

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2007.

THE FIGURES HAVE BEEN AUDITED.

I. CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
	RM'000	RM'000	RM'000	RM'000
1. (a) Revenue	292,817	266,941	1,183,983	1,057,868
(b) Cost of sales	<u>(243,299)</u>	<u>(226,926)</u>	<u>(983,590)</u>	<u>(903,965)</u>
(c) Gross profit	49,518	40,015	200,393	153,903
(d) Other income	1,304	8,556	2,348	8,765
(e) Expenses	(24,860)	(46,304)	(115,361)	(125,478)
(f) Finance costs	(2,674)	(2,924)	(9,692)	(9,995)
(g) Share of results of associate	<u>284</u>	<u>-</u>	<u>210</u>	<u>-</u>
(h) Profit / (loss) before income tax	23,572	(657)	77,898	27,195
(i) Income tax	<u>(7,125)</u>	<u>(2,655)</u>	<u>(26,180)</u>	<u>(13,111)</u>
(j) Profit / (loss) for the year	<u>16,447</u>	<u>(3,312)</u>	<u>51,718</u>	<u>14,084</u>
Attributable to:				
(k) Equity holders of the Company	16,069	(3,680)	50,080	12,481
(l) Minority interest	<u>378</u>	<u>368</u>	<u>1,638</u>	<u>1,603</u>
	<u>16,447</u>	<u>(3,312)</u>	<u>51,718</u>	<u>14,084</u>
2. Earnings/(loss) per share attributable to equity holders of the Company				
(a) Basic	<u>15.02 sen</u>	<u>(3.44) sen</u>	<u>46.82 sen</u>	<u>11.67 sen</u>
(b) Fully diluted	<u>-*</u>	<u>(3.44) sen</u>	<u>-*</u>	<u>11.67 sen</u>

*The fully diluted earnings per share is not shown as the effect is anti-dilutive.

The condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.

II. CONDENSED CONSOLIDATED BALANCE SHEET

	Audited As at end of current quarter 31/12/2007	Audited As at preceding financial year end 31/12/2006 (as restated)
	RM'000	RM'000
ASSETS		
1. Non-current assets		
Property, plant and equipment	241,013	252,553
Prepaid land lease payments	21,431	23,351
Investment in associates	6,441	6,283
Goodwill	31,620	31,620
Other intangible assets	2,368	3,001
Deferred tax assets	2,297	2,207
	305,170	319,015
2. Current assets		
Inventories	182,130	171,704
Receivables	289,845	237,998
Amount due from intermediate holding company	18	20
Amounts due from related companies	13,698	16,198
Amounts due from associated companies	1,087	7,830
Tax recoverable	2,796	5,286
Fixed deposits	8	1,161
Cash and bank balances	56,132	68,573
	545,714	508,770
3. Assets of disposal group classified as held for sale	33,965	-
Total assets	884,849	827,785

II. CONDENSED CONSOLIDATED BALANCE SHEET (CONT'D)

	Audited As at end of current quarter 31/12/2007	Audited As at preceding financial year end 31/12/2006 (as restated)
	RM'000	RM'000
EQUITY AND LIABILITIES		
4. Equity attributable to equity holders of the Company		
Share capital	106,963	106,963
Reserves		
Share premium	22,410	22,410
Other reserves	(253)	352
Retained earnings	220,551	186,515
	349,671	316,240
5. Minority interest	12,789	11,151
Total equity	362,460	327,391
6. Non-current liabilities		
Long term borrowings	58,486	90,960
Deferred tax liabilities	3,767	3,767
	62,253	94,727
7. Current liabilities		
Payables	286,561	234,383
Amount due to intermediate holding company	-	58
Amount due to immediate holding company	-	152
Amounts due to related companies	2,561	4,932
Amount due to associated company	716	-
Tax payable	3,842	1,526
Dividend payable	7	-
Short term borrowings	133,449	133,416
Current portion of long term borrowings	33,000	31,200
	460,136	405,667
Total liabilities	522,389	500,394
Total equity and liabilities	884,849	827,785
8. Net assets per share attributable to ordinary equity holders of the Company	RM3.27	RM2.96

The condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.

III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Audited Twelve months to 31/12/2007 RM'000	Audited Twelve months to 31/12/2006 RM'000
Operating activities		
Cash receipts from customers and related parties	1,123,608	1,081,992
Cash payments to suppliers	(926,083)	(919,527)
Cash payments to employees and for expenses	(105,087)	(116,812)
Cash generated from operations	<u>92,438</u>	<u>45,653</u>
Interest paid	(6,135)	(5,119)
Profit on Murabahah Commercial Paper paid	(1,178)	(1,508)
Income taxes paid	(20,367)	(11,791)
Interest received	120	261
Net cash generated from operating activities	<u>64,878</u>	<u>27,496</u>
Investing activities		
Proceeds from disposal of property, plant and equipment	232	281
Purchase of property, plant and equipment	(26,936)	(67,837)
Additional investment in associate company	-	(8,499)
Acquisition of brand	-	(1,000)
Proceeds from the sale of subsidiary, net of cash disposed	-	21,696
Net cash used in investing activities	<u>(26,704)</u>	<u>(55,359)</u>
Financing activities		
Drawdown of short term borrowings	11,497	34,017
Proceeds from issuance of shares – exercise of share options	-	49
Dividends paid	(16,037)	(12,300)
Redemption of Murabahah Commercial Paper	(10,000)	-
(Redemption of) / Proceeds from issuance of Murabahah Medium Term Notes	(15,000)	35,000
Repayment of term loan	(16,200)	(7,200)
Term loan interest paid	(3,120)	(3,549)
Fixed deposits released	1,153	51
Profit on Murabahah Medium Term Notes paid	(2,430)	(1,313)
Net cash (used in)/generated from financing activities	<u>(50,137)</u>	<u>44,755</u>
Net change in cash and cash equivalents	(11,963)	16,892
Currency translation differences	(478)	112
Net cash and cash equivalents as at beginning of financial year	68,573	51,569
Net cash and cash equivalents as at end of financial year	(a) <u>56,132</u>	<u>68,573</u>

III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

	Audited As at 31/12/2007 RM'000	Audited As at 31/12/2006 RM'000
(a) Cash and cash equivalents comprise the following amounts:		
Cash and bank balances	56,132	68,573
Fixed deposits	8	1,161
	<hr/> 56,140	<hr/> 69,734
Less: Fixed deposits pledged to banks	(8)	(1,161)
Cash and cash equivalents	<hr/> 56,132	<hr/> 68,573

The condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.

IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

← Equity attributable to equity holders of the Company →

	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Exchange reserves RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
Twelve months to 31 December 2007 (audited)								
Balance as at 1 January 2007 (as restated)	106,963	22,410	1,310	(958)	186,515	316,240	11,151	327,391
Currency translation differences, representing expenses recognised directly in equity	-	-	-	(2,723)	-	(2,723)	-	(2,723)
Profit for the year	-	-	-	-	50,080	50,080	1,638	51,718
Total recognised income and expense for the year	-	-	-	(2,723)	50,080	47,357	1,638	48,995
Share-based payment	-	-	2,118	-	-	2,118	-	2,118
2006 final 15.0 % tax exempt dividend	-	-	-	-	(16,044)	(16,044)	-	(16,044)
Balance as at 31 December 2007	106,963	22,410	3,428	(3,681)	220,551	349,671	12,789	362,460

IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY (CONT'D)

← Equity attributable to equity holders of the Company →

	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Exchange reserves RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
Twelve months to 31 December 2006 (audited)								
Balance as at 1 January 2006 as restated	106,952	22,372	-	(1,101)	186,334	314,557	9,548	324,105
Currency translation differences, representing expenses recognised directly in equity	-	-	-	143	-	143	-	143
Profit for the year	-	-	-	-	12,481	12,481	1,603	14,084
Total recognised income and expense for the year	-	-	-	143	12,481	12,624	1,603	14,227
Issues of ordinary shares: Pursuant to ESOS	11	38	-	-	-	49	-	49
Share-based payment	-	-	1,310	-	-	1,310	-	1,310
2005 final 11.5% tax exempt dividend	-	-	-	-	(12,300)	(12,300)	-	(12,300)
Balance as at 31 December 2006 as restated	106,963	22,410	1,310	(958)	186,515	316,240	11,151	327,391

The condensed Statement of Changes in Total Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.

V. NOTES TO THE CONDENSED FINANCIAL STATEMENTS

The notes to the condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.

1. Accounting policies and methods of computation

The quarterly consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group and are in accordance with FRS 134, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), except for the adoption of the following revised Financial Reporting Standards ("FRS") effective 1 January 2007:

FRS 117	: Leases
FRS 124	: Related Party Disclosures

In addition to the above, the Group has also taken the option of early adoption of the following revised FRSs effective 1 January 2007:

FRS 107	: Cash Flow Statements
FRS 118	: Revenue
FRS 119	: Employee Benefits
FRS 134	: Interim Financial Reporting
FRS 137	: Provisions, Contingent Liabilities and Contingent Assets

- (i) The adoption of the abovementioned FRSs do not result in significant changes in accounting policies of the Group, other than the change discussed below:

(a) FRS 117 : Leases

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. Prior to 1 January 2007, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. On adoption of the revised FRS, lease of land of which the title is not expected to be passed to the Group (the lessee) by the end of the lease term, is considered an operating lease and the unamortised carrying value of the lease is now presented as prepaid land lease payments and is amortised on a straight-line basis over the lease term.

(b) FRS 5: Non-current Assets Held for Sale and Discontinued Operations

FRS 5 requires a non-current asset or disposal group to be classified as held for sale when the criteria to be classified as held for sale have been met or it has been disposed of. An item is held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non current assets or disposal groups that are classified as held for sale are now carried at the lower of carrying amount and fair value less costs to sell.

An asset classified as held for sale, the assets and liabilities included within a disposal group classified as held for sale, and the cumulative income or expense recognised directly in equity relating to these assets are now presented separately on the face of the balance sheet. No restatement of comparatives is required.

The impact on adoption of this FRS is detailed in Note 9.

1. Accounting policies and methods of computation (cont'd)

(ii) Summary of the financial effects of changes in accounting policies

(a) Condensed Consolidated Balance Sheet

RM'000	As at 31/12/2006 As previously stated	FRS 117 (Note 1(i)(b))	As at 31/12/2006 As restated
Property, plant and equipment	275,904	(23,351)	252,553
Prepaid land lease payments	-	23,351	23,351

2. Audit report in respect of the 2006 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2006 was not qualified.

3. Seasonal or cyclical factors

The Group's operations are not subject to any significant seasonal or cyclical factors.

4. Unusual items due to their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size or incidence in the current financial year ended 31 December 2007.

5. Material changes in estimates used

There were no other changes in estimates of amounts reported in prior interim periods of the current financial year or prior financial years that have a material effect in the current year.

6. Debt and equity securities

The Group did not undertake any other issuance and/or redemption of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year ended 31 December 2007 except for:

- (i) redemption of RM10 million Murabahah Commercial Paper in March 2007; and
- (ii) redemption of RM15 million Murabahah Medium Term Notes in November 2007.

7. Dividend

A final tax exempt dividend of 15.0% (2006: 11.5%) on 106,963,188 (2006: 106,958,888) ordinary shares of RM1.00 each in respect of the previous financial year amounting to RM16,044,478 (2006: RM12,300,272) was paid on 13 July 2007.

For the current financial year ended 31 December 2007, the Board of Directors recommend a final 18.0% tax exempt dividend (2006: 15.0% tax exempt dividend) on ordinary shares in issue of 106,963,188 (2006: 106,963,188) for shareholders' approval at the forthcoming Annual General Meeting. The date of the Annual General Meeting and the book closure for the final dividend payment will be announced in due course.

8. Segment information for the current financial year

Segment information for the current financial year to 31 December 2007 is as follows:

	Pharmaceutical manufacturing RM'000	Pharmaceutical trading, marketing and distribution RM'000	Medical products and services RM'000	Other operations RM'000	Eliminations RM'000	Group RM'000
Revenue						
External revenue	6,277	1,169,333	8,373	-	-	1,183,983
Inter-segment revenue	146,476	9,351	8	71,300	(227,135)	-
Total revenue	152,753	1,178,684	8,381	71,300	(227,135)	1,183,983
Results						
Segment results	35,316	58,420	123	69,974	(75,951)	87,882
Unallocated corporate expenses						(1,183)
Profit from operations						86,699
Interest expense	-	(6,476)	(96)	(6,726)	3,606	(9,692)
Interest income	1	627	53	3,606	(3,606)	681
Share of results of associate						210
Profit before income tax						77,898
Income tax						(26,180)
Profit for the year						51,718
Attributable to:						
Equity holders of the Company						50,080
Minority interest						1,638
						51,718

9. Material events subsequent to the end of the current financial year

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 31 December 2007 to the date of this announcement which would substantially affect the financial results of the Group for the twelve months ended 31 December 2007 except for:

- an intention by the Group to dispose certain property, plant and equipment with a net book value of RM33,660,339 in one of its subsidiary company to a third party; and
- disposal of a property, plant and equipment with a net book value of RM305,000 held by a subsidiary company of the Group, namely Pharmaniaga Trading (M) Sdn. Bhd. which is currently undergoing liquidation.

10. Changes in the composition of the Group

There were no significant changes in the composition of the Group for the current quarter and financial year including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations except as disclosed below:

- The liquidation of the three dormant subsidiary companies of the Group, namely Pharmaniaga Medisystem Sdn. Bhd., Pharmaniaga Diagnostics Sdn. Bhd. and Pharmaniaga Trading (M) Sdn. Bhd. and an associate company, Rumpun Lagenda Sdn. Bhd. are in progress; and

10. Changes in the composition of the Group (cont'd)

- (b) The Jiangsu Province Wuxi Intermediate People's Court, upon application by Wuxi Worldbest Treeful Pharma Pharmaceutical Co. Ltd. ("WWTPP"), has ruled on 10 July 2007 to accept the bankruptcy application of WWTPP in accordance with the law. On 16 July 2007, the Court further appointed Wuxi Jin Shun Economic Consulting Co. Ltd. as the Bankruptcy Administrator for WWTPP to take control over WWTPP. Pharmaniaga Pegasus (Seychelles) Co. Ltd. has then appointed a legal representative and an arbitrator for participation in the Creditors Meeting and bankruptcy proceeding respectively. The date for the Creditors Meeting has not been fixed.

11. Contingent liabilities

There are no changes in the contingent liabilities as at the date of this announcement since the preceding financial year ended 31 December 2006 except as disclosed below:

		RM'000
As reported in the preceding financial year ended 31 December 2006		73,200
Increase in bank guarantees for utilities supply to and projects undertaken by subsidiary companies	9,204	
Decrease in bank guarantees for projects undertaken by subsidiary company	(12,288)	
Net decrease in bank guarantees for utilities supply to and projects undertaken by subsidiary companies		<u>(3,084)</u>
Total		<u><u>70,116</u></u>

12. Capital commitments

Authorised capital expenditures for the purchase of property, plant and equipment not provided for in the condensed consolidated financial statements were as follows:

	As at
	31/12/2007
	RM'000
Authorised and contracted for:	
- acquisition of property, plant and equipment	<u>11,214</u>

13. **Income tax**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31/12/2007	Preceding year corresponding quarter 31/12/2006	Twelve months to 31/12/2007	Twelve months to 31/12/2006 (as restated)
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
- Current taxation	6,653	2,314	24,327	9,934
- Under provision in respect of prior years	181	-	181	1,700
- Deferred taxation	(181)	-	-	1
Sub-total	<u>6,653</u>	<u>2,314</u>	<u>24,508</u>	<u>11,635</u>
Foreign taxation				
- Current taxation	667	189	1,763	1,768
- Deferred taxation	(195)	152	(91)	(292)
Sub-total	<u>472</u>	<u>341</u>	<u>1,672</u>	<u>1,476</u>
Grand Total	<u><u>7,125</u></u>	<u><u>2,655</u></u>	<u><u>26,180</u></u>	<u><u>13,111</u></u>

The effective tax rates for the current quarter and year ended 31 December 2007 are higher than statutory tax rate as a result of subsidiaries' losses which do not qualify under Group Tax Relief Scheme.

14. **Disposal of unquoted investments and/or properties**

There were no disposal of unquoted investments and/or properties in the current year.

15a) **Acquisitions and disposals of quoted securities**

There were no acquisitions and disposals of quoted securities in the current year.

15b) **Investments in quoted securities**

There were no investments in quoted securities as at 31 December 2007.

16. **Status of corporate proposals announced but not completed as at the date of this announcement**

There are no corporate proposals announced but not completed as at the date of this announcement except for:

- (a) on 5 February 2008, the Company has entered into a Memorandum of Understanding with Visor Holding LLP of the Republic of Kazakhstan to collaborate and jointly participate in the Republic of Kazakhstan's healthcare industry

16. **Status of corporate proposals announced but not completed as at the date of this announcement (cont'd)**

- (b) on 15 February 2008, the Company announced that it has been notified by UEM Group through CIMB Investment Bank Berhad that UEM World Berhad ("UEM World") has on the same day announced a proposed non-renounceable restricted offer for sale of all of its ordinary share in its listed subsidiaries which includes the Company to the shareholders of UEM World ("Proposed ROS"). Upon the Proposed ROS becoming unconditional, in accordance with Part II of the Malaysian Code on Take-Overs and Mergers, 1998 ("Code"), UEM Group will be obliged to extend a mandatory take-over offer for the remaining voting shares in the Company that UEM Group does not already own ("Pharmaniaga MGO")

17. **Borrowings and debt securities**

Details of Group borrowings and debt securities as at 31 December 2007 are as follows:

	Long term borrowings			Short term borrowings		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Debt securities</u>						
Domestic						
- Murabahah Commercial Paper	-	-	-	-	29,697	29,697
- Murabahah Medium Term Notes	-	29,780	29,780	-	15,000	15,000
<u>Other borrowings</u>						
Domestic						
- Bankers acceptance	-	-	-	-	91,033	91,033
- Term loan	28,350	-	28,350	18,000	-	18,000
Foreign						
Indonesia Rupiah						
- Term loan	-	-	-	12,719	-	12,719
- Time loan	356	-	356	-	-	-
TOTAL	28,706	29,780	58,486	30,719	135,730	166,449

18. **Off Balance Sheet financial instruments**

There are no financial instruments with off-balance sheet risks as at the date of this announcement.

19. **Material litigation**

Since the preceding financial year ended 31 December 2006, there are no changes in material litigation as at the date of this announcement except for the following:

(a) **Demand by Siemens Financial Services GmbH ("Siemens") for USD12.0 million**

As at the date of this announcement, the Company confirms that no civil suit on the Company and its subsidiaries, Pharmaniaga Logistics Sdn. Bhd. ("PLSB") and Safire Pharmaceuticals (M) Sdn. Bhd. ("Safire") has been filed by Siemens.

The Board of Directors of the Company upon consultation with the solicitors, is of the opinion that the positions of both PLSB and Safire are defensible.

19. Material litigation (cont'd)

(b) Danaharta Urus Sdn. Bhd. vs Safri bin Nawawi ("Safri") and Hamimah Binti Idruss ("Hamimah") (by original action) Safri bin Nawawi & Anor vs Danaharta Urus Sdn. Bhd. and 6 others (action by counterclaim)

The Company announced on 18 January 2005, that Safri bin Nawawi and Hamimah binti Idruss, former directors of Safire, on 28 December 2004 have each commenced an action by way of Counterclaim against the Company in the legal suit originally filed by Danaharta Urus Sdn. Bhd. against them. The Company and Safire are named 4th Defendant and 3rd Defendant respectively in both Actions by Counterclaim and were served with the court papers on 11 January 2005. The Company had filed its Memorandum of Appearance in Court on 14 January 2005 and 18 January 2005 in respect of the Counterclaim.

The Company and Safire have both filed their respective defense to the Action by Counterclaim on 31 January 2005. The Company has further filed an application to strike out the Counterclaim on 3 March 2005.

The hearing for the Company's application to strike out the Counterclaim by Safri and Hamimah has been fixed on 10 April 2008.

The Board of Directors of the Company upon consultation with the solicitors, is of the opinion that the positions of both the Company and Safire are defensible.

20. Comparison between the current quarter and the immediate preceding quarter

The Group's revenue for the current quarter of RM292.8 million compared to RM334.7 million in the immediate preceding quarter registered a decline of 12.5%. The contraction in revenue was mainly due to the lower sales to government hospitals in the current quarter.

Similarly, the Group's profit before taxation decreased by 26.1% from its immediate preceding quarter ended 30 September 2007. This was in line with the contraction in revenue coupled with a higher mix of lower margin products sold to government hospitals.

21. Review of performance for the current quarter and year

The Group's revenue for the fourth quarter ended 31 December 2007 increased by 9.7% over that of the same quarter last year. The increase in revenue arose from higher sales to government hospitals and higher contribution from its Indonesian subsidiary.

The Group's profit before taxation registered a growth of more than 100% for the final quarter of 2007 as compared to the same quarter last year. This was mainly due to higher revenue, improvement in gross profit margin and lower depreciation charges. In addition, there was a provision for impairment in respect of its China investment of RM21.5 million but partially offset by a gain of RM7.3 million on disposal of 70% equity stake in one of its subsidiary in the last quarter of 2006.

Similarly, the Group's revenue for the year grew by 11.9% over last year's performance. The increase in revenue was mainly contributed by the higher concession sales to government hospitals and private sector sales and revenue from its Indonesian subsidiary.

The Group's profit before taxation for the year also rose by more than 100% compared to last year's performance. The main contributing factors to the growth were higher revenue, improvement in gross profit margin as a result of increase in operational efficiencies and cost reduction in all areas of operations.

22. Prospects for 2008

Based on the year end results, the Board of Directors is pleased to announce that the Group has achieved the main headline Key Performance Indicators ("KPIs") of Return on Equity ("ROE") by registering 15% against its KPI of 14%. However, the Revenue growth KPI of 35% was challenged by the lesser than expected growth in government sales, non materialisation of new hospital equipping projects and distributorship business coupled with adverse foreign currency translation impact from the weakening of Indonesian Rupiah.

22. Prospect for 2008 (cont'd)

The Board of Directors believe that in 2008, the Group will grow the international market despite the competitive market conditions. To support this, the Group will enhance its efforts in implementing aggressive marketing strategies, increase in production capacity to achieve better economies of scales as well as further improvement in product quality, cost containment and operational efficiencies. In view of the above, the Company has set a stretched KPI for revenue growth and ROE of 20% and 18% respectively for 2008.

23. Profit forecast

No commentary is made on any variance between actual profit from forecast profit, as the Group has not provided any profit forecast in a public document in respect of the financial year ended 31 December 2007.

24. Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2007	Preceding year corresponding quarter 31/12/2006	Twelve months to 31/12/2007	Twelve months to 31/12/2006
	RM'000	RM'000	RM'000	RM'000
(a) Basic earnings per share				
Profit attributable to equity holders of the Company	16,069	(3,680)	50,080	12,481
Weighted average number of ordinary shares in issue ('000)	106,963	106,959	106,963	106,959
Basic earnings/(loss) per share	<u>15.02 sen</u>	<u>(3.44) sen</u>	<u>46.82 sen</u>	<u>11.67 sen</u>
(b) Diluted earnings per share				
Adjusted weighted average number of ordinary shares in issue ('000) and issuable	-	106,982	-	106,965
Diluted (loss) / earnings per share	<u>-*</u>	<u>(3.44) sen</u>	<u>-*</u>	<u>11.67 sen</u>

* The diluted earnings per share is not shown as the effect is anti-dilutive.

25. **Voluntary disclosure on Economic Profit (“EP”) Statement**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2007	Preceding year corresponding quarter 31/12/2006	Twelve months to 31/12/2007	Twelve months to 31/12/2006
	RM'000	RM'000	RM'000	RM'000 (As restated)
Economic Profit	10,646	7,173	35,417	8,716

Explanatory notes

The EP statement is as prescribed under the GLC Transformation program, and is disclosed on a voluntary basis. EP is a measure of value created by a business during a single period reflecting how much return a business makes over its cost of capital.

The EP performances for both its current quarter and year recorded growths as compared to their last year corresponding quarter and year. The underlying factor for the increase is in line with the better operational performance registered by the Group.

By Order of the Board

**Kuala Lumpur
27 February 2008**

**WONG LEE LOO (MAICSA 7001219)
NORHANA BINTI OTHMAN (LS0008547)
Joint Secretaries**