

Favelle Favco Berhad

(Company No. 249243-W)

(Incorporated in Malaysia)

and its subsidiaries

**Financial statements for the year
ended 31 December 2008**

Favelle Favco Berhad

(Company No. 249243-W)

(Incorporated in Malaysia)

and its subsidiaries

Directors' report for the year ended 31 December 2008

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2008.

Principal activities

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit for the year	21,824 =====	7,417 =====

Reserves and provisions

There were no material transfers to or from reserves and provisions during the year under review except as disclosed in the financial statements.

Dividend

Since the end of the previous financial year, the Company paid a first and final ordinary dividend of 3.25 sen per ordinary share less tax at 26% totalling RM4,112,453 in respect of the year ended 31 December 2007 on 18 September 2008.

The first and final ordinary tax exempt dividend recommended by the Directors in respect of the year ended 31 December 2008 is 2.50 sen per ordinary share totaling RM4,275,451.

Directors of the Company

Directors who served since the date of the last report are:

Tuan Haji Mohamed Taib bin Ibrahim

Mac Ngan Boon @ Mac Yin Boon

Mac Chung Hui

Lee Poh Kwee

Mazlan bin Abdul Hamid

Tan Sri A. Razak bin Ramli

Vice Admiral (Rtd) Dato' Seri Ahmad Ramli bin Haji Mohd Nor

Lim Teik Hin (appointed on 24.11.2008)

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Directors' interests

The interests in the shares and options of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.50 each			
	At 1.1.2008	Bought	Sold	At 31.12.2008
Interests in the Company				
Tuan Haji Mohamed Taib bin Ibrahim				
- Own	2,845,671	-	-	2,845,671
- Spouse and Child	106,500	-	-	106,500
Mac Ngan Boon @ Mac Yin Boon				
- Own	7,392,913	-	-	7,392,913
- Spouse and Child	1,677,800	-	-	1,677,800
Mac Chung Hui	1,412,000	-	-	1,412,000
Lee Poh Kwee	185,000	-	-	185,000
Mazlan bin Abdul Hamid	1,415,000	-	-	1,415,000
Tan Sri A. Razak bin Ramli				
- Own	300,000	-	-	300,000
- Child	800	-	-	800
Vice Admiral (Rtd) Dato' Seri Ahmad Ramli bin Haji Mohd Nor	300,000	-	-	300,000
Lim Teik Hin				
- Own	100,000	-	-	100,000
- Spouse	5,000	-	(5,000)	-
	Number of ordinary shares of RM0.50 each			
	At 1.1.2008	Bought	Sold	At 31.12.2008
Indirect interest in the Company				
Mac Ngan Boon @ Mac Yin Boon*	98,000,000	-	-	98,000,000

* Deemed interested pursuant to Section 6A of the Companies Act, 1965 by virtue of his substantial interest in Muhibbah Engineering (M) Bhd.

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Directors' interests (continued)

	Number of ordinary shares of RM0.50 each			
	At 1.1.2008	Bought	Sold	At 31.12.2008
Interests in the ultimate holding company				
-Muhibbah Engineering (M) Bhd.				
Tuan Haji Mohamed Taib bin Ibrahim				
- Own	7,543,392	-	-	7,543,392
- Spouse and Children	96,250	-	-	96,250
Mac Ngan Boon @ Mac Yin Boon				
- Own	68,328,916	400,000	-	68,728,916
- Spouse and Children	18,982,500	20,000	(180,000)	18,822,500
Mac Chung Hui	5,200,000	80,000	(50,000)	5,230,000
Lee Poh Kwee	3,196,272	-	-	3,196,272
Mazlan bin Abdul Hamid	100,000	10,000	-	110,000
Lim Teik Hin	1,000	-	(1,000)	-

The options granted to eligible Directors over unissued ordinary shares in the Company and ultimate holding company pursuant to the Company's and the ultimate holding company's Employees' Share Option Schemes ("ESOS") are set out below:

	Number of options over ordinary shares of RM0.50 each			
	At 1.1.2008	Granted	Exercised	At 31.12.2008
Company				
Mac Ngan Boon @ Mac Yin Boon	800,000	-	-	800,000
Mac Chung Hui	600,000	-	-	600,000
Lee Poh Kwee	900,000	-	-	900,000
Mazlan bin Abdul Hamid	700,000	-	-	700,000
	Number of options over ordinary shares of RM0.50 each			
	At 1.1.2008	Granted	Exercised	At 31.12.2008
Ultimate holding company				
- Muhibbah Engineering (M) Bhd.				
Mac Ngan Boon @ Mac Yin Boon	1,832,500	-	-	1,832,500
Mac Chung Hui	250,000	-	-	250,000
Lee Poh Kwee	2,000,000	-	-	2,000,000
Mazlan bin Abdul Hamid	250,000	-	-	250,000

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Directors' interests (continued)

By virtue of their interests in the shares of the Company, the Directors are also deemed interested in the shares of the subsidiaries during the financial year to the extent that Favelle Favco Berhad has an interest.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than 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 or of related companies) by reason of a contract made by the Company or a related company 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.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the issue of options pursuant to the ESOS.

Issue of shares

During the financial year, the Company issued 673,000 new ordinary shares of RM0.50 each at par for cash arising from the exercise of employees' share options at the exercise price of RM0.55 per ordinary share.

There were no other changes in the issued and paid up capital of the Company during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the year apart from the issue of options pursuant to the ESOS.

At an Extraordinary General Meeting held on 19 May 2006, the ultimate holding company, Muhibbah Engineering (M) Bhd. approved the establishment of an ESOS of not more than 10% of the issued share capital of the Company, to eligible Directors and employees of the Group.

The main features of the ESOS, details of share options offered and exercised during the financial year are disclosed in Note 17.

The Company has been granted an exemption by the Companies Commission of Malaysia from having to disclose in this report the name of persons to whom options have been granted during the duration of the ESOS scheme and details of their holdings as required by Section 169(11) of the Companies Act, 1965 except for information on employees who were granted options representing 400,000 ordinary shares of RM0.50 each and above under the ESOS scheme. This information has been separately filed with the Companies Commission of Malaysia.

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Options granted over unissued shares (continued)

The names of the option holders, other than the Directors of the Company, who were granted to subscribe for 400,000 ordinary shares of RM0.50 each and above, during the duration of the ESOS scheme are set out below:

	Number of options over ordinary shares of RM0.50 each				At 31.12.2008
	At 1.1.2008	Granted	Exercised	Lapsed	
Ooi San Kooi	266,000	-	(133,000)	-	133,000
Tew Siew Chong	400,000	-	-	-	400,000
Khoo Kok Eng	400,000	-	-	-	400,000
Shenandoah Chong Shin Kwek	400,000	-	-	-	400,000
Yap Eng Jin	266,000	-	(133,000)	-	133,000

Other statutory information

Before the balance sheets and income statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

No contingent liability or other liability of any company in the Group 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 as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2008 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Mac Ngan Boon @ Mac Yin Boon

.....
Lee Poh Kwee

Klang,

Date: 24 April 2009

Favelle Favco Berhad

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Balance sheets at 31 December 2008

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Assets					
Property, plant and equipment	3	81,023	68,798	596	695
Intangible assets	4	14,142	3,980	-	110
Investment property	5	-	-	1,374	1,404
Investments in subsidiaries	6	-	-	61,230	61,230
Investments in associates	7	36	22	22	22
Receivables	8	-	-	15,196	14,829
Total non-current assets		95,201	72,800	78,418	78,290
Receivables, deposits and prepayments	8	183,835	118,591	32,776	34,553
Contract work-in-progress	9	141,819	138,024	-	-
Inventories	10	136,029	126,903	-	-
Current tax assets		232	58	175	172
Cash and cash equivalents	11	53,163	73,531	122	2,768
Total current assets		515,078	457,107	33,073	37,493
Total assets		610,279	529,907	111,491	115,783
Equity					
Share capital		85,514	85,178	85,514	85,178
Reserves		24,348	9,977	2,807	2,201
Retained earnings		51,265	35,766	10,384	7,079
Total equity	12	161,127	130,921	98,705	94,458

Balance sheets at 31 December 2008

(continued)

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Liabilities					
Loans and borrowings	13	13,680	15,285	-	-
Deferred tax liabilities	14	2,188	2,185	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Total non-current liabilities		15,868	17,470	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Provisions	15	7,256	5,296	-	-
Payables and accruals	16	167,283	164,479	2,347	2,606
Amount due to contract customers	9	112,930	77,289	-	-
Loans and borrowings	13	141,591	132,767	10,439	18,719
Current tax liabilities		4,224	1,685	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities		433,284	381,516	12,786	21,325
		<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities		449,152	398,986	12,786	21,325
		<hr/>	<hr/>	<hr/>	<hr/>
Total equity and liabilities		610,279	529,907	111,491	115,783
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The notes set on pages 16 to 68 are an integral part of these financial statements.

Favelle Favco Berhad

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Income statements for the year ended 31 December 2008

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue	18	581,125	453,896	10,988	12,915
Cost of sales	19	(498,412)	(383,476)	-	-
Gross profit		82,713	70,420	10,988	12,915
Other income		6,068	3,012	101	83
Distribution expenses		(9,800)	(7,718)	-	-
Administrative expenses		(40,474)	(36,969)	(1,486)	(2,509)
Other expenses		(6,319)	(536)	(1,485)	(234)
Results from operating activities		32,188	28,209	8,118	10,255
Interest income		1,377	1,369	78	44
Finance costs		(6,197)	(7,921)	(779)	(2,255)
Operating profit	20	27,368	21,657	7,417	8,044
Share of profit/(loss) after tax of equity accounted associates		14	(95)	-	-
Profit before tax		27,382	21,562	7,417	8,044
Tax expense	22	(5,558)	(2,627)	-	(2,019)
Profit for the year		21,824	18,935	7,417	6,025
Attributable to:					
Shareholders of the Company		21,824	18,935	7,417	6,025
Dividends per ordinary share (sen)					
- Gross		2.50	3.25	2.50	3.25
- Net	24	2.50	2.40	2.50	2.40
Earnings per ordinary share (sen)					
- Basic	23	12.79	11.22		
- Diluted	23	12.64	10.83		

The notes set on pages 16 to 68 are an integral part of these financial statements.

Favelle Favco Berhad

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Statements of changes in equity for the year ended 31 December 2008

Group	Note	Attributable to equity holders of the Company							Total equity RM'000
		Share capital RM'000	Share premium RM'000	Translation reserve RM'000	Revaluation reserve RM'000	Share option reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	
At 1 January 2007		84,000	338	10,537	-	457	-	19,791	115,123
Foreign exchange translation differences		-	-	(2,761)	-	-	-	-	(2,761)
Net gains recognised directly in equity		-	-	(2,761)	-	-	-	-	(2,761)
Profit for the year		-	-	-	-	-	-	18,935	18,935
Total recognised income and expense for the year		-	-	(2,761)	-	-	-	18,935	16,174
Share options exercised	17	1,178	117	-	-	-	-	-	1,295
Transfer to share premium for share options exercised		-	519	-	-	(519)	-	-	-
Share-based payments	17	-	-	-	-	1,310	-	-	1,310
Shares repurchased		-	-	-	-	-	(21)	-	(21)
Dividends to shareholders	24	-	-	-	-	-	-	(2,960)	(2,960)
At 31 December 2007		85,178	974	7,776	-	1,248	(21)	35,766	130,921

Note 12

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Statements of changes in equity for the year ended 31 December 2008 (continued)

Group	Note	←————— <i>Attributable to equity holders of the Company</i> —————→							Total equity RM'000
		←————— <i>Non-distributable</i> —————→			————— <i>Distributable</i> —————				
		Share capital RM'000	Share premium RM'000	Translation reserve RM'000	Revaluation reserve RM'000	Share option reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	
At 1 January 2008		85,178	974	7,776	-	1,248	(21)	35,766	130,921
Foreign exchange translation differences		-	-	(3,553)	-	-	-	-	(3,553)
Revaluation of property, plant and equipment, net of tax		-	-	-	15,105	-	-	-	15,105
Realisation of translation reserve		-	-	2,213	-	-	-	(2,213)	-
Net gains recognised directly in equity		-	-	(1,340)	15,105	-	-	(2,213)	11,552
Profit for the year		-	-	-	-	-	-	21,824	21,824
Total recognised income and expense for the year		-	-	(1,340)	15,105	-	-	19,611	33,376
Share options exercised	17	336	33	-	-	-	-	-	369
Transfer to share premium for share options exercised		-	135	-	-	(135)	-	-	-
Share-based payments	17	-	-	-	-	573	-	-	573
Dividends to shareholders	24	-	-	-	-	-	-	(4,112)	(4,112)
At 31 December 2008		85,514	1,142	6,436	15,105	1,686	(21)	51,265	161,127

Note 12

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Statements of changes in equity for the year ended 31 December 2008 (continued)

<i>Company</i>	Note	← <i>Non-distributable</i> →			<i>Distributable</i>	Total equity RM'000	
		Share capital RM'000	Share premium RM'000	Share option reserve RM'000	Treasury shares RM'000		Retained earnings RM'000
At 1 January 2007		84,000	338	457	-	4,014	88,809
Profit for the year		-	-	-	-	6,025	6,025
Share options exercised		1,178	117	-	-	-	1,295
Transfer to share premium for share options exercised		-	519	(519)	-	-	-
Share-based payments	17	-	-	1,310	-	-	1,310
Shares repurchased		-	-	-	(21)	-	(21)
Dividends to shareholders	24	-	-	-	-	(2,960)	(2,960)
At 31 December 2007/1 January 2008		85,178	974	1,248	(21)	7,079	94,458
Profit for the year		-	-	-	-	7,417	7,417
Share options exercised		336	33	-	-	-	369
Transfer to share premium for share options exercised		-	135	(135)	-	-	-
Share-based payments	17	-	-	573	-	-	573
Dividends to shareholders	24	-	-	-	-	(4,112)	(4,112)
At 31 December 2008		85,514	1,142	1,686	(21)	10,384	98,705

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 Note 12

The notes set on pages 16 to 68 are an integral part of these financial statements.

Favelle Favco Berhad

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Cash flow statements for the year ended 31 December 2008

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash flows from operating activities					
Profit before tax		27,382	21,562	7,417	8,044
Adjustments for:					
Allowance for diminution in value of investments in associates		-	-	-	234
Allowance for doubtful debts		341	1,423	-	-
Allowance for doubtful debts written back		-	(374)	(11)	-
Allowance for slow moving inventories		2,069	4,383	-	-
Amortisation of intangible assets		2,331	2,758	110	109
Depreciation of property, plant and equipment		8,012	7,613	99	98
Depreciation of investment property		-	-	30	31
Dividend income from subsidiaries (unquoted)		-	-	(10,988)	(12,915)
Gain on disposal of property, plant and equipment		(55)	(26)	-	-
Goodwill written off		-	3	-	-
Impairment loss on intangible assets		29	-	-	-
Inventories written off		-	870	-	-
Finance costs		6,197	7,921	779	2,255
Provision for warranties		5,153	3,107	-	-
Interest income		(1,377)	(1,369)	(78)	(44)
Property, plant and equipment written off		2,600	42	-	-
Unrealised (gain)/loss on foreign exchange		(11,770)	(4,482)	1,484	(161)
Share-based payments		573	1,310	573	1,310
Share of (gain)/loss of equity accounted associates		(14)	95	-	-
Reversal of provision for warranties		(2,984)	(1,757)	-	-
Operating profit/(loss) before changes in working capital changes		38,487	43,079	(585)	(1,039)
Changes in working capital:					
Development costs		(12,520)	-	-	-
Inventories		(10,937)	(40,815)	-	-
Payables and accruals		71,989	91,788	2,299	(5,766)
Receivables, deposits and prepayments		(57,614)	(10,140)	8,676	8,342
Cash generated from operations		29,405	83,912	10,390	1,537

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Cash flow statements for the year ended 31 December 2008

(continued)

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash generated from operations (continued)		29,405	83,912	10,390	1,537
Dividends received		-	-	-	10,755
Interest received		1,377	1,369	78	44
Interest paid		(4,339)	(4,724)	-	-
Provisions paid		(84)	(744)	-	-
Taxes (paid)/refunded		(2,875)	606	(3)	-
Net cash generated from operating activities		<u>23,484</u>	<u>80,419</u>	<u>10,465</u>	<u>12,336</u>
Cash flows from investing activities					
Acquisition of property, plant and equipment	(ii)	(6,301)	(10,237)	-	-
Acquisition of subsidiary, net of cash acquired		-	(3)	-	(503)
Acquisition of treasury shares		-	(21)	-	(21)
Proceeds from disposal of property, plant and equipment		335	94	-	-
Net cash used in investing activities		<u>(5,966)</u>	<u>(10,167)</u>	<u>-</u>	<u>(524)</u>
Cash flows from financing activities					
Dividend paid to shareholders of the Company		(4,112)	(2,960)	(4,112)	(2,960)
Interest paid		(1,858)	(3,197)	(668)	(1,522)
Proceeds from issue of shares under ESOS scheme		369	1,295	369	1,295
Payment of finance lease liabilities		(1,181)	(579)	-	-
Repayment of term loans		(11,969)	(9,412)	(8,700)	(6,000)
Repayment of revolving credit		(2,580)	(7,579)	-	-
Net cash used in financing activities		<u>(21,331)</u>	<u>(22,432)</u>	<u>(13,111)</u>	<u>(9,187)</u>

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Cash flow statements for the year ended 31 December 2008

(continued)

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Exchange difference on translation of the financial statements of foreign operations		(3,671)	(5,790)	-	-
Net (decrease)/increase in cash and cash equivalents		(7,484)	42,030	(2,646)	2,625
Effect of exchange rate fluctuations on cash held		(620)	1,410	-	-
Cash and cash equivalents at 1 January	(i)	56,995	13,555	2,768	143
Cash and cash equivalents at 31 December	(i)	48,891	56,995	122	2,768

i) Cash and cash equivalents

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash and bank balances	53,163	62,513	122	198
Deposits with licensed banks	-	11,018	-	2,570
Bank overdrafts repayable on demand	(4,272)	(16,536)	-	-
	48,891	56,995	122	2,768

ii) Acquisition of property, plant and equipment

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM7,973,000 (2007 - RM10,961,000), of which RM1,672,000 (2007 - RM724,000) were acquired by means of hire purchases plans.

The notes set on pages 16 to 68 are an integral part of these financial statements.

Favelle Favco Berhad

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Notes to the financial statements

Favelle Favco Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of Bursa Malaysia Securities Berhad. The address of the principal place of business and registered office of the Company is Lot 586, 2nd Mile, Jalan Batu Tiga Lama, 41300 Klang, Selangor Darul Ehsan.

The consolidated financial statements of the Company as at and for the year ended 31 December 2008 comprise the Company and its subsidiaries and the Group's interest in associates. The financial statements of the Company as at and for the year ended 31 December 2008 do not include other entities.

The Company is principally engaged in investment holding whilst the principal activities of the subsidiaries are stated in Note 6.

The ultimate holding company during the financial year was Muhibbah Engineering (M) Bhd. which was incorporated in Malaysia.

The financial statements were approved by the Board of Directors on 24 April 2009.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (FRS), accounting principles generally accepted and the Companies Act, 1965 in Malaysia.

The Group and the Company have not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective:

FRSs / Interpretations	Effective date
FRS 4, Insurance Contracts	1 January 2010
FRS 7, Financial Instruments: Disclosures	1 January 2010
FRS 8, Operating Segments	1 July 2009
FRS 139, Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9, Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10, Interim Financial Reporting and Impairment	1 January 2010

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

The Group and the Company plan to apply the abovementioned FRSs / Interpretations from the annual period beginning 1 January 2010 except FRS 4 which is not applicable to the Group and Company.

The impact of applying FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemptions given in the respective FRSs. Other than the implications as discussed below, the initial application of the above standards (and its consequential amendments) and interpretations is not expected to have any material impact on the financial statements of the Group and the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for property, plant and equipment as explained in Note 2 (d).

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than disclosed in the following notes:

- Note 2 (r) - recognition of revenue from construction contracts
- Note 4 - impairment test of intangible assets
- Note 15 - provisions
- Note 17 - share-based payments

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) *Subsidiaries*

Subsidiaries are entities controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting in which the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's balance sheet at cost less any impairment losses.

(ii) *Associates*

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Associates are accounted for in the consolidated financial statements using the equity method. The consolidated financial statements include the Group's share of the profit or loss of the equity accounted associates, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Investments in associates are stated in the Company's balance sheet at cost less any impairment losses.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iii) *Affiliated company*

An affiliated company to the Group is a company in which the ultimate holding company holds a long term investment of between 20% to 50% of the equity.

(iv) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transaction with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the dates of transactions except for those that are measured at fair value, which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statements.

(ii) *Operations denominated in functional currencies other than Ringgit Malaysia*

The assets and liabilities of operations in functional currencies other than RM, including goodwill and fair value adjustments, are translated to RM at exchange rates at the balance sheet date. The income and expenses of operations in functional currencies other than RM, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in translation reserve. On disposal of operations, accumulated translation differences are recognised in the consolidated income statement as part of the gain or loss on sale.

2. Significant accounting policies (continued)

(c) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency risk exposures.

Forward foreign exchange contracts are accounted for on an equivalent basis as the underlying assets, liabilities or net positions. Any profit or loss arising is recognised on the same basis as that arising from the related assets, liabilities or net positions.

(d) Property, plant and equipment

(i) *Recognition and measurement*

Items of property, plant and equipment are stated at cost/valuation less any accumulated depreciation and any accumulated impairment losses.

In prior years, the freehold land of the Group and the Company was stated at cost. During the year, the Group and the Company adopted the policy to revalue their freehold land every 5 years or at shorter intervals whenever the fair value of the freehold land is expected to differ materially from their carrying value (See Note 29).

Surplus arising from revaluation is dealt within the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is charged to the income statements.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other expenses" respectively in the income statements.

(ii) *Reclassification to investment property*

Property that is being constructed for future use as investment property is accounted for as property, plant and equipment until construction or development is complete and reclassified as investment property.

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(iii) *Subsequent costs*

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

(iv) *Depreciation*

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

- buildings 10 - 50 years
- cranes 10 - 15 years
- plant, equipment and motor vehicles 3 - 13 years
-

Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

(e) Leased assets

(i) *Finance lease*

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

2. Significant accounting policies (continued)

(e) Leased assets (continued)

(ii) *Operating lease*

Other leases are operating leases and the leased assets are not recognised on the Group's balance sheet.

Payments made under operating leases are recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(f) Intangible assets

(i) *Goodwill*

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses.

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the income statements.

(ii) *Research and development*

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development.

Other development expenditure which does not meet the criteria is recognised in the income statement as an expense as incurred. Capitalised development expenditure which meets the criteria is stated at cost less any accumulated amortisation and any accumulated impairment losses.

2. Significant accounting policies (continued)

(f) Intangible assets (continued)

(iii) *Intellectual property*

Intellectual property consists of rights to trade name, know how and industrial property rights and is stated at cost less any accumulated amortisation and any accumulated impairment losses.

(iv) *Subsequent expenditure*

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(v) *Amortisation*

Intangible assets with indefinite useful lives are tested for impairment annually and whenever there is an indication that they may be impaired. Other intangible assets are amortised from the date that they are available for use. Amortisation of intangible assets is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets of 5 to 10 years.

(g) Investment property

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both. These include land held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties are stated at cost less any accumulated depreciation and any impairment losses, consistent with the accounting policy for property, plant and equipment as stated in the accounting policy Note 2(d).

Depreciation is charged to the income statement on a straight-line basis over the estimated life of the building.

2. Significant accounting policies (continued)

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of crane components comprises the original purchase price plus incidentals in bringing these inventories to their present location and condition. Cost of work-in-progress and assembled cranes consists of crane components, direct labour and an appropriate proportion of fixed and variable production overhead. Crane components are determined on a first-in, first-out basis. Cost of work-in-progress and assembled cranes is determined on a specific identification basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at year end.

(j) Contract work-in-progress / Amount due to contract customers

Contract work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billing and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity. Contract work-in-progress is presented as part of total current assets in the balance sheet. Where progress billings exceed the aggregate amount due from contract customers plus attributable profits less foreseeable losses, the net credit balance on all such contracts is shown as amount due to contract customers as part of the total current liabilities in the balance sheet.

(k) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts.

2. Significant accounting policies (continued)

(l) Impairment of assets

The carrying amounts of assets except for financial assets, inventories and assets arising from construction contracts are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying amount of the assets with their recoverable amounts. Recoverable amounts are the higher of net selling price and value in use, which is measured by reference to discounted future cash flows. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

An impairment loss is recognised as an expense in the income statement immediately, unless the assets are carried at a revalued amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised, unless it is credited directly to revaluation surplus.

(m) Equity instruments

All equity instruments are stated at cost on initial recognition and are not re-measured subsequently.

(i) Issue expenses

Incremental costs directly attributable to issue of equity instruments are recognised as a deduction from equity.

2. Significant accounting policies (continued)

(m) Equity instruments (continued)

(ii) Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity and is not re-valued for subsequent changes in the fair value or market price of shares. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

(n) Loans and borrowings

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the loans and borrowings using the effective interest method.

(o) Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contribution to the statutory pension funds are charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(ii) Share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

2. Significant accounting policies (continued)

(p) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) *Warranties*

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(ii) *Restructuring*

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

(iii) *Contingent liabilities*

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

(q) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

2. Significant accounting policies (continued)

(r) Revenue recognition

(i) *Contracts*

As soon as the outcome of a contract from the manufacture of cranes can be estimated reliably, contract revenue and expenses are recognised in the income statements in proportion to the stage of completion of the contract. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably.

The stage of completion is assessed by reference to the proportion that contract costs incurred for work performed to date that reflect work performed bear to the estimated total contract costs. When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the income statement.

(ii) *Goods sold and services rendered*

Revenue from the sale of goods is measured at net fair value of the consideration received or receivable. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable and there is no continuing management involvement with the goods.

Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to the value of works performed.

(iii) *Rental income*

Rental income from cranes is recognised in the income statement as it accrues.

(iv) *Dividend income*

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

2. Significant accounting policies (continued)

(s) Interest income and borrowing costs

Interest income is recognised as it accrues, using the effective interest method.

All borrowing costs are recognised in the income statement using the effective interest method, in the period in which they are incurred.

(t) Tax expense

Tax expense on the profit or loss comprises current and deferred tax. Current tax expense is the expected tax payable in respect of the taxable profit for the year and is measured using the enacted tax rates relevant to the financial year.

Deferred tax is provided for, using the balance sheet method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transactions that is not a business combination and that affects neither accounting nor taxable profit (tax loss).

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date. In principle, deferred tax liabilities are recognised for all deductible temporary differences and deferred tax assets are recognised for all deductible temporary differences and unused tax losses and 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 are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

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2. Significant accounting policies (continued)

(v) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

3. Property, plant and equipment

Group	Freehold land RM'000	Buildings RM'000	Cranes RM'000	Plant, equipment and motor vehicles RM'000	Capital work-in- progress RM'000	Total RM'000
Cost/Valuation						
At 1 January 2007	9,214	38,871	46,499	40,874	477	135,935
Additions	-	-	313	7,265	3,383	10,961
Reclassification	-	477	-	-	(477)	-
Disposals	-	-	-	(249)	-	(249)
Written off	-	-	-	(220)	-	(220)
Effect of movements in exchange rates	7	584	1,561	544	-	2,696
At 31 December 2007/ 1 January 2008	9,221	39,932	48,373	48,214	3,383	149,123
Additions	-	508	241	6,951	273	7,973
Change in fair value	15,105	-	-	-	-	15,105
Reclassification	-	(46)	3,457	(574)	(2,837)	-
Disposals	-	-	-	(1,376)	-	(1,376)
Written off	-	-	(4,973)	(735)	-	(5,708)
Effect of movements in exchange rates	6	368	987	(1,606)	72	(173)
At 31 December 2008	24,332	40,762	48,085	50,874	891	164,944
Representing items at:						
Cost	9,227	40,762	48,085	50,874	891	149,839
Revaluation - 2008	15,105	-	-	-	-	15,105
	24,332	40,762	48,085	50,874	891	164,944

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3. Property, plant and equipment (continued)

Group	Freehold land RM'000	Buildings RM'000	Cranes RM'000	Plant, equipment and motor vehicles RM'000	Capital work-in- progress RM'000	Total RM'000
Depreciation and impairment loss						
At 1 January 2007						
Accumulated depreciation	-	13,615	28,872	25,628	-	68,115
Accumulated impairment losses	-	1,494	536	993	-	3,023
	-	15,109	29,408	26,621	-	71,138
Depreciation for the year	-	917	2,971	3,725	-	7,613
Disposals	-	-	-	(181)	-	(181)
Written off	-	-	-	(178)	-	(178)
Effect of movements in exchange rates	-	450	1,049	434	-	1,933
	-	14,982	32,892	29,428	-	77,302
Accumulated depreciation	-	14,982	32,892	29,428	-	77,302
Accumulated impairment losses	-	1,494	536	993	-	3,023
At 31 December 2007/ 1 January 2008	-	16,476	33,428	30,421	-	80,325
Depreciation for the year	-	957	2,893	4,162	-	8,012
Disposals	-	-	-	(1,096)	-	(1,096)
Written off	-	-	(2,380)	(728)	-	(3,108)
Effect of movements in exchange rates	-	287	681	(1,180)	-	(212)
At 31 December 2008	-	16,226	34,086	30,586	-	80,898
Accumulated depreciation	-	16,226	34,086	30,586	-	80,898
Accumulated impairment losses	-	1,494	536	993	-	3,023
	-	17,720	34,622	31,579	-	83,921
Carrying amounts						
At 1 January 2007	9,214	23,762	17,091	14,253	477	64,797
At 31 December 2007/ 1 January 2008	9,221	23,456	14,945	17,793	3,383	68,798
31 December 2008	24,332	23,042	13,463	19,295	891	81,023

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3. Property, plant and equipment (continued)

<i>Company</i>	Plant, equipment and motor vehicles RM'000	Total RM'000
Cost		
At 1 January 2007/ 31 December 2007/ 1 January 2008/31 December 2008	1,984	1,984
	=====	=====
Depreciation and impairment loss		
At 1 January 2007		
Accumulated depreciation	198	198
Accumulated impairment loss	993	993
	1,191	1,191
Depreciation for the year	98	98
	-----	-----
At 31 December 2007/1 January 2008		
Accumulated depreciation	296	296
Accumulated impairment loss	993	993
	1,289	1,289
Depreciation for the year	99	99
	-----	-----
At 31 December 2008		
Accumulated depreciation	395	395
Accumulated impairment loss	993	993
	1,388	1,388
	=====	=====
Carrying amounts		
At 1 January 2007	793	793
	=====	=====
At 31 December 2007/1 January 2008	695	695
	=====	=====
At 31 December 2008	596	596
	=====	=====

3.1 Assets under hire purchase arrangements

Included in property, plant and equipment of the Group are motor vehicles acquired under hire purchase arrangements with net book value of RM2,253,000 (2007 - RM2,945,000).

3.2 Security

The freehold land, buildings, plant and equipment of subsidiaries with total net book value of RM47,320,000 (2007 - RM31,751,000) have been pledged to certain licensed banks as security for bank loan facilities granted to the respective subsidiaries (See Note 13).

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3. Property, plant and equipment (continued)

3.3 Property, plant and equipment under the revaluation model

The Group's freehold land were revalued by independent professional qualified valuers using an open market value method during the year. Had the freehold land been carried under the cost model, their carrying amounts would have been RM9,221,000 (2007 - RM 9,221,000).

4. Intangible assets

<i>Group</i>	Development costs RM'000	Intellectual property RM'000	Goodwill RM'000	Total RM'000
Cost				
At 1 January 2007	15,630	2,519	572	18,721
Additions	-	-	3	3
Written off	(7,942)	-	(3)	(7,945)
Effect of movements in exchange rates	360	-	-	360
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2007/1 January 2008	8,048	2,519	572	11,139
Additions	12,520	-	-	12,520
Effect of movements in exchange rates	(647)	-	-	(647)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	19,921	2,519	572	23,012
	=====	=====	=====	=====
Amortisation and impairment loss				
At 1 January 2007	10,069	1,987	-	12,056
Amortisation for the year	2,507	251	-	2,758
Written off	(7,942)	-	-	(7,942)
Effect of movements in exchange rates	287	-	-	287
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2007/1 January 2008				
Accumulated amortisation	4,921	2,238	-	7,159
	<hr/>	<hr/>	<hr/>	<hr/>
Amortisation for the year	2,079	252	-	2,331
Impairment loss	-	29	-	29
Effect of movements in exchange rates	(649)	-	-	(649)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008				
Accumulated amortisation	6,351	2,490	-	8,841
Accumulated impairment loss	-	29	-	29
	<hr/>	<hr/>	<hr/>	<hr/>
	6,351	2,519	-	8,870
	=====	=====	=====	=====

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4. Intangible assets (continued)

<i>Group</i>	Development costs RM'000	Intellectual property RM'000	Goodwill RM'000	Total RM'000
Carrying amounts				
At 1 January 2007	5,561	532	572	6,665
	=====	=====	=====	=====
At 31 December 2007/1 January 2008	3,127	281	572	3,980
	=====	=====	=====	=====
At 31 December 2008	13,570	-	572	14,142
	=====	=====	=====	=====

Company

	Intellectual property	
	2008 RM'000	2007 RM'000
Cost		
At 1 January/31 December	1,098	1,098
	=====	=====
Amortisation		
At 1 January	988	879
Amortisation for the year	110	109
	-----	-----
At 31 December 2007/1 January 2008	1,098	988
	=====	=====
Carrying amounts		
At 1 January	110	219
	=====	=====
At 31 December	-	110
	=====	=====

4.1 *Development costs*

Development costs represent internally generated development expenditure by subsidiaries on new or substantially improved major crane projects. It is reasonably anticipated that the cost will be recovered through future commercial activity. The remaining amortisation period ranges from 1 year to 5 years (2007 - 1 year to 5 years).

4. Intangible assets (continued)

4.2 *Intellectual property*

Intellectual property represents the acquisition of know how, rights to industrial property and trade name by subsidiaries on new or substantially improved major crane projects in the previous years. It is reasonably anticipated that the intellectual property will be recovered through future commercial activity. The intellectual property has been fully amortised during the year (2007 – 1 year).

4.3 *Goodwill on consolidation*

The carrying amount of the goodwill of a subsidiary in cranes segment, arising from consolidation, was assessed for impairment during the year.

4.4 *Amortisation and impairment charge*

The amortisation and impairment charge are recognised as administrative expenses.

4.5 *Impairment testing for cash-generating units containing goodwill*

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The goodwill impairment test was based on value in use and was determined by the management. Value in use was determined by assessing the operating divisions' budgets and was based on certain key assumptions. The values assigned to the key assumptions represent management's assessment of future trends in the divisions' principal activities and are based on internal sources.

The value in use was determined by discounting the future cash flows of the subsidiary and was based on the following key assumptions:

- a) cash flows were projected based on actual operating results
- b) the subsidiary will continue its operations indefinitely
- c) the size of operation will remain with at least not lower than the current results
- d) revenue is projected to reduce by 26% in 2009, 16% in 2010 and subsequently to increase by 9% from 2010 onwards. The revenue for 2009 is projected based on existing order book
- e) a post tax discount rate of 5.5 % is used to discount the projected cash flows
- f) gross margin is assumed to be consistent with the historical margin

Company No. 249243-W

5. Investment property

	Company	
	2008 RM'000	2007 RM'000
Cost		
At 1 January/31 December	2,989	2,989
	=====	=====
Depreciation and impairment loss		
At 1 January		
Accumulated depreciation	91	60
Accumulated impairment loss	1,494	1,494
	1,585	1,554
Depreciation for the year	30	31
	-----	-----
At 31 December		
Accumulated depreciation	121	91
Accumulated impairment loss	1,494	1,494
	1,615	1,585
	=====	=====
Carrying amounts		
At 31 December	1,374	1,404
	=====	=====
The carrying amount comprises:		
Building	1,374	1,404
	=====	=====
Fair value		
At 1 January	1,404	1,435
	=====	=====
At 31 December	1,374	1,404
	=====	=====

The investment property is occupied by a subsidiary at no charge. The depreciation for the investment property is RM30,000 (2007- RM31,000). The Directors estimated the fair value of the investment property without involvement of independent valuers.

6. Investments in subsidiaries

	Company	
	2008 RM'000	2007 RM'000
Unquoted shares - at cost	113,673	113,673
Less: Allowance for diminution in value	(52,443)	(52,443)
	-----	-----
	61,230	61,230
	=====	=====

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6. Investments in subsidiaries (continued)

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Effective ownership interest	
			2008 %	2007 %
Favelle Favco Cranes (M) Sdn. Bhd.	Designing, manufacturing, supply, servicing, trading and renting of cranes	Malaysia	100	100
Favelle Favco Cranes Pte. Ltd. *	Supplying, servicing, trading and renting of cranes and sales of spare parts and services	Singapore	100	100
Favelle Favco Cranes (USA), Inc. #	Designing, manufacturing, supplying, servicing, trading and renting of cranes	United States of America	100	100
Favelle Favco Cranes Pty. Limited # and its subsidiaries:	Design, manufacture, supply, renting and servicing of industrial cranes	Australia	100	100
FF Management Pty. Limited #	Management services	Australia	100	100
Milperra Blasting and Coating Pty. Limited #	Dormant	Australia	100	100
Kroll Cranes A/S #	Designing, manufacturing, servicing, trading and renting of cranes	Denmark	100	100
Favelle Favco Cranes International Ltd.	Dormant	Malaysia	100	100
Favelle Favco Equipment Services Sdn. Bhd. #	Supply of spare parts for cranes, provision of crane maintenance services and renting of cranes	Malaysia	100	100

* Audited by other member firm of KPMG International.

Not audited by KPMG

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7. Investments in associates

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Unquoted shares, at cost	256	256	256	256
Share of post-acquisition reserves	(220)	(234)	-	-
Less: Allowance for diminution in value	-	-	(234)	(234)
	<u>36</u>	<u>22</u>	<u>22</u>	<u>22</u>
	=====	=====	=====	=====

Summarised financial information on associates:

	Country of incorporation	Effective ownership interest	Revenues (100%) RM'000	Profit/ (Loss) (100%) RM'000	Total assets (100%) RM'000	Total liabilities (100%) RM'000
2008						
FO*	Malaysia	30%	1,357	46	1,287	1,169
FFME**	Abu Dhabi, United Arab Emirates	49%	2,874	85	2,233	3,451
			<u>4,231</u>	<u>131</u>	<u>3,520</u>	<u>4,620</u>
			=====	=====	=====	=====
2007						
FO*	Malaysia	30%	380	(316)	805	733
FFME**	Abu Dhabi, United Arab Emirates	49%	5,438	(379)	2,298	3,558
			<u>5,818</u>	<u>(695)</u>	<u>3,103</u>	<u>4,291</u>
			=====	=====	=====	=====

* Favco Offshores Sdn. Bhd.

** Favelle Favco Machinery and Equipment LLC

The Group has not recognised losses relating to FFME totalling RM520,000 (2007 – RM542,000), since the Group has no obligation in respect of these losses.

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8. Receivables, deposits and prepayments

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Non-current					
Non-trade					
Advances to a subsidiary	8.2	-	-	15,196	14,829
		=====	=====	=====	=====
Current					
Trade					
Trade receivables		166,815	106,876	-	-
Less: Allowance for doubtful debts		(3,452)	(2,860)	-	-
		163,363	104,016	-	-
Progress billings receivable		-	1,430	-	-
Amount due from ultimate holding company	8.3	1,143	87	-	-
Amounts due from subsidiaries	8.4	-	-	532	646
Amounts due from related companies	8.5	7,451	-	-	-
Amounts due from associates	8.6	2,657	2,673	-	-
		11,251	4,190	532	646
Non-trade					
Amount due from ultimate holding company	8.3	1,078	452	-	-
Amounts due from subsidiaries	8.4	-	-	32,160	33,817
Amounts due from related companies	8.5	35	46	-	-
Other receivables		4,122	6,177	84	90
Deposits		1,535	1,995	-	-
Prepayments		2,451	1,715	-	-
		9,221	10,385	32,244	33,907
		-----	-----	-----	-----
		183,835	118,591	32,776	34,553
		=====	=====	=====	=====

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8. Receivables, deposits and prepayments (continued)

Group

8.1 *Analysis of foreign currency exposure for significant receivables*

Significant trade receivables outstanding at year end that are not in the functional currencies of the Group entities are as follows:

Functional currency	Foreign currency	Group	
		2008 RM'000	2007 RM'000
RM	USD	22,863	16,514
RM	SGD	-	32
RM	AUD	1,948	7,581
RM	HKD	875	834
RM	EURO	13,455	2,837
RM	RMB	5,592	4,027
AUD	USD	707	1,390
USD	SGD	6,350	11,678
		=====	=====

8.2 *Advances to a subsidiary*

The advances to a subsidiary is unsecured, interest free and is not expected to be repaid within the next twelve months.

8.3 *Amount due from ultimate holding company*

The trade receivables due from ultimate holding company are subject to normal trade terms.

The non-trade receivables due from the ultimate holding company are unsecured, interest free with no fixed terms of repayment.

8.4 *Amounts due from subsidiaries*

The trade receivables due from subsidiaries are subject to the normal trade terms.

The non-trade receivables due from subsidiaries are unsecured, interest free with no fixed term of repayment. In year 2007, an amount of RM35,000 was subject to interest of 5% per annum.

8.5 *Amounts due from related companies*

The trade receivables due from related companies are subject to the normal trade terms.

The non-trade receivables due from related companies are unsecured, interest free with no fixed terms of repayment.

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8. Receivables, deposits and prepayments (continued)

8.6 Amounts due from associates

The trade receivables from associates are subject to the normal trade terms.

9. Contract work-in-progress/Amount due to contract customers

	Group	
	2008	2007
	RM'000	RM'000
Aggregate costs incurred to date	709,181	617,133
Add: Attributable profits less foreseeable losses	125,602	87,242
	<hr/>	<hr/>
	834,783	704,375
Less: Progress billings	(805,894)	(643,640)
	<hr/>	<hr/>
	28,889	60,735
Amount due to contract customers	112,930	77,289
	<hr/>	<hr/>
	141,819	138,024
	=====	=====
Contract work-in-progress	141,819	138,024
	=====	=====
Amount due to contract customers	112,930	77,289
	=====	=====

10. Inventories

	Group	
	2008	2007
	RM'000	RM'000
At cost:		
Cranes	4,237	456
Crane components	79,376	70,964
Work-in-progress	28,698	24,999
	<hr/>	<hr/>
	112,311	96,419
At net realisable value:		
Cranes	13,563	18,831
Crane components	10,155	11,653
	<hr/>	<hr/>
	136,029	126,903
	=====	=====

The cranes for rental of a foreign subsidiary and a local subsidiary with aggregated carrying value of RMNil (2007 - RM2,350,000) have been pledged to a financial institution as security for credit facility granted to the foreign subsidiary.

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11. Cash and cash equivalents

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash and bank balances	53,163	62,513	122	198
Deposits placed with licensed banks	-	11,018	-	2,570
	<u>53,163</u>	<u>73,531</u>	<u>122</u>	<u>2,768</u>
	=====	=====	====	=====

12. Share capital and reserves

12.1 Share capital

	Group and Company			
	Amount 2008 RM'000	Number of shares 2008 '000	Amount 2007 RM'000	Number of shares 2007 '000
Ordinary shares of RM0.50 each				
Authorised	500,000	1,000,000	500,000	1,000,000
	=====	=====	=====	=====
Issued and fully paid				
At 1 January	85,178	170,355	84,000	168,000
Issued under ESOS scheme	336	673	1,178	2,355
	<u>85,514</u>	<u>171,028</u>	<u>85,178</u>	<u>170,355</u>
	=====	=====	=====	=====

The Company has also issued share options in accordance with its ESOS Scheme (see Note 17).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

12.2 Share premium

The share premium of the Group and of the Company represents premium arising from the issuance of ordinary shares of the Company at issue price above par value and the transfer of option reserve to share premium when the share options are exercised.

The share premium may be applied only for the purposes as specified in the Companies Act, 1965. The share premium is not available for distribution of dividends.

12. Share capital and reserves (continued)

12.3 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

12.4 Revaluation reserve

The revaluation reserve relates to the revaluation of freehold land.

12.5 Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share premium. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

12.6 Treasury shares

This amount represents the acquisition cost for the repurchase of the Company's ordinary shares, by the Company, net of the proceeds received on their subsequent sale or issuance of the shares repurchased.

The Company, by a resolution passed in an Extraordinary General Meeting held on 25 June 2007, obtained the approval from the shareholders of the Company to repurchase its own ordinary shares.

The Company repurchased 10,000 of its issued share capital from the open market in 2007. The total consideration paid was RM20,749 including transaction costs. The repurchase transactions were financed by internally generated funds. The shares repurchased are retained as treasury shares.

12.7 Section 108 tax credit

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all of its retained earnings at 31 December 2008 if paid out as dividends.

The Finance Act 2007 introduced a single tier company income tax system with effect from year of assessment 2008. As such, the Section 108 tax credit as at 31 December 2007 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

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13. Loans and borrowings

This note provides information about the contractual terms of the Group's and the Company's interest-bearing loans and borrowings. For more information about the Group's and the Company's exposure to interest rate and foreign currency risk, see Note 26.

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Non-current				
Secured term loans	12,131	14,243	-	-
Finance lease liabilities	1,549	1,042	-	-
	<u>13,680</u>	<u>15,285</u>	<u>-</u>	<u>-</u>
	-----	-----	-----	-----
Current				
Secured term loans	2,112	3,252	-	-
Unsecured term loan	-	8,700	-	8,700
Bank overdraft - secured	5	15,922	-	-
Bank overdrafts - unsecured	4,267	614	-	-
Unsecured revolving credits	15,439	18,019	10,439	10,019
Unsecured insurance premium finance	853	870	-	-
Bills payable	118,469	84,928	-	-
Finance lease liabilities	446	462	-	-
	<u>141,591</u>	<u>132,767</u>	<u>10,439</u>	<u>18,719</u>
	-----	-----	-----	-----
	<u>155,271</u>	<u>148,052</u>	<u>10,439</u>	<u>18,719</u>
	=====	=====	=====	=====

13.1 Security

The secured term loans of certain subsidiaries are charged against their freehold land, buildings, plant and equipment (Note 3) and are supported by the corporate guarantee from the Company.

The unsecured term loan of the Company is supported by the corporate guarantee from the ultimate holding company and a negative pledge over the current assets and future assets of the Company.

The secured bank overdraft of a subsidiary is charged against its freehold land, buildings, plant and equipment (Note 3).

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

The revolving credit of the Company is supported by the corporate guarantee from the ultimate holding company.

The revolving credits of certain subsidiaries are supported by the corporate guarantee from the Company.

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13. Loans and borrowings (continued)

13.3 Finance lease liabilities

Finance lease liabilities are payable as follows:

<i>Group</i>	Minimum lease payments 2008			Minimum lease payments 2007		
	RM'000	Interest 2008 RM'000	Principal 2008 RM'000	RM'000	Interest 2007 RM'000	Principal 2007 RM'000
Less than one year	472	(26)	446	522	(60)	462
Between one and five years	1,573	(24)	1,549	1,133	(183)	950
More than five years	-	-	-	116	(24)	92
	<u>2,045</u>	<u>(50)</u>	<u>1,995</u>	<u>1,771</u>	<u>(267)</u>	<u>1,504</u>

14. Deferred tax liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

<i>Group</i>	Assets		Liabilities		Net	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Property, plant and equipment	-	(533)	3,230	774	3,230	241
Tax losses carry-forwards	(733)	(801)	-	-	(733)	(801)
Other items	(3,005)	-	2,696	2,745	(309)	2,745
Net tax (assets)/liabilities	<u>(3,738)</u>	<u>(1,334)</u>	<u>5,926</u>	<u>3,519</u>	<u>2,188</u>	<u>2,185</u>
Set off of tax	3,738	1,334	(3,738)	(1,334)	-	-
	<u>-</u>	<u>-</u>	<u>2,188</u>	<u>2,185</u>	<u>2,188</u>	<u>2,185</u>

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14. Deferred tax liabilities (continued)

Unrecognised deferred tax assets

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

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Deductible temporary differences	14,707	23,697	-	-
Tax losses carry-forwards	57,760	41,839	-	-
	<u>72,467</u>	<u>65,536</u>	<u>-</u>	<u>-</u>
	=====	=====	=====	=====

The deductible temporary differences do not expire under current tax legislation except for unutilised tax losses carry forwards amounting to RM57,760,000 (2007 – RM39,970,000) shown above which can only be carried forward for 20 years from the year the losses were incurred. These tax losses will begin to expire from 2018. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

Movement in temporary differences during the year

Group	At	Recognised	At	Recognised	At
	1.1.2007 RM'000	in income statement (Note 22) RM'000	31.12.2007 RM'000	in income statement (Note 22) RM'000	31.12.2008 RM'000
Property, plant and equipment	2,615	(2,374)	241	2,988	3,229
Tax losses carry-forwards	-	(801)	(801)	68	(733)
Other items	(291)	3,036	2,745	(3,053)	(308)
	<u>2,324</u>	<u>(139)</u>	<u>2,185</u>	<u>3</u>	<u>2,188</u>
	=====	=====	=====	=====	=====

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15. Provisions

Group	2008	2007		Total RM'000
	Warranties RM'000	Warranties RM'000	Restruc- turing costs RM'000	
At 1 January	5,296	4,445	153	4,598
Provision made during the year	5,153	3,107	-	3,107
Provision used during the year	(84)	(591)	(153)	(744)
Provision reversed during the year	(2,984)	(1,757)	-	(1,757)
Effect of movements in exchange rates	(125)	92	-	92
At 31 December	7,256	5,296	-	5,296

Warranties

The provision for warranties relates to provision for defect rectification costs for manufactured cranes sold. This provision is made based on historical data at a fixed rate.

16. Payables and accruals

Note	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Trade				
Trade payables	105,953	114,716	-	-
Amount due to ultimate holding company	16.2 125	788	-	-
Amounts due to related companies	16.3 3,170	841	-	-
Amount due to associate	16.4 125	-	-	-
	109,373	116,345	-	-
Non-trade				
Amount due to ultimate holding company	16.2 2,031	885	-	-
Amount due to subsidiary	16.5 -	-	2,296	2,496
Amounts due to related companies	16.3 878	211	8	-
Other payables	21,563	24,066	3	5
Accrued expenses	33,438	22,972	40	105
	57,910	48,134	2,347	2,606
	167,283	164,479	2,347	2,606

16. Payables and accruals (continued)

16.1 Analysis of foreign currency exposure for significant payables

Significant trade payables that are not in the functional currencies of the Group are as follows:

Functional currency	Foreign currency	Group	
		2008 RM'000	2007 RM'000
RM	AUD	2,660	14,019
RM	SGD	455	115
RM	EUR	7,657	1,029
RM	USD	15,438	7,419
RM	RMB	3,558	3,956
USD	AUD	-	1,135
USD	SGD	358	1,145
USD	MYR	-	287
AUD	GBP	240	221
AUD	USD	664	503
		=====	=====

16.2 Amount due to ultimate holding company

The trade payables due to ultimate holding company are subject to the normal trade terms.

The non-trade payables due to ultimate holding company are unsecured, interest free with no fixed term of repayment.

16.3 Amounts due to related companies

The trade payables due to related companies are subject to the normal trade terms.

The non-trade payables due to related companies are unsecured, interest free with no fixed term of repayment.

16.4 Amount due to associate

The trade payable due to an associate is subject to the normal trade terms.

16.5 Amount due to subsidiary

The non-trade payable due to a subsidiary is unsecured with no fixed terms of repayment and bears interest at Nil (2007 - 9.0%) per annum.

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17. Employee benefits

17.1 Share-based payments

An employees' share option scheme ("ESOS scheme") of the Company was established and approved by the shareholders of the ultimate holding company at an Extraordinary General Meeting ("EGM") held on 19 May 2006.

The main features of the ESOS scheme, details of share option offered and exercised during the financial year are as follow:

- i) The maximum number of approved unissued new ordinary shares of RM0.50 each available for allotment under the ESOS scheme shall not exceed in aggregate ten per cent (10%) of the issued and paid-up share capital of Company at any point in time during the duration of the ESOS scheme;
- ii) Save for Directors, the eligible employees are those confirmed full time employees of the Group and who have served for a continuous period of at least one (1) year;
- iii) A grantee shall be allowed to exercise the options granted subject to the following percentage limits based on entitlement granted; and

		← Year option is granted →				
		Year 1	Year 2	Year 3	Year 4	Year 5
Cumulative % of options exercisable during the option period in:	Year 1	-	-	-	-	-
	Year 2	33.33%	-	-	-	-
	Year 3	66.67%	33.33%	-	-	-
	Year 4	100%	66.67%	66.67%	-	-
	Year 5	100%	100%	100%	100%	100%

- iv) The exercise price shall be based on the weighted average market price of the shares of the Company for the five (5) market days immediately preceding the offer date subject to a discount of not more than ten per cent (10%) or at the par value of the shares of the Company, whichever is higher.

The following options were granted under the ESOS scheme to take up the unissued ordinary shares of RM0.50 each:

Grant date	Exercise price	At 1.1.2008 '000	Granted '000	Exercised '000	Forfeited '000	At 31.12.2008 '000	Expiry date
30.6.2006	RM 0.55	8,732	-	(673)	(209)	7,850	29.6.2011
30.6.2007	RM1.90	367	-	-	(57)	310	29.6.2011
30.6.2008	RM1.09	-	527	-	(51)	476	29.6.2011
		9,099	527	(673)	(317)	8,636	
		9,099	527	(673)	(317)	8,636	

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17. Employee benefits (continued)

17.1 Share-based payments (continued)

Grant date	Exercise price	At 1.1.2007 '000	Granted '000	Exercised '000	Forfeited '000	At 31.12.2007 '000	Expiry date
30.6.2006	RM 0.55	11,482	-	(2,355)	(395)	8,732	29.6.2011
30.6.2007	RM1.90	-	391	-	(24)	367	29.6.2011
		<u>11,482</u>	<u>391</u>	<u>(2,355)</u>	<u>(419)</u>	<u>9,099</u>	
		=====	====	=====	====	=====	

The options outstanding at 31 December 2008 have an exercise price in the range of RM0.55 to RM1.90 and remaining contractual life of 3 years.

During the year, 673,000 (2007- 2,355,000) share options of RM0.55 each granted in 2006 under the ESOS scheme of the Company were exercised. The weighted average share price of the Company for the year was RM1.20 (2007- RM1.60).

Details relating to options exercised during the year

	Group and Company 2008 RM'000	2007 RM'000
Ordinary share capital at par	336	1,178
Share premium	33	117
	<u> </u>	<u> </u>
Proceeds received on exercise of share options	369	1,295
	=====	=====
	Group and Company 2008 RM	2007 RM
Fair value of shares issued (based on average exercise price)	1.20	1.60
	====	====

Value of employee services received for issue of share options

The value of employee services received for issue of share options is as follows:

	Group and Company 2008 RM'000	2007 RM'000
Share options granted in 2006	386	1,202
Share options granted in 2007	125	108
Share options granted in 2008	62	-
	<u> </u>	<u> </u>
Total expense recognised as share-based payments	573	1,310
	=====	=====

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17. Employee benefits (continued)

17.1 Share-based payments (continued)

Fair value of share options and assumptions

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using the Black Scholes Model with the following inputs:

	Group and Company	
	2008	2007
Fair value at grant date (RM)		
- Granted in Year 2006	RM0.17 – RM0.22	RM0.17 – RM0.22
- Granted in Year 2007	RM0.76 – RM1.03	RM0.76 – RM1.03
- Granted in Year 2008	RM0.30 – RM0.37	-
Weighted average share price		
- Granted in Year 2006	0.55	0.55
- Granted in Year 2007	2.04	2.04
- Granted in Year 2008	1.18	-
	=====	=====
Exercise price		
- Granted in Year 2006	RM0.55	RM0.55
- Granted in Year 2007	RM1.90	RM1.90
- Granted in Year 2008	RM1.09	-
Expected volatility (weighted average volatility)	33.67% - 59.24%	38.00% - 59.24%
Option life	3 years	4 years
Risk-free interest rate (based on Malaysian Government bonds)		
- Granted in Year 2006	4.48% - 4.57%	4.48% - 4.57%
- Granted in Year 2007	3.30% - 3.35%	3.30% - 3.35%
- Granted in Year 2008	4.04% - 4.12%	-
Expected staff turnover	5%-15%	5%
	=====	=====

The expected volatility reflects the assumption that the historical volatility is indicative of future trends and not necessarily be the actual outcome. The expected option life is based on historical data, which may also not necessarily be indicative of exercise patterns that may occur.

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18. Revenue

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Contract revenue	489,566	375,551	-	-
Sales of goods	68,629	49,858	-	-
Services rendered	22,930	28,487	-	-
Dividends	-	-	10,988	12,915
	<u>581,125</u>	<u>453,896</u>	<u>10,988</u>	<u>12,915</u>
	=====	=====	=====	=====

19. Cost of sales

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Contract costs	429,930	339,100	-	-
Sales of goods	53,809	26,845	-	-
Services rendered	14,673	17,531	-	-
	<u>498,412</u>	<u>383,476</u>	<u>-</u>	<u>-</u>
	=====	=====	=====	=====

20. Operating profit

	Note	Group		Company	
		2008	2007	2008	2007
		RM'000	RM'000	RM'000	RM'000
Operating profit is arrived at after crediting:					
Allowance for doubtful debts written back		-	374	(11)	-
Dividend income from subsidiaries (unquoted)		-	-	10,988	12,915
Net foreign exchange gain		11,794	11,917	974	83
Gain on disposal of property, plant and equipment		55	26	-	-
Rental income on premises		710	783	-	-
Rental income on cranes		9,939	13,992	-	-
Release of provision for warranties	15	2,984	1,757	-	-
		<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
and after charging:					
Allowance for doubtful debts		341	1,423	-	-
Allowance for slow moving inventories		2,069	4,383	-	-
Allowance for diminution in value of investments in associates		-	-	-	234

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20. Operating profit (continued)

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
and after charging (continued):					
Auditors' remuneration:					
- holding company's auditors		170	85	35	35
- other auditors		456	344	-	-
Amortisation of intangible assets	4	2,331	2,758	110	109
Depreciation of property, plant and equipment	3	8,012	7,613	99	98
Depreciation of investment property	5	-	-	30	31
Inventories written off		-	870	-	-
Impairment loss on intangible assets	4	29	-	-	-
Property, plant and equipment written off	3	2,600	42	-	-
Provision for warranties	15	5,153	3,107	-	-
Rental expense on:					
- cranes		5,497	6,310	-	-
- premises		1,122	803	-	-
- equipment		1,337	604	-	-
Personnel expenses (including key management personnel):					
- Contributions to Employees Provident Fund		3,922	3,060	90	75
- Share-based payments	17	573	1,310	573	1,310
- Wages, salaries and others		51,995	46,611	688	608
		=====	=====	=====	=====

21. Key management personnel compensation

The key management personnel compensations are as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Directors				
- Fees	383	453	353	423
- Remuneration	831	750	830	750
	-----	-----	-----	-----
	1,214	1,203	1,183	1,173
	=====	=====	=====	=====

The Directors of the Company are the key management personnel for the Group with ultimate authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

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22. Tax expense (continued)

Reconciliation of tax expense

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Tax at Malaysian tax rate of 26% (2007 - 27%)	7,119	5,822	1,929	2,172
Effect of different tax rates in foreign jurisdictions	3	478	-	-
Effect of change in tax rates	(43)	(185)	-	-
Non-deductible expenses	648	1,426	670	476
Non-taxable income	(2,472)	(115)	(2,599)	(634)
Tax exempt income	(60)	(547)	-	-
Tax incentives	(542)	(138)	-	-
Effect of utilisation of deferred tax assets previously not recognised	(2,247)	(4,761)	-	-
Effect of non-recognition of deferred tax benefits	3,980	-	-	-
(Over)/ Underprovided in prior years	(828)	647	-	5
	<u>5,558</u>	<u>2,627</u>	<u>-</u>	<u>2,019</u>
	=====	=====	=====	=====

* With effect from year of assessment 2004, companies with paid-up capital of RM2.5 million and below at the beginning of the basis period for a year of assessment are subject to corporate tax at 20% on chargeable income up to RM500,000. Chargeable income exceeding RM500,000 will be taxed at applicable statutory corporate tax rate.

The corporate tax rates are 26% for the year of assessment 2008 and 25% for the subsequent years of assessment. Consequently, deferred tax assets and liabilities are measured using these tax rates.

A subsidiary which is principally engaged in designing, manufacturing, supply, servicing, trading and renting of cranes was granted tax exemption of 100% on cranes sales under Section 127, Income Tax Act, 1967 for a period of 10 years with effect from 1 June 2002.

23. Earnings per ordinary share

Basic earnings per ordinary share

	Group	
	2008 RM'000	2007 RM'000
Profit for the year attributable to ordinary shareholders	21,824	18,935
	=====	=====

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23. Earnings per ordinary share (continued)

Weighted average number of ordinary shares

	Group	
	2008	2007
	'000	'000
Number of ordinary shares in issue at 1 January	170,355	168,000
Effect of shares repurchased	(10)	(5)
Effect of ordinary shares issued under ESOS	286	839
	<hr/>	<hr/>
Total weighted average number of ordinary shares in issue (unit)	170,631	168,834
	<hr/> <hr/>	<hr/> <hr/>

	Group	
	2008	2007
	Sen	Sen
Basic earnings per ordinary share	12.79	11.22
	<hr/> <hr/>	<hr/> <hr/>

	Group	
	2008	2007
	RM'000	RM'000
Profit for the year attributable to ordinary shareholders	21,824	18,935
	<hr/> <hr/>	<hr/> <hr/>

Weighted average number of ordinary shares (diluted)

	Group	
	2008	2007
	'000	'000
Weighted average number of ordinary shares at 31 December	170,631	168,834
Effect of share options in issue	2,016	5,995
	<hr/>	<hr/>
Weighted average number of ordinary shares (diluted) at 31 December	172,647	174,829
	<hr/> <hr/>	<hr/> <hr/>

The average market value of the Company's shares for purpose of calculating the dilutive effect of share options was based on quoted market prices for the period that the options were outstanding.

	Group	
	2008	2007
	Sen	Sen
Diluted earnings per ordinary share	12.64	10.83
	<hr/> <hr/>	<hr/> <hr/>

Company No. 249243-W

24. Dividends

Dividends recognised in the current year by the Company are:

	Sen per share (net of tax)	Total amount RM'000	Date of payment
2008			
First and final 2007 ordinary	2.40	4,112	18 September 2008
		=====	
2007			
First and final 2006 ordinary	1.75	2,960	24 September 2007
		=====	

After the balance sheet date, the following dividends were proposed by the Directors. These dividends will be recognised in subsequent financial reports upon approval by the shareholders.

	Sen per share (tax exempt)	Total amount RM'000
First and final ordinary	2.50	4,275
	====	=====

Dividends per ordinary share

The calculation of dividends per ordinary share is based on the proposed gross final dividend for the financial year ended 31 December 2008 of RM4,275,251 (2007 - RM5,536,213) on the issued and paid-up share capital (excluding treasury shares) of 171,018,020 ordinary shares of RM0.50 each (2007 - 170,345,020 ordinary shares of RM0.50 each) as at 31 December 2008.

25. Segment reporting

Segment information is presented in respect of the Group's geographical segments. The primary format, geographical segments is based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

The Group operates only in one business segment. Accordingly, information by business segments is not presented.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly of loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses.

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25. Segment reporting (continued)

Geographical segments

The Group's business is managed on a worldwide basis with its head office in Malaysia.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are also based on the geographical location of assets.

	Inside Malaysia		Outside Malaysia		Eliminations		Consolidated	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Geographical segments								
Revenue from								
external customers	191,317	176,758	389,808	277,138	-	-	581,125	453,896
Inter-segment revenue	180,365	147,999	72,768	111,295	(253,133)	(259,294)	-	-
Total revenue	<u>371,682</u>	<u>324,757</u>	<u>462,576</u>	<u>388,433</u>	<u>(253,133)</u>	<u>(259,294)</u>	<u>581,125</u>	<u>453,896</u>
Operating profit							32,247	28,209
Interest income							1,377	1,369
Interest expense							(6,256)	(7,921)
Share of profit/(loss) of associates							14	(95)
Profit before tax							<u>27,382</u>	<u>21,562</u>
Segment assets	505,169	477,213	381,985	335,305	(276,911)	(282,633)	610,243	529,885
Investments in associates	22	22	-	-	14	-	36	22
Total assets	<u>505,191</u>	<u>477,235</u>	<u>381,985</u>	<u>335,305</u>	<u>(276,897)</u>	<u>(282,633)</u>	<u>610,279</u>	<u>529,907</u>
Segment liabilities	358,540	342,554	309,172	272,713	(218,560)	(216,281)	449,152	398,986

26. Financial instruments

Exposure to credit, interest rate, foreign currency and liquidity risks arises in the normal course of the Group and the Company's business. Derivative financial instruments are used to hedge exposure to fluctuations in foreign exchange rates and interest rates.

Credit risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by strictly limiting the Group's association only to business partners with high creditworthiness.

At balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk for the Group and for the Company is represented by the carrying amount of each financial asset in the balance sheet.

Interest rate risk

The Group's and the Company's income and operating cash flows are exposed to a risk of change in their fair value due to changes in interest rates. Interest rate exposure arises from the Group's and the Company's borrowings and deposits, and is managed through the use of fixed and floating rate debts.

Foreign currency

The Group and the Company are exposed to currency risk as a result of transactions entered into by subsidiaries in currencies other than Ringgit Malaysia.

The Group uses forward exchange contracts to hedge its foreign currency risk although the Group does not have a fixed policy to hedge its sales and purchases in forward contracts. The exposure to foreign currency risk of the Group is monitored by the management from time to time. The Group does not hold forward exchange contracts for trading purposes. Most of the forward exchange contracts have maturities of less than one year after the balance sheet date. Where necessary, the forward exchange contracts are rolled over at maturity.

The currencies giving rise to this risk are mainly US dollars, the EURO, AUD dollars, SGD dollars, DKK Kroner, HK dollars, Japanese Yen, Pound Sterling and RMB.

The foreign exchange contracts are used as hedges to manage the operational exposures to foreign currency risks. They are entered into with high credit quality financial institutions and monitoring procedures. The exposure to foreign currency risk of the Group and of the Company is also mitigated by natural hedging via borrowings and payment of operational costs and expenses in the same currency of the major receivables.

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26. Financial instruments (continued)

Effective interest rates and repricing analysis (continued)

Group 2007	Effective interest rate %	Total RM'000	Within 1 year RM'000	1 - 2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	Over 5 years RM'000
Fixed rate instruments								
Finance lease liabilities								
- AUD	4.25	113	90	23	-	-	-	-
- RM	3.29	1,294	352	304	239	167	140	92
- SGD	3.00	97	20	20	19	19	19	-
Floating rate instruments								
Secured term loans								
- DKK	5.08	1,140	1,140	-	-	-	-	-
- RM	5.20	16,355	16,355	-	-	-	-	-
Unsecured term loan								
- RM	6.50	8,700	8,700	-	-	-	-	-
Unsecured insurance premium finance								
- AUD	3.69	870	870	-	-	-	-	-
Unsecured revolving credits								
- USD	6.46	18,019	18,019	-	-	-	-	-
Secured bank overdraft								
- DKK	7.00	15,922	15,922	-	-	-	-	-
Unsecured bank overdrafts								
- SGD	9.20	614	614	-	-	-	-	-
Bills payable	4.64	84,928	84,928	-	-	-	-	-
		148,052	147,010	347	258	186	159	92
		148,052	147,010	347	258	186	159	92
Fixed rate instruments								
Deposits								
	4.07	11,018	11,018	-	-	-	-	-
		11,018	11,018	-	-	-	-	-
		11,018	11,018	-	-	-	-	-

26. Financial instruments (continued)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group and the Company aim at maintaining flexibility in funding by keeping committed credit lines available. In addition, the Group and the Company ensure that the amount of debt maturing in any one year is not beyond the Group's and the Company's means to repay and/or refinance.

Fair values

The carrying amounts of cash and cash equivalents, receivables, deposits and prepayments, other payables and accruals, and short term borrowings, approximate fair values due to the relatively short term nature of these financial instruments.

It is not practicable to estimate the fair value of the Company's investments in subsidiaries and associates due to the lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive costs.

The fair values of other financial liabilities, together with the carrying amounts shown in the balance sheet as at 31 December are as follows:

<i>Group</i>	2008 Carrying amount RM'000	2008 Fair value RM'000	2007 Carrying amount RM'000	2007 Fair value RM'000
Financial liabilities				
Secured term loans	14,243	14,243	17,495	17,495
Unsecured term loans	-	-	8,700	8,700
Finance lease liabilities	1,995	1,841	1,504	1,381
	=====	=====	=====	=====

The secured term loans with variable interest rates, the carrying amounts approximate fair values as they are on floating rates and reprice to market interest rates for liabilities with similar risk profile.

The Company provides financial guarantees to financial institutions for credit facilities extended to certain subsidiaries. The fair value of such financial guarantees is not expected to be material as the subsidiaries are managed by the management team without an expectation of default on the credit lines.

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27. Contingencies

Contingent liabilities – unsecured

	Company	
	2008 RM'000	2007 RM'000
Corporate guarantee for credit facilities granted to subsidiaries	179,654	111,871
Performance guarantee granted to subsidiaries	220,345	147,366
	399,999	259,237
	=====	=====

Contingent liabilities -litigation

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

Della Porta v. East 51st Street

A composition of personal injury actions, wrongful death actions, property damages actions, subrogation actions, and lien actions related to the collapse of a Favelle Favco crane on 15th March 2008 in the City of New York have been filed. Favelle Favco Cranes (USA) Inc. (“FFCUSA”) has been named as a third-party defendant and second third-party defendant with regards to Labor Law/personal injury, lost of crane and wrongful death claims.

Additionally, FFCUSA is named as a direct defendant in a subrogation action for the replacement costs of the lost crane by the Insurance Carrier for New York Crane, the owner of the crane, and by the owner of an art gallery who claims both property damages and emotional distress.

Company No. 249243-W

27. Contingencies (continued)

The suit relates to an incident involving the collapse of a Favco crane said to be caused by a rigging activity carried out by a third party. The U.S. Occupational Safety & Health Administration (“OSHA”) found that slings (independent of the crane per se) used during the rigging activity tore open causing the said incident. The Company’s and FFCUSA’s inclusion in the suit is purported simply to be by reason that the crane was a Favco crane.

It is anticipated that this litigation will take between three and five years to resolve. The Directors are of the opinion that it is premature to assess the outcome of the actions at this point in time.

28. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group has a related party relationship with its ultimate holding company, subsidiaries (see Note 6), related companies, associates (see Note 7) and Directors (see Note 21).

Company No. 249243-W

28. Related parties (continued)

Significant transactions with related parties:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Ultimate holding company				
Purchase of property, plant and equipment	-	495	-	-
Rental expense payable	1,338	1,795	-	-
Rental income receivable	(261)	(482)	-	-
Sale of goods	(11,902)	(1,473)	-	-
Subcontract cost payable	45	746	-	-
	=====	=====	=====	=====
Subsidiaries				
Dividend income receivable	-	-	(10,988)	(12,915)
Interest expense payable	-	-	111	733
	=====	=====	=====	=====
Related companies				
Purchase of property, plant and equipment	54	-	-	-
Sale of goods	(3,939)	(1,170)	-	-
Rental expense payable	540	226	-	-
Subcontract cost payable	3,639	3,387	-	-
	=====	=====	=====	=====
Associates				
Sale of goods and services	(3,994)	(5,312)	-	-
Purchase of goods and services	12	-	-	-
Subcontract cost payable	153	-	-	-
	=====	=====	=====	=====

The outstanding net amounts due from/(to) subsidiaries, related companies and associates as at 31 December are disclosed in Note 8 and Note 16 respectively.

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

There are no allowance for doubtful receivables as at 31 December 2008 in respect of the above related party balances except for debts from Favelle Favco Cranes Machinery and Equipment LLC of RM779,000 in 2006.

29. Change in accounting policy

In prior years, freehold land of the Group and the Company was stated at cost and was not depreciated. Gain and loss on disposal of freehold land was determined by comparing the proceeds from disposal with costs and was recognised net within “other income” or “other expenses” respectively in the income statements.

Following the change in accounting policy of freehold land from cost model to revaluation model, the Group revalues its freehold land every 5 years or at shorter intervals whenever the fair value of the freehold land is expected to differ materially from the carrying value.

Surplus arising from revaluation is dealt within the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase in the same property. In all other cases, a decrease in carrying amount is charged to the income statements.

The change in accounting policy resulted in the increase in the carrying value of property, plant and equipment and a corresponding increase in revaluation reserve amount of RM15,105,000.

Favelle Favco Berhad

(Company No. 249243-W)

(Incorporated in Malaysia)

and its subsidiaries

**Statement by Directors pursuant to
Section 169(15) of the Companies Act, 1965**

In the opinion of the Directors, the financial statements set out on pages 7 to 68 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 financial position of the Group and of the Company at 31 December 2008 and of their financial performance and cash flows for the year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Mac Ngan Boon @ Mac Yin Boon

.....
Lee Poh Kwee

Klang,

Date: 24 April 2009

Favelle Favco Berhad

(Company No. 249243-W)

(Incorporated in Malaysia)

and its subsidiaries**Statutory declaration pursuant to
Section 169(16) of the Companies Act, 1965**

I, **Lee Poh Kwee**, the Director primarily responsible for the financial management of Favelle Favco Berhad, do solemnly and sincerely declare that the financial statements set out on pages 7 to 68 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 the above named in Klang on 24 April 2009.

.....
Lee Poh Kwee

Before me:

John Kalanjiam Chelliah @
Chelliah a/l Kalanjiam
Pesuruhjaya Sumpah Malaysia
(No. B218)

Independent auditors' report to the members of Favelle Favco Berhad

(Company No. 249243-W)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Favelle Favco 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 year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 68.

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 judgment, 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.

Company No. 249243-W

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 year then ended.

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 accounts 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 accounts 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 accounts 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.

KPMG

Firm Number: AF 0758
Chartered Accountants

Foong Mun Kong

Approval Number: 2613/12/10(J)
Chartered Accountant

Petaling Jaya,

Date: 24 April 2009