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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of the Company will be held at Function Room 3, Level 2, Hotel Sri Petaling, 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur on Thursday, 26 June 2008 at 12.00 p.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the year ended 31 December 2007 together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**
2. To approve the Directors' Fees for the financial year ended 31 December 2007. **(Resolution 2)**
3. To re-elect the following Directors, who retire by rotation in accordance with Article 91 of the Company's Articles of Association:-
 - (i) Mr Tan Hong Cheng **(Resolution 3)**
 - (ii) Mr Chia Kay Joo **(Resolution 4)**
 - (iii) Encik Azizul Bin Mohd Othman **(Resolution 5)**
4. To appoint Auditors of the Company and to authorise the Directors to fix their remuneration.

Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed in the Annual Report has been received by the Company for the nomination of Messrs Moore Stephens AC who have given their consent to act for appointment as Auditors and of the intention to propose the following Ordinary Resolution:-

"THAT Messrs Moore Stephens AC be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs Moore Stephens, to hold office until the conclusion of the next Annual General Meeting at a remuneration to be agreed between the Directors and the Auditors." **(Resolution 6)**

Special Business

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

5. **AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES**

"THAT subject to the provisions of Section 132D of the Companies Act, 1965 and approvals from the relevant authorities where such approvals shall be necessary, authority be and is hereby given to the Directors of the Company to issue and allot shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and such authority shall remain in force until the next Annual General Meeting of the Company." **(Resolution 7)**

6. **PROPOSED RENEWAL OF AUTHORISATION TO ENABLE CAM RESOURCES BERHAD TO PURCHASE UP TO 10% OF THE ISSUED AND PAID-UP ORDINARY SHARE CAPITAL OF THE COMPANY PURSUANT TO SECTION 67A OF THE COMPANIES ACT, 1965**

"THAT, subject always to the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by laws, to purchase such amount of ordinary shares of RM0.25 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

Notice of Annual General Meeting (Cont'd)

- (i) the aggregate number of shares purchased does not exceed 10 per cent of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;
- (ii) an amount not exceeding the Company's audited share premium account of RM5,175,452.00 for the financial year ended 31 December 2007 at the time of the purchase(s) will be allocated by the Company for the purchase of own shares; and
- (iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends.

AND THAT the authority conferred by this resolution will commence immediately and will, subject to renewal thereof, expire at the conclusion of the next Annual General Meeting of the Company following the passing of this Ordinary Resolution (unless earlier revoked or varied by an Ordinary Resolution of the shareholders of the Company in a general meeting) but shall not prejudice the completion of purchase(s) by the Company or any person before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities or any other relevant authorities;

AND THAT authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts, and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any parts of the purchased shares or to resell the shares or distribute the shares as dividends) in accordance with the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company and the requirements and/or guidelines of Bursa Securities and all other relevant governmental and/or regulatory authorities."

(Resolution 8)

7. **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

"THAT approval be and is hereby given to the Company and its subsidiaries to enter into and give effect to specified recurrent transactions of a revenue or trading nature and with specified class of the related parties as stated in Section 2.3 and 2.4 of the Circular to Shareholders dated 2 June 2008 which is necessary for the Group's day to day operations subject further to the following:-

- i) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders and that such transactions are made on the arm's length basis and on normal commercial terms; and
- ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year; and
- iii) that such approval shall continue in force until:-
 - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company; at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

Notice of Annual General Meeting (Cont'd)

- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to section 143(2) of the Companies Act, 1965); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting.

whichever is the earliest; and

- iv) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution. **(Resolution 9)**

By Order of the Board

LIM MING TOONG
HOH KEAN NYUK
 Company Secretaries

Kuala Lumpur
 2nd day of June 2008

NOTES:

- (1) A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- (2) To be valid, this form, duly completed must be deposited at the Company's Registrar, PFA Registration Services Sdn Bhd, Level 13, Uptown 1, No.1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting.
- (3) A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are complied with.
- (4) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (5) Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- (6) If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.

EXPLANATORY NOTE ON SPECIAL BUSINESS :

- (7) Ordinary Resolution 7 - Authority to Allot and Issue Shares
 This Resolution, if passed, will give the Directors of the Company the power to issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interests of the Company. This would avoid any delay and cost involved in convening a general meeting to specifically approve such an issue of shares. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.
- (8) Ordinary Resolution 8 - Proposed Renewal of Authorisation to enable CAM Resources Berhad to purchase up to 10% of the Issued and Paid-up Ordinary Share Capital of the Company pursuant to Section 67A of the Companies Act, 1965
 Please refer to the Share Buy-Back Statement dated 2 June 2008 for further information.
- (9) Ordinary Resolution 9 - Proposed Shareholders' Mandate, for Recurrent Related Party Transactions of a revenue or trading nature.
 Please refer to the Circular to Shareholders dated 2 June 2008 for further information.

Statement Accompanying Notice of Annual General Meeting

Pursuant To Paragraph 8.28(2) Of The Listing Requirements of Bursa Malaysia Securities Berhad

- The Directors who are standing for re-election in accordance with Article 91 of the Company's Article of Association are as follows :-

- Mr Tan Hong Cheng
- Mr Chia Kay Joo
- Encik Azizul Bin Mohd Othman

- The details of attendance of Directors at Board Meeting are as follows :-

During the financial year, four Board Meetings were held :

Directors	Attendance
Mr Lee Chin Yen	4
Mr Tan Hong Cheng	4
Mr Hia Wan Kiga	3
Ms Lee Poh Choo	3
Ms Tan Kim Hong	4
Mr Chai Moi Kim	4
Mr Chia Kay Joo	4
Encik Azizul Bin Mohd Othman	4

- The Seventh Annual General Meeting will be held at Function Room 3, Level 2, Hotel Sri Petaling, 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur on Thursday, 26 June 2008 at 12.00 p.m.
- Further details on the Directors who are standing for re-election at the Seventh Annual General Meeting are set out on pages 9 to 10 of the Annual Report.

Corporate Information

DIRECTORS

Lee Chin Yen	Executive Chairman
Tan Hong Cheng	Managing Director
Hia Wan Kiga	Non-executive Director
Lee Poh Choo	Executive Director
Tan Kim Hong	Executive Director
Chai Moi Kim	Independent Non-executive Director
Chia Kay Joo	Independent Non-executive Director
Azizul Bin Mohd Othman	Independent Non-executive Director

COMPANY SECRETARIES

Lim Ming Toong
Hoh Kean Nyuk

REGISTERED OFFICE

Mezzanine Floor
8A Jalan Sri Semantan Satu
Damansara Heights
50490 Kuala Lumpur
Tel: 03-20941888
Fax: 03-20947673

REGISTRAR

PFA Registration Services Sdn Bhd
Level 13, Uptown 1
No.1 Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-77186000
Fax: 03-77222311

PRINCIPAL BANKERS

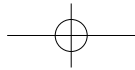
Maybank Berhad
RHB Bank Berhad
HSBC Bank Berhad
AmBank Berhad

AUDITORS

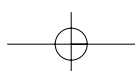
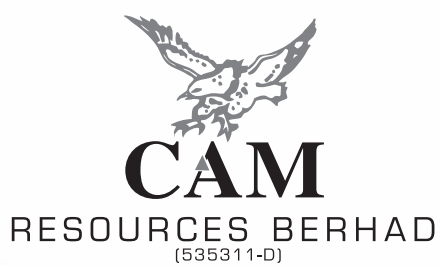
Messrs Moore Stephens
8A Jalan Sri Semantan Satu
Damansara Heights
50490 Kuala Lumpur

STOCK EXCHANGE LISTING

Second Board of Bursa Malaysia
Securities Berhad



Group Structure



Chairman's Statement

On behalf of the
Board of Directors
of CAM Resources
Berhad,
I am pleased to
present the Annual
Report and the
Audited Financial
Statements of the
Company and the
Group for the
financial year ended
31 December 2007.

FINANCIAL PERFORMANCE

For the financial year under review, the Group posted an improved performance in both the revenue and profit. The revenue achieved for the year was RM71.8 million, representing an increase of 11% compared with preceding year of RM64.6 million. Profit after tax also increased by RM0.5 million or 17%, from RM3.0 million in the previous year to RM3.5 million in 2007. The improvement in financial results was attributable to the increased revenue derived from expansion of export market and wider product range, higher utilization of capacity and effectively control of operating costs.

PROSPECTS

The outlook for global and Malaysia economy are expected to be very challenging in the year 2008 with uncertainty arises from the aftermath of sub-prime mortgage crisis, tighter financial liquidity condition and ongoing housing downturn in USA. The situation is further exacerbated by escalating crude oil, food and commodities prices that give rise to inflation, thus squeezing the consumer and business spending that would slowing the overall global demand.

However, the infrastructure and development projects to be carried out under the Ninth Malaysian Plan would provide an impetus to the growth of construction sector. The subsidies provided by government with the effect of containing the food and energy prices and the stable labour market condition are expected to sustain domestic aggregate demand. Therefore, Malaysia economy is projected to grow, although at a slower pace, at 5.5% in 2008.

The Group would continue to optimize its operation costs and intensify its effort to expand customers' network so as to keep us competitive in this challenging business environment. We are optimistic that the Group would be able to record a satisfactory performance in the financial year 2008.

DIVIDEND

The Board of Directors does not recommend any dividend for the financial year ended 31 December 2007.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to extend my appreciation to the management and employees of the Group for their commitment, contribution and dedicated services towards the Group during the year.

I also wish to thank all our shareholders, banks, customers and business associates for their continuous support and confidence in the Group.

Lee Chin Yen
Executive Chairman

Directors' Profile

LEE CHIN YEN

A Malaysian aged 59, was appointed the Executive Chairman/Director of CAM Resources Berhad (CAM) on 29 December 2000.

He was appointed the Managing Director of Central Aluminium Manufactory Sdn Bhd (CALuminium) in 1979, a Director of Central Melamineware Sdn Bhd (CMelamine) in 1988 and Advance Eagle Marketing Sdn Bhd (AEMkt) in 1989. A founding member and the driving force in the Group, he commenced his career in 1972 as an apprentice in Choo Chin Wah Company, a company principally involved in the manufacturing of aluminium in Thailand. After acquiring all the technical expertise, he returned to Malaysia in 1975 and formed a partnership with Tan Hong Cheng and others to manufacture aluminium household products in 1975. In 1979, this partnership was incorporated into a private limited company under the name of CALuminium and he was appointed the Managing Director. At present, he is also a committee member of a few associations in Teluk Intan, Perak.

He does not hold directorship in any other public companies. During the financial year ended 31 December 2007, he attended all the Board meetings held.

TAN HONG CHENG

A Malaysian aged 59, was appointed the Managing Director/Director of CAM on 29 December 2000.

He was appointed the Managing Director of CMelamine in 1988, a Director of CALuminium in 1979 and AEMkt in 1989. He began his career in Loke Hup Porcelain as a shop assistant. In 1975, he formed a partnership with Lee Chin Yen and others to manufacture aluminium household products. This partnership was subsequently incorporated as CALuminium. He has more than 20 years of experience in the manufacturing of aluminium and stainless steel products. At present, he is the Chairman of Board of Directors for San Min Private School and Chong Min Primary School in Teluk Intan. He also serves as the Vice President of the Chinese Chamber of Commerce of Lower Perak District.

He does not hold directorship in any other public companies. During the financial year ended 31 December 2007, he attended all the Board meetings held.

HIA WAN KIGA

A Malaysian aged 54, was appointed a Non-Executive Director of CAM on 29 December 2000 and a Non-Executive Director of CALuminium since 1999.

He began his career as an apprentice in Sungai Besar Engineering Sdn Bhd, a company involved in the engineering works. In 1975, he set up his own company under the name of Union Engineering Works, a company principally involved in agriculture engineering. He is presently a committee member of a few local associations.

He does not hold directorship in any other public companies. During the financial year ended 31 December 2007, he attended three (3) out of four (4) Board meetings held.

TAN KIM HONG

A Malaysian aged 35, was appointed an Executive Director of CAM on 15 January 2002 and a Factory Manager of CMelamine. She joined the Group in 1993 as a clerk and subsequently promoted to her current position since 2000. She is responsible for overseeing the overall production processes and maintenance of product quality in CMelamine.

She does not hold directorship in any other public companies. During the financial year ended 31 December 2007, she attended all the Board meetings held.

LEE POH CHOO

A Malaysian aged 33, was appointed an Executive Director of CAM on 15 January 2002.

She graduated from the Campbell University, USA in 1998 with a Bachelor degree in Business Administration. She joined CALuminium in 1998 and was responsible for the area of MIS and Marketing. She was promoted to Factory Manager of CALuminium in December 1998. She is responsible for overseeing the overall processes and maintenance of product quality in CALuminium.

She does not hold directorship in any other public companies. During the financial year ended 31 December 2007, she attended three (3) out of four (4) Board meetings held.

Directors' Profile (Cont'd)

CHAI MOI KIM

A Malaysian aged 50, was appointed an Independent Non-Executive Director of CAM on 15 January 2002. He also sits in the Audit Committee and Remuneration Committee as Chairman and also serves as a member of the Nomination Committee of the Company.

He is a member of the Malaysian Institute of Certified Public Accountants, the Malaysian Institute of Accountants and the Malaysian Institute of Taxation. He started his career in 1980 as an Article clerk with an established local audit firm, and subsequently worked with several other established audit firms including an international audit firm until 1988. He left for FACB Group of Companies as the Group Accountant in 1989. In 1992, he joined MBF Holdings Berhad as a Senior Manager of the corporate department where he served until 1994. In 1995, he set up his own audit practice, Kim & Co. He also sits on the Board of a Bursa Malaysia listed company, namely Widetech (Malaysia) Berhad where he was appointed as Independent Non-Executive Director.

During the financial year ended 31 December 2007, he attended all the Board meetings held.

AZIZUL BIN MOHD OTHMAN

A Malaysian aged 46, was appointed an Independent Non-Executive Director of CAM on 15 January 2002. He also serves as Chairman of the Nomination Committee and a member of the Remuneration Committee of the Company.

Presently, he is the Chief Executive Officer of Institut Teknologi Perak. He was responsible for setting up an Islamic independent secondary school, known as Ma'ahad al Ummah in Chepor, Perak in 1989 and he was a Director of Kolej Premier from 1993 to 1998.

He does not hold directorship in any other public companies. During the financial year ended 31 December 2007, he attended all the Board meetings held.

CHIA KAY JOO

A Malaysian aged 61, was appointed an Independent Non-Executive Director of CAM on 15 January 2002. He also serves as a member of Audit, Remuneration and Nomination Committee of the Company.

He obtained a Bachelor degree in Law from University of London in 1981 and called to the English Bar in 1982 and admitted as an advocate and solicitor in Malaysia in 1985. He has been practicing in the legal profession for approximately 23 years. He was a High Court Interpreter from 1971 to 1981 and a judicial officer serving as the Magistrate at the Teluk Intan Magistrate Court from 1982-1984. He left the judicial service to set up his own legal practice in 1985. Presently he serves as the legal adviser to a number of Associations and Chinese Guilds.

He does not hold directorship in any other public companies. During the financial year ended 31 December 2007, he attended all the Board meetings held.

ADDITIONAL INFORMATION ON THE BOARD OF DIRECTORS

Family Relationship

Except for Mr Lee Chin Yen and Ms Lee Poh Choo, and Mr Tan Hong Cheng and Ms Tan Kim Hong who are father and daughter, none of the other Directors are related to one another, nor with any substantial shareholders.

Conflict of Interest

Save as disclosed in the related party transactions on pages 65 - 66 of this Annual Report, none of the other Directors have any conflict of interest with the Company during the financial year.

Convictions for Offences

None of the Directors have been convicted of any offence (excluding traffic offence) within the last 10 years.

Corporate Governance Statement

The Board of Directors remains committed in achieving a high standard of corporate governance within the Group of Companies. The Board has been continuously managing the business and affairs of the Group by applying the Principles ("the Principles") and Best Practices ("the Best Practices") set out in the Malaysian Code on Corporate Governance ("the Code").

A. BOARD OF DIRECTORS

(i) The Board of Directors

The Board comprises of eight (8) members, four (4) Executive Directors, One (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors. The Independent Non-Executive Directors are independent of management, and free from any business which could interfere with their independent judgment and their ability to act in the Group's best interest.

The Board consists of members of various professional fields and expertise in financial accounting, legal, business management and commercial which are relevant for the effective management of the Group. The provision of various experiences from the Board's member would effectively discharge its stewardship responsibilities and to achieve the company's corporate objective through strategic business initiatives. The management of daily operation of the Group is overseen by the Executive Chairman, Managing Director and two (2) Executive Directors, and is fully supported by a management team.

(ii) Board Responsibilities

The primary responsibilities of the Board are as follows:-

- Reviewing and adopting a strategic plan for the Group.
- Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed.
- Identifying principal risks and ensure the implementation of appropriate systems to manage these risks.
- Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management.
- Reviewing the adequacy and the integrity of the company's internal control systems and management information systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The number of Directors' meeting and attendance for the financial year ended 31 December 2007 are as follows:-

Directors	Number of meeting held	Attended
Lee Chin Yen (Executive Chairman)	4	4
Tan Hong Cheng (Managing Director)	4	4
Lee Poh Choo (Executive Director)	4	3
Tan Kim Hong (Executive Director)	4	4
Hia Wan Kiga (Non-Executive Director)	4	3
Chai Moi Kim (Independent Non-Executive Director)	4	4
Tuan Haji Azizul bin Mohd Othman (Independent Non-Executive Director)	4	4
Chia Kay Joo (Independent Non-Executive Director)	4	4

The Board has set up several Board Committees to assist the Board. The delegation of certain responsibilities to other Board Committees is within approved terms of reference. The other Board Committees include the Audit Committee, the Nomination Committee and the Remuneration Committee.

Corporate Governance Statement (Cont'd)

A. BOARD OF DIRECTORS

(iii) Appointments of the Board and Re-election

The Board has appointed a Nomination Committee comprising of all Independent Non-Executive Directors. The members of the Nomination Committee consist of:-

1. Tuan Haji Azizul bin Mohd Othman (Chairman)
2. Chai Moi Kim
3. Chia Kay Joo

The function of the Nomination Committee amongst others is to recommend to the Board candidates for directorships or Board Committee members. In addition, the Committee reviews the profile of the skills and experience of each individual director of the Board of Directors and various Committees and to assess the effectiveness of the Board as a whole.

In accordance with the Company's Articles of Association, one third of the Board members are required to retire at every Annual General Meeting ("AGM") and be subject to re-election by shareholders. Newly appointed Directors shall hold office until the next following AGM and shall then be eligible for re-election by shareholders. All Directors, including the Managing Director shall retire from office at least once in every three years and shall be eligible for re-election.

(iv) Supply of Information

The Directors have full and complete access to all information within the Group and access to the advice and services of the Company Secretary in discharging their duties.

The Board has four regular scheduled meetings annually to control and monitor the development of the Group. The agenda for each Board Meeting is circulated to all the Directors for their perusal well in advance of the Board meeting date. The quarterly financial results and business review, including the financial performance to-date against the previous year, provision for doubtful debts and transaction with companies related to the Directors have been tabled at each scheduled meeting for discussion. All proceedings from the Board meetings are minuted and signed by the Chairman of the Meeting.

Directors are empowered to seek independent professional advice as they may require, at the expense of the Group, to enable them to form a decision.

(v) Directors' Training

The Directors have attended and successfully completed the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad. The Board will continue to evaluate the training needs of its Directors to further enhance their knowledge so as to enable them to discharge their responsibilities more effectively.

During the financial year, the training program that had been attended by the directors are as follows:

- Managing Contemporary Governance Issues
- National Tax Conference 2007
- Accident Investigation and Reporting Workshop

Corporate Governance Statement (Cont'd)

B. DIRECTORS' REMUNERATION

The Remuneration Committee is made up of all Independent Non-Executive Directors. The members of the Remuneration Committee consist of:-

1. Chai Moi Kim (Chairman)
2. Tuan Haji Azizul bin Mohd Othman
3. Chia Kay Joo

The Remuneration Committee reviews the salaries, incentive and other benefits of the Executive Directors and recommends the remuneration package to the Board for approval. The Directors concerned would abstain from participating in decisions regarding their own remuneration package.

The remuneration of Executive Director is linked to the Company and individual performance and the remuneration of Non-Executive Director is related to their experience and level of responsibilities. The reviews and recommendation of the Committee would be subject to the approval of the Board.

For the financial year ended 31 December 2007, the details of Directors' remuneration are as follows:

	Fees RM	Salary & other emoluments* RM	Benefit in kind RM	Total RM
Executive Directors	48,000	818,360	41,183	907,543
Non-Executive Directors	50,000	47,040	11,100	108,140
Total	98,000	865,400	52,283	1,015,683

* Other emoluments include contribution to Employees' Provident Fund and bonus.

The number of Directors of the Company whose total remuneration fall within the following bands are shown below:

Range of remuneration	Number of Directors	
	Executive	Non-Executive
Below RM50,000	-	3
RM50,001 to RM100,000	-	1
RM100,001 to RM150,000	2	-
RM150,001 to RM200,000	-	-
RM200,001 to RM250,000	-	-
RM250,001 to RM300,000	-	-
RM300,001 to RM350,000	2	-

Corporate Governance Statement (Cont'd)

C. ACCOUNTABILITY AND AUDIT

(i) Internal Control

The Board recognizes its responsibilities for setting up a sound system of internal control to safeguard shareholders' investment and the Group's assets, and to provide reasonable assurance on the reliability of the financial statements. However, any such system can only provide reasonable but not absolute assurance against material misstatement or loss. The components of the Group's internal financial control include:-

- **Business system**

The information systems operated within the Group have been developed with controls to safeguard the integrity of financial data.

- **Financial and operational reporting**

Financial and operations reports are reported monthly to the Executive Directors and to the Board on a quarterly basis.

- **Authorisation limits**

The Group well-defined organisation structure with a clear line of accountability, segregation of duties and strict authorisation, approval and control procedures within which senior management operate.

- **Financial controls and procedural compliance reporting**

The Group Internal Audit regularly reports on the compliance with the internal financial control and procedures to the Audit Committee. The department also ensures that recommendations to improve controls are followed through by management.

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group, which has been in place for the year under review. The Audit Committee, through the outsourced internal audit, regularly reviews and reveals to the Board on the adequacy and effectiveness of the accounting and operating controls systems.

(ii) Financial Reporting

The Board of Directors is responsible for preparing financial statements for each financial year which gives a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and the results and cash flows of the Group and of the Company for the year then ended. The Board of Directors is also responsible in ensuring that the financial statements of the Group and the Company are drawn up in accordance with applicable approved accounting standards in Malaysia, consistently applied and by reasonable and prudent judgments and estimates.

In presenting the annual financial statements and quarterly announcements of its results, the Board has ensured that the financial statements present a fair assessment of the Group's financial position and prospects.

(iii) Relationship with Auditors

The Company always maintained a transparent relationship with both the internal and external auditors in seeking their professional advice and towards ensuring compliance with accounting standards in Malaysia.

Corporate Governance Statement (Cont'd)

D. RELATIONSHIP WITH SHAREHOLDERS

The annual reports and the quarterly announcements are the primary modes of communication to report on the Group's business activities and financial performance.

The Annual General Meeting is the principal forum for dialogue with shareholders. The Company's Annual Reports and notice of the Annual General Meeting are sent out to the shareholders at least 21 days before the meeting. At each Annual General Meeting, shareholders are given ample time and opportunity to raise questions pertaining to the business activities of the Group, without limiting of the type of queries asked and they do not seek prior approval from the major shareholders. The members of the Board are prepared to provide responses to queries and to receive feedback from the shareholders during the meeting. The external auditors and Group Finance Manager are also present to provide their professional clarification on issue of concern raised by the shareholders.

E. OTHER INFORMATION

During the financial year ended 31 December 2007, there were no:-

- (a) Options, warrants or convertible securities issued by the Company or its subsidiaries;
- (b) American Depository Receipts or Global Depository Receipt programme sponsored by the Company;
- (c) Sanctions and / or penalties imposed on the Company or its subsidiary companies;
- (d) Variance of results which differs by 10% or more from any profit estimate / forecast / projection / unaudited results announced;
- (e) Profit guarantee given by the Company;
- (f) Material contracts of the Company and its subsidiary companies involving directors and substantial shareholders;
- (g) Revaluation policy on landed property during the financial year.

Share Buyback

During the financial year, the Company bought back 10,000 of its ordinary shares in issue from open market at an average price of RM0.30 per share and for a total consideration of RM3,022. The total shares bought back and held as treasury shares as at 31 December 2007 was 10,000.

Non-Audit Fee

The amount of non-audit fee paid to external auditors for the financial year ended 31 December 2007 was RM5,250.

Recurrent Related Party Transactions

The aggregate value of recurrent related party transactions entered by the Company and its subsidiaries during the financial year ended 31 December 2007 are disclosed in note 31 to the financial statements.

Audit Committee Report

COMPOSITION

The members of the Audit Committee are as follows :-

Chai Moi Kim	Chairman	(Independent Non-Executive Director)
Chia Kay Joo	Member	(Independent Non-Executive Director)
Tuan Haji Azizul bin Mohd Othman <i>(Appointed on 26 November 2007)</i>	Member	(Independent Non-Executive Director)
Tan Hong Cheng <i>(Resigned on 26 November 2007)</i>	Member	(Managing Director)

TERM OF REFERENCE

Objective

The primary objectives of the committee are:-

- a) To safeguard the interests of the minority shareholders;
- b) To assist the Board in discharging their responsibilities in the areas of management of internal control, accounting policies and financial reporting; and
- c) To provide a line of communication between the Board and the internal and external auditors through regular meetings.

Authority

The Committee shall, whenever necessary and reasonable for the performance of its duties, authorized to:-

- a) Investigate any activity within its term of reference.
- b) Have the resources which are required to perform its duties.
- c) Access to any information pertaining to the company.
- d) Have direct communication with the external auditors and person(s) carrying out the internal audit function.
- e) Obtain external legal or other independent professional advice.
- f) Convene meetings with external auditors, the internal auditors or both, excluding the attendance of other directors or employees of the company, whenever deemed necessary.

Members

- a) The members of the Committee shall be appointed by the Board of Director from amongst the Directors of the Company.
- b) The Committee shall comprise not less than three members, a majority of whom shall be Independent and all members shall be Non-Executive Directors.
- c) At least one of the Committee members:-
 - i) must be a member of the Malaysian Institute of Accountants; or
 - ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three years working experience and:-
 - 1 he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - 2 he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

Audit Committee Report (Cont'd)

TERM OF REFERENCE (Cont'd)

Members (Cont'd)

- d) No Alternate Director shall be appointed as a member of the Committee.
- e) The Committee shall elect a Chairman from among their members who shall be an Independent Non-Executive Director.
- f) The Board of Directors shall review the term of office and performance of the Committee and each of its members at least once every three years to evaluate whether such members have carried out their duties in accordance with their terms of reference.

Duties and Responsibilities

The duties of the Committee shall be:-

- a) To review the audit plan, evaluation of the system of internal controls and audit report with the external auditors.
- b) To recommend to the Board the nomination and appointment of external auditors, their audit fees and any question of resignation or dismissal occurred.
- c) To review the assistance given by the Company's employees to the external auditors.
- d) To review the adequacy of the scope, functions, programmes and the results of the internal audit procedures and that it has the necessary authority to carry out its work.
- e) To review the quarterly results, year end consolidated financial statements of the Group, before submission to the Board's approval.
- f) To review any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- g) To review any significant transactions which are not a normal of the Company's business.
- h) To carry out other duties as may be agreed to by the Committee and the Board of Directors.

Meeting

- a) The quorum for any meeting of the Committee shall be two and the majority of members present shall be Independent Directors.
- b) Apart from the members of the Committee who will be present at the meetings, the Committee may invite any member of the Chief Executive, the head of finance, the head of internal audit and representatives of the external auditors to present at meetings of the Committee.
- c) The Committee shall meet at least four times a year and such additional meetings as the Chairman shall decide in order to fulfill its duties.
- d) Upon request by the external auditors, the Chairman may call for meetings of the Committee to consider any matters that external auditors believe should be brought to the attention of the directors or shareholders of the Company.
- e) If at any meeting the Chairman is not present at the time appointed for holding meeting, or is unwilling to act, the members present may choose one of their members to chair the meeting.

Audit Committee Report (Cont'd)

TERM OF REFERENCE (Cont'd)

A summary of attendance of Audit Committee meetings during the financial year ended 31 December 2007 are as follows:-

Members of Audit Committee	Number of meeting held	Attended
Chai Moi Kim	5	5
Chia Kay Joo	5	5
Tan Hong Cheng	5	4

The Finance Manager, a representative from external auditors and internal auditors were also invited to attend these meetings.

Secretary and Minutes

The Company Secretary acts as Secretary to the Committee meeting and minutes of the proceedings for each Committee meeting are prepared and circulated to all Committee members and the Company's directors who are non-members of the Committee.

SUMMARY OF ACTIVITIES

The summary of activities carried out by the Audit Committee during the year ended 31 December 2007 are as follows:

- a) To review the quarterly financial results before submission for the Board's approval and announcement to Bursa Malaysia.
- b) To review the audit plan of the external auditors.
- c) To review with the external auditors the annual audited financial statements together with the management letter.
- d) To review the scope of work and audit plan with the internal auditors.
- e) To review the internal audit reports and assess the recommendations on the audit issues.
- f) To review the adequacy of provision for doubtful debts and bad debts written off.
- g) To review the related party transactions within the Company and the Group.

Statement of Directors' Responsibility

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

In preparing the financial statements, the Directors have:

- complied with all the applicable approved accounting standards in Malaysia
- adopted suitable accounting policies and applied them consistently
- made judgements and estimates that are prudent and reasonable

The Directors have responsibility to ensure that proper and adequate accounting records are kept which disclose with reasonable accuracy the financial position of the Company and of the Group, and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965.

The Directors have general responsibility for taking such reasonable steps to safeguard the assets of the Company and the Group so as to prevent and detect fraud and other irregularities.

Statement of Internal Control

Board Responsibility

In compliance with paragraph 15.27(b) of the Listing Requirements of Bursa Malaysia Berhad, the Board of Directors acknowledges its responsibility to strengthen and maintain a sound system of internal control to safeguard shareholders' interest and assets within the Group. In view of the limitations inherent in any system of internal control, the control system is designed to manage and control the principal business and operation risks and it can only provide reasonable and not absolute assurance against material misstatement, fraud or loss.

Risk Management

The Board recognizes the importance of risk management, as such the control processes are reviewed by the Board on an ongoing basis for identification and mitigation of the major risks within the Group. The on going review process was facilitated with the well defined line of responsibilities, policies and procedures laid down by the Board. Besides this, the participation of the Executive Chairman and Managing Director in the daily activities has also reduced the business and operational risks of the Group. The Executive Chairman, Managing Director and senior management regularly organised meeting for the purpose of identifying and managing the business risk of the Group.

Key Elements of Internal Control

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

- A well defined organizational structure with proper lines of responsibilities and delegation of authority for major transactions
- An appropriate and comprehensive information systems reporting financial and operational performance are provided to management for monitoring and decision making
- The control procedures are also in place to ensure the Group's assets are subject to proper physical controls and regular maintenance
- The Audit Committee and the Board review and monitor the performance and results of the Group at quarterly meeting deliberating on significant internal control and performance issues

Internal Audit

In accordance with the Code of Best Practice, the Board had also engaged the internal audit function which was outsourced to external professional to provide independent assessment of the adequacy, efficiency and integrity of the Group's system of internal control. Material internal control weaknesses were identified and reported to the Audit Committee and the Committee would highlight the findings and recommendations for improvement to the Board.

The Board has also adopted a Board Charter recommended by the Audit Committee. The primary purpose of the Board of Directors' Charter is to formally define the structure, responsibilities, rights and procedures of the Board.

Conclusion

The Directors are of the opinion that the existing system of internal control was satisfactory for the present level of operations and are not aware of any significant deficiency in the system that had resulted in significant losses, contingencies or uncertainties for the financial year under review.

Corporate Social Responsibility

The Board of Directors recognizes the important of its Corporate Social Responsibility towards its community, environment, workplace and marketplace. While the Group constantly applying good business practice to achieve a sustainable growth thus to increase shareholders value, it also emphasizes the safety and health at the workplace through awareness and training program, to preserve the environment through proper disposal of industrial waste.

During the year, the Group had undertaken the following activities and measures as its commitment to fulfill its social responsibilities.

1. Blood Donation

We had organized a blood donation campaign in our factory in September 2007 and the active participation from all the employees, both local and foreign, had made it a very successful event.

2. Contribution To Charitable Program

As a responsible corporate citizen, we generously provided donations and sponsorships to the charitable activities organized by schools, charitable and religion organizations particularly from the local community where the Company operates.

3. Occupational Safety And Health

Safety and health policy was formulated to promote the awareness and responsibilities of employees at all level with the objective of creating a safe and healthy working environment. Personal protection equipments like masks, rubber gloves, goggles and safety shoes were given to production workers and training and guidance had provided to new workers for the safe operating of machinery.

Safety officers were sent for training regularly with the aim of upgrading their skills and knowledge towards improving and maintaining a high standard of workplace.

4. Care For Environment

Towards preserving a clean environment, the industrial waste had been arranged to be disposed through DOE approved waste management company where the waste is to be landfill at a safety site.

Directors' Report

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2007.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment company. The principal activities of the subsidiary companies are set out in note 5 to the financial statements. There has been no significant change in the nature of these activities during the year.

RESULTS

	Group RM	Company RM
Profit/(loss) attributable to equity holders of the Company	3,546,944	(94,439)

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year and the Directors do not recommend any dividend payment for the current financial year.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

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

CURRENT ASSETS

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

Directors' Report (Cont'd)

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

In the opinion of the Directors:-

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES

During the financial year, no new issue of shares was made by the Company.

SHARES REPURCHASED

During the financial year, the Company repurchased 10,000 units of its issued and fully paid ordinary shares from the open market at an average price of RM0.30 per share. The total consideration paid for the repurchased shares including transaction costs was RM3,022/-. Details of shares repurchased are as disclosed in note 13 to the financial statements.

Directors' Report (Cont'd)

DIRECTORS OF THE COMPANY

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

LEE CHIN YEN
TAN HONG CHENG
HIA WAN KIGA
LEE POH CHOO (F)
TAN KIM HONG (F)
CHAI MOI KIM
CHIA KAY JOO
AZIZUL MOHD OTHMAN

The interest of the Directors in office as at the end of the financial year in the shares of the Company during the financial year according to the registers required to be kept under Section 134 of the Companies Act, 1965, are as follow:-

	Number of Ordinary Shares of RM0.25 Each			
	At 1.1.07	Bought	Sold	At 31.12.07
Direct Interest				
Lee Chin Yen	13,566,720	-	-	13,566,720
Tan Hong Cheng	10,308,638	300,000	-	10,608,638
Hia Wan Kiga	3,641,208	-	-	3,641,208
Tan Kim Hong	888,000	-	-	888,000
Lee Poh Choo	396,000	-	-	396,000
Indirect Interest				
Lee Chin Yen *#	12,437,280	-	-	12,437,280
Tan Hong Cheng *#	14,536,642	-	(164,900)	14,371,742
Lee Poh Choo **##	25,608,000	-	-	25,608,000
Tan Kim Hong ***##	23,957,280	300,000	(164,900)	24,092,380
Hia Wan Kiga *###	8,001,672	-	-	8,001,672

- * Shares held through a nominee company
** Shares held by her father, Mr. Lee Chin Yen
*** Shares held by her father, Mr. Tan Hong Cheng
Shares held by his spouse and/or children
Shares held by her mother and/or sister and/or brother
Shares held by his brother

By virtue of their interest in the shares of the Company the Directors as disclosed above are also deemed to have an interest in the shares of the subsidiary companies to the extent of the shareholdings of the Company.

In accordance with Article 91 of the Company's Articles of Association, Ms. Tan Kim Hong, Ms Lee Poh Choo and En. Azizul Mohd Othman retire from the board at the forthcoming annual general meeting and being eligible offer themselves for re-election.

Directors' Report (Cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial year no director of the Company has received or become entitled to receive any benefit (other than those disclosed as directors fees, emoluments and benefits-in-kind in note 22(i) to 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 except for the deemed benefit which may arise from transactions disclosed in note 31 to the financial statements.

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

SUBSEQUENT EVENT

Significant event arising subsequent to the financial year are disclosed in note 34 to the financial statements.

AUDITORS

The auditors Messrs Moore Stephens was one of the firms involved in a merger on 1 January 2008. The merged firm is now practicing under the name of Moore Stephens AC. In view of this merger, Messrs Moore Stephens retires and do not seek reappointment. A resolution to appoint Messrs Moore Stephens AC will be proposed at the forthcoming Annual General Meeting.

On Behalf of the Board

LEE CHIN YEN

TAN HONG CHENG

Kuala Lumpur
28 April 2008

Statement by Directors

We, the undersigned, being two of the Directors of the Company, state that in the opinion of the Directors, the accompanying financial statements as set out on pages 28 to 73, are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards for Entities Other Than Private Entities in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2007 and of the results of the operations, changes in equity and cash flows of the Group and of the Company for the year ended on that date.

On Behalf of the Board

LEE CHIN YEN

TAN HONG CHENG

Kuala Lumpur
28 April 2008

Statutory Declaration

I, Lee Chin Yen, NRIC No.: 491130-08-6121, being the Director primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 28 to 73 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at
Kuala Lumpur in the Federal Territory
On 28 April 2008

LEE CHIN YEN

Before me

S.MASOHOOD OMAR (W.354)
Commissioner for Oaths

Report of the Auditors

To the members of CAM Resources Berhad (Incorporated in Malaysia)

We have audited the financial statements set out on pages 28 to 73.

The preparation of the financial statements are the responsibility of the Company's directors.

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

We conducted our audit in accordance with the approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatement. Our audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. Our audit includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:-

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards for Entities Other Than Private Entities in Malaysia so as to give a true and fair view of:-
 - (i) the matters required by Section 169 of the Companies Act, 1965, to be dealt with in the financial statements of the Group and of the Company; and
 - (ii) the state of affairs of the Group and of the Company as at 31 December 2007 and of the results of the operations, changes in equity and cash flows of the Group and of the Company for the year ended on that date;

and

- (b) the accounting and other records and the registers required by the Companies Act, 1965, to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The names of the subsidiary companies of which we have not acted as auditors are disclosed in note 5 to the financial statements. We have considered the financial statements of these subsidiary companies and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiary companies 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 consolidated financial statements and we have received satisfactory information and explanations required by us for these purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Section 174(3) of the Companies Act, 1965.

MOORE STEPHENS
Chartered Accountants
(AF.0282)

Kuala Lumpur
28 April 2008

AU TAI WEE
1551/01/09 (J)
Partner

Consolidated Balance Sheet

As at 31 December 2007

	Note	2007 RM	2006 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	32,942,720	35,963,728
Other investment	6	17,000	17,000
		32,959,720	35,980,728
Current assets			
Inventories	7	34,667,668	36,530,926
Trade receivables	8	20,285,736	18,762,589
Other receivables, deposits and prepayments	9	1,267,506	1,206,852
Tax assets	11	396,121	1,357,289
Cash and bank balances		3,454,786	2,148,357
		60,071,817	60,006,013
TOTAL ASSETS		93,031,537	95,986,741
EQUITY AND LIABILITIES			
Equity			
Share capital	12	49,200,000	49,200,000
Reserves	13	30,902,494	27,358,572
Total Equity		80,102,494	76,558,572

Consolidated Balance Sheet (Cont'd)

	Note	2007 RM	2006 RM
Liabilities			
Non-current liabilities			
Hire purchase payables	14	1,655	51,484
Deferred taxation	15	3,127,960	3,613,100
		3,129,615	3,664,584
Current liabilities			
Trade payables	16	1,696,394	1,329,812
Other payables and accruals	17	2,537,842	2,561,789
Provision	18	236,113	224,740
Bank overdrafts	19	248,250	755,581
Hire purchase payables	14	49,829	98,663
Other borrowings - unsecured	20	5,031,000	10,793,000
		9,799,428	15,763,585
Total Liabilities		12,929,043	19,428,169
TOTAL EQUITY AND LIABILITIES		93,031,537	95,986,741

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Consolidated Income Statement

For the year ended 31 December 2007

	Note	2007 RM	2006 RM
Operating revenue	21	71,809,369	64,634,753
Cost of goods sold		(57,222,224)	(52,158,409)
Gross profit		14,587,145	12,476,344
Other operating revenue		208,586	119,190
Distribution costs		(5,015,203)	(4,547,124)
Administrative costs		(3,147,490)	(3,029,456)
Other operating costs		(511,975)	(277,238)
		(8,674,668)	(7,853,818)
Profit from operations		6,121,063	4,741,716
Finance costs		(586,187)	(703,129)
Profit before taxation	22	5,534,876	4,038,587
Taxation	23	(1,987,932)	(1,051,998)
Profit attributable to equity holders of the Company		3,546,944	2,986,589
Earnings per ordinary share (sen)	24	1.80	1.52

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2007

	Share Capital RM	<— Non-Distributable—> Share Premium RM	Reserve on Consolidation RM	Distributable Retained Earnings RM	Treasury Shares RM	Total Equity RM
At 1.1.06	49,200,000	5,178,474	2,982,876	16,919,113	–	74,280,463
Effect of adopting FRS 3	–	–	(2,982,876)	2,982,876	–	–
	49,200,000	5,178,474	–	19,901,989	–	74,280,463
First and final dividend of 2% per share less 28% tax in respect of financial year ended 31 December 2005	–	–	–	(708,480)	–	(708,480)
Profit for the year	–	–	–	2,986,589	–	2,986,589
At 31.12.06	49,200,000	5,178,474	–	22,180,098	–	76,558,572
Repurchased of treasury shares	–	–	–	–	(3,022)	(3,022)
Profit for the year	–	–	–	3,546,944	–	3,546,944
At 31.12.07	49,200,000	5,178,474	–	25,727,042	(3,022)	80,102,494

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2007

	Note	2007 RM	2006 RM
Cash Flows from Operating Activities			
Profit before taxation		5,534,876	4,038,587
Adjustments for:-			
Allowance for doubtful debts		83,959	133,024
Allowance for doubtful debts no longer required		(28,883)	(15,462)
Inventories written off		258,253	49,086
Bad debts written off		8,853	4,454
Depreciation of property, plant and equipment		3,714,824	3,893,635
Gain on disposal of property, plant and equipment		(42,711)	(17,393)
Interest expense		441,948	549,209
Interest revenue		(13,639)	(13,037)
Provision for employee benefits		11,373	13,071
Gain on disposal of subsidiary companies		(2)	-
Property, plant and equipment written off		218,691	-
Unrealised (gain)/loss on foreign exchange		73,158	111,234
Operating profit before working capital changes		10,260,700	8,746,408
Decrease/(increase) in inventories		1,605,005	(5,950,150)
Increase in receivables		(1,725,475)	(621,192)
Increase in payables		344,039	574,778
Cash generated from operations		10,484,269	2,749,844
Tax refunded		187,011	236,606
Tax paid		(1,698,915)	(1,645,169)
Interest paid		(441,948)	(549,209)
Net cash generated from operating activities		8,530,417	792,072
Cash Flows from Investing Activities			
Disposal of subsidiary companies, net of cash disposed	25	2	-
Interest received		13,639	13,037
Proceeds from disposal of property, plant and equipment		261,700	25,030
Purchase of property, plant and equipment and capital work-in-progress incurred	26	(1,131,496)	(2,402,872)
Net cash used in investing activities		(856,155)	(2,364,805)

Consolidated Cash Flow Statement (Cont'd)

	Note	2007 RM	2006 RM
Cash Flows from Financing Activities			
Dividends paid to shareholders		(1,404)	(722,042)
Payments to hire purchase payables		(98,663)	(142,134)
Repayments of bankers' acceptances		(32,594,000)	(30,053,000)
Proceeds from bankers' acceptances		26,832,000	32,262,000
Repurchased of treasury shares		(3,022)	-
Net cash (used in)/generated from financing activities		(5,865,089)	1,344,824
Net increase/(decrease) in cash and cash equivalents			
Effects of exchange rate changes on cash and cash equivalents		4,587	(29,474)
Cash and cash equivalents at beginning of the year		1,392,776	1,650,159
Cash and cash equivalents at end of the year	27	3,206,536	1,392,776

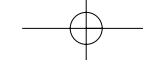
The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Balance Sheet

As at 31 December 2007

	Note	2007 RM	2006 RM
ASSETS			
Non-current asset			
Investments in subsidiary companies	5	46,683,460	46,723,462
Current assets			
Other receivables, deposits and prepayments	9	1,150	1,150
Amount owing by subsidiary companies	10	7,393,340	7,498,006
Tax assets	11	101,558	56,721
Cash and bank balances		44,707	13,802
		7,540,755	7,569,679
TOTAL ASSETS		54,224,215	54,293,141
EQUITY AND LIABILITY			
Equity			
Share capital	12	49,200,000	49,200,000
Reserves	13	4,914,366	5,011,827
Total Equity		54,114,366	54,211,827
Current liability			
Other payables and accruals	17	109,849	81,314
TOTAL EQUITY AND LIABILITY		54,224,215	54,293,141

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

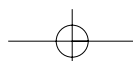


Income Statement

For the year ended 31 December 2007

	Note	2007 RM	2006 RM
Operating revenue	21	234,003	695,169
Other operating revenue		-	3,821
Administrative costs		(261,109)	(244,349)
Other operating costs		(47,574)	-
		(308,683)	(244,349)
(Loss)/Profit before taxation	22	(74,680)	454,641
Taxation	23	(19,759)	(185,216)
(Loss)/Profit for the year		(94,439)	269,425

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.



Statement of Changes in Equity

For the year ended 31 December 2007

	Share Capital RM	Non- Distributable Share Premium RM	Accumulated Losses RM	Treasury Shares RM	Total Equity RM
At 1.1.06	49,200,000	5,178,474	272,408	–	54,650,882
First and final dividend of 2% per share less 28% tax in respect of financial year ended 31 December 2005	–	–	(708,480)	–	(708,480)
Profit for the year	–	–	269,425	–	269,425
At 31.12.06	49,200,000	5,178,474	(166,647)	–	54,211,827
Repurchased of treasury shares	–	–	–	(3,022)	(3,022)
Loss for the year	–	–	(94,439)	–	(94,439)
At 31.12.07	49,200,000	5,178,474	(261,086)	(3,022)	54,114,366

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Cash Flow Statements

For the year ended 31 December 2007

	Note	2007 RM	2006 RM
Cash Flows from Operating Activities			
(Loss)/Profit before taxation		(74,680)	454,641
Adjustments for:-			
Dividend revenue		(234,003)	(695,169)
Loss on disposal of subsidiary companies		39,998	-
Bad debts written off		7,576	-
Interest revenue		-	(3,821)
Operating loss before working capital changes		(261,109)	(244,349)
Increase/(Decrease) in other payables and accruals		29,939	(2)
Cash used in operations		(231,170)	(244,351)
Tax paid		(1,415)	(9,331)
Net cash used in operating activities		(232,585)	(253,682)
Cash Flows from Investing Activities			
Repayments from/(Advances to) subsidiary companies		97,090	(562,381)
Proceeds from disposal of subsidiary companies		4	-
Dividends received		170,822	1,213,330
Interest received		-	3,821
Net cash generated from investing activities		267,916	654,770
Cash Flows from Financing Activities			
Dividend paid to shareholders		(1,404)	(722,042)
Repurchased of treasury shares		(3,022)	-
Net cash used in financing activities		(4,426)	(722,042)
Net increase/(decrease) in cash and cash equivalents		30,905	(320,954)
Cash and cash equivalents at beginning of the year		13,802	334,756
Cash and cash equivalents at end of the year	27	44,707	13,802

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Notes to the Financial Statements

31 December 2007

1. CORPORATE INFORMATION

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

The principal place of business is located at Batu 12, Jalan Hutan Melintang, 36400 Hutan Melintang, Perak Darul Ridzuan.

The registered office of the Company is located at Mezzanine Floor, 8A, Jalan Sri Semantan Satu, Damansara Heights, 50490 Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are disclosed in note 5 to the financial statements.

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 28 April 2008.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards for Entities Other Than Private Entities issued by the Malaysian Accounting Standards Board ("MASB").

The measurement bases applied in the presentation of the financial statement of the Group and of the Company included cost, recoverable amount and realisable value. Estimates are used in measuring these values.

Certain freehold land and buildings of a subsidiary company are stated in the Group's financial statements at values reflecting the effective acquisition costs to the Group (group cost) of these property, plant and equipment.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia (RM), which is the Group's and the Company's functional currency. All financial information presented in RM has been rounded to the nearest RM, unless otherwise stated.

The preparation of financial statements of the Group and of the Company requires management to make assumptions, estimates and judgements that effect the application of accounting policies and the reported amounts of assets, liabilities income and expenses. Assumptions and estimates are reviewed on an ongoing basis and recognised in the period in which the assumption or estimate is revised.

Significant areas of estimation, uncertainty and critical judgements used in applying accounting principles that have significant effect on the amount recognised in the financial statements are as follows:-

- (i) Annual testing for impairment of property, plant and equipment (Note 4) – the measurement of the recoverable amount of cash-generating units are determined based on the value-in-use.
- (ii) Depreciation of property, plant and equipment (Note 4) – property, plant and equipment are depreciated on a straight line basis over the asset's useful lives. Management estimates the useful lives of these property, plant and equipment to be within 5 to 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets resulting in revision for future depreciation charges.

Notes to the Financial Statements (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES**New and revised FRSs adopted**

On 1 January 2007, the Group and the Company adopted the following Financial Reporting Standards ("FRS") issued by MASB mandatory for accounting periods beginning on or after 1 October 2006.

FRS 6	Exploration for and Evaluation of Mineral Resource
FRS 117	Leases
FRS 124	Related Party Disclosures

FRS 6 is not relevant to the Company's operations.

The adoption of these FRS standards does not have any material financial impact on the Group and on the Company, or any significant changes in accounting policies of the Group and of the Company.

New and revised FRSs, Amendments to FRSs and Issues Committee ("IC") Interpretations not adopted

		For financial periods beginning on or after
FRS 107	Cash Flow Statements	1 July 2007
FRS 111	Construction Contracts	1 July 2007
FRS 112	Income Taxes	1 July 2007
FRS 118	Revenue	1 July 2007
FRS 119	Employee Benefits	1 July 2007
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
Amendment to FRS 121	The effects of Changes in Foreign Exchange Rates - net investment in foreign operation	1 July 2007
FRS 126	Accounting and Reporting by Retirement Benefit Plans	1 July 2007
FRS 129	Financial Reporting in Hyperinflationary Economies	1 July 2007
FRS 134	Interim Financial Reporting	1 July 2007
FRS 137	Provision, Contingent Liabilities and Contingent Assets	1 July 2007
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6	Liabilities arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7	Applying the Restatement Approach under FRS 129 ₂₀₀₄ Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8	Scope of FRS 2	1 July 2007
FRS 139	Financial Instruments : Recognition and Measurement	Yet to be determined

Notes to the Financial Statements (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

New and revised FRSs, Amendments to FRSs and Issues Committee ("IC") Interpretations not adopted (cont'd)

The adoption of FRS 107, 112, 118, 119, 134, 137 and amendment to FRS 121 does not have any significant financial impact on the results and the financial position of the Group and of the Company when these standards become effective to the Group and to the Company.

IC Interpretation 1, 2, 5, 6, 7, 8 and FRS 111, 120, 126 and 129 are not relevant to the Group's operations.

The Group and the Company have not early adopted FRS 139 - Financial Instruments : Recognition and Measurement, for which MASB has yet to announce the effective date.

The impact of applying this standard on this financial statements upon first adoption of this standard as required by paragraph 30(b) of FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors are not required to be disclosed by virtue of exemptions provided under paragraph 103AB of FRS 139.

(a) Basis of Consolidation

The consolidated financial statements incorporate the audited financial statements of the Company and all its subsidiary companies which are disclosed in note 5 to the financial statements made up to the end of the financial year.

All intra-group balances, transactions and resulting unrealised profits and losses (unless cost cannot be recovered) are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

The results of the subsidiary companies acquired or disposed during the financial year are consolidated financial statements based on the purchase method from the effective date of acquisition or up to the effective date of disposal respectively. The assets, liabilities and contingent liabilities assumed from a subsidiary company are measured at their fair values at the date of acquisition and these values are reflected in the consolidated financial statements.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities assumed represent goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities assumed over the cost of acquisition is charged in the financial statement.

(b) Subsidiary Company

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

Investments in subsidiary companies, which are eliminated on consolidation, are stated at cost less accumulated impairment losses, if any, in the Company's financial statements. Impairment loss is determined on an individual basis.

Gains or losses arising from the disposal of an investment is determined as the difference between the estimated net disposal proceeds and the carrying amount of the investment, and is recognised in the income statement.

Notes to the Financial Statements (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Goodwill

Goodwill acquired in a business combination represents the difference between purchase consideration and the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary companies at the date of acquisition.

Goodwill is allocated to cash generating units and is stated at cost less accumulated impairment losses, if any. Impairment test is performed annually. Goodwill is also tested for impairment when indication of impairment exists. Impairment losses recognised are not reversed in subsequent periods.

Upon the disposal of interest in the subsidiary company, the related goodwill will be included in the computation of gain or loss on disposal of interest in the subsidiary company in the consolidated income statement.

(d) Property, Plant and Equipment and Depreciation

In the subsidiary company's financial statements, certain freehold land and buildings are stated at valuation less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is not depreciated. Additions subsequent to the date of the last valuation exercise are stated at cost less accumulated depreciation and accumulated impairment losses, if any. All other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

In the consolidated financial statements, all property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land and capital work-in-progress which are not depreciated.

Cost includes expenditure that are directly attributable to the acquisition of the asset. Subsequent costs are included in the assets' carrying amount or recognised as separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

All other property, plant and equipment are depreciated to write off the cost of the property, plant and equipment over their estimated useful lives.

The principal annual rates used for this purpose are:-

Buildings and warehouse	2%
Furniture, fittings, office equipment and signboard	5% - 10%
Factory equipment and electrical fittings	5% - 10%
Motor vehicles	20%
Moulds	20%
Plant and machinery	10%
Renovation	5%

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

Notes to the Financial Statements (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

Capital work-in-progress consists of expenditure incurred on construction of property, plant and equipment which take a substantial period of time to be ready for their intended uses. This expenditure is stated at cost less accumulated impairment losses, if any, and no depreciation is provided. Upon completion of construction, the cost will be reclassified to the respective property, plant and equipment and depreciated according to the depreciation policy of the Group.

(e) Impairment of Assets

The carrying amounts of assets other than inventories and financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less cost of sales and the value in use, which is measured by reference to discounted future cash flows and is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs to. An impairment loss is recognised whenever the carrying amount of an item of asset exceeds its recoverable amount. An impairment loss is recognised as an expense in the income statement.

Any subsequent increase in recoverable amount of an asset, due to a reversal of impairment loss is restricted to the carrying amount that would have been determined (net of accumulated depreciation, where applicable) had no impairment loss been recognised in prior years. The reversal of impairment loss is recognised as revenue in the income statement.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Cost includes the actual cost of purchases and incidentals in bringing the inventories into store and for finished goods and work-in-progress, it includes costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.

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

(g) Foreign Currency Transaction

Transactions in foreign currencies are translated into Ringgit Malaysia at the rates of exchange ruling at the time of the transaction date. 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 that are measured at fair value 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.

Notes to the Financial Statements (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Finance Lease

Obligations arising from property, plant and equipment acquired by way of hire purchase or finance lease where the Company assumes substantially all the benefits and risks of ownership are classified as borrowings.

Finance lease are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate of interest on the remaining balance. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(i) Treasury Shares

When issued shares of the Company are repurchased, the consideration paid, including any attributable transaction costs is presented as a change in equity. Repurchased shares that have not been cancelled are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the income statements on the sale, re-issuance or cancellation of treasury shares. When treasury shares are re-issued by resale, the difference between the sales consideration and the carrying amount of the treasury shares is shown as movement in equity.

(j) Taxation

Taxation in the income statement represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the year and any adjustments recognised in the year for current tax of prior years.

Deferred tax is recognised, using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled. Deferred tax is recognised in equity when it relates to items recognised directly in equity. When deferred tax arises from business combination that is an acquisition, the deferred tax is included in the resulting goodwill or negative goodwill.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxation authority to offset or when it is probable that future taxable income will be available against which the assets can be utilised.

Notes to the Financial Statements (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) 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. Dividend revenue

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

iii. Interest revenue

Interest revenue is recognised on an accrual basis using the effective interest method.

(l) Employee Benefits

i. Short Term Employee Benefits

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

ii. Defined Contribution Plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund. Such contributions are recognised as expenses in the income statement as incurred.

(m) Provisions

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

(n) 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. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Financial Instruments

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

The recognised financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables, other non-current investments, borrowings and ordinary shares. These instruments are recognised in the financial statements when a contract or contractual arrangement has been entered into with the counter-parties.

The unrecognised financial instruments comprise financial guarantees given to licensed banks for subsidiary companies' credit facilities and contingent liabilities of the Group. These financial instruments would be recognised as liabilities when obligations to pay the counter-parties are assessed as being probable.

i. Receivables

Receivables are stated at cost less allowance for doubtful debts, if any, which are the anticipated realisable values. Known bad debts are written off and specific allowance is made for those debts considered to be doubtful of collection.

ii. Payables

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

iii. Other Non-Current Investments

Non-current investments other than investments in subsidiary companies are stated at cost less allowance for diminution in value, if any. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

iv. Interest Bearing Borrowings

Interest bearing borrowings which include hire purchase, bank overdrafts and bankers' acceptances are stated at the amount of proceeds received, net of transaction costs.

v. Equity Instruments

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

The transaction costs of an equity transaction, other than in the context of a business combination, are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those external costs directly attributable to the equity transaction which would otherwise have been avoided. Cost of issuing equity securities in connection with a business combination are included in the cost of acquisition.

vi. Cash and Cash Equivalents

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

Notes to the Financial Statements (Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land RM	Buildings & Warehouse RM	Plant & Machinery, Mould, Factory Equipment & Electrical Fittings RM	Furniture, Fittings, Office Equipment Signboard & Renovation RM	Motor Vehicles RM	Capital Work-in- Progress RM	Total RM
Cost							
At 1.1.07	4,791,206	16,842,142	38,729,225	1,849,696	3,733,700	2,609,268	68,555,237
Additions	-	-	104,072	78,681	216,249	732,494	1,131,496
Transfer	-	-	805,192	16,456	-	(821,648)	-
Disposals	-	(215,326)	(1,200)	(13,504)	(118,351)	-	(348,381)
Written off	-	-	(11,286)	(14,726)	-	(218,686)	(244,698)
At 31.12.07	4,791,206	16,626,816	39,626,003	1,916,603	3,831,598	2,301,428	69,093,654
Accumulated Depreciation							
At 1.1.07	-	2,387,230	26,154,902	1,106,881	2,942,496	-	32,591,509
Charge for the year	-	350,804	2,889,491	119,222	355,307	-	3,714,824
Disposals	-	(16,509)	(1,199)	(10,758)	(100,926)	-	(129,392)
Written off	-	-	(11,285)	(14,722)	-	-	(26,007)
At 31.12.07	-	2,721,525	29,031,909	1,200,623	3,196,877	-	36,150,934
Net Book Value							
At 31.12.07	4,791,206	13,905,291	10,594,094	715,980	634,721	2,301,428	32,942,720

Notes to the Financial Statements (Cont'd)

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

Group	Freehold Land RM	Buildings & Warehouse RM	Plant & Machinery, Mould, Factory Equipment & Electrical Fittings RM	Furniture, Fittings, Office Equipment Signboard & Renovation RM	Motor Vehicles RM	Capital Work-in-Progress RM	Total RM
Cost							
At 1.1.06	4,791,206	16,664,548	35,548,749	1,798,219	3,619,100	3,705,252	66,127,074
Additions	-	-	282,100	60,200	114,600	1,995,972	2,452,872
Transfer	-	177,594	2,914,362	-	-	(3,091,956)	-
Disposals	-	-	(15,986)	(8,723)	-	-	(24,709)
At 31.12.06	4,791,206	16,842,142	38,729,225	1,849,696	3,733,700	2,609,268	68,555,237
Accumulated Depreciation							
At 1.1.06	-	2,037,656	23,225,695	966,508	2,485,087	-	28,714,946
Charge for the year	-	349,574	2,941,714	144,938	457,409	-	3,893,635
Disposals	-	-	(12,507)	(4,565)	-	-	(17,072)
At 31.12.06	-	2,387,230	26,154,902	1,106,881	2,942,496	-	32,591,509
Net Book Value							
At 31.12.06	4,791,206	14,454,912	12,574,323	742,815	791,204	2,609,268	35,963,728

(a) In previous year, included in the property, plant and equipment of the Group is freehold land amounting to net book value of RM1,309,206/- (2006 : RM1,309,306/-), which was pledged to licensed banks for banking facilities obtained as disclosed in note 19 to the financial statements.

(b) Included in the above property, plant and equipment are assets acquired under hire purchase instalment plans as follows:-

	Group	
	2007 RM	2006 RM
Motor Vehicle		
Cost	439,944	560,259
Net book value	184,197	332,673

(c) The capital work-in-progress is in respect of cost incurred on construction of machinery, moulds, factory and extension of factory building of the subsidiary companies.

Notes to the Financial Statements (Cont'd)

5. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2007 RM	2006 RM
Unquoted shares, at cost		
At beginning of the year	46,723,462	46,723,462
Disposals	(40,002)	-
At end of the year	46,683,460	46,723,462

The particulars of subsidiary companies are as follow:-

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2007	2006
Central Aluminium Manufactory Sdn. Bhd.	Malaysia	Manufacturing and trading in aluminium and stainless steel household products	100%	100%
Central Melamineware Sdn. Bhd.	Malaysia	Manufacturing and trading in melamineware products	100%	100%
Advance Eagle Marketing Sdn. Bhd.	Malaysia	Trading of household products	100%	100%
# Central Boiler And Energy System Sdn. Bhd. (formerly known as Rita Teguh Sdn. Bhd.)	Malaysia	Dormant	-	100%
* Axis Lighting (Malaysia) Sdn. Bhd.	Malaysia	Dormant	-	100%

Audited by another professional firm of accountants. During the financial year, this subsidiary company was disposed of as disclosed in note 33(iii) to the financial statements.

* Subsidiary company included in the consolidated financial statements based on unaudited management financial statements. During the financial year, this subsidiary company was disposed of as disclosed in note 33(iv) to the financial statements.

Notes to the Financial Statements (Cont'd)

6. OTHER INVESTMENT

	2007 RM	Group 2006 RM
At cost;		
Transferable club membership	17,000	17,000

7. INVENTORIES

	2007 RM	Group 2006 RM
At cost;		
Raw materials	14,942,227	15,998,905
Work-in-progress	5,250,952	5,326,883
Finished goods	14,474,489	15,205,138
	34,667,668	36,530,926

8. TRADE RECEIVABLES

	2007 RM	Group 2006 RM
Trade receivables	20,565,549	19,054,171
Less : Allowance for doubtful debts	(279,813)	(291,582)
	20,285,736	18,762,589

Notes to the Financial Statements (Cont'd)

8. TRADE RECEIVABLES (cont'd)

Included in trade receivables are amounts owing by:-

	2007 RM	Group 2006 RM
A company in which Messrs. Lee Chin Yen and Tan Hong Cheng, have substantial financial interest and are also director - Ji Seng Hong Plastic Manufacturing Sdn. Bhd.	1,110,357	1,232,850
A company in which Messrs. Lee Chin Yen and Tan Hong Cheng, have substantial financial interest and Mr. Tan Hong Cheng is also a director - JSH Marketing Sdn. Bhd.	49,104	56,387
An enterprise in which Mr. Tan Hong Tian, the brother of a Director, Mr. Tan Hong Cheng, is the proprietor - Kedai Pinggan Mangkuk Loke Hup	31,194	37,724
A company in which Messrs. Khor Mooi Soong and Khor Mooi Huat, the brothers-in-laws of a Director of the Company, Mr. Tan Hong Cheng, have substantial financial interests and are also directors - Rubysteel Metal Industry (M) Sdn. Bhd.	45,220	201,130

The Group's normal trade credit term extended to customers ranges from 30 to 120 days.

The foreign currency exposure profiles are as follows:-

	2007 RM	Group 2006 RM
Brunei Dollar	43,607	182,544
Singapore Dollar	817,909	503,776
United States Dollar	1,902,284	1,424,858
	2,763,800	2,111,178

Notes to the Financial Statements (Cont'd)

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Other receivables	59,542	52,257	-	-
Deposits	770,301	584,817	1,150	1,150
Prepayments	138,648	197,047	-	-
Staff advances	299,015	372,731	-	-
	1,267,506	1,206,852	1,150	1,150

The foreign currency exposure profile for other receivables is as follows:-

	Group	
	2007 RM	2006 RM
United States Dollar	46,152	46,152

Included in other receivables of the Group are balances amounting to RM46,152/- (2006 : RM46,152/-) in respect of outstanding proceeds from sale and installation of machineries for third parties.

Included in deposits of the Group are balances amounting to RM214,498/- (2006 : RM196,984/-) and RM198,765/- (2006 : RM224,214/-) being deposits paid for the acquisition of property, plant and equipment and to suppliers respectively.

10. AMOUNT OWING BY SUBSIDIARY COMPANIES

These amounts owing by subsidiary companies are non-trade in nature, unsecured, interest free, repayable on demand and expected to be settled in cash.

11. TAX ASSETS

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Tax paid in advance	4,596	1,170,278	13,927	17,978
Tax recoverable	391,525	187,011	87,631	38,743
	396,121	1,357,289	101,558	56,721

Notes to the Financial Statements (Cont'd)

12. SHARE CAPITAL

	Group/Company	
	2007 RM	2006 RM
Authorised: 400,000,000 ordinary shares of RM0.25 each	100,000,000	100,000,000
Issued and fully paid: 196,800,000 ordinary shares of RM0.25 each	49,200,000	49,200,000

13. RESERVES

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Distributable retained profits/(Accumulated losses)	25,727,042	22,180,098	(261,086)	(166,647)
Non-distributable				
Share premium	5,178,474	5,178,474	5,178,474	5,178,474
Treasury shares	(3,022)	-	(3,022)	-
	5,175,452	5,178,474	5,175,452	5,178,474
	30,902,494	27,358,572	4,914,366	5,011,827

The shareholders of the Company, by a special resolution passed in a general meeting held on 19 June 2006, approved the Company's plan to repurchase its own ordinary shares. The Directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 10,000 units of its issued and fully paid ordinary shares from the open market at an average price of RM0.30 per share. The total consideration paid for the repurchased shares including transaction costs was RM3,022/-. The repurchased transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

The details of shares repurchased were as follows:-

Month	No. of shares repurchased (units)	Price Per Share			Total Consideration (RM)
		Highest (RM)	Lowest (RM)	Average (RM)	
Mar 2007	10,000	0.30	0.30	0.30	3,022

There were no resale, cancellation or distribution of treasury shares during the financial year.

Notes to the Financial Statements (Cont'd)

14. HIRE PURCHASE PAYABLES

	Group	
	2007 RM	2006 RM
Gross instalment payments	52,653	156,733
Less: Future finance charges	(1,169)	(6,586)
Total present value of hire purchase liabilities	51,484	150,147
Current liabilities		
Payable within 1 year		
Gross instalment payments	50,993	104,080
Less: Future finance charges	(1,164)	(5,417)
Present value of hire purchase liabilities	49,829	98,663
Non-current liabilities		
Payable after 1 year but not later than 5 years		
Gross instalment payments	1,660	52,653
Less: Future finance charges	(5)	(1,169)
Present value of hire purchase liabilities	1,655	51,484
Total present value of hire purchase liabilities	51,484	150,147

The hire purchase payables of the Group bear effective interest at rates ranging from 3.61% to 7.36% (2006: 3.61% to 7.36%) per annum.

The maturity profile for the hire purchase payables is as follows:-

	Group	
	2007 RM	2006 RM
Current liabilities		
Payable within 1 year	49,829	98,663
Non-current liabilities		
Payable more than 1 year but not more than 2 years	1,655	49,829
Payable more than 2 years but not more than 3 years	-	1,655
	1,655	51,484
Total present value of hire purchase liabilities	51,484	150,147

Notes to the Financial Statements (Cont'd)

15. DEFERRED TAXATION

	2007 RM	Group 2006 RM
At beginning of the year	3,613,100	3,853,200
Transfer to income statement (note 23)	(485,140)	(240,100)
At end of the year	3,127,960	3,613,100

Presented after appropriate offsetting as follows:-

	2007 RM	Group 2006 RM
Deferred tax assets	(227,700)	(203,600)
Deferred tax liabilities	3,355,660	3,816,700
	3,127,960	3,613,100

This is in respect of estimated tax liabilities/(assets) arising from the following temporary differences:-

	2007 RM	Group 2006 RM
Differences between the carrying amounts of property, plant and equipment and their tax base	2,003,800	2,413,900
Surplus arising from group cost adjustment of freehold land and buildings	1,630,160	1,678,800
Deductible temporary differences in respect of expenses	(227,700)	(203,600)
Unrealised profit on inventories	(278,300)	(276,000)
	3,127,960	3,613,100

16. TRADE PAYABLES

Included in trade payables are amount owing to:-

	2007 RM	Group 2006 RM
A company in which Messrs. Khor Mooi Soong and Khor Mooi Huai, the brothers-in-law of a Director of the Company, Mr. Tan Hong Cheng, have substantial financial interests and are also directors		
- Rubysteel Metal Industry (M) Sdn. Bhd.	7,877	8,376

Notes to the Financial Statements (Cont'd)

16. TRADE PAYABLES (Cont'd)

Included in trade payables are amount owing to:- (Cont'd)

	2007 RM	Group 2006 RM
A company in which Messrs. Lee Chin Yen and Tan Hong Cheng, have substantial financial interests and Mr. Tan Hong Cheng is also a director		
- JSH Marketing Sdn. Bhd.	54,553	80,066
An enterprise in which Mr. Tan Hong Tian, the brother of a Director, Mr. Tan Hong Cheng is the proprietor		
- Kedai Pinggan Mangkuk Loke Hup	79	226

The normal trade credit term granted by trade creditors to the Group ranges from 30 to 120 days.

The foreign currency exposure profiles are as follows:-

	2007 RM	Group 2006 RM
Chinese Renminbi	-	23,259
New Taiwan Dollar	-	2,257
	-	25,516

17. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Other payables	121,895	207,391	-	-
Accruals	2,415,937	2,352,984	109,839	79,900
Unclaimed dividends	10	1,414	10	1,414
	2,537,842	2,561,789	109,849	81,314

Notes to the Financial Statements (Cont'd)

17. OTHER PAYABLES AND ACCRUALS (Cont'd)

Included in other payables is amount owing to:-

	2007 RM	Group 2006 RM
A company in which a director of the Company, Mr. Hia Wan Kiga, is a director		
- Hia Union Engineering Sdn. Bhd.	2,400	136,820

18. PROVISION

	2007 RM	Group 2006 RM
At beginning of the year	224,740	211,669
Additions	236,113	224,740
Incurred	(224,740)	(211,669)
At end of the year	236,113	224,740

This is in respect of provision for employee benefits on short term accumulating compensated absences for the employees of subsidiary companies, Central Aluminium Manufactory Sdn. Bhd., Central Melamineware Sdn. Bhd. and Advance Eagle Marketing Sdn. Bhd..

The provision is made based on the number of days of outstanding compensated absences of each employee multiplied by their respective salary/wages as at year end.

19. BANK OVERDRAFTS

	2007 RM	Group 2006 RM
Secured	-	435,670
Unsecured	248,250	319,911
	248,250	755,581

The bank overdrafts of the Group bear effective interest at rates ranging from 7.50% to 7.75%(2006: 7.50% to 8.50%) per annum.

Notes to the Financial Statements (Cont'd)

19. BANK OVERDRAFTS (Cont'd)

The bank overdrafts facility of the Group are secured and supported as follows:-

(a) Specific security

In previous year, facility agreement and first legal charge for RM450,000/- over a subsidiary company's, Central Melamineware Sdn. Bhd. ("CMelamine"), freehold land.

(b) Common securities

- (i) negative pledge by CMelamine; and
- (ii) corporate guarantee by the Company.

The unsecured bank overdrafts are supported by corporate guarantee of the Company.

20. OTHER BORROWINGS - UNSECURED

	Group	
	2007 RM	2006 RM
Bankers' acceptance	5,031,000	10,793,000

The bankers' acceptances of the Group bear effective interest at rates ranging from 3.39% to 4.72% (2006 : 3.48% to 4.31%) per annum and mature within one year.

The unsecured bankers' acceptances of the Group are supported by the following:-

- (a) facility agreement by a subsidiary company, Central Aluminium Manufactory Sdn. Bhd.;
- (b) negative pledge by a subsidiary company, Advance Eagle Marketing Sdn. Bhd.; and
- (c) corporate guarantee by the Company.

21. OPERATING REVENUE

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Dividend revenue	-	-	234,003	695,169
Sales of goods	71,809,369	64,634,753	-	-
	71,809,369	64,634,753	234,003	695,169

Notes to the Financial Statements (Cont'd)

22. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):-

- (i) Directors' remuneration

The Directors of the Company in office since the date of last report are as follows:-

Executive Directors

Lee Chin Yen
Tan Hong Cheng
Lee Poh Choo
Tan Kim Hong

Independent Non-Executive Directors

Chai Moi Kim
Chia Kay Joo
Azizul Mohd Othman

Non-Executive Directors

Hia Wan Kiga

The aggregate amount of emoluments receivable by directors of the Company during the financial year are as follows:-

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Paid and payable to executive directors of the Company				
- fees	48,000	40,000	48,000	40,000
- emoluments	818,360	664,272	-	-
Paid and payable to independent non-executive directors				
- fees	38,000	32,000	38,000	32,000
Paid and payable to non-executive directors				
- fee	12,000	10,000	12,000	10,000
- emoluments	47,040	47,040	-	-

The estimated monetary value of benefits-in-kind (which were not included in the above directors' remuneration) received by the Directors from the Group amounted to RM52,283/- (2006 : RM72,000/-).

Notes to the Financial Statements (Cont'd)

22. PROFIT/(LOSS) BEFORE TAXATION (cont'd)

(ii) Other items

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Allowance for doubtful debts	83,959	133,024	-	-
Auditors' remuneration				
- current year	64,900	60,000	5,500	5,000
- under provision in prior				
- year	-	1,500	-	-
Bad debts written off	8,853	4,454	7,576	-
Depreciation of property, plant and equipment	3,714,824	3,893,635	-	-
Hire of equipment	760	4,575	-	-
Interest expense	441,948	549,209	-	-
Inventories written off	258,253	49,086	-	-
(Gain)/Loss on foreign exchange				
- realised	2,219	(17,888)	-	-
- unrealised	73,158	111,234	-	-
Provision for employee benefits	11,373	13,071	-	-
(Gain)/loss on disposal of subsidiary companies	(2)	-	39,998	-
Rental of premises	192,620	173,190	-	-
Property, plant equipment written off	218,691	-	-	-
Gain on disposal of property, plant and equipment	(42,711)	(17,393)	-	-
Allowance for doubtful debts no longer required	(28,883)	(15,462)	-	-
Interest revenue	(13,639)	(13,037)	-	(3,821)
(iii) Staff costs	12,495,200	12,318,613	-	-
Included in staff costs are:-				
Contribution to defined contribution plan	896,080	799,862	-	-
Social security contribution	112,642	186,035	-	-
	1,008,722	985,897	-	-

Notes to the Financial Statements (Cont'd)

23. TAXATION

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Based on results for the year	2,012,619	976,853	60,000	186,000
Reversal of temporary differences (note 15)	(485,140)	(240,100)	-	-
	1,527,479	736,753	60,000	186,000
Under /(Over) provision in prior years	460,453	315,245	(40,241)	(784)
	1,987,932	1,051,998	19,759	185,216

The reconciliation of the tax amount at statutory tax rate to the Group's and the Company's tax expense are as follow:-

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Accounting profit/(loss) before taxation	5,534,876	4,038,587	(74,680)	454,641
Tax at the applicable tax rate of 27% (2006 : 28%)	1,494,400	1,130,800	(20,200)	127,000
Effect of lower tax rate for Malaysian subsidiary companies with issued and paid-up capital of RM2.5 million and below	(60,600)	(79,900)	-	-
Differential in tax rate	20,000	-	-	-
Tax effects arising from:-				
- non-deductible expenses	273,019	145,853	80,200	59,000
- double deduction incentives	(31,200)	(32,900)	-	-
- non-taxable revenue	(2,300)	-	-	-
Reinvestment allowance claimed under Schedule 7A of the Income Tax Act, 1967, in respect of qualifying property, plant and equipment utilised to set-off against taxable profit for the year	(6,200)	(463,000)	-	-
Balance carried down	1,687,119	700,853	60,000	186,000

Notes to the Financial Statements (Cont'd)

23. TAXATION (cont'd)

The reconciliation of the tax amount at statutory tax rate to the Group's and the Company's tax expense are as follow:- (cont'd)

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Balance brought down	1,687,119	700,853	60,000	186,000
Reduction in opening deferred tax resulting from reduction in tax rate	(127,640)	(16,000)	-	-
Under/(Over) provision in prior years				
- deferred taxation	(32,000)	51,900	-	-
- income tax	460,453	315,245	(40,241)	(784)
Tax expense	1,987,932	1,051,998	19,759	185,216

- (i) the Group has estimated unabsorbed reinvestment allowances of RM265,000/- (2006 : RM265,000/-) carried forward, available for set off against future taxable profits; and
- (ii) the Company has tax credit of approximately of RM340,500/- (2006 : RM288,400/-) under Section 108 of the Income Tax Act, 1967, to frank future payment of dividends of approximately RM920,600/- (2006 : RM741,600/) without incurring additional tax liability.

24. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the Group's profit attributable to shareholders of RM3,546,944/- (2006 : RM2,986,589/-) by the weighted average number of ordinary shares in issue during the year of 196,791,667 (2006 : 196,800,000) ordinary shares after taking into account the number of share repurchased and held as treasury shares during the year.

25. DISPOSAL OF SUBSIDIARY COMPANIES

On 24 September 2007 and 3 October 2007, the Company disposed of two (2) ordinary shares and three hundred thousand (300,000) ordinary shares of RM1/- each, representing the entire issued and paid-up share capital of its wholly-owned subsidiary companies, Central Boiler and Energy System Sdn. Bhd. and Axis Lighting (Malaysia) Sdn. Bhd. for a total cash consideration of RM2/- each respectively.

Notes to the Financial Statements (Cont'd)

25. DISPOSAL OF SUBSIDIARY COMPANIES

(i) Effect on Consolidated Income Statement

The effect on the consolidated results of the Group up to the effective date of disposal is as follows:-

	2007 RM	2006 RM
Other operating revenue	7,576	-
Administrative costs	(1,155)	-
Profit for the period	6,421	-

(ii) Effect on Consolidated Financial Position

The effect on the consolidated financial position of the Group as at the effective date of the disposal is as follows:-

	2007 RM	2006 RM
Cash and bank balances	2	-
Gain on disposal of subsidiary companies	2	-
Sales proceeds	4	-

26. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS INCURRED

During the year, the Group acquired property, plant and equipment and capital work-in-progress incurred with aggregate cost of RM1,131,496/- (2006 : RM2,452,872/-) which are satisfied by the following:-

	Group	
	2007 RM	2006 RM
Hire purchase financing	-	50,000
Cash payments	1,131,496	2,402,872
	1,131,496	2,452,872

Notes to the Financial Statements (Cont'd)

27. CASH AND CASH EQUIVALENTS

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Cash and bank balances	3,454,786	2,148,357	44,707	13,802
Bank overdrafts	(248,250)	(755,581)	-	-
	3,206,536	1,392,776	44,707	13,802

The foreign currency exposure profiles are as follows:-

	Group	
	2007 RM	2006 RM
Brunei Dollar	-	1,188
Singapore Dollar	41,174	24,177
United States Dollar	152,490	612,660
	193,664	638,025

28. CONTINGENT LIABILITIES - UNSECURED**Group**

- (i) A neighbouring land owner had obtained a court injunction for a right of carriage way through certain portion of land owned by a subsidiary company, Central Aluminium Manufactory Sdn. Bhd. ("CALuminium") and to restrain CALuminium from closing or blocking the said carriage way. The plaintiff is in the progress of obtaining a court order on the right of carriage way.

No provision has been made in the financial statements in respect of any possible costs which may arise from the legal proceedings.

- (ii) In previous year, the tax liability of a subsidiary company, Advance Eagle Marketing Sdn. Bhd. ("AEM"), was underprovided by RM57,756/- due to specific allowance for doubtful debts incurred in the financial year ended 31 December 1997, which has not been taken into account by the Inland Revenue Board ("IRB") in arriving at the tax assessment for that financial year. AEM has filed an appeal to the IRB on this matter and is currently pending reply from the IRB. The Directors are of the opinion that the outcome of the appeal will be favourable to AEM and therefore no provision for the said amount is required.

Notes to the Financial Statements (Cont'd)

28. CONTINGENT LIABILITIES – UNSECURED (cont'd)

Company	2007 RM	2006 RM
In respect of corporate guarantee by the Company for credit facilities granted to subsidiary companies by licensed banks:-		
Central Aluminium Manufactory Sdn. Bhd.	2,706,250	7,650,892
Central Melamineware Sdn. Bhd.	2,025,000	4,362,939
Advance Eagle Marketing Sdn. Bhd.	548,000	501,000
	5,279,250	12,514,831

29. CAPITAL COMMITMENT

	2007 RM	Group 2006 RM
In respect of capital expenditure approved and contracted for		
- purchase of machinery and equipment	143,700	11,750
- purchase of freehold land	1,520,078	-
	1,663,778	11,750

30. SIGNIFICANT INTER-COMPANY TRANSACTIONS

The significant transactions with subsidiary companies are as follows:-

	2007 RM	Company 2006 RM
Dividend received/receivable from subsidiary companies		
- Advance Eagle Marketing Sdn. Bhd.	234,003	-
- Central Aluminium Manufactory Sdn. Bhd.	-	695,169

Notes to the Financial Statements (Cont'd)

31. SIGNIFICANT RELATED PARTIES TRANSACTIONS

- (a) The significant transactions with company in which Messrs. Khor Mooi Soong and Khor Mooi Huat, the brothers-in-law of Mr. Tan Hong Cheng, have substantial financial interest and are also directors are as follow:-

	2007 RM	Group 2006 RM
Rubysteel Metal Industry (M) Sdn. Bhd.		
- Sales	(209,886)	(346,442)
- Purchases	45,752	61,264

- (b) The significant transactions with company in which Messrs. Lee Chin Yen and Tan Hong Cheng, have substantial financial interests and Tan Hong Cheng is also director are as follows:-

	2007 RM	Group 2006 RM
JSH Marketing Sdn. Bhd.		
- Goods return	-	208,382
- Sales	(61,104)	-
- Purchases	2,041,370	988,385

- (c) The significant transactions with Company in which Messrs. Lee Chin Yen and Tan Hong Cheng, have substantial financial interests and are also a directors is as follow:-

	2007 RM	Group 2006 RM
Ji Seng Hong Plastic Manufacturing Sdn. Bhd.		
- Sales	(1,620,009)	(521,052)

- (d) The significant transactions with Company in which Messrs. Tan Hong Tian, the brother of a Director, Tan Hong Cheng is the proprietor are as follows:-

	2007 RM	Group 2006 RM
Kedai Pinggan Mangkuk Loke Hup		
- Sales	(95,006)	(133,265)
- Purchases	2,003	3,163

Notes to the Financial Statements (Cont'd)

31. SIGNIFICANT RELATED PARTIES TRANSACTIONS (cont'd)

- (e) The significant transactions with Company in which a Director of the Company, Messrs. Hia Wan Kiga, is also a director is as follows:-

	Group	
	2007 RM	2006 RM
Non- Trade		
Hia Union Engineering Sdn. Bhd.		
- Purchases	2,400	136,820

- (f) Compensation of key management personnel

Key management personnel includes personnel having authority and responsibility for planning, directing and controlling the activities of the entities, directly or indirectly, including any directors of the Company.

The remunerations of the key management are as follows:-

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Other emoluments	865,400	711,312	-	-
Director's fee	98,000	82,000	98,000	82,000

32. SEGMENT ANALYSIS

Segment information is presented in respect of the Group's business segment. As the Group operates within one geographical segment, geographical segment analysis is not applicable.

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 mainly comprise corporate assets, interest earning assets and revenue, interest bearing liabilities and expenses, tax assets and tax liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one accounting period.

The Group comprise the following main business segments:-

Investment holding	Investment holding
Manufacturing	Manufacturing of aluminium, stainless steel and melamineware household products
Trading	Trading of household products

Notes to the Financial Statements (Cont'd)

32. SEGMENT ANALYSIS (cont'd)

MAJOR BUSINESS SEGMENT

	Investment Holding RM	Manufacturing RM	Trading RM	Eliminations RM	Consolidated RM
2007					
Revenue					
External revenue	-	36,346,071	35,463,298	-	71,809,369
Inter-segment revenue	-	27,226,284	73,960	(27,300,244)	-
Total revenue	-	63,572,355	35,537,258	(27,300,244)	71,809,369
Results					
Segment result	(308,683)	4,097,827	2,313,756	(139,715)	5,963,185
Interest revenue					13,639
Interest expense					(441,948)
Taxation					(1,987,932)
Profit from ordinary activities					3,546,944
Other Information					
Segment assets	54,122,657	79,109,196	18,257,807	(58,871,244)	92,618,416
Other investments					17,000
Tax assets					396,121
Consolidated total assets					93,031,537
Segment liabilities	109,849	10,905,656	9,845,028	(16,390,184)	4,470,349
Interest bearing liabilities					5,330,734
Deferred taxation					3,127,960
Consolidated total liabilities					12,929,043

Notes to the Financial Statements (Cont'd)

32. SEGMENT ANALYSIS (cont'd)

MAJOR BUSINESS SEGMENT (cont'd)

	Investment Holding RM	Manufacturing RM	Trading RM	Eliminations RM	Consolidated RM
2007					
Other Information					
Capital expenditure	-	1,047,016	84,480	-	1,131,496
Depreciation of property, plant and equipment	-	3,602,980	111,844	-	3,714,824
Significant non-cash expenses other than depreciation					
Allowance for doubtful debts	-	28,790	55,169	-	83,959
Bad debts written off	7,576	-	8,853	(7,576)	8,853
Inventories written off	-	258,523	-	-	258,523
Property, plant and equipment written off	-	218,691	-	-	218,691
Provision for short term accumulating compensated absences	-	197,966	38,147	-	236,113
2006					
Revenue					
External revenue	-	33,347,964	31,286,789	-	64,634,753
Inter-segment revenue	-	25,732,831	80,087	(25,812,918)	-
Total revenue	-	59,080,795	31,366,876	(25,812,918)	64,634,753
Results					
Segment result	(244,349)	3,215,021	1,777,684	(173,597)	4,574,759
Interest revenue					13,037
Interest expense					(549,209)
Taxation					(1,051,998)
Profit from ordinary activities					2,986,589

Notes to the Financial Statements (Cont'd)

32. SEGMENT ANALYSIS (cont'd)

MAJOR BUSINESS SEGMENT (cont'd)

	Investment Holding RM	Manufacturing RM	Trading RM	Eliminations RM	Consolidated RM
2006					
Other Information					
Segment assets	54,236,420	82,787,446	15,298,176	(57,709,590)	94,612,452
Other investments					17,000
Tax assets					1,357,289
Consolidated total assets					<u>95,986,741</u>
Segment liabilities	81,314	10,821,986	8,545,905	(15,332,864)	4,116,341
Interest bearing liabilities					11,698,728
Deferred taxation					3,613,100
Consolidated total liabilities					<u>19,428,169</u>
Capital expenditure	-	2,413,489	39,383	-	2,452,872
Depreciation of property, plant and equipment	-	3,779,916	113,719	-	3,893,635
Significant non-cash expenses other than depreciation					
Allowance for doubtful debts	-	66,517	66,507	-	133,024
Bad debts written off	-	-	4,454	-	4,454
Inventories written off	-	49,086	-	-	49,086
Provision for short term accumulating compensated absences	-	190,445	34,295	-	224,740

Inter-segment revenue comprises sales revenue which are priced at cost plus a percentage profit markup.

Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

33. SIGNIFICANT EVENTS

- (i) On 1 March 2007, the Company repurchased 10,000 units of its issued and fully paid ordinary shares from the open market at an average price of RM0.30 per share. The total consideration paid for the repurchased shares including transaction costs was RM3,022/-. The repurchased transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Notes to the Financial Statements (Cont'd)

33. SIGNIFICANT EVENTS (cont'd)

- (ii) On 3 May 2007, the Company announced the following proposals:-
 - a. Proposed amendments to the articles of association
 - b. Proposed renewal of authorisation to enable the Company to purchase up to 10% of the issued and paid-up ordinary share capital of the Company pursuant to Section 67A of the Companies Act, 1965.
- (iii) On 24 September 2007, the Company disposed of two (2) ordinary shares of RM1/- each representing 100% of the issued and paid-up share capital in its wholly-owned subsidiary company, Central Boiler and Energy System Sdn. Bhd. ("CBES") for a total cash consideration of RM2/- to Ms. Tong Chooi Fong and Ms. Jeyanthi A/P T.Gnanappah. The said disposal was completed on 24 September 2007.
- (iv) On 3 October 2007, the Company disposed of three hundred thousand (300,000) ordinary shares of RM1/- each representing 100% of the issued and paid-up share capital in its wholly-owned subsidiary company, Axis Lighting (Malaysia) Sdn. Bhd. ("ALM") for a total cash consideration of RM2/- to Mr. Lim Siaw Kee and Mr. Lim Teng Keat. The said disposal was completed on 3 October 2007.
- (v) On 17 December 2007, the subsidiary company, Advance Eagle Marketing Sdn. Bhd. ("AEM") entered into a sales and purchase agreement with a thirty party to acquired two (2) parcels of freehold land situated at Mukim of Tebrau, Johor, for total purchase consideration of RM1,688,976/-. In the event that AEM shall fail or neglect to pay the balance of purchase price in accordance with the provisions of this agreement, the vendors shall be entitled to terminate this agreement by notice in writing.

34. SUBSEQUENT EVENT

Subsequent to the financial year, the Company repurchased 9,436,600 units of its issued and fullypaid ordinary shares from the open market at a weighted average price of RM0.235 per share. The total consideration paid for the repurchase shares including transaction costs was RM2,213,641/-. The repurchased transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

35. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Policies

The Group is exposed to a variety of risks in the normal course of business.

The Group's risk management seeks to minimise the potential adverse effects from these exposures. The management reviews and agrees policies for managing each of these risks are as follows:-

i. Foreign Exchange Risk

The Group is exposed to foreign currency risk as a result of its normal trade activities when the currency denomination differs from its functional currency.

The Group maintains a natural hedge, whenever possible, by depositing foreign currency proceeds from sales into foreign currency bank account which will primarily be used for payment of purchases in the same denomination. Foreign exchange exposures in transactional currencies other than functional currency of the operating entities are kept to an acceptable level.

Notes to the Financial Statements (Cont'd)

35. FINANCIAL INSTRUMENTS (cont'd)

(a) Financial Risk Management Policies (cont'd)

ii. Interest Rate Risk

The Group's and the Company's exposure to interest rate risk relates to interest bearing financial assets and liabilities.

Interest bearing financial liabilities

Interest bearing financial liabilities include hire purchase, bankers' acceptances and bank overdraft facilities. Other than the hire purchase facilities which are kept at a minimum level, all other interest bearing borrowings of the Group are short term in nature to finance the working capital needs. The Group actively reviews its debt portfolio to ensure minimal exposure against interest rate hikes.

iii. Credit Risk

The Group's exposure to credit risk arises from its receivables and the maximum risk associated with recognised financial assets is the carrying amounts as presented in the balance sheet.

The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Trade debtors are monitored on an ongoing basis via the Group's management reporting procedures. The Group does not have any significant exposure to any individual customer or counter party nor does it have any major concentration of credit risk related to any financial assets.

iv. Liquidity and Cash Flow Risks

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities for a reasonable level to its overall debt position and prudently balances its portfolio with some short term financing so as to achieve overall cost effectiveness.

(b) Fair Values

The methods and assumptions used to estimate the fair values of each class of financial assets and liabilities are as follows:-

i. Cash and Cash Equivalents, Trade and Other Receivables and Payables

The carrying amounts approximate fair values due to the relatively short term maturities of these financial assets and liabilities.

ii. Other Investment

The fair value of transferable club membership is estimated based on the current market price of the membership determined on an individual basis.

iii. Borrowings

The carrying amounts of bank overdrafts and bankers' acceptances approximate fair values due to the relatively short term maturities of these financial liabilities.

The fair value of hire purchase payables is estimated using discounted cash flow analysis, based on current lending rates for similar types of borrowing arrangements.

Notes to the Financial Statements (Cont'd)

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Fair Values (cont'd)

The carrying amounts of the Group's and of the Company's financial assets and liabilities at balance sheet date approximate their fair values except as follows:-

	Group		Company	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
2007				
Financial Liability				
Hire purchase payables	51,484	51,134	-	-
2006				
Financial Liability				
Hire purchase payables	150,147	148,421	-	-

The nominal/notional amounts and fair value of financial instruments not recognised in the balance sheets are as follows:-

	Note	Nominal/ Notional Amount RM	Fair Value RM
2007			
Group			
Contingent liabilities arising from the following legal suits:- Right of carriage way	28(i)	*-	#-
Company			
Contingent liabilities in respect of corporate guarantee by the Company for credit facilities granted to subsidiary companies	28	5,279,250	#-

Notes to the Financial Statements (Cont'd)

35. FINANCIAL INSTRUMENTS (cont'd)**(b) Fair Values (cont'd)**

The nominal/notional amounts and fair value of financial instruments not recognised in the balance sheets are as follows:- (cont'd)

2006	Note	Nominal/ Notional Amount RM	Fair Value RM
Group			
Contingent liabilities arising from the following legal suits:-			
Right of carriage way	28(i)	*–	#–
Tax liability in respect of underprovision for tax for the year of assessment 1998	28(ii)	57,756	57,756
Company			
Contingent liabilities in respect of corporate guarantee by the Company for credit facilities granted to subsidiary companies	28	12,514,831	#–

* Unable to ascertain the nominal/notional amount as no monetary claimed was made by the plaintiff other than the legal costs involved.

It is not practicable to estimate the fair value of the contingent liabilities reliably due to uncertainties of timing, costs and eventual outcome.

Analysis of Shareholdings

As at 5 May 2008

Authorised Share Capital	: RM100,000,000
Issued and Paid-up Share Capital	: RM 49,200,000
Class of Shares	: Ordinary Share of RM0.25 each
Voting Rights	: 1 vote per ordinary share
Number of Shareholders	: 2,157

SUBSTANTIAL SHAREHOLDERS

The following are the substantial shareholders of the Company according to the Register of Substantial Shareholders.

Name of Shareholders	Direct Interest		Indirect Interest	
	No of Shares	%	No of Shares	%
Lee Chin Yen	32,631,480	17.51	2,789,600*	1.50
Tan Hong Cheng	27,317,280	14.66	163,100**	0.09
Hia Wan Kiga	17,162,880	9.21	-	-

* Deemed Interest through interest held by his daughters

** Deemed Interest through interest held by his daughters

DIRECTORS' SHAREHOLDINGS

Name of Shareholders	Direct Interest		Indirect Interest	
	No of Shares	%	No of Shares	%
Lee Chin Yen	32,631,480	17.51	2,789,600*	1.50
Tan Hong Cheng	27,317,280	14.66	163,100**	0.09
Hia Wan Kiga	17,162,880	9.21	-	-
Lee Poh Choo	1,396,000	0.75	-	-
Tan Kim Hong	88,000	0.05	-	-
Chai Moi Kim	-	-	-	-
Chia Kay Joo	-	-	-	-
Azizul Mohd Othman	-	-	-	-

* Deemed Interest through interest held by his daughters

** Deemed Interest through interest held by his daughters

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. Of Holders	No. Of Shares	%
Less than 100	19	780	0.000
100 to 1,000	78	54,040	0.028
1,001 to 10,000	1,107	7,605,132	4.075
10,001 to 100,000	808	28,941,320	15.508
100,001 to 9,839,499	144	136,572,496	73.184
9,839,500 and above	1	13,440,432	7.202
	2,157	186,614,200	100.000

Notes:

- 10,185,800 Ordinary Shares of RM0.25 each are held under Treasury Shares.

Thirty Largest Shareholders

As at 5 May 2008

Name of Shareholders	No of Shares	%
1. Lee Chin Yen	13,440,432	7.20
2. OSK Nominees (Tempatan) Sdn Berhad (Pledged Securities Account for Tan Hong Cheng)	8,500,000	4.55
3. RC Nominees (Tempatan) Sdn Bhd (EON Bank Berhad for Tan Hong Cheng - Klq)	7,680,000	4.12
4. RC Nominees (Tempatan) Sdn Bhd (EON Bank Berhad for Lee Chin Yen - Klq)	7,680,000	4.12
5. RC Nominees (Tempatan) Sdn Bhd (EON Bank Berhad for Hia Wan Kiga - Klq)	7,521,672	4.03
6. Lee Chin Yen	6,978,480	3.74
7. M.I.T Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Siow Hock Lee - MG0125-048)	6,269,100	3.36
8. Hia Wan Kiga	6,000,000	3.22
9. M.I.T Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ng New Soon - MG0012-048)	5,407,600	2.90
10. Tan Hong Cheng	4,306,728	2.31
11. RC Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lee Chin Yen - M)	3,967,680	2.13
12. RC Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tan Hong Cheng - M)	3,680,000	1.97
13. Hia Wan Kiga	3,622,008	1.94
14. Khor Mooi Huat	3,398,900	1.82
15. Lee Teng Hui	3,086,200	1.65
16. Lee Teng Kok	2,891,600	1.55
17. CIMSEC Nominees (Tempatan) Sdn Bhd (CIMB Bank for Tan Hong Cheng - MM1103)	2,848,640	1.53
18. HLB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Goh Hock Leong)	2,692,200	1.44
19. HSBC Nominees (Asing) Sdn Bhd (BNP Paribas Arbitrage (Hong Kong) Limited)	2,504,600	1.34
20. S.S. Luxware (M) Sdn Bhd	2,195,860	1.18
21. HLB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ng Weng Keong)	1,916,200	1.03
22. Citigroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Koid Hun Kian - 474064)	1,676,000	0.90
23. ECML Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Koid Hun Kian - MR0665)	1,571,500	0.84
24. Chew Beng Huat	1,400,000	0.75
25. Lee Poh Choo	1,396,000	0.75
26. Lee Poh Hong	1,393,600	0.75
27. Lee Poh Nai	1,355,200	0.73
28. HDM Nominees (Asing) Sdn Bhd (OCBC Securities Pte Ltd for Woo Ching Tung - MT)	1,300,000	0.70
29. Sem Wai Mun	1,235,100	0.66
30. Su Ming Yew	1,161,600	0.62
Total	119,076,900	63.83

List of Properties

Title Location	Description Existing use	Tenure Age of building	Land area Built-up area sq.ft.	Year of acquisition/ revaluation*/ completion#	Net book value RM
Central Aluminium Manufactory Sdn Bhd					
GM 612 Lot 48 Mukim Hutan Melintang (3/4 share)	Vacant land	Freehold	143,748	2000*	198,000
GM 624 Lot 3516 Mukim Hutan Melintang (1/10 share)	Vacant land Quarter	Freehold 12 years	281,506 11,664	2000* 1996#	55,000 41,168
LP 15142 PT 20041 Mukim Durien Sebatang	Vacant land	Freehold	1,308,020	2000*	1,441,000
GM 550 Lot 889 Mukim Changkat Jong	Vacant land	Freehold	72,658	2000*	70,000
GM 544 Lot 51 Mukim Hutan Melintang	Factory land Factory	Freehold 10 years	155,455 70,152	2000* 2000*	643,000 3,447,246
GM 846 Lot 49 GM 875 Lot 2486 Mukim Hutan Melintang	Factory land Factory Office	Freehold 24 years 5 years	278,784 141,165 6,400	2000* 2000* 2003#	1,075,000 6,339,276 451,371
Geran 3843 & 3844 Lot 5298 & 5299 Mukim Hutan Melintang	Factory Quarter Factory cum warehouse	5 years 5 years 3 year	64,000 10,384 48,000	2003# 2003# 2005#	2,244,970 117,778 1,263,479
					17,387,288
Central Melamineware Sdn Bhd					
Geran 3843 Lot 5298 Mukim Hutan Melintang	Factory land	Freehold	224,062	2000*	537,131
Geran 3844 Lot 5299 Mukim Hutan Melintang	Factory land	Freehold	324,250	2000*	772,075
Railway Wharf Jalan Maharaja Lela Teluk Intan	Factory building cum warehouse	12 years	16,000	1996#	3
					1,309,209

CAM RESOURCES BERHAD (535311-D)
(INCORPORATED IN MALAYSIA)

Proxy Form

*I / We _____ NRIC No. _____
(Full Name In Capital Letters)

of _____
(Address)

being a member(s) of CAM RESOURCES BERHAD, hereby appoint _____

_____ NRIC No. _____
(Full Name In Capital Letters)

of _____
(Address)

*and / or failing him/her, _____ NRIC No. _____
(Full Name In Capital Letters)

of _____
(Address)

as *my/our proxy to vote for* me/us on *my/our behalf at the Seventh Annual General Meeting of Cam Resources Berhad to be held at Function Room 3, Level 2, Hotel Sri Petaling, 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, on Thursday, 26 June 2008 at 12.00 p.m. or at any adjournment thereof.

The proportion of *my/our holding to be represented by *my/our proxies are as follows :-
(The next paragraph should be completed only when two proxies are appointed)

* First Proxy (1) _____ % * Second Proxy (2) _____ % Number of Shares Held: _____

NO.	RESOLUTIONS	FOR	AGAINST
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2007 together with the Reports of the Directors and Auditors thereon		
2.	To approve the Directors' fees for the financial year ended 31 December 2007		
3.	To re-elect Mr Tan Hong Cheng as Director		
4.	To re-elect Mr Chia Kay Joo as Director		
5.	To re-elect Encik Azizul Bin Mohd Othman as Director		
6.	To appoint Messrs Moore Stephens AC as Auditors and to authorise the Directors to fix their remuneration		
SPECIAL BUSINESS			
Ordinary Resolutions			
7.	Authority to issue shares		
8.	Proposed Renewal of Share Buy-Back		
9.	Shareholders' Mandate for Recurrent Related Party Transactions		

Please indicate with (X) how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Dated this _____ day of _____ 2008

*Signature(s)/Common Seal of Shareholder(s)

**Delete where inapplicable*

Notes :-

- A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- To be valid, this form, duly completed must be deposited at the Company's Registrar, PFA Registration Services Sdn Bhd, Level 13, Uptown 1, No. 1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting.
- A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are complied with.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- If the appointer is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.