



Engineering Infrastructure Solutions
for a **Better Quality of Life**



PROTASCO BERHAD

KUALA LUMPUR OFFICE

87, Jalan Kampung Pandan, 55100 Kuala Lumpur, Malaysia.
Tel : 603 9286 4050 Fax : 603 9284 8118

KAJANG OFFICE

Taman Ilmu Ikram (Ikram Park), Jalan Serdang-Kajang
43000 Kajang, Selangor Darul Ehsan Malaysia.
Tel : 603 8738 3388 Fax : 603 8926 4008

www.protasco.com.my

vision

Engineering Infrastructure Solutions
 for a Better Quality of Life

core values

- ▶ Integrity and Reliability
- ▶ Innovative and Creative
- ▶ Excellent Customer Service
- ▶ Socially Responsible
- ▶ Human Development

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meeting the challenge



Corporate information

BOARD OF DIRECTORS

Dato' Hasnur Rabiain Bin Ismail
Executive Chairman

Dato' Chong Ket Pen
Managing Director

Dato' Dr Norraesah Binti Hj Mohamad
Independent Non-Executive Director

Datin Normah Binti Kassim
Independent Non-Executive Director

Datin Azliza Binti Ahmad Tajuddin
Independent Non-Executive Director

Benny Soh Seow Leng
Independent Non-Executive Director

COMPANY SECRETARIES

Khor Hooi Ling (MAICSA 7014879)
Seow Fei San (MAICSA 7009732)

REGISTERED OFFICE

312, 3rd Floor, Block C
Kelana Square
17, Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : 603 7803 1126
Fax : 603 7806 1387

PRINCIPAL OFFICES

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87, Jalan Kampung Pandan
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Malaysia
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Fax : 603 8926 4008

Web : www.protasco.com.my
Email : ccd@protasco.com.my

REGISTRAR

Symphony Share Registrar Sdn Bhd
Level 26, Menara Multi-Purpose
Capital Square
8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Malaysia
Tel : 603 2721 2222
Fax : 603 2721 2530

PRINCIPAL BANKERS

RHB Bank Berhad
EON Bank Berhad
Bank Islam Malaysia Berhad
Malayan Banking Berhad

AUDITORS

Horwath
Chartered Accountants
Level 16, Tower C
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Malaysia

STOCK EXCHANGE LISTING

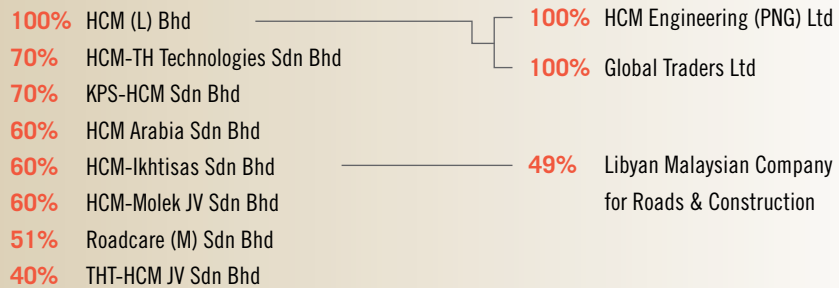
Main Board
Bursa Malaysia Securities Berhad

Listed Since : 8 August 2003
Stock Name : Prtasco
Stock Code : 5070

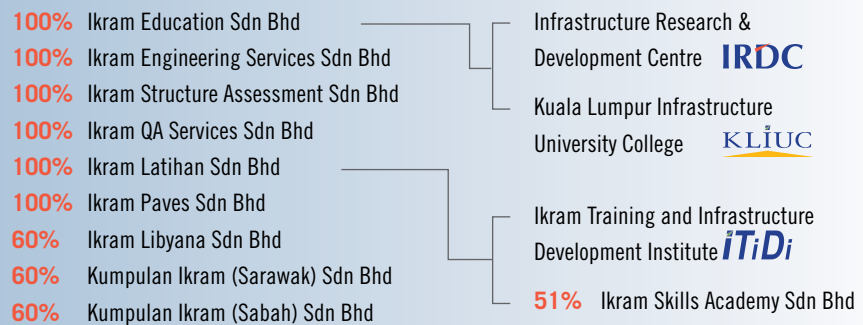
Corporate structure

PROTASCO BERHAD

100% HCM ENGINEERING SDN BHD



100% KUMPULAN IKRAM SDN BHD



100% PROTASCO TRADING SDN BHD



100% PROTASCO INFRA SDN BHD



100% PROTASCO LAND SDN BHD



* This structure depicts main operating subsidiaries only

Core business divisions

ROAD CONSTRUCTION AND MAINTENANCE

Road related activities involve road construction, rehabilitation, upgrading, operations and maintenance. More than USD600 million worth of project works have been completed since 1993. In addition, we have maintained more than 10,000km of roads in Malaysia.



ENGINEERING SERVICES AND CONSULTANCY

The Group provides engineering and consultancy services ranging from site investigations to laboratory testing, slope studies, pavement evaluation and data collection, traffic studies, geotechnical and structural forensic engineering services, design works, materials certification, product listing, research and development, quality control and assurance.



TRADING OF CONSTRUCTION RELATED MATERIALS

Our trading arm market products such as bitumen, petroleum products, building materials, bridge joints and MAXON paving machine. We also market our own R&D products ie. Q-Mix and QS3E emulsion.



BUILDINGS AND SPECIALISED CONSTRUCTION

Building and specialised construction activities include bridge and building construction as well as project management. The Group's personnel has managed more than 1,000 building projects worth not less than USD1 billion.



EDUCATION & TRAINING

Kuala Lumpur Infrastructure University College (KLIUC) sits on a 100-acre green campus and offers a range of foundation, diploma, degree and post-graduate courses in Engineering & Technology, Architecture & Quantity Surveying, Business, IT and Communication & Language Studies.

Ikram Training and Infrastructure Development Institute (ITIDI) has since 1997, trained more than 65,000 participants, including those from Africa, Asia and South East Asia. ITIDI programmes covers a wide range of technical, professional and management courses.

Group financial highlights

2008 KEY FIGURES

RM **629**
MILLION
TURNOVER

RM **29**
MILLION
PROFIT AFTER TAX &
MINORITY INTERESTS

10
SEN
EARNINGS
PER SHARE

8
SEN
TOTAL DIVIDENDS
PER SHARE

RM **1.1**
NET TANGIBLE
ASSETS
PER SHARE

YEAR ENDED 31 DECEMBER

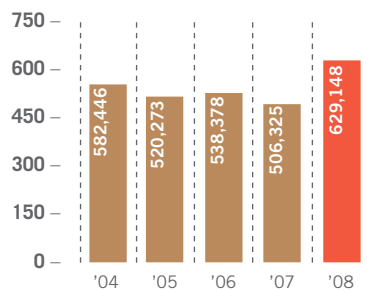
	2004	2005	2006	2007	2008
Turnover (RM'000)	582,446	520,273	538,378	506,325	629,148
Profit After Taxation and Minority Interests (PATAMI) (RM'000)	45,996	41,132	26,543 [@]	33,701	28,816
Earnings Per Share (sen)	15.33	13.73	8.87 [@]	11.29	9.71
Total Dividends Per Share (sen)	8.75	8.75	9.65	10.89	8.05 [*]
Net Tangible Assets Per Share (RM)	1.00	1.03	1.05	1.08	1.11

Remarks:

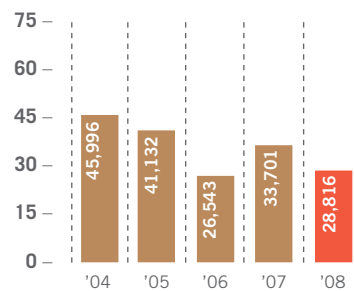
[@] Earnings are lower due to the adoption of FRS 3 (Business Combination), which has resulted in the Group ceasing the amortisation of Reserve on Consolidation of RM12.524 million per annum.

^{*} Including a final dividend in respect of the financial year ended 31 December 2008 of 4 sen net per ordinary share which will be proposed for the shareholders' approval at the forthcoming Annual General Meeting.

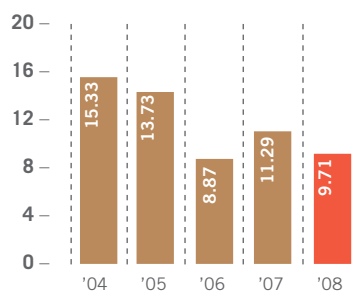
TURNOVER
(RM'000)



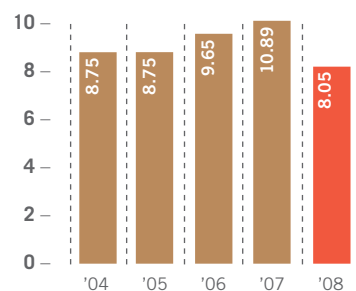
**PROFIT AFTER TAXATION AND
MINORITY INTERESTS (RM'000)**



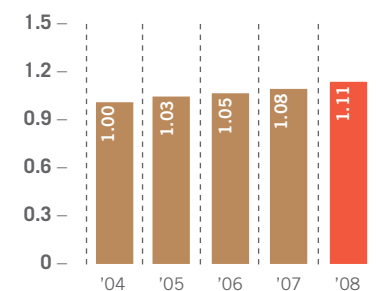
**EARNINGS
PER SHARE (sen)**



**TOTAL DIVIDENDS
PER SHARE (sen)**



**NET TANGIBLE ASSETS
PER SHARE (RM)**



Directors' profile

DATO' HASNUR RABIAIN BIN ISMAIL

Executive Chairman, Malaysian, Age 52

Dato' Hasnur Rabiain Bin Ismail is the Executive Chairman of Protasco Berhad. He was appointed as a board member on 15 May 2001.

He obtained his BSc (Hons) degree in 1980 and his MPhil (Civil Engineering) in 1990 from United Kingdom's Middlesex Polytechnic and the University of Birmingham respectively. The co-founder of Protasco Group has been a member of the Malaysian Institute of Engineers for almost 17 years. Since 1994, he has been a Professional Engineer registered with the Board of Engineers, Malaysia.

Starting his career as Road Design Engineer at Jabatan Kerja Raya (JKR) Ipoh in 1980, he was then promoted to Project and Road Engineer with JKR Kuala Kangsar a year later. From 1983 to 1984 he underwent an on-the-job training programme with Samsung Construction, in Korea.

Subsequently Dato' Hasnur served as Senior Materials Engineer at the Design and Research Branch of JKR Headquarters. In 1988 he assumed the position of Senior Engineer, Pavement Unit of the then JKR's Institut Kerja Raya (IKRAM). In 1991, he joined forces with Dato' Chong Ket Pen, laying the foundation for the formation of Protasco Group.

He was appointed as a member of the Muslim Welfare Organisation Malaysia (PERKIM)'s Council of Thinkers for two years from March 2007 to March 2009.

In March 2009, Dato' Ir Hasnur was appointed as a member of the World Road Association (PIARC)'s Commission on Technological Exchanges and Development (TED Commission) for the period 2009 – 2012.

DATO' CHONG KET PEN

Managing Director, Malaysian, Age 54

Dato' Chong Ket Pen is the Managing Director of Protasco Berhad. A co-founder of Protasco Group, he was appointed as a board member on 15 May 2001. Following a BEng (Hons) degree from the University of Malaya in 1979, he obtained his MPhil (Civil Engineering) degree from the University of Birmingham, United Kingdom in 1990.

In 1984 he joined the Institute of Engineers Malaysia as a member and became a registered Professional Engineer with the Board of Engineers Malaysia in the following year. He has been a member of the Institution of Civil Engineers, United Kingdom since 1985. In 1987 he registered as a Chartered Engineer with the United Kingdom's Engineering Council.

His career began in 1979 with his appointment as Road Design Engineer cum Assistant Project Engineer at JKR Kelantan. Promoted to the position of Project Engineer in 1982, he later became Senior Engineer at the Design and Research Branch of the JKR Headquarters. He was assigned as Senior Pavement Research Engineer at Institut Kerja Raya Malaysia (IKRAM) in 1988, and subsequently as Senior Engineer, Pavement Evaluation and Research. In 1991, he joined forces with Dato' Hasnur Rabiain Ismail, and founded Protasco Group.

DATIN NORMAH BINTI KASSIM

Independent Non-Executive Director, Malaysian, Age 52

Datin Normah Binti Kassim was appointed as a Director of Protasco Berhad on 29 April 2002. She is also the Chairperson of the Audit Committee and a member of the Nomination Committee and Remuneration Committee of the Board. She is an Associate Member of the Institute of Chartered Secretaries and Administrators, United Kingdom as well as the Malaysian Association of the Institute of Chartered Secretaries and Administrators.

In 1978 she began her career as the Company Secretary cum Head, Secretarial Services for Malaysia Building Society Berhad. For 10 years, until 2000, she held the position as Group Company Secretary and Head, Secretarial and Legal for HICOM Holdings Berhad and subsequently DRB-HICOM Berhad and its group of companies.

Directors' profile

DATO' DR NORRAESAH BINTI HAJI MOHAMAD

Independent Non-Executive Director, Malaysian, Age 61

Dato' Dr Norraesah Binti Haji Mohamad has been an Independent Non-Executive Director of Protasco Berhad since 18 January 2005. Besides having more than 37 years of experience in banking, consultancy, international trade and commerce, she has a PhD in Economics Science (International Economics and Finance) from University of Paris-Pantheon Sorbonne, France.

Prior to her participation in the private sector, she served the Malaysian Government between 1972 and 1988, namely the Ministry of International Trade & Industry and Ministry of Finance. She held the position of Communication Manager at ESSO Production Malaysia, Inc in 1988, and in 1990 became the Managing Director of a consultant firm involved in financial advisory. She was the Chief Representative of Credit Lyonnais Bank in Malaysia from 1991 to 1998. In 2000, she was appointed as the Chairman of Bank Rakyat, up to 2003.

Apart from Protasco Berhad, Dato' Dr Norraesah also assumes directorship at SBC Corporation Bhd, KESM Industries Bhd, Ya Horng Electronics (M) Bhd, Adventa Bhd and some local private limited companies. At present, she is the Executive Chairman of MY EG Services Bhd and the Chairman of Penang Bridge Sdn Bhd.

DATIN AZLIZA BINTI AHMAD TAJUDDIN

Independent Non-Executive Director, Malaysian, Age 42

Datin Azliza Binti Ahmad Tajuddin has been a Director of Protasco Berhad since 1 May 2003. Apart from being the Chairperson of the Remuneration Committee, she is also a member of the Audit Committee and Nomination Committee of the Board.

She graduated from Australian National University with a Degree in Commerce (Accounting), and began her career in 1990 at Coopers & Lybrand as an auditor. Until 2004, she held various positions in companies such as Amanah Merchant Bank Berhad, Padiberas Nasional Berhad, Sistem Televisyen Malaysia Berhad (TV3) and Simpletech Sdn Bhd. She became Chief Executive Officer of Blu Inc Group of Companies, a magazine publishing company in January 2005.

BENNY SOH SEOW LENG

Independent Non-Executive Director, Malaysian, Age 38

Benny Soh Seow Leng was appointed a Director of Protasco Berhad on 29 April 2002. He serves as the Chairman of the Nomination Committee and sits on the Audit Committee and also Remuneration Committee of the Board. He is an Advocate and Solicitor by profession, hence also a Member of the Malaysian Bar. He is a partner of a firm known as Messrs Manjit Singh Sachdev, Mohammad Radzi & Partners, which specialises in corporate, litigation, banking and consultancy work.

Apart from that, he is also a registered Trade Marks Agent and his range of clients include banking and financial institutions, developers, building and construction companies, private and public companies and associations from Malaysia and other Asia Pacific countries.

NOTES:

- (i) None of the Directors has any family relationship with each other and with any substantial shareholders of the Company.
- (ii) None of the Directors has any conviction for offences, other than traffic offences, within the past 10 years.
- (iii) Other than the related party transactions disclosed in Note 46 of the Financial Statements and the Circular to Shareholders dated 1 June 2009, none of the Directors has conflict of interest with the Company.
- (iv) Except for Dato' Dr Norraesah Binti Haji Mohamad who had attended three (3) out of five (5) meetings and Datin Normah Binti Kasim who had attended four (4) out of five (5) meetings, the other Directors had attended all the Board Meetings held during the financial year ended 31 December 2008.
- (v) With the exception of Dato' Dr Norraesah binti Haji Mohamad, none of the Directors holds any directorship in other public companies.
- (vi) The Directors' holdings in shares of the Company are disclosed in the Analysis of Shareholdings section of the Annual Report. The Directors do not hold any shares in the subsidiaries of the Company.

EXECUTIVE CHAIRMAN'S STATEMENT



DEAR *SHAREHOLDERS*

Dato' Hasnur Rabiain Ismail
Executive Chairman

THE ECONOMY

A severe global recession has set in, the worst since the 1930s. Global stock market capitalisation plummeted by 45% to USD29 trillion in 2008 from USD53 trillion at the end of 2007. This huge wealth destruction is equivalent to 44% of the world's GDP. The World Bank predicts that the world economy will shrink by up to 2% this year. And the IMF estimates that bank losses from toxic US-originated assets may reach USD2.7 trillion, making necessary further write-downs.

Executive chairman's statement



“ For 2009, the Malaysian economy is expected to experience the full impact of the global downturn with consumers tightening their belts, contracting private investment, falling exports and softening commodity prices including that of crude oil and palm oil. ”

Amidst the international financial turmoil and sharp deterioration in global economic environment, the Malaysian economy registered a growth of 4.6% in 2008 supported in particular by sustained private consumption and strong public spending. For the construction sector, it recorded a slower growth of 2.1% driven primarily by the robust civil engineering and non-residential sub-sectors.

For 2009, the Malaysian economy is expected to experience the full impact of the global downturn with consumers tightening their belts, contracting private investment, falling exports and softening commodity prices including that of crude oil and palm oil. However with appropriate policy measures supporting the Malaysian economy, it is projected by Bank Negara Malaysia to perform between -1% to 1% in 2009. Compared to 2008, the construction sector is expected to record a stronger growth of 3%, benefiting from the implementation of projects under the two economic stimulus packages totalling RM67 billion, or about 10% of the GDP.

FINANCIAL PERFORMANCE

Protasco Group's net profit attributable to equity holders of the Company decreased by 14.5% to RM28.8 million from RM33.7 million posted in the previous year on the back of a turnover during the year of RM629.1 million.

REVIEW OF OPERATIONS

Protasco Group is principally engaged in construction, engineering services and consultancy, education, training and trading. Construction encompasses road construction, upgrading, rehabilitation and maintenance and building construction. Engineering services and consultancy include site investigation, slope studies, pavement evaluation and data collection, traffic studies, geotechnical and structural forensic engineering services and research.

During the year, our two (2) long-term concessions to maintain roads for the Federal Government, a long-term contract to maintain State roads and a long-term engineering services concession continued to provide steady recurring income and cash flows. The three long-term 15-year concessions and the 7-year contract with a total remaining value of about RM1.9 billion in outstanding billings are:

- Federal road maintenance concession of about 6,200km ending February 2016 in Kelantan, Terengganu, Pahang and Selangor. It covers routine and periodic maintenance as well as emergency works.

Executive chairman's statement



Jalan Sungai Kantan, Kajang - among the rural roads maintained under the Selangor state roads contract.



Road rehabilitation works in Libya.



Construction of teachers' training college in Penang.

- Federal road maintenance concession of about 420km ending September 2018 in Sibul, Bintulu and Mukah divisions, Sarawak. It also covers routine and periodic maintenance as well as emergency works.
- State road maintenance contract of about 3,500km ending September 2015 in Selangor. Maintenance works include routine, periodic and emergency works.
- A RM348.3 million fee-based engineering services concession from the Federal Government ending December 2011. The range of services provided includes geotechnical, structural and material testing, site investigation and soil testing, pavement evaluation, materials certification, product listing, training and research & development activities.

Recently, the Group has also received a Letter of Intent from the Terengganu state government to participate in its state road maintenance programme.

Besides the concessions and long-term contract, the Group is currently undertaking local and overseas projects. These projects include :

	Amount RM (million)
• Design, construction, rehabilitation and upgrading of Jalan Alor Setar – Durian Burong road in Kedah.	246.2
• Tripoli – Gharian road maintenance works in Libya	113.2
• Tarhuna Ben Waled road maintenance works in Libya	78.0
• Construction of a teachers' training college in Penang – Phase 1 & 2	48.5
• Slope works at Bukit Antarabangsa, Selangor	10.3

Executive chairman's statement



“ During the year, our two (2) long-term concessions to maintain roads for the Federal Government, a long-term contract to maintain State roads and a long-term engineering services concession continued to provide steady recurring income and cash flows. ”

In addition, the Group has undertaken forensic slope investigations, collection of roads data, hosted technical visits from overseas and conducted international capacity and numerous training programs.

It is also involved in property development with the construction of a 20-storey 160 units condominium block at Ikram Park, Kajang. Most of the units have been sold and the construction is scheduled to be completed by end 2009.

DIVIDENDS

For the financial year ended 31 December 2008, the Company had paid an interim dividend of 8.108% less 26% taxation or a net dividend of approximately 3 sen per share on 17 January 2009. Subject to shareholders' approval at the forthcoming Annual General Meeting, the Directors are recommending a final dividend of 4 sen net per ordinary share. Thus, total dividend for the year under review would then be 8.05 sen per share.

OUTLOOK

Though the Malaysian economy in 2009 will be highly challenging amid slowing global economic activities, the construction sector is projected to expand by 3% due largely to the economic stimulus measures undertaken by the Government. Thus, the Group maintains a positive outlook that its performance in 2009 should be at least as favourable as in the previous year.

APPRECIATION

Once again, we would like to express our sincere appreciation to our clients, bankers, shareholders, board members, management, people and business associates for their support throughout 2008.

We also wish to, in particular, say thank you to the various authorities for their invaluable guidance and advice in the conduct of our business activities.

Thank you.

Dato' Ir Hasnur Rabiain Ismail
Executive Chairman

Statement on corporate social responsibility

Protasco Berhad is fully committed to ensuring the interests of its clients, employees, shareholders and society, through practical practices of Corporate Social Responsibility (CSR). We therefore address and monitor all aspects of CSR that are relevant to our business which include concern for employee welfare, care for the environment and community involvement. Protasco believes in the principles of Sustainable Development and is always keen on basing its decisions on the social consequences of its activities.

OUR EMPLOYEES

We believe that as a Group, our main assets are the talents and skills of the people we employ. The Group aims to attract, retain and motivate the highest caliber of employees and encourages their contribution and development. An environment that fosters innovation and collaboration is critical to the Company's success. Appropriate career paths and internal recognition programmes are developed for both technical and non-technical staff. Employees are provided with numerous learning and development opportunities to fulfill their potential. These development opportunities are structured to align with our organisational objectives and to help employees in furthering their career aspirations.

Besides that the Group also conducts motivational activities such as the Core Values Campaign to encourage the employees to live by the good values of the Company in order to reach the same goals. Via the Campaign, motivational talks by reputable speakers as well as other activities were conducted to boost team spirit and increase overall work quality.

The Campaign was also used as a vehicle to conduct welfare activities as opportunities for the employees to do charitable deeds and extend a helping hand to the disadvantaged within both the Company and the community.

Under the HCM Group's umbrella, the Company has also included another staff initiative called the Knowledge Management (KM) Journey. The initiative's main vision is to turn HCM Group into a Knowledge Based Organisation by the year 2011. This is to be achieved by developing knowledge workers through k-sharing habits.

THE COMMUNITY

At every opportunity, we seek to integrate any pivotal role we can play for the betterment of the society at large.

1. Spreading the wings of knowledge

- With our expertise in infrastructure, we have pledged a strong commitment towards providing education to the community via the establishment of Kuala Lumpur Infrastructure University College (KLIUC). Knowledge is vital to the progress of the Nation. Excellent students are rewarded with rebates on their following semester's tuition fees.
- On the corporate level, knowledge sharing has always been practised as part of the Group's work culture. Sharing sessions, public lectures as well as skills lectures such as language classes are conducted on a regular basis for the employees.
- Student activities conducted under KLIUC were also used as vehicles by the Group to collect charitable funds to help the disadvantaged. The most recent charitable activity was one conducted by the International Students Association of KLIUC called the International Cultural Night whereby proceeds from the selling of tickets for the show were channeled to the NSTP Fund for Gaza, with additional contribution collected from the management of the Group as well as the employees. The total fund collected and presented to the NSTP Fund was RM20,000.

Statement on corporate social responsibility

2. Compassion and humanity

- The Group has implemented in some parts of the organisation, a ringgit to ringgit contribution by the Company to its Sports and Welfare Club subscription fee. This allows for better club initiatives and encourages higher membership. The Sports Club undertakes sporting, recreational and charitable activities targeted towards staff.
- Contributions are also extended to the less fortunate during festive seasons.
- Protasco Berhad has also from time to time involved in activities conducted by charitable organisations. A recent activity was one held at Montfort Youth Centre, Melaka. From the activity which involved the staff as well, the Group managed to collect a total of RM40,000 for the Centre. Following that, having established a close relationship with the Centre, the Group continued its CSR mission and taken in two of the Centre's residents as employees of Kumpulan Ikram.

3. Safety and convenience

- The Company has always put road users' safety and convenience as our priority hence we have built and maintained rest areas as well as rural roads out of our own goodwill for the users at various venues.
- In terms of safety for the employees of Protasco Berhad, the Group employs security guards to increase safety for them within the compound of the working area. The security guards hired to safeguard the Kampung Pandan shoplots, for example, will also accompany the employees to their cars should they work till late evening.

THE ENVIRONMENT

Commitment towards the environment has been weaved into the Protasco Group's business practices even from the beginning of our establishment. This is apparent from the very nature of our business as an engineering solutions provider, particularly in road construction and geotechnical services.

- In road construction, we maintained an environmentally sustainable practice by utilising the Hot-In-Place-Recycling Technology (HIPR) and the Cold-In-Place-Recycling Technology (CIPR) in road construction and maintenance work.
- Our geotechnical services in soil testing and slope management has to a certain extent, fused in equilibrium between progress and the environment. We have been entrusted to undertake the ongoing National Slope Masterplan Studies for the Public Works Department (JKR) of Malaysia. It will suggest policies, systems and strategies to minimise the incidences of landslides and loss from these phenomenon.

Good environmental practise and the impact that our operations have on the environment are of great importance to Protasco Berhad. Provision of these services is our way of contributing to the environment, by ensuring respect for the earth, as the Nation progresses. Where possible, business units monitor energy consumption and all business units continue to take positive steps to reduce energy consumption, such as better space utilisation and more efficient running of equipment and machinery.

Calendar of events



June 2008

CORPORATE SOCIAL RESPONSIBILITY (CSR) MISSION

Protasco Berhad successfully collected a total of RM40,000 in a charity programme held at Montfort Youth Centre, Melaka. Following the activity, the Company had taken another step forward with its CSR mission. This time, having built a good relationship with the Centre, the Company took in two trainees from the Centre to work in Kumpulan Ikram. The selection was based on their skills and knowledge.

July 2008

THE KUMPULAN IKRAM CORE VALUES CAMPAIGN LAUNCHED



The Core Values Campaign (CVC) was launched in July 2008. The campaign was designed to instill and bring awareness to the staff the elements of the Company's core values. The 2008 campaign successfully imparted various knowledge and information to the staff, where for 12 weeks, a series of talks and activities had been carried out. With the success of the initiative in 2008, the Company had continued the campaign into 2009 where monthly activities such as talks, quizzes and 'gotong-royong' were organised throughout the year.

August 2008

KLIUC 6TH CONVOCATION



A total of 300 graduates received their scroll during KLIUC's 6th convocation that was held on 23rd August 2008. Every year KLIUC rewards their top achievers with RM5,000 and RM3,000 for degree and diploma programmes respectively. In addition, students receive substantial fee waivers of up to 60 percent if they meet the academic criteria.

October 2008

7TH INTERNATIONAL SYMPOSIUM AND EXHIBITION ON GEOINFORMATION (ISG 2008)



The International Symposium and Exhibition on Geoinformation (ISG) is a premier educational event for professionals involved in geoinformation technologies. The ISG was held on 13-15th October, 2008 and KLIUC was honored as the first Private Higher Education Institution (IPTs) to organise the event. The symposium was held at the Putra World Trade Centre (PWTC), Kuala Lumpur with the theme "Enhancing Infrastructure Development Through Innovative Geoinformation Technology".

The primary objective of the symposium is to gather professionals and industry experts from the geoinformation field globally to share their current knowledge, expertise and vast experience with the participants. It is a perfect channel for the steady flow of latest technology in geoinformation.

Calendar of events

January 2009



PROTASCO GROUP IN TALKS ON PROJECTS FROM SYRIA

On 8 January 2009, Protasco Group showcased its organisational activities to the Prime Minister of Syria at the CIDB Convention Centre in conjunction with the Malaysian Construction Industry Exhibition. Protasco Group is in negotiation to undertake two major projects with the Syrian Government totalling €493.8million (RM2.4billion). The first project is to build and upgrade the Damascus Ring Highway while the other is to design and build multi-storey car parks and commercial building in Damascus.



February 2009

KLIUC COLLECTED RM20,000 FROM INTERNATIONAL CULTURAL NIGHT FOR CHARITY

The International Students of KLIUC had organised a special Cultural Night on 13 February 2009, to collect funds for the people of Gaza, Palestine. The event managed to collect a total of RM20,000 which was then presented to the NSTP Gaza Fund. The theme for the night was 'Bridging Cultures, Breaking Barriers'. Among the performances were from Maldives, Yemen, China, Sudan, Fiji and Nigeria. KLIUC also invited occupants of Shepherd's Foundation, Semenyih to enjoy the show.

April 2009

HCM GROUP CONTINUES ITS EFFORT TO BECOME A KNOWLEDGE-BASED ORGANISATION (KBO) BY 2011

On 22 April 2009, HCM Group's Knowledge Management (KM) Head of Divisions had a meeting to renew the Group's commitment towards the KM journey. With less than three years to go before the dateline of the Group's vision to become a Knowledge Based Organisation by the year 2011, the event was essentially a progress report of the KM initiatives for the first quarter of 2009, as well as to set the KM plans for the rest of the year.



building knowledge



Audit committee report

MEMBERSHIP AND MEETINGS

The Audit Committee comprises the following members:

Datin Normah binti Kassim

Chairperson (Independent Non-Executive Director)

Datin Azliza binti Ahmad Tajuddin

Member (Independent Non-Executive Director)

Benny Soh Seow Leng

Member (Independent Non-Executive Director)

The Audit Committee held five (5) meetings during the financial year ended 31 December 2008. The meetings were attended by all members except for Datin Normah binti Kassim who had attended four (4) out of five (5) meetings.

SUMMARY OF ACTIVITIES

The following are the main duties and responsibilities of the Audit Committee:

- (i) Discuss the appointment of external auditors and their audit fees, the nature and scope of the audit, the audit plan and ensure co-ordination where more than one audit firm is involved;
- (ii) Review the adequacy of the scope, functions, competency and resources of the Internal Audit Department and that it has the necessary authority to carry out its work;
- (iii) Review and discuss the major issues raised in the internal audit reports, audit recommendations, management's response and actions taken to strengthen internal control system;
- (iv) Review the quarterly results and annual financial statements of the Group and its subsidiaries prior to approval by the Board of Directors, focusing particularly on unusual events and compliance with accounting standards and other regulatory requirements;
- (v) Review any related party transactions and conflict of interest situation that may arise within the Group and to ensure that such transactions are undertaken at arm's length, on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company; and
- (vi) Consider other issues as defined by the Board.

INTERNAL AUDIT FUNCTION

The Group has an Internal Audit Department, which reports to the Audit Committee and assists the Board in monitoring and managing risks and internal controls.

The principal responsibility of the Internal Audit Department is to undertake an independent, regular and systematic review of the system of internal control so as to provide reasonable assurance that internal controls and risks are satisfactorily monitored and managed within the Group.

The Internal Audit Department also conducts special audits and investigations on an ad-hoc basis as requested by either the Audit Committee or Senior Management. Total costs incurred by the Department for the financial year ended 31 December 2008 were approximately RM230,000.

None of the issues raised during audit review had any significant impact on the Group. All the issues raised had been addressed accordingly.

Audit committee report

TERMS OF REFERENCE

1. To review the following and report the same to the Board of Directors:
 - (a) with the external auditors:
 - (i) the external audit plan,
 - (ii) the evaluation of the system of internal controls; and
 - (iii) the external audit report.
 - (b) assistance given by the Company's officers to the external auditors;
 - (c) adequacy of the scope, functions, competency and resources of the Internal Audit Department and that it has the necessary authority to carry out its works;
 - (d) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether appropriate action is taken on the recommendations of the internal audit function;
 - (e) the quarterly financial report and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on :
 - (i) changes in or implementation of major accounting policy;
 - (ii) significant and unusual events;
 - (iii) the going concern assumption; and
 - (iv) compliance with accounting standards and other legal requirements.
 - (f) any related party transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - (g) letter of resignation from the external auditors and its written explanations, if any; and
 - (h) whether there is any reason (supported by grounds) to believe that the external auditors is not suitable for reappointment.
2. To consider the nomination of external auditors.
3. To review the functions of internal audit department that reports directly to the Audit Committee.

4. To perform such other functions as may be agreed to by the Audit Committee and the Board of Directors.

The authority, responsibility and specific duties of the Audit Committee are set out in the Audit Committee Charter.

AUDIT COMMITTEE CHARTER

1. Composition

- 1.1 The Audit Committee shall comprise at least three Directors, all the Audit Committee members must be Non-Executive Directors, with a majority of them being Independent Directors. There shall be at least one member who is:

- (a) a member of the Malaysian Institute of Accountants, or
- (b) otherwise, he shall have at least 3 years' working experience and
 - (i) he shall have passed the examinations specified in Part 1 of the First Schedule of the Accountants Act 1967; or
 - (ii) he shall be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- (c) (i) a degree/masters/doctorate in accounting or finance and at least 3 years' post qualification experience in accounting or finance; or
 - (ii) at least 7 years' experience being a Chief Financial Officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.
- (d) fulfils such other requirements as prescribed or approved by the Exchange.

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

- 1.3 No alternate Director shall be appointed as a member of the Audit Committee.

- 1.4 Any vacancy in the Audit Committee resulting in the non-compliance of the above shall be filled within three months.

Audit committee report

AUDIT COMMITTEE CHARTER (CONTINUED)

2. Authority

The Audit Committee shall:

- 2.1 have the authority to investigate any activity of the Group within its terms of reference;
- 2.2 have resources which are required to perform its duties;
- 2.3 have full and unrestricted access to the Group's information;
- 2.4 have direct communication channels with the external auditors, internal auditors and all employees of the Group;
- 2.5 be able to obtain independent professional advice; and
- 2.6 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, whenever deemed necessary.

3. Responsibility

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

4. Meetings

4.1 Frequency

The Audit Committee is to meet at least four (4) times per year with minimum two (2) times with the external auditors without the presence of executive board members.

4.2 Quorum and Attendance

Quorum shall be majority of the members who are Independent Directors. If necessary or desirable, the Chairman may request that members of management, the Head of Internal Audit and representatives of the external auditors be present at meetings of the committee.

4.3 Secretary

The Company Secretary or his/her representative shall be the Secretary of the Audit Committee.

4.4 Minutes

Minutes of each Audit Committee meeting are to be made available to the Board of Directors.

4.5 Specific Duties

The Audit Committee is to:

- 4.5.1 Review with the Company's management, external auditors and the internal auditor, the Company's general policies and procedures to reasonably assure the adequacy of internal accounting and financial reporting controls.
- 4.5.2 Make all necessary enquiries of management and the external auditors concerning established standards of corporate conduct and performance, and deviations therefrom.
- 4.5.3 Review the scope of audit and general extent of the external auditors' examination, including their engagement letter.

Audit committee report

4.5.4 Review with management and the external auditors upon completion of their audit, financial results for the year prior to the release to the public. This review is to encompass:

- (i) significant transactions not forming a normal part of the Company's operations;
- (i) changes, if any, during the year in the Company's accounting principles or their application; and
- (ii) significant adjustments proposed by the external auditors.

4.5.5 Evaluate the cooperation received by the external auditors during their examination, including their access to all requested records, data and information. Also, elicit the comments of management regarding the responsiveness of the external auditors to the Company's needs. Enquire the external auditors whether there have been any disagreements with management, which if not satisfactorily resolved would have caused them to issue a non-standard report on the Company's financial statements.

4.5.6 Discuss with the external auditors any relevant recommendations, which the external auditors may have, especially those in their letter of comments and recommendations. Topics to be considered during this discussion include improving internal financial controls, the selection of accounting principles, and management reporting systems. Review written responses of management to the letter of comments and recommendations from the external auditors.

4.5.7 Review the scope and results of the internal audit procedures and discuss with the Company's management the remedial actions taken on the areas that need improvement.

4.5.8 Apprise the Board of Directors, through minutes and special presentations as necessary, of significant developments in the course of performing the above duties.

4.5.9 Recommend to the Board of Directors the retention or non-retention of the external auditors.

4.6 Audit Committee Report

The Audit Committee shall assist the Board of Directors in preparing an Audit Committee report at the end of each financial year, to be clearly set out in the annual report of the Company, comprising the following:

4.6.1 The composition of the Audit Committee, including the name, designation (indicating the chairman) and directorship of the members (indicating whether the Directors are independent or otherwise).

4.6.2 The terms of reference of the Audit Committee.

4.6.3 The number of Audit Committee meetings held during the financial year and details of attendance of each Audit Committee member.

4.6.4 A summary of the activities of the Audit Committee in the discharge of its functions and duties for that financial year of the Company.

4.6.5 A summary of the activities of the internal audit function or activity.

5. Review of the Audit Committee

The Board of Directors shall review the term of office and performance of the Audit Committee and each of its members at least once every three years to determine whether such Audit Committee and members have performed their duties in accordance with their terms of reference.

Statement on corporate governance

COMPLIANCE WITH THE CODE

The Company's Board of Directors (Board) believes that it has complied satisfactorily with the principles, requirements, and best practices specified in the Malaysian Code on Corporate Governance. It regards corporate governance as a growing worldwide development which can be suitably adapted in the local context, bringing checks and balances with direct and indirect benefits to the Company, its investors and other stakeholders.

BOARD OF DIRECTORS

The Board

The Board shares a common goal of providing the best total integrated solutions for our clients in road construction, maintenance, upgrading and rehabilitation; supported and complemented by engineering, trading, R&D, education and training services.

With the overall responsibility for the Company's strategic direction and implementation, the Board always strives to give due attention to matters pertaining to corporate strategy development and alignment, business operational execution and performance monitoring within the context of both internal and external factors in the marketplace. It also resolutely embraces triple bottom lines concept of economic, social and environmental wellbeing.

Composition of the Board and Board Balance

At present there are six (6) members of the Board comprising the Executive Chairman, Managing Director and four (4) Independent Non-Executive Directors.

There is a balance in the Board with the presence of four (4) Independent Non-Executive Directors with the necessary skills and experience. Please refer to their profiles on page 6 and page 7 of this Annual Report. All the Independent Directors have neither business nor other relationships that could significantly interfere with the exercise of their independent judgments.

Training

All Directors have attended and obtained certification from the Mandatory Accreditation Programme (MAP). In addition, the Directors attended subsequent continuous education programmes and seminars to keep abreast with both developments in the marketplace and new regulatory requirements.

Board Meetings

During the year under review, five (5) Board Meetings were held. Except for Dato' Dr Norraesah Binti Haji Mohamad who had attended three (3) out of five (5) meetings and Datin Normah Binti Kasim who had attended four (4) out of five (5) meetings, the other Directors had attended all the Board Meetings held.

Supply of and Access to Information and Advice

The Company provides the Board with full assistance and gives it complete access to the necessary materials and relevant information. Together with proper counsel from the Company Secretaries and others, these have enabled the Board to discharge its functions. The Directors are encouraged to and not prevented from seeking external guidance.

Statement on corporate governance

Appointments & Re-Election of Directors

The ratio of Independent Non Executive Directors to Executive Directors remains healthy at four to two (4:2).

In compliance with the Company's Articles of Association, at each Annual General Meeting, one-third of Directors or if their number is not three (3), the number nearest to one-third, shall retire from office at least once in three (3) years. However they shall be eligible for re-election by the shareholders and the Directors to retire shall be those who have been longest in office since their last re-election or appointment.

Directors' Remuneration

The remuneration of Directors is determined at acceptable and reasonable levels for the Company, enabling it to attract and retain Directors with a good mix of relevant experiences and expertise.

Details of the Directors' Remuneration for the financial year ended 31 December 2008 are stipulated in the Financial Statements as set out on page 77 of the Annual Report.

REACHING OUT TO SHAREHOLDERS AND INVESTORS

The Company held interactive meetings with investors, financial analysts and journalists to update on development, obtain feedback and discuss matters of common interests.

In addition, the Company issued timely release of its financial results and other mandatory announcements and responded promptly to enquiries from investors, regulators, financial analysts and journalists. The Company also has a dedicated website, www.protasco.com.my. The Company has executed an agreement with Bursa Malaysia's website so that the various announcements made to Bursa can be retrieved concurrently from both websites.

The Company also subscribes to the services provided by SI Portal.com Sdn Bhd, as recommended by Bursa Malaysia, to enhance its investor relations programmes.

Contact person :

Marina Jaal, General Manager, Corporate Communications

Tel : 03-8738 3388 Fax : 03-8926 4008

Email : ccd@protasco.com.my

The Annual General Meeting (AGM)

The AGM is the main delivery channel for dialogue with all shareholders. They are encouraged and are given ample opportunities to enquire about the Groups' activities and prospects as well as to communicate their expectations and concerns.

Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Shareholders can also contact the Company with their queries.

Statement on corporate governance

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors are required by the Companies Act, 1965 to ensure that financial statements prepared for each financial year give a true and fair view of the state of affairs of the Company and the Group. The Directors deliberate on financial statements and ensure that the Group has used appropriate accounting policies, supported by reasonable and prudent judgment and estimates. The Audit Committee assists the Board by scrutinising the information to be disclosed to ensure adequacy. The Group's financial statements are presented in pages 36 to 87 of this Annual Report.

Relationship with the Auditors

Through the Audit Committee of the Board, the Group has established a professional, transparent, and appropriate relationship with the Group's auditors, both internal and external, particularly in obtaining their professional advice towards ensuring full compliance with applicable accounting standards.

Internal Control

The Board acknowledges their responsibility for the Group's system of internal controls and reviews its effectiveness regularly via the Internal Audit Department which provides support to the Audit Committee in dispensing its responsibilities with respect to the adequacy and integrity of the system of internal control within the Group. A statement on Internal Control outlining the internal controls within the Group is presented on page 24 of this Annual Report.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made in accordance with the applicable approved accounting standards in Malaysia, giving a true and fair view of the financial position of the Group and Company at the end of the financial year and of the results and cash flow of the Group and Company for the financial year ended.

The Directors have the responsibility to ensure that the Company keeps proper accounting records – disclosing with reasonable accuracy the financial position of the Group and Company and ensuring that the financial statements comply with the Companies Act, 1965.

The Directors have overall responsibilities for undertaking necessary steps as are reasonably open to them to protect the assets of the Group as well as to prevent and detect fraud and other irregularities. The Board has also ensured that the quarterly and annual financial statements of the Company and Group are released to Bursa Malaysia in a timely manner in order to keep the investing public well informed of the Groups' latest development.

GOING CONCERN STATEMENT

Having exercised due and reasonable enquiry into the affairs of the Company, the Board is satisfied that the Company shall proceed to operate as a going concern business in the foreseeable future.

Statement on internal control

The Board is committed to maintaining a sound system of internal control to safeguard shareholders' investments and the Group's assets. The system of internal control covers financial, operation and regulatory procedures. The Board ensures the effectiveness of the system through regular reviews.

The Board, however, recognises that there are inherent limitations in any system of internal control, which is generally designed to mitigate rather than eliminate business risk. Accordingly, it can only provide reasonable, and not absolute assurance against material error, misstatement or loss.

The key processes of the Group's internal control system include:

- Well-defined lines of responsibilities for the Board, management and each operating unit within the Group. The authority limits and operational system are subject to periodic review to ensure reliability and consistency in the Group;
- Each operating unit undertakes business planning and budgeting process each year to establish goals and targets against which performance is monitored on an ongoing basis. The Group's quarterly financial performance against budget is also presented to the Board for review and approval;
- Internal Audit Department performs periodic audits based on the Audit Plan approved by the Audit Committee to ascertain the effectiveness of the internal control system, recommend any areas for further improvement and subsequently monitors the implementation of its recommendations; and
- Employees are regularly sent for training in areas relevant to their work to ensure that they are technically sound and competent to discharge their duties effectively.

Other compliance information

1. Share Buyback

The Company had at its Seventh Annual General Meeting held on 20 June 2008 obtained approval of the shareholders in relation to the Share Buyback authority, whereby the Directors are authorised to purchase and/or hold at any point in time up to ten percent (10%) of the issued and paid share capital of the Company for the time being quoted on the Bursa Malaysia Securities Berhad.

For the financial year ended 31 December 2008, the Company purchased a total of 1,787,000 shares, all of which are retained as treasury shares. None of the shares purchased has been sold or cancelled. Details of the shares repurchased are set out below:

Monthly Breakdown	No. of Ordinary Shares	Buyback Price Per Share (RM)		Average Cost	Total Cost RM
		Lowest	Highest	Per Share RM	
January	250,000	0.960	0.980	0.968	241,875
February	28,000	0.900	0.900	0.900	25,200.00
March	753,000	0.820	0.886	0.849	639,344.50
April	428,000	0.850	0.870	0.863	369,191.00
August	150,600	0.700	0.730	0.708	92,460.00
September	113,700	0.690	0.705	0.697	79,298.00
November	14,500	0.615	0.615	0.615	8,971.50
December	50,000	0.600	0.600	0.600	30,000
TOTAL	1,787,800				1,500,340

2. American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programmes

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

3. Imposition of Sanctions and/or Penalties

During the financial year, there were no material sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies.

4. Non-audit Fees

The amount of non-audit fees paid to the external auditors by the Group for the financial year ended 31 December 2008 amounted to RM46,611.

5. Variation in Results for the Financial Year

There was no deviation of 10% or more between the profit after tax and minority interest (PATAMI) stated in the announced unaudited results and the audited financial statements accounts of the Group for the financial year ended 31 December 2008.

6. Profit Guarantees

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

7. Material Contracts

Other than as disclosed in the Note 46 of the Financial Statements and the Circular to Shareholders dated 1 June 2009, there is no material contracts entered into by the Company or its subsidiaries involving Directors' and major shareholders' interests since the end of previous financial year.

Other compliance information

8. Options, Warrants or Convertible Securities

The Company did not issue any options or warrants or convertible securities during the financial year ended 31 December 2008.

9. Revaluation Policy of Landed Properties

Protasco Group does not adopt a policy of regular revaluation.

10. Recurrent Related Party Transactions of a Revenue Nature or Trading Nature

The Company will be seeking a mandate from the shareholders to enter into recurrent related party transactions of revenue or trading nature at the forthcoming AGM of the Company. Details of the Recurrent Related Party Transactions are set out below and in the Circular to Shareholders dated 1 June 2009.

Transaction Parties	Relationship	Nature of Transactions	Name of Companies	Amount Transacted during the Financial Year (RM'000)
C&H Engineering Consultants Sdn Bhd	Both Dato' Hasnur Rabiain Ismail and Dato' Chong Ket Pen are Directors and major shareholders of C&H Engineering Consultants Sdn Bhd	Receipt of consultancy services for road construction	HCM Engineering Sdn Bhd	635
C&H Engineering Consultants Sdn Bhd	Both Dato' Hasnur Rabiain Ismail and Dato' Chong Ket Pen are Directors and major shareholders of C&H Engineering Consultants Sdn Bhd	Provision of consultancy services for engineering work	Ikram Education Sdn Bhd	6
C&H Engineering Consultants Sdn Bhd	Both Dato' Hasnur Rabiain Ismail and Dato' Chong Ket Pen are Directors and major shareholders of C&H Engineering Consultants Sdn Bhd	Receipt of consultancy services	Ikram Structure Assessment Sdn Bhd	234
C&H Engineering Consultants Sdn Bhd	Both Dato' Hasnur Rabiain Ismail and Dato' Chong Ket Pen are Directors and major shareholders of C&H Engineering Consultants Sdn Bhd	Provision of site investigation and other related services	Ikram Engineering Services Sdn Bhd	207
C&H Engineering Consultants Sdn Bhd	Both Dato' Hasnur Rabiain Ismail and Dato' Chong Ket Pen are Directors and major shareholders of C&H Engineering Consultants Sdn Bhd	Provision of staff training	Ikram Latihan Sdn Bhd	3
Lee Lai Yin	Lee Lai Yin is the spouse of Tan Heng Kui, a Director of Kumpulan Ikram (Sabah) Sdn Bhd	Rental of office	Kumpulan Ikram (Sabah) Sdn Bhd	12

financial statements



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Directors' report

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial year	48,703	20,374
Attributable to:		
Equity holders of the Company	28,816	20,374
Minority interests	19,887	-
	48,703	20,374

DIVIDENDS

Since the end of the previous financial year, the Company paid the following dividends:-

- (a) an interim dividend of 5.48 sen per ordinary share less 27% tax amounting to RM11,939,552 in respect of the financial year ended 31 December 2007; and
- (b) a final dividend of 5.41 sen per ordinary share less 26% tax amounting to RM11,890,096 in respect of the previous financial year as proposed in the Directors' report of that financial year.

The Company declared an interim dividend of 4.05 sen per ordinary share less 26% tax amounting to RM8,900,021 in respect of the current financial year.

At the forthcoming Annual General Meeting, the Directors recommend a final dividend in respect of the financial year ended 31 December 2008 of 4 sen per ordinary share amounting to approximately RM11,866,848 computed based on the issued and paid-up capital as at 31 December 2008 of 296,671,200 ordinary shares of RM0.50 each to be paid to shareholders whose names appear in the Record of Depositors on 30 June 2009. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2009.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

Directors' report

ISSUES OF SHARES AND DEBENTURES

During the financial year,

- (a) there were no changes in the authorised and issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

TREASURY SHARES

During the financial year, the Company purchased 1,787,800 (2007 - 641,000) of its issued ordinary shares from the open market at prices ranging from RM0.60 to RM0.98 (2007 - RM0.83 to RM1.10) per share. The total consideration paid for the purchase including transaction costs was RM1,510,650 (2007 - RM611,751). The shares purchased were retained as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965 and presented as a deduction from shareholders' equity.

As at 31 December 2008, the Company held as treasury shares a total of 3,328,800 (2007 - 1,541,000) of its 300,000,000 (2007 - 300,000,000) issued ordinary shares. The treasury shares are held at a carrying amount of RM2,827,896 (2007 - RM1,317,246) and further relevant details are disclosed in Note 26 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

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

At the date of this report, the Directors are not aware of any circumstances that would further require the writing off of bad debts, or the additional allowance for doubtful debts in the financial statements of the Group and of the Company.

CURRENT ASSETS

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

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

Directors' report

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 45 to the financial statements. At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The Directors who served since the date of the last report are as follows:-

Dato' Hasnur Rabiain Bin Ismail
Dato' Chong Ket Pen
Dato' Dr. Norraesah Binti Hj. Mohamad
Datin Normah Binti Kassim
Datin Azliza Binti Ahmad Tajuddin
Benny Soh Seow Leng

Directors' report

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors holding office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:-

	Number Of Ordinary Shares Of RM0.50 Each			At 31.12.2008
	At 1.1.2008	Bought	Sold	
Direct Interests				
Dato' Hasnur Rabiain Bin Ismail	39,139,193	-	-	39,139,193
Dato' Chong Ket Pen	39,724,693	-	-	39,724,693
Datin Azliza Binti Ahmad Tajuddin	149,500	-	-	149,500
Datin Normah Binti Kassim	90,000	-	-	90,000
Benny Soh Seow Leng	150,000	-	-	150,000
Indirect Interests				
Dato' Hasnur Rabiain Bin Ismail	52,201,720	273,000	-	52,474,720
Dato' Chong Ket Pen	22,964,074	560,000	-	23,524,074

By virtue of their interests in the Company, Dato' Hasnur Rabiain Bin Ismail and Dato' Chong Ket Pen are deemed to have interests in shares in the subsidiaries to the extent of the Company's interest, in accordance with Section 6A of the Companies Act, 1965.

The other Director holding office at the end of the financial year had no interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain Directors have substantial financial interests as disclosed in Note 46 to the financial statements.

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events of the Group and of the Company during the financial year are disclosed in Note 47 to the financial statements.

Directors' report

SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR

The significant event of the Group and of the Company subsequent to the financial year is disclosed in Note 48 to the financial statements.

AUDITORS

The auditors, Messrs. Horwath, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the Directors dated 29 April 2009.

Dato' Hasnur Rabiain Bin Ismail

Dato' Chong Ket Pen

Statement by directors

We, Dato' Hasnur Rabiain Bin Ismail and Dato' Chong Ket Pen, being two of the Directors of Protasco Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 36 to 87 are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2008 and of their results and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the Directors dated 29 April 2009.

Dato' Hasnur Rabiain Bin Ismail

Dato' Chong Ket Pen

Statutory declaration

I, Sofia Binti Zakaria, being the officer primarily responsible for the financial management of Protasco Berhad, do solemnly and sincerely declare that the financial statements set out on pages 36 to 87 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Sofia Binti Zakaria,
at Kuala Lumpur in the Federal Territory on this 29 April 2009

Sofia Binti Zakaria

Before me

Datin Hajah Raihela Wanchik (W - 275)
Commissioner for Oaths

Independent auditors' report to the members of Protasco Berhad

We have audited the financial statements of Protasco Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 36 to 87.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2008 and of their financial performance and cash flows for the financial year then ended.

Independent auditors' report to the members of Protasco Berhad

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER MATTERS

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

Horwath

Firm No: AF 1018
Chartered Accountants

Kuala Lumpur
29 April 2009

James Chan Kuan Chee

Approval No: 2271/10/09 (J)
Partner

Balance sheets

At 31 December 2008

	Note	The Group		The Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	6	-	-	129,429	129,429
Investment in associates	7	3,370	2,110	-	-
Property, plant and equipment	8	186,073	181,701	-	-
Prepaid land lease payments	9	4,756	3,490	-	-
Land held for property development	10	2,456	3,200	-	-
Development costs	11	2,090	1,353	-	-
Goodwill on consolidation	12	-	264	-	-
Long-term investments	13	2,483	809	-	-
Deferred tax asset	14	31	-	-	-
		201,259	192,927	129,429	129,429
CURRENT ASSETS					
Inventories	15	5,011	434	-	-
Property development costs	16	1,591	4,184	-	-
Amount owing by contract customer	17	25,828	16,661	-	-
Trade receivables	18	227,432	214,685	-	-
Other receivables	19	24,559	16,986	5	5
Amount owing by subsidiaries	20	-	-	68,848	71,868
Amount owing by associates	21	6,517	5,463	-	-
Tax recoverable		9,558	6,914	-	-
Short-term investments	22	20,442	7,301	-	-
Deposits with licensed banks	23	55,902	76,462	1,482	3,132
Cash and bank balances	24	35,593	18,747	61	289
		412,433	367,837	70,396	75,294
TOTAL ASSETS		613,692	560,764	199,825	204,723

Balance sheets

At 31 December 2008

	Note	The Group		The Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	25	150,000	150,000	150,000	150,000
Treasury shares	26	(2,828)	(1,317)	(2,828)	(1,317)
Share premium		43,531	43,531	43,531	43,531
Foreign exchange translation reserve	27	396	(1,557)	-	-
Retained profits/(Accumulated loss)		139,634	131,608	(121)	295
SHAREHOLDERS' EQUITY		330,733	322,265	190,582	192,509
MINORITY INTEREST		38,547	29,668	-	-
TOTAL EQUITY		369,280	351,933	190,582	192,509
NON-CURRENT LIABILITIES					
Deferred tax liabilities	28	6,845	7,616	-	-
Long-term borrowing	29	1,923	592	-	-
		8,768	8,208	-	-
CURRENT LIABILITIES					
Trade payables	31	154,292	138,633	-	-
Other payables	32	31,601	31,784	93	24
Amount owing to subsidiaries	20	-	-	250	250
Dividends payable		8,900	11,940	8,900	11,940
Provision for taxation		5,996	3,973	-	-
Short-term borrowings	33	33,132	13,062	-	-
Bank overdrafts	34	1,723	1,231	-	-
		235,644	200,623	9,243	12,214
TOTAL LIABILITIES		244,412	208,831	9,243	12,214
TOTAL EQUITY AND LIABILITIES		613,692	560,764	199,825	204,723

The annexed notes form an integral part of these financial statements.

Income statements

For the financial year ended 31 December 2008

	Note	The Group		The Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
REVENUE	35	629,148	506,325	30,466	34,978
COST OF SALES	36	(474,021)	(357,500)	-	-
GROSS PROFIT		155,127	148,825	30,466	34,978
OTHER INCOME		8,970	5,577	64	107
ADMINISTRATIVE EXPENSES		(27,347)	(12,555)	(2,939)	(186)
OTHER EXPENSES		(62,510)	(69,806)	-	(2,411)
PROFIT FROM OPERATIONS		74,240	72,041	27,591	32,488
FINANCE COSTS		(1,455)	(588)	-	-
SHARE OF PROFIT IN ASSOCIATES		83	9	-	-
PROFIT BEFORE TAXATION	37	72,868	71,462	27,591	32,488
INCOME TAX EXPENSE	39	(24,165)	(18,522)	(7,217)	(8,715)
PROFIT AFTER TAXATION		48,703	52,940	20,374	23,773
ATTRIBUTABLE TO:					
Equity holders of the Company		28,816	33,701	20,374	23,773
Minority interests		19,887	19,239	-	-
		48,703	52,940	20,374	23,773
EARNINGS PER SHARE (Sen)					
- Basic	40	9.7	11.3		

The annexed notes form an integral part of these financial statements.

Statements of changes in equity

For the financial year ended 31 December 2008

Note	Attributable To Equity Holders		Attributable To Equity Holders		Attributable To Equity Holders		Attributable To Equity Holders		Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Foreign Exchange Translation Reserve RM'000	Retained Profits RM'000	Total RM'000	Non-Distributable	Total RM'000		
The Group										
At 1.1.2007	150,000	43,531	(705)	58	121,792	314,676		40,221	354,897	
Currency translation difference not recognised in income statement	-	-	-	(1,615)	-	(1,615)		-	(1,615)	
Profit after taxation for the financial year	-	-	-	-	33,701	33,701		19,239	52,940	
Treasury shares acquired	-	-	(612)	-	-	(612)		-	(612)	
Dividends	-	-	-	-	(23,885)	(23,885)		(29,800)	(53,685)	
Net effects of the acquisition of subsidiaries	-	-	-	-	-	-		8	8	
At 31.12.2007/1.1.2008	150,000	43,531	(1,317)	(1,557)	131,608	322,265		29,668	351,933	
Currency translation difference not recognised in income statement	-	-	-	1,953	-	1,953		-	1,953	
Profit after taxation for the financial year	-	-	-	-	28,816	28,816		19,887	48,703	
Treasury shares acquired	-	-	(1,511)	-	-	(1,511)		-	(1,511)	
Dividends	-	-	-	-	(20,790)	(20,790)		(11,800)	(32,590)	
Net effects of the acquisition of subsidiaries	-	-	-	-	-	-		792	792	
At 31.12.2008	150,000	43,531	(2,828)	396	139,634	330,733		38,547	369,280	

The annexed notes form an integral part of these financial statements.

Statements of changes in equity

For the financial year ended 31 December 2008

	Note	Attributable To Equity Holders			Retained Profits/ (Accumulated Loss) RM'000	Total RM'000
		Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000		
The Company						
At 1.1.2007		150,000	43,531	(705)	407	193,233
Profit after taxation for the financial year		-	-	-	23,773	23,773
Treasury shares acquired		-	-	(612)	-	(612)
Dividends	41	-	-	-	(23,885)	(23,885)
At 31.12.2007/1.1.2008		150,000	43,531	(1,317)	295	192,509
Profit after taxation for the financial year		-	-	-	20,374	20,374
Treasury shares acquired		-	-	(1,511)	-	(1,511)
Dividends	41	-	-	-	(20,790)	(20,790)
At 31.12.2008		150,000	43,531	(2,828)	(121)	190,582

The annexed notes form an integral part of these financial statements.

Cash flow statements

For the financial year ended 31 December 2008

	Note	The Group		The Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before taxation		72,868	71,462	27,591	32,488
Adjustments for:-					
Amortisation of development costs		110	560	-	-
Amortisation of prepaid land lease payments		114	72	-	-
Allowance for doubtful debts		495	32	-	-
Bad debts written off		1,544	410	-	-
Depreciation of property, plant and equipment		17,124	17,365	-	-
Allowance for foreseeable loss		3,582	-	-	-
Gain on disposal of property, plant and equipment		(890)	(1,430)	-	-
Gross dividends from subsidiaries		-	-	(28,216)	(32,729)
Interest income		(1,285)	(1,803)	(60)	(102)
Interest expense		1,449	588	-	-
Property, plant and equipment written off		1,188	-	-	-
Goodwill written off		264	-	-	-
Development cost written off		1,353	-	-	-
Writeback of allowance for doubtful debts		(37)	(33)	-	-
Share of profit in associates		(83)	(9)	-	-
Tax-exempt dividends received from investment in unit trusts		(644)	(278)	-	-
Unrealised exchange (gain)/loss		(22)	70	-	-
Waiver of debts		(6)	(9)	-	-
Operating profit before working capital changes		97,124	86,997	(685)	(343)
Increase in inventories		(4,577)	(100)	-	-
Decrease in property development costs		2,593	(4,184)	-	-
Increase in amount owing by contract customers		(12,749)	(13,124)	-	-
Increase in trade and other receivables		(22,322)	(19,084)	-	-
Increase in trade and other payables		15,482	40,238	69	12
(Increase)/Decrease in amount owing by associates		(1,771)	387	-	-
CASH FROM/(FOR) OPERATIONS		73,780	91,130	(616)	(331)
Interest paid		(1,449)	(588)	-	-
Tax (paid)/refunded		(25,588)	(28,091)	(1)	95
NET CASH FROM/(FOR) OPERATING ACTIVITIES CARRIED FORWARD		46,743	62,451	(617)	(236)

The annexed notes form an integral part of these financial statements.

Cash flow statements

For the financial year ended 31 December 2008

	Note	The Group		The Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
NET CASH FROM/(FOR) OPERATING ACTIVITIES					
BROUGHT FORWARD		46,743	62,451	(617)	(236)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of associates		(1,033)	-	-	-
Additional investment in subsidiary		-	(248)	-	-
Repayment from/(Advances to) associates		717	(2,000)	-	-
Interest received		1,285	1,803	60	102
Net dividends received from subsidiaries		-	-	21,000	12,000
Proceeds from disposal of property, plant and equipment		3,882	6,379	-	-
Proceeds from issuance of share capital of a subsidiary to minority interest		792	-	-	-
Property development costs incurred		-	(2,997)	-	-
Development costs incurred		(2,200)	-	-	-
Purchase of property, plant and equipment	42	(22,353)	(38,716)	-	-
Purchase of prepaid land lease payments		(1,380)	-	-	-
Purchase of treasury shares		(1,511)	(612)	(1,511)	(612)
Purchase of unquoted investments		(1,674)	(393)	-	-
Tax-exempt dividends received from investment in unit trusts (Acquisition)/Redemption of marketable unit trusts		644	278	-	-
Repayment from subsidiaries		(13,141)	4,197	-	-
		-	-	3,020	131
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(35,972)	(32,309)	22,569	11,621
NET CASH FLOWS FOR FINANCING ACTIVITIES					
Dividends paid		(23,830)	(11,945)	(23,830)	(11,945)
Dividends paid to minority shareholders		(11,800)	(20,000)	-	-
Repayment of hire purchase obligations		(761)	(418)	-	-
Net drawdown of short-term borrowings		19,625	7,666	-	-
Repayment of term loan		-	(38)	-	-
NET CASH FOR FINANCING ACTIVITIES		(16,766)	(24,735)	(23,830)	(11,945)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(5,995)	5,407	(1,878)	(560)
FOREIGN EXCHANGE TRANSLATION DIFFERENCES		1,789	(1,507)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		93,978	90,078	3,421	3,981
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	43	89,772	93,978	1,543	3,421

The annexed notes form an integral part of these financial statements.

Notes to the financial statements

For the financial year ended 31 December 2008

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Malaysian Companies Act, 1965. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office : 312, 3rd Floor, Block C, Kelana Square,
17, Jalan SS7/26, 47301 Petaling Jaya,
Selangor Darul Ehsan.

Principal place of business : 87, Jalan Kampong Pandan,
55100 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 29 April 2009.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its market, credit, liquidity and cash flow risks. The policies in respect of the major areas of treasury activity are as follows:

(a) Market Risk

(i) Foreign Currency Risk

The Group's exposure to foreign currency risk arises mainly from its investment in overseas subsidiaries and joint ventures that are denominated in Euro, Chinese Renminbi, Libyan Dinar and South African Rand.

The Group's foreign exchange management policy is to minimise economic and significant transactional exposures arising from currency movements.

Foreign currency risk is monitored closely and managed to an acceptable level.

(ii) Interest Rate Risk

The Group obtains financing through bank borrowings and hire purchase facilities. Its policy is to obtain the most favourable interest rates available.

Surplus funds are placed with licensed financial institutions at the most favourable interest rates.

(iii) Price Risk

The Group principal exposure to price risks arises mainly from changes in quoted securities prices. Price risk is monitored closely and managed to an acceptable level.

Notes to the financial statements

For the financial year ended 31 December 2008

3. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from receivables. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet reduced by the effects of any netting arrangements with counterparties.

The Group's major concentration of credit risks relates to the amount owing by the Government of Malaysia which constituted a significant amount of its total trade receivables at the balance sheet date.

The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

(c) Liquidity and Cash Flow Risks

The Group's exposure to liquidity and cash flow risks arises mainly from general funding and business activities.

It practises prudent liquidity risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

4. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Financial Reporting Standards ("FRS") and the Companies Act 1965 in Malaysia.

(a) During the current financial year, the Group has adopted the following:

(i) FRSs issued and effective for financial periods beginning on or after 1 July 2007:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

FRS 120 is not relevant to the Group's operations. The adoption of the other standards did not have any material impact on the form and content of disclosures presented in the financial statements.

(ii) Amendment to FRS 121 - The Effects of Changes in Foreign Exchange Rates - *Net Investment in a Foreign Operation* issued and effective for financial periods beginning on or after 1 July 2007.

The adoption of this amendment did not have any material impact on the financial statements of the Group.

Notes to the financial statements

For the financial year ended 31 December 2008

4. BASIS OF PREPARATION (CONT'D)

(iii) IC Interpretations issued and effective for financial periods beginning on or after 1 July 2007:

IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 ₂₀₀₄ Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The above IC Interpretations are not relevant to the Group's operations.

(b) The Group has not adopted the following FRSs and IC Interpretations that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:

(i) FRS issued and effective for financial periods beginning on or after 1 July 2009:

FRS 8	Operating Segments
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FRS 8 replaces FRS 114₂₀₀₄ Segment Reporting and requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of this standard only impacts the form and content of disclosures presented in the financial statements of the Group. This FRS is expected to have no material impact on the financial statements of the Group upon its initial application

(ii) FRSs issued and effective for financial periods beginning on or after 1 January 2010:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 139	Financial Instruments: Recognition and Measurement

The Group considers financial guarantee contracts entered to be insurance arrangements and accounts for them under FRS 4. In this respect, the Group treats the guarantee contract as a contingent liability until such a time as it becomes probable that the Group will be required to make a payment under the guarantee. The adoption of FRS 4 is expected to have no material impact on the financial statements of the Group.

The possible impacts of FRS 7 and FRS 139 on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.

(iii) IC Interpretations issued and effective for financial periods beginning on or after 1 January 2010:

IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment

IC Interpretation 9 is not relevant to the Group's operations. IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation is expected to have no material impact on the financial statements of the Group upon its initial application.

Notes to the financial statements

For the financial year ended 31 December 2008

5. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below.

(i) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment is based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) Impairment of Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the Group is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Construction Contracts

Construction contracts accounting requires reliable estimation of the costs to complete the contract and reliable estimation of the stage of completion.

(i) Contract Revenue

Construction contracts accounting requires that variation claims and incentive payments only be recognised as contract revenue to the extent that it is probable that they will be accepted by the customers. As the approval process often takes some time, a judgement is required to be made of its probability and revenue recognised accordingly.

(ii) Contract Costs

Using experience gained on each particular contract and taking into account the expectations of the time and materials required to complete the contract, management estimates the profitability of the contract on an individual basis at any particular time.

Notes to the financial statements

For the financial year ended 31 December 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (cont'd)

(v) Allowance for Doubtful Debts of Receivables

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

(vi) Allowance for Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(b) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments recognised in the balance sheet are disclosed in the individual policy statement associated with each item.

(c) Functional and Foreign Currency

(i) Functional and Presentation Currency

The functional currency of each of the Group's entity is measured using the currency of the primary economic environment in which the entity operates.

The consolidated financial statements are presented in Ringgit Malaysia ("RM") which is the parent's functional and presentation currency.

(ii) Transactions and Balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair values was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Notes to the financial statements

For the financial year ended 31 December 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Functional and Foreign Currency (cont'd)

(ii) Transactions and Balances (cont'd)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in profit or loss for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also directly in equity.

(iii) Foreign Operations

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:-

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- income and expenses for income statement are translated at the average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised as a separate component of equity, as a foreign currency translation reserve. On disposal, accumulated translation differences are recognised in the consolidated income statements as part of the gain or loss on sale.

(d) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the financial year up to 31 December 2008.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

All subsidiaries are consolidated using the purchase method. Under the purchase method, the results of the subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Notes to the financial statements

For the financial year ended 31 December 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of Consolidation (cont'd)

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interests in the consolidated balance sheets consist of the minorities' share of fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition and the minorities' share of movements in the acquiree's equity.

Minority interests are presented in the consolidated balance sheet of the Group within equity, separately from the Company's equity holders, and are separately disclosed in the consolidated income statement of the Group.

(e) Goodwill on Consolidation

Goodwill on consolidation represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable net assets of the subsidiaries at the date of acquisition.

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in the consolidated income statement. An impairment loss recognised for goodwill is not reversed in a subsequent period.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiaries exceeds the cost of the business combinations, the excess is recognised immediately in the consolidated income statement.

(f) Investments

(i) Investments in Subsidiaries and Associates

Investments in subsidiaries and associates are stated at cost in the balance sheet of the Company, and are reviewed for impairment at the end of the financial year if events or changes in circumstances indicate that their carrying values may not be recoverable.

On the disposal of the investments in subsidiaries and associates, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

(ii) Other Investments

Other investments held on a long-term basis are stated at cost less allowance for permanent diminution in value.

On the disposal of these investments, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

(iii) Marketable Securities

Marketable securities are carried at lower cost and market value, determined on an aggregate basis. Cost is determined on the weighted average basis while market value is determined based on quoted market values. Increase or decreases in the carrying amount of marketable securities are recognised in the income statement. On disposal of marketable securities, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

Notes to the financial statements

For the financial year ended 31 December 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes.

In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses.

On the disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is included in the income statement.

(h) Property, Plant and Equipment

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost less any impairment loss, and is not depreciated.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives.

Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are as follows:-

Buildings	2%
Office renovation	10% - 33.33%
Reference books, office equipment, signboard, furniture and fittings	10% - 33.33%
Motor vehicles	12.50% - 20%
Laboratory equipment, plant and machinery	12.50% - 20%

Notes to the financial statements

For the financial year ended 31 December 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Property, Plant and Equipment (cont'd)

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at each balance sheet date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is included in the income statement in the year the asset is derecognised.

(i) Prepaid Land Lease Payments

Leases of land under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases. Lease prepayment for land use rights is stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is charged to the income statement on a straight-line basis over the lease terms.

(j) Land Held for Property Development

Property development expenditure includes any incidental expenditure incurred to put a piece of land in a condition ready for development. Property development expenditure is classified as non-current assets on the balance sheet and is stated at cost.

(k) Property Development Costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, the amount of property revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred. Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables whilst the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

(l) Development Costs

Mobilisation and development costs incurred prior to the commercial readiness of the operations have been capitalised and are amortised on a straight line basis over the period of their expected benefit, being not more than 5 years.

Notes to the financial statements

For the financial year ended 31 December 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Impairment of Assets

The carrying values of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at each balance sheet date for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' net selling price and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is charged to the income statement immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to the revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(n) Assets under Hire Purchase

Plant and equipment acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 5(h) above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are allocated to the income statement over the periods of the respective hire purchase agreements.

(o) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first out basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

Where necessary, due allowance is made for all obsolete, damaged and slow-moving items.

(p) Amounts Owning By/To Contract Customers

The amounts owing by/to contract customers are stated at cost plus profits attributable to contracts in progress less progress billings and allowance for foreseeable losses, if any. Cost includes direct materials, labour and applicable overheads.

(q) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

(r) Payables

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

Notes to the financial statements

For the financial year ended 31 December 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Provisions

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

(t) Income Taxes

Income taxes on the profit or loss for the financial year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is provided in full, using the liability method, on all material temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

(u) Interest-bearing Borrowings

Interest-bearing borrowings are recorded at the amount of proceeds received, net of transaction costs.

All borrowing costs are charged to the income statement as expenses in the period in which they are incurred.

(v) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

Notes to the financial statements

For the financial year ended 31 December 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Cash and Cash Equivalents

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

(x) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(y) Related Parties

A party is related to an entity if:-

- (i) directly, or indirectly through one or more intermediaries, the party:-
 - controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
 - has an interest in the entity that gives it significant influence over the entity; or
 - has joint control over the entity;
- (ii) the party is an associate of the entity;
- (iii) the party is a joint venture in which the entity is a venturer;
- (iv) the party is a member of the key management personnel of the entity or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

Notes to the financial statements

For the financial year ended 31 December 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(z) Segmental Information

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of property, plant and equipment (net of accumulated depreciation, where applicable), other investments, inventories, receivables, and cash and bank balances.

Most segment assets can be directly attributed to the segments on a reasonable basis. Segment assets do not include income tax assets, whilst segment liabilities do not include income tax liabilities and borrowings from financial institutions.

Segment revenues, expenses and results include transfers between segments. The prices charged on intersegment transactions are based on normal commercial terms. These transfers are eliminated on consolidation.

(aa) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(ab) Revenue Recognition

(i) Sale of Goods

Revenue is recognised upon delivery of goods and customers' acceptance and where applicable, net of sales tax, returns and trade discounts.

(ii) Services

Revenue is recognised upon rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(iii) Education and Training Fees

Tuition and training fees are recognised on an accrual basis whereas non-refundable registration and enrolment fees are recognised when chargeable.

(iv) Construction Contracts

Revenue on contracts is recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case revenue on contracts is only recognised to the extent of contract costs incurred that are recoverable. Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the contract will result in a loss.

The stage of completion is determined based on completion of a physical proportion of the contract work.

Notes to the financial statements

For the financial year ended 31 December 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ab) Revenue Recognition (cont'd)

(v) *Property Development*

Revenue from property development is recognised from the sale of completed and uncompleted development properties.

Revenue from the sale of completed properties is recognised when the sale is contracted.

Revenue on uncompleted properties contracted for sale is recognised based on the stage of completion method unless the outcome of the development cannot be reliably determined in which case the revenue on the development is only recognised to the extent of development costs incurred that are recoverable.

The stage of completion is determined based on the proportion that the development costs incurred for work performed to date bear to the estimated total development costs.

(vi) *Dividend Income*

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

(vii) *Interest Income*

Interest income is recognised on an accrual basis, based on the effective yield on the investment.

(viii) *Management Fees*

Management fees are recognised when services are rendered.

(ix) *Rental Income*

Rental income is recognised on an accrual basis.

6. INVESTMENT IN SUBSIDIARIES

	The Company	
	2008	2007
	RM'000	RM'000
Unquoted shares, at cost	129,429	129,429

Notes to the financial statements

For the financial year ended 31 December 2008

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries held by the Company are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
HCM Engineering Sdn. Bhd.	Malaysia	100	100	Road construction, rehabilitation and maintenance.
Kumpulan Ikram Sdn. Bhd.	Malaysia	100	100	Training, geotechnical laboratory, structural and material testing, soil investigation, research and development, listing of building materials, engineering and technical related activities and services.
Protasco Trading Sdn. Bhd.	Malaysia	100	100	Trading of construction materials and petroleum products.
Protasco Land Sdn. Bhd. *	Malaysia	100	100	Property development.
Protasco Infra Sdn. Bhd. *	Malaysia	100	100	Infrastructure and related work.

Details of subsidiaries held through HCM Engineering Sdn. Bhd. are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
Roadcare (M) Sdn. Bhd. *	Malaysia	51	51	Road maintenance and rehabilitation.
HCM-TH Technologies Sdn. Bhd. *	Malaysia	70	70	Road construction and rehabilitation.
HCM Engineering-Isyoda JV Sdn. Bhd. *	Malaysia	100	100	Road construction and rehabilitation.
FRM Roadworks Sdn. Bhd. *	Malaysia	51	51	Dormant.
HCM-Ikhtisas Sdn. Bhd. *	Malaysia	60	60	Investment holding.
HCM (L) Bhd. *	FT Labuan	100	100	Renting out machines.
HCM-Molek JV Sdn. Bhd. *	Malaysia	60	60	Road construction and rehabilitation.
HCM Arabia Sdn. Bhd. *	Malaysia	60	60	Road construction and rehabilitation.
KPS-HCM Sdn. Bhd. *	Malaysia	70	70	Road maintenance and rehabilitation.

Notes to the financial statements

For the financial year ended 31 December 2008

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of subsidiaries held through HCM (L) Bhd. are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
HCM Engineering (PNG) Ltd. *	Papua New Guinea	100	100	Dormant.
Global Traders Ltd. *	FT Labuan	100	100	Dormant.

Details of subsidiaries held through Kumpulan Ikram Sdn. Bhd. are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
Ikram Engineering Services Sdn. Bhd.	Malaysia	100	100	Site investigation and soil testing services.
Kumpulan Ikram (Sabah) Sdn. Bhd. *	Malaysia	60	60	Site investigation and soil testing services.
Ikram Education Sdn. Bhd. *	Malaysia	100	100	Educational services.
Ikram Latihan Sdn. Bhd. *	Malaysia	100	100	Training courses.
Ikram Structure Assessment Sdn. Bhd.*	Malaysia	100	100	Provision of structural and material testing.
Ikram QA Services Sdn. Bhd. *	Malaysia	100	100	Certification and listing of products.
Kumpulan Ikram (Sarawak) Sdn. Bhd. *	Malaysia	60	60	Site investigation and soil testing services.
Ikram Paves Sdn. Bhd.	Malaysia	100	100	Provision of evaluation and testing services for road pavement.
Ikram Libyana Sdn. Bhd. *	Malaysia	60	60	Provision of structural repair and rehabilitation.

Details of subsidiaries held through Ikram Latihan Sdn. Bhd. are as follows :-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
Ikram Skills Academy Sdn. Bhd. *	Malaysia	51	-	Provision of skills training courses.

Notes to the financial statements

For the financial year ended 31 December 2008

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of subsidiaries held through Protasco Trading Sdn. Bhd. are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
Protasco Infratech (M) Sdn. Bhd. *	Malaysia	100	100	Trading in road maintenance products.
QP Industries Sdn. Bhd. *	Malaysia	100	100	Production of pavement materials.
Protasco Enterprise SA (Pty) Ltd. *	South Africa	100	100	Investment holding.
Linktel Communication Sdn. Bhd. *	Malaysia	100	100	Distributor of mobile phone/ digital products.

Details of subsidiaries held through Protasco Enterprise SA (Pty) Ltd. are as follows:

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
Protasco Trading (Pty) Ltd. *	South Africa	100	100	Trading in building products.

Details of subsidiaries held through Protasco Land Sdn. Bhd. are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
Protasco Land SA (Pty) Ltd. *	South Africa	70	70	Property development.

Details of subsidiaries held through Protasco Infra Sdn. Bhd. are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
Hainan Protasco Engineering Co. Ltd. *	China	100	100	Maintenance and rehabilitation of roads and other infrastructure works.
Infra Builders Sdn. Bhd. *	Malaysia	100	100	Building construction.
Infra Water Sdn. Bhd. *	Malaysia	55	55	Water and waste water works.
Ximax Communications Sdn. Bhd. *	Malaysia	100	100	Investment holding.

Notes to the financial statements

For the financial year ended 31 December 2008

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of subsidiary held through Hainan Protasco Engineering Co. Ltd. are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
Hainan Rifu Resources Co. Ltd. *	China	82	89.4	Provide gravel and crushed rock for construction works.

Details of subsidiary held through Infra Water Sdn. Bhd. are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
Enviw Resources Sdn. Bhd. *	Malaysia	-	51	Dormant.

* Audited by firms of auditors other than Messrs. Horwath.

7. INVESTMENT IN ASSOCIATES

	The Group	
	2008 RM'000	2007 RM'000
Unquoted shares, at cost		
At 1 January	1,483	1,483
Addition during financial year	1,033	-
At 31 December	2,516	1,483
Share of post acquisition profits	120	37
Foreign exchange translation reserve	34	(110)
	2,670	1,410
Redeemable preference shares	1,400	1,400
	4,070	2,810
Accumulated impairment losses	(700)	(700)
	3,370	2,110

Notes to the financial statements

For the financial year ended 31 December 2008

7. INVESTMENT IN ASSOCIATES (CONT'D)

Details of associates held through HCM Engineering Sdn. Bhd. are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
THT-HCM JV Sdn. Bhd.	Malaysia	40	40	Road construction.
Protasco Engineering International Ltd. *	South Africa	49	49	Dormant.

Details of the associate held through HCM-Ikhtisas Sdn. Bhd. are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
Libyan Malaysian Company for Roads and Construction	Libya	49	49	Construction and maintenance.

Details of the associate held through Protasco Infra Sdn. Bhd. are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
Ximax Communications Co. Ltd.	Hong Kong	50	-	Trading of mobile phones.

Details of the associate held through Ximax Communications Co. Ltd. are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
Ximax Communications (Shenzhen) Co. Ltd. *	China	100	-	Distributor of telecommunication products, equipment and accessories.

Details of the associate held through Protasco Enterprise SA (Pty) Ltd. are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
Lotus Blinds & Flooring (Pty) Ltd.	South Africa	40	40	Manufacturing of blinds and flooring products.

* The results of this associate have not been equity accounted as the Company is dormant and the amount involved is insignificant.

Notes to the financial statements

For the financial year ended 31 December 2008

7. INVESTMENT IN ASSOCIATES (CONT'D)

The summarised financial statements of the associates are as follows:-

	The Group	
	2008 RM'000	2007 RM'000
ASSETS AND LIABILITIES		
Current assets	26,665	40,869
Non-current assets	1,091	9,881
Total assets	27,756	50,750
Current Liabilities	22,410	47,080
Total Liability	22,410	47,080
RESULTS		
Revenue	27,496	40,031
Loss for the financial year	(1)	(234)

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land RM'000	Buildings RM'000	Renovation RM'000	Reference Books, Office Equipment, Signboard, Furniture And Fittings RM'000	Laboratory Equipment, Plant And Machinery RM'000	Motor Vehicles RM'000	Total RM'000
The Group							
At Cost							
At 1 January 2008	72,000	49,316	11,040	37,398	116,874	29,906	316,534
Additions	-	4,584	1,169	2,916	12,324	3,897	24,890
Disposals	(2,122)	-	(21)	(237)	(1,199)	(1,677)	(5,256)
Written off	-	-	(140)	(134)	(3,370)	-	(3,644)
Reclassification	-	(532)	-	6	532	(6)	-
Exchange rate differences	-	56	14	13	979	85	1,147
At 31 December 2008	69,878	53,424	12,062	39,962	126,140	32,205	333,671

Notes to the financial statements

For the financial year ended 31 December 2008

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold Land RM'000	Buildings RM'000	Renovation RM'000	Reference Books, Office Equipment, Signboard, Furniture And Fittings RM'000	Laboratory Equipment, Plant And Machinery RM'000	Motor Vehicles RM'000	Total RM'000
The Group							
Accumulated Depreciation							
At 1 January 2008	-	4,182	7,403	29,750	69,965	23,533	134,833
Charge for the financial year	-	967	839	2,899	10,683	1,736	17,124
Disposals	-	-	(7)	(234)	(525)	(1,498)	(2,264)
Written off	-	-	(73)	(101)	(2,282)	-	(2,456)
Reclassification	-	-	-	-	-	-	-
Exchange rate differences	-	-	8	11	309	33	361
At 31 December 2008	-	5,149	8,170	32,325	78,150	23,804	147,598
Net Book Value	69,878	48,275	3,892	7,637	47,990	8,401	186,073
At Cost							
At 1 January 2007	72,000	45,258	10,226	35,388	96,882	30,198	289,952
Additions	-	4,123	750	2,766	28,571	3,206	39,416
Disposals	-	-	-	(755)	(8,615)	(3,480)	(12,850)
Reclassification	-	(65)	65	-	-	-	-
Exchange rate differences	-	-	(1)	(1)	36	(18)	16
At 31 December 2007	72,000	49,316	11,040	37,398	116,874	29,906	316,534
Accumulated Depreciation							
At 1 January 2007	-	3,278	6,302	26,953	64,067	24,685	125,285
Charge for the financial year	-	904	1,100	3,400	10,169	1,792	17,365
Disposals	-	-	-	(603)	(4,306)	(2,945)	(7,854)
Exchange rate differences	-	-	1	-	35	1	37
At 31 December 2007	-	4,182	7,403	29,750	69,965	23,533	134,833
Net Book Value	72,000	45,134	3,637	7,648	46,909	6,373	181,701

Notes to the financial statements

For the financial year ended 31 December 2008

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Certain property, plant and equipment of the Group with a total net book value of RM3,658,991 (2007 - RM1,430,426) are held under hire purchase arrangements.

Certain property, plant and equipment of the Group with a total net book value of RM105,790,869 (2007 - RM108,721,088) were pledged to financial institutions as security to secure credit facilities as disclosed in Note 33.

9. PREPAID LAND LEASE PAYMENTS

	The Group	
	2008	2007
	RM'000	RM'000
At Cost:-		
Long-term leasehold land	3,755	3,755
Addition during the financial year	1,380	-
	5,135	3,755
Accumulated amortisation	(379)	(265)
	4,756	3,490
Accumulated amortisation:-		
At 1 January	(265)	(193)
Amortisation for the financial year	(114)	(72)
At 31 December	(379)	(265)

10. LAND HELD FOR PROPERTY DEVELOPMENT

	The Group	
	2008	2007
	RM'000	RM'000
At Cost:-		
Development expenditure		
At 1 January	3,200	203
Addition during the financial year	-	3,200
	3,200	3,403
Transfer to property development costs (Note 16)	-	(203)
Exchange rate differences	(744)	-
At 31 December	2,456	3,200

Notes to the financial statements

For the financial year ended 31 December 2008

11. DEVELOPMENT COSTS

	The Group	
	2008 RM'000	2007 RM'000
At Cost:-		
At 1 January	2,532	2,532
Addition during the financial year	2,200	-
Written off during the financial year	(2,532)	-
At 31 December	2,200	2,532
Accumulated amortisation:-		
At 1 January	(1,179)	(619)
Amortisation for the financial year	(110)	(560)
Written off during the financial year	1,179	-
At 31 December	(110)	(1,179)
Net book value at 31 December	2,090	1,353

12. GOODWILL ON CONSOLIDATION

	The Group	
	2008 RM'000	2007 RM'000
Arising from the acquisition of subsidiaries	-	264

13. LONG-TERM INVESTMENTS

	The Group	
	2008 RM'000	2007 RM'000
At Cost:		
Unquoted shares	2,097	423
Club membership	386	386
	2,483	809

Notes to the financial statements

For the financial year ended 31 December 2008

14. DEFERRED TAX ASSET

	The Group	
	2008	2007
	RM'000	RM'000
At 1 January	-	-
Recognised in income statement	31	-
	31	-

The deferred tax asset comprises:-

	The Group	
	2008	2007
	RM'000	RM'000
Unutilised tax losses	31	-

15. INVENTORIES

	The Group	
	2008	2007
	RM'000	RM'000
At Cost:		
Handphones, stores and spares	2,265	434
Quarry products	2,746	-
	5,011	434

16. PROPERTY DEVELOPMENT COSTS

	The Group	
	2008	2007
	RM'000	RM'000
At 1 January	4,369	-
Transferred from land held for property development (Note 10)	-	203
Development costs incurred during the financial year	13,526	4,166
	17,895	4,369
Accumulated costs charged to income statement	(16,304)	(185)
At 31 December	1,591	4,184
Represented by:		
Development costs	17,895	4,369
Accumulated costs charged to income statement	(16,304)	(185)
At 31 December	1,591	4,184

Notes to the financial statements

For the financial year ended 31 December 2008

17. AMOUNT OWING BY CONTRACT CUSTOMERS

	The Group	
	2008 RM'000	2007 RM'000
Contract costs incurred to date	160,790	996,409
Attributable profits	5,717	220,341
	166,507	1,216,750
Allowance for foreseeable loss	(3,582)	-
	162,925	1,216,750
Progress billings	(137,097)	(1,200,089)
	25,828	16,661
Amount owing by contract customers	25,828	16,661
Contract costs recognised as an expense	98,786	44,409

The costs incurred to date on construction include the following charges made during the financial year:-

	2008 RM'000	2007 RM'000
Depreciation of property, plant and equipment	1,017	654
Hire of motor vehicles	286	11
Hire of plant and machinery	2,377	3,791
Rental expense	632	351
Staff costs	7,093	4,401

18. TRADE RECEIVABLES

	The Group	
	2008 RM'000	2007 RM'000
Trade receivables	227,965	218,290
Accrued billings	3,530	-
	231,495	218,290
Allowance for doubtful debts	(4,063)	(3,605)
	227,432	214,685
Allowance for doubtful debts:-		
At 1 January	(3,605)	(3,734)
Addition for the financial year	(495)	(32)
Writeback for the financial year		
Written off during the financial year	37	33
	-	128
	(4,063)	(3,605)

Notes to the financial statements

For the financial year ended 31 December 2008

18. TRADE RECEIVABLES (CONT'D)

The trade receivables include an amount of RM608,386 (2007 - RM475,057) owing by C & H Engineering Construction Sdn. Bhd., a company in which certain Directors have substantial financial interests.

The Group's normal trade credit terms range from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

The foreign currency exposure profile of the trade receivables at the balance sheet date was as follows:-

	The Group	
	2008 RM'000	2007 RM'000
Euro	-	4,588
Libyan Dinar	5,647	2,669
United States Dollar	408	452
Chinese Renminbi	672	-

19. OTHER RECEIVABLES

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Other receivables	25,277	17,704	5	5
Allowance for doubtful debts	(718)	(718)	-	-
	24,559	16,986	5	5

The foreign currency exposure profile of the other receivables at the balance sheet date was as follows:-

	The Group	
	2008 RM'000	2007 RM'000
Chinese Renminbi	1,406	1,411
Euro	2,672	3,005
Libyan Dinar	599	98
South African Rand	4	444

20. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amounts owing are non-trade in nature, unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

Notes to the financial statements

For the financial year ended 31 December 2008

21. AMOUNT OWING BY ASSOCIATES

	The Group	
	2008 RM'000	2007 RM'000
Trade balances	4,712	2,941
Non-trade balances	1,805	2,522
	6,517	5,463

The normal trade credit terms range from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis. The amount owing is unsecured and to be settled in cash.

The non-trade amounts owing are unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

The foreign currency exposure profile of the amount owing by associates at the balance sheet date was as follows:-

	The Group	
	2008 RM'000	2007 RM'000
Libyan Dinar	5,048	3,463
South African Rand	1,469	2,000

22. SHORT-TERM INVESTMENTS

	The Group	
	2008 RM'000	2007 RM'000
Unit trusts, quoted in Malaysia, at cost	20,442	7,301
Market value of quoted unit trusts	20,442	7,301

Notes to the financial statements

For the financial year ended 31 December 2008

23. DEPOSITS WITH LICENSED BANKS

Deposits with licensed banks of the Group amounting to RM10,379,673 (2007 - RM9,999,585) are pledged to banks for credit facilities granted to the subsidiaries.

The effective interest rates of deposits at the balance sheet date were as follows:-

The Group		The Company	
2008	2007	2008	2007
%	%	%	%
2.4 to 3.7	2.6 to 3.9	3.1	3.2

The average maturity period of the deposits as at the balance sheet date were as follows:-

The Group		The Company	
2008	2007	2008	2007
1 to 365	1 to 365	1	1

In the previous financial year, the foreign currency exposure profile of the deposits with licensed banks at the balance sheet date was as follows:-

		The Group	
		2008	2007
		RM'000	RM'000
Australian Dollar		-	348
Papua New Guinea Kina		-	60

24. CASH AND BANK BALANCES

The foreign currency exposure profile of the cash and bank balances at the balance sheet date was as follows:-

		The Group	
		2008	2007
		RM'000	RM'000
Australian Dollar		-	2,681
Chinese Renminbi		2,317	2,181
Euro		251	11
Libyan Dinar		328	349
Papua New Guinea Kina		98	634
South African Rand		774	450
United States Dollar		170	43

Notes to the financial statements

For the financial year ended 31 December 2008

25. SHARE CAPITAL

	The Group/The Company			
	2008 Number Of Shares '000	2007 '000	2008 RM'000	2007 RM'000
Ordinary Shares Of RM0.50 Each:-				
Authorised	600,000	600,000	300,000	300,000
Issued And Fully Paid-Up	300,000	300,000	150,000	150,000

Of the total 300,000,000 (2007 - 300,000,000) issued and fully paid ordinary shares as at 31 December 2008, 3,328,800 (2007 - 1,541,000) were held as treasury shares by the Company. As at 31 December 2008, the number of outstanding ordinary shares in issue and fully paid amounted to 296,671,200 (2007 - 298,459,000).

26. TREASURY SHARES

The amount relates to the acquisition cost of treasury shares net of the proceeds received on their subsequent sale or issuance.

At the annual general meeting held on 20 June 2008, the shareholders of the Company approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company purchased its own ordinary shares from the open market under the share buy-back programme. Details are as follows:-

Date	Lowest	Price Per Share		Number Of Shares	Total Consideration RM'000
		Highest	Average		
Balance at 1 January 2008	-	-	-	1,541,000	1,317
January 2008	0.960	0.980	0.9700	250,000	244
February 2008	0.900	0.900	0.9000	28,000	25
March 2008	0.824	0.887	0.8555	753,000	644
April 2008	0.851	0.865	0.8580	428,000	372
August 2008	0.700	0.724	0.7120	150,600	107
September 2008	0.690	0.704	0.6970	113,700	80
November 2008	0.615	0.615	0.6150	14,500	9
December 2008	0.600	0.600	0.6000	50,000	30
At 31 December 2008				3,328,800	2,828

The total shares purchased under the share buy-back programme were financed by internally generated funds. The shares purchased were retained as treasury shares and are presented as a deduction from shareholders' equity.

Notes to the financial statements

For the financial year ended 31 December 2008

27. FOREIGN EXCHANGE TRANSLATION RESERVE

The exchange fluctuation reserve arose from the translation of the financial statements of foreign subsidiaries, foreign associates and the foreign branch and is not distributable by way of dividends.

28. DEFERRED TAX LIABILITIES

	The Group	
	2008	2007
	RM'000	RM'000
At 1 January	7,616	7,588
Recognised in income statement (Note 39)	(771)	28
At 31 December	6,845	7,616
Presented after appropriate offsetting as follows:-		
Deferred tax liabilities:-		
Accelerated capital allowances	5,171	4,942
Fair value adjustment	2,471	3,531
At 31 December	7,642	8,473
Deferred tax assets:-		
Unutilised capital allowances	-	(190)
Provisions	(797)	(667)
	(797)	(857)
	6,845	7,616

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

	The Group	
	2008	2007
	RM'000	RM'000
Unutilised tax losses	6,981	4,985
Unabsorbed capital allowances	610	-
	7,591	4,985

The availability of the unutilised tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the respective subsidiaries and of the Company are subject to no substantial changes in the shareholdings of those subsidiaries and the Company under Section 44 (5A) and (5B) of the Income Tax Act, 1967.

Notes to the financial statements

For the financial year ended 31 December 2008

29. LONG-TERM BORROWING

	The Group	
	2008	2007
	RM'000	RM'000
SECURED:		
Hire purchase payables (Note 30)	1,923	592

30. HIRE PURCHASE PAYABLES

	The Group	
	2008	2007
	RM'000	RM'000
Minimum lease payments:		
- not later than one year	950	441
- later than one year but not later than five years	2,119	651
	3,069	1,092
Less: Future finance charges	(305)	(104)
	2,764	988
The net hire purchase payables are repayable as follows:-		
- not later than one year (Note 33)	841	396
- later than one year but not later than five years (Note 29)	1,923	592
	2,764	988

The hire purchase payables of the Group bore effective interest rates which ranged from 2.3% to 6.2% (2007 - 2.3% to 6.2%) per annum at the balance sheet date.

31. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 60 days.

The foreign currency exposure profile of the trade payables at the balance sheet date was as follows:-

	The Group	
	2008	2007
	RM'000	RM'000
Libyan Dinar	947	75

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For the financial year ended 31 December 2008

32. OTHER PAYABLES

The foreign currency exposure profile of the other payables at the balance sheet date was as follows:-

	The Group	
	2008 RM'000	2007 RM'000
Chinese Renminbi	1,381	125
Euro	33	86
Libyan Dinar	439	32
South African Rand	944	25

33. SHORT-TERM BORROWINGS

	The Group	
	2008 RM'000	2007 RM'000
SECURED:		
Bills payable	6,635	3,360
Revolving credit	25,656	9,306
Hire purchase payables (Note 30)	841	396
	33,132	13,062

The weighted average effective interest rates at the balance sheet date for borrowings, excluding hire purchase payables, were as follows:

	The Group	
	2008 %	2007 %
Bills payable	4.5	4.5
Revolving credit	5.6	5.6

The bankers' acceptances and revolving credit of the Group are secured by way of:-

- (a) a corporate guarantee of the Company; and
- (b) fixed and floating charges on certain property, plant and equipment as disclosed in Note 8.

Notes to the financial statements

For the financial year ended 31 December 2008

34. BANK OVERDRAFTS

The bank overdrafts bore effective interest rates ranging from 8.0% to 9.0% (2007 - 7.7% to 8.3%) per annum at the balance sheet date and were secured by way of a corporate guarantee of the Company.

35. REVENUE

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Gross dividends from subsidiaries	-	-	28,216	32,728
Management fees from subsidiaries	-	-	2,250	2,250
Construction and maintenance contracts	358,465	270,739	-	-
Property development	17,551	-	-	-
Sale of goods	118,816	126,770	-	-
Education and training fees	54,484	41,183	-	-
Engineering services	71,679	58,490	-	-
Others	8,153	9,143	-	-
	629,148	506,325	30,466	34,978

36. COST OF SALES

	The Group	
	2008 RM'000	2007 RM'000
Construction and maintenance contracts	270,897	176,738
Property development	6,504	-
Sale of goods	123,237	133,057
Education and training fees	32,644	23,743
Engineering services	38,878	23,696
Others	1,861	266
	474,021	357,500

Notes to the financial statements

For the financial year ended 31 December 2008

37. PROFIT BEFORE TAXATION

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for doubtful debts	495	32	-	-
Amortisation of development costs	110	560	-	-
Amortisation of prepaid land lease payments	114	72	-	-
Audit fee:				
- statutory audit				
- current year	321	223	15	15
- underprovision in the previous financial year	-	8	-	-
- others	10	10	10	10
Bad debts written off	1,544	410	-	-
Depreciation of property, plant and equipment	16,107	16,711	-	-
Directors' benefits-in-kind	92	63	-	-
Directors' fee	72	72	72	72
Director's non-fee emoluments	1,793	1,784	1,793	1,784
Allowance for foreseeable loss	3,582	-	-	-
Net foreign exchange (gain)/loss:-				
- unrealised	(22)	70	-	-
- realised	(86)	108	-	-
Development cost written off	1,353	-	-	-
Goodwill written off	264	-	-	-
Property, plant and equipment written off	1,188	-	-	-
Research and development expenditure	20	-	-	-
Preliminary expenses	3	-	-	-
Interest expense:				
- bank overdrafts	93	70	-	-
- hire purchase	97	55	-	-
- term loans	-	7	-	-
- bills payable	217	121	-	-
- revolving credit	1,042	279	-	-
Rental of:				
- office premises	1,540	1,251	-	-
- plant and machinery	100	80	-	-
- motor vehicles	356	233	-	-
- office equipment	513	557	-	-
- others	79	78	-	-
Staff costs	55,481	51,196	769	535
Gain on disposal of property, plant and equipment	(890)	(1,430)	-	-
Interest income	(1,285)	(1,803)	(60)	(102)
Insurance claim received	(5,020)	-	-	-
Tax-exempt dividends received from investment in unit trusts	(644)	(278)	-	-
Rental income	(157)	(295)	-	-
Writeback of allowance for doubtful debts	(37)	(33)	-	-
Waiver of debts	(6)	(9)	-	-

Notes to the financial statements

For the financial year ended 31 December 2008

38. DIRECTORS' REMUNERATION

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Directors of the Company				
Executive Directors' remuneration				
- Other emoluments	1,774	1,774	1,774	1,774
Non-Executive Directors' remuneration				
- Fees	72	72	72	72
- Other emoluments	19	10	19	10
	91	82	91	82
Total Directors' remuneration	1,865	1,856	1,865	1,856
Estimated money value benefits-in-kind	92	63	-	-
Total Directors' remuneration including benefits-in-kind	1,957	1,919	1,865	1,856

The details of remuneration receivable by the Directors of the Company during the financial year are as follows:-

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Executive:				
Salaries and emoluments	1,267	1,267	1,267	1,267
Bonus	317	317	317	317
Contributions to defined contribution plans	190	190	190	190
Estimated money value of benefits-in-kind	92	63	-	-
	1,866	1,837	1,774	1,774
Non-Executive:				
Fees	72	72	72	72
Other emoluments	19	10	19	10
	1,957	1,919	1,865	1,856

The number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:-

	Number Of Directors	
	2008	2007
Executive Directors:		
RM850,001 - RM900,000	2	2
Non-Executive Directors:		
Below RM25,000	4	4

Notes to the financial statements

For the financial year ended 31 December 2008

39. INCOME TAX EXPENSE

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current tax expense:				
Charge for the financial year:				
- Malaysian taxation	23,958	19,622	7,217	8,730
- Overseas taxation	31	43	-	-
Under/(Over)provision in the previous financial year	947	(1,171)	-	(15)
	24,936	18,494	7,217	8,715
Deferred tax expense (Note 28):				
Relating to origination and reversal of temporary differences	(327)	24	-	-
(Over)/Underprovision in the previous financial year	(444)	4	-	-
	(771)	28	-	-
	24,165	18,522	7,217	8,715

During the financial year, the statutory tax rate was reduced from 27% to 26% as announced in the Malaysian Budget 2007.

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and the Company is as follows:-

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Profit before taxation	72,868	71,462	27,591	32,488
Tax at the statutory tax rate of 26% (2007 - 27%)	18,946	19,295	7,173	8,772
Tax effects of:				
Differential in tax rates	(311)	(294)	-	-
Exempt income due to pioneer status	(2)	(252)	-	-
Non-deductible expenses	6,112	1,956	64	45
Non-taxable income	(1,685)	(1,151)	-	-
Utilisation of previously unrecognised deferred tax asset	(153)	(922)	-	-
Deferred tax asset not recognised during the financial year	758	1,346	-	-
Under/(Over)provision in the previous financial year				
- current tax	947	(1,171)	-	(15)
- deferred tax	(444)	4	-	-
Others	(3)	(289)	(20)	(87)
Tax expense for the financial year	24,165	18,522	7,217	8,715

Notes to the financial statements

For the financial year ended 31 December 2008

40. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the financial year by the weighted average number of ordinary shares in issue excluding treasury shares during the financial year.

	The Group	
	2008	2007
Net profit for the financial year (RM'000)	28,816	33,701
Weighted average number of ordinary share in issue ('000)	297,182	298,600
Basic earnings per share (sen)	9.7	11.3

The diluted earnings per share is not applicable as there were no potential dilutive ordinary shares outstanding at the balance sheet date.

41. DIVIDENDS

	The Company	
	2008	2007
	RM'000	RM'000
Final dividend of 5.48 sen per ordinary share less 27% tax in respect of the financial year ended 31 December 2006	-	11,945
Interim dividend of 5.48 sen per ordinary share less 27% tax in respect of the financial year ended 31 December 2007	-	11,940
Final dividend of 5.41 sen per ordinary share less 26% tax in respect of the financial year ended 31 December 2007	11,890	-
Interim dividend of 4.05 sen per ordinary share less 26% tax in respect of the financial year ended 31 December 2008	8,900	-
	20,790	23,885

At the forthcoming Annual General Meeting, the Directors recommend a final dividend in respect of the financial year ended 31 December 2008 of 4 sen per ordinary share amounting to approximately RM11,866,848 computed based on the issued and paid-up capital as at 31 December 2008 of 296,671,200 ordinary shares of RM0.50 each to be paid to shareholders whose names appear in the Record of Depositors on 30 June 2009. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2009.

Notes to the financial statements

For the financial year ended 31 December 2008

42. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group	
	2008 RM'000	2007 RM'000
Cost of property, plant and equipment purchased	24,890	39,416
Amount financed through hire purchase	(2,537)	(700)
Cash disbursed for purchase of property, plant and equipment	22,353	38,716

43. CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statements, cash and cash equivalents comprised the followings:-

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash and bank balances	35,593	18,747	61	289
Deposits with licensed banks	55,902	76,462	1,482	3,132
Bank overdrafts	(1,723)	(1,231)	-	-
	89,772	93,978	1,543	3,421

44. CAPITAL COMMITMENT

	The Group	
	2008 RM'000	2007 RM'000
Capital expenditure:		
Approved and contracted for	8,185	1,816
Approved but not contracted for	21,524	30,020
	29,709	31,836

45. CONTINGENT LIABILITIES

An individual has filed a suit under his entity, Menuju Asas Enterprise (MAE), for an alleged sum of RM5,000,000 against a subsidiary. The subsidiary has filed an application to strike out the Plaintiff's claim as there was no documentation confirming the work performed by MAE.

On 23 March 2009, a Summary Judgement was granted in favour of MAE for the subsidiary to pay RM5,000,000 and interest at 8% per annum from the date of judgement. Subsequently, the subsidiary filed a Notice of Appeal to the Court of Appeal and a stay of execution to the High Court on 26 March 2009 and 27 March 2009, respectively. The appeal is pending hearing. The hearing of the stay of application is fixed on 25 May 2009.

Notes to the financial statements

For the financial year ended 31 December 2008

45. CONTINGENT LIABILITIES (CONT'D)

Meanwhile, the High Court has granted an interim stay order for the stay of execution until the hearing of the said application.

The solicitors are of the opinion that the subsidiary has reasonably strong grounds against MAE's claims due to the absence of any consideration for the alleged amount owing of RM5,000,000. The amount the subsidiary has to pay, if any, would be a sum linked to the actual work done and after proof of consideration. Accordingly, based on the solicitor's advice, the Directors are of the opinion that no provision was deemed necessary in the financial statements.

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Unsecured:				
(a) Corporate guarantees given to financial institutions for credit facilities granted to subsidiaries	218,300	205,100	181,236	168,036
(b) Corporate guarantees given to suppliers for credit facilities granted to a subsidiary	27,090	20,090	27,090	20,090
(c) Guarantee given by a subsidiary to the Government of Malaysia for the repayment of advance payment received	8,700	8,700	-	-
(d) Performance guarantee extended by subsidiaries to third parties	82,778	104,754	-	-

46. RELATED PARTY DISCLOSURES

- (a) Identities of related parties

The Group has a related party relationship with:-

- (i) its subsidiaries, as disclosed in Note 6 to the financial statements;
- (ii) its associates, as disclosed in Note 7 to the financial statements;
- (iii) the Directors who are the key management personnel; and
- (iv) close members of the families of certain Directors.

The details of the amounts owing by/to subsidiaries and associates are disclosed in Note 20 and Note 21, respectively.

Notes to the financial statements

For the financial year ended 31 December 2008

46. RELATED PARTY DISCLOSURES (CONT'D)

- (b) In addition to the information detailed elsewhere in the financial statements, the Group and the Company carried out the following transactions with the related parties during the financial year:

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Gross dividends from subsidiaries	-	-	(28,216)	(32,728)
Management fees from subsidiaries	-	-	(2,250)	(2,250)
Services rendered by:				
- C&H Engineerings Consultants Sdn. Bhd., a company owned substantially by Directors of the Company, Dato' Hasnur Rabiain Bin Ismail and Dato' Chong Ket Pen	(39)	(250)	-	-
- Libyan Malaysian Company for Road Construction, an associate of HCM-Ikhtisas Sdn. Bhd.	(23,347)	(18,398)	-	-
Rental received from:				
- C&H Engineerings Consultants Sdn. Bhd.	(10)	(29)	-	-
Sales to:				
- THT-HCM JV Sdn. Bhd.	-	(8)	-	-
Services rendered by:				
- C&H Engineerings Consultants Sdn. Bhd.	635	1,278	-	-

- (c) Key management personnel compensation

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Short-term employee benefits	3,023	2,880	1,774	1,774

47. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The following are the significant events involving the Group and the Company during the financial year:-

- (a) On 28 January 2008, Ikram Latihan Sdn. Bhd. ("Ikram Latihan"), a wholly-owned subsidiary of Kumpulan Ikram Sdn. Bhd., acquired 1 ordinary share of RM1 each in Ikram Skills Academy Sdn. Bhd. ("Ikram Skills"), a company incorporated in Malaysia, for a cash consideration of RM1. Subsequently, on 1 February 2008, Ikram Latihan additionally acquired 76,499 ordinary shares in Ikram Skills, for a cash consideration of RM76,499. Consequently Ikram Skills became a 51% owned subsidiary of Ikram Latihan.
- (b) On 2 May 2008, Infra Water Sdn. Bhd., a subsidiary of Protasco Infra Sdn. Bhd., disposed of 51,000 ordinary shares of RM1 each in Enviw Resources Sdn. Bhd. for a total cash consideration of RM51,000;

Notes to the financial statements

For the financial year ended 31 December 2008

47. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (c) On 22 October 2008 and 20 November 2008, HCM Engineering Sdn. Bhd., a wholly-owned subsidiary of the Company, subscribed for the additional share capital of 69,993 and 455,000 ordinary shares of RM1 each in KPS-HCM Sdn. Bhd. for a total cash consideration of RM69,993 and RM455,000 respectively, to retain their equity interest of 51%; and
- (d) On 20 December 2008, Ximax Communications Co. Ltd., an associate of Protasco Infra Sdn. Bhd., subscribed for 500,000 shares, representing 100% of the total equity in Ximax Communications (Shenzhen) Co. Ltd. for a total consideration of RMB500,000;

48. SIGNIFICANT EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

On 3 April 2009, HCM Engineering Sdn. Bhd., a wholly-owned subsidiary of the Company, subscribed for the increase in share capital of 2,275,000 ordinary shares of RM1 each in KPS-HCM Sdn Bhd for a total cash consideration of RM2,275,000 to retain the equity interest of 70%.

49. SEGMENTAL INFORMATION

(a) Business Segments

The Group is organised into four major business segments:-

(i) *Construction contracts*

The construction and maintenance of roads

(ii) *Engineering Services*

The provision of site investigation and soil testing services

(iii) *Training and Education*

The provision of training and education services

(iv) *Trading*

The sale of construction materials and petroleum products

Other business segments include investment holding and production of pavement materials, none of which are of a sufficient size to be reported separately.

(b) Geographical Segments

No geographical segment has been presented as the assets held and consequently the income derived by the Group are mainly in Malaysia.

Notes to the financial statements

For the financial year ended 31 December 2008

49. SEGMENTAL INFORMATION (CONT'D)

	Construction Contracts RM'000	Engineering Services RM'000	Property Development RM'000	Training And Education RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
2008								
REVENUE								
External sales	358,465	71,679	17,551	54,484	118,816	8,153	-	629,148
Inter-segment sales	13,793	3,690	-	125	11,919	32,063	(61,590)	-
Total revenue	372,258	75,369	17,551	54,609	130,735	40,216	(61,590)	629,148
RESULTS								
Segment results	47,437	9,302	832	6,273	4,728	33,887	(28,219)	74,240
Amortisation of reserve on consolidation								-
Profit from operations								74,240
Finance costs								(1,455)
Share of profit in associates	83	-	-	-	-	-	-	83
Income tax expense								(24,165)
Profit after taxation								48,703
Minority interests								(19,887)
Net profit for the financial year								28,816
ASSETS								
Segment assets	304,004	210,990	15,439	33,886	30,256	6,158		600,733
Investment in associates	3,370	-	-	-	-	-		3,370
Unallocated corporate assets								9,589
Consolidated total assets								613,692
LIABILITIES								
Segment liabilities	126,547	43,408	15,577	21,976	15,244	8,819		231,571
Unallocated corporate liabilities								12,841
Consolidated total liabilities								244,412
OTHER INFORMATION								
Capital expenditure	15,501	3,650	10	8,355	883	71		28,470
Depreciation and amortisation	12,297	3,060	30	1,709	194	59		17,349

Notes to the financial statements

For the financial year ended 31 December 2008

49. SEGMENTAL INFORMATION (CONT'D)

	Construction Contracts RM'000	Engineering Services RM'000	Training And Education RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
2007							
REVENUE							
External sales	270,739	58,490	41,183	126,770	9,143	-	506,325
Inter-segment sales	8,368	2,910	387	15,020	34,979	(61,664)	-
Total revenue	279,107	61,400	41,570	141,790	44,122	(61,664)	506,325
RESULTS							
Segment results	46,117	7,068	4,621	6,399	40,107	(32,271)	72,041
Amortisation of reserve on consolidation							-
Profit from operations							72,041
Finance costs							(588)
Share of profit in associates	9	-	-	-	-	-	9
Income tax expense							(18,522)
Profit after taxation							52,940
Minority interests							(19,239)
Net profit for the financial year							33,701
ASSETS							
Segment assets	295,732	191,678	28,550	30,809	4,971		551,740
Investment in associates	2,110	-	-	-	-		2,110
Unallocated corporate assets							6,914
Consolidated total asset							560,764
LIABILITIES							
Segment liabilities	111,377	38,534	18,316	17,556	11,459		197,242
Unallocated corporate liabilities							11,589
Consolidated total liabilities							208,831
OTHER INFORMATION							
Capital expenditure	33,081	3,185	6,318	21	11		42,616
Depreciation and amortisation	12,638	3,797	1,327	194	41		17,997

Notes to the financial statements

For the financial year ended 31 December 2008

50. FOREIGN EXCHANGE RATES

The applicable closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to Ringgit Malaysia equivalent) for the translation of the foreign currency balances at the balance sheet date are as follows:-

	The Group	
	2008	2007
Australian Dollar	2.42	2.88
Chinese Renminbi	0.51	0.46
Euro	4.91	4.88
Libyan Dinar	2.78	2.72
Papua New Guinea Kina	1.27	1.20
South African Rand	0.37	0.49
United States Dollar	3.48	3.28

51. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced sale or liquidation.

The following methods and assumptions are used to estimate the fair value of each class of financial assets and liabilities of the Group and of the Company:-

(a) Investment in Associates And Other Investments

It is not practicable to determine the fair values because of the lack of quoted market prices and the assumptions used in valuation models to value these investments cannot be reasonably determined.

(b) Quoted Investments

The fair values of quoted investments are estimated based on quoted market prices for these investments.

(c) Cash and Cash Equivalents/Receivables/Payables

The carrying amounts approximated their fair values due to the relatively short-term maturity of these instruments.

(d) Hire Purchase Payables

The carrying amounts approximated the fair values of these instruments. The fair value of hire purchase payables is determined by discounting the relevant cash flows using the current interest rates at the balance sheet date.

(e) Long-term Borrowings

The carrying amounts approximated their fair values as these instruments bear interest at variable rates.

Notes to the financial statements

For the financial year ended 31 December 2008

51. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

(f) Contingent Liabilities

The nominal amount and net fair value of financial instruments not recognised in the balance sheets of the Group and of the Company are as follows:

	Note	The Group		The Company	
		Nominal Amount RM'000	Net Fair Value RM'000	Nominal Amount RM'000	Net Fair Value RM'000
At 31 December 2008					
Contingent liabilities	45	336,868	*	208,326	*
At 31 December 2007					
Contingent liabilities	45	338,644	*	188,126	*

* The net fair value of the contingent liability is estimated to be minimal as the subsidiaries are expected to fulfill their obligations to repay their borrowings.

List of properties

No	Location	Description/ Existing Use	Age of Buildings	Tenure	Approx. Land Area sq. ft.	Net Book Value at 31.12.2008 RM'000	Date of Revaluation*/ Acquisition#
1	Lot No. P.T. 2158, Mukim of Dengkil, District of Sepang, State of Selangor Darul Ehsan.	Institutional, commercial and residential	Between 7 - 26 years	Freehold	4.356 million	105,521	18.04.02*
2	Lot No. 28401 and Lot No. 28402, Mukim of Senai-Kulai, District of Johor Bahru, State of Johor Darul Takzim.	Two adjoining units of 1½-storey light industrial terraced factories	11 years	Freehold	9,558	709	18.04.02*
3	Lot Nos. 1576 and 1577, Held Under Grant, Nos. 53674 and 53675, respectively of Mukim 4, Seberang Prai Tengah, Pulau Pinang.	Two adjoining three-storey shop offices	13 years	Freehold	2,799	823	18.04.02*
4	Lot No. P.T. 172, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Intermediate four-storey shophouse	25 years	Leasehold 99 years expiring in 2076	1,760	779	01.03.02#
5	Lot No. P.T. 166, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Intermediate four-storey shophouse	25 years	Leasehold 99 years expiring in 2076	1,760	651	11.06.02#
6	Lot No. P.T. 167, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Intermediate four-storey shophouse	25 years	Leasehold 99 years expiring in 2076	1,760	651	11.06.02#
7	Lot No. P.T. 168, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Intermediate four-storey shophouse	25 years	Leasehold 99 years expiring in 2076	1,760	651	11.06.02#
8	Lot No. P.T. 169, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Corner lot four-storey shophouse	25 years	Leasehold 99 years expiring in 2076	2,208	912	11.06.02#
9	HS (M) 39751, Lot No. P.T. 47478, Mukim Kuala Kuantan, Daerah Kuantan, Pahang.	Two-storey semi-detached factory	12 years	Leasehold 66 years expiring in 2063	4,500	270	10.12.01#
10	Country Lease No. 075356580, Sungai Tinosan, Sandakan, Sabah.	Land for future development	N/A	Leasehold 99 years expiring in 2074	291,850	674	10.03.05#
11	HS (M) 1156, Blok 7, Mukim of Dengkil, District of Sepang, State of Selangor Darul Ehsan.	Workshop	3 years	Leasehold 99 years expiring in 2080	126,300	1,797	05.08.05#
12	HS (M) 3647, Mukim of Dengkil, District of Sepang, State of Selangor Darul Ehsan.	Land	N/A	Leasehold 99 years expiring in 2091	79,100	819	25.06.08#

Analysis of shareholdings

As At 22 April 2009

Authorised Share Capital	:	RM300,000,000
Issued and Paid-up Share Capital	:	RM150,000,000
Class of Shares	:	Ordinary shares of RM0.50 each
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No of Holders		No of Holdings		% of Holdings	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
1 - 99	83	0	3,992	0	0.00	0.00
100 - 1,000	586	0	527,086	0	0.18	0.00
1,001 - 10,000	1,935	25	9,457,955	138,300	3.19	0.05
10,001 - 100,000	803	16	25,706,952	785,000	8.67	0.26
100,001 - 14,833,509*	140	14	65,505,230	6,211,400	22.08	2.09
14,833,510 and above**	6	0	188,334,285	0	63.48	0.00
TOTAL	3,553	55	289,535,500	7,134,700	97.60	2.40

	No. of Holders	No. of Holdings	% of Holdings
GRAND TOTAL	3,608	296,670,200 ***	100.00

Remarks : * Less than 5% of issued holdings
 ** 5% and above of issued holdings
 *** Excluding 3,329,800 treasury shares

SUBSTANTIAL SHAREHOLDERS

Name	Direct Holdings		Indirect Holdings	
	No. of Shares	%	No. of Shares	%
Dato' Hasnur Rabiain bin Ismail	39,158,693	13.20	52,201,720 ⁽¹⁾	17.60
Dato' Chong Ket Pen	39,724,693	13.39	22,964,074 ⁽²⁾	7.74
Yap Onn Neo	33,054,701	11.14	22,964,074 ⁽²⁾	7.74
Dream Cruiser Sdn Bhd	29,237,646	9.86	-	-
Max-Three Sdn Bhd	22,964,074	7.74	-	-
Lembaga Tabung Haji	27,039,300	9.11	-	-

Notes : ⁽¹⁾ By virtue of his interest in Max-Three Sdn Bhd and Dream Cruiser Sdn Bhd
⁽²⁾ By virtue of his/her interest in Max-Three Sdn Bhd

DIRECTORS' SHAREHOLDINGS

Directors	Direct Holdings		Indirect Holdings	
	No. of Shares	%	No. of Shares	%
Dato' Hasnur Rabiain bin Ismail	39,158,693	13.20	52,474,720 ⁽¹⁾	17.69
Dato' Chong Ket Pen	39,724,693	13.39	23,562,574 ⁽²⁾	7.94
Dato' Dr Norraesah Binti Haji Mohamad	-	-	-	-
Datin Normah Binti Kassim	90,000	0.03	-	-
Datin Azliza Binti Ahmad Tajuddin	149,500	0.05	-	-
Benny Soh Seow Leng	150,000	0.05	-	-

Notes: ⁽¹⁾ By virtue of his interest in Max-Three Sdn. Bhd, Dream Cruiser Sdn. Bhd and spouse.
⁽²⁾ By virtue of his interest in Max-Three Sdn. Bhd, spouse and child

List of top 30 shareholders*

As At 22 April 2009

NO.	NAME	HOLDINGS	%
1.	CHONG KET PEN	39,724,693	13.39
2.	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>BC TRUSTEE ADVISORY FOR HASNUR RABIAIN BIN ISMAIL (PB)</i>	38,922,693	13.12
3.	YAP OON NEO	30,821,579	10.39
4.	DREAM CRUISER SDN BHD	29,237,646	9.86
5.	LEMBAGA TABUNG HAJI	26,663,600	8.99
6.	MAX-THREE SDN BHD	22,964,074	7.74
7.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PHEIM ASSETS MANAGEMENT SDN BHD FOR EMPLOYEES PROVIDENT FUND</i>	9,197,726	3.10
8.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD <i>GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 2)</i>	4,010,300	1.35
9.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD <i>GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (NON PAR 1)</i>	2,700,000	0.91
10.	LAU YEET MEI	2,175,385	0.73
11.	YAP OON NEO	1,980,622	0.67
12.	CITIGROUP NOMINEES (ASING) SDN BHD <i>GSCO FOR HOLIDAY EDWARD RICHARD</i>	1,929,200	0.65
13.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD <i>GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)</i>	1,686,100	0.57
14.	HSBC NOMINEES (TEMPATAN) SDN BHD <i>HSBC (MALAYSIA) TRUSTEE BERHAD FOR AMANAH SAHAM SARAWAK</i>	1,500,000	0.51
15.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD <i>GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DR)</i>	1,427,300	0.48
16.	HSBC NOMINEES (TEMPATAN) SDN BHD <i>HSBC (M) TRUSTEE BHD FOR MAAKL AL-FAUZAN (5170)</i>	1,400,000	0.47
17.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD <i>ALLIANCE OPTIMAL INCOME FUND</i>	1,390,000	0.47
18.	LAU YEET MEI	1,376,758	0.46
19.	MAYBAN NOMINEES (TEMPATAN) SDN BHD <i>MAYBAN TRUSTEES BERHAD FOR MAAKL VALUE FUND (950290)</i>	1,095,100	0.37
20.	CHANG NYOK LIAN	1,074,756	0.36

List of top 30 shareholders*

As At 22 April 2009

NO.	NAME	HOLDINGS	%
21.	ADVENT MERIDIAN SDN BHD	926,000	0.31
22.	LIANG WAI MIN	900,096	0.30
23.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD <i>GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)</i>	890,000	0.30
24.	HONG LEONG ASSURANCE BERHAD <i>AS BENEFICIAL OWNER (LIFE PAR)</i>	831,000	0.28
25.	HLG NOMINEE (ASING) SDN BHD <i>LIM & TAN SECURITIES PTE LTD FOR YONG MA TERESA ALAVA</i>	775,000	0.26
26.	HSBC NOMINEES (TEMPATAN) SDN BHD <i>HSBC (M) TRUSTEE BHD FOR MAAKL DIVIDEND FUND (5311-401)</i>	750,000	0.25
27.	IBRAHIM BIN WEL	744,896	0.25
28.	ECML NOMINEES (ASING) SDN BHD <i>DMG & PARTNERS SECURITIES PTE LTD FOR KEEN CAPITAL INVESTMENT TLD (N2-60391) (009)</i>	714,000	0.24
29.	LOH CHAI KIAM	703,500	0.24
30.	FAISAL BIN ABDUL RAHIM	702,508	0.24
	TOTAL	229,214,532	77.26

* Without aggregating securities from different securities accounts belonging to the same person.

Notice of annual general meeting

NOTICE IS HEREBY GIVEN THAT the Eighth Annual General Meeting of the Company will be held at Conference Hall, 1st Floor, Corporate Building, Taman Ilmu Ikram (Ikram Park), Jalan Serdang-Kajang, 43000 Kajang, Selangor Darul Ehsan on Thursday, 25 June 2009 at 10.00 am to transact the following businesses: -

AGENDA

As Ordinary Business :-

1. To receive the Audited Financial Statements for the financial year ended 31 December 2008 and the Reports of Directors and Auditors thereon.
(Resolution 1)
2. To approve a final dividend of 4 sen net per ordinary share for the financial year ended 31 December 2008.
(Resolution 2)
3. To re-elect the following Directors retiring in accordance with Article 70 of the Company's Articles of Association:-
 - (i) Dato' Chong Ket Pen
(Resolution 3)
 - (ii) Datin Azliza binti Ahmad Tajuddin
(Resolution 4)
4. To re-appoint Messrs Horwath as Auditors of the Company and authorise the Directors to determine their remuneration.
(Resolution 5)

As Special Business :-

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

5. **ORDINARY RESOLUTION - AUTHORITY TO ISSUE SHARES**

"THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approvals of the relevant authorities, the Directors be empowered to issue and to allot 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 in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

(Resolution 6)

6. **ORDINARY RESOLUTION - PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

"THAT pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiaries ("PB Group") be authorised to enter into and give effect to the Recurrent Transactions with the related parties, as detailed in Part A, Section 1.3 of the Circular to Shareholders dated 1 June 2009 which are necessary for the PB Group's day-to-day operations in the ordinary course of business on terms not more favourable to the said Related Party than those generally available to the public and not detrimental to minority shareholders of the Company.

Notice of annual general meeting

AND THAT such approval shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting (“AGM”), at which time the said authority will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act 1965 (“the Act”) (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

AND THAT the Directors be authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders’ Mandate for Recurrent Transactions.”

(Resolution 7)

7. ORDINARY RESOLUTION - PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

“THAT subject to the Companies Act, 1965 (“the Act”), the Company’s Memorandum and Articles of Association and the requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authorities, the Directors of the Company be authorised to purchase its own shares through Bursa Securities, subject to the following:

- (a) The maximum number of shares which may be purchased by the Company shall not exceed ten per centum (10%) of the issued and paid-up ordinary share capital of the Company at any point in time;
- (b) The maximum fund to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits and/or share premium accounts of the Company. As at the latest financial year ended 31 December 2008, the audited financial statements of the Company showed an accumulated loss of RM0.121 million and share premium account of RM43.531 million;

(c) The authority conferred by this resolution will be effective upon passing of this resolution and will continue in force until:

- (i) the conclusion of the next Annual General Meeting (“AGM”), at which time the said authority will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first;

(d) Upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt with in the following manner:

- (i) cancel the shares so purchased;
- (ii) retain the shares so purchased as treasury shares;
- (iii) distribute the treasury shares as dividends to shareholders;
- (iv) resell the treasury shares on Bursa Securities in accordance with the relevant rules of Bursa Securities; and
- (v) any combination of the above (i), (ii), (iii) and (iv).

THAT the Directors of the Company be authorised to take all such steps as are necessary and enter into all other agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares.”

(Resolution 8)

- 8. To transact any other business of which due notice shall have been received.

Notice of annual general meeting

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT a final dividend of 4 sen net per ordinary share for the financial year ended 31 December 2008, if approved by shareholders, will be payable on 8 July 2009 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 30 June 2009.

A Depositor shall qualify for entitlement only in respect of:-

- a. shares transferred to the Depositor's Securities Account before 4.00 p.m. on 30 June 2009 in respect of transfers; and
- b. shares bought on Bursa Malaysia Securities Berhad on a cum-entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

KHOR HOOI LING
SEOW FEI SAN
Secretaries

Selangor Darul Ehsan
1 June 2009

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 not more than two (2) proxies to attend and vote at the Eighth Annual General Meeting. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless the Member specifies the proportions of his holdings to be represented by each proxy.
3. Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.
5. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at 312, 3rd Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty eight (48) hours before the time appointed for holding the Eighth Annual General Meeting or any adjournment thereof.
6. Explanatory notes on Special Business:

Resolution 6 -The proposed Resolution 6, if passed, will empower the Directors of the Company to issue and allot not more than 10% of the issued share capital of the Company subject to the approvals of all the relevant authorities and for such purposes as the Directors consider would be in the interest of the Company.

This authorisation will, unless revoked or varied by the Company in a general meeting, expire at the next Annual General Meeting of the Company.

Resolution 7 - The proposed Resolution 7, if passed, will allow the Group to enter into Recurrent Transactions pursuant to paragraph 10.09 of the Listing Requirements. Further information on the Proposed Shareholders' Mandate for Recurrent Transactions is set out in Part A of the Circular to Shareholders dated 1 June 2009, which is despatched together with the Company's Annual Report 2008.

Resolution 8 - The proposed Resolution 8, if passed, will empower the Directors of the Company to purchase the Company's shares up to ten percent (10%) of the issued and paid-up share capital of the Company ("Proposed Share Buy-Back") by utilizing the funds allocated which shall not exceed the total retained earnings and share premium account of the Company. Further information on the Proposed Shares Buy-Back is set out in Part B of the Circular to Shareholders dated 1 June 2009, which is despatched together with Company's Annual Report 2008.

Statement accompanying the notice of annual general meeting

DIRECTORS STANDING FOR RE-ELECTION

Names of Directors who are standing for re-election pursuant to Article 70 of the Articles of Association of the Company:

- (i) Dato' Chong Ket Pen
- (ii) Datin Azliza Binti Ahmad Tajuddin

Further details of the above Directors are set out in the Directors' Profile on page 6 and 7 of the Annual Report.

BOARD MEETINGS

There were five (5) Board Meetings held during the financial year ended 31 December 2008. The meetings were held at Taman Ilmu Ikram (Ikram Park), Jalan Serdang-Kajang, 43000 Kajang, Selangor Darul Ehsan and the attendance of the Directors is set out on page 21 of the Annual Report.

PLACE, DATE AND TIME OF THE EIGHTH ANNUAL GENERAL MEETING

The Eighth Annual General Meeting will be held at Conference Hall, 1st Floor, Corporate Building, Taman Ilmu Ikram (Ikram Park), Jalan Serdang-Kajang, 43000 Kajang, Selangor Darul Ehsan on Thursday, 25 June 2009 at 10.00 a.m.

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Form of proxy

I/We _____
(Full Name in Capital Letters)

of _____
(Full Address)

being a member/members of **Protasco Berhad** hereby appoint _____
(Full Name in Capital Letters)

of _____
(Full Address)

or failing him/her _____
(Full Name in Capital Letters)

of _____
(Full Address)

as my/our proxy to vote for my/our behalf at the Eighth Annual General Meeting of the Company to be held at Conference Hall, 1st Floor, Corporate Building, Taman Ilmu Ikram (Ikram Park), Jalan Serdang-Kajang, 43000 Kajang, Selangor Darul Ehsan on Thursday, 25 June 2009 at 10.00 a.m. and at any adjournment thereof.

NO	RESOLUTIONS	FOR	AGAINST
1	To receive the Audited Financial Statements for the year ended 31 December 2008 and the Reports of the Directors and Auditors thereon.		
2	To approve a final dividend of 4 sen net per ordinary share for the financial year ended 31 December 2008.		
3	To re-elect Dato' Chong Ket Pen who is retiring pursuant to Article 70 of the Company's Articles of Association.		
4	To re-elect Datin Azliza Binti Ahmad Tajuddin who is retiring pursuant to Article 70 of the Company's Articles of Association.		
5	To re-appoint Messrs Horwarth as Auditors of the Company and authorise the Directors to fix their remuneration.		
6	Authority to Issue Shares.		
7	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue nature.		
8	Proposed Renewal of Share Buy-back Authority.		

Please indicate with a "X" in the space above on how you wish to cast your vote. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Signed this _____ day of _____, 2009

Number of shares held

Signature of Shareholder or Common Seal

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 not more than two (2) proxies to attend and vote at the Eighth Annual General Meeting. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless the Member specifies the proportions of his holdings to be represented by each proxy.
3. Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.
5. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at 312, 3rd Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty eight (48) hours before the time appointed for holding the Eighth Annual General Meeting or any adjournment thereof.



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STAMP

The Company Secretaries

PROTASCO BERHAD (548078-H)

312, 3rd Floor, Block C, Kelana Square
17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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