NAIM INDAH CORPORATION BERHAD
(19727-P)

Annual Report

2008

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **THIRTY FOURTH ANNUAL GENERAL MEETING** of **NAIM INDAH CORPORATION BERHAD** will be held at the Dynasty Ballroom, Level 5, Dynasty Hotel Kuala Lumpur, 218, Jalan Ipoh, 51200 Kuala Lumpur, on Friday, 26 June 2009 at 10.30 a.m. or at any time thereof to transact the following business:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Statutory Financial Statements for the year ended 31 December 2008 and the Directors and Auditors Reports thereon. [Resolution 1]

2. To re-elect Encik Ramli Bin Harun who retires pursuant to Article 79 of the Company's Articles of Association, and being eligible has offered himself for re-election. [Resolution 2]

3. To re-elect the following directors who retire pursuant to Article 86 of the Company's Articles of Association, and being eligible have offered themselves for re-election:-
   (a) Mr. Chan Kwai Weng [Resolution 3]
   (b) Ms. Khoo Lay Wah [Resolution 4]

4. To re-appoint Messrs. Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. [Resolution 5]

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

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:

6. <u>**Ordinary Resolution**</u>

   Re-appointment of Y. Bhg. Dato' Shamsir Bin Omar as a Director pursuant to Section 129(6) of the Companies Act, 1965

   "THAT pursuant to Section 129 of the Companies Act, 1965, Y. Bhg. Dato' Shamsir Bin Omar who is over 70 years of age be and is hereby re-appointed as a director of the Company and to hold office until the conclusion of the next Annual General Meeting." [Resolution 6]

7. **Ordinary Resolution**

Approval for Issuance of New Ordinary Shares pursuant to Section 132D of the Companies Act, 1965

"THAT, subject to the Companies Act, 1965, the Articles of Association of the Company and the approval from Bursa Malaysia Securities Berhad or other relevant government/regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue and allot shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in its absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Board of Directors be and are also hereby empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad." [Resolution 7]

BY ORDER OF THE BOARD
NAIM INDAH CORPORATION BERHAD

YEAP KOK LEONG (MAICSA NO. 0862549)
YAP WAI BING (MAICSA NO. 7023640)
Company Secretaries

Kuala Lumpur
Date: 2 June 2009

Notes:

1. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the Company and a member may appoint not more than two (2) proxies to attend the meeting. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. The provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.*

2. *Where a member of the Company is an authorised nominee as defined under the Securities Industries (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

3. *Proxy Form duly completed must be deposited with the Company's Share Registrar, Tenaga Koperat Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time fixed for holding the meeting or any adjournment thereof.*

4. *Explanatory Notes on Special Business:-*

   Section 129(6) of the Companies Act, 1965
   Pursuant to Section 129(6) of the Companies Act, 1965, the proposed resolution 6 is to seek shareholders' approval on the re- appointment of Director who is over 70 years of age.

   Section 132D of the Companies Act, 1965
   Pursuant to Section 132D of the Companies Act, 1965, the proposed resolution 7, if passed will give the Directors of the Company from the date of the above meeting, authority to issue and allot shares from the unissued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. The authority will, unless revoked or varied by the Company in a General Meeting, expire at the next Annual General Meeting.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad appended hereunder are:

DIRECTORS STANDING FOR RE-ELECTION

Directors who are standing for re-election at the Thirty Fourth Annual General Meeting of the Company which will be held at the Dynasty Ballroom, Level 5, Dynasty Hotel Kuala Lumpur, 218, Jalan Ipoh, 51200 Kuala Lumpur, on Friday, 26 June 2009 at 10.30 a.m. or at any adjournment thereof are:

Name of Director	Details of Board Meeting Attendance	Profile of Director
Y. Bhg. Dato' Shamsir Bin Omar	Refer to Page 8 of Annual Report	Refer to Page 8 of Annual Report
Ms. Khoo Lay Wah	Refer to Page 8 of Annual Report	Refer to Page 8 of Annual Report
Mr. Chan Kwai Weng	Refer to Page 9 of Annual Report	Refer to Page 8 of Annual Report
Encik Ramli Bin Harun	Refer to Page 9 of Annual Report	Refer to Page 9 of Annual Report

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CORPORATE INFORMATION

Board of Directors
Dato' Shamsir Bin Omar
Executive Chairman
Non-Independent Director

Khoo Lay Wah
Executive Director
Non-Independent Director

Ramli Bin Harun
Non-Executive Director
Independent Director

Zailan Bin Othman
Non-Executive Director
Independent Director

Chan Kwai Weng
Non-Executive Director
Independent Director

Listing

Main Board of Bursa Malaysia Securities Berhad

Registered Office

Level 18, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: 03 – 2264 8888
Fax: 03 – 2282 2733

Auditors

Messrs. Horwath (AF1018)
Chartered Accountants
Level 16, Tower C, Megan Avenue II
No.12, Jalan Yap Kwan Seng
50450 Kuala Lumpur

Company Secretaries

Yeap Kok Leong (MAICSA No. 0862549)
Yap Wai Bing (MAICSA No. 7023640)

Principal Bankers
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad

Audit Committee
Ramli Bin Harun
Chairman
Non-Executive Director
Independent Director

Zailan Bin Othman
Non-Executive Director
Independent Director

Chan Kwai Weng
Non-Executive Director
Independent Director

Nomination and Remuneration Committee

Zailan Bin Othman
Chairman
Non-Executive Director
Independent Director

Ramli Bin Harun
Non-Executive Director
Independent Director

Registrar

Tenaga Koperat Sdn Bhd (118401-V)
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: 03 – 2264 3883
Fax: 03 – 2282 1886

Principal Solicitors

Peter Cheah & Co.
T.Y. Teh & Partners

Principal Place of Business

Suite 12A, 03 – 05, Level 12A
Plaza Permata
Jalan Kampar, Off Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03 – 4041 8288
Fax: 03 – 4045 2471

CORPORATE STRUCTURE

Naim Indah Corporation Berhad
Investment Holding

- 100% — Angkasa Lampiran Sdn Bhd
  Property Developer
- 100% — Bitarex Sdn Bhd
  Land Owner
- 100% — Consistent Harvest Sdn Bhd
  Property Investment
- 100% — Jernih Makmur Sdn Bhd
  Timber concessionaire
- 100% — Ni-Corp Oil & Gas Technologies Sdn Bhd
  Oil and gas industry/Dormant
- 100% — NAIMKBB Berhad
  (formerly known as Kewangan Bersatu Berhad)
  Dormant

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the Annual Report 2008 together with the Statutory Financial Statements of the Group for the financial year ended 31 December 2008.

FINANCIAL REVIEW

Year 2008, was a very challenging year indeed arising from the financial crisis in the US which in turn, has impacted the economic growths in Europe as well as in Asia. The unprecedented fluctuation in oil prices as well as raw materials on a global level and at our local front has affected our ability to achieve a profit for the group.

It was expected that the group's revenue would be marginally lower, from RM9.05 million in year 2007 to RM8.74 million in the year ended 2008. The full impact was felt during the final quarter of 2008. As a result, the Company recorded a net loss after taxation of RM9.65 million as compared to a net profit after tax in year 2007 of RM0.39 million. The loss was mainly due to the recognition of an impairment loss of RM3.71 million as well the recognition of a revised settlement charge of RM3.17 million in the property development segment.

SIGNIFICANT EVENTS AND PROSPECTS

During the financial year, our joint venture in the property segment for the development of a new township in the State of Kelantan was making positive progress with the near completion of phase I (a). With Phase I (b) on the way, I am pleased to report that based on the market responses conducted by our Sales and Marketing Department, the level of bookings and responses we have received so far has been very encouraging.

Last year, the Board and I had requested the various departmental heads to conduct a limited scope trend of our core business units, namely the timber concession, the property investment and the property development segment in the coming financial year.

From the responses we have obtained, it would be very likely that the timber product sector would remain weak and prices of round timber logs expected to be flat for the year of 2009. With these scenarios, we rate that the contribution from the timber sector to be very marginal.

The continual pressure for more availability of retail spaces seemed to be stabilised in Seremban. With the stabilisation and the continual efforts of our property investment division to improve the traffic flow into our shopping complex, we envisage that a better revenue contribution could be expected in the coming financial year.

Housing and development have reached near maturity in Negeri Sembilan Darul Khusus. However, there are still positive opportunities for niche development in particular at mature areas where demand for medium to low cost housing is expected to increase. We thus we rate this revenue source as positive.

DIVIDEND

In view of the current situation, the Board of Directors has decided not to recommend any payment of dividend for the financial year ended 31 December 2008.

APPRECIATION

Mr. Tan Lam Hin, our Chief Executive Officer and an Executive Director has requested, that due to his health conditions as well as attaining his retirement age of 55, to resign cum retire on 24 April 2009. After due deliberation, we accepted his resignation cum retirement and would like to wish him well in his future undertakings.

I would take this opportunity to welcome Ms. Khoo Lay Wah, a business woman by profession and a substantial shareholder of the Company and Mr. Chan Kwai Weng, an accountant to our Board.

On behalf of the Board of Directors, I would like to thank our management, staff, customers, business partners, business associates, bankers and the governmental authorities for their continuous an unwavering support which has always been vital to us.

To all my fellow colleagues on the Board, I thank them for their counsel and invaluable contribution towards the Group. To our shareholders, we extend our appreciation for being patient with us.

Y. Bhg. Dato' Shamsir Bin Omar
Executive Chairman

2 June 2009

PROFILE OF THE BOARD OF DIRECTORS

Dato' Shamsir Bin Omar
Executive Chairman
Non-Independent Director

A Malaysian aged 74, was appointed as Director and Chairman of the Company on 16 November 1998. He was appointed as the Executive Chairman on 26 August 2002. He is a Fellow Member of The Institute of Chartered Accountants in Australia and a member of the Malaysian Institute of Accountants. He commenced his career in 1960 as an Auditor and Accountant in the Department of Co-operative Development. In 1967, he was the Chief Accountant in the Ministry of Education and in 1968, he became the Deputy Accountant General. From 1969 to 1989, he held the position of Accountant General in the Ministry of Finance. He also holds a directorship in Tanah Emas Corporation Berhad.

Dato' Shamsir does not hold any shares in the Company or its subsidiaries and does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interests with the Company. He has had no convictions for offences within the past ten years other than traffic offences.

Dato' Shamsir attended four (4) Board meetings of the Company held during the financial year ended 31 December 2008.

Khoo Lay Wah
Executive Director
Non-Independent Director

A Malaysian aged 50, was appointed as an Executive Director on 24 April 2009. She has a Diploma in Management and Secretarial Studies, UK. She commenced her career as a business woman who has always been involved in the property development and property management sectors.

She is a substantial shareholder of Naim Indah Corporation Berhad through her holdings of Quantum Discovery Sdn Bhd. She does not have any family relationship with any Director and / or major shareholder of the Company except for her indirect interest through Quantum Discovery Sdn Bhd and has no conflict of interests with the Company. She has no convictions for offences within the past ten years other than traffic offences.

Ms. Khoo did not attend any of the Board meetings due to her appointment date which came after the financial year ended 31 December 2008.

Chan Kwai Weng
Non-Executive Director
Independent Director

A Malaysian aged 56, was appointed as an Independent Non-Executive Director and a member of the Audit Committee on 16 January 2009. He had previously held various senior management positions in both multinational and local corporations and is a member of the Malaysian Institute of Accountants.

Mr. Chan does not hold any shares in the Company or its subsidiaries and does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interests with the Company. He has had no convictions for offences within the past ten years other than traffic offences.

Mr. Chan did not attend any of the Board meetings due to his appointment date which came after the financial year ended 31 December 2008.

Ramli Bin Harun
Non-Executive Director
Independent Director

A Malaysian aged 51, was appointed as an Independent Non-Executive Director on 30 July 2002. He is the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee. He was a Director of Palembang Usahaniaga Sdn Bhd from 1984 to 1992, managing various large housing projects in Negeri Sembilan Darul Khusus. During his tenure in Palembang Usahaniaga Sdn Bhd, he focused his attention predominantly on project management. Thereby, he has a good working knowledge in property management and property development.

Encik Ramli does not hold any shares in the Company or its subsidiaries and does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interests with the Company. He has had no convictions for offences within the past ten years other than traffic offences.

Encik Ramli attended four (4) Board meetings of the Company held during the financial year ended 31 December 2008.

Zailan Bin Othman
Non-Executive Director
Independent Director

A Malaysian aged 47, was appointed as an Independent Non-Executive Director on 7 August 2002. He is the Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee. He was a Director for Kemayan Resources Sdn Bhd, managing project "Rasah Kemayan" from 1995 to 1998. His role then was predominantly in business development. In 1999, he ventured into trading and distribution of branded sports goods where he is the Director in charge of operations. He has a strong background in successful operational business management.

Encik Zailan does not hold any shares in the Company or its subsidiaries and does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interests with the Company. He has had no convictions for offences within the past ten years other than traffic offences.

Encik Zailan attended four (4) Board meetings of the Company held during the financial year ended 31 December 2008.

The Board of Directors of Naim Indah Corporation Berhad recognises the importance of the principles and values embodied in the Malaysian Code on Corporate Governance ("the Code") as a catalyst towards achieving a greater disclosure based framework as well maximising shareholder value of the Company.

The Company has also adopted as far as practicable the Code's Best Practices and the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities").

THE BOARD

The Board's primary responsibilities are to develop a Company wide Strategic Charter as well as to put in place adequate "check and balances" procedures to ensure that each segment of the business is properly managed.

In accordance with the Best Practices of the Code, the Chairman and the Chief Executive Officer of the Company are different persons with separate defined responsibilities. Currently, this position is vacant as a result of Mr. Tan Lam Hin's resignation cum retirement on 24 April 2009. The Nomination and Remuneration Committee is currently identifying suitable candidates internally to take up this position.

The Board currently consists of five (5) Directors, three (3) of whom are Independent Non-Executive Directors. The Board has complied with the Listing Requirements of Bursa Securities that at least two (2) or one-third (1/3) of the Board should consist of independent directors. The independent directors provide assurance that Board's decisions are deliberated objectively in the interest of all stakeholders of the Company.

All the members of the Board have attended the Mandatory Accreditation Programme ("MAP") as per the Listing Requirements of Bursa Securities for all directors of public listed companies. During the financial year ended 31 December 2008, all the directors attended one (1) Continuing Education Programme on titled "Effective Leadership and Development Process" in order to continually upgrade their skill and effectively discharge their duties.

BOARD MEETINGS

During the financial year ended 31 December 2008, four (4) Board meetings were held.

Details of Directors' attendances were as follows:

Name	Status	Attendance	%
Dato' Shamsir Bin Omar	Non – Independent	4 of 4	100.0
Tan Lam Hin (resigned on 24.04.09)	Non – Independent	4 of 4	100.0
Khoo Lay Wah (appointed on 24.04.09)	Non – Independent	N/A	N/A
Ramli Bin Harun	Independent	4 of 4	100.0
Zailan Bin Othman	Independent	4 of 4	100.0
Chan Kwai Weng (appointed on 16.01.09)	Independent	N/A	N/A

THE NOMINATION AND REMUNERATION COMMITTEE

The primary responsibilities of this committee are to identify suitable candidates to fill Board vacancies, assessing the effectiveness of the Board and the contribution of each individual director on a progressive basis as well as to assess the adequacy of the directors' remuneration.

During the financial year ended 31 December 2008, two (2) meetings were held and details of the attendance were as follows:

Name	Status	Attendance	%
Ramli Bin Harun	Independent	2 of 2	100.0
Zailan Bin Othman	Independent	2 of 2	100.0

The Nomination and Remuneration Committee had on 16 January 2009, nominated and proposed to the Board the appointment of Mr. Chan Kwai Weng as an Independent Non-Executive Director in place of Dato' Shamsir bin Omar, the Executive Chairman, as a member of the Audit Committee to comply with the Listing Requirements of Bursa Securities. In April 2009, the Nomination and Remuneration Committee also nominated and recommended to the Board the appointment of Ms. Khoo Lay Wah as an Executive Director following the resignation cum retirement of Mr. Tan Lam Hin, the Chief Executive Officer and Executive Director of the Company.

The Committee is of the opinion that the existing Board and all committees are well balanced and adequately remunerated.

SUPPLY OF INFORMATION

Notice, agenda and all relevant information are circulated to every member of the Board prior to board meetings so as to enable them to have sufficient time to understand issues to be raised. In so doing, all issues can be deliberated at the said meetings and that an informed decision can be arrived at the conclusion of each board meeting.

In addition, all Board members have access to senior management and services of the Company Secretary and may also obtain independent professional advice at the Company's expense when necessary.

RE-ELECTION

In accordance with the Company's Articles of Association, any director appointed during the year is to retire and seek re-election by the Shareholders at the following Annual General Meeting immediately after his appointment. The Articles also require that one-third (1/3) of the Directors retire by rotation and seek re-election at each Annual General Meeting and each Director shall submit himself for re-election at least once in every three (3) years.

REMUNERATION OF DIRECTORS

Details of the remuneration of each director who served during the financial year ended 31 December 2008 are as follows:

	RM
Executive Directors	
Salaries and other emoluments	288,000
Pension costs – defined contribution plan	35,000
	323,000
Non – Executive Directors	
Allowance	-
Total	323,000

Number of directors whose remuneration falls into the following bands:

	Number of Directors
Executive Directors	
RM50,001 to RM100,000	1
RM200,001 to RM250,000	1
	2
Non – Executive Directors	
Below RM50,000	-
Total	2

DIALOGUE BETWEEN COMPANY AND INVESTORS

The Board has always recognised the importance of an accurate and timely dissemination of information to its shareholders. For this purpose, the Company uses the Annual General Meeting/Extraordinary General Meeting and Public Announcements to provide up-to-date information to explain its business development and financial achievement and to solicit feedback from shareholders and investors.

ACCOUNTABILITY AND AUDIT

FINANCIAL REPORTING

In presenting the annual financial statements to the shareholders, investors and regulatory authorities, the Board takes responsibility to present a balanced and clear assessment of the Group's financial position and its future prospects.

STATEMENT OF DIRECTORS' RESPONSIBILITY ON FINANCIAL STATEMENTS

In accordance with the Companies Act, 1965, the directors are responsible to prepare financial statements which give a true and fair view of the state of affairs of the Company and of the Group and of the results and cash flows of the Company and of the Group for the relevant period. While preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- state whether applicable approved accounting standards have been applied, subject to any material departures being disclosed and explained in the financial statements;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on an on-going concern basis.

The directors are also responsible for keeping the accounting records that disclose with reasonable accuracy the financial position of the Company and of the Group and to ensure that the financial statements also comply with the Companies Act, 1965. In addition, the directors are responsible for safeguarding the assets of the Group and for taking reasonable steps for the detection and prevention of fraud and irregularities.

RELATIONSHIP WITH AUDITORS

The Board has a transparent relationship with both the Internal Auditors and the External Auditors through the establishment of the Audit Committee. Both the internal and external auditors have complete access to the Audit Committee to present key material issues that require its attention. Furthermore, the Audit Committee through its charter takes responsibility to ensure that adequate resources are available for both the internal and external auditors to perform their duties.

EMPLOYEES SHARE OPTION SCHEME ("ESOS")

On 19 April 2007, the Board had proposed the establishment of an ESOS. The proposed resolutions were tabled on 15 June 2007 and were approved by our shareholders. However, the options have not been granted as at the date of the Notice of the Thirty Fourth Annual General Meeting for its eligible directors and employees of the Company and the Group.

INTRODUCTION

The Statement on Internal Control of the Group is made by the Board of Directors pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and with regard to the Group's compliance with The Principles and Best Practices provisions relating to internal controls provided in the Malaysian Code on Corporate Governance ("Code").

BOARD’S RESPONSIBILITIES

The Board of Directors recognises the importance of sound internal control for good corporate governance. The Board affirms its overall responsibility for the Group's systems on internal control, which include the establishment of an appropriate control environment and framework as well as reviewing the adequacy and integrity of those systems. The Board noted, however, that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. In addition, the Board also noted that these systems could only provide reasonable but not absolute assurance against material misstatement or loss.

Following the issuance of the Code, the Board confirms that there is an on-going process for identifying, evaluating and managing significant risks faced by the Group that has been put in place for the year and up to the date of approval of the Annual Report and financial statements. The process is regularly reviewed by the Board through its Audit Committee, which is assisted by the Internal Auditors.

The Board ensures that management undertakes such actions as may be necessary in the implementation of the policies and procedures on risks and control approved by the Board whereby management identifies and assesses the risk faced and then designs, implements and monitors appropriate internal controls to mitigate and control those risks.

CONTROL AND MONITORING PROCESS

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

- An operational structure with defined line of responsibility and delegation of authority;
- A process of hierarchical reporting which provides for a documented and auditable trail of accountability;
- A documented delegation of authority with clear lines of responsibility in identifying the approving authority of various transactions;
- Internal policies and procedures, which are regularly updated to reflect changes, risks or to resolve operational deficiencies. Instances of non-compliance with such policies and procedures are reported by the internal audit function to the Board via the Audit Committee; and
- Effective reporting systems, which monitor performance and highlight significant variances against budget and plan. Key variances are followed up by management and reported to the Board on a quarterly basis.

CONTROL AND MONITORING PROCESS (CONT'D)

Other main activities performed by the internal auditors are as follows:

- The recovery of late payment interest imposed on defaulting property buyers;
- Implementing the policies on identification, selection and retention of the shopping complex tenants;
- Review of the operations of joint ventures; and
- Undertaking special reviews as and when requested by the Audit Committee and/or management.

There are no material joint ventures that have not been dealt with as a part of the Group for applying the Statement on Internal Control - Guidance for Directors of Public Listed Companies.

The system of internal control that is on-going at this point of time has not resulted in any material loss, contingency or uncertainty that would require disclosure in the Group's Annual Report for the financial year under review. The internal audit function for the financial year ended 31 December 2008 was outsourced and the costs incurred was RM36,000.00

OTHER INFORMATION

Share Buyback

There was no share buyback in the financial year ended 31 December 2008.

Option, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities in respect of the financial year ended 31 December 2008.

American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme

The Company did not sponsor any ADR or GDR programme during the financial year ended 31 December 2008.

Profit Guarantee

The Company did not receive any profit guarantee during the financial year ended 31 December 2008.

Material Contracts

During the financial year under review, there were no material contracts entered into by the Company and/or its subsidiary companies which involved Directors' and major shareholders' interest, either still subsisting at the end of the financial year 2008 or which was entered into since the end of the previous financial year other than those if any, disclosed in the Statutory Financial Statements.

Sanction and/or Penalty Imposed

There were no sanctions and/or penalties imposed on the Company, Directors or management by the relevant authorities during the financial year ended 31 December 2008.

LIST OF PROPERTIES

Non-Audit Fees Paid To External Auditors

The amount of non-audit fees paid to the external auditors for the financial year ended 31 December 2008 was RM3,000.00

Corporate Social Responsibility

During the financial year, no activity was conducted by the Group in relation to the Corporate Social Responsibility.

Revaluation policy

The Company does not adopt a policy of regular revaluation.

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AUDIT COMMITTEE REPORT

OBJECTIVE

The primary objective of the Audit Committee (as a standing committee of the Board) is to assist the Board in the effective discharge of its fiduciary responsibilities on financial reporting and internal control in line with the corporate governance.

During the financial year, a review was conducted on the compliance and performance of the audit committee to ensure its effectiveness and compliance to the amended Listing Requirements of Bursa Securities. The revised terms of reference of the audit committee can be summarised as follows:-

MEMBERSHIP

The Committee shall be appointed by the Board of Directors amongst the Directors of the Company which fulfils the following requirements:

(a) the Committee must be composed of no fewer than 3 members;
(b) all members of the Audit Committee shall be non-executive directors and financially literate, a majority of the Committee must be independent directors; and
(c) at least one member of the 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 associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
    (iii) fulfils such other requirements prescribed or approved by the Exchange.

The members of the Committee shall elect a Chairman from among themselves who shall be an independent director.

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

In the event of any vacancy in the Committee resulting in the non-compliance of the Listing Requirement of Bursa Malaysia Securities Berhad ("Listing Requirements") pertaining to composition of audit committee, the Board of Directors shall within three months of that event fill the vacancy.

The terms of office and performance of the Committee and each of its members must be reviewed by the Board of Directors at least once every 3 years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

The existing Audit Committee comprises three (3) Directors, of whom are independent.

The composition of the Audit Committee is as follows:

Ramli Bin Harun	Chairman, Independent Non-Executive Director
Zailan Bin Othman	Member, Independent Non-Executive Director
Dato' Shamsir Bin Omar	Member, Executive Chairman / Non- Independent Director (resigned on 16.1.2009)
Chan Kwai Weng	Member, Independent Non-Executive Director (appointed on 16.1.2009)

MEETINGS

Frequency

Meetings shall be held not less than four times a year.

Upon the request of the external auditor, the Chairman of the Committee shall convene a meeting of the Committee to consider any matter the external auditor believes should be brought to the attention of the Directors or shareholders.

During the financial year ended 31 December 2008, the audit committee met four (4) times with the details of attendance as follows:-

Name	Attendance	%
Ramli Bin Harun	4/4	100
Zailan Bin Othman	4/4	100
Dato' Shamsir Bin Omar	4/4	100
Chan Kwai Weng [#]	N/A	N/A

Appointed after the financial year ended 31 December 2008

Quorum

To form a quorum, the majority of members present must be independent directors**.**

Secretary

The Company Secretary shall be the Secretary of the Committee or in his absence, another person authorised by the Chairman of the Committee.

Attendance

The Financial Director, the Head of Internal Audit (where such a function exists) and a representative of the external auditor shall normally attend meetings. Other Directors and employees may attend any particular meeting only at the Committee's invitation, specific to the relevant meeting.

Reporting Procedure

The minutes of each meeting shall be circulated to all members of the Board.

Meeting Procedure

The Committee shall regulate its own procedure, in particular:-

(a) the calling of meetings;
(b) the notice to be given of such meetings;
(c) the voting and proceedings of such meetings;
(d) the keeping of minutes; and
(e) the custody, production and inspection of such minutes.

RIGHTS

The Committee in performing its duties shall in accordance with a procedure to be determined by the Board of Directors:

(a) have authority to investigate any matter within its terms of reference;
(b) have the resources which are required to perform its duties;
(c) have full and unrestricted access to any information pertaining to the Company;
(d) have direct communication channels with the external auditor and person(s) carrying out the internal audit function or activity (if any);
(e) be able to obtain independent professional or other advice; and
(f) be able to convene meetings with external auditors, internal auditors or both, excluding the attendance of the other directors and employees, whenever deemed necessary.

FUNCTIONS

The Committee shall, amongst others, discharge the following functions:

To review:

(a) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:-
    (i) the going concern assumption;
    (ii) changes in or implementation of major accounting policy changes;
    (Iii) significant and unusual events; and
    (iv) compliance with accounting standards and other legal requirements.
(b) any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions or management integrity.
(c) with the external auditor:
    (i) the audit plan;
    (ii) his evaluation of the system of internal controls;
    (Iii) his audit report;
    (iv) his management letter and management's response; and
    (v) the assistance given by the Company's employees to the external auditor.

To monitor the management's risk management practices and procedures.

In respect of the appointment of external auditors:

(a) to review whether there is reason (supported by grounds) to believe that the external auditor is not suitable for reappointment;
(b) to consider the nomination of a person or persons as external auditors and the audit fee; and
(c) to consider any questions of resignation or dismissal of external auditors.

In respect of the internal audit function:

(a) 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 work;
(b) to review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
(c) to review any appraisal or assessment of the performance of members of the internal audit function;
(d) to approve any appointment or termination of senior staff members of the internal audit function; and
(e) to inform itself of any resignation of internal audit staff member and provide the resigning staff member an opportunity to submit his reasons for resigning.

To promptly report such matter to the Exchange if the Committee is of the view that the matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

To carry out such other functions as may be agreed to by the Committee and the Board of Directors.

SUMMARY OF ACTIVITIES

During the year, the Audit Committee carried out its duties in accordance with its term of reference. Other main issues reviewed by the Audit Committee were as follows:

- the financial impact subsequent to the adoption of the new financial reporting standards;
- Review of compliance of additional Listing Requirements;
- Review of joint venture agreement with Noble Residence Sdn Bhd;
- Review the status of NAIMKBB Sdn Bhd (formerly known as Kewangan Bersatu Berhad);
- Review the Compliance of Malaysian Code of Corporate Governance;
- Review the tax systems including assessment, payment, over/under provision of the Group and joint venture companies; and
- Perform a review and make necessary revision to the terms of reference of the Audit Committee.

ANALYSIS OF SHAREHOLDINGS – AS AT 30 APRIL 2009

SHARE CAPITAL

Authorised Share Capital	:	2,500,000,000 Ordinary Shares of RM0.20 per share
Issued and Fully Paid-Up Share Capital	:	702,033,964 Ordinary Shares of RM0.20 per share
Voting Rights	:	One voting right for one Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	Number of Shareholders	Percentage (%) of Total	Number of Shares Held	Percentage (%) of Total
1 to 99	289	1.97	13,281	# 0.00
100 to 1,000	2,204	15.04	1,939,399	0.28
1,001 to 10,000	7,292	49.76	37,804,726	5.39
10,001 to 100,000	4,125	28.14	154,677,745	22.03
100,001 to less than 5% of issued shares	745	5.08	289,687,093	41.26
5% and above of issued shares	2	0.01	217,911,720	31.04
Total	14,657	100.00	702,033,964	100.00

\# Negligible

SUBSTANTIAL SHAREHOLDERS

		Direct interest		Indirect interest	
No.	Names of Substantial Shareholders	Number of Shares Held	Percentage (%) of Total	Number of Shares Held	Percentage (%) of Total
1.	HDM Nominees (Tempatan) Sdn. Bhd. HDM Capital Sdn. Bhd. for Crest Energy Sdn. Bhd	160,063,744	22.80	-	-
2.	HDM Nominees (Tempatan) Sdn. Bhd. Quantum Discovery Sdn. Bhd.	57,847,976	8.24	-	-
4.	Dato' Tan Ah Chak *1	-	-	160,063,744	22.80
5.	Lee Keck Keong *2	-	-	160,063,744	22.80
6.	Wong Kui Yeong *3	-	-	57,847,976	8.24
7.	Tan Wei Loon *4	-	-	57,847,976	8.24
8.	Khoo Lay Wah*5	-	-	57,847,976	8.24

Notes:

*1 Deemed interest by virtue of his shareholding in Crest Energy Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
*2 Deemed interest by virtue of his shareholding in Crest Energy Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
*3 Deemed interest by virtue of her shareholding in Quantum Discovery Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
*4 Deemed interest by virtue of his shareholding in Quantum Discovery Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
*5 Deemed interest by virtue of her shareholding in Quantum Discovery Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

THIRTY (30) LARGEST SHAREHOLDERS

No.	Names of Shareholders	Number of Shares Held	Percentage (%) of Issued Capital
1.	HDM Nominees (Tempatan) Sdn Bhd HDM Capital Sdn Bhd for Crest Energy Sdn Bhd	160,063,744	22.80%
2.	HDM Nominees (Tempatan) Sdn Bhd Quantum Discovery Sdn Bhd	57,847,976	8.24%
3.	HDM Nominees (Tempatan) Sdn Bhd HDM Capital Sdn Bhd for Wong Foot Kheong	10,000,002	1.42%
4.	Mohd Noor Bin Setapa	7,539,000	1.07%
5.	Law Ka Hieng	6,000,000	0.85%
6.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Liaw Kit Siong	5,420,000	0.77%
7.	Abdul Aziz Bin Abdul Kadir	3,566,500	0.51%
8.	Yeoh Kean Hua	3,330,000	0.47%
9.	Lim Chee Sing	3,039,900	0.43%
10.	M & A Securities Sdn Bhd	3,025,300	0.43%
11.	Chia Hooi Liang	3,000,000	0.43%
12.	Hong Yoke Loong	3,000,000	0.43%
13.	AIBB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Batu Bara Resources Corporation Sdn Bhd	2,950,000	0.42%
14.	Lim Siao Gia (Lin XiaoJia)	2,589,300	0.37%
15.	Fun Yoon Fah	2,511,000	0.36%
16.	Shamsudin Bin Md Dubi	2,421,000	0.34%
17.	Lim Seng Qwee	2,218,400	0.32%

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Names of Shareholders	Number of Shares Held	Percentage (%) of Issued Capital
18.	Lim Seng Tee	2,214,000	0.32%
19.	Teoh Cheoh Thin @ Chung Soo Chern	2,006,800	0.29%
20.	Shaukat Ali Bin Mahmud	2,001,100	0.29%
21.	Teoh Hunt Thuim	2,000,341	0.28%
22.	Chong Tong Siew	2,000,000	0.28%
23.	Malacca Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Teng Chai	2,000,000	0.28%
24.	Tan Chin Yee, Grace	1,960,000	0.28%
25.	RHB Capital Nominees (Tempatan) Sdn Bhd Hoy Egg Sun	1,789,300	0.25%
26.	Wong Fun Peng	1,630,100	0.23%
27.	Lim Bee Yann	1,520,000	0.22%
28.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Nandha Kumar A/L M Krishnasamy	1,501,000	0.21%
29.	Amsec Nominees (Asing) Sdn Bhd AmFraser Securities Pte Ltd For Tan Dib Jin	1,500,000	0.21%
30.	M & A Nominee (Tempatan) Sdn Bhd Titan Express Sdn Bhd	1,473,500	0.21%
	Total	302,118,263	43.01%

LIST OF PROPERTIES

Location	Description/ Existing Use	Area	Tenure	Approximate age of property	Date of revaluation	Date of acquisition	Net book value RM'000
Lot No. 20890 and 20891 in the Municipality and District of Seremban Darul Khusus	3 ½ Storey shopping complex for rental and open air car park	Complex net lettable area of 217,096 square feet and car park of approximately 2 acres	Leasehold (Unexpired period of 85 years)	13 years	15.9.2006	25.8.2003	82,000

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management and administrative services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	THE GROUP RM'000	THE COMPANY RM'000
Loss after taxation for the financial year	(9,648)	(1,609)
Attributable to:		
Equity holders of the Company	(9,648)	(1,609)

DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) there were no changes in the authorised and issued and paid-up share capital of the Company;

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that 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 known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for doubtful debts in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

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

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

The contingent liabilities are disclosed in Note 37 to the financial statements. 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 of the Group and of the Company which has arisen since the end of the financial year.

No contingent 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 their obligations when they fall due.

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 which 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 during 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 other than as disclosed in the financial statements.

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.

DIRECTORS

The directors who served since the date of the last report are as follows:-

Dato' Shamsir Bin Omar
Tan Lam Him
Ramli Bin Harun
Zailan Bin Othman
Chan Kwai Weng (Appointed on 16.1.2009)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in shares in the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Group or 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 except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 34 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company or a party to any arrangements whose object is 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.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 43 to the financial statements.

AUDITORS

The auditors, Messrs. Horwath, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 10 APRIL 2009

Dato' Shamsir Bin Omar

Tan Lam Hin

STATEMENT BY DIRECTORS

We, Dato' Shamsir Bin Omar and Tan Lam Hin, being two of the directors of Naim Indah Corporation Berhad, state that, in the opinion of the directors, the financial statements set out on pages 33 to 85 are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2008 and of their results and cash flows for the financial year ended on that date.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 10 APRIL 2009

DATO' SHAMSIR BIN OMAR **TAN LAM HIM**

STATUTORY DECLARATION

I, Dato' Shamsir Bin Omar, I/C No. 340707-10-5481 being the director primarily responsible for the financial management of Naim Indah Corpo ration Berhad, do solemnly and sincerely declare that the financial statements set out on pages 33 to 85 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
Dato' Shamsir Bin Omar, I/C No. 340707-10-5481
at Kuala Lumpur in the Federal Territory
on this 10 April 2009

DATO' SHAMSIR BIN OMAR

Before me

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NAIM INDAH CORPORATION BERHAD
(Incorporated in Malaysia)
Company No : 19727 - P

Report on the Financial Statements

We have audited the financial statements of Naim Indah Corporation Berhad, which comprise the balance sheets as at 31 December 2008 and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 33 to 85.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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 the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NAIM INDAH CORPORATION BERHAD (CONT'D)
(Incorporated in Malaysia)
Company No : 19727 - P

Opinion

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

Other Matters

The financial statements of the Group and of the Company for the preceding year were audited by another firm of auditors whose report dated 19 March 2008, expressed an unqualified opinion on those statements.

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' report of the subsidiaries of which we have not acted as auditors, which is indicated in Note 10 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) The audit reports on the financial statements of the subsidiaries did not contain any qualification and did not include any comment required to be made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NAIM INDAH CORPORATION BERHAD (CONT'D)
(Incorporated in Malaysia)
Company No : 19727 - P

Other Matters

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

Horwath	Onn Kien Hoe
Firm No: AF 1018	Approval No: 1772/11/10 (J/PH)
Chartered Accountants	Partner

Kuala Lumpur
10 April 2009

BALANCE SHEET AS AT 31 DECEMBER 2008

	NOTE	THE GROUP 2008 RM'000	THE GROUP 2007 RM'000 (restated)	THE COMPANY 2008 RM'000	THE COMPANY 2007 RM'000
ASSETS					
NON-CURRENT ASSETS					
Equipment	7	1,123	1,314	569	661
Investment property	8	82,000	82,000	-	-
Intangible assets	9	36,303	37,904	-	-
Investment in subsidiaries	10	-	-	73,500	73,500
		119,426	121,218	74,069	74,161
CURRENT ASSETS					
Property development costs	11	2,290	-	-	-
Trade receivables	12	4,729	1,441	-	-
Other receivables, deposits and prepayments	13	22,437	20,566	57,206	58,645
Tax recoverable		-	18	-	-
Fixed deposits with licensed financial institutions	14	1,856	1,804	1,578	1,527
Cash and bank balances	15	176	677	127	323
		31,488	24,506	58,911	60,495
Non-current asset held for sale	16	-	6,000	-	-
TOTAL ASSETS		150,914	151,724	132,980	134,656

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

BALANCE SHEETS AS AT 31 DECEMBER 2008 (CONT'D)

		THE GROUP		THE COMPANY	
		2008	2007	2008	2007
	NOTE	RM'000	RM'000	RM'000	RM'000
			(restated)		
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	140,407	140,407	140,407	140,407
Accumulated losses		(15,867)	(6,219)	(8,002)	(6,393)
TOTAL EQUITY		124,540	134,188	132,405	134,014
NON-CURRENT LIABILITIES					
Deferred tax liabilities	18	4,309	4,309	-	-
Long-term borrowings	19	12,246	4,917	319	409
		16,555	9,226	319	409
CURRENT LIABILITIES					
Trade payables	22	3,084	344	-	-
Other payables and accruals		1,367	1,523	166	150
Provision for taxation		197	207	-	-
Short-term borrowings	23	2,483	3,514	90	83
Bank overdrafts	24	2,688	2,722	-	-
		9,819	8,310	256	233
TOTAL LIABILITIES		26,374	17,536	575	642
TOTAL EQUITY AND LIABILITIES		150,914	151,724	132,980	134,656
NET ASSETS PER ORDINARY SHARE (RM)	25	0.18	0.19		

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

INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

		THE GROUP		THE COMPANY	
	NOTE	2008 RM'000	2007 RM'000 (restated)	2008 RM'000	2007 RM'000
REVENUE	26	8,740	9,053	1,541	4,067
COST OF SALES	27	(5,850)	(6,977)	(384)	(3,452)
GROSS PROFIT		2,890	2,076	1,157	615
OTHER INCOME	28	567	2,561	437	289
		3,457	4,637	1,594	904
ADMINISTRATIVE EXPENSES		(4,561)	(3,962)	(3,067)	(2,409)
OTHER EXPENSES		(4,169)	(304)	(108)	(203)
(LOSS)/PROFIT FROM OPERATIONS		(5,273)	371	(1,581)	(1,708)
FINANCE COSTS		(4,118)	(643)	(28)	(33)
LOSS BEFORE TAXATION	29	(9,391)	(272)	(1,609)	(1,741)
INCOME TAX (EXPENSE) /BENEFIT	30	(257)	660	-	-
(LOSS)/PROFIT AFTER TAXATION		(9,648)	388	(1,609)	(1,741)
ATTRIBUTABLE TO:-					
Equity holders of the Company		(9,648)	388	(1,609)	(1,741)
(LOSS)/EARNINGS PER SHARE (SEN)					
- BASIC	31	(1.37)	0.06		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	SHARE CAPITAL RM'000	ACCUMULATED LOSSES RM'000	TOTAL RM'000
THE GROUP			
Balance at 1 January 2007	140,407	(6,607)	133,800
Profit after taxation for the financial year	-	388	388
Balance at 31 December 2007/1 January 2008	140,407	(6,219)	134,188
Loss after taxation for the financial year	-	(9,648)	(9,648)
Balance at 31 December 2008	140,407	(15,867)	124,540
THE COMPANY			
Balance at 1 January 2007	140,407	(4,652)	135,755
Loss for the financial year	-	(1,741)	(1,741)
Balance at 31 December 2007/1 January 2008	140,407	(6,393)	134,014
Loss for the financial year	-	(1,609)	(1,609)
Balance at 31 December 2008	140,407	(8,002)	132,405

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

CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES				
Loss before taxation	(9,391)	(272)	(1,609)	(1,741)
Adjustments for:-				
Allowance for doubtful debts	204	-	-	-
Amortisation of concession rights	1,184	51	-	-
Amortisation of goodwill	-	523	-	-
Depreciation of equipment	208	181	108	80
Gross settlement charge	3,168			
Impairment loss on goodwill	417	-	-	-
Impairment loss on property (Note 16)	3,710	-	-	-
Fair value adjustments of investment property	-	(692)	-	-
Gain on partial disposal of concession rights	-	(1,502)	-	-
Interest income	(347)	(304)	(338)	(274)
Interest expense	950	643	28	33
Operating profit/(loss) before working capital changes	103	(1,372)	(1,811)	(1,902)
Decrease in property development costs	-	(765)	-	-
(Increase)/Decrease in trade and other receivables	(3,756)	4,760	3,046	11,478
Increase/(Decrease) in trade and other payables	2,584	(1,120)	16	(110)
CASH (FOR) / FROM OPERATIONS	(1,069)	1,503	1,251	9,466
Interest paid	(950)	(643)	(28)	(33)
Tax paid	(249)	(270)	-	-
NET CASH (FOR) / FROM OPERATING ACTIVITIES CARRIED FORWARD	(2,268)	590	1,223	9,433

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

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
NET CASH (FOR)/FROM OPERATING ACTIVITIES BROUGHT FORWARD	(2,268)	590	1,223	9,433
CASH FLOWS FOR INVESTING ACTIVITIES				
Advances to joint venture	(2,358)	(11,172)	(2,358)	(11,279)
Repayment from joint venture projects	751	-	751	-
Purchase of equipment	(17)	(11)	(16)	(11)
Deposit refunded from proposed joint venture	-	3,400	-	3,400
Deposit received for partial disposal of concession rights	-	200	-	-
Interest received	347	197	338	274
NET CASH FOR INVESTING ACTIVITIES	(1,277)	(7,386)	(1,285)	(7,616)
CASH FLOWS FROM / (FOR) FINANCING ACTIVITIES				
Drawdown of term loan	5,000	7,000	-	-
Repayment of term loan	(1,787)	(936)	-	-
Repayment of hire purchase payables	(83)	(78)	(83)	(78)
NET CASH FROM / (FOR) FINANCING ACTIVITIES	3,130	5,986	(83)	(78)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(415)	(810)	(145)	1,739
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	(241)	569	1,850	111
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (Note 32)	(656)	(241)	1,705	1,850

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

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Malaysian Companies Act 1965. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Level 18, The Gardens North Tower Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.
Principal place of business	:	Level 12A-03-05, 12th Floor, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 10 April 2009.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management and administrative services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its market, credit, liquidity and cash flow risks. The policies in respect of the major areas of treasury activities are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Company does not have material foreign currency transactions, assets or liabilities and hence is not exposed to any significant or material currency risks.

3. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

The Group obtains financing through interest-bearing borrowings and hire purchase facilities. Its policy is to obtain the most favourable interest rates available.

Surplus funds are placed with licensed financial institutions at the most favourable interest rates.

(iii) Price Risk

The Group does not have any quoted investments and hence is not exposed to market risks.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from receivables. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet reduced by the effects of any netting arrangements with counterparties.

The Group's major concentration of credit risk relates to the amounts owing by a single customer, a venturer and a stakeholder which constituted 93% of its total receivables.

The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

(c) Liquidity and Cash Flow Risks

The Group's exposure to liquidity and cash flow risks arises mainly from general funding and business activities.

It practises prudent liquidity risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

5. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Financial Reporting Standards ("FRS") and the Companies Act 1965 in Malaysia.

(a) During the current financial year, the Group has adopted the following:

(i) FRSs issued and effective for financial periods beginning on or after 1 July 2007:

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

FRS 111 and FRS 120 are not relevant to the Group's operations. The adoption of the other standards did not have any material impact on the form and content of disclosures presented in the financial statements.

(ii) Amendment to FRS 121 - The Effects of Changes in Foreign Exchange Rates Net Investment in a Foreign Operation issued and effective for financial periods beginning on or after 1 July 2007.

This amendment is not relevant to the Group's operations.

(iii) IC Interpretations issued and effective for financial periods beginning on or after 1 July 2007:

IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129_{2004} Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The above IC Interpretations are not relevant to the Group and the Company's operations.

5. BASIS OF PREPARATION (CONT'D)

(b) The Group has not adopted the following FRSs and IC Interpretations that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group:

(i) FRS issued and effective for financial periods beginning on or after 1 July 2009:

FRS 8	Operating Segments

FRS 8 replaces FRS 114[2004] Segment Reporting and requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of this standard only impacts the form and content of disclosures presented in the financial statements of the Group. This FRS is expected to have no material impact on the financial statements of the Group upon its initial application.

(ii) FRSs issued and effective for financial periods beginning on or after 1 January 2010:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 139	Financial Instruments: Recognition and Measurement

FRS 4 is not relevant to the Group's operations. The possible impacts of applying FRS 7 and FRS 139 on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.

(iii) IC Interpretations issued and effective for financial periods beginning on or after 1 January 2010:

IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment

IC Interpretation 9 is not relevant to the Group's operations. IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation is expected to have no material impact on the financial statements of the Group upon its initial application.

6. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that effect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(i) Depreciation of Equipment

The estimates for the residual values, useful lives and related depreciation charges for the equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company recognises tax liabilities based on its understanding of the prevailing tax laws estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) Impairment of Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) 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 the 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.

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(v) Allowance for Doubtful Debts of Receivables

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

(vi) Classification between Investment Properties and Owner-Occupied Properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Company accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(b) Financial Instruments

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

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 a 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 Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments recognised in the balance sheet are disclosed in the individual policy statement associated with each item.

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Functional and Foreign Currency

(i) Functional and Presentation Currency

The functional currency of the Group and each of the Group's entity is measured using the currency of the primary economic environment in which the Group or that entity operates.

The consolidated financial statements are presented in Ringgit Malaysia ("RM") which is the parent's functional and presentation currency.

(ii) Transactions and Balances

Transactions in foreign currency are converted into RM at the approximate rates of exchange ruling at the transaction dates. Transactions in foreign currency are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the balance sheet date are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are taken to the income statement.

(d) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 December 2008.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

All subsidiaries are consolidated using the purchase method. Under the purchase method, the results of the subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of Consolidation (Cont'd)

Minority interests in the consolidated balance sheets consist of the minorities' share of fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition and the minorities' share of movements in the acquiree's equity.

Minority interests are presented in the consolidated balance sheet of the Group within equity, separately from the Company's equity holders, and are separately disclosed in the consolidated income statement of the Group.

The gain or loss on the disposal of a subsidiary is the difference between the net proceeds and the Group's share of its net assets.

(e) Goodwill on Consolidation

Goodwill on consolidation represents the excess of the fair value of purchase consideration over the Group's share of the fair values of the identifiable net assets of the subsidiaries at the date of acquisition.

In the previous financial year, the goodwill arising from the acquisition of a single-asset entity, Jernih Makmur Sdn. Bhd., which carried an intangible asset in relation to concession rights was deemed to have a finite useful life and was therefore amortised in direct proportion as that used to amortise the concession rights.

In accordance with FRS 3 - Business Combinations, goodwill shall be measured at cost less any accumulated impairment losses. The Group adopted this accounting policy during the current financial year. Accordingly, the change in accounting policy has been adjusted prospectively as allowed by FRS 108 - Accounting Policies, Changes in Accounting Estimates and Errors, as it is impracticable to determine the effect of any impairment based on the circumstances that existed at the previous respective balance sheet dates.

Goodwill is now measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in the consolidated income statement. An impairment loss recognised for goodwill is not reversed in a subsequent period.

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Concession Rights

Concession rights represent the initial costs incurred in obtaining the exclusive right to fell, extract and harvest merchantable timber logs from the concession areas granted under the timber concession agreement.

Following initial recognition, concession rights are stated at revalued amount which is the fair value at the date of the revaluation less accumulated amortisation and any accumulated impairment losses. Fair value is determined by reference to the market valuation performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and the category of the properties being valued. Any revaluation surplus is credited to the revaluation reserve included within equity. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained profits.

Concession rights are assessed to have finite useful lives and are amortised in proportion to timber resources in the concession area based on the amount of tonnes logged every year. The total timber resources derived are based on estimates provided by professional foresters at the point of acquisition. The concession rights are also assessed for impairment whenever there is an indication that they may be impaired. The amortisation period and method are reviewed at least at each balance sheet date.

(g) Investments in Subsidiaries and Joint Ventures

The investments in subsidiaries and joint ventures are stated at cost in the balance sheet of the Company, and are reviewed for impairment at the end of the financial year if events or changes in circumstances indicate that their carrying values may not be recoverable.

On the disposal of the investments in subsidiaries and joint ventures, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

(h) Jointly Controlled Operations

The Group has an interest in joint ventures which are jointly controlled operations. The operation of the joint ventures involves the use of assets and other resources of the venturers. The joint venture agreements provide a means by which the Group will share the revenue and any expenses incurred by the joint venture operations.

The Group recognises its interest in the joint ventures using proportionate consolidation. The Group combines its share of income and expenses of the joint ventures with similar items, line by line, in its consolidated financial statements and recognises the assets that it controls and the liabilities that it incurs. The results of the joint venture operations are prepared for the same reporting year as the Group, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Jointly Controlled Operations (Cont'd)

When the Group contributes or sells assets to the joint ventures, any portion of gain or loss from the transactions is recognised based on the substance of the transaction. When the Group purchases assets from the joint ventures, the Group does not recognise its share of the profits of the joint ventures from the transaction until it resells the assets to an independent party.

The joint ventures are proportionately consolidated until the date on which the Group ceases to have joint control over the joint ventures.

(i) Equipment

Equipment is stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives.

Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Computer equipment	25%
Electrical fittings	10%
Furniture and fittings	10%
Motor vehicles	10%
Office equipment	10%
Renovation	10%

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at each balance sheet date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the plant and equipment.

The Group revised the residual values and the estimated useful lives of certain equipment with effect from 1 January 2008. The revisions were accounted for prospectively as a change in accounting estimates and as a result, the depreciation charge of the Group and of the Company for the current financial year was reduced by RM109,229 and the loss for the financial year decreased by the same amount.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is included in the income statement in the year the asset is derecognised.

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Impairment of Assets

The carrying amounts of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at each balance sheet date for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' net selling price and its value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is charged to the income statement immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to the revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(k) Assets under Hire Purchase or Finance Lease

Equipment acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 6(i) above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are allocated to the income statement over the periods of the respective hire purchase agreements.

(l) Operating Leases – The Group as Lessor

Assets leased out under operating leases are presented on the balance sheet according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease as set out in Note 6(y)(iii)

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Initially Investment properties measured at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is charged to the income statement; any amount in the revaluation reserve relating to that investment property is transferred to retained profits.

(n) Non-Current Assets Held For Sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets or components of a disposal group are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets or disposal group are measured at the lower of their carrying amount and fair value less cost to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in income statement. Gains are not recognised in excess of any cumulative impairment loss.

(o) Property Development Costs

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

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

When the financial outcome of a development activity can be reliably estimated, the amount of property revenues and expenses recognised in the income statement are determined by reference to the stage of completion of development activity at the balance sheet date.

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 will be recoverable. The property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Property Development Costs (Cont'd)

Where it is probable that property development costs will exceed property development revenue, any expected loss is recognised as an expense in the income statement immediately, including costs to be incurred over the defects liability period.

(p) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

(q) Payables

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

(r) Provisions

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

(s) Income Taxes

Income taxes for the year comprise current and deferred tax.

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

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Income Taxes (Cont'd)

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are 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 the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

(t) Interest-bearing Borrowings

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

Borrowing costs directly attributable to the acquisition and construction of development properties and property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

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

(u) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(w) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(x) Related Parties

A party is related to an entity if:-

(a) directly, or indirectly through one or more intermediaries, the party:-
  (i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
  (ii) has an interest in the entity that gives it significant influence over the entity; or
  (iii) has joint control over the entity;
(b) the party is an associate of the entity;
(c) the party is a joint venture in which the entity is a venturer;
(d) the party is a member of the key management personnel of the entity or its parent;
(e) the party is a close member of the family of any individual referred to in (a) or (d);
(f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
(g) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(y) Revenue Recognition

(i) Sale of Timber

Revenue is recognised upon delivery of goods and customers' acceptance and where applicable, net of sales tax, returns and trade discounts.

(ii) Property Development

Revenue from property development is recognised from the sale of completed and uncompleted development properties.

Revenue from the sale of completed properties is recognised when the sale is contracted.

Revenue on uncompleted properties contracted for sale is recognised based on the stage of completion method unless the outcome of the development cannot be reliably determined in which case the revenue on the development is only recognised to the extent of development costs incurred that are recoverable.

The stage of completion is determined based on the proportion that the development costs incurred for work performed to date bear to the estimated total development costs.

(iii) Rental Income

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

(iv) Interest Income

Interest income is recognised on an accrual basis.

(z) Segmental Information

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of equipment (net of accumulated depreciation, where applicable), investment property, property development costs, intangible assets, receivables, fixed deposits with licensed financial institutions and cash and cash balances.

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 revenues, expenses and results include transfers between segments. The prices charged on intersegment transactions are based on normal commercial terms. These transfers are eliminated on consolidation.

7. EQUIPMENT

THE GROUP	AT 1.1.2008 RM'000	ADDITIONS RM'000	RECLASSIFICATION RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2008 RM'000
2008					
NET BOOK VALUE					
Computer and office equipment	34	12	-	(25)	21
Electrical fittings	34	-	(26)	(1)	7
Furniture and fittings	335	3	13	(50)	301
Motor vehicles	432	-	-	(63)	369
Office equipment	348	2	13	(52)	311
Renovation	131	-	-	(17)	114
	1,314	17	-	(208)	1,123

THE GROUP	AT 1.1.2007 RM'000	ADDITIONS RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2007 RM'000
2007				
NET BOOK VALUE				
Computer and office equipment	52	10	(28)	34
Electrical fittings	35	-	(1)	34
Furniture and fittings	384	-	(49)	335
Motor vehicles	465	-	(33)	432
Office equipment	400	1	(53)	348
Renovation	148	-	(17)	131
	1,484	11	(181)	1,314

7. EQUIPMENT (CONT'D)

At 31.12.2008	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
Computer and office equipment	129	(108)	21
Electrical fittings	13	(6)	7
Furniture and fittings	502	(201)	301
Motor vehicles	860	(491)	369
Office equipment	522	(211)	311
Renovation	171	(57)	114
	2,197	(1,074)	1,123
At 31.12.2007			
Computer and office equipment	117	(83)	34
Electrical fittings	39	(5)	34
Furniture and fittings	486	(151)	335
Motor vehicles	860	(428)	432
Office equipment	507	(159)	348
Renovation	171	(40)	131
	2,180	(866)	1,314

THE COMPANY	AT 1.1.2008 RM'000	ADDITIONS RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2008 RM'000
2008				
NET BOOK VALUE				
Computer and office equipment	22	13	(14)	21
Electrical fittings	7	-	-	7
Furniture and fittings	130	-	(20)	110
Motor vehicles	433	-	(63)	370
Office equipment	19	3	(3)	19
Renovation	50	-	(8)	42
	661	16	(108)	569

7. EQUIPMENT (CONT'D)

THE COMPANY	AT 1.1.2007 RM'000	ADDITIONS RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2007 RM'000
2007				
NET BOOK VALUE				
Computer and office equipment	28	10	(16)	22
Electrical fittings	8	-	(1)	7
Furniture and fittings	149	-	(19)	130
Motor vehicles	465	-	(32)	433
Office equipment	22	1	(4)	19
Renovation	58	-	(8)	50
	730	11	(80)	661

At 31.12.2008	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
Computer and office equipment	83	(62)	21
Electrical fittings	12	(5)	7
Furniture and fittings	189	(79)	110
Motor vehicles	860	(490)	370
Office equipment	36	(17)	19
Renovation	75	(33)	42
	1,255	(686)	569
At 31.12.2007			
Computer and office equipment	70	(48)	22
Electrical fittings	12	(5)	7
Furniture and fittings	189	(59)	130
Motor vehicles	860	(427)	433
Office equipment	33	(14)	19
Renovation	75	(25)	50
	1,239	(578)	661

The net book value of the motor vehicles of the Group and of the Company acquired under hire purchase terms amounted to approximately RM369,000 (2007 - RM432,000) at the balance sheet date.

8. INVESTMENT PROPERTY

	THE GROUP	
	2008 RM'000	2007 RM'000
At fair value		
At 1 January	82,000	82,000
Transfer from property development costs (Note 11)	-	5,308
Fair value adjustments for the financial year	-	692
Reclassified as non-current assets held for sale (Note 16)	-	(6,000)
At 31 December	82,000	82,000

The investment property has been pledged as security to financial institutions for banking facilities granted to the subsidiary.

9. INTANGIBLE ASSETS

	THE GROUP	
	2008 RM'000	2007 RM'000 (restated)
Concession rights	31,649	32,833
Goodwill on consolidation	4,654	5,071
	36,303	37,904

9. INTANGIBLE ASSETS (CONT'D)

	THE GROUP	
	2008 RM'000	2007 RM'000 (restated)
Concession Rights		
Cost		
At 1 January	38,745	42,243
Partial disposal during the financial year	-	(3,498)
At 31 December	38,745	38,745
Accumulated amortisation:		
At 1 January	5,912	5,861
Amortisation for the financial year	1,184	51
At 31 December	7,096	5,912
Net carrying amount	31,649	32,833
Goodwill on Consolidation		
Net of amortisation		
At 1 January	5,071	5,071
Impairment during the financial year	(417)	-
At 31 December	4,654	5,071

9. INTANGIBLE ASSETS (CONT'D)

The goodwill has been allocated to the Group's cash-generating units ("CGU") identified according to business segments as follows:

	THE GROUP	
	2008 RM'000	2007 RM'000
Timber concession	4,654	4,654
Investment property	-	417
	4,654	5,071

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a period of less than five years using estimated growth rates which are based on past performance and their expectations of market developments and are discounted at a pre-tax discount rate of 10%.

In assessing the value-in-use, the management is of the view that no foreseeable changes to their assumptions would cause the carrying amount of the CGU to materially exceed its recoverable amount.

10. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2008 RM'000	2007 RM'000
Unquoted shares at cost	78,570	78,570
Less: Accumulated impairment losses	(5,070)	(5,070)
	73,500	73,500

10. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name Of Company	Effective Equity Interest 2008	Effective Equity Interest 2007	Principal Activity
Angkasa Lampiran Sdn. Bhd.	100%	100%	Property development
Bitarex Sdn. Bhd.	100%	100%	Property development
Consistent Harvest Sdn. Bhd.	100%	100%	Property management
Jernih Makmur Sdn. Bhd.	100%	100%	Logging and selling round end timber logs
NAIMKBB Berhad (formerly known as Kewangan Bersatu Berhad) *	100%	-	Dormant
Ni-Corp Oil & Gas Technologies Sdn. Bhd. *	100%	100%	Dormant

* - Not audited by Messrs. Horwath

As disclosed in Note 6(d), subsidiaries are entities over which the Group has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities. On 4 January 1999, pursuant to the Banking and Financial Institutions (Kewangan Bersatu Berhad) (Assumption of Control) Order, 1998 issued by the Minister of Finance, Bank Negara Malaysia ("BNM") assumed control of the whole property, business and affairs of Kewangan Bersatu Berhad ("KBB") and its subsidiaries, KBB Nominees (Tempatan) Sdn. Bhd. and KBB Properties Sdn. Bhd. ("KBB Group"), a Group which was wholly-owned by the Company.

Accordingly, the financial statements of KBB Group had not been consolidated in the preparation of the consolidated financial statements in the previous financial years as the directors were of the opinion that the Company had lost effective control in KBB Group.

The Company's investment in KBB had been fully impaired in prior years.

As a result of the events further detailed in Note 43 to the financial statements, at the balance sheet date, KBB Nominees (Tempatan) Sdn. Bhd. and KBB Properties Sdn. Bhd. had been fully disposed of to Malayan Banking Berhad. KBB remains a subsidiary of the Company.

On 6 April 2009, Kewangan Bersatu Berhad changed its name to NAIMKBB Berhad.

11. PROPERTY DEVELOPMENT COSTS

	THE GROUP 2008 RM'000	2007 RM'000
At cost		
At 1 January		
- freehold land	-	4,255
- development costs	-	8,723
	-	12,978
Costs incurred during the financial year		
- freehold land	-	742
- development costs	-	1,033
	-	1,775
Transferred to investment property (Note 8)		
- freehold land	-	(2,940)
- development costs	-	(2,368)
	-	(5,308)
Transferred from non-current assets held for sale (Note 16)		
- freehold land	2,209	-
- development costs	81	-
	2,290	-
At 31 December		
- freehold land	2,209	2,057
- development costs	81	7,388
	2,290	9,445
Balance carried forward	2,290	9,445

11. PROPERTY DEVELOPMENT COSTS (CONT'D)

	THE GROUP	
	2008 RM'000	2007 RM'000
Balance brought forward	2,290	9,445
Costs recognised as an expense in the income statement		
At 1 January	-	8,435
Recognised during the financial year	-	1,010
At 31 December	-	9,445
Property development costs	2,290	-

The freehold land has been pledged as security to financial institutions for banking facilities granted to the subsidiary.

12. TRADE RECEIVABLES

	THE GROUP	
	2008 RM'000	2007 RM'000
Trade receivables	5,006	1,514
Less: Allowance for doubtful debts	(277)	(73)
	4,729	1,441
Allowance for doubtful debts		
At 1 January	(73)	(73)
Addition for the financial year	(204)	-
At 31 December	(277)	(73)

The Group's normal trade credit terms range from 30 to 60 days (2007 - 30 days). Other credit terms are assessed and approved on a case-by-case basis.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Sundry receivables				
- investment and advances to joint venture projects	14,808	13,201	14,808	13,201
- others	6,984	5,128	584	328
	21,792	18,329	15,392	13,529
Deposits				
- for proposed joint venture	-	2,000	-	2,000
- others	601	132	20	42
	601	2,132	20	2,042
Other receivables				
Amount owing by subsidiaries	-	-	43,367	44,661
Less: Allowance for doubtful debts	-	-	(1,587)	(1,587)
	-	-	41,780	43,074
Prepayments	44	105	14	-
	22,437	20,566	57,206	58,645

(a) Investment and advances to joint venture projects

(i) Joint venture with Creative Springs Sdn. Bhd. ("CSSB")

In 2006, the Company entered into a joint venture agreement with CSSB, a company incorporated in Malaysia, to form an unincorporated joint venture, known as NICORP-CREATIVE JV, to jointly construct 139 units of shop office in Kota Bahru, Kelantan Darul Naim. The salient terms of the joint venture agreement dated 9 November 2006 are as follows:-

(i) the Company was required to provide an advance of RM2.5 million and a bridging loan of not more than RM4.0 million as working capital for the property development project;

(ii) the Company is entitled to share 50% of the risks and rewards arising therefrom.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

(a) Investment and advances to joint venture projects (Cont'd)

(i) Joint venture with Creative Springs Sdn. Bhd. ("CSSB") (Cont'd)

The Group and Company's share of the revenue, income and expenses from NICORP-CREATIVE JV are follows:

	THE GROUP / THE COMPANY	
	2008	**2007**
	RM'000	**RM'000**
Share of revenue	636	4,068
Share of property development costs	(384)	(3,452)
Share of other income	117	121
Share of administrative and other expenses	(276)	(409)
Share of profit	93	328

The investment and advances to NICORP-CREATIVE JV amounting to RM8.3 million (2007 - RM6.7 million) are interest-free, unsecured and repayable on demand. The investment and advances are to be settled in cash.

(ii) Joint venture with Noble Residence Sdn. Bhd. ("NRSB")

In the previous financial year, the Company had entered into a joint venture agreement dated 24 December 2007 with NRSB, a company incorporated in Malaysia, to form an unincorporated joint venture, known as NICORP-NOBLE JV, to jointly develop a piece of land in Kota Bahru, Kelantan Darul Naim, into a new township comprising a hypermarket, hotel and shops. Pursuant to the joint venture agreement, the Company is required to invest RM6.6 million for the entire development period of 3 years and is entitled to share 70% of the risks and rewards arising therefrom. NICORP-NOBLE JV is in the process of procuring the necessary approvals from the relevant authorities for the new township.

The advances to NICORP-NOBLE JV amounting to RM6.5 million (2007 - 6.5 million) are placed with a stakeholder bearing interest at rate of 2.50% (2007 - 2.50%) per annum at the balance sheet date. Pursuant to the joint venture agreement, the Company has the right to dispose of the land held by NRSB in the event of failure by NRSB to obtain the necessary approvals within the conditional period.

(b) Deposits for proposed joint venture

In prior years, the company entered into a joint venture agreement with Uzma Engineering Sdn. Bhd., a company incorporated in Malaysia. The joint venture agreement was to form an unincorporated joint venture, known as Nicorp-Uzma JV, to jointly provide goods and services to the oil and gas industry. The remaining deposit of RM2.0 million was recovered by way of a deed of revocation and mutual release of parties to the proposed joint venture in the previous financial year.

(c) Amount owing by subsidiaries

The amount owing by subsidiaries is non-trade in nature, unsecured, interest-free and repayable on demand. The amount is to be settled in cash.

14. FIXED DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The fixed deposits with licensed financial institutions of the Group and of the Company are pledged as securities for:

(i) A bank guarantee in favour of a joint venture project; and
(ii) Utility deposits of the investment property owned by the Group.

The fixed deposits bore an effective interest rate of 3.10% (2007 - 3.10%) per annum at the balance sheet date. The fixed deposits have an average maturity period of 30 days (2007 - 30 days).

15. CASH AND BANK BALANCES

Included in cash and bank balances of the Group is an amount of RM6,941 (2007 - RM2,723) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 which cannot be used for other operations.

16. NON-CURRENT ASSETS HELD FOR SALE

	THE GROUP	
	2008 RM'000	**2007 RM'000**
At 1 January	6,000	-
Transferred from investment property (Note 8)	-	6,000
Impairment loss	(3,710)	-
	2,290	6,000
Transferred to property development costs (Note 11)	(2,290)	-
At 31 December	-	6,000

On 19 December 2007, the Group entered into a Sale and Purchase Agreement (SPA) with a third party for the disposal of a piece of freehold land described as HS(D) 102570 P.T. No. 19434 of Mukim Ampangan, District Seremban of Negeri Sembilan measuring approximately 6.4 acres, together with an approved development plan and layout plan for 35 units of double storey terrace houses and 21 units of terrace shop houses, for a total cash consideration of RM6,000,000 of which an amount of RM120,000 had been received upon the execution of the SPA and the remaining cash consideration of RM5,880,000 to be paid within 6 months commencing from 1 January 2008.

The transaction was revoked during the financial year with the issuance of a Deed of Revocation as the third party failed to pay the balance of the purchase consideration in accordance with the SPA. Consequently, the assets have been written down to their recoverable amounts and reclassified to property development costs (Note 8) as the Group intends to develop the property.

17. SHARE CAPITAL

	THE COMPANY			
	2008	2007	2008	2007
	NUMBER OF SHARES ('000)		RM'000	RM'000
ORDINARY SHARES OF RM0.20 EACH:				
Authorised	2,500,000	2,500,000	500,000	500,000
Issued and fully paid	702,034	702,034	140,407	140,407

18. DEFERRED TAX

	THE GROUP	
	2008 RM'000	2007 RM'000 (restated)
At 1 January	4,309	5,085
Recognised in the income statement (Note 30)	-	(776)
At 31 December	4,309	4,309

The deferred tax consists of the tax effects of the following items:-

	THE GROUP	
	2008 RM'000	2007 RM'000 (restated)
Deferred tax liabilities:-		
Accelerated capital allowances	86	53
Fair value adjustment on concession rights	4,309	4,309
	4,395	4,362
Deferred tax asset:-		
Unabsorbed capital allowances	(86)	(53)
	4,309	4,309

No deferred tax assets are recognised on the following items at the balance sheet date:-

	THE GROUP	
	2008 RM'000	2007 RM'000
Unabsorbed capital allowances	133	71
Unutilised tax losses	62,663	61,016
Other temporary differences	204	-
	63,000	61,087

19. LONG-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
SECURED:				
Hire purchase payables (Note 20)	319	409	319	409
Term loans (Note 21)	11,927	4,508	-	-
	12,246	4,917	319	409

20. HIRE PURCHASE PAYABLES

	THE GROUP / THE COMPANY	
	2008 RM'000	2007 RM'000
Minimum hire purchase payments:		
- not later than one year	112	112
- later than one year and not later than five years	350	461
	462	573
Future finance charges	(53)	(81)
Present value of hire purchase payables	409	492
Current:		
- not later than one year (Note 23)	90	83
Non-current:		
- later than one year and not later than five years (Note 19)	319	409
	409	492

The hire purchase payables of the Group and of the Company bore an effective interest rate of 3.64% (2007 - 3.64%) per annum at the balance sheet date.

21. TERM LOANS

	THE GROUP	
	2008	2007
	RM'000	RM'000
SECURED:		
Not later than one year (Note 23)	2,393	3,431
Later than one year and not later than five years (Note 19)	11,927	4,508
	14,320	7,939

(a) The term loans of the Group bore an effective interest rate of 7.67% (2007 - 7.86%) per annum at the balance sheet date and are secured by way of:

(i) a first and third party legal charge created on the land owned by a subsidiary, Bitarex Sdn. Bhd.;

(ii) a debenture incorporating a fixed and floating charge over all present and future assets of a subsidiary, Angkasa Lampiran Sdn. Bhd ("ALSB");

(iii) a first and third party legal charge created on the investment property owned by a subsidiary, Consistent Harvest Sdn. Bhd. ("CHSB");

(iv) an equitable assignment of all present and future monthly rental proceeds derived from the investment property owned by CHSB;

(v) a joint and several guarantee of all the directors of ALSB; and

(vi) a corporate guarantee of the Company.

(b) During the financial year, the Group had negotiated and restructured one of its term loan facilities. The salient terms of the restructured loan, as per the letter from the financial institution dated 8 September 2008, are as follows:-

(i) the bank has revised the settlement sum to RM5.084 million, and this resulted in an additional settlement charge of RM3.168 million being recognised in the income statement for the restructured loan;

(ii) the new repayment terms are as follows:-

a. payment of RM2,156,000 by way of redemption of 46 units of property within 2 years from the date of acceptance of the revised letter of offer; and
b. a lump sum settlement of RM344,336.

(iii) if the Group adheres to the repayment terms as set out in (ii) above, the Group would be entitled to a waiver amounting to approximately RM2.6 million at the end of the tenure of the restructured loan.

The waiver under (b)(iii) above is a contingent asset of the Group, and this would be recognised on a receipt basis when the Group fulfills its obligations pursuant to the restructured loan at the end of the tenure of the restructured loan.

At the balance sheet date, the balance of the lump sum settlement outstanding amounted to RM194,336 and has been classified as the current portion of the term loans which is repayable within one year.

22. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 60 days (2007 - 30 days).

23. SHORT-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
SECURED:				
Hire purchase payables (Note 20)	90	83	90	83
Term loans (Note 21)	2,393	3,431	-	-
	2,483	3,514	90	83

24. BANK OVERDRAFTS

The bank overdrafts of the Group bore an effective interest rate of 7.50% (2007 - 7.67%) per annum at the balance sheet date and are secured in the same manner as the term loans disclosed in Note 21 (a)(iii), (iv) and (vi) to the financial statements.

25. NET ASSETS PER SHARE

The net assets per share of the Group is calculated based on the net assets value at the balance sheet date divided by the number of ordinary shares in issue at the balance sheet date.

	THE GROUP	
	2008	2007
Net assets (RM'000)	124,540	134,188
Number of ordinary shares in issue ('000)	702,034	702,034
Net assets per share (RM)	0.18	0.19

26. REVENUE

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Property development	-	1,013	-	-
Share of revenue from a joint venture project	636	4,067	636	4,067
Sale of timber	4,331	337	-	-
Rental income from investment property	3,773	3,636	-	-
Management fees from subsidiaries	-	-	905	-
	8,740	9,053	1,541	4,067

27. COST OF SALES

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Property development costs	-	1,010	-	-
Share of property development costs from a joint venture project	384	3,452	384	3,452
Cost of good sold	3,114	168	-	-
Maintenance cost of investment property	2,352	2,347	-	-
	5,850	6,977	384	3,452

28. OTHER INCOME

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Interest income:				
- fixed deposits with licensed financial institutions	230	197	221	167
- late payment from purchasers	117	107	117	107
Gain on partial disposal of concession rights	-	1,502	-	-
Fair value adjustments of investment property	-	692	-	-
Others	220	63	99	15
	567	2,561	437	289

Included in other income of the Group and of the Company is an amount of RM117,037 (2007 - RM121,717) being share of other income from a joint venture project as disclosed in Note 13 to the financial statements.

The gain on the partial disposal of the concession rights in the previous financial year was stated net of RM3,498,000 being the cost of the partial disposal of the concession rights.

29. LOSS BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Loss before taxation is arrived at after charging the following:-				
Allowance for doubtful debts	204	-	-	-
Amortisation of concession rights	1,184	51	-	-
Amortisation of goodwill	-	523	-	-
Audit fee:				
- statutory audit	77	83	45	49
- underprovision in the previous financial year	-	5	-	-
- other non-statutory services	6	6	6	6
Depreciation of equipment	208	181	108	80
Directors' remuneration (Note 33)	323	403	323	403
Gross settlement charge (Note 21)	3,168	-	-	-
Impairment loss:				
- goodwill	417	-	-	-
- property (Note 16)	3,710	-	-	-
Interest expense:				
- bank overdrafts	144	29	-	-
- term loans	778	581	-	-
- hire purchase	28	33	28	33
Rental of equipment	163	162	163	162
Rental of premises	6	5	6	5
Share of administrative expenses from a joint venture project	276	409	276	409
Staff costs	1,687	2,041	1,687	1,137

30. INCOME TAX EXPENSE/(BENEFIT)

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000 (restated)	2008 RM'000	2007 RM'000
Current tax:				
- for the financial year	257	43	-	-
- underprovision in the previous financial year	-	73	-	-
	257	116	-	-
Deferred tax (Note 18):				
- relating to origination and reversal of temporary differences	-	(523)	-	-
- change in statutory tax rate	-	(208)	-	-
- overprovision in the previous financial year	-	(45)	-	-
	-	(776)	-	-
	257	(660)	-	-

The Company is not subject to tax as it is in a tax loss position.

During the current financial year, the statutory tax rate was reduced from 27% to 26%, as announced in the Malaysian Budget 2007.

30. INCOME TAX EXPENSE/(BENEFIT) (CONT'D)

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

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000 (restated)	2008 RM'000	2007 RM'000
Loss before taxation	(9,391)	(272)	(1,609)	(1,741)
Tax at the statutory tax rate of 26% (2007 - 27%)	(2,442)	(73)	(418)	(470)
Tax effects of:				
Non-taxable income	(31)	(1,413)	-	-
Non-deductible expenses	2,266	474	65	107
Deferred tax assets not recognised during the financial year	510	648	353	363
Utilisation of deferred tax assets not recognised in the previous financial year	(13)	(116)	-	-
Under/(Over)provision in the previous financial year				
- current tax	-	73	-	-
- deferred tax	-	(45)	-	-
Effect of change in tax rate on deferred tax	-	(208)	-	-
Others	(33)	-	-	-
Income tax expense/(benefit) for the financial year	257	(660)	-	-

31. BASIC (LOSS)/EARNINGS PER ORDINARY SHARE

Basic (loss)/earnings per ordinary share has been calculated based on the Group's net (loss)/profit attributable to the equity holders of the Company for the financial year divided by the number of ordinary shares in issue at the balance sheet date.

	THE GROUP	
	2008	**2007**
Net (loss)/profit attributable to the equity holder of the Company (RM'000)	(9,648)	388
Number of ordinary shares in issue ('000)	702,034	702,034
(Loss)/Earnings per share (Sen)	(1.37)	0.06

32. CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statements, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2008 RM'000	**2007 RM'000**	**2008 RM'000**	**2007 RM'000**
Fixed deposits with licensed financial institutions	1,856	1,804	1,578	1,527
Cash and bank balances	176	677	127	323
Bank overdrafts	(2,688)	(2,722)	-	-
	(656)	(241)	1,705	1,850

33. DIRECTORS' REMUNERATION

	THE GROUP / THE COMPANY	
	2008 RM'000	**2007 RM'000**
Executive directors:		
- fees	288	328
- other emoluments	35	35
	323	363
Non-Executive directors:		
- fees	-	40
	323	403

33. DIRECTORS' REMUNERATION (CONT'D)

The remuneration received/receivable by directors from the Group and the Company during the financial year falls within the following bands:-

	THE GROUP / THE COMPANY	
	2008	**2007**
Executive directors:		
RM50,001 - RM100,000	1	1
RM200,001 - RM250,000	1	1
	2	2
Non-Executive directors:		
Below RM50,000	-	2
	2	4

34. RELATED PARTY DISCLOSURES

(a) Identities of related parties:-

(i) its subsidiaries as disclosed in Note 10 to the financial statements;

(ii) the directors who are the key management personnel;

(iii) the joint venture in which the Company is the venturer.

34. RELATED PARTY DISCLOSURE (CONT'D)

(b) In addition to the information disclosed elsewhere in the financial statements, the Group and the Company carried out the following transactions with its related parties during the financial year:

		THE GROUP		THE COMPANY	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
(i)	Subsidiaries				
	- management fee	-	-	905	-
(ii)	Key management personnel (including directors):				
	- short-term employee benefits	323	403	323	403
(iii)	Joint venture project, NICORP-CREATIVE JV				
	- share of net profit	93	328	93	328
	- advances to	2,358	10,951	2,358	10,951
	- repayment from	751	-	751	-
(iv)	Joint venture partner				
	- deposits paid for purchase of properties	500	-	-	-

35. OPERATING LEASES

The Group as a lessor

The Group had entered into a non-cancellable operating lease agreement on its investment property. These leases have remaining non-cancellable lease terms of between one and three years. All leases include a clause to enable the upward revision of the rental charged on an annual basis based on the prevailing market conditions and certain contracts also includes contingent rental arrangements computed based on the sales achieved by the tenants.

35. OPERATING LEASES (CONT'D)

The future minimum lease payments receivable under the non-cancellable operating leases contracted for as at the balance sheet date but not recognised as receivables are as follows:

	THE GROUP	
	2008	**2007**
	RM'000	**RM'000**
No later than 1 year	1,792	2,073
Later than 1 year but not later than 3 years	27	307
	1,819	2,380

36. CAPITAL COMMITMENTS

	THE GROUP / THE COMPANY	
	2008	**2007**
	RM'000	**RM'000**
Investment and advances to joint venture projects		
Approved and contracted for:		
- NICORP-CREATIVE JV	-	300
- NICORP-NOBLE JV	66	66
	66	366
Property		
Approved and contracted for	35	-

37. CONTINGENT LIABILITIES

	THE COMPANY	
	2008	**2007**
	RM'000	**RM'000**
Indemnities given to third parties in respect of bank guarantee	-	1,500
Corporate guarantees given to licensed bank for banking facilities granted to a subsidiary	12,074	8,923
	12,074	10,423

38. CONTINGENT ASSET

Pursuant to a Profit Guarantee Agreement, Arus Murni Sdn. Bhd. ("AMSB"), a previous shareholder of the Company guaranteed that the profit before tax of KBB should not be less than RM30,192,000 for the financial year ended 31 December 1997 to 1999. As at 31 December 1997, 1998 and 1999, there were shortfalls in the guaranteed profit amounting to RM134,321,000, RM359,286,000 and RM102,948,000 respectively.

The Company initiated legal action for the recovery of the shortfall in the guaranteed profit of RM134,321,000 for the financial year ended 31 December 1997 and obtained judgement from the High Court in favour of the Company. The Company's solicitors served the judgement on AMSB on 15 January 2003 and the solicitors had been requested to carry out a search on AMSB to ascertain whether or not AMSB was in a financial position to honour the judgement sum. The Group and the Company decided that the next course of action was to proceed with the filing of the winding-up petition of AMSB. On a prudent basis, the recovery of the judgement sum, if any, will be included in the financial statements of the Group and the Company on a receipt basis.

39. SEGMENTAL REPORTING

2008	Property Development RM'000	Timber Concession RM'000	Investment Property Holding RM'000	Investment Holding And Others RM'000	Elimination RM'000	Group RM'000
REVENUE						
External sales	636	4,331	3,773	-	-	8,740
Inter-segment sales	-	-	-	905	(905)	-
	636	4,331	3,773	905	(905)	8,740
RESULTS						
Segment results	(4,061)	(595)	441	(1,675)	617	(5,273)
Finance costs	(3,232)	-	(858)	(28)	-	(4,118)
Loss before taxation						(9,391)
Income tax expense						(257)
Loss after taxation						(9,648)
ASSETS						
Segment assets	11,055	43,660	83,267	132,980	(120,048)	150,914
LIABILITIES						
Segment liabilities	17,074	21,729	35,542	584	(48,752)	26,177
OTHER INFORMATION						
Allowance for doubtful debts	-	-	204	-	-	204
Amortisation of concession rights	-	1,184	-	-	-	1,184
Depreciation	2	11	87	108	-	208
Impairment loss	-	3,710	417	-	-	4,127
Gross settlement charge	-	3,168	-	-	-	3,168

39. SEGMENTAL REPORTING (CONT'D)

2007 (restated)	Property Development RM'000	Timber Concession RM'000	Investment Property Holding RM'000	Investment Holding And Others RM'000	Elimination RM'000	Group RM'000
REVENUE						
External sales	5,080	337	3,636	-	-	9,053
Inter-segment sales	-	-	-	-	-	-
	5,080	337	3,636	-	-	9,053
RESULTS						
Segment results	640	1,375	915	(2,036)	(1,303)	(409)
Finance costs	(180)	-	(430)	(33)	-	(643)
Loss before taxation						(1,052)
Income tax expense						1,440
Profit after taxation						388
ASSETS						
Segment assets	8,793	35,050	83,782	134,655	(110,574)	151,706
LIABILITIES						
Segment liabilities	7,426	16,968	36,019	648	(43,732)	17,329
OTHER INFORMATION						
Amortisation of concession rights	-	51	-	-	-	51
Amortisation of goodwill	-	-	-	-	523	523
Depreciation	1	12	88	80	-	181
Fair value adjustment	692	-	-	-	-	692

The revenue of the Group is derived mainly from customers located in Malaysia. The Group's assets are wholly located in Malaysia and the cost to acquire property, plant and equipment arose in Malaysia.

40. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced sale or liquidation.

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

(a) Cash and Bank Balances and Other Short-Term Receivables/Payables

The carrying amounts approximated their fair values due to the relatively short-term maturity of these investments.

(b) Unquoted Investments

It is not practicable to determine the fair values of unquoted investments due principally to a lack of quoted market prices and the assumptions used in valuation models to value these investments cannot be reasonably determined. However, the Group believes that the carrying amount represents the recoverable amount.

(c) Long-Term Borrowings

The carrying amounts approximated the fair values of these instruments. The fair values of the long-term borrowings are determined by discounting the relevant cash flows using the current interest rates for similar instruments at the balance sheet date.

(d) Contingent Liabilities

The nominal amount and net fair value of financial instruments not recognised in the balance sheets of the Company are as follows:

	NOTE	Nominal Amount RM'000	Net Fair Value RM'000
THE COMPANY			
At 31 December 2008			
In respect of corporate guarantees given to licensed banks for banking facilities granted to a subsidiary	37	12,074	*

* - The net fair value of the contingent liabilities is estimated to be minimal as the subsidiaries are expected to fulfill their obligations to repay their borrowings.

41. PRIOR YEAR ADJUSTMENTS

The prior year adjustments relate to an overstatement of deferred tax liabilities arising from the fair value adjustment on the consolidation of a subsidiary. The effects are made on a retrospective basis in accordance with FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors. Accordingly, certain comparatives have been restated as set out below. The restatement has no effect on both accumulated losses of the Group and of the Company's financial statements. The following comparative amounts have been restated as a result of the adjustments:-

	As Previously Reported RM'000	Increase/ (Decrease) RM'000	As Restated RM'000
THE GROUP			
Balance Sheet (Extract):-			
Intangible assets - goodwill on consolidation	8,942	(3,871)	5,071
Deferred tax liabilities	8,180	(3,871)	4,309
Income Statement (Extract):-			
Administrative expenses (Amortisation of goodwill)	4,742	(780)	3,962
Income tax benefit	1,440	(780)	660

42. COMPARATIVE FIGURES

In addition to those disclosed in Note 41 to the financial statements, the following comparative figures have been reclassified to conform with the presentation of the current financial year:-

	THE COMPANY	
	As Restated RM'000	As Previously Reported RM'000
Balance Sheet (Extract):-		
Non-Current Assets		
Other receivables	-	43,074
Current Assets		
Other receivables, deposits and prepayments	58,645	15,571

43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

KBB, which was a former subsidiary, was not previously consolidated for the reasons as disclosed in Note 10 the financial statements.

During the financial year, the Company was informed by BNM vide its letter dated 20 June 2008 that:

(a) After assuming control of KBB Group on 20 December 1998, BNM had obtained approval from the Minister of Finance pursuant to the Banking and Financial Institutions Act 1989 ("BAFIA") for Malayan Banking Berhad ("MBB") to acquire the whole of the assets and liabilities of KBB Group. The acquisition was completed through a vesting order by the Kuala Lumpur High Court on 30 September 2006;

(b) Following the completion of the acquisition of the assets and liabilities of KBB Group by MBB, BNM had obtained approval from the Minister of Finance to carry out the following:

   i. Cancellation of an order made by BNM on 30 December 1998 pursuant to Section 73(5) of BAFIA to relinquish control of KBB back to the Company; and

   ii. Revocation of the licence granted to KBB pursuant to Section 10(4) of BAFIA whereby KBB shall no longer be a licensed financial institution under BAFIA.

   The above orders have been gazetted and are effective 8 April 2008. Consequently, KBB is no longer allowed to use the word "kewangan" as part of its name. BNM granted KBB the extension of time to June 2009 to delete the word "Kewangan" from part of its name.

(c) With effect from 8 April 2008, the management and administration of KBB shall be the responsibility of the management and board of directors of KBB.

The letter from BNM further stated that KBB is now a "shelf" company.

Subsequent to the financial year end, MBB had informed the Company, vide its letter dated 15 January 2009, that MBB had acquired the two subsidiaries of KBB, namely, KBB Nominees (Tempatan) Sdn. Bhd. and KBB Properties Sdn. Bhd. pursuant to a Business Transfer Agreement between BNM, KBB and MBB dated 16 March 2006 and the Kuala Lumpur High Court (Commercial Division) Vesting Order Summons No. D1-24-535-06 dated 28 September 2006.

On 6 April 2009, Kewangan Bersatu Bhd changed its name to NAIMKBB Berhad.

NAIM INDAH CORPORATION BERHAD

(Company No. 19727-P)
(Incorporated in Malaysia)

PROXY FORM

CDS account no. of authorised nominee

I/We ____ (name of shareholder as per NRIC, in capital letters) IC No. / ID No. / Company No. ______________________________ (new) ________________ (old) of ____ (full address) being a member(s) of the abovenamed Company, hereby appoint ____ (name of proxy as per NRIC, in capital letters) IC No. ____ (new) ____ (old) of ____ (full address) or failing him/her ____ (name of proxy as per NRIC, in capital letters) IC No. _____________________________________ (new) _________________________ (old) of ____ (full address) failing him/her the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Thirty Fourth Annual General Meeting of the Company to be held at the Dynasty Ballroom, Level 5, Dynasty Hotel Kuala Lumpur, 218, Jalan Ipoh, 51200 Kuala Lumpur, on Friday, 26 June 2009 at 10.30 a.m. and at each and every adjournment thereof.

My/Our proxy is to vote as indicated below:

	RESOLUTIONS		**FOR**	**AGAINST**
1.	To receive the Statutory Financial Statements for the year ended 31 December 2008 and the Directors and Auditors Reports thereon.	Resolution 1		
2.	To re-elect Encik Ramli Bin Harun who retires pursuant to Article 79 of the Company's Articles of Association, and being eligible has offered himself for re-election.	Resolution 2		
3.	To re-elect the following directors who retire pursuant to Article 86 of the Company's Articles of Association, and being eligible have offered themselves for re-election:- (a) Mr. Chan Kwai Weng (b) Ms. Khoo Lay Wah	Resolution 3 Resolution 4		
4.	To re-appoint Messrs. Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration.	Resolution 5		
5.	To approve the re-appointment of Y. Bhg. Dato' Shamsir Bin Omar as Director of the Company pursuant to Section 129(6) of the Companies Act, 1965	Resolution 6		
6.	To authorise the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965	Resolution 7		

(Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.)

____
Signature/Common Seal

Number of shares held: ______________________

Date: ______________________

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

Notes:

1. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the Company and a member may appoint not more than two (2) proxies to attend the meeting. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. The provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.*

2. *Where a member of the Company is an authorised nominee as defined under the Securities Industries (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities account it holds with ordinary shares of the Company standing to the credit of the said Securities account.*

3. *Proxy Form duly completed must be deposited with the Company's Share Registrar, Tenaga Koperat Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time fixed for holding the meeting or any adjournment thereof.*

4. *A Corporation must complete the proxy form under its common seal or under the hand of a duly authorised officer or attorney. A proxy need not be a member of the company. The instrument appointing a proxy shall be deemed to confer authority to join in demanding a poll.*

5. *Unless voting instructions are indicated in the spaces provided the proxy may vote as he thinks fit.*

Please fold here to seal

Affix
Postage
Stamp

TENAGA KOPERAT SDN BHD

Level 17, The Gardens North Tower

Mid Valley City, Lingkaran Syed Putra

59200 Kuala Lumpur

Please fold here to seal