

TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)
for the twelve months ended 31 December 2007

	Note	3 months ended 31 December		12 months ended 31 December	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Revenue	8	327,192	302,032	1,258,567	1,267,657
Cost of sales		(269,204)	(240,363)	(1,023,420)	(1,021,997)
Gross profit		57,988	61,669	235,147	245,660
Distribution costs		(20,233)	(27,946)	(100,787)	(106,326)
Administrative and other operating expenses		(25,389)	(30,263)	(105,994)	(110,123)
Other operating income		3,263	4,979	13,256	11,483
Operating profit	8	15,629	8,439	41,622	40,694
Gain on disposal of a subsidiary		-	-	6,204	-
Finance costs		(3,914)	(4,480)	(17,071)	(16,586)
Share of profit/(loss) after tax and minority interest of equity accounted associates		207	(1,161)	(1,020)	(1,571)
Profit before taxation		11,922	2,798	29,735	22,537
Tax expense	18	(1,419)	1,026	(7,927)	(6,604)
Profit for the period/year		10,503	3,824	21,808	15,933
Attributable to:					
Shareholders of the Company		8,601	4,065	17,915	16,312
Minority interest		1,902	(241)	3,893	(379)
Profit for the period/year		10,503	3,824	21,808	15,933
Basic earnings per share attributable to shareholders of the Company (sen)	26	6.93	3.28	14.44	13.14

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to this interim financial report.

TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

At 31 December 2007

	Note	31 December 2007 (Unaudited) RM'000	31 December 2006 (Restated) RM'000
ASSETS			
Property, plant and equipment		185,631	187,707
Prepaid land lease payments	1	14,884	15,135
Investments in associates		31,272	18,294
Other investments		3,511	3,515
Intangible assets		51,367	50,116
Deferred tax assets		68	171
Total non-current assets		286,733	274,938
Receivables, deposits and prepayments		267,920	254,400
Inventories		69,498	95,796
Current tax assets		8,779	7,053
Cash and cash equivalents		50,819	65,569
Total current assets		397,016	422,818
TOTAL ASSETS		683,749	697,756
EQUITY			
Share capital		124,099	124,099
Reserves		53,895	47,743
Total equity attributable to shareholders of the Company		177,994	171,842
Minority interest		44,806	42,595
TOTAL EQUITY		222,800	214,437
LIABILITIES			
Borrowings	22	125,177	119,979
Deferred tax liabilities		8,862	7,605
Deferred liability		4,270	3,906
Total non-current liabilities		138,309	131,490
Payables, accruals and provision		187,059	157,936
Borrowings	22	127,711	186,611
Current tax liabilities		2,360	2,752
Dividend payable		5,510	4,530
Total current liabilities		322,640	351,829
TOTAL LIABILITIES		460,949	483,319
TOTAL EQUITY AND LIABILITIES		683,749	697,756

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to this interim financial report.

TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
for the twelve months ended 31 December 2007

	<----- Attributable to shareholders of the Company ----->					
	<----- Non-distributable ----->		<- Distributable ->		Minority interest RM'000	Total equity RM'000
	Share Capital RM'000	Share premium & other capital reserves RM'000	Retained earnings RM'000	Sub-total RM'000		
At 1 January 2007	124,099	39,952	7,791	171,842	42,595	214,437
Foreign exchange translation differences	-	(953)	-	(953)	476	(477)
Profit for the year	-	-	17,915	17,915	3,893	21,808
Disposal of a subsidiary	-	(9,524)	9,524	-	-	-
Dividends	-	-	(10,946)	(10,946)	(3,556)	(14,502)
Transfer to capital reserves	-	572	(572)	-	-	-
Accretion arising from additional shares issued by a subsidiary	-	-	136	136	1,398	1,534
At 31 December 2007	124,099	30,047	23,848	177,994	44,806	222,800

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to this interim financial report.

TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
for the twelve months ended 31 December 2006

	<----- Attributable to shareholders of the Company ----->				Sub-total RM'000	Minority interest RM'000	Total equity RM'000
	<----- Non-distributable ----->	Share premium & other capital reserves RM'000	<----- Distributable ----->	(Accumulated losses)/ Retained earnings RM'000			
	Share capital RM'000		Revaluation reserve RM'000				
At 1 January 2006	124,099	40,998	881	(554)	165,424	21,339	186,763
Transfer	-	-	(881)	881	-	-	-
	<u>124,099</u>	<u>40,998</u>	<u>-</u>	<u>327</u>	<u>165,424</u>	<u>21,339</u>	<u>186,763</u>
Foreign exchange translation differences	-	(1,716)	-	-	(1,716)	(327)	(2,043)
Effects of adopting FRS 3	-	-	-	3,253	3,253	-	3,253
Profit for the year	-	-	-	16,312	16,312	(379)	15,933
Dividends	-	-	-	(8,997)	(8,997)	(985)	(9,982)
Transfer to capital reserves	-	670	-	(670)	-	-	-
Accretion arising from additional shares issued by a subsidiary	-	-	-	(2,434)	(2,434)	2,434	-
Subscription of shares by minority shareholders	-	-	-	-	-	21,209	21,209
Dilution in share of net assets of a subsidiary	-	-	-	-	-	(696)	(696)
At 31 December 2006	<u>124,099</u>	<u>39,952</u>	<u>-</u>	<u>7,791</u>	<u>171,842</u>	<u>42,595</u>	<u>214,437</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to this interim financial report.

TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)
for the twelve months ended 31 December 2007

	12 months ended 31 December	
	2007	2006
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	29,735	22,537
Adjustments for:		
Non-cash items	26,615	33,914
Operating profit before working capital changes	56,350	56,451
Net change in current assets	(41,551)	(22,438)
Net change in current liabilities	48,037	(1,719)
Cash generated from operations	62,836	32,294
Non-operating items	7,031	4,449
Net cash generated from operating activities	69,867	36,743
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in investing activities	(26,805)	(38,769)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash (used in)/generated from financing activities	(50,175)	4,733
Net (decrease)/increase in cash and cash equivalents	(7,113)	2,707
Effects of exchange differences on cash and cash equivalents	(764)	(106)
Cash and cash equivalents at 1 January	53,534	50,933
Cash and cash equivalents at 31 December	45,657	53,534

TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)
for the twelve months ended 31 December 2007 (Cont'd)

Cash and cash equivalents included in the condensed consolidated cash flow statement comprise the following balance sheet amounts:

	Note	12 months ended 31 December	
		2007 RM'000	2006 RM'000
Short term deposits with licensed banks (excluding deposits pledged)		122	4,854
Cash and bank balances		49,703	59,844
Bank overdrafts	22	<u>(4,168)</u>	<u>(11,164)</u>
		<u>45,657</u>	<u>53,534</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to this interim financial report.

TEXCHEM RESOURCES BHD
PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING
STANDARDS (“FRS”) 134

1. **Basis of preparation**

The interim financial report is unaudited and has been prepared in compliance with FRS 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2006. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2006.

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 December 2006 except for the adoption of revised FRS 117 Leases and FRS 124 Related Party Disclosures issued by MASB that is effective for the Group’s annual reporting date, 31 December 2007.

The adoption of the above standards does not have significant financial impact on the Group except for the following:

(a) FRS 117: Leases

Prior to 1 January 2007, lease of land and buildings held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment loss. The adoption of the revised FRS 117 Leases in 2007 resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Under FRS 117, lease of land and buildings are classified as operating or finance leases in the same way as leases of other assets. The land and building elements of a lease of land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease. The up-front payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and building element of the lease at the inception of the lease. The up-front payment represents prepaid land lease payment and is amortised on a straight-line basis over the remaining lease term.

The Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 January 2007, the unamortised carrying amount of leasehold land is classified as prepaid land lease payments. The reclassification of leasehold land as prepaid land lease payments has been accounted for retrospectively.

There were no effects on the income statements of the Group for the twelve months ended 31 December 2007. Certain comparatives of the balance sheet of the Group as at 31 December 2006 have been restated as set out in Note 1(b).

TEXCHEM RESOURCES BHD
PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING
STANDARDS (“FRS”) 134

1. **Basis of preparation (Cont’d)**

(b) Comparative Figures

The following comparative figures of the Consolidated Balance Sheet as at 31 December 2006 have been restated for the effects of adopting the above changes in accounting policies:

	As restated RM’000	As previously reported RM’000
Prepaid land lease payments	15,135	-
Property, plant and equipment	187,707	202,842

2. **Auditors’ report on preceding annual financial statements**

The auditors’ report on the financial statements for the year ended 31 December 2006 was not qualified.

3. **Seasonality and cyclicity of interim operations**

The Group’s operations were not significantly affected by any unusual seasonal or cyclical factors.

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

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter and twelve months ended 31 December 2007, save for the gain on disposal of a subsidiary company, Texchem Consumers Sdn. Bhd. and recognition of unrealised net profit of inventories amounting to RM6.2 million and RM2.7 million respectively on 31 May 2007.

5. **Changes in estimates**

There were no changes in estimates that have had a material effect during the quarter and twelve months ended 31 December 2007.

TEXCHEM RESOURCES BHD
PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING
STANDARDS (“FRS”) 134

6. **Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities by the Company during the quarter and twelve months ended 31 December 2007 save as disclosed in Notes 21 and 22 of the Additional Information required by Bursa Malaysia Securities Berhad Listing Requirements.

7. **Dividend paid**

During the twelve months ended 31 December 2007, the Company had paid the following dividends:-

- i. the second interim dividend of 5 sen per share less 27% tax, amounting to RM4,529,616 in respect of the financial year ended 31 December 2006 on 17 January 2007; and
- ii. an interim dividend of 6 sen per share less 27% tax, amounting to RM5,435,547 in respect of the financial year ending 31 December 2007 on 29 August 2007.

8. **Segmental information**

Segment information is presented in respect of the Group’s business segments, which is based on the Company’s management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

Segment revenue	3 months ended 31 December		12 months ended 31 December	
	2007	2006	2007	2006
	RM’000	RM’000	RM’000	RM’000
Industrial	168,389	127,348	598,330	568,750
Packaging	62,064	58,622	227,866	249,921
Family Care	28,630	58,002	156,909	226,793
Food	76,378	64,821	302,926	261,112
	<u>335,461</u>	<u>308,793</u>	<u>1,286,031</u>	<u>1,306,576</u>
Eliminations	(8,269)	(6,761)	(27,464)	(38,919)
Group revenue	<u>327,192</u>	<u>302,032</u>	<u>1,258,567</u>	<u>1,267,657</u>

TEXCHEM RESOURCES BHD
PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING
STANDARDS (“FRS”) 134

8. **Segmental information (Cont’d)**

Segment results	3 months ended 31 December		12 months ended 31 December	
	2007 RM’000	2006 RM’000	2007 RM’000	2006 RM’000
Industrial	5,538	3,270	15,974	14,028
Packaging	5,784	3,504	14,763	22,154
Family Care	3,468	4,264	12,156	12,185
Food	2,003	(2,214)	3,730	(3,622)
Investment Holding	(1,164)	(385)	(5,001)	(4,051)
Operating profit	15,629	8,439	41,622	40,694

9. **Carrying amount of revalued assets**

The valuations of property, plant and equipment have been brought forward without amendments from the financial statements for the year ended 31 December 2006.

10. **Events subsequent to the balance sheet date**

There were no material events which occurred subsequent to the balance sheet date until the date of this announcement save as disclosed in Note 21 of the Additional Information required by Bursa Malaysia Securities Berhad Listing Requirements.

11. **Changes in composition of the Group for the twelve months ended 31 December 2007**

Save as disclosed in Note 21 of the Additional Information required by Bursa Malaysia Securities Berhad Listing Requirements, since the last quarter, there were no other changes in the composition of the Group.

TEXCHEM RESOURCES BHD
PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING
STANDARDS (“FRS”) 134

12. **Changes in contingent liabilities**

As at 31 December 2007, the Company has issued corporate guarantees amounting to RM262.8 million (31.12.06 : RM335.6 million) as security for banking facilities granted to its subsidiaries of which RM68.6 million were utilized as at 31 December 2007 (31.12.06 : RM116.5 million).

The subsidiaries have issued corporate guarantees to certain suppliers for an amount of RM7.8 million (31.12.06: RM6.1 million).

13. **Commitments**

	31 December 2007 RM'000	31 December 2006 RM'000
Investment		
Contracted but not provided for in the financial statements	-	3,539
Property, plant and equipment		
Approved but not contracted for	676	5,840
Contracted but not provided for in the financial statements	5,441	4,033
	<u>6,117</u>	<u>9,873</u>

TEXCHEM RESOURCES BHD
PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

14. **Review of performance for the Current Quarter and Year-to-date**

On the quarter-on-quarter basis, the Group's revenue was RM327.2 million as compared to RM302.0 million reported in the previous year's corresponding quarter. Revenue increased by 8.3% mainly due to the higher sales volume achieved by all the divisions except for the reduction in Family Care Division due to the disposal of a subsidiary, Texchem Consumers Sdn Bhd ("TCSB"). The pre-tax profit for the current quarter increased by RM9.1 million which was attributed to improvements in the operational performance of Industrial, Packaging and Food Divisions despite the disposal of TCSB.

For the twelve months ended 31 December 2007, the Group recorded revenue of RM1,258.6 million and pre-tax profit of RM29.7 million against the revenue of RM1,267.7 million and pre-tax profit of RM22.5 million recorded for the same period last year. The lower revenue of RM9.1 million was due to the disposal of TCSB and lower revenue recorded by Packaging Division despite higher revenue achieved by Industrial and Food Divisions.

Included in the pre-tax profit of RM29.7 million for the twelve months ended 31 December 2007 was an exceptional gain of RM6.2 million arising from the disposal of TCSB. Excluding the exceptional gain, the current year-to-date pre-tax profit was slightly higher mainly due to higher profit achieved by Industrial Division, the improvement in performance by Food Division which offset the lower profits of Packaging and Family Care Divisions.

15. **Variation of results against preceding quarter**

The comparison of the Group revenue and profit before taxation for the current and preceding quarters are as follows:

	<-----2007----->			
	Quarter 4	Quarter 3	Variance	
	RM'000	RM'000	RM'000	%
Revenue	327,192	320,222	6,970	2.2
Profit before taxation	11,922	6,692	5,230	78.2

The revenue increased by 2.2% mainly due to the higher sales recorded by Industrial and Packaging Divisions as compared to the lower revenues of Family Care and Food Divisions. The higher pre-tax profit was mainly due to the higher sales volume of Industrial and Packaging Divisions and improvements in operational efficiency in Family Care and Food Divisions.

TEXCHEM RESOURCES BHD
PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

16. Prospects for 2008

Barring unforeseen circumstances, the Group's operating performance for the year 2008 is expected to remain positive. However, the Board is also mindful of a potential slowdown in the global economy in the current year.

17. Profit forecast

Not applicable as no profit forecast was published.

18. Tax expense

	3 months ended 31 December		12 months ended 31 December	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- current period/year	1,756	338	5,507	6,183
- prior period/year	(634)	(1,388)	(286)	(1,039)
Overseas				
- current period/year	479	374	1,350	1,055
- prior period/year	(82)	-	-	-
	1,519	(676)	6,571	6,199
Deferred tax expense	(100)	(350)	1,356	405
	1,419	(1,026)	7,927	6,604

The effective tax rates for the current and comparative quarters were lower than the statutory tax rate principally due to the reversal of excess provisions which is not taxable.

19. Unquoted investments and properties

There were no disposals of unquoted investments and properties since the last quarter, save as disclosed in Note 21 of the Additional Information required by Bursa Malaysia Securities Berhad Listing Requirements.

20. Quoted investments

There were no purchases and disposals of quoted securities during the quarter under review.

TEXCHEM RESOURCES BHD
PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

21. Status of corporate proposals announced

Status of Corporate Proposals

A. Proposed Issuance of Private Debt Securities of up to RM100 million

1. On 11 October 2004, Texchem Resources Bhd. (“TRB”) had announced that it proposes to undertake an issuance of private debt securities of up to RM100 million (“Proposed PDS Programme”) comprising RM60 million of Commercial Papers and up to RM100 million of Medium Term Notes. The proceeds from the issuance of the Proposed PDS Programme will be utilised to refinance existing bank borrowings, finance acquisition of assets to be identified and for working capital.
2. On 13 May 2005, TRB had completed the issuance of Commercial Papers of RM60 million under the Proposed PDS Programme.
3. On 16 October 2006, TRB had announced that an application to the Securities Commission (“SC”) has been submitted on 16 October 2006 for the approval to change the Commercial Papers’ sub-limit from RM60 million to RM100 million.
4. On 13 November 2006, TRB had announced that TRB had on 13 November 2006 received the approval of the SC vide its letter dated 10 November 2006 for the proposed change of Commercial Papers’ sub-limit from RM60 million to RM100 million.
5. On 18 January 2007, TRB had announced that TRB had on 18 January 2007, entered into the following agreements:-
 - i. Supplemental Commercial Papers and/or Medium Term Notes Programme Agreement executed amongst
 - a. TRB (as Issuer),
 - b. RHB Investment Bank Bhd [formerly known as RHB Sakura Merchant Bankers Bhd] (as Lead Arranger, Facility Agent, Issue Agent, Paying Agent and Underwriter), and
 - c. CIMB Bank Berhad (formerly known as Bumiputra-Commerce Bank Berhad), EON Bank Berhad, OCBC Bank (Malaysia) Berhad and Maybank Berhad (all as Underwriters); and
 - ii. Supplemental Trust Deed executed between TRB (as Issuer) and Malaysian Trustees Berhad (as Trustee and Security Trustee).

TEXCHEM RESOURCES BHD
PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

21. **Status of corporate proposals announced (Cont'd)**

6. On 3 April 2007, TRB had announced that TRB had on 3 April 2007 made an additional issuance of Commercial Papers of RM10 million under the Proposed Commercial Papers and/or Medium Term Notes Programme.
7. To date, the Commercial Papers and/or Medium Term Notes of up to RM30 million to be issued under the PDS Programme has not been issued and is still pending.

B. Member's Voluntary Winding-up of Zenith Enterprises Sdn Berhad, a wholly-owned subsidiary of Fumakilla Malaysia Berhad which in turn is a subsidiary of Texchem Resources Bhd. ("TRB")

TRB had on 8 August 2006 announced that Zenith Enterprises Sdn Berhad ("Zenith"), a wholly-owned subsidiary of Fumakilla Malaysia Berhad which in turn is a subsidiary of TRB had on 8 August 2006 commenced voluntary winding-up proceedings in accordance with Section 254 of the Companies Act, 1965. The voluntary winding-up proceedings have not been completed to date.

C. Proposed Acquisition of 310 shares of USD5,000 each in PT. Technopia Jakarta

On 22 February 2008, TRB had announced the proposed acquisition of 310 shares of USD5,000 each in PT. Technopia Jakarta ("PTTJ") representing approximately 21% of the issued and paid-up share capital of PTTJ by TRB from Texchem Corporation Sdn. Bhd. at a purchase consideration of RM5,903,588.00.

Appropriate announcements will be made in due course.

TEXCHEM RESOURCES BHD
PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

22. **Borrowings**

	31 December 2007 RM'000	31 December 2006 RM'000
Current:		
Unsecured		
Bank overdrafts	4,168	11,164
Bankers' acceptances	63,464	109,909
Revolving credit	45,240	48,433
Term loans	13,585	14,907
Promissory notes	-	792
Finance lease liabilities	1,254	1,406
Total	127,711	186,611
Non-current:		
Unsecured		
Commercial papers *	70,000	60,000
Term loans	18,553	22,626
Collateralised loan obligations	35,000	35,000
Promissory notes	-	387
Finance lease liabilities	1,624	1,966
Total	125,177	119,979

* The Commercial papers were issued under a 7-year underwriting programme and the amount will be fully redeemed upon maturity.

Borrowings denominated in foreign currencies are as follows:

	31 December 2007 RM'000	31 December 2006 RM'000
Current:		
Unsecured		
Thai Baht	3,073	4,350
Singapore Dollar	1,071	96
United States Dollar	3,838	5,371
Vietnamese Dong	678	635
	8,660	10,452
Non-current:		
Unsecured		
Thai Baht	6,487	1,074
Singapore Dollar	3,806	16
United States Dollar	963	2,892
	11,256	3,982

TEXCHEM RESOURCES BHD
PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

23. **Off balance sheet financial instruments**

There was no off balance sheet financial instrument not recognised in the balance sheet as at 31 December 2007.

24. **Changes in material litigation**

There is no material litigation by the Company or its subsidiaries.

25. **Dividend**

A second interim dividend of 6 sen less 26% tax in respect of the financial year ended 31 December 2007 (2006: 5 sen per share less 27% tax) has been declared on 17 December 2007 and was paid on 10 January 2008. The entitlement date was on 3 January 2008.

26. **Basic earnings per share**

Basic earnings per share of the Group is calculated by dividing the profit for the period/year attributable to the shareholders of the Company by the weighted average number of ordinary shares outstanding.

	3 months ended 31 December		12 months ended 31 December	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Profit for the period/year attributable to shareholders of the Company	8,601	4,065	17,915	16,312
Weighted average number of ordinary shares in issue	124,099	124,099	124,099	124,099
Basic earnings per share (sen)	6.93	3.28	14.44	13.14

BY ORDER OF THE BOARD

JONY RAW
CHIEF FINANCIAL OFFICER
Date: 22 February 2008