



WAWASAN TKH HOLDINGS BERHAD
(540218-A)

2008
ANNUAL REPORT



WAWASAN TKH HOLDINGS BERHAD
(540218-A)

Wisma TKH, Lot 6, Jalan Teknologi,
Taman Sains Selangor 1, Kota Damansara
47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
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Moving Ahead

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AKIMA

Corporate Information



BOARD OF DIRECTORS

DATO' TAN KIM HOR	<i>Executive Chairman</i>
DATO' TAN BOON PUN	<i>Executive Director / Chief Executive Officer</i>
DATO' TAN HOE PIN	<i>Executive Director</i>
DR. TAN BAN LEONG	<i>Executive Director</i>
MICHAEL LIM HEE KIANG	<i>Independent Non-Executive Director</i>
YAM DATUK SERI TENGKU AHMAD SHAH IBNI ALMARHUM SULTAN SALAHUDDIN ABDUL AZIZ SHAH	<i>Independent Non-Executive Director</i>
GEH CHENG HOOI	<i>Independent Non-Executive Director</i>

AUDIT COMMITTEE

Geh Cheng Hooi
(Chairman)
Independent Non-Executive Director

Michael Lim Hee Kiang
Independent Non-Executive Director

**YAM Datuk Seri Tengku Ahmad
Shah Ibni Almarhum Sultan
Salahuddin Abdul Aziz Shah**
Independent Non-Executive Director

REMUNERATION COMMITTEE

Michael Lim Hee Kiang
(Chairman)
Independent Non-Executive Director

Dato' Tan Boon Pun
Executive Director / Chief Executive Officer

NOMINATION COMMITTEE

Michael Lim Hee Kiang
(Chairman)
Independent Non-Executive Director

Dato' Tan Boon Pun
Executive Director / Chief Executive Officer

COMPANY SECRETARIES

Ng Yen Hoong (LS 008016)
Wong Peir Chyun (MAICSA 7018710)

REGISTERED OFFICE

Level 18,
The Gardens North Tower,
Mid Valley City,
Lingkar Syed Putra,
59200 Kuala Lumpur
Telephone: 03 – 2264 8888
Facsimile : 03 – 2282 2733

SHARE REGISTRAR

PFA Registration Services Sdn Bhd
Level 17,
The Gardens North Tower,
Mid Valley City,
Lingkar Syed Putra,
59200 Kuala Lumpur
Telephone: 03 – 2264 3883
Facsimile : 03 – 2282 1886

PRINCIPAL PLACE OF BUSINESS

Wisma TKH, Lot 6,
Jalan Teknologi,
Taman Sains Selangor 1,
Kota Damansara,
47810 Petaling Jaya,
Selangor Darul Ehsan
Telephone: 03 – 6286 0888
Facsimile : 03 – 6286 0997

AUDITOR

KPMG (Firm No. AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Telephone: 03 – 7721 3388
Facsimile : 03 – 7721 3399

PRINCIPAL BANKERS

Public Bank Berhad
EON Bank Berhad
AmBank (M) Berhad

STOCK EXCHANGE LISTING

Second Board of Bursa Malaysia
Securities Berhad



Chairman's Statement



Our Esteemed Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report of Wawasan TKH Holdings Berhad for the financial year ended 31 December 2008.

BUSINESS AND FINANCIAL REVIEW

The year 2008 proved to be a most challenging year, with more than a fair share of unprecedented events filled with uncertainties in both global market conditions and economic scenarios. We have seen wide fluctuations in crude oil prices that reached a record high of USD145 per barrel and then declined, in the same year, to a low of USD31 per barrel! Any hope of a quick recovery evaporated when the last quarter of the year saw developing financial crisis in several major advanced countries sparking off further deterioration.

Confronting all these adverse factors, the overall review of the financial year in consideration remains sufficiently resilient, albeit with the Group recording a lower revenue at RM95.6 million against RM104.7 million in the previous year, whilst registering a marginal lower net loss of RM24.4 million vis-à-vis a net loss of RM 24.5 million last year.

The Group's performance continues to be driven mainly by the manufacturing and trading of disposable foodwares business. The lower revenue for the Group compared to the previous year is mainly attributable to the divestment of the automotive parts and automotive sales and services division ("Automotive Subsidiaries") which was completed at the end of the first quarter of 2008. However, for the continuing operations, the disposable foodwares division and refined kaolin division, a higher turnover of RM91.6 million was recorded as compared to RM86.8 million in the previous year. The loss of the Group for the year included the following significant items :

- gain on divestment of Automotive Subsidiaries of RM8.2 million
- 3 months (January to March 2008) loss from the Automotive Subsidiaries of RM1.9 million

- write down of RM3.0 million as impairment loss in goodwill of the refined kaolin business
- write down of certain inventories of RM3.1 million; and
- plant relocation expenses of RM0.2 million

The disposable foodwares business, being the main contributor to the Group's turnover, achieved an 11% increase in sales to RM77.6 million compared to RM70.2 million in 2007. The export sales recorded highest revenue growth of 16% during the year.

The prevalent highly volatile prices of petrochemical resin materials which varied from 18% to 57% during the year, together with increase in energy/fuel costs have adversely affected the operating costs of the disposable foodwares business. Notwithstanding these constraints, we are pleased to note that several strategic measures taken thus far have proven positive in providing sustainable competitive advantage for the highly price sensitive products.

The full relocation of its manufacturing operations and administrative office to its new manufacturing facility at a single location in early 2008 has effectively improved its logistics cum supply chain management and enhanced workflow. Our investments in new machineries with high speed technology and reduced energy consumption, together with thin-walled moulds, have enabled consistent and reduced usage of resins materials. Cost rationalisation exercises have also seen improvement in countering the higher fuel cum energy costs and depreciation charges for the new manufacturing facility. All of these measures have contributed towards better price competitiveness and quality based products, particularly for international markets.

Chairman's Statement (cont'd)

BUSINESS AND FINANCIAL REVIEW (cont'd)

The division registered an operating loss of RM19.8 million (excluding RM3.1 million stock write down, RM0.2 million relocation cost and net off RM6.2 million finance costs) compared to operating loss of RM16.1 million (excluding the one off RM2.7 million stock loss arising due to temporary shortcomings during the progressive relocation of plants, RM1.0 million relocation/commissioning expenses and RM3.4 million in other income and net off RM2.3 million finance costs) in the previous year. The completion of the rights issue exercise with the proceeds received at the end of August 2008 has contributed to savings in finance cost of approximately RM0.5 million during the last quarter of the year.

The refined kaolin mining segment registered a lower turnover at RM14.0 million compared to RM16.6 million last year, incurring a pretax loss of RM2.0 million (vis-à-vis RM 0.1 million pretax profit in the previous year) as the margins were affected due to higher crude clay expenses, sales mix, increased competition and the rising operational costs (arising due to hikes in fuel and energy costs).

CORPORATE DEVELOPMENTS

As part of the Group's strategic rationalisation exercises to strengthen its balance sheet and to consolidate its financial resources, the divestment of the non core Automotive Subsidiaries were completed on 31 March 2008.

I am pleased to inform that the Company had completed the issuance of renounceable rights issue of 143,713,530 Rights Shares together with 71,856,764 new Warrants for free, on the basis of two (2) Rights Issues together with one (1) free Warrant for every two (2) ordinary shares of RM0.20 each in the Company at an issue price of RM0.21 per Rights Share and raised RM30.2 million to finance the Group's working capital requirements, capital expenditure for a new manufacturing facility for the disposable foodwares division and as well as to repay certain shareholder advances during the year.

CORPORATE SOCIAL RESPONSIBILITY

During the year 2008, moving ahead with our ongoing commitment to inculcate and advance the culture of Corporate Social Responsibility ("CSR") practices within the Group, a number of new initiatives have been implemented to uphold our corporate responsibility and accountability to our shareholders and stakeholders.

The Group has adopted key policies that support ethical procurement, local and handicapped recruitment, and at our new manufacturing facility, a healthy and productive work environment. Various efforts and measures have been taken to minimising consumption of energy and other resources, besides creating a green work place, such as access to natural light and also to nature (where a fruit and vegetable plot within the compound of our plants was allocated for our employees). We are also streamlining all internal transactions and communication towards a paperless office.



It is also our ongoing commitment to uphold transparency and integrity in the market place, both domestically and internationally. We will keep up with efforts and to look into further enhancement in manufacturing, development and diffusion of socially responsible business practices within the Group. The Group has activities designed for the employees, among others, to enhance awareness of CSR to promote social development and responsible business practices. All these steps contribute towards our goal of being a responsible corporate citizen and we will further explore innovative and creative approaches to CSR challenges.

FUTURE PROSPECTS

No doubt, the immediate future will likely remain demanding in terms of crisis management as a result of persistent global economic pressures, together with cautious domestic market sentiments. Notwithstanding the above, the Group will continue to focus on enhancing its competitive edge.

Moving ahead, we will persist with efforts to enhance our product range, increase export market reach, while continuing to stringently manage operating costs, and to further implement strategic pricing reviews to secure the competitive edge, as well as to increase revenue and restore profitability. Continuous rationalisation exercise will be ongoing for strengthening the Group's operational capabilities and productivity.

The performance of the refined kaolin mining business is expected to improve as further measures are taken to address the higher crude clay expenses and to contain its operating costs.

We remain very much committed to achieve an earliest turnaround for the Group and to enhancing shareholders value in the near future.

ACKNOWLEDGEMENT

I wish to record my sincere gratitude to my fellow Board members for their involvement and insights.

On behalf of the Board, I extend my heartfelt appreciation to the management and staff of the Group for their loyalty, commitment and dedication.

I wish to thank our shareholders for their continued confidence and faith in the business and in the management. Our appreciation also to the Government, the relevant authorities for their guidance and support.

Last but not the least, our heartfelt thanks to all our customers, bankers, suppliers and business partners for their unwavering support and trust. We affirm our commitment to forging even stronger business relationships in the future.

Dato' Tan Kim Hor
Executive Chairman

Directors' Profile

DATO' TAN KIM HOR

Executive Chairman

Dato' Tan Kim Hor, a Malaysian, aged 86, is the Executive Chairman of the Company and was appointed to the Board on 3 May 2006. He is the co-founder of Tan Chong Group which includes Tan Chong International Limited, Tan Chong Motor Holdings Berhad, APM Automotive Holdings Berhad and Warisan TC Holdings Berhad. His leadership has seen the expansion and development through several significant phases of the Tan Chong Group's growth and history, developed from a humble startup to a prominent Malaysian conglomerate.

In recognition for his entrepreneurship achievements and contributions to the nation, he was awarded the title JP and also KMN by the Yang di-Pertuan Agong in 1976. He was further honoured with the DPMS title from the Sultan of Selangor on 8 March 1981.

As an entrepreneur with over 7 decades of extensive experience, and after his departure from Tan Chong Group, he founded Wawasan TKH Sdn. Bhd. in 2004. Dato' Tan is also greatly involved in community work and philanthropy and is currently serving on boards of many educational and charitable organisations.

Dato' Tan is the father of Dato' Tan Boon Pun, Dato' Tan Hoe Pin and Dr. Tan Ban Leong and is a substantial shareholder of the Company. Dato' Tan attended all of the 6 Board of Directors' meetings held during the financial year ended 31 December 2008. He has never been convicted for any offence within the past 10 years.



DATO' TAN BOON PUN

Executive Director / Chief Executive Officer

Dato' Tan Boon Pun, a Malaysian, aged 52, is the Executive Director and Chief Executive Officer of the Company and was appointed to the Board on 30 August 2005. He graduated from the University of Warwick, United Kingdom with a Bachelor of Science (Honours) Degree in Management Science.

Dato' Tan began his career in 1978 in Tan Chong Group and had served in several capacities within the Tan Chong Group of Companies for over 25 years. During his tenure in the Tan Chong Group, he had spearheaded the automotive assembly business in his capacity as Managing Director of Tan Chong Motor Assemblies Sdn. Bhd. In addition, he was instrumental in building the cosmetic, lingerie and tour businesses into prominent market leaders in their respective industry in the Tan Chong Group.

Dato' Tan is widely regarded as a prominent personality in the motor assembly, cosmetic, lingerie and tour businesses. In recognition for his outstanding entrepreneurship and contribution to the society at large, he was being conferred Darjah Dato' Paduka Tuanku Ja'afar (D.P.T.J) by the Yang di-Pertuan Besar of Negeri Sembilan on 19 July 2005.

Dato' Tan is a member of the Remuneration and Nomination Committee of the Company. Dato' Tan is the son of Dato' Tan Kim Hor and the brother of Dato' Tan Hoe Pin and Dr. Tan Ban Leong. Dato' Tan attended all of the 6 Board of Directors' meetings held during the financial year ended 31 December 2008. He is a substantial shareholder of the Company and has never been convicted for any offence within the past 10 years.



Directors' Profile (cont'd)

DATO' TAN HOE PIN

Executive Director

Dato' Tan Hoe Pin, a Malaysian, aged 51, is the Executive Director of the Company and was appointed to the Board on 5 September 2005. He holds a Bachelor of Arts (Honours) Degree in Management Science with Computing from the University of Kent at Canterbury, United Kingdom.

Dato' Tan has more than 20 years experience in the automotive industry beginning in 1980 when he joined Tan Chong Motor Holdings Bhd. in Malaysia before transferring to its subsidiary in Singapore, Tan Chong & Sons Motor Co (Singapore) Pte. Ltd. He returned to Tan Chong Malaysia in 1986 as the Marketing Director and was subsequently appointed as the Deputy Managing Director. In 2003, Dato' Tan joined DaimlerChrysler Malaysia as Vice President, Mitsubishi Operation. Following this, he was appointed as Advisor to DaimlerChrysler Malaysia in June 2004 for a year.

Dato' Tan is widely regarded as a prominent personality in the automotive industry in the country. In recognition of his achievement and contribution to society at large, he was conferred Darjah Setia Pangkuan Negeri (D.S.P.N.) by the Yang di-Pertua Negeri Pulau Pinang on 8 July 2006.

Dato' Tan is the son of Dato' Tan Kim Hor and the brother of Dato' Tan Boon Pun and Dr. Tan Ban Leong. Dato' Tan attended all of the 6 Board of Directors' meetings held during the financial year ended 31 December 2008. He is a substantial shareholder of the Company and has never been convicted for any offence within the past 10 years.



DR. TAN BAN LEONG

Executive Director

Dr. Tan Ban Leong, a Malaysian, aged 48, is the Executive Director of the Company and was appointed to the Board on 5 September 2005. He holds a Bachelor of Dental Surgery (1983) from the University of Dundee, Scotland and received the Master of Science (Children's Dentistry) from University of London in 1986.

Dr. Tan has more than 15 years of extensive experience in the automotive industry. He started his career in the automotive industry in 1988 as Operations Manager with Motor Image Enterprises Pte. Ltd., the sole distributor for Subaru cars, in Singapore. From 1994 to 1998, he held several senior positions at Motor Ultima Pte. Ltd. and Auto GTI Pte. Ltd. (sole distributor of Audi and Volkswagen in Singapore), including serving as the Deputy General Manager and subsequently as the General Manager.

In 1998, he returned to Malaysia to join the Automotive Parts Manufacturer ('APM') Group as the General Manager for Auto Parts Manufacturers Co. Sdn. Bhd. During his tenure, he was responsible for re-engineering the operations and improving profitability of leaf spring, coil spring and suspension related products. In 2003, he was instrumental in driving APM to be the only single source supplier in Malaysia to Toyota Motor Corporation of Japan, supplying gas springs to countries directly involved in the assembly of the vehicles under Toyota's International Multipurpose Vehicle (IMV) Program. He was also responsible for APM's achievement of its Tier 1 status with Proton in supplying suspension modules to both the new Satria Replacement Model (SRM) and Tiara Replacement Model (TRM) which were launched in 2005.

Dr. Tan is the son of Dato' Tan Kim Hor and the brother of Dato' Tan Boon Pun and Dato' Tan Hoe Pin. Dr. Tan attended 3 out of the 6 Board of Directors meetings held during the financial year ended 31 December 2008. He is a substantial shareholder of the Company and has never been convicted for any offence within the past 10 years.



Directors' Profile (cont'd)

MICHAEL LIM HEE KIANG

Independent Non-Executive Director

Michael Lim Hee Kiang, a Malaysian, aged 61, is the Independent Non-Executive Director of the Company and was appointed to the Board on 30 August 2005. He holds a LLB Degree with Honours and an LLM Degree with Distinction from Victoria University of Wellington, New Zealand in 1972/1973.

Mr. Lim was admitted as a Barrister and Solicitor to the Supreme Court of New Zealand in 1973. Upon returning to Malaysia in 1974, he was admitted to the High Court of Sarawak and Brunei and subsequently to the High Court of Malaya in 1978. He was a lecturer at the Law Faculty of the University of Malaya from 1975 to 1977.

Currently, he is an Advocate and Solicitor with Messrs Shearn Delamore & Co. where he has been a Partner of the firm for the last 30 years. He is now a Consultant with Shearn Delamore & Co.

He also sits on the Boards of Selangor Properties Berhad, Dijaya Corporation Berhad, DKSH Holdings (Malaysia) Berhad, Major Team Holdings Berhad and Insas Berhad, all of which are listed on Bursa Malaysia Securities Berhad.

Mr. Lim is the Chairman of the Remuneration and Nomination Committee and is a member of the Audit Committee of the Company. Mr. Lim attended 5 out of the 6 Board of Directors' meetings held during the financial year ended 31 December 2008.

He has no family relationship with any Directors or major shareholders of the Company. He has never been convicted for any offence within the past ten (10) years.

Y.A.M DATUK SERI TENGGU AHMAD SHAH IBNI ALMARHUM SULTAN SALAHUDDIN ABDUL AZIZ SHAH

Independent Non-Executive Director

Y.A.M Datuk Seri Tengku Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah, a Malaysian, aged 54, is the Independent Non-Executive Director of the Company and was appointed to the Board on 15 February 2006. He completed his Diploma in Business Administration from University Teknologi MARA in 1974.

Y.A.M Datuk Seri Tengku Ahmad Shah started his career in Charles Bradburne (1930) Sdn Bhd as a broker from 1974 to 1981. He was a Director of TTDI Development Sdn Bhd from 1978 to 2000 and a Director of Sime UEP Berhad from 1983 to 1987. In 1987, he was appointed as a Chairman of Sime Darby Medical Centre Subang Jaya (formerly known as Subang Jaya Medical Centre Sdn Bhd), a position which he is still holding until now.



Currently, Y.A.M Datuk Seri Tengku Ahmad Shah also sits on the Boards of Sumatec Resources Berhad, Equine Capital Berhad, Melewar Industrial Group Berhad and Dutaland Berhad, all of which are listed on Bursa Malaysia Securities Berhad. He is a member of the supervisory committee of the property division of Sime Darby Berhad. He is also involved in welfare organisations and is a member of the Board of Trustees of the Cancer Research Initiatives Foundation (CARIF).

Y.A.M Datuk Seri Tengku Ahmad Shah is a member of the Audit Committee of the Company. He attended all of the 6 Board of Directors meetings held during the financial year ended 31 December 2008. He has no family relationship with any Directors or major shareholders of the Company. He has never been convicted for any offence within the past 10 years.

GEH CHENG HOOI

Independent Non-Executive Director

Geh Cheng Hooi, a Malaysian, aged 74, is the Independent Non-Executive Director of the Company and was appointed to the Board on 12 June 2007. He is a Certified Public Accountant and a Fellow of the Institute of Chartered Accountants of England and Wales.

Prior to his current appointment, Mr. Geh was a partner in KPMG Peat Marwick, Kuala Lumpur from 1964 to 1989 when he retired as the Senior Partner. He had also served as Chairman and member of several Malaysian Institute of Certified Public Accountants' committees. He was the Chairman of the technical committee at the time of and was actively involved in the introduction of the International Accounting Standards (IAS) in Malaysia.

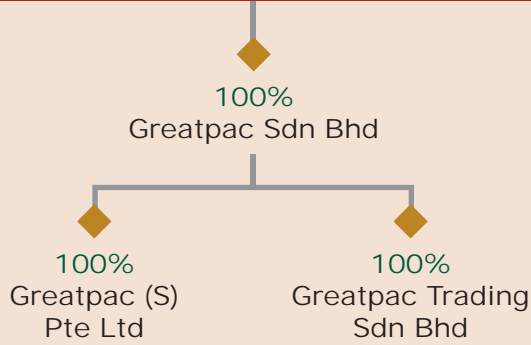
Mr. Geh also sits on the Boards of Lingui Developments Berhad, NCB Holdings Berhad, Malayan Flour Mills Berhad, Paramount Corporation Berhad and PLUS Expressway Berhad, all of which are listed on Bursa Malaysia Securities Berhad.

Mr. Geh is the Chairman of the Audit Committee of the Company. He attended 4 out of the 6 Board of Directors' meetings held during the financial year ended 31 December 2008. He has no family relationship with any Directors or major shareholders of the Company. He has never been convicted for any offence within the past 10 years.

Corporate Structure



DISPOSABLE FOODWARES DIVISION



KAOLIN DIVISION



Statement on Corporate Governance

The Board of Directors (the "Board") of Wawasan TKH Holdings Berhad is committed to observing high standards of corporate governance within the Company and its subsidiaries ("the Group"), aligned with the principles and best practices as set out in the Malaysian Code on Corporate Governance ("the Code") whilst maintaining its primary goal of ensuring the creation, protection and enhancement of shareholder value, along with the interest of other stakeholders in mind.

This statement outlines the Company's main corporate governance practices for the year under review.

THE BOARD OF DIRECTORS

The Board has the overall responsibility for the strategic direction and control of the Group which include formulating Group's strategies, policies, shareholders' and investors' relationship programme, and ensuring the adequacy and integrity of the internal control system of the Group including risk assessment.

During the financial year under review, six (6) Board meetings were held and the record of attendance for the Directors who held office during the financial year is set out below:-

Directors	Number of Meetings Held During Director's Tenure In Office	Number of Meetings Attended	Percentage of Attendance
Dato' Tan Kim Hor	6	6	100%
Dato' Tan Boon Pun	6	6	100%
Dato' Tan Hoe Pin	6	6	100%
Dr. Tan Ban Leong	6	3	50%
Michael Lim Hee Kiang	6	5	83%
YAM Datuk Seri Tengku Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah	6	6	100%
Geh Cheng Hooi	6	4	67%

BOARD BALANCE AND COMPOSITION

The Board currently has seven (7) members, comprising three (3) Independent Non-Executive Directors and four (4) Executive Directors (including the Chairman). The number of Independent Directors mentioned above complies with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") which requires at least two (2) directors or one-third of the Board, whichever is higher, to comprise of independent directors.

The Board comprises members with broad spectrum of knowledge, skills and experiences in engineering, marketing, management, administration, legal practice and finance. Their industry specific knowledge plus broad business and commercial experience, provide unbiased, fully balanced and independent views, advice and judgement to many aspects of the Group's strategy to provide clear and effective leadership to the Group and to ensure highest standard of conduct and integrity within the Board. A brief profile of each Director is presented on pages 5 to 7 of this Annual Report.

There is also a clear division of responsibility between the Chairman and Chief Executive Officer to ensure a proper balance of power and authority. The Chairman is responsible for the orderly conduct and working of the Board and the Chief Executive Officer is responsible for the running of the business, implementation of policies and strategies adopted by the Board. Decisions made by the Board are communicated through the Chief Executive Officer to the senior management team.

The presence of Independent Non-Executive Directors fulfils a pivotal role in corporate governance accountability, as they provide unbiased and independent views and advice in ensuring that the strategies proposed by the management are fully deliberated and examined in the long-term interests of the Group, as well as the shareholders, employees, customers, suppliers and the many communities in which the Group conducts its business.

Michael Lim Hee Kiang, the Senior Independent Non-Executive Director is the Referral Director to whom all shareholders' concerns may be conveyed.

Statement on Corporate Governance (cont'd)

SUPPLY OF INFORMATION

The Directors have full and unrestricted access to all information pertaining to the Group's business and affairs, whether as a full Board or in their individual capacity, in furtherance of their duties. All Directors are provided with agenda, minutes of previous meeting and a set of Board papers prior to Board meetings to enable the Directors to obtain further information or explanations to facilitate informed decision-making. The Board papers include reports on the Group's financial, operational and corporate developments.

The minutes of Board meetings are circulated to the Directors to be confirmed and noted at the following meeting. All minutes of Board meetings are kept in the Minutes Book at the Registered Office of the Company.

All directors have full access to the advice and services of the Company Secretary who will be responsible to ensure that Board procedures are adhered to at all time during meetings and to advise the Board on matters including corporate governance issues and directors' responsibilities in complying with relevant legislation and regulations.

DIRECTORS' TRAINING

All Directors have attended and successfully completed the Mandatory Accreditation Programme. Apart from this, the Directors together with the senior management, participated in a tailored Risk Management workshop in November 2008. To keep abreast with the developments in the market, industry and corporate, the Directors will continuously update themselves with changes on guidelines issued by the relevant authorities as well as to attend programmes which can complement their service to the Group.

RE-ELECTION OF DIRECTORS

In accordance with the Company's Articles of Association, one third (1/3) of the Board members shall retire from office and be eligible for re-election. The Directors shall retire from office at least once in every three years.

DIRECTORS' REMUNERATION

The aggregate remuneration of Directors received from the Company and subsidiary companies for the financial year ended 31 December 2008 is as follow:

	Executive Directors RM	Non-Executive Directors RM
Fees	-	95,000
Salaries, Bonuses & EPF	1,037,920	-
Allowances	24,000	25,000

The number of Directors of the Company whose total remuneration falls within the following bands is as follows:-

Range of remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	-	3
RM100,001 - RM150,000	2	-
RM250,001 - RM300,000	1	-
RM500,001 - RM550,000	1	-

BOARD COMMITTEES

The Board has delegated specific responsibilities to three (3) committees, which operate within approved terms of reference, to assist in the Board in carrying out its duties and responsibilities. Notwithstanding the above, the ultimate responsibility for the final decision lies with the full Board.

Statement on Corporate Governance (cont'd)

NOMINATION COMMITTEE

The role of the Nomination Committee is to recommend suitable candidates with optimal mix of qualifications, skills and experiences to the Board. The Committee also carries out evaluation on the effectiveness of the Board as a whole, the various Committees of the Board and each individual Director's contribution to the effectiveness of the Board's decision making process.

The members of the Nomination Committee are:-

- Michael Lim Hee Kiang (Chairman of Committee)
- Dato' Tan Boon Pun

REMUNERATION COMMITTEE

The objective of the Remuneration Committee is to recommend to the Board the remuneration packages of the Executive Directors in all its forms, drawing from outside advice as necessary.

The members of the Remuneration Committee are:-

- Michael Lim Hee Kiang (Chairman of Committee)
- Dato' Tan Boon Pun

AUDIT COMMITTEE

The duties and responsibilities as reflected in the terms of reference of the Committee as well as the members of the Committee are set out on pages 16 to 19 of this Annual Report.

RELATIONS WITH SHAREHOLDERS AND INVESTORS

The Board maintains a good rapport with shareholders and recognises the importance of proper and timely dissemination of information to the shareholders and investors. The distribution of annual reports, the release of financial results on a quarterly basis and announcement to Bursa Malaysia provide shareholders and the investing public with an overview of the Group's performance and operations.

The Annual General Meeting (AGM) is the principal forum for dialogue with public shareholders. The Board encourages participation from shareholders by having a question and answer session during the AGM whereby Directors are available to discuss aspects of the Group's performance and its business activities.

ACCOUNTABILITY AND AUDIT

Relationship with the Auditors

Through the Audit Committee, the Company has established a transparent and appropriate relationship with the Group's external auditors in seeking their professional advice towards ensuring compliance with the relevant accounting standards.

The role of the Audit Committee in relation to external auditors is stated under the terms of reference of the Audit Committee on pages 16 to 19 of this Annual Report.

State of Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal control to manage principal risks and to safeguard shareholders investment and the Group's assets. The Board's Statement on Internal Control is as set out in pages 14 to 15 of this Annual Report.

Statement on Corporate Governance (cont'd)

Financial Reporting and Directors' Responsibilities Statement

The Directors are responsible for ensuring that financial statements are drawn up in accordance with the provision of the Companies Act, 1965 and applicable approved accounting standards in Malaysia. In presenting the financial statements that gives a true and fair view of the state of affairs of the Company and the Group, the Board has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgement and estimates.

The Directors also strive to ensure that financial reporting present a fair and understandable assessment of the Group and Company's position and prospects. Quarterly financial statements were reviewed by the Audit Committee and approved by the Board of Directors prior to the release to the Bursa. The statement by Directors made pursuant to Section 169 of the Companies Act, 1965 is set out on page 82 of this Annual Report.

OTHER INFORMATION

Non-audit fees

The non-audit fee paid to external auditors by the Company and its subsidiaries during the financial year ended 31 December 2008 amounted to RM8,000.

Options, Warrants and Convertible Securities

During the financial year, there were RM672,900 nominal value of 5-year 2% Irredeemable Convertible Unsecured Loan Stocks 2003/2008 ("ICULS") converted into 672,900 new ordinary shares of RM0.20 each in the Company. Upon maturity on 11 December 2008, all outstanding RM768,700 nominal value ICULS were automatically converted to 1,010,819 new ordinary shares of RM0.20 each at the conversion price of RM0.76 for each ICULS.

The Company issued 71,856,764 free new detachable warrants at an issue price of RM0.21 ("Warrants") pursuant to Renounceable rights issue of 143,713,530 new ordinary shares of RM0.20 each ("Rights Shares"), on the basis of 2 Rights Shares together with 1 free Warrant for every 2 existing ordinary shares of RM0.20 each held in WWTKH ("Rights Issue").

Utilisation of Proceeds

The Company raised gross proceeds of RM30,179,841 from the Rights Issue for the financing of the Group's working capital requirements, capital expenditure for a new manufacturing facility for the disposable foodwares division and repayment of certain shareholder's advances.

Purpose	Proposed utilisation RM'000	Actual utilisation RM'000	Actual/Intended timeframe for utilisation	Deviation Over/(Under) RM'000	Explanations
Repayment of advances	23,800	23,800	By 4th quarter of 2008	-	RM17.22 million of the advances was capitalised in the rights issue to Wawasan TKH Sdn. Bhd. and balance advances of RM6.58 million was fully repaid.
Working capital	4,780	4,609	By 4th quarter of 2009	(171)	Yet to be fully utilised.
Corporate exercise expenses	1,600	1,354	By 2nd quarter of 2009	(246)	Expenses finalised and fully settled. Unutilised amount will be transferred to working capital.
Total	30,180	29,763		(417)	

Statement on Corporate Governance (cont'd)

Share Buy-Back

During the financial year, the Company did not enter into any share buy-back transactions.

American Depository Receipt ("ADR") / Global Depository Receipt ("GDR")

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

Sanctions and/ or Penalties

There were no sanctions or penalties imposed on the Company by the relevant regulatory bodies during the financial year.

Variation of Results

There were no material variances between the results for the financial year and the unaudited results announced.

Profit Guarantee

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

Material Contracts or Loans

There was no material contracts entered into by the Company and/or its subsidiaries involving Directors and major shareholders' interests during the financial year.

Recurrent Related Party Transactions ("RRPT")

The information on RRPT for the financial year is presented in the Audited Financial Statements in the Annual Report.

Revaluation of Landed Properties

The revaluation policy on landed properties of the Company and its subsidiaries is disclosed in Note 2(d)(i) to the Financial Statements.

Statement on Internal Control

INTRODUCTION

Pursuant to paragraph 15.27(b) Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of public listed companies is to include in its annual reports a statement about the state of internal control of the Company prepared in accordance with the "Statement of Internal Control: Guidance for Directors of Public Listed Companies" issued by the Institute of Internal Auditors Malaysia.

RESPONSIBILITIES OF THE BOARD

The Board acknowledges its responsibilities for maintaining effective and sound internal control systems, covering all its financial and operating activities, to safeguard the assets of the Group and shareholders' interest. The Board has established an ongoing process to continuously review the adequacy, integrity and effectiveness of the Group's system of internal controls to ensure implementation of appropriate system to effectively identify, evaluate and manage practical risks of the Group and to mitigate the effects of the principal risks on achieving the Group's business objectives.

In view of the limitations inherent in any system of internal controls, it should be appreciated that an effective system of internal controls is designed to manage the principal risks of the Group rather than to eliminate risk. System of internal controls can only provide reasonable and not absolute assurance against material misstatement, fraud or losses.

Whilst the Board maintains ultimate control over risk and control issues, it has delegated to the executive management the implementation of the system of risk management and internal control within an established framework. The Board has established key policies and has carried out a specific assessment of the Group's risk management and internal control systems, for the purpose of this statement.

The Audit Committee will assist the Board in reviewing the adequacy, integrity and effectiveness of the system of internal controls within the Group and to ensure that adequate resources are channelled to obtain the level of assurance required by the Board. The Audit Committee presents all its findings to the Board.

INTERNAL AUDIT FUNCTION

The Company engages the services of independent parties to carry out the internal audit functions. This is to ensure that the business processes and internal controls for the Group are continually assessed and monitored, to ensure statutory compliance and maintain data integrity. All findings will be presented independently to the Audit Committee.

The monitoring, review and reporting arrangements undertaken by the Internal Auditor on a quarterly basis give reasonable assurance that the structure of controls embedded within the major business processes of the Group are appropriate to the Group's operations to properly manage the key risks of the Group to an acceptable level.

The Audit Committee, through the assistance of the Internal Auditor, has formalised the risk profile of the Group based on the Risk Assessment Workshops conducted and interviews carried out with the Senior Management of the Group (collectively known as "Risk Assessment Programme"). This Risk Assessment Programme focuses primarily on the current risks and controls identifications including the generation of future action plans by the management of the Group to mitigate key risks if current controls are inadequate. The Risk Assessment Programme carried out by the Internal Auditor has provided a higher level of awareness among senior management on the importance of risk identification, evaluation and management.

Statement on Internal Control (cont'd)

SYSTEM OF INTERNAL CONTROLS

The Board fully support the contents of the Internal Control Guidance and through the Audit Committee, continually reviews the adequacy and effectiveness of the risk management processes in place within the various operating businesses in Malaysia and Singapore.

The Board of Directors is responsible for managing the principal key risks of the Group and implementing appropriate controls to manage those risks. The followings are key elements of the Group's system of internal controls:

- There is defined management structure, formally defined lines of responsibility and delegation of authority for all aspect of the Group's affairs including the delegation of responsibilities to the committees of the Board, the management and the operating units. Continuous reviews are being carried out to assess and evaluate the effectiveness of the structure.
- Management review of subsidiaries results and performances via management meetings are on an ongoing basis. The implementation of computerised Enterprise Resource Planning system during the year for a key subsidiary in the disposable foodwares business has facilitated operational information to be provided regularly to the management. Key areas of concern will be highlighted accordingly to the Board.
- Internal Audit visits that review the effectiveness of the system of internal controls of the Group in managing the key risks identified and also to ensure compliance with the control procedures and policies of the Group. The Internal Auditor reports independently to the Audit Committee on the findings arising from their reviews.
- The Audit Committee comprises all independent non-executive members of the Board and will be responsible for reviewing quarterly announcement, statutory annual financial statements prior to the submission for Board's approval. The Committee has full access to both the internal and external auditors to discuss on areas of concern in assisting the Committee in discharging their duties.

All the above mentioned initiatives and processes by the management serve as the ongoing process used to identify, assess and manage key business and financial risks faced by the Company. No material weaknesses have been identified during the year which have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

The Board, together with management, continues to take necessary measures to strengthen the internal control system, taking into consideration better practices and the changing business environment.

CONCLUSION

The Board has reviewed the adequacy and integrity of the Group's system of internal controls and they provide reasonable assurance to the Group in properly managing risks and achieving its business objectives. As the development of an efficient system of internal controls is an ongoing process, the Board and the management reaffirm their commitment and continue to take appropriate measures to strengthen the internal control environment of the Group.

This statement is made in accordance with the resolution of the Board of Directors dated 27 April 2009.

Audit Committee Report

MEMBERS OF THE AUDIT COMMITTEE

The Committee currently has three (3) members, all of whom are Independent Non-Executive Directors as follows:-

- **Geh Cheng Hooi**
Chairman / Independent Non-Executive Director
- **Michael Lim Hee Kiang**
Member / Independent Non-Executive Director
- **YAM Datuk Seri Tengku Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah**
Member / Independent Non-Executive Director

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Membership

- (i) The Committee shall be appointed by the Board from amongst the Directors excluding Alternate Directors and shall consist of not less than three members whereby all must be Non-Executive Directors with a majority of them being Independent Directors; and at least one member of the Committee:-
 - (a) must be a member of the Malaysian Institute of Accountants; or
 - (b) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:-
 - (aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - (bb) he must be a member of one of the association of accountants specified in Part II of 1st Schedule of the Accountants Act 1967.
 - (c) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa").
- (ii) The Chairman shall be an Independent Non-Executive Director elected by the members of the Committee.
- (iii) In the event of any vacancy in the Committee resulting in the non-compliance of paragraph (i) above, the Board must fill the vacancy within three (3) months.
- (iv) The term of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every three (3) years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

Audit Committee Report (cont'd)

Meetings

- (i) The Committee is to meet at least four (4) times a year and as many times as the Committee deems necessary.
- (ii) In order to form a quorum for any meeting of the Committee, the majority of the members present must be independent directors.
- (iii) The meetings and proceedings of the Committee are governed by the provisions of the Articles of Association of the Company regulating the meetings and proceedings of the Board so far as the same are applicable.
- (iv) The director/person responsible for the financial management of the parent company and the head of internal audit shall normally be invited to attend meetings of the Committee. The presence of a representative of the external auditors will be requested, if required.
- (v) Upon request by the external auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matters the external auditors believe that they should be brought to the attention of the Directors or members of the Company.
- (vi) The Committee shall meet with the external auditors, the internal auditors or both, without the presence of any Executive Directors and employees of the Company at least twice a year. Other Directors and employees can only attend such meetings upon the Committee's invitation.

Authority

The Committee shall have the following authority:-

- (i) authority to investigate any activity of the Company and its subsidiaries within its terms of reference.
- (ii) shall have the resources which are required to perform its duties and have full and unrestricted access to any information pertaining to the Company and its subsidiaries and all employees are directed to co-operate as requested by the members of the Committee.
- (iii) empowered to obtain independent professional or other advice and retain persons having special competence necessary to assist the Committee in fulfilling its responsibility.
- (iv) shall have direct communication channels with the external auditors and persons carrying out the internal audit function or activity.
- (v) shall be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the listed issuer whenever deemed necessary.

Responsibility

The Committee is to serve as a focal point for communication between non-Committee Directors, the external auditors, internal auditors and the management on matters in connection with the financial accounting, reporting and controls. The Committee is to assist the Board in fulfilling its fiduciary responsibility as to accounting policies and reporting practices of the Company and all subsidiaries and the sufficiency of auditing relative thereto. It is to be the Board's principal agent in assuring the independence of the Company's external auditors, the integrity of the management and the adequacy of disclosures to shareholders.

If the Committee is of the view that a matter reported to the Board has not been satisfactorily resolved resulting in breach of the Bursa Listing Requirement, the Committee shall promptly report such matter to Bursa.

Audit Committee Report (cont'd)

Functions of the Committee

The functions of the Committee are as follows:-

- (i) to review with the external auditors, their audit plan;
- (ii) to review with the external auditors, their evaluation of the system of internal controls;
- (iii) to review with the external auditors, their audit report;
- (iv) to review the assistance given by the Company's officers to the external auditors;
- (v) to review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- (vi) 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 functions;
- (vii) to review the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:
 - (a) changes in or implementation of major accounting policy changes;
 - (b) significant and unusual events; and
 - (c) compliance with accounting standards and other legal requirements;
- (viii) to review 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 of management integrity; and
- (ix) to consider the nomination, appointment and re-appointment of external auditors, their audit fees and any resignation or removal and in the case of re-appointment, whether there is reason (supported by grounds) to believe that the external auditors is not suitable for re-appointment.
- (x) to review any appraisal or assessment of the performance of members of the internal audit function;
- (xi) to approve any appointment or termination of senior staff members of the internal audit function; and
- (xii) to take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

Secretary and minutes

The secretary of the Committee shall be the Company Secretary. Minutes of each meeting are to be prepared and sent to the Committee members, and the Company's Directors who are not members of the Committee.

Audit Committee Report (cont'd)

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 31 December 2008, the Committee held ten (10) meetings. The followings are the details of attendance by individual Committee members:-

	Total Meetings in Financial Year During Committee Member's Tenure	Number of Meeting Attended	Percentage of Attendance
Geh Cheng Hooi	10	9	90%
Michael Lim Hee Kiang	10	10	100%
YAM Datuk Seri Tengku Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Dato' Tan Boon Pun (resigned w.e.f 29 February 2008)	10 2	6 2	60% 100%

In line with the terms of reference of the Committee, the following activities were carried out by the Committee during the year:-

- Reviewed the quarterly and annual financial statements prior to submission to the Board for consideration and approval;
- Reviewed the audit report for the Group prepared by external auditors and internal auditors, their findings and the management's responses thereto;
- Reviewed the audit plans for the Group prepared by both external auditors and internal auditors;
- Reviewed related party transactions entered into by the Group; and
- Reviewed and approved minutes of the Committee's meetings.

INTERNAL AUDIT FUNCTION

In discharging its duties, the Committee is strongly supported by the internal audit function undertaken by the firm engaged to provide outsourced internal audit services to the Group.

The internal audit function is independent of the activities or operations of the Group. The principal role of the function is to independently review and assess the effectiveness of the Group's systems of internal controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively to manage the key business risks of the Group.

It is the responsibility of the internal audit function to provide the Committee with independent and objective reports on the state on internal control of various operating units within the Group and the extent of compliance of the units with the Group's policies and procedures.



FINANCIAL STATEMENTS

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Directors' report for the year ended 31 December 2008

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

Principal activities

The Company is principally engaged in investment holding whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year except for the discontinued operations via the disposal of subsidiaries as mentioned in Note 19 to the financial statements.

Results

	Group RM	Company RM
Loss attributable to shareholders of the Company	24,372,168	22,004,196

Reserves and provisions

There were no material transfers to or from reserves and provisions during the year under review except as disclosed in the financial statements.

Dividends

No dividend was paid during the year and the Directors do not recommend any dividend to be paid for the financial year under review.

Directors of the Company

Directors who served since the date of the last report are:

Dato' Tan Kim Hor
 Dato' Tan Boon Pun
 Dato' Tan Hoe Pin
 Dr. Tan Ban Leong
 YAM Datuk Seri Tengku Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah
 Michael Lim Hee Kiang
 Geh Cheng Hooi

Directors' report for the year ended 31 December 2008 (cont'd)

Directors' interests

The interests and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.20 each			At 31.12.2008
	At 1.1.2008	Bought	(Sold)	
The Company				
<i>Shareholdings in which Directors have direct interests</i>				
Dato' Tan Kim Hor	1,500,000	19,205,190	-	20,705,190
Dato' Tan Boon Pun	1,050,000	13,057,710	-	14,107,710
Dato' Tan Hoe Pin	1,000,000	11,523,810	-	12,523,810
Dr. Tan Ban Leong	1,000,000	15,816,666	-	16,816,666
<i>Shareholdings in which Directors have deemed interests</i>				
Dato' Tan Kim Hor	41,000,000	82,000,000	(48,340,476)	74,659,524
Dato' Tan Boon Pun	41,000,000	82,000,000	(48,340,476)	74,659,524
Dato' Tan Hoe Pin	41,000,000	82,000,000	(48,340,476)	74,659,524
Dr. Tan Ban Leong	41,000,000	82,000,000	(48,340,476)	74,659,524

	Number of Warrants# of RM0.21 each			At 31.12.2008
	At 1.1.2008	Rights issue	Bought/(Sold)	
The Company				
Dato' Tan Kim Hor	-	1,500,000	7,738,095	9,238,095
Dato' Tan Boon Pun	-	1,050,000	4,761,905	5,811,905
Dato' Tan Hoe Pin	-	1,000,000	4,761,905	5,761,905
Dr. Tan Ban Leong	-	1,000,000	6,908,333	7,908,333

Issuance of warrants pursuant to the renounceable rights issue of 143,713,530 new ordinary shares of the Company on 29 August 2008 on the basis of two (2) new ordinary shares together with one (1) free warrant for every two (2) existing ordinary shares held.

None of the spouses or children of the Directors who themselves are not Directors of the Company had any interests in the ordinary shares of the Company or of its related corporations.

By virtue of their interests in the ordinary shares of the Company, Dato' Tan Kim Hor, Dato' Tan Boon Pun, Dato' Tan Hoe Pin and Dr. Tan Ban Leong are also deemed interested in the shares of the subsidiaries during the financial year to the extent that Wawasan TKH Holdings Berhad has an interest.

None of the other Directors holding office at 31 December 2008 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' report for the year ended 31 December 2008 (cont'd)

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors or the fixed salary of full time employees of the Company or of related corporations as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 25 to the financial statements.

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

Issue of shares, warrants and debentures

During the financial year, the Company undertook the following:

- a) reduced the par value of its issued and paid-up capital by the cancellation of RM0.80 of the par value of each existing ordinary share of RM1 each in the Company and thereby reducing the issued and paid-up share capital of the Company by RM114,970,824;
- b) increased its issued and paid-up capital by the issuance of 672,900 new ordinary shares of RM0.20 each pursuant to the conversion of RM672,900 nominal value of 5-year 2% Irredeemable Convertible Unsecured Loan Stocks 2003/2008 ("ICULS") at a conversion price of RM1 per ICULS;
- c) increased its issued and paid-up capital by way of a renounceable rights issue of 143,713,530 new ordinary shares ("Rights Shares") together with 71,856,764 warrants for free ("Warrants") (details set out in Note 10 to the financial statements) at an issue price of RM0.21 per Rights Shares and Warrant ("Rights Issue"); and
- d) increased its issued and paid-up capital by the issuance of 1,010,819 new ordinary shares of RM0.20 each pursuant to the conversion of RM768,700 nominal value of 5-year 2% Irredeemable Convertible Unsecured Loan Stocks 2003/2008 ("ICULS") at a conversion price of RM0.76 per ICULS.

There were no other changes in the authorised, issued and paid-up capital of the Company during the financial year.

There were no debentures issued by the Company during the financial year.

Options granted over unissued shares

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

Significant events during the year

Significant events during the year are as disclosed in Note 26 to the financial statements.

Directors' report for the year ended 31 December 2008 (cont'd)

Other statutory information

Before the balance sheets and income statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

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

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, except for the gain on disposal of subsidiaries of RM8,202,240 at Group level, loss on disposal of subsidiaries of RM8,153,582 and impairment loss on investment in a subsidiary at Company level as disclosed in Note 16 to the financial statements, the results of the operations of the Group and of the Company for the financial year ended 31 December 2008 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

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

.....
Dato' Tan Kim Hor

.....
Dato' Tan Boon Pun

Petaling Jaya, Selangor

Date: 27 April 2009

Balance sheets at 31 December 2008

	Note	Group		Company	
		2008 RM	2007 RM	2008 RM	2007 RM
Assets					
Property, plant and equipment	3	86,529,277	87,142,978	-	-
Prepaid lease payments	4	11,140,397	11,581,702	-	-
Intangible assets	5	23,955,572	31,348,682	-	-
Investment in subsidiaries	6	-	-	65,168,166	79,809,282
Receivables, deposits and prepayments	8	516,000	2,098,358	45,244,150	33,731,285
Total non-current assets		122,141,246	132,171,720	110,412,316	113,540,567
Inventories	7	11,234,017	19,662,152	-	-
Receivables, deposits and prepayments	8	13,241,931	19,548,545	652,000	727,036
Current tax assets		1,054,676	1,045,113	-	-
Cash and cash equivalents	9	3,091,830	1,609,951	373,450	12,058
Total current assets		28,622,454	41,865,761	1,025,450	739,094
Total assets		150,763,700	174,037,481	111,437,766	114,279,661
Equity					
Share capital		57,687,576	143,040,630	57,687,576	143,040,630
Share premium		-	-	-	-
Reserves		25,834,450	6,428,864	16,385,430	-
Accumulated losses		(33,146,640)	(108,264,704)	-	(77,231,002)
Irredeemable convertible unsecured loan stocks		-	1,420,243	-	1,420,243
Total equity attributable to shareholders of the Company		50,375,386	42,625,033	74,073,006	67,229,871
Total equity	10	50,375,386	42,625,033	74,073,006	67,229,871
Liabilities					
Payables and accruals	11	22,714,015	27,645,657	22,714,015	25,863,582
Loans and borrowings	12	40,616,454	46,607,161	-	-
Irredeemable convertible unsecured loan stocks	10	-	21,357	-	21,357
Deferred tax liabilities	13	2,526,520	1,444,644	-	-
Total non-current liabilities		65,856,989	75,718,819	22,714,015	25,884,939
Payables and accruals	11	15,191,191	26,874,346	14,650,745	21,164,851
Loans and borrowings	12	19,319,009	28,798,158	-	-
Current tax liabilities		21,125	21,125	-	-
Total current liabilities		34,531,325	55,693,629	14,650,745	21,164,851
Total liabilities		100,388,314	131,412,448	37,364,760	47,049,790
Total equity and liabilities		150,763,700	174,037,481	111,437,766	114,279,661

The notes on pages 33 to 81 are an integral part of these financial statements.

Income statements for the year ended 31 December 2008

	Note	2008 RM	Group 2007 RM restated	Company 2008 RM	2007 RM
Continuing operations					
Revenue	14	91,585,651	86,802,672	614,400	-
Cost of sales		(101,320,001)	(94,477,928)	-	-
Gross (loss)/ profit		(9,734,350)	(7,675,256)	614,400	-
Other income		492,225	6,101,865	283,773	2,512,108
Marketing expenses		(1,434,368)	(1,237,031)	-	-
Administrative expenses		(7,620,205)	(7,876,817)	(1,872,759)	(1,245,363)
Other expenses		(5,615,089)	(5,878,845)	(20,434,940)	(3,926,009)
Results from operating activities		(23,911,787)	(16,566,084)	(21,409,526)	(2,659,264)
Interest income		33,903	25,858	2,273,723	1,522,482
Finance costs	15	(6,846,406)	(3,058,219)	(2,868,393)	(1,551,556)
Loss before tax	16	(30,724,290)	(19,598,445)	(22,004,196)	(2,688,338)
Tax expense	18	89,610	78,617	-	-
Loss after tax from continuing operations		(30,634,680)	(19,519,828)	(22,004,196)	(2,688,338)
Discontinued operations					
Loss from discontinued operations	19	(1,939,728)	(8,015,139)	-	-
Gain on disposal of discontinued operations	19	8,202,240	3,083,847	-	-
Profit/(Loss) after tax from discontinued operations		6,262,512	(4,931,292)	-	-
Loss for the year		(24,372,168)	(24,451,120)	(22,004,196)	(2,688,338)
Attributable to:					
Shareholders of the Company		(24,372,168)	(24,451,120)	(22,004,196)	(2,688,338)
Minority interest		-	-	-	-
Loss for the year		(24,372,168)	(24,451,120)	(22,004,196)	(2,688,338)

Income statements for the year ended 31 December 2008 (cont'd)

	Note	Group 2008 RM	Group 2007 RM restated
(Loss)/Earnings per ordinary share (sen)	20		
from continuing operations		(15.44)	(13.00)
from discontinued operation		3.16	(3.28)
		<hr/>	<hr/>
		(12.28)	(16.28)
		<hr/>	<hr/>
Diluted loss per ordinary share (sen)	20		
from continuing operations		-	(12.86)
from discontinuing operations		-	(3.25)
		<hr/>	<hr/>
		-	(16.11)
		<hr/>	<hr/>

Statements of changes in equity for the year ended 31 December 2008

Group	Note	Attributable to shareholders of the Company						Total equity RM			
		Share capital RM	Share premium RM	ICULS RM	Capital reserve RM	Warrant reserve RM	Translation reserve RM		Revaluation reserve RM	Accumulated losses RM	
At 1 January 2007		143,018,530	-	1,416,516	-	-	44,360	-	-	(83,968,318)	60,511,088
Conversion of ICULS	10	22,100	-	3,727	-	-	-	-	-	-	25,827
Foreign exchange translation differences		-	-	-	-	-	27,453	-	-	-	27,453
Revaluation of properties		-	-	-	-	-	-	6,357,051	-	154,734	6,511,785
Loss for the year		-	-	-	-	-	-	-	-	(24,451,120)	(24,451,120)
At 31 December 2007/1 January 2008		143,040,630	-	1,420,243	-	-	71,813	6,357,051	-	(108,264,704)	42,625,033
Conversion of ICULS	10	875,064	566,536	(1,420,243)	-	-	-	-	-	-	21,357
Foreign exchange translation differences		-	-	-	-	-	(57,813)	-	-	-	(57,813)
Revaluation of properties		-	-	-	-	-	-	3,077,969	-	255,034	3,333,003
Par value reduction	26	(114,970,824)	-	-	114,970,824	-	-	-	-	-	-
Rights issue	26	28,742,706	1,437,135	-	-	-	-	-	-	-	30,179,841
Share issue expenses	26	-	(1,353,867)	-	-	-	-	-	-	-	(1,353,867)
Allocation to Warrant reserve	10	-	(649,804)	-	(7,043,097)	7,692,901	-	-	-	-	-
Loss for the year	10	-	-	-	-	-	-	-	-	(24,372,168)	(24,372,168)
Elimination of accumulated losses	26	-	-	-	(99,235,198)	-	-	-	-	99,235,198	-
At 31 December 2008		57,687,576	-	-	8,692,529	7,692,901	14,000	9,435,020	-	(33,146,640)	50,375,386
		Note 10	Note 10	Note 10	Note 10	Note 10	Note 10	Note 10	Note 10	Note 10	Note 10
Company	Note	Share capital RM	Share premium RM	Share RM	ICULS RM	Capital reserve RM	Warrant reserve RM	Revaluation reserve RM	Accumulated losses RM	Total Equity RM	
At 1 January 2007		143,018,530	-	-	1,416,516	-	-	-	-	69,892,382	
Conversion of ICULS	10	22,100	-	-	3,727	-	-	-	-	25,827	
Loss for the year		-	-	-	-	-	-	-	(2,688,338)	(2,688,338)	
At 31 December 2007/1 January 2008		143,040,630	-	-	1,420,243	-	-	-	(77,231,002)	67,229,871	
Conversion of ICULS	10	875,064	566,536	(1,420,243)	-	-	-	-	-	21,357	
Par value reduction	26	(114,970,824)	-	-	-	114,970,824	-	-	-	-	
Rights issue	26	28,742,706	1,437,135	-	-	-	-	-	-	30,179,841	
Share issue expenses	26	-	(1,353,867)	-	-	-	-	-	-	(1,353,867)	
Allocation to Warrant reserve	10	-	(649,804)	-	(7,043,097)	7,692,901	-	-	-	-	
Loss for the year	10	-	-	-	-	-	-	-	(22,004,196)	(22,004,196)	
Elimination of accumulated losses	26	-	-	-	-	(99,235,198)	-	-	99,235,198	-	
At 31 December 2008		57,687,576	-	-	8,692,529	7,692,901	14,000	9,435,020	-	74,073,006	
		Note 10	Note 10	Note 10	Note 10	Note 10	Note 10	Note 10	Note 10	Note 10	

The notes on pages 33 to 81 are an integral part of these financial statements.

Cash flow statements for the year ended 31 December 2008

	Note	Group 2008 RM	Group 2007 RM restated	Company 2008 RM	Company 2007 RM
Cash flows from operating activities					
(Loss)/ Profit before tax					
- continuing operations		(30,724,290)	(19,598,445)	(22,004,196)	(2,688,338)
- discontinued operations		6,262,512	(4,931,292)	-	-
<i>Adjustments for:</i>					
Allowance for doubtful debts		2,114,726	800,631	1,066,359	-
Amortisation of prepaid lease payments	4	441,305	852,482	-	-
Amortisation of intangible assets	5	6,143	23,960	-	-
Depreciation of property, plant and equipment	3	9,118,624	9,747,547	-	-
Gain on disposal of property, plant and equipment		(28,321)	(110,304)	-	-
Impairment loss on goodwill	5	3,000,000	762,854	-	-
Impairment loss on property, plant and equipment	3	-	73,532	-	-
Impairment loss on investments in subsidiaries		-	-	11,215,000	2,743,869
Inventories written down	7	3,095,775	463,514	-	-
Inventories written off	7	44,391	2,782,711	-	-
(Gain)/Loss on disposal of subsidiaries	19	(8,202,240)	(3,083,847)	8,153,582	-
Property, plant and equipment written off	3	-	27,758	-	-
Interest expense	15	7,278,180	4,559,883	2,868,393	1,551,556
Interest income		(33,903)	(26,325)	(2,273,723)	(1,522,482)
Reversal of overprovision for corporate guarantee		(283,773)	-	(283,773)	-
Reversal of allowance for doubtful debts	16	(84,475)	(1,643,978)	-	(2,512,108)
Reversal of expenses over accrued		-	(111,161)	-	-
Operating loss before changes in working capital					
		(7,995,346)	(9,410,480)	(1,258,358)	(2,427,503)
Change in inventories		(935,950)	(1,027,389)	-	-
Change in payables and accruals		2,196,079	6,150,475	(1,042,679)	1,086,818
Change in receivables, deposits and prepayments		(2,864,946)	(7,753,971)	866,209	(3,016,169)
Income taxes paid		(9,563)	(85,453)	-	-
Net cash used in operating activities					
		(9,609,726)	(12,126,818)	(1,434,828)	(4,356,854)

Cash flow statements for the year ended 31 December 2008 (cont'd)

	Note	Group 2008 RM	2007 RM restated	Company 2008 RM	2007 RM
Cash flows from investing activities					
Acquisition of trademark	5	-	(17,730)	-	-
Development costs incurred	5	(132,188)	-	-	-
Acquisition of prepaid lease payments	4	-	(1,024,802)	-	-
Net proceeds from disposal of subsidiaries	19	9,656,090	1,545,117	3,900,000	-
Interest received		33,903	26,325	2,273,723	1,522,482
Proceeds from disposal of property, plant and equipment		158,350	180,859	-	-
Purchase of property, plant and equipment	(ii)	(7,638,211)	(33,604,394)	-	-
Net cash generated from/(used in) investing activities		2,077,944	(32,894,625)	6,173,723	1,522,482
Cash flows from financing activities					
Net proceeds from bank borrowings and hire purchase liabilities		779,621	25,597,139	-	-
(Increase)/Decrease in deposits pledged with licensed banks		(40,846)	107,574	-	-
Advances from related party		18,244,983	21,299,545	18,244,983	22,172,487
Repayments to related party		(3,900,000)	-	(3,900,000)	-
Interest paid		(7,278,180)	(4,335,050)	(2,868,393)	(1,551,556)
Proceeds from rights issue	26	30,179,841	-	30,179,841	-
Payments made on behalf of subsidiaries		-	-	(21,081,232)	(17,789,763)
Utilisation of rights issue proceeds					
- repayment of shareholder's advances	26	(23,800,000)	-	(23,800,000)	-
- payment of share issue expenses	26	(1,152,702)	-	(1,152,702)	-
Net cash generated from/(used in) financing activities		13,032,717	42,669,208	(4,377,503)	2,831,168
Net increase/(decrease) in cash and cash equivalents		5,500,935	(2,352,235)	361,392	(3,204)
Effect of exchange differences on translation		(1,784)	27,453	-	-
Cash and cash equivalents at 1 January		(6,104,041)	(3,779,259)	12,058	15,262
Cash and cash equivalents at 31 December	(i)	(604,890)	(6,104,041)	373,450	12,058

Cash flow statements for the year ended 31 December 2008 (cont'd)

(i) Cash and cash equivalents

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Note	Group		Company	
		2008 RM	2007 RM	2008 RM	2007 RM
Cash and bank balances	9	2,255,723	1,164,690	23,450	12,058
Deposits placed with licensed banks	9	836,107	445,261	350,000	-
Bank overdrafts	12	(3,210,613)	(7,268,731)	-	-
		<u>(118,783)</u>	<u>(5,658,780)</u>	<u>373,450</u>	<u>12,058</u>
Deposits pledged with licensed banks	9	(486,107)	(445,261)	-	-
		<u>(604,890)</u>	<u>(6,104,041)</u>	<u>373,450</u>	<u>12,058</u>

(ii) Acquisition of property, plant and equipment

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM12,032,931 (2007 - RM41,935,546) of which RM4,394,720 (2007 - RM8,331,152), were acquired by means of hire purchases.

Notes to the financial statements

Wawasan TKH Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Second Board of the Bursa Malaysia Securities Berhad ("Bursa Securities"). The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

Wisma TKH
Lot 6, Jalan Teknologi
Taman Sains Selangor 1
Kota Damansara
47810 Petaling Jaya
Selangor Darul Ehsan

Registered office

Level 18, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

The consolidated financial statements as at and for the year ended 31 December 2008 comprise the Company and its subsidiaries together referred to as the Group.

The Company is principally engaged in investment holding whilst the principal activities of the subsidiaries are as set out in Note 6 to the financial statements.

The financial statements were approved by the Board of Directors on 27 April 2009.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (FRS), accounting principles generally accepted and the Companies Act, 1965 in Malaysia.

The Group and the Company have not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective:

FRSs / Interpretations	Effective date
FRS 4, <i>Insurance Contracts</i>	1 January 2010
FRS 7, <i>Financial Instruments: Disclosures</i>	1 January 2010
FRS 8, <i>Operating Segments</i>	1 July 2009
FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	1 January 2010
IC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>	1 January 2010
IC Interpretation 10, <i>Interim Financial Reporting and Impairment</i>	1 January 2010

The Group and the Company plan to apply the abovementioned FRSs/ Interpretations from the annual period beginning 1 January 2010, apart from FRS 4 which is not applicable to the Group and the Company.

The impact of applying FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*, is not disclosed by virtue of the exemptions given in the respective FRSs. Other than the implication as discussed below, the initial application of the other standards (and its consequential amendments) and interpretations is not expected to have any material impact on the Group's and Company's financial statements.

Notes to the financial statements (cont'd)

1. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

FRS 8, Operating Segments

FRS 8 will become effective for financial statements for the year ending 31 December 2010. FRS 8, which replaces FRS 114, Segment Reporting, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. Currently, the Group presents segment information in respect of its business and geographical segments (see Note 21). Under FRS 8, the Group will present segment information in respect of its operating segments.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise stated in the financial statements.

The Group and the Company have a deficiency of working capital of RM5,908,871 and RM13,625,295 respectively as at 31 December 2008 and as of that date, the total outstanding amount advanced by a substantial corporate shareholder of the Company, Wawasan TKH Sdn. Bhd. ("WTKHSB") to the Group amounted to RM22,714,015. The Group and the Company have incurred losses of RM24,372,168 and RM22,004,196 respectively for the year ended 31 December 2008.

During the financial year, the Company has successfully completed its corporate exercises which involved the following:

- (i) The reduction of the issued and paid-up capital of the Company involving the cancellation of RM0.80 of the par value of each existing ordinary shares of RM1 each ("Par Value Reduction") where the credit created from the Par Value Reduction of RM114,970,824 has enabled the Company to eliminate its accumulated losses amounting RM99,235,198; and
- (ii) The renounceable rights issue of 143,713,530 new ordinary shares of RM0.20 each ("Rights Shares") together with 71,856,764 warrants for free ("Warrants") ("Rights Issues") which has raised funds to finance the working capital requirement of the Group and the Company, the capital expenditure of a new manufacturing facility for its disposable foodwares division and to repay certain shareholder advances.

At the time of this report, the Directors of the Company are of the opinion that the Group and the Company will achieve future profitable operations, attain cash flows to sustain their operations and obtain continuous financial support from their bankers and the substantial corporate shareholder, Wawasan TKH Sdn. Bhd. ("WTKHSB") in order for the Group and the Company to meet their obligations as and when they fall due. WTKHSB has also agreed to the Company's request to subordinate the advances due to WTKHSB amounting to RM10,000,000 for the next twelve (12) months from the date of this report.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Notes to the financial statements (cont'd)

1. Basis of preparation (cont'd)

(d) Use of estimates and judgements (cont'd)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 5 – *Measurement of recoverable amounts of cash-generating units*
- Note 24 – *Contingencies*

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by Group entities, unless otherwise stated.

Certain comparative amounts have been reclassified to conform to the current year's presentation (see Note 27). The comparative consolidated income statement has been re-presented as if an operation discontinued during the current period has been discontinued from the start of the comparative period (see Note 19).

(a) Basis of consolidation

(i) *Subsidiaries*

Subsidiaries are entities, including unincorporated entities, if any, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investment in subsidiaries are stated in the Company's balance sheet at cost less impairment losses.

(ii) *Changes in Group composition*

Where a subsidiary issues new equity shares to minority interests for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the income statement.

When a group purchases a subsidiary's equity shares from minority interests for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

Notes to the financial statements (cont'd)

2. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the dates of the transactions except for those that are measured at fair value, which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statement.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the balance sheet date. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in translation reserve. On disposal, accumulated translation differences are recognised in the consolidated income statement as part of the gain or loss on sale.

(c) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Forward foreign exchange contracts are accounted for on an equivalent basis as the underlying assets, liabilities or net positions. Any profit or loss arising is recognised on the same basis as that arising from the related assets, liabilities or net positions.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost/valuation less accumulated depreciation and any accumulated impairment losses.

Notes to the financial statements (cont'd)

2. Significant accounting policies (cont'd)

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

(i) Recognition and measurement (cont'd)

Property, plant and equipment under the revaluation model

The Group revalues its property comprising land and building every 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is charged to the income statements.

Revalued property, plant and equipment where no revaluation policy is adopted

The Group has availed itself to the transitional provision when the MASB first adopted IAS16, Property, Plant and Equipment in 1998. The Group's buildings on leasehold land were revalued in 1978 and 1983.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour and, for qualifying assets, borrowing costs are capitalised in accordance with the Group's accounting policy. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other operating expenses" respectively in the income statements. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statements as incurred.

(iii) Depreciation

Depreciation is recognised in the income statements on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction (building-in-progress) are not depreciated until the assets are ready for their intended use.

Notes to the financial statements (cont'd)

2. Significant accounting policies (cont'd)

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

(iii) Depreciation (cont'd)

The estimated useful lives for the current and comparative periods are as follows:

• buildings	18 - 51 years
• renovation	6.67 - 10 years
• furniture, fittings and office equipment	5 - 10 years
• showroom	10 years
• motor vehicles	5 years
• plant and machinery, tools and factory equipment, roads and bridges and mould and electrical installation	5 - 16.67 years

Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

(iv) Assets under hire purchase

Property, plant and equipment acquired under hire purchase arrangements are capitalised at their purchase cost and are depreciated on the same basis as owned property, plant and equipment. The total amount payable under hire purchase arrangements is shown under hire purchase liabilities.

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Operating lease

Leases, where the Group does not assume substantially all the risks and rewards of the ownership are classified as operating leases and the leased assets are not recognised on the Group's balance sheet.

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

Payments made under operating leases are recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Notes to the financial statements (cont'd)

2. Significant accounting policies (cont'd)

(f) Intangible assets

(i) Goodwill

Goodwill arises on business combination and is measured at cost less any accumulated impairment losses.

For acquisitions prior to 1 January 2008, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

For business acquisitions beginning from 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

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

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development.

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statements as an expense as incurred. Capitalised development expenditure is stated at cost less any accumulated amortisation and any accumulated impairment losses.

(iii) Other intangible assets

Intangible assets, other than goodwill, that are acquired by the Group are stated at cost less any accumulated amortisation and any accumulated impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(v) Amortisation

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and whenever there is an indication that they may be impaired. Intangible assets with indefinite useful lives are trademarks.

Other intangible assets are amortised from the date that they are available for use. Amortisation of intangible assets is charged to the income statements on a straight-line basis over the estimated useful lives of intangible assets.

The fair value of trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the trademark being owned. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

Notes to the financial statements (cont'd)

2. Significant accounting policies (cont'd)

(g) Inventories

Inventories are measured at the lower of cost or net realisable value. The cost of inventories is based on the weighted average cost and standard costing principle which approximates actual cost (for manufacturing, mining and automotive parts segment), specific identification method and weighted average cost (for automotive sales and services segment), and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated cost necessary to make the sale.

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(h) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

(i) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(j) Impairment of assets

The carrying amounts of assets except for financial assets, inventories, deferred tax assets and disposal groups, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated usually at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses are recognised in the income statements. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

Notes to the financial statements (cont'd)

2. Significant accounting policies (cont'd)

(j) Impairment of assets (cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the income statements in the year in which the reversals are recognised, unless it reverses an impairment loss on a revalued asset, in which case it is credited directly to revaluation surplus. Where an impairment loss on the same revalued asset was previously recognised in the income statements, a reversal of that impairment loss is also recognised in the income statements.

(k) Equity instruments

All equity instruments are stated at cost on initial recognition and are not re-measured subsequently.

(i) Issue expenses

Incremental costs directly attributable to issue of equity instruments are recognised as a deduction from equity.

(l) Compound financial instruments

A compound financial instrument is a non-derivative financial instrument that contains both a liability and an equity component.

Compound financial instruments issued by the Group comprise irredeemable convertible unsecured loan stocks ("ICULS"), that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument was recognised initially at the fair value of a similar liability that did not have an equity conversion option. The equity component was recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs were allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument was measured at amortised cost using the effective interest method. The equity component of a compound financial instrument was not remeasured subsequent to initial recognition.

(m) Loans and borrowings

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the loans and borrowings using the effective interest method.

All interest and other costs incurred in connection with borrowings are expensed as incurred.

Notes to the financial statements (cont'd)

2. Significant accounting policies (cont'd)

(n) Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contribution to statutory pension funds are charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(ii) Defined contribution plan

A subsidiary of the Group contributes to a defined contribution plan, which is a pension plan under which the said subsidiary pays fixed contributions into a fund and has obligation to pay contributions based on the terms and condition stipulated in the Collective Agreement with Non-Metallic Mineral Products Manufacturing Employees' Union.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

(p) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

Notes to the financial statements (cont'd)

2. Significant accounting policies (cont'd)

(q) Revenue recognition

(i) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Services

Revenue from services rendered is recognised in the income statement as and when the services are performed.

(iii) Other revenue

Management fees are recognised on an accrual basis.

(r) Interest income and borrowing costs

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

All borrowing costs are recognised in the income statement using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use. The interest component of hire purchase payments is recognised in the income statement so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(s) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statements except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

Notes to the financial statements (cont'd)

2. Significant accounting policies (cont'd)

(s) Tax expense (cont'd)

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance are treated as tax base of assets and are recognised as a reduction of tax expense as and when they are utilised.

(t) Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statements is restated as if the operation had been discontinued from the start of the comparative period.

(u) Warrant reserves

Where the Company received a lump sum payment ('proceeds') from the issuance of new ordinary shares with warrants, the proceeds received shall be assigned to the ordinary shares and warrants based on their respective fair values.

The value of the warrants ascertained shall be allocated to warrant reserves from other equity items and it shall remained in equity until when the warrants lapsed.

(v) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes (i.e. ICULS).

(w) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Notes to the financial statements (cont'd)

3. Property, plant and equipment

Group Cost/Valuation	Note	Freehold land RM	Short term leasehold land RM	Buildings RM	Renovation RM	Furniture, fittings and office equipment RM	Showroom RM	Motor vehicles RM	Plant and machinery, tools and factory equipment, roads and bridges, mould and electrical installation RM	Building- in- progress RM	Total RM
At 1 January 2007		2,586,344	19,921,344	6,440,577	741,525	4,131,226	519,605	2,699,439	111,179,598	934,895	149,154,553
Reclassification to prepaid lease payments	4	-	(19,921,344)	-	-	-	-	-	-	-	(19,921,344)
Additions		-	-	39,623	29,199	822,781	107,230	420,729	11,495,092	29,020,892	41,935,546
Disposals		-	-	-	-	(6,695)	-	(294,712)	(32,502)	-	(333,909)
Disposal of subsidiaries		-	-	-	(123,209)	(475,446)	-	(102,539)	(18,744,065)	-	(19,445,259)
Write off		-	-	-	-	(419)	-	-	(33,000)	-	(33,419)
Reclassifications		(180,000)	-	180,000	-	324,615	-	-	(324,615)	-	-
Transfers		-	-	27,217,474	-	-	-	-	-	(27,217,474)	-
Revaluation of properties		423,656	-	4,695,434	-	-	-	-	-	-	5,119,090
At 31 December 2007/		2,830,000	-	38,573,108	647,515	4,796,062	626,835	2,722,917	103,540,508	2,738,313	156,475,258
1 January 2008		-	-	3,262,767	650,311	723,592	-	-	7,396,261	-	12,032,931
Additions		-	-	-	-	(24,457)	-	-	(1,059,004)	-	(1,083,461)
Disposals		-	-	-	(440,711)	(1,146,379)	(626,835)	(139,583)	(10,748,941)	-	(13,102,449)
Disposal of subsidiaries		-	-	-	-	(144,051)	-	-	-	-	-
Reclassifications		-	-	144,051	-	-	-	-	-	(2,738,313)	-
Transfers		-	-	2,738,313	-	-	-	-	-	-	-
Revaluation of properties		-	-	4,173,949	-	-	-	-	-	-	4,173,949
At 31 December 2008		2,830,000	-	48,892,188	857,115	4,204,767	-	2,583,334	99,128,824	-	158,496,228
Representing items at:											
Cost		2,406,344	-	31,657,674	647,515	4,796,062	626,835	2,722,917	103,540,508	2,738,313	149,136,168
Directors' valuation		423,656	-	6,915,434	-	-	-	-	-	-	7,339,090
At 31 December 2007		2,830,000	-	38,573,108	647,515	4,796,062	626,835	2,722,917	103,540,508	2,738,313	156,475,258
Cost		2,406,344	-	37,802,805	857,115	4,204,767	-	2,583,334	99,128,824	-	146,983,189
Directors' valuation		423,656	-	11,089,383	-	-	-	-	-	-	11,513,039
At 31 December 2008		2,830,000	-	48,892,188	857,115	4,204,767	-	2,583,334	99,128,824	-	158,496,228

Notes to the financial statements (cont'd)

3. Property, plant and equipment (cont'd)

Group	Note	Freehold land RM	Short term leasehold land RM	Buildings RM	Renovation RM	Furniture, fittings and office equipment RM	Showroom RM	Motor vehicles RM	Plant and machinery, tools and factory equipment, roads and bridges, mould and electrical installation RM	Building-in-progress RM	Total RM
Accumulated depreciation and impairment loss											
At 1 January 2007											
Accumulated depreciation		-	8,511,962	3,512,438	343,268	2,941,910	46,590	2,252,045	54,523,258	4,500	72,135,971
Accumulated impairment loss		175,499	-	856,120	26,762	99,075	-	-	14,776,850	-	15,934,306
At 31 December 2007											
Reclassification to prepaid lease payments	4	-	(8,511,962)	-	-	-	-	-	-	-	(8,511,962)
Depreciation for the year		-	-	449,675	84,567	402,891	65,900	208,048	8,536,466	-	9,747,547
Impairment loss	16	-	-	22	-	73,510	-	-	-	-	73,532
Disposals		-	-	-	-	(2,718)	-	(239,887)	(20,749)	-	(263,354)
Disposal of subsidiaries		-	-	-	(99,523)	(421,285)	-	(102,538)	(16,263,047)	-	(16,886,393)
Write off		-	-	-	-	(161)	-	-	(5,500)	-	(5,661)
Reclassification - depreciation		-	-	4,500	-	-	-	-	-	(4,500)	-
- impairment loss		(175,499)	-	175,499	-	-	-	-	-	-	-
Revaluation of properties		-	-	(2,891,706)	-	-	-	-	-	-	(2,891,706)
At 31 December 2007											
1 January 2008:											
Accumulated depreciation		-	-	1,074,907	328,312	2,920,637	112,490	2,117,668	46,770,428	-	53,324,442
Accumulated impairment loss		-	-	1,031,641	26,762	172,585	-	-	14,776,850	-	16,007,838
At 31 December 2008:											
Depreciation for the year	16	-	-	2,106,548	355,074	3,093,222	112,490	2,117,668	61,547,278	-	69,332,280
Disposals		-	-	1,534,661	72,280	253,538	16,796	153,854	7,087,495	-	9,118,624
Disposal of subsidiaries		-	-	-	-	(16,103)	-	-	(937,329)	-	(953,432)
Revaluation of properties		-	-	-	(163,513)	(464,059)	(129,286)	(4,429)	(4,437,467)	-	(5,198,754)
At 31 December 2008:		-	-	(331,767)	-	-	-	-	-	-	(331,767)
Accumulated depreciation		-	-	2,277,801	237,079	2,694,013	-	2,267,093	48,483,127	-	55,959,113
Accumulated impairment loss		-	-	1,031,641	26,762	172,585	-	-	14,776,850	-	16,007,838
Carrying amounts											
At 1 January 2007		-	-	3,309,442	263,841	2,866,598	-	2,267,093	63,259,977	-	71,966,951
At 31 December 2007		2,410,845	11,409,382	2,072,019	371,495	1,090,241	473,015	447,394	41,879,490	930,395	61,084,276
At 31 December 2007/1 January 2008		2,830,000	-	36,466,560	292,441	1,702,840	514,345	605,249	41,993,230	2,738,313	87,142,978
At 31 December 2008		2,830,000	-	45,582,746	593,274	1,338,169	-	316,241	35,868,847	-	86,529,277

Notes to the financial statements (cont'd)

3. Property, plant and equipment (cont'd)

Assets under hire purchase

Included in the carrying amount of property, plant and equipment are machineries and motor vehicles of RM11,812,493 (2007 - RM8,803,150) acquired under hire purchase agreements.

Borrowing costs

Included in building under construction of the Group in the previous financial year was interest capitalised at a rate of 7.55% - 8.25% amounted to RM493,974.

Security

At 31 December 2008, property, plant and equipment with a carrying amount of RM44,689,968 (2007 - RM38,184,846) are charged to financial institutions for credit facilities granted to the Group (see Note 12).

Properties under the revaluation model

Revaluation in 2007/2008

The Group has revalued certain detached factory with office building on leasehold land during the year. The valuation has been performed by a registered valuer, Rahim & Co Chartered Surveyors Sdn. Bhd., using an open market value method.

In the previous financial year, the Group's freehold land and buildings including buildings on leasehold land had been revalued by a registered valuer, Rahim & Co Chartered Surveyors Sdn. Bhd., using an open market value method.

Had the freehold land and buildings including buildings on leasehold land been carried under the cost model, their carrying amounts would have been RM2,406,344 (2007 - RM2,406,344) and RM32,199,594 (2007 - RM15,917,899) respectively.

Revaluation in 1978/1983

Certain buildings on leasehold land of the Group had been revalued in 1978 and 1983 by the Directors based on an opinion of market values expressed by a licensed appraiser and professional firm of Chartered Surveyors respectively.

Had the buildings been carried under the cost model, their carrying amounts would have been RM Nil (2007 - RM2,365) respectively.

4. Prepaid lease payments

Group	Leasehold land unexpired period less than 50 years	
	2008 RM	2007 RM
Cost		
At 1 January	20,946,146	-
Transfer from property, plant and equipment (Note 3)	-	19,921,344
Additions	-	1,024,802
At 31 December	<u>20,946,146</u>	<u>20,946,146</u>

Notes to the financial statements (cont'd)

4. Prepaid lease payments (cont'd)

Group	Leasehold land unexpired period less than 50 years	
	2008 RM	2007 RM
Accumulated amortisation		
At 1 January	9,364,444	-
Transfer from property, plant and equipment (Note 3)	-	8,511,962
Amortisation for the year (Note 16)	441,305	852,482
	9,805,749	9,364,444
At 31 December	9,805,749	9,364,444
Carrying amounts		
At 1 January	11,581,702	-
	11,581,702	-
At 31 December	11,140,397	11,581,702

Borrowing costs

Included in leasehold land of the Group was interest capitalised at a rate of 7.75% per annum of RM520,310 in the previous financial year.

Security

At 31 December 2008, leasehold land with a carrying amount of RM11,140,397 (2007 - RM11,548,253) are charged to financial institution for credit facilities granted to the Group (see Note 12).

Title to a leasehold land

The title of a piece of kaolin land, which was acquired at a cost of RM3,550,000 is still in the process of being transferred to the Group. The carrying amount of this land is RM1 (2007 - RM1).

Revaluation in 1978/1983

Certain leasehold land of the Group had been revalued in 1978 and 1983 by the Directors based on an opinion of market values expressed by a licensed appraiser and professional firm of Chartered Surveyors respectively. In accordance with FRS117, Leases, the unamortised revalued amounts had been retained as the surrogate carrying amount of prepaid lease payments. Had the leasehold land been carried under the cost model, their carrying amounts would have been RM Nil (2007 - RM65,545).

Notes to the financial statements (cont'd)

5. Intangible assets

Group	Note	Development			Total
		Goodwill	Trademarks	costs	
Cost		RM	RM	RM	RM
At 1 January 2007		76,659,401	11,431	517,570	77,188,402
Acquisitions		-	17,730	-	17,730
Disposal of subsidiaries		(28,381)	-	-	(28,381)
<hr/>					
At 31 December 2007/ 1 January 2008		76,631,020	29,161	517,570	77,177,751
Acquisitions		-	-	132,188	132,188
Disposal of subsidiaries		(4,662,848)	-	(649,758)	(5,312,606)
<hr/>					
At 31 December 2008		71,968,172	29,161	-	71,997,333
<hr/>					
Accumulated amortisation and impairment loss					
At 1 January 2007		45,070,142	-	494	45,070,636
Amortisation for the year	19	-	-	23,960	23,960
Impairment loss	16	762,854	-	-	762,854
Disposal of subsidiaries		(28,381)	-	-	(28,381)
<hr/>					
At 31 December 2007/ 1 January 2008		45,804,615	-	24,454	45,829,069
Amortisation for the year	19	-	-	6,143	6,143
Impairment loss	16	3,000,000	-	-	3,000,000
Disposal of subsidiaries		(762,854)	-	(30,597)	(793,451)
<hr/>					
At 31 December 2008		48,041,761	-	-	48,041,761
<hr/>					
Carrying amounts					
At 1 January 2007		31,589,259	11,431	517,076	32,117,766
<hr/>					
At 31 December 2007/ 1 January 2008		30,826,405	29,161	493,116	31,348,682
<hr/>					
At 31 December 2008		23,926,411	29,161	-	23,955,572
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Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Notes to the financial statements (cont'd)

5. Intangible assets (cont'd)

Impairment testing for cash-generating units containing goodwill (cont'd)

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	Group	
	2008 RM	2007 RM
Mining	11,000,000	14,000,000
Disposable foodwares	12,926,411	12,926,411
	23,926,411	26,926,411
Autoparts manufacturing	-	2,782,145*
Automotive sales and services	-	1,117,849*
	23,926,411	30,826,405

* In the previous year, the recoverable amounts for the autoparts manufacturing and automotive sales and services units had been determined based on their fair value less costs to sell pursuant to the divestment of these subsidiaries by the Company (Note 26). The recoverable amounts ascertained were less than their carrying amounts and an impairment loss of RM762,854 had been recognised.

The recoverable amounts of the mining and disposable foodwares units were based on their value in use calculations. The recoverable amount of the mining unit was less than its carrying amount and an impairment loss of RM3,000,000 was recognised for the current year. The impairment loss was allocated fully to goodwill, and was included in other expenses. The recoverable amount of the disposable foodwares unit exceeded its carrying amount and no impairment is therefore required.

Value in use was determined by discounting the future cash flows generated from the continuing use of the unit and was based on the following key assumptions:

- Cash flows of mining and disposable foodwares units were projected based on financial budgets and plans approved by the Directors. These forecast and projections covered a ten (10) year period based on the Directors' estimation of the remaining lease period/available reserve and the estimated useful life of the machineries for the mining and disposable foodwares units respectively.
- The anticipated annual revenue growths included in the cash flow forecast/ projections of the mining unit were 5% in 2010, 9% in 2011, 15% in 2012, 13% in 2013 and 3% for the years 2014-2018 while no growth was anticipated for 2009 given the current economic turmoil. The management also do not foresee any issue in obtaining approval to its new land application as planned.
- For disposable foodwares unit, revenue was expected to increase by 26% in 2009 and 3% for the years 2010 to 2018 and such anticipated growth was principally based on the management's assessment of a number of factors including market demand, market share, expected changes of selling prices, product profitability, customers' retention and current/future marketing initiatives or plans.
- The anticipated gross margins included in the cash flow forecast/ projections of the mining unit were 7% in 2009, 10% in 2010, 11% in 2011, 13% in 2012, 17% in 2013 and 16% for the years 2014-2018 where it was assumed that various cost cutting measures will be successfully implemented as planned.

Notes to the financial statements (cont'd)

5. Intangible assets (cont'd)

Impairment testing for cash-generating units containing goodwill (cont'd)

- For the disposable foodwares unit, gross margin was expected to improve from a gross loss of 8% (excluding exceptional items) in 2008 to a gross profit of 11% in 2009. For 2010 and 2011, margin will be at 12% while it was expected to remain at 13% for years 2012 to 2018 with turnaround expected in 2010.
- Any changes in material costs would be passed on the customers via changes in selling prices to maintain profitability.
- A pre-tax discount rate of 7.45% per annum was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the current market assessments of the time value of money.

The values assigned to the key assumptions represent the management's assessment of future trends in the mining and disposable foodwares industries and are based on both internal sources (historical data) and external sources where appropriate.

Sensitivity analysis performed by management which were based on 1% increase in the discount rate used and a 5% decrease in future planned revenue have indicated that no reasonably possible changes in the key assumptions used would result in a significantly different impairment test outcome.

Development costs

Development costs were related to the development of prototypes for specific model of auto parts undertaken by certain subsidiary companies.

6. Investments in subsidiaries

	Note	Company 2008 RM	2007 RM
At cost			
Unquoted shares in Malaysia			
At 1 January		133,413,361	151,384,843
Additions		8,463,350	-
Disposal of subsidiaries		(14,633,335)	(17,971,482)
At 31 December		<u>127,243,376</u>	<u>133,413,361</u>
Accumulated impairment loss			
At 1 January		(53,604,079)	(68,831,691)
Additions	16	(11,215,000)	(2,743,869)
Disposal of subsidiaries		2,743,869	17,971,481
At 31 December		<u>(62,075,210)</u>	<u>(53,604,079)</u>
Carrying amounts			
At 31 December		<u>65,168,166</u>	<u>79,809,282</u>

Notes to the financial statements (cont'd)

6. Investments in subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2008 %	2007 %
Associated Kaolin Industries Sdn. Bhd.	Malaysia	Production and sale of refined kaolin	100	100
Greatpac Sdn. Bhd. ("GPSB")	Malaysia	Manufacturing and trading of disposable foodwares products	100	100
(Held through Greatpac Sdn. Bhd.)				
Greatpac (S) Pte. Ltd. *	Singapore	General wholesale trading	100	100
Greatpac Trading Sdn. Bhd.	Malaysia	Dormant	100	100
TKH Auto Parts Sdn. Bhd. ^	Malaysia	Manufacturing and assembly of seat frames for automotives seats	-	99.9
TKH Manufacturing Sdn. Bhd. ^	Malaysia	Manufacturing and assembly of plastic injection parts and polyurethane materials for automotive seats	-	99.9
Automotive Design Services Sdn. Bhd. ^	Malaysia	Design, prototype development and verification of automotive components	-	99.9
Automotive Seat Assembly Sdn. Bhd. ^	Malaysia	Manufacturing and assembly of automotives seats	-	69.9
Momentum Suria Sdn. Bhd.^	Malaysia	Investment holding	-	99.9
(Held through Momentum Suria Sdn. Bhd.)				
Clear Expertise Sdn. Bhd. ^	Malaysia	Distribution of automobiles, spare parts and operating of service workshop	-	99.9
Clear Marque Sdn. Bhd.^	Malaysia	Distribution of automobiles, spare parts and operating of service workshop	-	99.9
Clear Speed Sdn. Bhd. ^	Malaysia	Dormant	-	99.9

* Audited by other firms of accountants other than member firms of KPMG International

^ Subsidiaries disposed off during the year (refer to Note 19)

Notes to the financial statements (cont'd)

7. Inventories

	Group	
	2008 RM	2007 RM
Raw materials and consumables	4,545,453	10,233,038
Work-in-progress	1,154,365	1,222,369
Finished goods	5,534,199	8,206,745
	11,234,017	19,662,152
Carrying amount of inventories pledged as security for bank borrowings	-	510,034

The write-down of inventories to net realisable value amounted to RM3,095,775 (2007 - RM463,514). During the financial year, the Group has written off inventories of RM44,391 (2007 - RM2,782,711). The write-down and write-off are included in cost of sales.

8. Receivables, deposits and prepayments

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Non-current				
Non-trade				
Amount due from subsidiaries	-	-	44,728,150	31,132,927
Other receivables	516,000	2,098,358	516,000	2,598,358
Total non-current	516,000	2,098,358	45,244,150	33,731,285
Current				
Trade				
Trade receivables	11,959,123	17,449,156	-	-
Less: Allowance for doubtful debts	(1,834,292)	(1,345,583)	-	-
	10,124,831	16,103,573	-	-
	10,124,831	16,103,573	-	-

Notes to the financial statements (cont'd)

8. Receivables, deposits and prepayments (cont'd)

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Non-trade				
Amount due from subsidiaries	-	-	-	224,826
Other receivables	3,022,081	893,785	1,718,359	502,210
Less: Allowance for doubtful debts	(1,066,359)	-	(1,066,359)	-
	<u>1,955,722</u>	<u>893,785</u>	<u>652,000</u>	<u>502,210</u>
Deposits	516,205	1,426,425	-	-
Less: Allowance for doubtful debts	(140,430)	(140,430)	-	-
	<u>375,775</u>	<u>1,285,995</u>	<u>-</u>	<u>-</u>
Prepayments	785,603	1,265,192	-	-
	<u>3,117,100</u>	<u>3,444,972</u>	<u>652,000</u>	<u>727,036</u>
Total current	<u>13,241,931</u>	<u>19,548,545</u>	<u>652,000</u>	<u>727,036</u>
Total receivables, deposits and prepayments	<u>13,757,931</u>	<u>21,646,903</u>	<u>45,896,150</u>	<u>34,458,321</u>

Analysis of foreign currency exposure for significant receivables

Significant receivables outstanding at year end that are not in the functional currencies of the Group entities are as follows:

Functional currency	Foreign currency	Group	
		2008 RM	2007 RM
RM	USD	3,759,934	3,156,820
RM	Euro	996,278	413,544
RM	SGD	177,507	641,842
		<u>4,933,719</u>	<u>4,212,206</u>

Amount due from subsidiaries

Non-current

Amount due from subsidiaries represent advances, which are unsecured, bear interests ranging from 8.00% to 8.25% per annum (2007 - 8.25% per annum) and are not repayable within the next twelve (12) months.

Current

Balance was in relation to payments made on behalf, which are unsecured, interest free and repayable on demand.

Notes to the financial statements (cont'd)

8. Receivables, deposits and prepayments (cont'd)

Other receivables

Non-current

The balances relate to amount due from Success Profile Sdn. Bhd. ("SPSB") and its subsidiaries ("SP Group") upon the disposal of SPSB by the Company in the previous financial year (Note 19). The balance is repayable in eight (8) quarterly instalments with effect from 1 January 2009 in accordance with the terms of disposal as set out in the agreed repayment plan.

Trade receivables

Included in allowance for doubtful debts of the previous financial year was RM475,183 relating to certain subsidiaries of the Company which have been disposed of during the year.

9. Cash and cash equivalents

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Deposits placed with licensed banks	836,107	445,261	350,000	-
Cash and bank balances	2,255,723	1,164,690	23,450	12,058
	<u>3,091,830</u>	<u>1,609,951</u>	<u>373,450</u>	<u>12,058</u>

Deposits placed with licensed banks pledged for bank facilities

Included in the deposits placed with licensed banks is RM486,107 (2007 - RM445,261) pledged for bank facilities granted to subsidiaries.

10. Share capital and reserves

Share capital

	Group and Company			
	Amount 2008 RM	Number of shares 2008	Amount 2007 RM	Number of shares 2007
Authorised:				
Ordinary shares of RM0.20 each (2007 - RM1 each)	<u>500,000,000</u>	<u>2,500,000,000</u>	<u>500,000,000</u>	<u>500,000,000</u>
Issued and fully paid:				
On issue at 1 January				
Ordinary shares of RM1 each	143,040,630	143,040,630	143,018,530	143,018,530
Par value reduction	(114,970,824)	-	-	-
Ordinary shares of RM0.20 each (2007-RM1 each)	28,069,806	143,040,630	143,018,530	143,018,530
Conversion of ICULS	875,064	1,683,719	22,100	22,100
Rights Issue	28,742,706	143,713,530	-	-
On issue at 31 December	<u>57,687,576</u>	<u>288,437,879</u>	<u>143,040,630</u>	<u>143,040,630</u>

Notes to the financial statements (cont'd)

10. Share capital and reserves (cont'd)

During the financial year, the Company undertook the following:

- a) reduced the par value of its issued and paid-up capital by the cancellation of RM0.80 of the par value of each existing ordinary share of RM1 each in the Company thereby reducing the issued and paid-up share capital of the Company by RM114,970,824;
- b) increased its issued and paid-up capital by the issuance of 672,900 new ordinary shares of RM0.20 each pursuant to the conversion of RM672,900 nominal value of 5-year 2% Irredeemable Convertible Unsecured Loan Stocks 2003/2008 ("ICULS") at a conversion price of RM1 per ICULS;
- c) increased its issued and paid-up capital by way of a renounceable rights issue of 143,713,530 new ordinary shares ("Rights Shares") together with 71,856,764 warrants for free ("Warrants")(details as set out in the following paragraphs) at an issue price of RM0.21 per Rights Share and Warrant ("Rights Issue"); and
- d) increased its issued and paid-up capital by the issuance of 1,010,819 new ordinary shares of RM0.20 each pursuant to the conversion of RM768,700 nominal value of 5-year 2% Irredeemable Convertible Unsecured Loan Stocks 2003/2008 ("ICULS") at a conversion price of RM0.76 per ICULS.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one (1) vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Share premium

	Note	Group and Company 2008 RM	2007 RM
At 1 January		-	-
Arising from:			
- Rights Issue	26	1,437,135	-
- Conversion of ICULS	26	566,536	-
Share issue expenses	26	(1,353,867)	-
Allocation to warrants reserve		(649,804)	-
		<hr/>	<hr/>
At 31 December		-	-
		<hr/>	<hr/>

Capital reserve

The capital reserve arises from the Par Value Reduction as set out in Note 26. The reserve has enabled the Company to eliminate RM99,235,198 of its accumulated losses. An amount of RM7,043,097 from the reserve has been allocated to warrants reserve.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of a foreign operation.

Revaluation reserve

The revaluation reserve relates to the revaluation of properties in 2007 and 2008 (Note 3).

Notes to the financial statements (cont'd)

10. Share capital and reserves (cont'd)

2% Irredeemable Convertible Unsecured Loan Stocks (ICULS)

The main features of the ICULS were as follows:

- The ICULS were convertible into fully paid ordinary shares of the Company during the year from 12 December 2003 to 11 December 2008 at the rate of RM1 nominal value (subject to adjustments) of ICULS 2003/2008 for one (1) fully paid ordinary shares of RM1 each;
- Upon conversion of the ICULS into new ordinary shares, such shares shall rank pari passu in all respect with the existing ordinary shares of the Company except that they shall not be entitled to any rights, dividends, allotment and/or other distributions, the entitlement date of which precedes the relevant conversion date of the ICULS;
- ICULS may be converted, all or in part, on the date of issuance and semi-annually thereafter. Conversion before the maturity of the ICULS is at the option of the ICULS holder. Upon maturity of the ICULS, the Company would mandatory convert any ICULS that remain outstanding.

Pursuant to the Trust Deed dated 3 December 2003 as amended in a Supplemental Trust Deed dated 11 July 2008, the abovementioned mandatory conversion upon maturity on 11 December 2008 was at the adjusted conversion price of RM0.76 (as a result of the Rights Issue) for each new ordinary share of the Company issued; and

- Interest on ICULS was paid annually.

The proceeds received from the initial issue of the ICULS have been split between the liability component and the equity component, representing the fair value of the conversion option. The ICULS are accounted for in the balance sheets of the Group and of the Company as follows:

	Group and Company	
	2008	2007
	RM	RM
Nominal value of ICULS	-	1,441,600
Equity component	-	(1,420,243)
	<hr/>	<hr/>
Liability component as at 31 December	-	21,357
	<hr/>	<hr/>

Warrants

The Warrants of 71,856,764 issued pursuant to the Rights Issue exercise of the Company are constituted by a Deed Poll dated 24 July 2008 ("Deed Poll"). The Warrants are listed on Second Board of Bursa Malaysia Securities Berhad on 29 August 2008. The main features of the Warrants are as follows:

- Each Warrant will entitle its registered holder during the exercise period to subscribe for one (1) new ordinary share at the exercise price, subject to adjustment in accordance with the provision of the Deed Poll.
- The exercise price of each Warrant has been fixed at RM0.21, subject to adjustments under certain circumstances in accordance with the provision of the Deed Poll.
- The expiry date of Warrants shall be the day falling on the fifth (5th) anniversary of the date of issue of the Warrants, whereupon any warrant which has not been exercised will lapse and cease thereafter to be valid for any purpose.

Notes to the financial statements (cont'd)

10. Share capital and reserves (cont'd)

Warrants (cont'd)

(d) The new ordinary shares of RM0.20 each to be issued pursuant to the exercise of the Warrants will rank pari passu in all respects with the existing issued ordinary shares of the Company.

The proceeds received from the Rights Issue with free warrants of RM30,179,841 have been allocated from the following equity items to the warrants reserve based on the relative fair values of the ordinary shares and warrants before their listing and quotation on 29 August 2008:

	Group and Company	
	2008	2007
	RM	RM
Share premium	649,804	-
Capital reserve	7,043,097	-
	<u>7,692,901</u>	<u>-</u>

11. Payables and accruals

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Non-current				
Non-trade				
Amount due to a related party	22,714,015	27,645,657	22,714,015	25,863,582
	<u>22,714,015</u>	<u>27,645,657</u>	<u>22,714,015</u>	<u>25,863,582</u>
Current				
Trade				
Trade payables	6,981,479	10,209,136	-	-
	<u>6,981,479</u>	<u>10,209,136</u>	<u>-</u>	<u>-</u>
Non-trade				
Amount due to subsidiaries	-	-	14,021,834	15,842,215
Amount due to related parties	154,418	3,938,637	79,786	3,924,812
Other payables	2,476,522	5,759,506	349,420	1,100,000
Accrued expenses	5,578,772	6,967,067	199,705	297,824
	<u>8,230,501</u>	<u>16,673,240</u>	<u>14,670,745</u>	<u>21,164,851</u>
Total current	15,191,191	26,874,346	14,650,745	21,164,851
	<u>15,191,191</u>	<u>26,874,346</u>	<u>14,650,745</u>	<u>21,164,851</u>
Total payables and accruals	37,905,206	54,520,003	37,364,760	47,028,433
	<u>37,905,206</u>	<u>54,520,003</u>	<u>37,364,760</u>	<u>47,028,433</u>

Analysis of foreign currency exposure for significant payables

Significant payables that are not in the functional currencies of the Group entities are as follows:

		Group	
Functional currency	Foreign currency	2008	2007
RM	USD	RM	RM
		812,923	3,497,022
		<u>812,923</u>	<u>3,497,022</u>

Notes to the financial statements (cont'd)

11. Payables and accruals (cont'd)

Amount due to a related party

Non-current

The related party is Wawasan TKH Sdn. Bhd. ("WTKHSB"), a substantial corporate shareholder of the Company. The amount due to WTKHSB relates to advances received which are unsecured and bearing interest at 8.00% - 8.25% per annum (2007 - 8.25% per annum) and are not repayable in the next twelve (12) months.

WTKHSB has also agreed to the Company's request to subordinate the advances due to WTKHSB amounting to RM10,000,000 for the next twelve (12) months from the date of this report.

Current

The current balances represents payments made on behalf, which are unsecured, interest free and repayable on demand.

Amount due to subsidiaries

Amount due to subsidiaries are mainly payments made on behalf, which are unsecured, interest free and repayable on demand.

Accrued expenses

Included in accrued expenses of the Group is an amount of RM496,680 (2007 - RM547,770) in relation to the contributions payable under the terms and conditions of the Collective Agreement with Non-Metallic Mineral Products Manufacturing Employees' ("NMPME") Union.

12. Loans and borrowings

	Group	
	2008 RM	2007 RM
Non-current		
Secured bank loans	33,184,950	40,152,794
Hire purchase liabilities	7,431,504	6,454,367
	40,616,454	46,607,161
Current		
Secured bank loans	4,378,685	5,033,010
Secured bankers' acceptances	4,349,000	3,127,000
Secured bank overdrafts	3,210,613	7,268,731
Secured revolving credit	-	4,950,000
Secured revolving hire-purchase	-	466,608
Unsecured bankers' acceptances	4,601,000	6,173,000
Hire purchase liabilities	2,779,711	1,779,809
	19,319,009	28,798,158
	59,935,463	75,405,319

Notes to the financial statements (cont'd)

12. Loans and borrowings (cont'd)

Security

The bank loans and borrowings of the Group are secured against the following:

- (a) first legal charge over the freehold land, leasehold land and buildings with a carrying amount of RM55,830,365 (2007 - RM49,733,099) (see Note 3 and Note 4);
- (b) fixed deposits of RM486,107 (2007 - RM445,261) (see Note 9);
- (c) debenture over all present and future fixed and floating assets of certain subsidiaries; and
- (d) corporate guarantee by the Company.

In the previous year, certain borrowings of the Group were also secured against third party legal charge over certain fixed deposits of a related party and inventories (Note 7).

Terms and debt repayment schedule

Group	Year of maturity	Carrying amount RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	Over 5 years RM
2008						
Secured bank loans						
- RM	2020	36,411,000	4,315,583	4,272,688	10,444,425	17,378,304
- SGD	2023	1,152,635	63,102	66,650	223,273	799,610
Secured bank overdrafts	2009	3,210,613	3,210,613	-	-	-
Secured bankers' acceptances	2009	4,349,000	4,349,000	-	-	-
Unsecured bankers' acceptances	2009	4,601,000	4,601,000	-	-	-
Hire purchase liabilities	2013	10,211,215	2,779,711	2,786,359	4,645,145	-
		59,935,463	19,319,009	7,125,697	15,312,843	18,177,914
2007						
Secured bank loans						
- RM	2020	44,028,919	4,917,616	6,642,356	14,468,435	18,000,512
- SGD	2023	1,156,885	115,394	115,394	346,183	579,914
Secured bank overdrafts	2008	7,268,731	7,268,731	-	-	-
Secured bankers' acceptances	2008	3,127,000	3,127,000	-	-	-
Secured revolving credit	2008	4,950,000	4,950,000	-	-	-
Secured revolving hire-purchase	2008	466,608	466,608	-	-	-
Unsecured bankers' acceptances	2008	6,173,000	6,173,000	-	-	-
Hire purchase liabilities	2012	8,234,176	1,779,809	1,823,883	4,626,007	4,477
		75,405,319	28,798,158	8,581,633	19,440,625	18,584,903

Notes to the financial statements (cont'd)

12. Loans and borrowings (cont'd)

Hire purchase liabilities

Hire purchase liabilities are payable as follows:

Group	Minimum Lease	Interest	Principal	Minimum Lease	Interest	Principal
	Payments			Payments		
	2008	2008	2008	2007	2007	2007
	RM	RM	RM	RM	RM	RM
Less than one year	3,383,321	603,610	2,779,711	2,290,299	510,490	1,779,809
Between one and five years	8,097,576	666,072	7,431,504	7,222,671	772,781	6,449,890
More than five years	-	-	-	5,320	843	4,477
	11,480,897	1,269,682	10,211,215	9,518,290	1,284,114	8,234,176

13. Deferred tax

Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	Group	
	2008	2007
	RM	RM
Property, plant and equipment – revaluation of properties	2,526,520	1,444,644
Deferred tax liabilities	2,526,520	1,444,644

Unrecognised deferred tax assets

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

	Group	
	2008	2007
	RM	RM
		restated
Continuing operations		
Property, plant and equipment	(23,773,025)	(15,876,200)
Unutilised capital allowances carry-forward	23,047,136	15,447,900
Unutilised tax losses carry-forward	36,728,085	20,725,800
Provisions	1,435,547	1,192,500
	37,437,743	21,490,000
At 25% (2007 - 26%)	9,359,436	5,587,400

Notes to the financial statements (cont'd)

13. Deferred tax (cont'd)

Unrecognised deferred tax assets (cont'd)

	2008 RM	Group 2007 RM restated
Discontinued operations		
Property, plant and equipment	-	(2,223,400)
Unutilised capital allowances carry-forward	-	7,867,400
Unutilised tax losses carry-forward	-	14,045,810
Provisions	-	564,500
	-	20,254,310
At 25% (2007 - 26%)	-	5,266,121

Deferred tax assets have not been recognised in respect of these items in view of the history of losses incurred. Deferred tax asset will be recognised only when profit trends are certain.

14. Revenue

	2008 RM	Group 2007 RM restated	Company 2008 RM	2007 RM
Continuing operations				
- Sales	91,585,651	86,132,706	-	-
- Services	-	669,966	-	-
- Management fees	-	-	614,400	-
	91,585,651	86,802,672	614,400	-
Discontinued operations				
- Sales (Note 19)	4,060,946	17,863,722	-	-
	95,646,597	104,666,394	614,400	-

15. Finance costs

	2008 RM	Group 2007 RM restated	Company 2008 RM	2007 RM
Interest expenses on:				
Continuing operations				
Advances	2,804,519	1,008,347	2,839,561	1,522,482
Bank loans	2,618,302	1,046,930	-	-
Hire purchase	696,227	269,701	-	-
Bank overdrafts	81,730	94,911	-	-
Bankers' acceptances	477,934	437,496	-	-
ICULS interest	28,832	29,074	28,832	29,074
Others	138,862	171,760	-	-
	6,846,406	3,058,219	2,868,393	1,551,556

Notes to the financial statements (cont'd)

15. Finance costs (cont'd)

	Group		Company	
	2008 RM	2007 RM restated	2008 RM	2007 RM
Interest expenses on: (cont'd)				
<i>Discontinued operations</i>				
Advances	64,418	184,033	-	-
Bank loan	139,449	340,521	-	-
Hire purchase	583	3,779	-	-
Bank overdrafts	111,053	301,303	-	-
Bankers' acceptances	39,604	96,430	-	-
Revolving credit	53,067	470,145	-	-
Revolving hire-purchase	12,755	52,380	-	-
Others	10,845	53,073	-	-
	431,774	1,501,664	-	-
	7,278,180	4,559,883	2,868,393	1,551,556

16. Loss before tax

	Note	Group		Company	
		2008 RM	2007 RM restated	2008 RM	2007 RM
Loss before tax is arrived at after charging:					
Allowance for doubtful debts		2,114,726	800,631	1,066,359	-
Amortisation of prepaid lease payments	4	441,305	852,482	-	-
Auditors' remuneration:					
- Statutory audit					
- KPMG		102,000	100,000	40,000	40,000
- Other auditors		9,934	9,583	-	-
- Other services					
- KPMG		8,000	8,000	8,000	8,000
- Affiliates of KPMG		6,500	12,000	2,500	2,500
Depreciation on property, plant and equipment	3	9,118,624	7,184,729	-	-
Impairment loss:					
- Intangible assets	5	3,000,000	762,854	-	-
- Property, plant and equipment	3	-	73,532	-	-
- Investment in subsidiaries	6	-	-	11,215,000	2,743,869
Interest expense	15	6,846,406	3,058,219	2,868,393	1,551,556
Inventories written down	7	3,095,775	463,514	-	-
Inventories written off	7	44,391	2,744,391	-	-
Loss on disposal of subsidiaries		-	-	8,153,582	-
Personnel expenses (including key management personnel):					
- Contributions to Employee Provident Fund		824,803	712,321	63,693	81,006
- Contributions to NMPME Union Fund		22,100	15,045	-	-
- Wages, salaries and others		12,921,082	13,915,312	495,106	888,337
Relocation and commissioning expenses		160,312	970,593	-	-
Rental of motor vehicles		21,996	25,099	-	-
Rental expenses on property leases		341,513	1,218,862	-	-
Royalty		25,974	26,635	-	-

Notes to the financial statements (cont'd)

16. Loss before tax (cont'd)

		Group		Company	
	Note	2008 RM	2007 RM restated	2008 RM	2007 RM
and after crediting:					
Reversal of allowance for doubtful debts		84,475	1,643,978	-	2,512,108
Gain on disposal of property, plant and equipment		28,321	93,916	-	-
Gain on disposal of subsidiaries	19	8,202,240	3,083,847	-	-
Net gain on foreign exchange		752,856	201,884	-	-
Interest income		33,903	25,858	2,273,723	1,522,482
Insurance claim on property, plant and equipment and inventories		-	2,091,238	-	-
Reversal of overprovision of corporate guarantee	19	283,773	-	283,773	-
Reversal of expenses over accrued		-	18,271	-	-
Reversal of collective agreement expenses		-	111,161	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

17. Key management personnel compensation

The key management personnel compensations are as follows:

		Group		Company	
		2008 RM	2007 RM	2008 RM	2007 RM
Directors					
- Fees		110,000	91,247	95,000	91,247
- Remuneration		1,216,604	1,370,214	907,720	253,000
		<u>1,326,604</u>	<u>1,461,461</u>	<u>1,002,720</u>	<u>344,247</u>
Other key management personnel:					
- Short-term employee benefits		1,833,898	2,553,380	488,427	468,575
		<u>3,160,502</u>	<u>4,014,841</u>	<u>1,491,147</u>	<u>812,822</u>

Other key management personnel comprises of persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

Notes to the financial statements (cont'd)

18. Tax expense

Recognised in the income statement

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Tax expense on continuing operations	(89,610)	(78,617)	-	-
Tax expense on discontinued operations (Note 19)	-	-	-	-
Total tax expense	(89,610)	(78,617)	-	-
Major components of tax expense include:				
Current tax expense:				
Current year provision	-	1,125	-	-
Over provision in prior years	-	(25,375)	-	-
	-	(24,250)	-	-
Deferred tax expense:				
Reversal of temporary differences	(1,551,173)	(555,330)	-	-
Underprovision in prior year	1,551,173	555,330	-	-
Deferred tax relating to revaluation reserve	(89,610)	(54,367)	-	-
	(89,610)	(54,367)	-	-
	(89,610)	(78,617)	-	-

Reconciliation of effective tax expense

	Group		Company	
	2008 RM	2007 RM restated	2008 RM	2007 RM
Loss for the year	(24,372,168)	(24,451,120)	(22,004,196)	(2,688,338)
Total tax expense	(89,610)	(78,617)	-	-
Loss excluding tax	(24,461,778)	(24,529,737)	(22,004,196)	(2,688,338)
Tax at Malaysia tax rate of 26% (2007 - 27%)	(6,360,062)	(6,623,029)	(5,721,091)	(725,851)
Effect of tax rate in foreign jurisdictions *	122,472	71,318	-	-
Non-taxable income	(2,132,582)	(832,639)	-	-
Non-deductible expenses	2,902,735	1,434,543	5,721,091	725,851
Tax incentives	(28,742)	(16,559)	-	-
Deferred tax assets not recognised	3,772,036	5,266,121	-	-
Deferred tax on revaluation reserve	(89,610)	(54,367)	-	-
Others	172,970	146,040	-	-
	(1,640,783)	(608,572)	-	-
Underprovision in prior year	1,551,173	529,955	-	-
Tax expense	(89,610)	(78,617)	-	-

* Subsidiary operating in a tax jurisdiction with a lower tax rate.

Notes to the financial statements (cont'd)

19. Discontinued operations

On 31 January 2008, the Company entered into a Share Sale Agreement with Wawasan TKH Sdn. Bhd. ("WTKHSB"), a corporate shareholder and related party (see Note 25), to dispose of its entire issued and paid-up ordinary shares and irredeemable convertible preference shares of TKH Auto Parts Sdn. Bhd. ("TKHAP"), TKH Manufacturing Sdn. Bhd. ("TKHM"), Automotive Design Services Sdn. Bhd. ("ADS"), Automotive Seat Assembly Sdn. Bhd. ("ASA") and Momentum Suria Sdn. Bhd. ("MSSB") (together referred to as "Automotive Subsidiaries") for a total cash consideration of RM3,900,000, via set-off against advances due by the Company to WTKHSB. The disposal was completed on 31 March 2008.

During the previous financial year, the Group sold the entire medical compounds division. The Company entered into a Share Sale Agreement to dispose of the entire issued and paid-up capital in Success Profile Sdn. Bhd. ("SPSB"), a wholly owned subsidiary of the Company consisting of 19,000,000 ordinary shares of RM1 each for a total cash consideration of RM1. The disposal was completed on 30 November 2007.

Results attributable to the discontinued operations are as follows:

Results of discontinued operations

	Note	2008 RM	Group 2007 RM restated
Revenue	14	4,060,946	17,863,722
Operating expenses		(5,619,741)	(25,656,954)
Operating income		50,841	1,279,757
Results from operating activities		(1,507,954)	(6,513,475)
Finance costs	15	(431,774)	(1,501,664)
Tax expense	18	-	-
Loss after tax		(1,939,728)	(8,015,139)
Gain on disposal	16	8,202,240	3,083,847*
Profit/(Loss) for the year		6,262,512	(4,931,292)

* Gain on disposal of SPSB was arrived at net of provision for corporate guarantee amounting to RM1,100,000 provided by the Group that had yet to be released in respect of the banking facilities granted to SP Group. The said guarantee was released after settlement of RM816,227 to the bank during the year and hence, the over provision which amounted to RM283,773 has been credited to the income statement by the Group in the current financial year (see Note 16).

Notes to the financial statements (cont'd)

19. Discontinued operations (cont'd)

Results attributable to the discontinued operations are arrived at after charging:

		2008	Group 2007
	Note	RM	RM restated
Amortisation of intangible assets	5	6,143	23,960
Auditors' remuneration		-	63,035
Depreciation of property, plant and equipment		499,594	2,562,818
Directors' remuneration:			
- emoluments		84,000	355,080
Interest expense		431,774	1,501,664
Inventories written down		-	38,320
Net foreign exchange loss		-	3,697
Personnel expenses			
- contributions to Employees Provident Fund		82,977	400,196
- wages, salaries and others		732,394	4,127,827
Rental expenses on property leases		259,167	1,176,111
Property, plant and equipment written off		-	27,758
Research and development costs expensed as incurred		-	10,121
		<hr/>	<hr/>
and after crediting:			
Gain on disposal of property, plant and equipment		-	16,388
Rental income		11,165	-
Interest income		-	467
		<hr/>	<hr/>

Cash flows from discontinued operations

	2008	Group 2007
	RM	RM
Net cash (used in)/generated from operating activities	(1,300,033)	437,278
Net cash used in investing activities	(231,734)	(8,308)
Net cash generated from/(used in) financing activities	659,676	(412,800)
	<hr/>	<hr/>
Net cash (used in)/generated from discontinued operations	(872,091)	16,170
	<hr/>	<hr/>

Notes to the financial statements (cont'd)

19. Discontinued operations (cont'd)

Effect on disposal on the financial position of the Group

	Note	As at disposal date	
		2008 RM	2007 RM
Property, plant and equipment		7,903,695	2,558,866
Intangible assets		619,161	-
Inventories		6,223,919	637,355
Receivables, deposits and prepayment		8,723,667	1,934,513
Current tax assets		-	1,212
Cash and bank balances		190,899	145,708
Bank overdraft		(5,946,989)	(1,690,824)
Payables and accruals		(9,244,778)	(7,214,490)
Loans and borrowings		(16,642,108)	(537,101)
		<hr/>	<hr/>
Net identifiable assets and liabilities		(8,172,534)	(4,164,761)
Consolidation permanent adjustment		(29,700)	(19,085)
Goodwill on acquisition (net of impairment)	5	3,899,994	-
Net disposal proceeds		(3,900,000)	(1)
Provision for corporate guarantee given		-	1,100,000
		<hr/>	<hr/>
Gain on disposal	16	8,202,240	3,083,847
		<hr/>	<hr/>
Consideration received		3,900,000*	1
Cash and cash equivalents disposed of		5,756,090	1,545,116
		<hr/>	<hr/>
Net cash inflow to the Group		9,656,090	1,545,117
		<hr/>	<hr/>

* Set off against advances from WTKHSB (Note 26).

20. (Loss)/Earnings per share

Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share at 31 December 2008 was based on the (loss)/profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

Group	Continuing operations RM	Discontinued operations RM	Total RM
2008			
(Loss)/Profit for the year attributable to ordinary shareholders	(30,634,680)	6,262,512	(24,372,168)
	<hr/>	<hr/>	<hr/>
2007 (restated)			
Loss for the year attributable to ordinary shareholders	(19,519,828)	(4,931,292)	(24,451,120)
	<hr/>	<hr/>	<hr/>

Notes to the financial statements (cont'd)

20. (Loss)/Earnings per share (cont'd)

Basic (loss)/earnings per share (cont'd)

Weighted average number of ordinary shares (basic)

	2008	Group 2007
Issued ordinary shares of RM0.20* each at 1 January	147,684,552	150,169,457#
Effect of conversion of ICULS on 15.7.2008 (2007 - on 13.6.2007)	315,341	10,000
Effect of ordinary shares issued on 25.8.2008	50,398,170	-
Effect of conversion of ICULS on 11.12.2008 (2007 - on 13.12.2007)	55,387	12,100
	<hr/>	<hr/>
Weighted average number ordinary shares of RM0.20 each (basic) at 31 December	198,453,450	150,191,557
	<hr/>	<hr/>

	2008 Sen	Group 2007 Sen restated
From continuing operations	(15.44)	(13.00)
From discontinued operations	3.16	(3.28)
	<hr/>	<hr/>
	(12.28)	(16.28)
	<hr/>	<hr/>

* Par Value of the Company's ordinary shares has been reduced from RM1 each to RM0.20 each during the year (Note 26).

After incorporating the effect of the Right Issue mentioned in Note 26.

Diluted (loss)/earnings per share

The calculation of diluted (loss)/earnings per ordinary share at 31 December 2008 was based on (loss)/profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

Group	Continuing operations RM	Discontinued operations RM	Total RM
2008			
(Loss)/Profit for the year attributable to ordinary shareholders	(30,634,680)	6,262,512	(24,372,168)
	<hr/>	<hr/>	<hr/>
	Continuing operations RM restated	Discontinued operations RM restated	Total RM
2007			
Loss for the year attributable to ordinary shareholders	(19,519,828)	(4,931,292)	(24,451,120)
Interest expense on ICULS, net of tax	21,224	-	21,224
	<hr/>	<hr/>	<hr/>
Loss attributable to ordinary shareholders (diluted)	(19,498,604)	(4,931,292)	(24,429,896)
	<hr/>	<hr/>	<hr/>

Notes to the financial statements (cont'd)

20. (Loss)/Earnings per share (cont'd)

Diluted (loss)/earnings per share (cont'd)

Weighted average number of ordinary shares (diluted)

	2008	Group 2007
Weighted average number of ordinary shares at 31 December	198,453,450	150,191,557
Effect of conversion of ICULS	-	1,441,600
	<hr/>	<hr/>
Weighted average number of ordinary shares RM0.20 each (diluted) at 31 December	198,453,450	151,633,157
	<hr/>	<hr/>
	2008 Sen	Group 2007 Sen restated
From continuing operations	-*	(12.86)
From discontinued operations	-*	(3.25)
	<hr/>	<hr/>
	-*	(16.11)
	<hr/>	<hr/>

* The diluted (loss)/earnings per share were not presented as the effect of the assumed conversion of warrants outstanding would be anti dilutive.

21. Segment reporting

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly loans and borrowings and related expenses, liabilities component of ICULS, tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

Inter-segment pricing is determined on an arm's length basis.

Business segments

The Group comprises the following main business segments:

- Investment holding
- Manufacturing disposable foodwares
- Mining

During the year, the Group disposed of the entire manufacturing automotive parts and automotive sales and services segments (Note 19).

Geographical segments

The Group's operations are located in Malaysia and overseas.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Notes to the financial statements (cont'd)

2008	Continuing operations			Discontinued operations			Total Consolidated RM			
	Investment holding RM	Manufacturing disposable foodwares RM	Mining RM	Eliminations RM	Total RM	Manufacturing automotive part services RM		Automotive sales & services RM	Eliminations RM	
Business segments										
Total external revenue	-	77,613,968	13,971,683	-	91,585,651	2,345,373	1,715,573	-	4,060,946	95,646,597
Inter-segment revenue	614,400	-	-	(614,400)	-	-	-	-	-	-
Total segment revenue	614,400	77,613,968	13,971,683	(614,400)	91,585,651	2,345,373	1,715,573	-	4,060,496	95,646,597
Segment result	(19,734,549)	(16,906,347)	(1,964,497)	16,368,582	(22,236,811)	(1,371,662)	(136,292)	-	(1,507,954)	(23,744,765)
Unallocated corporate expenses					(1,674,977)					(1,674,977)
Result from operating activities					(23,911,788)				(1,507,954)	(25,419,742)
Interest income					33,904				-	33,904
Finance costs					(6,846,406)				(431,774)	(7,278,180)
Loss before tax					(30,724,290)				(1,939,728)	(32,664,018)
Tax expense					89,610				-	89,610
Gain on sale of discontinued operations					-				8,202,240	8,202,240
Loss for the year					(30,634,680)				6,262,512	(24,372,168)
2008										
Segment assets										
Unallocated assets	111,437,766	128,336,630	34,178,168	(124,243,540)	149,709,024	1,054,676	-	-	-	149,709,024
Total assets					150,763,700					150,763,700
Segment liabilities										
Unallocated liabilities	(14,570,959)	(56,312,766)	(3,365,044)	59,116,239	(15,132,530)	(85,255,784)	-	-	-	(15,132,530)
Total liabilities					(100,388,314)					(100,388,314)
Capital expenditure	-	11,907,448	19,545	-	11,926,993	104,838	1,100	105,938	12,032,931	24,064,870
Depreciation and amortisation	-	8,428,320	632,015	-	9,060,335	469,728	29,866	499,594	9,559,929	20,149,452
Impairment loss on intangible assets, property, plant and equipment	11,215,000	-	3,000,000	(11,215,000)	3,000,000	-	-	-	-	3,000,000
Non-cash expenses other than depreciation and amortisation	8,936,167	4,133,190	44,391	(8,153,582)	4,960,166	-	-	-	-	4,960,166

Notes to the financial statements (cont'd)

21. Segment reporting (cont'd)	Continuing operations		Discontinued operations		Total Consolidated RM						
	Investment holding RM	Manufacturing disposable foodwares RM	Mining RM	Eliminations RM		Total RM	Automotive parts RM	Automotive sales and services RM	Medical compounds RM	Eliminations RM	Total Consolidated RM restated
Business segments											
Total external revenue	-	70,190,957	16,611,715	-	86,802,672	6,944,882	6,559,636	4,359,204	-	17,863,722	104,666,394
Inter-segment revenue	-	-	-	-	-	-	379,540	-	(379,540)	-	-
Total segment revenue	-	70,190,957	16,611,715	-	86,802,672	6,944,882	6,939,176	4,359,204	(379,540)	17,863,722	104,666,394
Segment result	(224,046)	(14,030,855)	124,036	(568,908)	(14,699,773)	(5,694,322)	(654,366)	(730,137)	564,883	(6,513,942)	(21,213,715)
Unallocated corporate expenses					(1,866,311)					-	(1,866,311)
Results from operating activities					(16,566,084)					(6,513,942)	(23,080,026)
Interest income					25,858					467	26,325
Finance costs					(3,058,219)					(1,501,664)	(4,559,883)
Loss before tax					(19,598,445)					(8,015,139)	(27,613,584)
Tax expense					78,617					-	78,617
Gain on sale of discontinued operation, net of provision for corporate guarantee					-					3,083,847	3,083,847
Loss for the year					(19,519,828)					(4,931,292)	(24,451,120)
2007											
Segment assets											
Unallocated corporate assets	82,921,908	123,547,885	39,523,783	(96,503,113)	149,490,463	19,818,257	3,683,648	-	-	23,501,905	172,992,368
Consolidated total assets	31,357,753	1,042,408	2,705	(31,357,753)	1,045,113					-	1,045,113
					150,535,576	19,818,257	3,683,648	-	-	23,501,905	174,037,481
Segment liabilities											
Unallocated corporate liabilities	(17,240,039)	(39,223,227)	(2,874,842)	56,082,057	(3,256,051)	(12,220,222)	(1,236,023)	(8,019,312)	(8,019,312)	(21,475,557)	(24,731,608)
Total liabilities	(29,809,751)	(49,028,996)	(6,836,163)		(85,674,910)	(17,977,036)	(3,028,894)	-	-	(21,005,930)	(106,680,840)
					(88,930,961)	(30,197,258)	(4,264,917)	(8,019,312)	(8,019,312)	(42,481,487)	(131,412,448)
Capital expenditure	-	40,052,832	306,881	(4,025)	40,355,688	1,341,690	225,113	13,055	1,579,858	41,935,546	
Depreciation and amortisation	-	7,294,916	742,295	-	8,037,211	1,784,810	119,116	658,892	2,562,818	10,600,029	
Impairment loss on intangible assets, property, plant and equipment	2,743,870	73,532	-	(2,743,870)	73,532	762,854	-	-	-	762,854	836,386
Non-cash expenses other than depreciation and amortisation	-	3,964,145	44,391	-	4,008,536	38,320	-	-	-	38,320	4,046,856

Notes to the financial statements (cont'd)

21. Segment reporting (cont'd)

Geographical segments

The Group's operations are located in Malaysia and overseas.

The following is an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

	Sales revenue by geographical market	
	2008 RM	2007 RM
Malaysia	89,425,742	97,347,725
Overseas	6,220,855	7,318,669
	<u>95,646,597</u>	<u>104,666,394</u>

The following is an analysis of the carrying amount of segment assets and capital expenditure by the geographical area in which the assets are located:

	Carrying amount of Segment assets		Capital expenditure	
	2008 RM	2007 RM	2008 RM	2007 RM
Malaysia	145,501,325	167,712,459	12,004,308	41,400,754
Overseas	4,207,699	5,279,909	28,623	534,792
	<u>149,709,024</u>	<u>172,992,368</u>	<u>12,032,931</u>	<u>41,935,546</u>
Unallocated assets	1,054,676	1,045,113	-	-
	<u>150,763,700</u>	<u>174,037,481</u>	<u>12,032,931</u>	<u>41,935,546</u>

22. Financial instruments

The Group's activities expose it to a variety of financial risks, including credit risk, interest rate risk, liquidity risk and foreign currency exchange risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. Financial risk management is carried out through risk reviews, internal control system and adherence to Group financial risk management policies. The Board regularly reviews these risks and approves such policies that cover the management of these risks. Derivative financial instruments are used to hedge exposure to fluctuations in foreign exchange rates and interest rates.

Credit risk

Management monitors the exposure to credit risk on an ongoing basis. Informal credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Interest rate risk

The Group's fixed-rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's variable-rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. These exposures are monitored on an ongoing basis.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Notes to the financial statements (cont'd)

22. Financial instruments (cont'd)

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their average effective interest rates at the balance sheet date and the periods in which they mature, or if earlier, reprice.

Group	Note	Average effective interest rate %	Total RM	Less than 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM
2008									
Fixed rate instruments									
Deposits placed	9	3.00-3.70	836,107	836,107	-	-	-	-	-
Hire purchase liabilities	12	7.09-7.30	(10,211,215)	(2,779,711)	(2,786,359)	(2,943,494)	(1,575,752)	(125,899)	-
			(9,375,108)	(1,943,604)	(2,786,359)	(2,943,494)	(1,575,752)	(125,899)	-
Floating rate instruments									
Secured bank overdraft	12	8.00	(3,210,613)	(3,210,613)	-	-	-	-	-
Secured bankers' acceptances	12	4.90	(4,349,000)	(4,349,000)	-	-	-	-	-
Secured bank loans									
- RM	12	7.65-8.00	(36,411,000)	(36,411,000)	-	-	-	-	-
- SGD	12	5.48	(1,152,635)	(1,152,635)	-	-	-	-	-
Unsecured bankers' acceptances	12	4.71	(4,601,000)	(4,601,000)	-	-	-	-	-
			(49,724,248)	(49,724,248)	-	-	-	-	-
2007									
Fixed rate instruments									
Deposits placed	9	3.05-3.70	445,261	445,261	-	-	-	-	-
Hire purchase liabilities	12	4.74-7.50	(8,234,176)	(1,779,809)	(1,823,883)	(1,741,737)	(1,807,973)	(1,076,297)	(4,477)
Secured bank loans	12	7.35	(7,522,444)	(1,620,000)	(2,432,444)	(1,815,000)	(1,655,000)	-	-
			(15,311,359)	(2,954,548)	(4,256,327)	(3,556,737)	(3,462,973)	(1,076,297)	(4,477)
Floating rate instruments									
Secured bank overdraft	12	8.00-8.25	(7,268,731)	(7,268,731)	-	-	-	-	-
Secured bankers' acceptances	12	5.02	(3,127,000)	(3,127,000)	-	-	-	-	-
Secured revolving credit	12	4.45-4.55	(4,950,000)	(4,950,000)	-	-	-	-	-
Secured bank loans									
- RM	12	7.67-8.00	(36,506,475)	(36,506,475)	-	-	-	-	-
- SGD	12	5.41	(1,156,885)	(1,156,885)	-	-	-	-	-
Unsecured bankers' acceptances	12	4.65-4.71	(6,173,000)	(6,173,000)	-	-	-	-	-
Secured revolving hire-purchase	12	8.25	(466,608)	(466,608)	-	-	-	-	-
			(59,648,699)	(59,648,699)	-	-	-	-	-

Notes to the financial statements (cont'd)

22. Financial instruments (cont'd)

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollars (USD), Euro and Singapore Dollars (SGD).

Derivative financial instruments were used to reduce exposure to fluctuations in foreign exchange rates. The Company monitors and controls the hedging of transactions.

In respect of other monetary assets and liabilities held in currencies other than Ringgit Malaysia (RM), the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

Fair values

Recognised financial instruments

The carrying amounts of cash and cash equivalents, receivables, deposits and prepayments, payables and accruals and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

In respect of long term floating rates bank loans and borrowings in the current year, the carrying amounts approximate fair value as they are repriced to market interest rates for liabilities with similar risk profiles.

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the balance sheets, are as follows:

		2008		2007	
	Note	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group					
Advances from a related party	11	(22,714,015)	*	(27,645,657)	*
Hire purchase liabilities	12	(10,211,215)	(10,282,339)	(8,234,176)	(8,241,712)
Secured bank loans	12	-	-	(45,185,804)	(43,871,825)
Company					
Advances to subsidiaries	8	44,728,150	*	31,132,927	*
Advances from a related party	11	(22,714,015)	*	(25,863,582)	*

* It is not practicable to estimate the fair value of the amount due to a related party and amount due from subsidiaries as these amounts have no fixed term of repayments.

Notes to the financial statements (cont'd)

22. Financial instruments (cont'd)

Unrecognised financial instruments

The fair values of other financial assets not recognised in the balance sheets as at 31 December, are as follows:

	2008		2007	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Forward exchange contracts Assets	-	-	-	22,775

The nominal value of the forward exchange contracts liabilities as of year end is RM Nil (2007 - RM1,788,446).

Estimation of fair values

The following summarises the methods used in determining the fair values of financial instruments reflected above.

Forward exchange contracts are marked to market using listed market prices.

For other financial assets and liabilities, fair value is determined using estimated future cash flows discounted using market related rate for a similar instrument at the balance sheet date.

The interest rate used to discount estimated cash flows are as follows:

	2008 %	2007 %
Secured bank loans	5.48 - 8.00	5.41 - 8.25
Hire purchase liabilities	7.09 - 7.30	4.74 - 7.50

23. Capital and other commitments

	Group	
	2008 RM	2007 RM
Capital expenditure commitments		
Plant and equipment		
<i>Contracted but not provided for:</i>		
Payable within one year	-	3,416,000

24. Contingencies

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

Notes to the financial statements (cont'd)

24. Contingencies (cont'd)

Guarantees

	Company	
	2008 RM	2007 RM
The Company has provided corporate guarantees for credit facilities of certain subsidiaries		
-Continuing operations	63,120,000	59,844,000
-Discontinued operations*	6,594,000	19,406,000
	69,714,000	79,250,000

* The corporate guarantees are pending approval for release from a financial institution as of the date of this report.

Contingent liabilities not considered remote in the previous financial year

Litigation (unsecured)

- (a) Greatpac Sdn. Bhd. ("GPSB"), a wholly owned subsidiary of the Company, had filed a writ summons dated 20 February 2006 in the High Court of Singapore against New Modern Metal and Plastics Pte. Ltd. ("NMMP") to recover the amounts owing by NMMP to GPSB of S\$700,902 from the sale of goods together with interest on the overdue accounts, costs and such other relief. Subsequently, NMMP had filed a defence and counterclaim dated 13 March 2006 against GPSB in the High Court for amongst others, infringement of trademarks, losses damages, costs and such other relief. Pursuant thereto, GPSB filed a reply, defence and counterclaim dated 27 March 2006 to counterclaim on NMMP and had further claimed for a declaration on the invalidity on NMMP's trademarks, costs and such other relief on top of those claimed by GPSB in the writ of summons dated 20 February 2006.

GPSB and NMMP had on 30 July 2007 amicably agreed to settle the legal suit whereby a sum of S\$525,677 (or RM1,179,093 equivalent) was paid by NMMP to GPSB and NMMP will assign all the "JASA" trademarks registered in its name to the Company.

On 3 August 2007, GPSB's solicitors had filed a Notice of Discontinuance in the High Court of Singapore to withdraw the suit with no order to cost.

- (b) On 12 April 2006, GPSB was served with a writ of summons for tenancy disputes by the following parties claiming for GPSB to vacate and deliver vacant possession of the premises located at Lot 2222 to 2225, Jalan Hospital, Sungai Buloh Industrial Area, 47000 Sungai Buloh, Selangor Darul Ehsan, together with damages and costs occupied by GPSB for its current business operations in the Sungai Buloh plant:

- (i) Yong Lip Ngoh, former director of the Company
- (ii) Jasa Ringgit Holdings Sdn. Bhd.
- (iii) Focus Matrix Sdn. Bhd.
- (iv) Starguard Resources Sdn. Bhd.

Pursuant to a settlement agreement dated 27 July 2007, both the defendant and the plaintiffs had filed a Notice of Discontinuance in the Kuala Lumpur High Court to withdraw the suit.

Notes to the financial statements (cont'd)

24. Contingencies (cont'd)

Employee benefits (unsecured)

Associated Kaolin Industries Sdn. Bhd. ("AKI") had been negotiating with Non- Metallic Mineral Products Manufacturing Employees' Union ("NMPME") on the terms and conditions of the 7th Collective Agreement, which took effect from 1 October 2004. Pending the outcome of the negotiation, the Company had been adhering to the terms and conditions of the previous agreement which expired on 30 September 2004 in relation to payments and other staff benefits.

On 27 November 2007, the 8th Collective Agreement was entered into by AKI with NMPME and payments and other staff benefits were adhered to in accordance with the terms and conditions of the Collective Agreements accordingly.

Others (unsecured)

As highlighted in the previous financial year, AKI has contingent liabilities, which are not readily ascertainable in respect of filling and levelling obligations stipulated in the Mining Enactment F.M.S Chapter 147 ("the Enactment").

The Board of Directors are of the view that there are no contingent liabilities in respect of filling and levelling obligations on these mining leases as AKI has fulfilled the obligations as stipulated in the Enactment. Moreover, the leases on these leasehold mining lands had expired and are currently awaiting approval on the extension from the Mineral and Geosciences Department. As for the mining on the third party land, there are no obligation stipulated in the respective agreements in respect of filling and levelling.

25. Related parties

Identity of related parties

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

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

The significant related party transactions of the Group and the Company, other than those disclosed elsewhere in the financial statements including key management personnel compensation, are as follows:

Group	Transaction amount		Net	
	for the year		balance outstanding	
	ended 31 December		at 31 December	
	2008	2007	2008	2007
	RM	RM	RM	RM
Related parties				
Advances payable	18,244,983	23,168,556	19,148,950	29,840,562
Interest payable	2,437,387	1,346,088	3,565,065	1,431,719
Rental of showroom	30,000	120,000	-	-
Rental of office	27,000	108,000	225,000	216,000
Insurance brokerage commission	71,507	83,105	-	-
Flight tickets payable	124,438	146,299	801	-

Notes to the financial statements (cont'd)

25. Related parties (cont'd)

Company	Transaction amount for the year ended 31 December		Net balance outstanding at 31 December	
	2008 RM	2007 RM	2008 RM	2007 RM
Subsidiaries				
Advances receivable	21,081,232	17,789,763	40,994,850	29,614,500
Management fees receivable	614,400	-	614,400	-
Interest receivable	2,256,230	897,711	3,118,900	1,518,427
Interest payable	435,030	362,400	893,008	457,978
Related parties				
Advances payable	18,244,983	22,172,487	19,148,950	28,603,500
Interest payable	2,404,531	1,160,082	3,565,065	1,160,083

Material balances with related parties at balance sheet date are disclosed in Note 8 and Note 11 to the financial statements.

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

Other than those disclosed elsewhere in the financial statements, the related parties and their relationship with the Company and its subsidiaries are as follows:

Name of related parties	Relationship
Titas Realty Sdn. Bhd.	Companies in which certain Directors of the Company have substantial financial interest
PST Travel Services Sdn. Bhd.	
MP Insurance Brokers Sdn. Bhd.	
Concrete Plan Sdn. Bhd.	
Clear Expertise Sdn. Bhd.	
Wawasan TKH Sdn. Bhd. ("WTKHSB")	
TKH Auto Parts Sdn. Bhd. ("TKHAP")	

The Group does not have any significant transactions with key management personnel other than compensation paid/payable as disclosed in Note 17.

26. Significant events during the year

- On 15 January 2008, the Company increased its investment in TKHAP and TKHM through the issuance of 3,500,000 Irredeemable Convertible Preference Shares ("ICPS") of RM1 each at a premium of RM0.5911 per share in TKHAP and 2,500,000 ICPS of RM1 each at a premium of RM0.1578 per share in TKHM. The new shares were issued by way of capitalisation of the amounts owing to the Company.
- On 31 January 2008, the Company entered into a Share Sale Agreement with WTKHSB to dispose of its entire issued and paid up ordinary shares and ICPS held in TKHAP, TKHM, Automotive Design Services Sdn. Bhd. ("ADS"), Automotive Seat Assembly Sdn. Bhd. ("ASA") and Momentum Suria Sdn. Bhd. ("MSSB") (collectively referred to as 'Automotive Subsidiaries') for a total cash consideration of RM3,900,000, via set-off against advances due by these companies to WTKHSB. The disposal was completed on 31 March 2008.

Notes to the financial statements (cont'd)

26. Significant events during the year (cont'd)

(c) On 29 August 2008, the Company has successfully completed the following corporate exercises which include:

- i) The reduction of the issued and paid-up capital of the Company involving the cancellation of RM0.80 of the par value of each existing ordinary shares of RM1 each ("Par Value Reduction") where the credit created from the Par Value Reduction of RM114,970,824 has enabled the Company to eliminate RM99,235,198 of its accumulated losses.
- ii) The renounceable rights issue of 143,713,530 new ordinary shares ("Rights Shares") together with 71,856,764 free new detachable warrants ("Warrants") at an issue price of RM0.21 per Rights Share together with one (1) free warrant for every two (2) existing shares of the Company ("Rights Issue"). Upon completion of the Rights Issue, the issued and paid-up share capital is at RM57,485,412 comprising 287,427,060 ordinary shares of RM0.20. This has allowed the Company to comply with paragraph 8.16A(1) of the Listing Requirements of Bursa Securities which provides that companies listed on the Second Board of Bursa Securities must have a minimum issued and paid-up capital of RM40 million.

Gross proceeds from the Rights Issue of RM30,179,841 have been utilised as of year end as follows :

	RM
Repayment of shareholder's advances	23,800,000
Payment of share issue expenses	1,152,702
Payment for working capital and capital expenditure for disposal foodwares division	3,290,662
	28,243,364

- (d) Pursuant to the Trust Deed dated 3 December 2003 for the ICULS and as amended in a Supplemental Trust Deed dated 11 July 2008, an additional 1,010,819 new ordinary shares of RM0.20 each were issued on 12 December 2008 arising from the automatic conversion upon maturity on 11 December 2008 of RM768,700 nominal value of outstanding ICULS at the conversion price of RM0.76 for each new ordinary share issued.

27. Comparative figures

Certain comparative amounts have been reclassified to conform with the current year's presentation.

	Group	
	As restated RM	As previously stated RM
Income statement		
Distribution expenses	-	7,579,254
Cost of sales	94,477,928	105,015,542
Marketing expenses	1,237,031	-
	1,237,031	112,594,796

Notes to the financial statements (cont'd)

27. Comparative figures (cont'd)

Pursuant to Note 19 to the financial statements, the following comparative figures in the consolidated income statement have been re-presented to show the results of discontinued operations separately from continuing operations.

	Group	
	As restated RM	As previously stated RM
Income statement		
Revenue	86,802,672	100,307,190
Cost of sales	(94,477,928)	(105,015,542)
Gross loss	(7,675,256)	(4,708,352)
Other income	6,101,865	4,039,312
Distribution expenses	-	(7,579,254)
Marketing expenses	(1,237,031)	-
Administrative expenses	(7,876,817)	(9,961,028)
Other expenses	(5,878,845)	(4,140,567)
Finance costs	(3,058,219)	(4,387,974)
Loss before tax	(19,598,445)	(26,711,538)
Loss after tax from continuing operations	(19,519,828)	(26,632,921)
Loss from discontinued operations	(8,015,139)	(902,046)

Statement by Directors/ Statutory declaration

Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 26 to 81 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 financial position of the Group and of the Company at 31 December 2008 and of their financial performance and cash flows for the year then ended.

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

.....
Dato' Tan Kim Hor

.....
Dato' Tan Boon Pun

Petaling Jaya, Selangor

Date: 27 April 2009

Statutory declaration pursuant to Section 169(16) of the Companies Act, 1965

We, **Dato' Tan Boon Pun** and **Yan Huey Jiuan**, being the respective Director and Officer primarily responsible for the financial management of Wawasan TKH Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 26 to 81 are, to the best of our knowledge and belief, correct and we make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Petaling Jaya, Selangor on 27 April 2009.

.....
Dato' Tan Boon Pun

.....
Yan Huey Jiuan

Before me:

Soong Foong Chee
(No. B158)
Commissioner for Oaths
No 76A, Tkt Satu
Jalan SS2/60
47300 Petaling Jaya, Selangor

Independent Auditors' Report to the members of Wawasan TKH Holdings Berhad

Report on the Financial Statements

We have audited the financial statements of Wawasan TKH Holdings Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 26 to 81.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Basis for Qualified Opinion

As stated in Note 5 to the financial statements, the recoverable amount of the disposable foodwares unit exceeded the carrying amount of its assets, inclusive of goodwill as of the year end and therefore, there was no impairment on the goodwill amount of RM12,926,411. The recoverable amount of the unit, being its value in use, was determined by the management based on the cash flow forecast and projections prepared. In this respect, key assumptions used in the said forecast and projections include the sales growth rate of 26% and gross margin improvement of 19% for the year 2009. These assumptions, by their very nature are difficult to forecast and are regarded as significant areas of uncertainty given past actual outcomes and the current prevailing economic situation and market volatility of material costs and products pricing. Accordingly, we are unable to ascertain whether the aforementioned cash flow forecast and projections would reasonably reflect future events and the set of economic condition that will exist and the resultant impairment loss on the carrying amount of goodwill, if any, that should be accounted for in the financial statements of the Group for the year ended 31 December 2008.

In view of the above, we are also unable to form an opinion as to whether any impairment loss is necessary on the Company's investment in the disposable foodwares' subsidiary in the financial statements of the Company for the year ended 31 December 2008. The carrying amount of investment in the subsidiary amounted to RM48,571,000 as of year end.

Qualified Opinion

In our opinion, except for the effects on the financial statements, if any, of the matters referred to in the Basis for Qualified Opinion paragraphs, 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 year then ended.

Independent Auditors' Report to the members of Wawasan TKH Holdings Berhad (cont'd)

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 accounts and the auditors' reports of a subsidiary of which we have not acted as auditors, which is indicated in Note 6 to the financial statements.
- c) We are satisfied that the accounts 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 accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

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

KPMG

Firm Number: AF 0758

Chartered Accountants

Petaling Jaya, Selangor

Date: 27 April 2009

Chen Foo Siong

Approval Number: 1547/11/10(J/PH)

Chartered Accountant

Properties of the Group as at 31 December 2008

Registered Owner	Location / Title	Description of Property	Existing Use	Land Area	Tenure	Age of Building	Net Book Value (RM)
Greatpac Sdn Bhd	Lot 251, Mukim Ijok, Daerah Kuala Selangor, Selangor	Land and Building	Warehouse	4.99 acres	Freehold	NA	3,976,600 *
Greatpac Sdn Bhd	Lot 6, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor	Land and Building	Office, Warehouse and Factory	6.34 acres	Leasehold expiring in 2036	2 years	26,600,686 *
Greatpac Sdn Bhd	Lot 10, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor	Land and Building	Office, Warehouse and Factory	6.52 acres	Leasehold expiring in 2036	2 years	23,921,613 *
Greatpac (S) Pte Ltd	34, Toh Guan Road East, #01-18 Enterprise Hub, Singapore 608579	One Unit of 2-Storey Terrace Factory	Administrative Office and Warehouse	1,722 sq. ft	Leasehold expiring in 2057	3 years	2,478,066*
Associated Kaolin Industries Sdn Bhd	37-38 Milestone, Tapah / Bidor Road, 35007 Tapah, Perak	Land & Building	Factory and Administrative Office	10.072 acres	Leasehold expiring in 2008	26 years	2,576,151 *
Kerajaan Negeri Perak	Lot PT 5789 Mukim of Batang Padang, Perak	Kaolin Land	Mining	66.8 acres	Leasehold mining land expired in 1997 <i>Note (a)</i>	NA	1.00
Kerajaan Negeri Perak	Lot 7169 Mukim of Batang Padang, Perak	Kaolin Land	Mining	24.33 acres	Leasehold mining land expired in 1997 <i>Note (a)</i>	NA	1.00
Kerajaan Negeri Perak	Lot 7806 Mukim of Batang Padang, Perak	Kaolin Land	Mining	62.94 acres	Leasehold mining land expired in 1997 <i>Note (a)</i>	NA	1.00

Properties of the Group as at 31 December 2008 (cont'd)

Registered Owner	Location / Title	Description of Property	Existing Use	Land Area	Tenure	Age of Building	Net Book Value (RM)
Kerajaan Negeri Perak	Lot PT 7510 Mukim of Batang Padang, Perak	Kaolin Land	Mining	19.82 acres	Leasehold mining land expired in 1994 <i>Note (b)</i>	NA	1.00
Kerajaan Negeri Perak	Lot PT 5907 Mukim of Batang Padang, Perak	Building & Kaolin Land	Mining and Factory	63.21 acres	Leasehold mining land expired in 1993 <i>Note (b)</i>	26 years	1.00
Kerajaan Negeri Perak	Lot 12066 Mukim of Batang Padang, Perak	Kaolin Land	Mining	142 acres	Leasehold mining land expired in 2002 <i>Note (c)</i>	NA	1.00

NA : Not Applicable

Notes

- (a) Associated Kaolin Industries Sdn Bhd has applied for a 10 years extension of the leases and is currently awaiting approval.
- (b) Associated Kaolin Industries Sdn Bhd has applied for a 15 years extension of the leases and is currently awaiting approval.
- (c) The transfer of title to Associated Kaolin Industries Sdn Bhd is currently in progress.

* After revaluation.

Statement of Directors' Shareholdings as at 24 April 2009

Name of Director	Number of Ordinary Shares of RM0.20 Each			
	Direct Interest	%	Deemed Interest	%
Dato' Tan Kim Hor	21,180,090	7.343	74,659,524	25.88%
Dato' Tan Boon Pun	14,162,710	4.909	74,659,524	25.88%
Dato' Tan Hoe Pin	13,357,210	4.630	74,659,524	25.88%
Dr. Tan Ban Leong	16,816,666	5.830	74,659,524	25.88%
Michael Lim Hee Kiang	Nil	Nil	Nil	Nil
YAM Datuk Seri Tengku Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah	Nil	Nil	Nil	Nil
Geh Cheng Hooi	Nil	Nil	Nil	Nil

Note # : Deemed interested by virtue of their interests in Wawasan TKH Sdn Bhd.

Name of Director	Number of Warrants of RM 0.21 each			
	Direct Interest	%	Deemed Interest	%
Dato' Tan Kim Hor	9,238,095	12.856	16,829,762	23.42%
Dato' Tan Boon Pun	5,811,905	8.087	16,829,762	23.42%
Dato' Tan Hoe Pin	5,761,905	8.018	16,829,762	23.42%
Dr. Tan Ban Leong	7,908,333	11.005	16,829,762	23.42%
Michael Lim Hee Kiang	Nil	Nil	Nil	Nil
YAM Datuk Seri Tengku Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah	Nil	Nil	Nil	Nil
Geh Cheng Hooi	Nil	Nil	Nil	Nil

Note # : Deemed interested by virtue of their interests in Wawasan TKH Sdn Bhd.

Statistic on Shares as at 24 April 2009

Authorised Share Capital	:	RM500,000,000
Issued and Paid Up Share Capital	:	RM57,687,576
Class of Shares	:	Ordinary shares of RM0.20 each
Voting Rights	:	One vote per ordinary share

ANALYSIS OF SHAREHOLDINGS AS AT 24 APRIL 2009 (MALAYSIA & FOREIGN - COMBINE)

----- SIZE OF HOLDINGS -----	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	38	0.881	1,434	0.000
100 - 1,000	2,731	63.364	924,212	0.320
1,001 - 10,000	1,086	25.197	4,352,932	1.509
10,001 - 100,000	346	8.027	11,269,156	3.906
100,001 - 14,421,892 (*)	106	2.459	151,952,131	52.681
14,421,893 AND ABOVE (**)	3	0.069	119,938,014	41.581
TOTAL :	4,310	100.000	288,437,879	100.000

REMARK : * - LESS THAN 5% OF ISSUED SHARES
 ** - 5% AND ABOVE OF ISSUED SHARES

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 24 APRIL 2009

Shareholders	Shareholdings	%
Wawasan TKH Sdn Bhd	74,659,524 (D)	25.88
Dato' Tan Kim Hor	21,180,090 (D) 74,659,524 (I)	7.34 25.88
Dato' Tan Boon Pun	14,162,710 (D) 74,659,524 (I)	4.91 25.88
Dato' Tan Hoe Pin	13,357,210 (D) 74,659,524 (I)	4.63 25.88
Dr. Tan Ban Leong	16,816,666 (D) 74,659,524 (I)	5.83 25.88

Notes:

- (1) D - Direct
- (2) I - Indirect
- (3) * - Deemed Interest through the shares held by Wawasan TKH Sdn Bhd pursuant to Section 6(a)(4) of the Companies Act, 1965 and will not take into consideration in calculation of public shareholding spread.

Statistic on Shares as at 24 April 2009 (cont'd)

LIST OF TOP 30 SHAREHOLDERS AS AT 24 APRIL 2009

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON)

NO.	NAME	HOLDINGS	%
1	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD PLEGGED SECURITIES ACCOUNT FOR WAWASAN TKH SDN. BHD. (KLM)	74,659,524	25.884
2	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR FORTIS BANK S.A. / N.V. (SG BR AC CLT)	29,802,300	10.332
3	TAN KIM HOR	15,476,190	5.365
4	TAN BAN LEONG	13,816,666	4.790
5	HDM NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN (HONG KONG) LIMITED (CLIENTS)	13,484,800	4.675
6	DB (MALAYSIA) NOMINEE (ASING) SDN BHD BNP PARIBAS NOMINEES SINGAPORE PTE LTD FOR SILVERBELL GROUP LIMITED	12,953,000	4.490
7	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR THE BANK OF NEW YORK (AMEX-FOREIGN)	11,813,000	4.095
8	DB (MALAYSIA) NOMINEE (ASING) SDN BHD BNP PARIBAS NOMINEES SINGAPORE PTE LTD FOR DEVONSHIRE ASSETS LIMITED	11,624,800	4.030
9	HSBC NOMINEES (ASING) SDN BHD AAB SG BR FOR DYNAMIC GROWTH EQUITY LIMITED	9,900,000	3.432
10	TAN BOON PUN	9,523,810	3.301
11	TAN HOE PIN	9,523,810	3.301
12	TAN KIM HOR	5,703,900	1.977
13	TAN HOE PIN	3,833,400	1.329
14	RHB NOMINEES (TEMPATAN) SDN BHD AMARA INVESTMENT MANAGEMENT SDN BHD FOR TAN BOON PUN	3,714,700	1.287
15	JUNE LEW LI LIN	3,339,600	1.157
16	TAN BAN LEONG	3,000,000	1.040

Statistic on Shares as at 24 April 2009 (cont'd)

LIST OF TOP 30 SHAREHOLDERS AS AT 24 APRIL 2009 (cont'd)

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON)

NO.	NAME	HOLDINGS	%
17	MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD	2,962,300	1.027
18	DB (MALAYSIA) NOMINEE (ASING) SDN BHD BNP PARIBAS NOMINEES SINGAPORE PTE LTD FOR VALETTO LIMITED	2,674,000	0.927
19	HDM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI KHENG IM (M01)	2,154,400	0.746
20	LIP SDN BHD	1,860,000	0.644
21	RICHARD TEH LIP HEONG	1,760,000	0.610
22	GAN LI LI	1,500,000	0.520
23	YAP SENG YEW	1,500,000	0.520
24	LOW KOK KONG	1,000,700	0.346
25	TAN BOON PUN	924,200	0.320
26	MAYBAN SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEE @ TAN CHOO (REM 157)	862,000	0.298
27	LEE LEY CHENG	802,900	0.278
28	LEE YOON THYE	770,315	0.267
29	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR LIEW YOKE LING (MY0500)	734,000	0.254
30	YIP KUM FOOK	702,500	0.243
Total		252,376,815	87.497

Statistic on Shares as at 24 April 2009 (cont'd)

ANALYSIS OF WARRANTS HOLDINGS AS AT 24 APRIL 2009 (MALAYSIA & FOREIGN - COMBINE)

----- SIZE OF HOLDINGS -----	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	7	1.428	310	0.000
100 - 1,000	203	41.428	104,275	0.145
1,001 - 10,000	150	30.612	654,016	0.910
10,001 - 100,000	96	19.591	3,314,750	4.612
100,001 - 3,592,837(*)	29	5.918	26,783,413	37.273
3,592,838 AND ABOVE (**)	5	1.020	41,000,000	57.057
TOTAL :	490	100.000	71,856,764	100.000

REMARK : * - LESS THAN 5% OF ISSUED WARRANTS
 ** - 5% AND ABOVE OF ISSUED WARRANTS

LIST OF TOP 30 WARRANTS HOLDERS AS AT 24 APRIL 2009

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON)

NO.	NAME	HOLDINGS	%
1	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD PLEDGED SECURITIES ACCOUNT FOR WAWASAN TKH SDN. BHD. (KLM)	16,829,762	23.421
2	TAN KIM HOR	7,738,095	10.768
3	TAN BAN LEONG	6,908,333	9.614
4	TAN BOON PUN	4,761,905	6.626
5	TAN HOE PIN	4,761,905	6.626
6	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR THE BANK NEW YORK (AMEX-FOREIGN)	3,523,850	4.903
7	HDM NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN (HONG KONG) LIMITED (CLIENTS)	3,371,200	4.691
8	DB (MALAYSIA) NOMINEE (ASING) SDN BHD BNP PARIBAS NOMINEES SINGAPORE PTE LTD FOR SILVERBELL GROUP LIMITED	3,238,250	4.506
9	DB (MALAYSIA) NOMINEE (ASING) SDN BHD BNP PARIBAS NOMINEES SINGAPORE PTE LTD FOR DEVONSHIRE ASSETS LIMITED	2,906,200	4.044
10	HSBC NOMINEES (ASING) SDN BHD EXEMPTS AN FOR FORTIS BANK S.A. / N.V. (SG BR AC CLT)	2,232,100	3.106

Statistic on Shares as at 24 April 2009 (cont'd)

LIST OF TOP 30 WARRANTS HOLDERS AS AT 24 APRIL 2009 (cont'd)

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON)

NO.	NAME	HOLDINGS	%
11	TAN KIM HOR	1,500,000	2.087
12	HSBC NOMINEES (ASING) SDN BHD AAB SG BR FOR DYNAMIC GROWTH EQUITY LIMITED	1,450,000	2.017
13	RHB NOMINEES (TEMPATAN) SDN BHD AMARA INVESTMENT MANAGEMENT SDN BHD FOR TAN BOON PUN	1,050,000	1.461
14	TAN BAN LEONG	1,000,000	1.391
15	TAN HOE PIN	1,000,000	1.391
16	DB (MALAYSIA) NOMINEE (ASING) SDN BHD BNP PARIBAS NOMINEES SINGAPORE PTE LTD FOR VALETTO LIMITED	668,500	0.930
17	HDM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI KHENG IM (M01)	538,600	0.749
18	LOW KIM SOI @ LOW TIEN SANG	471,900	0.656
19	LIP SDN BHD	465,000	0.647
20	RICHARD TEH LIP HEONG	440,000	0.612
21	KOH BOON POH	400,000	0.556
22	LIEW YOKE LING	368,050	0.512
23	LOW KOK KONG	250,000	0.347
24	NG HO FATT	250,000	0.347
25	TEO YONG FONG	250,000	0.347
26	YIP KUM FOOK	250,000	0.347
27	HLG NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOO KOK SENG (M)	231,000	0.321
28	BENHON CREDIT & LEASING SDN BHD	200,000	0.278
29	LEE CHEE BENG	150,000	0.208
30	KHOO TECK LAN	139,963	0.194
Total		67,344,613	93.720

Notice of Eighth (8th) Annual General Meeting

NOTICE IS HEREBY GIVEN that the 8th Annual General Meeting of the Company will be held at Green III, Sports Wing, Tropicana Golf & Country Resort (Club House), Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Monday, 22 June 2009 at 4.00 p.m. to transact the following business:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2008 together with the Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note 1)
2. To re-elect YAM Datuk Seri Tengku Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah who retires pursuant to Article 79 of the Company's Articles of Association. (Resolution 1)
3. To re-appoint Dato' Tan Kim Hor as Director of the Company pursuant to Section 129 of the Companies Act, 1965. (Resolution 2)
4. To re-appoint Geh Cheng Hooi as Director of the Company pursuant to Section 129 of the Companies Act, 1965. (Resolution 3)
5. To approve the payment of Directors' fees for the financial year ended 31 December 2008. (Resolution 4)
6. To appoint Messrs BDO Binder who had consented to act as Auditors of the Company in place of the retiring Auditors, Messrs KPMG and to authorise the Directors to fix their remuneration. (Resolution 5)

Special Business

To consider and if thought fit, to pass, with or without modifications, the following Ordinary Resolution:

- 7. ORDINARY RESOLUTION
AUTHORITY TO ISSUE SHARES** (Resolution 6)

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors of the Company be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company unless revoked or varied by the Company at a general meeting."

By Order of the Board
NG YEN HOONG (LS 008016)
WONG PEIR CHYUN (MAICSA 7018710)
Company Secretaries
Kuala Lumpur
29 May 2009

Notice of Eighth (8th) Annual General Meeting (cont'd)

NOTES:-

1. Notes on Appointment of Proxy

- (a) A member entitled to attend and vote at the Meeting is entitled to appoint proxy(ies) (or in the case of a corporation, a duly authorised representative) to attend and vote in his stead. A proxy may, but need not be a member of the Company and the provision of Section 149(1)(a) and Section 149(1)(b) of the Act shall not apply.
- (b) The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorized.
- (c) A member of the Company may appoint up to two (2) proxies to attend at the same meeting. Where the member of the Company appoints two (2) proxies, the member shall specify the proportion of his shareholdings to be represented by each proxy.
- (d) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

2. Explanatory Notes

- (i) Item 1 of Agenda –

This item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

Special Business

- (ii) Ordinary Resolution – Authority to Issue Shares

The Ordinary Resolution proposed under Resolution 6, if passed, will empower the Directors of the Company to issue new ordinary shares up to an amount not exceeding 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority will commence from the date of this Annual General Meeting and unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

Statement Accompanying Notice of the Eighth (8th) Annual General Meeting

Directors Standing for Election/Re-election

Name of Director who is standing for election or re-election pursuant to Articles of Association of the Company:-

Article 79

YAM Datuk Seri Tengku Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah

The details of the Director seeking re-election is set out in the Directors' Profile on page 7 and his shareholdings in the Company are set out on page 87 of the Annual Report.



WAWASAN TKH HOLDINGS BERHAD. (540218 A)
(Incorporated in Malaysia)

No. of shares held	CDS Account No.

PROXY FORM

I/We NRIC No./ Company No.
of Tel No.
being a member/members of **Wawasan TKH Holdings Berhad** hereby appoint
..... NRIC No.
of.....
as *my/our proxy to vote for *me/us and on *my/our behalf at the 8th Annual General Meeting of the Company, to be held at Green III, Sports Wing, Tropicana Golf & Country Resort (Club House), Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Monday, 22 June 2009 at 4.00 p.m. and, at every adjournment thereof *for/against the resolution(s) to be proposed thereat.

Item	AGENDA			
1.	Receive the Audited Financial Statements for the financial year ended 31 December 2008 together with the Reports of the Directors and Auditors thereon.			
	ORDINARY BUSINESS	Resolution	For	Against
2.	Re-election of YAM Datuk Seri Tengku Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah as Director of the Company pursuant to Article 79 of the Company's Articles of Association	1		
3.	Re-appointment of Dato' Tan Kim Hor as Director of the Company pursuant to Section 129 of the Companies Act, 1965.	2		
4.	Re-appointment of Geh Cheng Hooi as Director of the Company pursuant to Section 129 of the Companies Act, 1965.	3		
5.	Approval of Directors' fees for the financial year ended 31 December 2008.	4		
6.	Appointment of Messrs BDO Binder in place of the retiring auditors, Messrs KPMG.	5		
	SPECIAL BUSINESS			
7.	Authority to the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.	6		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fits.

As witness my hand, thisday of.....

.....
Signature or Common Seal of Member(s)

**Strike out whichever is not desired. (Unless otherwise instructed, the proxy may vote as he thinks fit)*

Notes:

- i. A member entitled to attend and vote at the Meeting is entitled to appoint proxy(ies) (or in the case of a corporation, a duly authorised representative) to attend and vote in his stead. A proxy may, but need not be a member of the Company and the provision of Section 149(1)(a) and Section 149(1)(b) of the Act shall not apply.
- ii. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorized.
- iii. A member of the Company may appoint up to two (2) proxies to attend at the same meeting. Where the member of the Company appoints two (2) proxies, the member shall specify the proportion of his shareholdings to be represented by each proxy.
- iv. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

FOLD THIS FLAP FOR SEALING

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Affix
stamp

The Company Secretaries
Wawasan TKH Holdings Berhad (540218-A)
Level 18, The Gardens North Tower,
Mid Valley, Lingkaran Syed Putra,
59200 Kuala Lumpur

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