,650,946	1,632,842	–	10,283,788
<b>At 31 December 2007</b>					
<b>Fixed rates</b>					
Deposit with banks	3.50 - 3.80	1,514,617	–	–	1,514,617
Hire purchase payables	4.20 - 9.30	135,140	242,743	11,334	389,217
<b>Floating rates</b>					
Bank overdrafts	8.27 - 9.00	3,479,438	–	–	3,479,438
Bankers' acceptance and trust receipts	3.22 - 7.90	9,719,523	–	–	9,719,523
Term loans	8.00 - 8.75	5,465,564	5,336,529	–	10,802,093

# Notes To The Financial Statements

## 32. FINANCIAL INSTRUMENTS (Continued)

### (i) Financial Risk Management Objective and Policies (Continued)

#### (c) Credit risk

Cash deposit and trade and other receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are local major financial institutions and reputable multinational organisations. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal 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 generally ranges from seven days to three months.

The Groups' historical experience in collection of trade and other receivables falls within the recorded allowances. Due to these factors, the Directors believe that no additional credit risk beyond amount provided for doubtful debts inherent in the Group's trade and other receivables.

In respect of the deposits and cash and bank balances placed with the major financial institutions in Malaysia, the Directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

### (ii) Fair Values

The fair values of financial assets and financial liabilities of the Group and of the Company approximate their carrying amounts of the balance sheet. There were no financial instruments not recognised in the balance sheets as at 31st December 2008.

The nominal/rational amount and net fair value of the contingent liabilities as disclosed in Note 34 to the financial statements are not recognised in the balance sheets as at 31st December 2008 as it is not practicable to make a reliable estimate due to uncertainties of timing, costs and actual outcome.

## 33. SIGNIFICANT EVENTS

- (a) On 7th November 2008, a Sale and Purchase Agreement had been entered between Minply Development Sdn.Bhd. ("MDSB") and Goldenier Property Development Sdn. Bhd. ("the vendor") and Sylvia Jesindra Kaur A/P Malkeed Singh ("the purchaser").

The purchaser acquired the entire issued and paid-up capital being 2 ordinary shares of RM1/- each in MDSB and a joint venture of the vendors for a cash consideration of RM2,500,000/-. The joint venture as stipulated in the agreement dated 6th April 2007 is to develop a vacant land into residential condominium property.

- (b) On 18th July 2007, Minply Hotel Sdn. Bhd., a wholly owned subsidiary of Goldenier Property Management Sdn Bhd. which in turn is a wholly owned subsidiary of Minply Holdings (M) Bhd. entered into a Sale and Purchase Agreement ("SPA") with Concept Resources Sdn. Bhd.. Two pieces of vacant freehold land were acquired for a total consideration of RM1,686,896/-. During the financial year, both parties have mutually agreed to rescind the said SPA and agreed that there shall be no claims whatsoever against each other.

# Notes To The Financial Statements

## 34. CONTINGENT LIABILITIES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Guarantee for banking facilities granted to subsidiary companies	–	–	26,512,000	24,228,054
Guarantee granted to third parties for trade credit facility given to subsidiary companies	–	–	500,000	5,550,000
	–	–	27,012,000	29,778,054

## 35. MATERIAL LITIGATION

- (a) During financial year ended 2007, the vendors of Janavista Sdn. Bhd., had instituted an action against this wholly-owned subsidiary company, in seeking a refund of deposit of RM1.6 million which was paid for acquiring the Polo Vista land owned by this subsidiary company. Such transaction was carried out before the Group signed the shares sale agreement on 19th December 2006 with the vendors of Janavista Sdn. Bhd..

On 24th August 2007, the vendors had instituted another action against Janavista Sdn. Bhd. and a Director of this subsidiary company for the settlement of the outstanding balance of the purchase price together with interest and costs or seeking the termination of the above-mentioned shares sale agreement. The Group had however filed its defence and counter claimed the vendors for an amount of RM21,313,914/-. However, as at to-date, no action been taken by the Plaintiff.

No provision has been made in the financial statements of the Group as the Directors have been advised by their solicitors that the Group has reasonable prospect of success in resisting the plaintiffs' claims.

- (b) On 19th November 2008, a Writ of Summons was served by CIMB Bank Berhad ("CIMB") on Minply (Kuala Lumpur) Sdn. Bhd. ("MKLSB"), a wholly owned subsidiary of the Company claiming for:
- (i) Bank overdraft facility of RM503,290/- granted together with interest at the rate of RM3.5% per annum above the Base Lending Rate from 12th November 2008 until repayment;
  - (ii) Bankers' acceptance of RM1,507,414/- granted together with interest at the rate of RM2.5% per annum above the Base Lending Rate from 12th November 2008 until repayment.

The Company and the subsidiary are in the midst of negotiations with CIMB to restructure the existing bank borrowings to term loans with fixed and longer repayments. The negotiation is still on-going.

The Company had filed defence on 13th March 2009.

- (c) On 20th November 2008, a Writ of Summons was served by CIMB Bank Berhad ("CIMB") on Minply Sdn. Bhd. ("MSB"), a wholly owned subsidiary of the Company claiming for:
- (i) Bank overdraft facility of RM1,003,053/- granted together with interest at the rate of RM3.5% per annum above the Base Lending Rate from 12th November 2008 until repayment;
  - (ii) Bankers' acceptance of RM3,578,389/- granted together with interest at the rate of RM2.5% per annum above the Base Lending Rate from 12th November 2008 until repayment.
  - (iii) Term loan facility of RM1,012,057/- granted together with interest at the rate of 3.0% per annum above the Base Lending Rate from 12th November 2008 until repayment;

The Company and the subsidiary are in the midst of negotiations with CIMB to restructure the existing bank borrowings to term loans with fixed and longer repayments. The negotiation is still on-going.

The Company had filed defence on 13th March 2009.

# Notes To The Financial Statements

## 35. MATERIAL LITIGATION (Continued)

- (d) On 21st November 2008, a Writ of Summons was served by CIMB Bank Berhad (“CIMB”) on Tropikal Permai Sdn. Bhd. (“TPSB”), a wholly owned subsidiary of the Company claiming for:
- (i) Bank overdraft facility of RM503,499/- granted together with interest at the rate of RM3.5% per annum above the Base Lending Rate from 12th November 2008 until repayment;
  - (ii) Term loan facility of RM1,012,057/- granted together with interest at the rate of 3.0% per annum above the Base Lending Rate from 12th November 2008 until repayment;
  - (iii) Bankers’ acceptance of RM1,421,336/- granted together with interest at the rate of RM2.5% per annum above the Base Lending Rate from 12th November 2008 until repayment.

The Company and the subsidiary are in the midst of negotiations with CIMB to restructure the existing bank borrowings to term loans with fixed and longer repayments. The negotiation is still on-going.

The Company had filed defence on 13th March 2009.

- (e) Hong Leong Bank Berhad (“HLB”) has filed a suit against Janavista Sdn. Bhd. to deliver memoranda of transfer of title to be registered on favour of Wong Yu Chiu, Lee Won Keng and Mah Mun Pein (“Wong, Lee and Mah”) and letter of consent issued by the relevant authorities including the Selangor State Authority to enable the plaintiff to charge the land. Costs and damages have been claimed in a sum to be fixed by the Court. HLB has granted banking facilities to Wong, Lee and Mah for the purpose of acquiring the properties in Kota Damansara. The case is fixed for case management on 29th May 2009.
- (f) Janavista Sdn. Bhd. has entered into a Sale and Purchase Agreement dated 29th October 2004 and three Sale and Purchase Agreements dated 12th January 2006 with the plaintiff, Poon Tak Woo Mark for the sales of 4 units of bungalow lots. The plaintiff claims the following :
- (i) Specific performance of the said Sales and Purchase Agreements respectively to be completed six months from the date of the order herein;
  - (ii) An injunction restraining the defendant from disposing of and registering the transfer of the said lots to any other person other than to the plaintiff.
  - (iii) To cause the delivery up of the titles to the said lots within 7 days from the date of the order herein to the plaintiff’s solicitor to be held as stakeholders until the due performance and completion of the said Sales and Purchase Agreement.

The writ summons is pending the extraction from the Court.

- (g) Statutory notice dated 6th November 2008 issued to Minply Holdings (M) Bhd. (“MHB”) as a corporate guarantor for Tropikal Permai Sdn. Bhd. (“TPSB”) that MHB is required to pay RMC Concrete (M) Sdn. Bhd. the balance principal sum plus interest owed by TPSB amounting to RM333,529/-.

MHB had on 26th November 2008 through their solicitor replied and disputed their claim. As at to-date, no action been taken by RMC Concrete (M) Sdn. Bhd.

- (h) Writ summon dated 20th October 2008 submitted by Hong Bee Hardware Company Sdn. Bhd.’s solicitor to demand the amount owed by Minply (Kuala Lumpur) Sdn. Bhd. (“MKLSB”) for goods sold and delivered to MKLSB amounting to RM198,849/- plus interest. Court has fixed for mention on 22nd April 2009.
- (i) Teguh Utama Trading Sdn. Bhd. had instituted an action against Minply Construction & Engineering Sdn. Bhd. for an amount of RM222,275/- being the outstanding amount of goods sold and delivered. Court has fix for hearing on 11th June 2009.



# Notes To The Financial Statements

## 35. MATERIAL LITIGATION (Continued)

- (j) A legal action has been instituted by a third party against a wholly-owned subsidiary company for trespassing and encroaching into the land owned by the third party which is located beside the development project of the subsidiary company.

The Directors of the Company have disputed the aforesaid claims via its opposing affidavit. The case is fixed for case management on 22nd April 2009.

## 36. COMPARATIVE FIGURES

The comparative figures have been audited by another firm of chartered accountants other than Baker Tilly Monteiro Heng.

# List Of Properties Of The Group

As At 31st December 2008

Location	Description Of property	Tenure	Approximate Age of Building	Land/Build Up area (sq ft)	Net Book Value (RM)	Date of Acquisition ("A")/ Revaluation ("R")
Lot 2173, Mukim Serkat District of Pontian Johor Darul Takzim	Vacant Agriculture Land	Freehold	N/A	126,596/ n/a	160,000	6 March 2007 (R)
Subang Impian Apartment Seksyen U5, Shah Alam Fasa 1, Unit No A504 4th Floor, Block A Unit No D202, 1st Floor, Block D, Unit No D111 Ground Floor, Block D	5-storey medium cost walk-up apartment. Constructed on part of the land held under "Tanah Kerajaan" for 16.8 acres in the Mukim of Sg Buloh and District of Petaling	N/A (Land Title yet to be released)	5 years	2,545 (between 834-877 each apartment)	254,760	9 March 2007 (R)
Lot 20497 Mukim of Petaling No. 17, Jalan 1/113A Off Jalan Kelang Lama, 58000 Kuala Lumpur	Industrial/ 1 unit of 3 ½ Storey terrace industrial building	Leasehold - 99 years expiring 26.6.2077	21 years	3,444/ 13,127	1,767,073	9 March 2007 (R)
HS (D) 2853,PTD 3995 HS (D) 2854, PTD 3996 HS (D) 2855, PTD 3997 Mukim Api-Api District of Pontian Jalan Kayu Ara Pasong Sg Trus, Pontian Johor Darul Takzim	Industrial/ 2 units of single storey detached factories with a double-storey office annexe and other ancillary buildings	Freehold	The buildings are of the age 7 and 16 years respectively	164,299/ 91,678	4,740,500	7 March 2007 (R)
HS(M) 2656, PTD 8240 and HS(M) 2657, PTD 8241 Mukim Jeram Batu No 32 & 34 Jalan Industri 1 Taman Perindustrian Pekan Nenas 81500 Pekan Nenas, Pontian Johor Darul Takzim	Industrial/ 2 units of 1 ½ storey semi detached factories	Freehold	10 years	32,295/ 30,210	1,614,100	6 March 2007 (R)
Lot 2377 Mukim Jeram Batu District of Pontian Johor Darul Takzim	Industrial/Converted Industrial land/ 1 unit of factory	Freehold	N/A	257,256/ 31,672	2,570,000	7 March 2007 (R)
HS(M) 3336, PTD 8831 HS(M) 3337, PTD 8832 HS(M) 3338, PTD 8833 HS(M) 3339, PTD 8834 HS(M) 3340, PTD 8835 and HS(M) 3341, PTD 8836 Lot 950, Mukim Jeram Batu District of Pontian Johor Darul Takzim	Industrial/ Vacant land	Freehold	N/A	271,604/ n/a	3,260,000	7 March 2007 (R)
HS(D) 13297 to 13400 & HS(D) 13402 to 13421 Town of Lukut District of Port Dickson Negeri Sembilan	124 parcels of vacant commercial and residential land	Freehold	N/A	332,615	3,664,808	22 June 2006

# Analysis Of Shareholdings

As At 11 May 2009

Authorised Share Capital	:	RM100,000,000 divided into 100,000,000 Ordinary Shares of RM1.00 per share
Issued and Fully Paid-Up Capital	:	RM44,000,000 divided into 44,000,000 Ordinary Shares of RM1.00 per share
Class of Shares	:	Ordinary Share
Voting Rights	:	One (1) voting right for one Ordinary Share

Size of holdings	No. of holders	%	No. of Shares	%
1 - 99	4	0.13	126	0.00
100 - 1,000	791	26.68	777,200	1.77
1,001 - 10,000	1,523	51.37	7,156,474	16.26
10,001 - 100,000	595	20.07	19,056,300	43.31
100,001 - 2,199,999 (*)	51	1.72	12,582,000	28.6
2,200,000 and above (**)	1	0.03	4,427,900	10.06
<b>Total</b>	<b>2,965</b>	<b>100.00</b>	<b>44,000,000</b>	<b>100.00</b>

Remark: \* - Less than 5 % of issued shares

\*\* - 5% and above of issued shares

## LIST OF TOP 30 SHAREHOLDERS AS AT 11/5/2009

	Name	Shareholdings	%
1	OSK NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Tan Wei Lian</i>	4,427,900	10.06
2	OSK NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Leong Kom Moi</i>	1,820,700	4.14
3	WONG CHING KOK	712,700	1.62
4	TA NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Yeo Jin Hui</i>	550,000	1.25
5	OSK NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Heah Haw Wen</i>	450,000	1.02
6	TANG KWI SIANG	395,000	0.90
7	AFFIN NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for TAN YEE THIONG</i>	350,000	0.80
8	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Tan Wei Lian</i>	325,200	0.74
9	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Tan Lee Chin</i>	308,400	0.70
10	MUSHTAQ HUSSIN BIN A AHMAD	300,000	0.68
11	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Tan Chia Hong @ Gan Chia Hong</i>	300,000	0.68

# Analysis Of Shareholdings

As At 11 May 2009

## LIST OF TOP 30 SHAREHOLDERS AS AT 11/5/2009 (Continued)

	Name	Shareholdings	%
12	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Tan Li Li</i>	286,200	0.65
13	ECML NOMINEES (TEMPATAN) SDN BHD <i>RECOMATION SDN BHD</i>	284,000	0.65
14	NG CHAI TEE	277,000	0.63
15	MAYBAN NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Kong Sieng Cho</i>	276,500	0.63
16	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Sek Chian Teng</i>	271,900	0.62
17	TAN YEE TAT	270,000	0.61
18	AMSEC NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Lum Chee May</i>	240,000	0.55
19	YEO SOO LIN	230,000	0.52
20	HLG NOMINEE (TEMPTAN) SDN BHD <i>Pledged Securities Account for Ooi Poh Khuan</i>	210,000	0.46
21	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Leow Ngan Ching</i>	209,000	0.48
22	LIM POH FONG	205,700	0.47
23	KEE NGENG HONG	200,000	0.45
24	LIM SIEW KHEONG	200,000	0.45
25	MAR TEAK SONG	200,000	0.45
26	WONG SIONG YEW	200,000	0.45
27	LIAU YONG HWA	186,000	0.42
28	KENANGAN NOMINEES (TEMPATAN) SDN BHD <i>Pledged Securities Account for Tiong Heng Ming</i>	169,000	0.38
29	ER KA YAN	160,000	0.36
30	NGANG CHING TANG	155,000	0.35

# Analysis Of Shareholdings

As At 11 May 2009

## LIST OF SUBSTANTIAL SHAREHOLDERS

Name	Direct Holdings		Indirect Holdings	
	No. of shares	%	No. of shares	%
Dato' Tan Wei Lian	4,753,100	10.80	604,600.00	1.37
Tan Lee Chin	318,400	0.72	5,039,300.00	11.45

## DIRECTORS SHAREHOLDINGS

Name	Direct	%	Indirect	%
Dato' Tan Wei Lian	4,753,100	10.80	604,600	1.37
Tan Lee Chin	318,400	0.72	5,039,300	11.45
Lee Gee Huy @ Lee Kong Fee	—	—	—	—
Chua Eng Chin	—	—	—	—

# Notice Of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Fourteenth Annual General Meeting of the Company will be held at Labu Room of The Royale Bintang Seremban, Jalan A.S. Dawood, 70000 Seremban on Monday, 29 day of June 2009 at 2.30 p.m. for the following purposes:-

## A G E N D A

1. To receive the audited Financial Statements for the financial year ended 31st December 2008 and the Reports of the Directors and Auditors thereon. **(Resolution 1)**
2. To approve payment of Directors' fee for the year ended 31 December 2008. **(Resolution 2)**
3. To re-elect the following Director who retire by rotation pursuant to Article 71 of the Company's Articles of Association:-
  - 3.1 Dato' Lee Gee Huy @ Lee Kong Fee **(Resolution 3)**
4. To re-appoint Messrs. Baker Tilly Monteiro Heng as Auditors and to authorize the Directors to fix their remuneration. **(Resolution 4)**
5. As special business, to consider and if thought fit, to pass the following resolutions:-
  - 5.1 **As Ordinary Resolution -**  
Authority to Directors to Allot and Issue Shares  
Pursuant to Section 132 D of the Companies Act 1965  
  
"That subject to the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Section 132 D of the Companies Act 1965 to allot and issue new ordinary shares of RM1.00 in the Company at any time and upon such terms and conditions and for such purposes as the Directors, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution in any one financial year does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing and quotation of the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." **(Resolution 5)**
  - 5.2 Proposed Amendments to Articles of Association of the Company (Special Resolution)  
  
"That the deletions, alterations, modifications, variations and additions to the Articles of Association of the Company as set out in Appendix 1 attached with the Annual Report for financial year ended 31 December 2008 be and are hereby approved." **(Special Resolution 1)**
6. To consider any other business of which due notice shall have been given.

## BY ORDER OF THE BOARD

**NG BEE LIAN** (MAICSA 7041392)  
**TAN ENK PURN** (MAICSA 7045521)  
Company Secretaries

Kuala Lumpur  
Date: 03 June 2009

# Notice Of Annual General Meeting

## EXPLANATORY NOTES TO SPECIAL BUSINESS:-

1. Your Board would like to act expeditiously on opportunities to expand your Group's business, if and when they arise. The proposed resolution No. 5, if passed, is to authorize the Directors to issue up to 10% of the paid up capital of the Company. This is to avoid any delay and cost involved in convening a general meeting to approve such an issue of shares. This authority will, unless revoked or varied by the Company in a General Meeting, expire at the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier.
2. Special Resolution 1 – Proposed Amendments to the Articles of Association of the Company

The Special Resolution 1 on the proposed amendments is to update and streamline the Articles of Association of the Company to be in line with the recent amendments to the Listing Requirements of Bursa Malaysia Securities Berhad for Mesdaq market to render consistency throughout.

## NOTES :-

1. *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.*
2. *The proxy form must be duly completed and deposited at the registered office of the Company at No. 482, Ground Floor, Jalan Zamrud 6, Taman Ko-op, 70200 Seremban, Negeri Sembilan not less than 48 hours before the time for holding the meeting. Provided that in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his /their proxy, PROVIDED Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s)*
3. *A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Act are complied with.*
4. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. Where the appointer is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorized.*

# Statement Accompanying Notice Of Annual General Meeting

Pursuant to Paragraph 8.28(2) of the Listing Requirements of the Bursa Malaysia Securities Berhad

## 1. Details of Director Standing for Re-Election.

Director who is standing for re-election at the 14th Annual General Meeting is as follows:-

- Dato' Lee Gee Huy @ Lee Kong Fee

## 2. The details of attendance of existing Directors at Board meetings.

During the financial period, Five (5) Board meetings were held.

Name of Directors	Attendance
Dato' Lee Gee Huy @ Lee Kong Fee	5/5
Chua Eng Chin	5/5
Dato' Tan Wei Lian	5/5
Tan Lee Chin	5/5

## 3. Annual General Meeting of Minply Holdings (M) Berhad

Labu Room of The Royale Bintang Seremban,  
Jalan Dato' A.S. Dawood  
70000 Seremban

Date & Time : 29 June 2009 at 2.30 p.m.

## 4. Details of Directors who are standing for re-election

Director who is standing for re-election at the 14th Annual General Meeting is as follows:-

Dato' Lee Gee Huy @ Lee Kong Fee

The details of the above Director standing for re-election is set out in his profile which appear on pages of the Company's 2008 Annual Report.



**Proposed Amendments to the Articles of Association**  
pursuant to the letter dated 14 December 2006 from Bursa Malaysia Berhad

Chpt 7 of Bursa Listing Requirements	Existing Articles	Proposed Amendments	Remarks
7.02 Definitions	<p>Article 2 Definitions :-</p> <p>“Approved Market Place” means a stock exchange which is specified to be an approved market place in the Securities Industry (Central Depositories) Exemption (No.2) Order, 1998;</p> <p>“Central Depository” means Malaysian Central Depository Sdn. Bhd.”;</p> <p>“The Stock Exchange” means Kuala Lumpur Stock Exchange;</p> <p>“The Guidelines: means Guidelines governing purchase of own shares by listed companies as set up by Kuala Lumpur Stock Exchange”;</p> <p>“Member/Members” means any person/persons for the time being holding shares in the Company including Depositors whose names appear on the Record of Depositors but shall exclude the Central Depository or its nominee company in whose name the Deposited Security is registered”</p>	<p>To delete and replace with the new definitions:-</p> <p>Deleted</p> <p>Central Depository” means Bursa Malaysia Depository Sdn. Bhd.</p> <p>“The Stock Exchange” means Bursa Malaysia Securities Berhad</p> <p>Guideline governing purchase of own shares by listed companies as set up by Bursa Malaysia Securities Berhad</p> <p>“Member” means any person/persons for the time being holding shares in the Company and whose names appear in the Register of Members (except the Malaysian Bursa Depository Nominees Sdn Bhd), including depositors whose names appear on the Record of Depositors.</p>	Alteration of Existing Article
Para 7.05 (Issue of Preference Shares)	<p>Article 4(i)(c):</p> <p>The total nominal value of issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time.</p>	Deleted	Deletion of Article 4(i)(c)

## Proposed Amendments to the Articles of Association pursuant to the letter dated 14 December 2006 from Bursa Malaysia Berhad

Chpt 7 of Bursa Listing Requirements	Existing Articles	Proposed Amendments	Remarks
<p>Para 7.08 (Rights of Preference Shareholders)</p>	<p>Article 4(i)(f)</p> <p>Preference shareholders shall have the same rights as ordinary shares as regards receiving notices, reports and audited accounts, and attending General Meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened on a proposal to reduce the Company's share capital, or during the winding up of the Company or on a proposal to wind up the Company or on a proposal for the disposal of the whole of the Company's property, business and undertaking, or on a proposal that affects rights attached to the share or where the proposition to be submitted to the meeting directly affects their rights and privileges or when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months.</p> <p>Article 4(i)(g)</p> <p>The holder of preference shares must be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up</p>	<p>To delete Article 4(i)(f) in its entirety and to replace with the following new Article:-</p> <p>A holder of preference shares must have a right to vote in each of the following circumstances:-</p> <p>(a) when the dividend of part of the dividend on the share is in arrears for more than six (6) months;</p> <p>(b) on a proposal to reduce the Company's share capital;</p> <p>(c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;</p> <p>(d) on a proposal that affects the rights attached to the preference shares;</p> <p>(e) on a proposal to wind up the Company; and</p> <p>(f) during the winding up of the Company.</p> <p>Deleted</p>	<p>Alteration of Existing Article</p>
<p>Para 7.13 Transfer of Securities</p>	<p>Article 23</p> <p>The transfer of any securities or class of securities of the company, shall be by way of book entry by the Central Depository in accordance with the Rules of Central Depository and notwithstanding sections 103 and 104 of the Companies Act, 1965 but subject to subsection 107C(2) of the Companies Act 1965 and any exemption that may be made from compliance with subsection 107(C) of the Companies Act 1965, the company shall be precluded from registering and effecting any transfer of securities</p>	<p>To delete Article 23 in its entirety and to replace with the following new Article:-</p> <p>The transfer of any listed security or class of any listed security of the Company, shall be by way of book entry by the Bursa Depository in accordance with the Rules of the Bursa Depository and notwithstanding sections 103 and 104 of the Companies Act, but subject to subsection 107C(2) of the Companies Act 1965 and any exemption that may be made from compliance with subsection 107(C) of the Companies Act 1965, the company shall be precluded from registering and effecting any transfer of securities</p>	<p>Alteration of Existing Article</p>

**Proposed Amendments to the Articles of Association**  
pursuant to the letter dated 14 December 2006 from Bursa Malaysia Berhad

Chpt 7 of Bursa Listing Requirements	Existing Articles	Proposed Amendments	Remarks
<p>Para 7.14 Transmis-sion of securities from Foreign Register</p>	<p>Article 26</p> <p>(1) Where - (a) the securities of the Company are listed on an Approved Market Place; and</p> <p>(b) the Company is exempted from compliance with section 14 of the Securities Industry (Central Depositories) Act 1991 or section 29 of Securities Industry (Central Depositories)( Amendment) Act 1998 as the case may be, under the Rules of the Central Depository in respect of such securities;</p> <p>The Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the Approved Market Place (hereinafter referred to a “the Foreign Register”), to the register of holders maintained by the register of the company in Malaysia (hereinafter referred to as “the Malaysian Register”) subject to the following conditions:-</p> <p>(i) there shall be no change in the ownership of such securities; and</p> <p>(ii) The transmission shall be executed by causing such securities to be credited directly into the securities account of such securities holder.</p> <p>(2) Subject to the requirements and guidelines of the Stock Exchange and./or any other relevant authorities, the Central Depositories Act and the Rules, the Company may fulfils the requirements of paragraphs (a) and (b) of Article 26(1) shall not allow any transmission of securities from the Malaysian Register into the Foreign Register</p>	<p>To delete Article 26 in its entirety and to replace with the following new Article:-</p> <p>(1) Where - (a) the securities of the Company are listed on another stock exchange; and</p> <p>(b) the Company is exempted from compliance with section 14 of the Securities Industry (Central Depositories) Act 1991 or section 29 of Securities Industry (Central Depositories)( Amendment) Act 1998 as the case may be, under the Rules of the Central Depository in respect of such securities;</p> <p>The Company shall upon the request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of other stock exchange to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such securities.</p>	<p>Alteration of Existing Article</p>

## Proposed Amendments to the Articles of Association pursuant to the letter dated 14 December 2006 from Bursa Malaysia Berhad

Chpt 7 of Bursa Listing Requirements	Existing Articles	Proposed Amendments	Remarks
Para 7.17 Notice of meetings	<p>Article 49(a)</p> <p>The Notice convening meetings shall specify the place, day and hour of the meeting and shall be given to all shareholders at least fourteen (14) days before the meeting or at least twenty one (21) days before the meeting where any Special Resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen(14) days notice or twenty one (21) days notice in the case where any special resolution is proposed or where it is the annual general meeting shall be given by advertisement in the daily press and in writing to each stock exchange upon which the Company is listed.</p>	<p>To delete Article 49(a) in its entirety and to replace with the following new Article:-</p> <p>The Notice convening meetings shall specify the place, day and hour of the meeting and shall be given to all shareholders at least fourteen (14) days before the meeting or at least twenty one (21) days before the meeting where any Special Resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen(14) days notice or twenty one (21) days notice in the case where any special resolution is proposed or where it is the annual general meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.</p>	Alteration of Article 49(a)
Para 7.18 Record of Depositors (2)	<p>Article 69</p> <p>Subject to any rights or restriction for the time being attached to any class or classes of shares, at meetings of Members or classes of Members each member entitled to vote may vote in person or by proxy or by attorney or by duly authorized representative and a proxy shall be entitled to vote on a show of hands on any questions at any general meetings and on a show of hands every person present who is a Member or a proxy or an attorney or an authorized representative of a Member shall have one vote, and on a poll every member present in person or by proxy or by attorney or other duly authorized representative shall have one vote for each share he holds.</p>	<p>To delete the existing Article 69 in its entirety and replaces with the following new article:-</p> <p>Subject to any rights or restriction for the time being attached to any class or classes of shares, at meetings of Members or classes of Members each member entitled to vote may vote in person or by proxy or by attorney or in the case of a corporation by a representative on any question and on a show of hands, a holder of ordinary shares or preference shares who is personally present or a member's representative or proxy or attorney and entitled to vote shall be entitled to one (1) vote, and on a poll every Member present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each share he holds. A person entitled to more than one vote need not use all his votes or cast all the votes he uses on a poll in the same way.</p>	Alteration of Existing Article

## Proposed Amendments to the Articles of Association pursuant to the letter dated 14 December 2006 from Bursa Malaysia Berhad

Chpt 7 of Bursa Listing Requirements	Existing Articles	Proposed Amendments	Remarks
<p>Para 7.20 (Voting right of members and proxy)</p>	<p>Article 60</p> <p>Subject to the provision of these Articles and any rights or restrictions for the time being attached to any class or classes of shares:-</p> <p>(a) at meetings of Members or classes of members each Member entitled to vote may vote in person or by proxy or by attorney or other duly authorised representative;</p> <p>(b) On a show of hands, every person present who is a Member, a proxy or a representative of a Member present in person or by proxy or representative has one vote for each share he holds; and</p> <p>(c) on a show of hands any Member who is a proxy for another member and any person who is a proxy for more than one Member shall have only one vote; and</p> <p>(d) a Member may appoint more than two (2) proxies to attend at the same meeting:-</p> <p>(i) where a member appoints two (2) or more proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.</p> <p>(ii) where a member of the company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.</p> <p>any rights or restriction for the time being attached to any class or classes of shares, at meetings of Members or classes of Members each member entitled to vote may vote in person or by proxy or by attorney or by duly authorized representative and a proxy shall be entitled to vote on a show of hands on any questions at any general meetings and on a show of hands every person present who is a Member or a proxy or an attorney or an authorized representative of a Member shall have one vote, and on a poll every member present in person or by proxy or by attorney or other duly authorized representative shall have one vote for each share he holds. A Member may appoint more than two (2) proxies to attend at the same meeting. Where a Member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.</p>	<p>To delete the existing Article 60 in its entirety and replaces with the following new article:-</p> <p>Subject to the Securities Laws and these Articles and to any rights or restriction for the time being attached to any class or classes of shares, at meetings of Members or classes of Members each member entitled to vote may vote in person or by proxy or by attorney. On a resolution to be decided by a show of hands every Member present in person who is the holder of ordinary shares or preference shares or a proxy or attorney or an authorised representative of such Member shall have one (1) vote and on a resolution to be decided by a poll every Member present in person or by proxy or by attorney or by an authorised representative shall have one (1) vote for each share he holds. A proxy or attorney or authorised representative shall entitle to vote both on a show of hands and on a poll.</p> <p>A Member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a Member appoints more than one (1) proxy, to attend and vote at the same meeting, such appointment shall be invalid unless the Member specifies the proportion of his shareholdings to be represented by each proxy.</p> <p>Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.</p>	<p>Alteration of Existing Article</p>

## Proposed Amendments to the Articles of Association pursuant to the letter dated 14 December 2006 from Bursa Malaysia Berhad

Chpt 7 of Bursa Listing Requirements	Existing Articles	Proposed Amendments	Remarks
Para 7.23 (Directors)	Article 79  All the Directors of the Company shall be natural persons.	Deleted	Deletion of Existing Article
Para 7.35 (Presenta-tion of Accounts)	Article 119  Once at least in every year the Directors shall lay before the Company in General Meeting a profit and loss account for the period since the preceding account, or (in the case of the first account) since the incorporation of the Company, made up to a date not more than six (6) months before such meeting and the interval between the close of a financial year of the Company and the issue of annual audited accounts, the directors' and auditors' reports shall not exceed four (4) months. A balance sheet shall also be made in every year as at the date to which the profit and loss account is made up and shall be laid before the Company in General Meeting. The said account and balance sheet shall be accompanied by such reports and documents and shall contain such particulars as are prescribed by the Act, and the Directors shall in their report state the amount (if any) which they recommend to be paid by way of dividend, and the amount (if any) which they propose to carry to any reserve fund. The Auditor's report shall be attached to the balance sheet and shall be read before the Company in General Meeting and be open to inspection by any Member.	To delete the existing Article 119 in its entirety and replaces with the following new article:-  The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and report as are referred to in the said Section. The interval between the close of a financial year of the Company and the issue of the annual audited accounts, the Directors' and Auditors' reports shall not be exceed four (4) months. A copy of each of the abovementioned documents in printed form or in CD-Rom or other electronic form permitted under the Listing Requirements or any combination thereof, shall, not less than twenty one (21) days before the date of the general meeting be sent to every Member of and to every holder of debentures of the Company and to every other person who is entitled to receive notice of general meetings from the Company under the provisions of the Act or of these Articles, in accordance with the provision of the Act or these Articles, provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.	Alteration of Existing Article
7.38 (Effects of the Listing Requirements)		To insert the following additional Article 146(g) to the Existing Article 146 (a) to (f):-  For the purpose of this Article, unless the context otherwise requires, "Listing Requirements" means the Listing Requirements of Bursa Malaysia Securities Berhad including any amendment to the Listing Requirements that may be made from time to time.	Alteration of Existing Article



**Proposed Amendments to the Articles of Association**  
pursuant to the letter dated 14 December 2006 from Bursa Malaysia Berhad

Chpt 7 of Bursa Listing Requirements	Existing Articles	Proposed Amendments	Remarks
<p>Para 9.19 (1) -</p> <p>(When transfer books and register may be closed)</p>	<p>Article 24</p> <p>Registration of transfers may be suspended at such times and for such period as the directors may from time to time determine but so that no part of the Register shall be closed for more than thirty (30 ) days in the aggregate in any one calendar year. Twelve (12) market days (or such other minimum period as shall be prescribed by the Exchange) notice of intention of such suspension or of any books closing date shall be published in a daily newspaper circulating in Malaysia and notice in writing shall also be given to the Exchange. The said notice shall state the purpose or purposes for the suspension or books closing. In relation to the suspension or books closing, the Company shall give written notice to the Central Depository to issue the appropriate Record of Depository to issue the appropriate Record of Depositors in accordance with the Central Depositories Act and the Rules within such time as is required by the Central Depository to enable the Central Depository to issue the relevant Record of Depositors.</p>	<p>To delete the existing Article 24 in its entirety and replaces with the following new article:-</p> <p>Article 24</p> <p>The registration of transfers may be suspended at such time and for such period as the Directors may from time to time determine provided always that it shall not be suspended for more than thirty (30) days in any year. Any notice of intention to fix the books closing date and the reason therefore shall be given to the Bursa and such notice shall state the books closing date, which shall be at least ten (10) Market Days after the date of announcement to the Bursa or such other period as may be prescribed by the Bursa, and the address of share registry at which documents will be accepted for registration. The said notice shall also state the purpose or purposes for which the register is being closed. The Company shall give notice to the Depository in accordance with the Rules to enable the Depository to prepare the appropriate Record of Depositors.</p>	<p>Alteration of Existing Article</p>
<p>-</p>	<p>Nil</p>	<p>Article 72A</p> <p>The cost of serving the notice as required to propose the election of a Director, where the nomination is made by a member, shall be borne by the member making the nomination.</p>	<p>Insertion of new Article 72A (Cost of Serving notice)</p>

## Proposed Amendments to the Articles of Association pursuant to the letter dated 14 December 2006 from Bursa Malaysia Berhad

Chpt 7 of Bursa Listing Requirements	Existing Articles	Proposed Amendments	Remarks
<p>Para 7.29</p> <p>- (Vacation of office of director)</p>	<p>Article 82</p> <p>The office of Director shall become vacant if the Director:-</p> <p>(a) becomes bankrupt or makes any arrangement or composition with his creditors generally;</p> <p>(b) becomes prohibited by law from being a Director by reason of any order made under the Act;</p> <p>(c) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder;</p> <p>(d) resigns his office by notice in writing to the Company;</p> <p>(e) is removed from his office of Director by resolution of the Company in general meeting;</p> <p>(f) shall be required to resign his office by notice in writing lodged at the office signed by the holder or holders of not less than three-fourth (3/4) in nominal value of the issued shares of the Company.</p> <p>(g) is absent for more than 50% of the total board of directors' meeting during a financial year, save and except in a case where the Exchange has granted a waiver to the director from compliance with this requirement.</p>	<p>To delete the existing Article 91 in its entirety and replace with the following:-</p> <p>The office of Director shall become vacant if the Director:-</p> <p>(a) ceases to be a Director by virtue of the Act;</p> <p>(b) becomes a bankrupt or makes any arrangement or composition with his creditors generally during his term of office;</p> <p>(c) has been convicted by a court of law, whether within Malaysia or elsewhere, of:-</p> <p>(i) an offence in connection with the promotion, formation or management of a company;</p> <p>(ii) an offence involving fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or</p> <p>(iii) an offence under the securities laws or the Companies Act, 1965 within a period of five years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be;</p> <p>(d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder during his term of office;</p> <p>(e) resigns his office by notice in writing to the Company;</p> <p>(f) for more than six months is absent without permission of the Directors from meeting of the Directors held during that period;</p> <p>(g) without the consent of the Company in general meeting holds any other office of profit under the Company except that of Managing Director or Manager; or</p> <p>(h) shall be required to resign his office by notice in writing lodged at the office signed by the holder or holders of not less than three-fourth (3/4) in nominal value of the issued shares of the Company.</p>	<p>Alteration of Existing Article</p>
<p>Para 9.23A – Issuance of annual report in CD-Rom</p>	<p>Nil</p>	<p>Article 121A</p> <p>Subject to the compliance with the requirements of the Bursa and any other relevant authorities, if any, the Company may issue its annual report in compact disc read-only memory ("CD ROM") or digital video disc read-only memory format or in any other format whatsoever (whether available now or in the future) through which images, data, information or other material may be viewed whether electronically or digitally or howsoever.</p>	<p>Insertion of new Article 121(A) (Issue of annual report in CD-Rom format)</p>



**Proposed Amendments to the Articles of Association**  
pursuant to the letter dated 14 December 2006 from Bursa Malaysia Berhad

Chpt 7 of Bursa Listing Requirements	Existing Articles	Proposed Amendments	Remarks
Article 131 (Payment by post and discharge)	<p>Article 133</p> <p>Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or to such person and to such address as the holder may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant shall be sent at the risk of the person entitled to the money thereby represented..</p>	<p>To delete the entire existing Article 131 and replace with the following:-</p> <p>Article 131</p> <p>Any dividend, instalment of dividend, bonus or interest in respect of any share may be paid by cheque or warrant payable to the Member registered in the Register and/or the Record of Depositors or by electronic or other methods of funds transfer or such other means to or through such person. In addition, any such dividend, instalment of dividend, bonus or interest may be paid by any bank through direct transfer or other funds transfer system or such other means to or through such person as the Member or person entitled thereto in consequence of the death or bankruptcy of the Member may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where the Company has acted on any such directions.</p>	Alteration of Existing Article

(This page has been intentionally left blank)



MINPLY HOLDINGS  
(M) BERHAD

# Proxy Form

I/We, \_\_\_\_\_  
(PLEASE USE BLOCK LETTERS)

of \_\_\_\_\_

being a member(s) of MINPLY HOLDINGS (M) BERHAD, hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

or \_\_\_\_\_ of \_\_\_\_\_

or the Chairman of the meeting to be my/our proxy/proxies to attend and on a poll to vote for me/us on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held at Labu Room of The Royale Bintang Seremban, Jalan Dato' A.S. Dawood, 70000 Seremban on Monday, 29 June 2009 at 2.30 p.m. or at any adjournment thereof.

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

Resolution		For	Against
1.	To receive and adopt the audited financial statements for the year ended 31 December 2008 together with the Reports of Directors and Auditors thereon.		
2.	To approve the payment of Directors' Fee for the year ended 31 December 2008.		
3.	To re-elect Dato' Lee Gee Huy @ Lee Kong Fee who retire pursuant to Article 71 of the Company's Articles of Association.		
4.	To re-appoint Messrs Baker Tilly Monteiro Heng as Auditors of the Company.		
5.	Special Business: Authority to issue shares pursuant to Section 132(D) of the Companies Act 1965. (Ordinary Resolution)		
Special Resolution 1.	Special Business: Proposed amendments to Articles of Association of the Company (Special Resolution)		

(Please indicate with a cross (x) in the spaces provided whether you wish your vote to be cast for or against the Resolutions. In the absence of specific directions, your proxy will vote or abstain as he thinks fit.)

Date \_\_\_\_\_ day of \_\_\_\_\_, 2009

Number of Shares Held

.....  
Signature/Common Seal

**Notes:**

1. 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.
2. The proxy form must be duly completed and deposited at the registered office of the Company at No. 482, Ground Floor, Jalan Zamrud 6, Taman Ko-op, 70200 Seremban, Negeri Sembilan not less than 48 hours before the time for holding the meeting. Provided that in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his /their proxy, PROVIDED Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s)
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Act are complied with.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. Where the appointer is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorized.



*Please fold here*

Affix  
Stamp  
Here

*The Secretary*

**MINPLY HOLDINGS (M) BERHAD** (325631-V)

No 482, Jalan Zamrud 6,

Taman Ko-op

70200 Seremban

Negeri Sembilan Darul Khusus

*Please fold here*