



MAMEE-DOUBLE DECKER (M) BERHAD (Co. No. 222363-T)

annual report 2007



Winning  
**Brand.**  
Whetting  
**Appetites**

Brand Value

**RM87**

million

as valued by

Interbrand





## ABOUT THE COVER

The cover theme uses a golden nest egg to symbolize our intangible winning brands, which had enhanced our corporate image and added shareholders value.

In 2007, we received such prestigious award as one of Malaysia Top 30 Most Valueable Brands valued by a world renowned brand valuer-Interbrand.

They had valued our brand worth RM 87 million. This award served as a catalyst to inspire the great local players to look forward to being in the Global Top 100 Brands.



“Brands don't grow overnight, what more with a global brand. Small steps lead to giant steps. We started with just instant noodle, and Mamee - Double Decker went on to introduce snack, beverage and yogurt brands. And with the introduction of new blood at the helm of Mamee-Double Decker, the portfolio of brands is consistently built on, refined and redefined with strong faith and conviction. A new generation of leadership was born, one with a unique understanding that consumer appetites and tastes change with every new generation of consumers. Carefully nurtured, Mamee-Double Decker brands blossomed into global brands using the power of differentiation in a competitive environment, and it now competes side-by-side with multinational heavyweights.”

**Datuk Pang Tee Chew**  
Chief Executive Officer

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## *Recipe for Success*

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# Mister Potato

Anything for a bite

## Mister Potato Crisps

Towering success



# NOTICE OF ANNUAL GENERAL MEETING

*yearly  
gathering*

*Where those involved  
in the making of  
special treats  
come together*

## **MAMEE-DOUBLE DECKER (M) BERHAD (Incorporated in Malaysia - Co. No. 222363-T)**

NOTICE IS HEREBY GIVEN that the 17th Annual General Meeting of MAMEE-DOUBLE DECKER (M) BERHAD (Co. No. 222363-T) will be held at Club Board Room, 2nd Floor Club House, Sofitel Palm Resort, Jalan Persiaran Golf, Off Jalan Jumbo, 81250 Senai, Johor Darul Takzimon Wednesday, the 28th day of May, 2008 at 1.00p.m.



### **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 re-appoint Datuk Pang Chin Hin, a Director over the age of 70, pursuant to Section 129(6) of the Companies Act, 1965. (Resolution 2)
3. To re-appoint Y.A.M. Tunku Osman Ahmad, a Director over the age of 70, pursuant to Section 129(6) of the Companies Act, 1965. (Resolution 3)
4. To re-elect Datuk Pang Tee Chew, a Director retiring in accordance with Article 76 of the Articles of Association of the Company. (Resolution 4)
5. To approve the payment of Directors' Fees for the financial year ended 31 December 2007. (Resolution 5)
6. To declare a Final Dividend of 5 sen gross per ordinary share tax exempt in respect of the financial year ended 31 December 2007. (Resolution 6)
7. To re-appoint Messrs PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration. (Resolution 7)

### **Special Business**

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

#### **8. ORDINARY RESOLUTION**

##### **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

"That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares so issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." (Resolution 8)

## 9 ORDINARY RESOLUTION

### PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"That, subject always to the Listing Requirements of the Bursa Malaysia Securities Berhad, the Company and/or its subsidiary shall be mandated to enter into the category of recurrent transactions of a revenue or trading nature with PT Pacific Food Indonesia as specified in Part A Section 2.2 of the Circular dated 6 May 2007 subject further to the following:-

(Resolution 9)

- i) the recurrent related party transactions are in the ordinary course of business and are on terms not more favourable than those generally available to the public and are made on an arm's length basis and on normal commercial terms and are not detrimental to the shareholders;
- ii) disclosure is made in the annual report of the recurrent related party transactions conducted pursuant to the shareholders' mandate during the financial year in the manner required under the Listing Requirements of the Bursa Malaysia Securities Berhad;
- iii) that the shareholders' mandate shall continue in force until the date that the next Annual General Meeting of the Company is held unless revoked or varied by the Company in general meeting, or in any other manner provided for under the Listing Requirements of the Bursa Malaysia Securities Berhad; and
- iv) the Directors and/or any of them be and is hereby authorized 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 authorized by this Ordinary Resolution."

## 10 ORDINARY RESOLUTION

### PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"That, subject always to the Listing Requirements of the Bursa Malaysia Securities Berhad, the Company and/or its subsidiary shall be mandated to enter into the category of recurrent transactions of a revenue or trading nature with Yang-Yang Co Ltd as specified in Part A Section 2.2 of the Circular dated 6 May 2008 subject further to the following:-

(Resolution 10)

- i) the recurrent related party transactions are in the ordinary course of business and are on terms not more favourable than those generally available to the public and are made on an arm's length basis and on normal commercial terms and are not detrimental to the shareholders ;
- ii) disclosure is made in the annual report of the recurrent related party transactions conducted pursuant to the shareholders' mandate during the financial year in the manner required under the Listing Requirements of the Bursa Malaysia Securities Berhad;
- iii) that the shareholders' mandate shall continue in force until the date that the next Annual General Meeting of the Company is held unless revoked or varied by the Company in general meeting, or in any other manner provided for under the Listing Requirements of the Bursa Malaysia Securities Berhad; and
- iv) the Directors and/or any of them be and is hereby authorized 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 authorized by this Ordinary Resolution."

## 11 ORDINARY RESOLUTION

### PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR PROPOSED SHARES BUY-BACK BY THE COMPANY

"That, subject to the Companies Act, 1965 (as may be amended, modified or re-enacted from time to time), the Listing Requirements of the Bursa Malaysia Securities Berhad and the approvals of any relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of RM1.00 each in the Company ("Proposed Share Buy-Back") as may be determined by the Board from time to time on the Bursa Malaysia upon such terms and conditions as the Board may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution does not exceed ten per centum (10.0%), which is equivalent to 8,637,804 ordinary shares of RM1.00 each, of the total issued and paid-up share capital of the Company amounting to 86,378,042 ordinary shares of RM1.00 each based on the Record of Depositors as at 8 April 2008 AND THAT an amount not exceeding the total retained profits of RM33,761,308 and share premium account of RM7,280,013 based on the latest audited accounts of the Company as at 31 December 2007 be allocated by the Company for the Proposed Share Buy-Back AND THAT the ordinary shares of the Company to be purchased are proposed to be cancelled and/or retained as treasury shares and/or distributed as dividends and/or resold on the Bursa Malaysia AND THAT the Board be and is hereby empowered generally to do all such acts and things to give effect to the Proposed Share Buy-Back AND FURTHER THAT such authority shall commence immediately upon passing of this ordinary resolution until the conclusion of the first Annual General Meeting of the Company following the general meeting at which such resolution was passed, at which time it will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either conditionally or subject to conditions; or at the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or revoked or varied by ordinary resolution passed by the shareholders in general meeting; whichever occurs first, but so as not to prejudice the completion of the purchase of its own shares by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of Listing Requirements of the Bursa Malaysia Securities Berhad or any other relevant authorities."

(Resolution 11)

To consider and, if thought fit, pass with or without modification, the following **Special Resolution**:-

### 12 PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY ("Proposed Amendments to Articles of Association")

(Resolution 12)

"THAT alterations, modifications, additions or deletions to the Articles of Association of the Company contained in Appendix I be and are hereby approved."

13 To transact any other matters for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

### BY ORDER OF THE BOARD

Woo Min Fong  
Wong Chee Yin  
Company Secretaries

Johor Bahru  
6 May 2008





**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.
2. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same Meeting.
3. 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.
4. Where a member is an authorized 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 the Proxy Form is executed by a corporation, it must be either under its Common Seal or under the hand of an officer or attorney duly authorised.
6. The Proxy Form must be deposited with the Company Secretary at the Registered Office, Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor Darul Takzim not less than 48 hours before the time set for the Meeting.

## Explanatory Notes on Special Business

### Resolution 8 - Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965

The Ordinary Resolution No. 8 proposed in Agenda 8 above, if passed, will empower the Directors of the Company from the date of the above meeting until the next Annual General Meeting, unless earlier revoked or varied at a general meeting, to issue shares in the Company up to an aggregate number not exceeding 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the interest of the Company.

### Resolution 9 and 10 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Ordinary Resolutions Nos. 9 and 10 proposed in Agenda 9 and 10 above, if passed, will renew the mandates for the Company and /or its subsidiaries to enter into the categories of recurrent transactions of a revenue or trading nature with those related parties as specified in Part A Section 2.2 of the Circular to Shareholders dated 6 May 2008, which is sent out together with the Company's Annual Report 2007. The mandates shall continue to be in force until the date of the next Annual General Meeting of the Company unless earlier revoked or varied by ordinary resolution of the Company in a general meeting and is subject to annual renewal.

### Resolution 11 - Proposed Renewal of Shareholders' Mandate for Proposed Share Buy-Back by the Company.

The Ordinary Resolution No. 11 proposed in Agenda 11 above, if passed, will renew the mandate for the Company to buy back its own shares. The mandate shall continue to be in force until the date of the next Annual General Meeting of the Company unless earlier revoked or varied by ordinary resolution of the Company in a general meeting and is subject to annual renewal. Further information on this resolution is set out in Part B of the Circular to Shareholders dated 6th May 2008, which is sent out together with the Company's Annual Report 2007.

### Resolution 12 - Proposed Amendments to the Articles of Association

That Special Resolution No. 12 proposed in Agenda 12 above, if passed, will bring the Articles of Association of the Company in line with the amendments to listing Requirements of Bursa Malaysia Securities Berhad.

## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that the Final Dividend of 5 sen gross per ordinary share tax exempt in respect of the financial year ended 31 December 2007, if approved at the forthcoming 17th Annual General Meeting of the Company, will be paid on 26th June 2008 to members whose name appear in the Record of Depositors at the close of business on 2nd June 2008.

A depositor shall qualify for entitlement to the dividend only in respect of:

- a. shares transferred into the depositor's securities account before 4:00 p.m. on 2nd June 2008 in respect of transfers;
- b. shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of the Bursa Malaysia Securities Berhad.

# Statement Accompanying Notice Of Annual General Meeting

**\* Names of Directors who are standing for re-appointment / re-election:**

1. Datuk Pang Chin Hin (Executive Chairman)
2. Y.A.M. Tunku Osman Ahmad (Independent Non-Executive Vice-Chairman)
3. Datuk Pang Tee Chew (Managing Director)

**\* Details of attendance of Directors at Board Meetings during the financial year ended 31 December 2007:**

	Name	No. of Board Meetings attended in the financial year
1.	Datuk Pang Chin Hin	5 out of 5
2.	Tunku Osman Ahmad	4 out of 5
3.	Datuk Pang Tee Chew	5 out of 5
4.	Pang Tee Nam	4 out of 5
5.	Dato' Mohamed Nizam Bin Abdul Razak	5 out of 5
6.	Dato' Dr Shanmughalingam A/L Murugasu	5 out of 5

**\* The place, date and hour of the 17th Annual General Meeting:**

Date	Time	Place
28 May 2008 (Wednesday)	1:00 p.m.	Club Board Room, 2nd Floor Club House, Sofitel Palm Resort, Jalan Persiaran Golf, Off Jalan Jumbo, 81250 Senai, Johor Darul Takzim

**\* Securities holdings in the Company and its subsidiaries by the directors standing for re-appointment and re-election.**

(Please refer to the Statement of Directors' Interests in the Company and related corporation on pages 111 to 112)

**\* Profile of Directors standing for re-appointment and re-election.**

(Please refer to the section on Directors' Profiles on page 10 to 12)



## BOARD OF DIRECTORS

**DATUK PANG CHIN HIN** (Executive Chairman)  
**Y.A.M. TUNKU OSMAN AHMAD** (Independent Non-Executive Vice-Chairman)  
**DATUK PANG TEE CHEW** (Managing Director)  
**PANG TEE NAM** (Executive Director)  
**DATO' MOHAMED NIZAM BIN ABDUL RAZAK** (Independent Non-Executive Director)  
**DATO' DR SHANMUGHALINGAM A/L MURUGASU** (Independent Non-Executive Director)

## COMPANY SECRETARIES

WOO MIN FONG (ACIS)  
WONG CHEE YIN (ACIS)

## REGISTERED OFFICE

Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, Johor Bahru, Johor Darul Takzim

## SHARE REGISTRAR

CHUA, WOO & COMPANY SDN BHD (Co. No. 122754-U)  
Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, Johor Bahru, Johor Darul Takzim  
Tel : 07-3322088 Fax : 07-3328096

## AUDITORS

PRICEWATERHOUSECOOPERS

## PRINCIPAL BANKERS

OCBC BANK (MALAYSIA) BERHAD  
HSBC BANK (MALAYSIA) BERHAD  
MALAYAN BANKING BERHAD

## STOCK EXCHANGE LISTING

MAIN BOARD OF THE BURSA MALAYSIA SECURITIES BERHAD

## Our vision

*To be recognized as the  
provider of nutritious  
and tasty food products  
that everyone loves,  
every day, the world  
over*

## Our mission

*We are committed to build  
long-term growth in  
volume and profit and  
to enhance its  
leadership position*

## Our strategy

*To be the number one or two  
brand in every segment in which  
we operate by providing nutritious  
food products of superior value  
and taste and offer a trendy,  
innovate, yet sensational eating  
experience with emphasis  
on very high quality  
products*

*behind the  
kitchen doors*

*take a look at those  
who run the show*

## Profile Of Directors

### Datuk Pang Chin Hin

Aged 77, a Malaysian, is the Executive Chairman of the Company. He was appointed to the Board on 3 August 1991. He is also a member of the Options Committee. Under his stewardship over the past 35 years, the Group has grown from a small family concern into one of the largest local instant noodles and snack food manufacturers in Malaysia. In addition to possessing an intimate knowledge of production and machinery, he has extensive connections with both local and overseas machinery suppliers. He also holds directorship in several private limited companies.

He is the father of Datuk Pang Tee Chew and Pang Tee Nam, both of whom are Executive Directors and substantial shareholders of the Company. He is also the father of the late Mr Pang Tee Suan, a substantial shareholder of the Company. He is deemed interested in recurrent related party transactions, of which a Shareholders' Mandate has been obtained in the AGM held 4 June 2007. Details pertaining to these transactions are disclosed on Note 31 of the Notes to the Financial Statements. He has no convictions for any offences within the past 10 years.

### Y.A.M. Tunku Osman Ahmad

Aged 75, a Malaysian, is an Independent Non-Executive Vice-Chairman of the Company. He was appointed to the Board on 4 September 1991. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee.

After obtaining diploma in Agricultural Engineering, Tunku served with the Johor Civil Service for 13 years from 1957 to 1970 in various capacities including that of State Treasurer. He then ventured into the private sector with wide ranging business interest including logging & sawmilling, palm oil refining, property development, plantations, manufacturing and banking. His business acumen is honed by over 30 years of experience in various capacities both in the public and private sectors.

He currently sits on the Boards of Pelangi Berhad Group, Keck Seng (Malaysia) Berhad Group, Alpha Industries Berhad, CHG Industries Berhad and Binaik Equity Bhd. He is also currently the President of the Johor Wood Industries Association, the Malaysian Wood Industries Association and the Chairman of Malaysian Timber Council. He was the past President of various major real estate associations in Malaysia and the Asian region, amongst which are F.I.A.B.C.I. Malaysia Chapter, an International Estate Federation with its Headquarters in Paris, M.O.H.S (Malaysian Organisation For Human Settlements) and A.A.P.H. (Asean Association For Planning And Housing), REHDA (Real Estate And Housing Developers' Association of Malaysia) and also the Patron of REHDA, Johor Branch.

He does not have any family relationship with any Director and/or substantial shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.





### Datuk Pang Tee Chew

Aged 55, a Malaysian, is the Managing Director of the Company and Chief Executive Officer of the Group. He was appointed to the Board on 3 August 1991. He is also a member of the Remuneration Committee and the Option Committee. He has been with the Group since 1981 and is currently in charge of the corporate affairs of the Group. Being a member of the British Institute of Management, Datuk TC Pang was previously trained in Japan on food processing in the area of canning and packaging and has attended the Advanced Management Program at Harvard University, USA. With over twenty-seven (27) years of experience in the food industries, he has acquired a wide knowledge of both the local and overseas food markets. He also sits on the board of several private limited companies.

He is the son of Datuk Pang Chin Hin and a brother to Pang Tee Nam, all of whom are Executive Directors and substantial shareholders of the Company. He is also brother to the late Pang Tee Suan, a substantial shareholder of the Company. He is deemed interested in recurrent related party transactions, of which a Shareholders' Mandate has been obtained in the AGM held 4 June 2007. Details pertaining to these transactions are disclosed on Note 31 of the Notes to the Financial Statements. He has had no convictions for any offences within the past 10 years.

### Pang Tee Nam

Aged 54, a Malaysian, is an Executive Director of the Company. He was appointed to the Board on 16 August 1995. He is also the Chairman of the Options Committee. He is currently in charge of the Group's supply and logistics. He holds a Diploma in Business Studies from Warrnambool Institute of Advanced Education, Australia. He is a member of the Malaysian Institute of Accountants (MIA) and CPA Australia. He has over twenty-four (24) years of experience in the food business having joined the Group in January 1983.

He is a son of Datuk Pang Chin Hin and brother to Datuk Pang Tee Chew. He is also brother to the late Pang Tee Suan, a substantial shareholder of the Company. Both of whom are also Executive Directors and substantial shareholders of the Company. He is deemed interested in recurrent related party transactions, of which a Shareholders' Mandate has been obtained in the AGM held 4 June 2007. Details pertaining to these transactions are disclosed on Note 31 of the Notes to the Financial Statements. He has had no convictions for any offences within the past 10 years.

### **Dato' Mohamed Nizam Bin Abdul Razak**

Aged 49, a Malaysian, is an Independent Non-Executive Director of the Company. He was appointed to the Board on 4 September 1991. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee. He graduated in Politics, Philosophy and Economics from Oxford University, United Kingdom in 1980. He began his career in 1981 when he joined the Corporate Finance Department in Bumiputra Merchants Bankers Berhad. In 1984, he joined GP Securities (now known as PB Securities Sdn Bhd) as General Manager and became the Chief Executive Officer in 1992, a position he held until his retirement in 1998. He currently sits on the Boards of Delloyd Ventures Bhd, Yeo Hiap Seng (Malaysia) Berhad, Hiap Teck Venture Berhad, Synergy Track Berhad, Deutsche Bank (Malaysia) Bhd and several private limited companies. He is also a Trustee of several charitable foundations such as Noah Foundation, Hong Leong Foundation and the National Children Welfare Foundation, Yayasan Rahah and Yayasan Wah Seong.

He does not have any family relationship with any Director and/or substantial shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.

### **Dato' Dr Shanmughalingam A/L Murugasu**

Aged 68, a Malaysian, is an Independent Non-Executive Director of the Company. He was appointed to the Board on 17 June 2003. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee. Dato' Dr M SHAN obtained a Bachelor of Arts (Honours) degree in Economics from University of Malaya in 1962, Masters degree in Economics and Government from Harvard University, USA in 1971, Doctorate of Philosophy in Economics and Government from Oxford University, UK in 1978 and is a Fellow, Economic Development Institute, World Bank.

He served in the Treasury, Ministry of Finance from 1962 to 1978, his last post being Deputy Secretary (Economic) and in PETRONAS from 1979 to 1991 his last post being General Manager. He was Managing Director of Sri Inderajaya Sdn Bhd from 1992 to April 1996. Since May 1996, he is Managing Director of Trilogic Sdn Bhd and sits on the advisory panels to the Malaysian Institute of Economic Research (MIER) and Asian Strategy and Leadership Institute (ASLI). He also sits on the Boards of Main Board public listed companies, Delloyd Ventures Bhd, PBA Holdings Bhd and several unlisted companies, including Trilogic Sdn Bhd, Commerce International Merchant Bankers (L) Ltd, CIMB Discount House Bhd and CIMB Securities Sdn Bhd.

Dato' Dr M SHAN represented Malaysia at international conferences of the ADB (Asian Development Bank), the Commonwealth, IMF (the International Monetary Fund), OPEC (the Organisation of Petroleum Exporting Countries), the United Nations and the World Bank. He was the Chairman and lead speaker at several sittings of PECC (Pacific Economic Co-operation Conference). On invitation by Kennedy School of Government, Harvard University and the Harvard Institute for International Development, USA, he helped in the design of a new Executive Programme for Leaders in Development : Managing Economic and Political Reform for Harvard University.

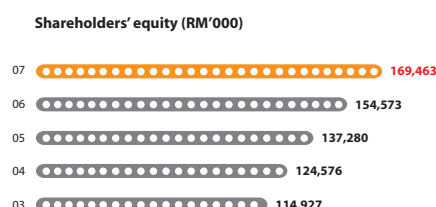
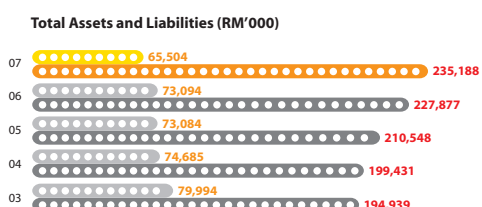
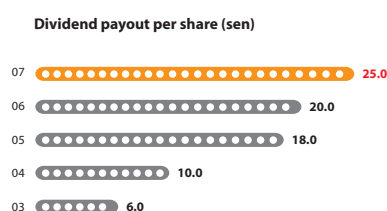
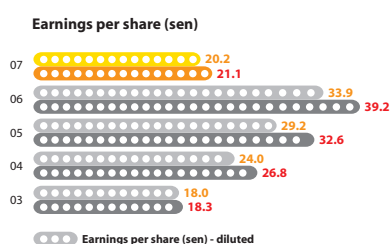
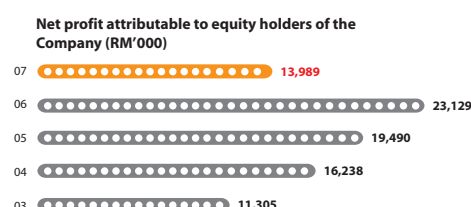
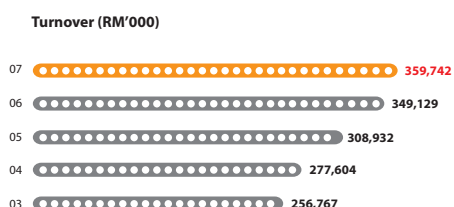
He does not have any family relationship with any director and/or substantial shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.

# 5 Years' Financial Highlights

*Half a decade  
of strong bread  
& butter*

*have a view of the company's  
ever-improving revenue*

	2003 RM'000	2004 RM'000	2005 RM'000	2006 RM'000	2007 RM'000
<b>Financial Performance</b>					
Turnover	256,767	277,604	308,932	349,129	<b>359,742</b>
Profit before tax	15,069	22,642	25,522	29,710	<b>19,918</b>
Net profit attributable to equity holders of the Company	11,305	16,238	19,490	23,129	<b>13,989</b>
<b>Financial Ratio</b>					
Earnings per share (sen) - basic	18.3	26.8	32.6	39.2	<b>21.1</b>
Earnings per share (sen) - diluted	18.0	24.0	29.2	33.9	<b>20.2</b>
Total dividend payout per share (sen)	6.0	10.0	18.0	20.0	<b>25.0</b>
<b>Financial Position</b>					
Total assets	194,939	199,431	210,548	227,877	<b>235,188</b>
Total liabilities	79,994	74,685	73,084	73,094	<b>65,504</b>
Shareholders' Funds	114,927	124,576	137,280	154,573	<b>169,463</b>
Minority interest	18	170	184	210	<b>221</b>
	194,939	199,431	210,548	227,877	<b>235,188</b>





# Monster Juice

New kid on the block

# Mamee Monster

Enduring brands last  
a lifetime



# Chairman's Statement

*note from  
master chef*

*Datuk Pang Chin Hin  
shares with you  
everything about  
preparing the best  
dish ever*

Dear esteemed shareholders, it gives me great pleasure to present Mamee-Double Decker (M) Berhad's ("MDD") 2007 annual report.

The financial year 2007 signified one of the most challenging years faced by the Group. Rising raw materials prices coupled with intensifying local and global competition presented the management team of MDD an arduous task of delivering increased sales and profits. However, I am heartened to see that despite these hurdles, the staff of MDD and our business partners have performed admirably in the face of adversity.



Revenue  
**RM359.7**  
million

Improved by  
**+3%**  
Vs prior year

## Financial Highlights for the Year Ended 31 December 2007

Despite softening market conditions, MDD achieved total group revenue growth of 3% to RM 359.7 million. Profits, however, have shrunk by 40% to RM 13.9 million. This, coupled with the exercising of warrants, has diluted the EPS to 20.2 sen and ROE to 8% from 33.9 sen and 15% the year before.

Total assets of the group however have grown by 3.2% to RM 235.2 million. This is reflected in MDD's healthy increase in cash and cash equivalents growth of 30.2% to RM 45.6 million. On 31 December 2007, MDD paid a tax-exempt interim dividend of 15 sen (15%) to its shareholders. In-line with the management's ethos of enhancing shareholder value, the Board is recommending a final dividend of 5 sen tax-exempt, subject to the approval of shareholders, and will be payable on 26th June 2008. This results in total dividends for the year amounting to RM15,488,000; representing a total payout ratio of 111% of FY 2007 net profit after tax. This compares favourably to FY 2006 payout ratio of 41%

## Global presence

Operations in Malaysia service the global export market covering more than 80 countries in the Asia Pacific, Americas, Europe, Africa and Middle Eastern regions. In FY 2007, export business to European and African countries have achieved stellar growth of 45% and 94% respectively driven by strong growth of sales of potato chips in the Russian market and the booming economy. Exports to the Middle Eastern and American regions have also grown by 15% and 7% respectively signifying a very positive outlook for these markets.

MDD also has production plants and distribution networks in China and Myanmar. China operations have continued to surface new challenges for MDD. A consultant was engaged in January 2007 and has since instilled best sales and distribution practices and robust control systems. The terms of wholesale business have also shifted from a cash and credit, to a cash-only model, to reduce potential bad debts and trade disputes. Despite these improvements, the China operations are still only showing mediocre results. Nevertheless, the Group firmly believes in the huge potential that the China market has to offer and will continue to forge ahead to improve future performance.

The outlook for the Myanmar operations is very positive despite the country's political instability. In FY 2007, if not due to foreign currency loss and additional tax imposed by the Myanmar Tax Authority, the company would have generated a marginal operating profit. The Group will continue to devote its unrelenting focus on growing with this vibrant and highly rewarding market.

## Corporate exercises for FY 2007

During FY 2007, the Group decided to acquire the remaining 40% of the equity interest in its China and Myanmar subsidiaries from a related party. Although this acquisition will not yield a material impact to the bottom line immediately, it will facilitate the changes required to successfully penetrate the food and beverage market in these flourishing markets.

## Operational Excellence

In the face of rising raw materials prices and stiff competition, MDD has undertaken the monumental task of restructuring its operations to streamline production and to reduce management expenses. MDD is currently still in the midst of consolidating the number of branches in Malaysia to leverage on the economies of scale afforded by this whilst simultaneously appointing more established distributors to better service our customers.

In addition to this, factory operations have also undergone a thorough end-to-end process review to enhance production efficiency and boost productivity.

MDD also launched a new product in second half of Year 2007, Mamee Funkees. With focused advertising and promotional activities, this new product has received excellent response from the consumer with incremental gross profit margins exceeding expectations. In the current market environment where demand for MDD's products is extremely elastic and consumers are very price sensitive, we will continue to work towards greater product differentiation via judicious research and development, and advertising and promotion initiatives.

Assets  
Employed  
**RM235.2**  
million

Improved by  
**+3%**  
Vs prior year

Total Equity  
**RM169.7**  
million

Improved by  
**+10%**  
Vs prior year

## Awards

From the advertising and promotional facet, years of strategic initiatives have yielded phenomenal results. Mamee is now acknowledged as one of **Malaysia's Top 30 Most Valuable Brands**. This prestigious award was accorded by Interbrand, a world-renowned brand valuer. The Mamee-Double Decker brand is currently worth RM 87 million and with continued strategic investments into product research & development and advertising, the management team will continue to grow the brand strength to achieve new heights.

## 2008 Outlook

The new financial year will be one that is fraught with uncertainty. Global financial pandemonium arising from the US sub-prime mortgage crisis coupled with high crude oil prices will continue to adversely impact MDD's operations. The management team acknowledges the need to remain cautious of weaker consumer spending and higher raw materials costs. Management resources will be focused on developing new products whilst simultaneously containing costs and growing foreign markets to continue to drive sustainable profits.

Nonetheless, I am confident, that with disciplined management resolve, no feat is too great and that 2008 will be a very exciting and rewarding year.

## Appreciation

On behalf of the Board of Directors, I would like to extend my heartfelt appreciation to the management team and staff for their commitment, enthusiasm and hard work during this challenging year. I would also like to express my grateful thanks to my colleagues on the Board for their unwavering support. My special thanks also go to our valued distributors, business associates, shareholders and customers in sustaining the company's leading performance in the food and beverage industry.

## Datuk Pang Chin Hin

Executive Chairman  
Mamee-Double Decker (M) Bhd.

Cash equivalent  
**RM45.6**  
million

Raised by  
**+30%**  
Vs prior year

Dividend  
Payout  
**RM15.5**  
million

Payout ratio  
**+70%**  
Vs prior year



Mamee-Double Decker (M) Berhad is committed to high standards of corporate governance in performing its business. The Board of Directors is therefore pleased to report that the Company has complied with the major principles set out in Part 1 of the Malaysian Code of Corporate Governance, and this statement, together with the Audit Committee Report on page 25 explains how the Company has applied the best practices set out in Part 2 of the Code.

## 1. The Board of Directors

### 1.1 Composition

The Board comprises of three (3) Non-Executive Directors and three (3) Executive Directors. There is a balance in the Board as all of the Non-Executive Directors are independent. The Directors with their different backgrounds and areas of specialisation collectively bring with them a mix of industry-specific knowledge and broad business and commercial experiences. There is a clear division of responsibilities between the Chairman and the Managing Director to ensure a balance of power and authority. An Independent Director Tunku Osman Ahmad has been identified as the one to whom concerns may be conveyed.

Personal profiles of the Directors are set out on pages 10 to 12.

### 1.2 Supply of Information

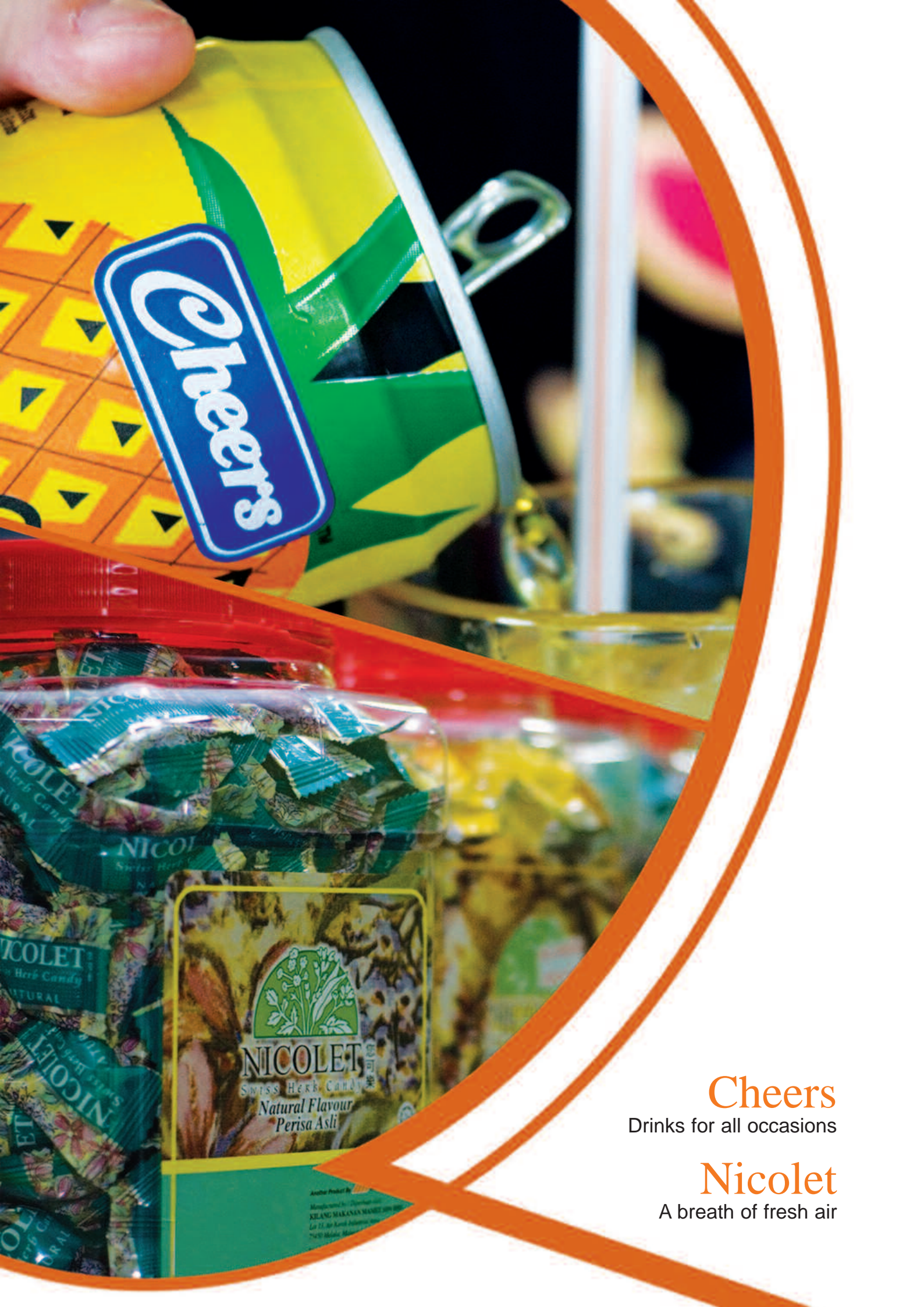
The Directors have full and unrestricted access to all information pertaining to the Group's material business affairs. Prior to the Board Meeting, all directors are provided with notices, agendas and board papers pertaining to various significant aspects of the Group's performance and operations, including strategic plans and budgets for the Group, and business development issues. Material acquisitions and disposals of assets, and potential investments by the Group are also considered extensively at Board level. These are issued in sufficient time prior to the meeting. In furtherance of Board's responsibilities, the Board has access to the independent advice and services of professionals such as lawyers, external auditors and company secretary at the Company's expense.

The Board normally meet 4 times a year and has met 5 times during this financial year. Details of the attendance of the Directors at the Board meetings are disclosed in the Statement Accompanying Notice of Annual General Meeting set out on page 8.

### 1.3 Appointments and re-elections to the Board

The identification and appointment of new Directors undergo a process led by the Nomination Committee. Thereafter upon approval by the Board, the Company provides an induction programme for the new Directors to allow them to better understand the business and ultimately to enable them to contribute effectively at Board meetings. In addition, all of the Directors have attended the Mandatory Accreditation Programme.

In accordance to the Bursa Malaysia Securities Berhad Listing Requirements and the Articles of Association of the Company, all Directors seek re-election at least once every three years. Director(s) over seventy years of age are required to submit themselves for reappointment annually in accordance with Section 129(6) of the Companies Act, 1965.



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#### 1.4 Role of Board Committees

The Company has formed several committees, each of which have defined terms and reference, for reporting and recommendation to the Board. These committees are:-

- Audit Committee;
- Nomination Committee;
- Remuneration Committee;
- Option Committee

##### a) Audit Committee

Members: Y.A.M. Tunku Osman Ahmad (Chairman)  
Dato' Mohamed Nizam Bin Abdul Razak  
Dato' Dr. Shanmughalingam A/L Murugasu

The Audit Committee ('AC') formed on 14 October 1993. Current composition of AC is made up of three (3) Non-Executive Independent Directors. It is primarily responsible for the review of reporting financial information to shareholders, systems of internal control and risk management, the audit process and the related party transactions. The report of the Audit Committee is set out on page 25 to 29 of this annual report.

##### b) Nomination Committee

Members: Y.A.M. Tunku Osman Ahmad (Chairman)  
Dato' Mohamed Nizam Bin Abdul Razak  
Dato' Dr. Shanmughalingam A/L Murugasu

The Nomination Committee ('NC'), set up on 17 May 2001, comprised mainly of Independent Non-Executive Directors. It is responsible for the assessment and recommendation of new Directors to the Board, and for the annual review of the required mix of skills and experience, and other qualities to enable the Board to function completely and efficiently. Assessment and appraisal processes have also been implemented, for the evaluation of the effectiveness of the Board as a whole, the committees and the individual contribution of each Board member.

##### c) Remuneration Committee

Members: Y.A.M. Tunku Osman Ahmad (Chairman)  
Dato' Mohamed Nizam Bin Abdul Razak  
Dato' Dr. Shanmughalingam A/L Murugasu  
Datuk Pang Tee Chew

The Remuneration Committee ('RC'), formed on 17 May 2001, whose membership currently comprise three Independent Non-Executive Directors and one Executive Director, is responsible for making recommendations to the Board the remuneration of Executive Directors based on an acceptable framework. The Remuneration Committee shall meet at least once a year.

#### d) Options Committee

Members: Pang Tee Nam (Chairman)  
Datuk Pang Chin Hin  
Datuk Pang Tee Chew  
Goh Wee Lim  
Tan Chai Lin  
Caryn Chong  
Koh Teng Ngiab  
Tan Chin An

The Options Committee was established to administer the Company's Employees' Share Option Scheme in accordance with the objectives and regulations thereof and to determine participation eligibility, option offers and share allocations and to attend to such other matters as may be required. Meetings of the Committee are held when necessary.

## 2. Directors' Remuneration

The Company recognises the need to ensure that remuneration of Directors are reflective towards the responsibility and commitment that goes with Board membership. In line with this, the Company has adopted the following remuneration structure that attempts to retain and attract the right Directors needed to run the Company successfully:-

- The Remuneration Committee recommends to the Board on the remuneration of Executive Directors; and
- The Board as a whole determines the remuneration of the Non-Executive Directors.

Contrary to the disclosure requirement as indicated in the best practices of the Malaysian Code of Corporate Governance, the Board would not be providing details of remuneration awarded to each director. However, in compliance with the Bursa Malaysia Securities Berhad listing requirements, the remuneration paid to directors, in aggregation and analysed into bands of RM50,000 are as follows:-

	Executive Directors	Non-Executive Directors
	RM	RM
Salaries & Other Remuneration	2,080,245	-
Allowances	183,549	60,000
Fees	122,000	100,000
Benefits-in-kind	57,800	-
Successive Band		
<RM50,001	-	2
RM 50,001 - RM100,000	-	1
RM100,001 - RM700,000	-	-
RM700,001 - RM800,000	1	-
RM800,001 - RM850,000	-	-
RM850,001 - RM900,000	2	-





### 3. Shareholder relations

#### 3.1 Relationship with Shareholders and Investors

The Company maintains a regular policy of disseminating information that is material for shareholders attention. In line with the regulatory requirements, various announcements, including quarterly financial reports were made during the year via the Bursa Malaysia Securities Berhad website.

Developments in the Company's website at [www.mamee.com](http://www.mamee.com) have also allowed the Company to make a great deal of information and presentation accessible to shareholders and customers at all times.

#### 3.2 Annual General Meeting (AGM)

At the Annual General Meeting, the Directors welcome the opportunity to gather the views of shareholders. Notices of each meeting are issued on a timely manner to all, and in the case of special businesses, a statement explaining the effect of the proposed resolutions is provided.

### 4. Directors' Training

The Board views continuous learning and training as an integral part of the directors' development. All Board members have completed the Mandatory Accreditation Programme (MAP) and Continuing Education Programme (CEP) in accordance with the Listing requirements of Bursa Malaysia Securities Berhad.

In addition, members of the Board are informed of various development programmes and encouraged to attend these programmes to keep abreast with the development in the industry and relevant regulatory updates in furtherance of their duties.

### 5. Accountability and Audit

#### 5.1 Financial Reporting

In an attempt to produce a balanced and understandable assessment of the Company's position and prospects, particularly in the financial reports, the Directors have implemented a quality control procedure to ensure that all financial reports have been prepared based on acceptable accounting standards and policies. These financial reports also undergo a review process by the Audit Committee prior to approval by the Board.

#### 5.2 Internal Control

The Board understands that in order to strengthen the accountability aspect of financial reporting, the Company needs to maintain a sound system of internal control to safeguard shareholders' investment and the Company's assets. Hence the Group has developed a comprehensive system of internal control comprising of clear structures and accountabilities, well-understood policies and procedures and budgeting and review process.

The effectiveness of the system of internal control is then scrutinised by internal auditors, who operate independently from the activities of the Company, under the purview of the Audit Committee.

### 5.3 Relationship with External Auditors

The Board also maintains an appropriate relationship with the Company's external auditors, Messrs. PricewaterhouseCoopers, through formal and transparent arrangement with the Audit Committee. These arrangements are stated on page 26 to 29 of the Audit Committee report.

This Corporate Governance Statement is made in accordance with resolution of the Board of Directors dated 15 April 2008.



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

Companies Act 1965 requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the Group and the Company at the end of the financial year, and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements, the Directors are also responsible for the adoption of suitable accounting policies and their consistent use in the financial statements, supported where necessary by reasonable and prudent judgements.

The Directors hereby confirm that suitable accounting policies have been consistently applied in respect of preparation of the financial statements. The Directors also confirm that the Company maintains adequate accounting records and sufficient internal controls to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities. These are described more fully in the Corporate Governance Statement.

This Directors' Responsibility Statement is made in accordance with resolution of the Board of Directors dated 15 April 2008.



# Audit Committee Report

The Audit Committee of Mamee-Double Decker (M) Berhad is pleased to present its report for the year ended 31 December 2007. The Board has approved this report by a resolution dated 15 April 2008 for submission to shareholders.

## Composition

To be in line with the Malaysian Code of Corporate Governance, which was revised on 1 October 2007, two (2) executive directors had resigned on 26 November 2007. As at financial year end, the Committee comprised of three (3) Independent Non-Executive Directors. During the financial year, the Committee held meetings on 26 February 2007, 23 April 2007, 28 May 2007, 22 August 2007 and 26 November 2007 respectively, a total of five (5) meetings. Details of the members of the Committee and their attendance at the meetings are as follows:

Name	Designation in Audit Committee	Number of Meetings Attended
Y.A.M. Tunku Osman Ahmad (Independent Non-Executive Vice Chairman)	Chairman	4 out of 5
Dato' Mohamed Nizam bin Abdul Razak (Independent Non-Executive Director)	Member	5 out of 5
Dato' Dr. Shanmughalingam A/L Murugasu (Independent Non-Executive Director)	Member	5 out of 5
Datuk Pang Tee Chew (Managing Director) - resigned on 26 November 2007	Member	5 out of 5
Pang Tee Nam (Executive Director) - resigned on 26 November 2007	Member	4 out of 5

## TERMS OF REFERENCE

### Membership

The Committee shall be appointed by the Board from among their members and shall consist of not less than three (3) members. All members of audit committee shall be non-executive directors.

At least one of the members of the Committee:

- i) must be a member of the Malaysian Institute of Accountants (MIA); or
- ii) if he is not a member of the MIA, he must have at least 3 years' working experience and:
  - must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
  - must be a member of one of the associations of accountants specified in Part 2 of the 1st Schedule of the Accountants Act 1967; or
- iii) must fulfill such other requirements as prescribed or approved by the Exchange.

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

The members of the Committee shall elect a Chairman from among their members who shall be an Independent Director.

The term of office and performance of each member shall be reviewed at least once every three years by the Board.

### **Purpose Of The Committee**

The purposes of the Committee are as follows:

1. To provide assistance to the Board in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices for the Company.
2. To maintain, through regularly scheduled meetings, a direct line of communication between the Board and the external auditors as well as the internal auditors.
3. To avail to the external and internal auditors a private and confidential audience at any time they desire and to request such audience through the Chairman of the Committee, with or without the prior knowledge of Management.
4. To act upon the Board's request to investigate and report on any issue of concern with regard to the management of the Company.
5. To ensure compliance with any such changes / amendments / updates / insertions of the listing requirements and any other applicable laws and regulations, arising thereof from time to time.

### **Secretary**

The Secretary of the Committee shall be the Company Secretary.

### **Frequency And Attendance Of Committee Meetings**

Meetings shall be held not less than 4 times a year and as and when required during each financial year. The external auditors may request a meeting if they deem necessary.

The Board members, employees, and / or internal auditors may attend any meeting, at the Audit Committee's invitation, and specific to the relevant meeting.

The quorum for a meeting shall be 2 members, and if only two members present both of them must be Independent Directors. If the number of members present for the meeting is more than two, the majority of members present must be Independent Directors.

In the absence of the Chairman of the Committee, members present shall elect a Chairman for the meeting from amongst the Independent Directors.

### **Teleconferencing**

- 1 A committee member shall be deemed to be present at a meeting of the Committee if he participates by instantaneous telecommunication device and all members of the Committee participating in the meeting of the Committee are able to hear each other and recognize each other's voice, and for this purpose, participation constitutes prima facie proof of recognition. For the purposes of recording attendance, the Chairman or Secretary of the Committee shall mark on the attendance sheet that the committee member was present and participating by instantaneous telecommunication device.
- 2 A committee member may not leave the meeting by disconnecting his instantaneous telecommunication device unless he has previously obtained the express consent of the Chairman of the meeting and a committee member will be conclusively presumed to have been present and to have formed part of the quorum at all times during the committee meeting by instantaneous telecommunication device unless he has previously obtained the express consent of the Chairman of the committee meeting to leave the meeting.

- 3 Minutes of the proceedings at a committee meeting by instantaneous telecommunication device will be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as correct minutes by the Chairman of the committee meeting.
- 4 Instantaneous telecommunication device means any telecommunication conferencing device with or without visual capacity.

### Minutes

All minutes of meetings shall be circulated to every member of the Board. The minutes of each meeting shall be kept and distributed to each member. The Chairman of the Committee shall report on each meeting to the Board.

A resolution in writing signed or approved by a majority of the Committee and who are sufficient to form a quorum shall be as valid and effectual as if it had been passed at a Meeting of the Committee duly called and constituted.

### Authority

The Committee shall, in accordance with a procedure to be determined by the Board and at the cost of the Company:-

1. have authority to investigate any matters within its terms of reference, where it deems necessary, investigate any matter referred to it or that it has come across in respect of a transaction that raises questions of management integrity, possible conflict of interest, or abuse by a significant or controlling shareholder;
2. have resources which are required to perform its duties;
3. have full and unrestricted access to any information pertaining to the Company;
4. have direct communication channels with the external auditors and have direct authority over the internal audit function of which is independent from management and operations;
5. be able to obtain and seek outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.
6. be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company.

### Functions And Duties

The functions and duties of the Committee are as follows:

1. (i) To consider and recommend the appointment of the external auditors, the audit fee, and any questions of resignation or dismissal, and inquire into the staffing and competence of the external auditors in performing their work and assistance given by the Company's officers to the external auditors.
- (ii) Where the external auditors are removed from office or give notice to the Company of their desire to resign as external auditors, the Committee shall ensure that the Company immediately notify Bursa Malaysia Securities Bhd ("the Exchange") and forward to the Exchange a copy of any written representations or written explanations of the resignation made by the external auditors at the same time as copies of such representations or explanations are submitted to the Registrar of Companies pursuant to section 172A of the Companies Act 1965.



2. (i) To discuss with the external auditors before the audit commences the nature, scope and any significant problems that may be foreseen in the audit, ensure adequate tests to verify the accounts and procedures of the Company and ensure co-ordination where more than one audit firm is involved; and  
(ii) To ensure and confirm that the management has placed no restriction on the scope of the audit.
3. To review the quarterly announcements to Bursa Malaysia Securities Berhad and annual financial statements before submission to the Board, focusing particularly on:-
  - any changes in accounting policies and practice;
  - major judgmental areas;
  - significant adjustments resulting from the audit;
  - the going concern assumptions;
  - compliance with the accounting standards;
  - compliance with stock exchange and legal requirements;
  - assessing the quality and effectiveness of the internal control system and the efficiency of the Company's operations.
  - the quality and effectiveness of the entire accounting and internal control systems; and
  - the adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Group.
4. To discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of the management where necessary).
5. For the internal audit function, to:-
  - (a) Review the adequacy of the competency of the internal audit function including the scope and resources of the internal audit functions and ensuring that the internal auditors have the necessary authority to carry out their work;
  - (b) Review internal audit program;
  - (c) Ensure co-ordination of external audit with internal audit;
  - (d) Consider major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function;
  - (e) If the internal audit function is outsourced:-  
To consider and recommend the appointment or termination of the internal auditors, the fee and inquire into the staffing and competence of the internal auditors in performing their work.
  - (f) If the internal audit function is performed in-house, to
    - (i) To review any appraisal or assessment of the performance of the staff of the internal audit function;
    - (ii) To approve any appointment or termination of senior staff member of the internal audit function; and
    - (iii) To inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reason of resignation.
6. To review the external auditors' management letter and management's response;
7. To report to Bursa Malaysia Securities Berhad ("Bursa") on matters reported by it to the Board that have not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa.
8. To consider:-
  - any related party transactions that may arise within the Company or the Group and to ensure that Directors' report such transactions annually to shareholders via the annual report; and
  - in respect of the recurrent related party transactions of a revenue or trading nature which are subject of a shareholders' mandate, prescribe guidelines and review procedures to ascertain that such transactions are in compliance with the terms of the shareholders' mandate.
9. To consider other topics, as may be defined and directed by the Board from time to time.

### Activities during the year

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

- |                                |  |
|--------------------------------|--|
| i) External Audit              | Review of the audit plans for the year.<br>Meeting with the auditor without the presence of the Executive Directors.<br>Assessment of the auditors' performance and audit fees prior to submission to the Board for their approval.<br>Review of the effectiveness of internal audit function in accordance to the revised code of Corporate Governance. |
| ii) Internal Audit             | Review of the audit plans and audit findings for the year.<br>Address issues pertaining to risk management.  |
| iii) Financial Reporting       | Review of the quarterly and annual financial reports of the Company and the Group, for recommendation to the Board of Directors.   |
| iv) Related Party Transactions | Review of the related party transactions entered into by the Company and the Group.  |

### Statement By The Audit Committee In Relation To The ESOS Allocation

The Company had implemented an Executive Share Option Scheme ("ESOS") since 12 September 2005.

Pursuant to PARA 8.2A of the Listing Requirement of Bursa Malaysia Securities Berhad for the Main Board, the Audit Committee confirms that there is no new allocation of options in the financial year under review to the employees pursuant to the ESOS implemented throughout the Group.

A breakdown of the options offered to and exercised by non executive directors pursuant to the ESOS is stated on page 46 of the annual report.





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one pack at a time

**NutriGen**

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