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CORPORATE INFORMATION

BOARD OF DIRECTORS	Lim Beng Huan | Executive Chairman Loh Lay Choo | Managing Director Lim Teik Hian | Executive Director Jimmy Ong Chin Keng | Executive Director Lim Teck Chye | Executive Director Ng Chee Kong | Non-Executive Director Nik Azalan Bin Nik A. Kadir | Non-Executive Director Wong Sew Yun | Non-Executive Director
SECRETARIES	Lee Peng Loon Ong Eng Choon
REGISTERED OFFICE	51-21-A Menara BHL Bank Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel : 04-2276 888 Fax : 04-2298 118
SHARE REGISTRAR	PFA Registration Services Sdn Bhd (19234-W) Level 13, Uptown 1, No. 1 Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan Tel : 03-7718 6000 Fax : 03-7722 2311
PRINCIPAL BANKERS	CIMB Bank Berhad (13491-P) Malayan Banking Berhad (3813-K) HSBC Bank Malaysia Berhad (127776-V) Alliance Bank Malaysia Berhad (88103-W)
AUDITORS	Deloitte KassimChan Chartered Accountants 4th Floor, Wisma Wang 251-A, Jalan Burma 10350 Pulau Pinang
AUDIT COMMITTEE	Nik Azalan Bin Nik A. Kadir | Chairman and Independent Non-Executive Director Ng Chee Kong | Independent Non-Executive Director Jimmy Ong Chin Keng | Executive Director Wong Sew Yun | Independent Non-Executive Director
STOCK EXCHANGE LISTING	Bursa Malaysia | Second Board

from right to left : Mr Jimmy Ong Chin Keng, Mr Lim Teck Chye, Mr Lim Teik Hian, Mr Lim Beng Huan, Mdm Loh Lay Choo, Mr Wong Sew Yun, Encik Nik Azalan Bin Nik A Kadir, Mr Ng Chee Kong

LIM BENG HUAN | Executive Chairman

Mr Lim Beng Huan, a Malaysian aged 66 is the Executive Chairman of Emico Holdings Berhad. He was appointed as Director and Executive Chairman on 6 December 1991 and 8 January 1994 respectively. He is the co-founder of the business with Madam Loh Lay Choo. In the early 1970, he started as an independent agent supplying awards and trophy components to retail outlets in Malaysia. His foresight in recognising the market potential of this line of business led him to set up Emico in 1983. From then on, he managed to expand the business from a small partnership trading in trophies to its status of being the largest trophy manufacturer in Malaysia and ASEAN region. His vision and commitment towards the business has also steered Emico Group to venture into manufacturing and maintenance of lifts and escalators and lately into property development. He is also Chairman for the Nominating Committee and sits on the Board of several private limited companies. He and his family are the major shareholders of the Company. His wife, Madam Loh Lay Choo, is the Managing Director of the Company and his sons Mr Lim Teik Hian and Mr Lim Teck Chye sit on the Board of the Company as Executive Directors. Other than as disclosed in the related party transactions in Note 32 of the Financial Statements, he has no other conflict of interest.

Mr Lim has not been convicted of any offence in the past 10 years and has attended all Board meetings held during the financial year.

LOH LAY CHOO | Managing Director

Madam Loh Lay Choo, a Malaysian aged 60, was appointed as Director and Managing Director on 6 December 1991 and 8 January 1994 respectively. She is the spouse of Mr Lim Beng Huan and co-founded the business with him. During the initial period of Emico's operation, she was involved in the establishment of the Company's manufacturing operations. She has in-depth knowledge of Emico Group's operations and adopts a personal touch approach in running the day-to-day operation matters. Her strong leadership has steered Emico Group from a small trading company to a diversified Group involved in manufacturing of plastic, woods and household products, manufacturing and maintenance of lifts and escalators and property development. She is a member of the Remuneration Committee and sits on the Board of several private limited companies. She and her family are the major shareholders of the Company. Her husband, Mr Lim Beng Huan, is the Executive Chairman of the Company and her sons Mr Lim Teik Hian and Mr Lim Teck Chye sit on the Board of the Company as Executive Directors. Other than as disclosed in the related party transactions in Note 32 of the Financial Statements, she has no other conflict of interest.

Madam Loh has not been convicted of any offence in the past 10 years and has attended all Board meetings held during the financial year.

LIM TEIK HIAN | Executive Director

Mr Lim Teik Hian, a Malaysian aged 41 was appointed to the Board on 16 February 1996. He has a Diploma in Business Administration from Australia Business College, Melbourne, Australia. Upon graduation, he joined the Company in 1989 as the Marketing Manager and was responsible for the development of domestic market for Emico. At a later stage, he was involved in the general management of the manufacturing concern and was instrumental in the commissioning of modern manufacturing facilities for Emico Group. He was seconded to Vietnam to set up Emico's plastic manufacturing plant and has been actively running the day-to-day operation since then. He is the eldest son of Mr Lim Beng Huan and Madam Loh Lay Choo, the major shareholders of the Company and his younger brother, Mr Lim Teck Chye sits on the Board of the Company as Executive Director. Other than as disclosed in the related party transactions in Note 32 of the Financial Statements, he has no other conflict of interest.

Mr Lim has not been convicted of any offence in the past 10 years and has attended all Board meetings held during the financial year.

JIMMY ONG CHIN KENG | Executive Director

Mr Jimmy Ong Chin Keng, a Malaysian aged 45 was appointed to the Board on 16 February 1996. He is a Chartered Accountant and holds a professional qualification from the Malaysian Institute of Certified Public Accountants and is a member of Malaysian Institute of Accountants. He joined Emico Group in February 1993 as the Financial Controller and rose to the rank of Finance Director in 1996. His responsibilities include financial planning and budgeting, establishment and maintenance of accounting system and internal controls, credit management and matters relating to corporate affairs. Prior to his engagement in Emico, he served in two international accounting firms namely PriceWaterhouseCoopers and KPMG for a total of 8 years. He is a member of Emico's Audit Committee and sits on the Board of several private limited companies. Other than as disclosed in the related party transactions in Note 32 of the Financial Statements, he has no other conflict of interest.

Mr Ong has not been convicted of any offence in the past 10 years and has attended all Board meetings held during the financial year.

LIM TECK CHYE | Executive Director

Mr. Lim Teck Chye, a Malaysian aged 34, was appointed to the Board on 11 May 2004. He graduated from University of Toledo, Ohio, USA in Bachelor of Science in Engineering and Master of Science in Industrial Engineering. Upon graduation, he joined Fuji Lift & Escalator Manufacturing Sdn. Bhd. (formerly known as Northern Elevator Manufacturing Sdn Bhd) as its Marketing Manager in July 1997. In mid 1998, he was transferred abroad to set up an elevator manufacturing plant in Fujian province, China. The China factory is in full operation since July 1999 and has obtained ISO 9001:2000 quality certification. He was appointed to the Board of Northern Elevator Berhad as the Executive Director in October 1999 and has held the position since then. He is the youngest son of Mr Lim Beng Huan and Madam Loh Lay Choo, the major shareholders of the company. And his brother, Mr Lim Teik Hian sits on Board of the Company as Executive Director. Other than as disclosed in the related party transactions in Note 32 of the Financial Statements, he has no other conflict of interest.

Mr Lim has not been convicted of any offence in the past 10 years and has attended 4 out of 5 Board meetings held during the financial year.

NIK AZALAN BIN NIK A. KADIR | Independent and Non-Executive Director

Encik Nik Azalan Bin Nik A. Kadir, a Malaysian aged 59 was appointed to the Board on 16 April 1993. He graduated in 1978 with a qualification in Electronic Data Processing ("EDP") from Caulfield Institute of Technology Melbourne, Australia (currently Caulfield-Monash University). He was a bank officer with Bank Bumiputra Malaysia Berhad from 1978 to 1980. Subsequently, he assumed the position of Senior Executive with the Terengganu State Economic Development Corporation, Terengganu, to pursue his interest in the business sector. He was appointed as a Director of several private limited companies which are principally involved in the assembling, trading and maintenance of personal computers and mini-computers, insulation, fabrication and mechanical siteworks for the oil and gas industry. He also sits on the Board of EG Industries Berhad, a public listed company and Kelang Assets Sdn Bhd, a subsidiary of a public listed company, Worldwide Holdings Berhad. He is also the Chairman of Emico's Audit Committee and the Remuneration Committee and member of the Nominating Committee.

Encik Nik has not been convicted of any offence in the past 10 years and has attended all Board meetings held during the financial year.

NG CHEE KONG | Independent and Non-Executive Director

Mr Ng Chee Kong, a Malaysian aged 65 is an Independent Non-Executive Director of the Company. He was appointed to the Board on 24 May 1999 and is a member of the Audit and the Remuneration Committee. He also sits as the Chairman of the Nominating Committee. He received his early education in Penang and joined the banking profession with a major local bank until his retirement 36 years later. During his tenure with the bank, he obtained a Diploma in Marketing & Selling Bank Services conferred by The International Management Centres, Buckingham, England.

Mr Ng has not been convicted of any offence in the past 10 years and has attended all Board meetings held during the financial year.

WONG SEW YUN | Independent and Non-Executive Director

Mr Wong Sew Yun, a Malaysian aged 52 was appointed to the Board on 14 January 1995. He has been involved in business for more than 27 years. He has his own business operating a transportation company plying East, West Malaysia and Indonesia. He is also involved in ceramic wares business and sits on the Board of several private limited companies.

Mr Wong has not been convicted of any offence in the past 10 years and has attended all Board meetings held during the financial year.

CORPORATE STRUCTURE

AS AT 31 DECEMBER 2007

EMICO HOLDINGS BERHAD

PROPERTY DEVELOPMENT & INVESTMENT

♦	100%	Emico Development Sdn Bhd
♦	100%	Emico Capital Sdn Bhd
♦	100%**	Emico Development (Langkawi) Sdn Bhd
♦	71%	Mercu Tanah Langkawi Sdn Bhd
♦	49.7%	Operasi Tembaga Sdn Bhd
♦	39.8%	PKB - Operasi Tembaga Sdn Bhd
◊	50%**	Panashiba Industries (M) Sdn Bhd
♦	60%	Northern Elevator Berhad
♦	60%**	Pacific Elevator Sdn Bhd
♦	60%**	Fuji Lift Components Manufacturing Sdn Bhd
◊	20.9%	Quanzhou Fuji-Sino Elevators Co. Ltd, China
◊	24%**	Asian Elevator (M) Sdn Bhd
◊	18%**	Jiangnan Escalator (M) Sdn Bhd

TRADING

♦	100%**	Emico Newk Sdn Bhd
♦	100%	Emico Asia Sdn Bhd

MANUFACTURING

Consumer Products

♦	100%	Emico Penang Sdn Bhd
♦	100%**	Emico Tools Sdn Bhd
♦	100%	Emico Marketing Sdn Bhd
♦	100%**	Emico Creative Design Sdn Bhd
♦	100%	Emico Metalizing Sdn Bhd
♦	53.3%**	Standard Trend Apparel Industries Sdn Bhd
♦	100%	Emico (Vietnam) Co. Ltd.
◊	24.5%**	PT Panashiba Industries, Indonesia

♦ Subsidiary Companies
◊ Associated Companies
** Dormant / Inactive

The Board has appointed the Audit Committee to assist the Board in discharging its duties of maintaining a sound system of internal controls to safeguard shareholders' investment and the Group's assets.

TERMS OF REFERENCE

- **Purpose**

  The primary objective of the Audit Committee (as a sub-committee of the Board) is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting and internal control.

- **Reporting Responsibilities**

  The Audit Committee will report to the Board on the nature and extent of the functions performed by it and may make such recommendations to the Board on any audit and financial reporting matters as it may think fit.

- **Attendance at Meeting**

  The head of finance, the head of internal audit and a representative of external audit shall normally attend meetings. The Company Secretary shall be the Secretary of the Committee. Other officers may be invited to brief the Committee on issues that are incorporated into the agenda.

- **Frequency of Meeting**

  The Committee will meet as frequently as the Chairman shall decide, with due notice of issues to be discussed and shall record its conclusions whilst discharging its duties and responsibilities.

- **Quorum**

  The quorum for a meeting shall be 2 (two) members, the majority of whom shall be independent non-executive directors.

- **Authority**

  The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. The Committee shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The Committee may, with the approval of the Board, consult legal or other professionals where they consider it necessary to discharge their duties.

MEMBERSHIP AND MEETINGS

The composition of the Company's Audit Committee, appointed by the Board from amongst its members, comprises of 4 (four) members of which 3 (three) are Non-Executive Directors.

During the year ended 31 December 2007, the Committee held meetings on 28 February, 23 April, 29 May, 29 August and 29 November 2007 respectively, making a total of 5 (five) meetings.

No.	Name	Status of directorship	Independence Status	Attendance of meetings
(i)	Nik Azalan Bin Nik Abdul Kadir (Chairman)	Non-Executive	Independent	5/5
(ii)	Ng Chee Kong (Member)	Non-Executive	Independent	5/5
(iii)	Jimmy Ong Chin Keng (Member)	Executive	Non-Independent	5/5
(iv)	Wong Sew Yun (Member)	Non-Executive	Independent	5/5

DUTIES AND RESPONSIBILITIES

The primary goal of the Committee is to review the financial condition of the Group, its internal controls, performance and findings of the internal auditors and to recommend appropriate remedial action.

The primary duties and responsibilities of the Committee are as follows:

- to review both the internal and external auditor's scope of audit plan, their evaluation of the system of internal controls and audit reports.
- to review and evaluate the adequacy and effectiveness of the Group's accounting policies, procedures and internal controls.
- to nominate, for the approval of the Board of Directors, a person or persons as auditor(s).
- to review the assistance and co-operation given by the Company's officers to the external and internal auditors.
- to review the quarterly and year end financial statements before submission to the Board of Directors.
- to review any related party transactions that may arise within the Company or the Group.
- to consider adequacy of Management's actions taken on internal and external audit reports.
- to review the allocation of shares to employees under the Employees' Share Option Scheme.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the year, the Audit Committee reviewed and appraised the annual audit plan and audit reports prepared by the Internal Auditors. The Committee also appraised the adequacy of actions taken by the Management in resolving the reported audit issues and in implementing suggested improvement measures.

On quarterly basis and financial year end the Committee reviewed the financial statements prepared by the Management for proper approval by the Board on its announcements. Any significant issues resulting from the audit of the financial statements by the External Auditors were noted by the Committee.

The Committee, at the conclusion of each meeting, recommended the Management to improve on internal controls, procedures and systems of the Company, where deemed appropriate.

ACTIVITIES OF INTERNAL AUDIT

The role of the Internal Auditors is to examine, evaluate and ensure compliance with the Group's policies, procedures and system of internal controls so as to provide reasonable assurance that such system continue to operate effectively in the Emico Group of Companies. The Internal Auditors work focuses on areas of priority as identified in accordance with the annual audit plan approved each year by the Audit Committee. For the year 2007, audit visits were conducted in all active subsidiaries of the Group.

The audit activities were as follows:-

a . ascertaining the extent of compliance with the established policies, procedures and statutory requirements;

b . reviewing of new systems and modified systems to ensure that proper controls exist in the systems or where certain necessary controls were absent, to prescribe controls before implementation;

c . identifying opportunities to improve the operations and the processes in the Company and the Group

The Internal Auditors reports their audit findings to the Audit Committee and the Management of the respective subsidiaries.

The Board of Directors of Emico Holdings Berhad is committed to ensuring that the Group is moving towards the highest standards of Corporate Governance in discharging its responsibilities to protect and enhance shareholders value and the Group's financial performance.

Currently, the Board is moving towards full compliance with all the principles in Part 1 of the Malaysian Code on Corporate Governance and is also committed to ensuring adoption of the Best Practice as recommended in Part 2 of the Code.

The Board

The Board consists of the following members:

- one executive chairman
- four executive directors
- three independent non-executive directors

The Board of Directors is leading and controlling the Group while the Company's Executive Chairman and Managing Director has the responsibility for the running of the Group's businesses.

Board Meeting

There were five Board Meetings held during the financial year ended 31 December 2007 and the attendance of the Directors were as follows:

Name of Director	Directorship	Attendance
Lim Beng Huan	Executive Chairman	5/5
Loh Lay Choo	Managing Director	5/5
Lim Teik Hian	Executive Director	5/5
Jimmy Ong Chin Keng	Executive Director	5/5
Lim Teck Chye	Executive Director	4/5
Wong Sew Yun	Independent Non-Executive Director	5/5
Nik Azalan Bin Nik A. Kadir	Independent Non-Executive Director	5/5
Ng Chee Kong	Independent Non-Executive Director	5/5

Supply Of Information

The Board is able to access a complete information in a timely basis in form and of a quality necessary for the discharge of their duties and responsibilities. Where required, the Board has the authority to source for independent or expert advice and views from outside the Group.

Appointment and Re-election of The Board

All Directors are required to submit themselves for re-election at least every three years.

The Board is responsible for the appointments of Directors and determining the remuneration package of each Director. In order to improve its effectiveness, the Board had set up a Nominating and a Remuneration Committee which consist of the following:

♦ **Nominating Committee**

Chairman
Mr Ng Chee Kong | Independent and Non-Executive Director

Member
Encik Nik Azalan Bin Nik A. Kadir | Independent and Non-Executive Director
Mr Lim Beng Huan | Executive Chairman

♦ **Remuneration Committee**

Chairman
Encik Nik Azalan Bin Nik A. Kadir | Independent and Non-Executive Director

Member
Mr Ng Chee Kong | Independent and Non-Executive Director
Madam Loh Lay Choo | Managing Director

DIRECTORS' REMUNERATION

Directors do not participate in decisions regarding their own remuneration. Directors' fee and emoluments are endorsed by the Board and approved by shareholders of the Company at Annual General Meeting.

The remuneration of the Directors for the financial year ended 31 December 2007 is as follows:

	Fee	Salaries and other emoluments	Benefits-in-kind
	RM	RM	RM
Executive Directors	50,000	790,713	59,125
Non- Executive Directors	30,000	23,840	-
Total	80,000	814,553	59,125

The number of Directors whose remuneration fall into the respective bands are as follows:

Range of Remuneration (RM)	Executive	Non-Executive
25,000 & below	1	3
25,000 - 50,000		
50,000 - 100,000		
100,000 - 150,000	1	
150,000 - 200,000		
200,000 - 250,000	3	
250,000 - 300,000		

DIRECTORS TRAINING

In compliance with paragraph 15.09 of the Bursa Malaysia Securities Listing Requirement, all members of the Board had attended the Mandatory Accreditation Program (MAP). The directors will continue to undergo other relevant training programmes such as Continuing Education Program (CEP) and other training programs to be determined by the Board from time to time to enhance their skills and knowledge where relevant.

EMICO®

SHAREHOLDERS

The Group has always placed high emphasis on communication with its shareholders on any major developments of the Group on a timely basis. This is achieved through regular quarterly and annual reports, and announcements.

The principal forum for dialogue with shareholders is at General Meeting, where investors are also encouraged to participate and pose questions to the Board on matters relating to operational and financial information.

ACCOUNTABILITY AND AUDIT

In presenting and reporting the annual reports and the quarterly announcement to shareholders, the Board has presented a balanced and understandable assessment of the Group's position and prospects.

The Board acknowledges its duty and responsibility for maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets. It has established an Audit Committee comprising four (4) directors, the majority of whom are independent, to perform internal control covering financial, operational and compliance control and risk management necessary for the Group to achieve its objectives within acceptable risk profile. These controls can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board has established formal and transparent relationship with the external auditors. The appointment of the auditors is recommended by Audit Committee and subject to the approval of the shareholders in Annual General Meeting. The auditors remuneration is determined by the Board but is recommended by the Audit Committee.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act, 1965 ("the Act") to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and the profit or loss of the Group and the Company for the financial year. As required by the Act and the Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements have been prepared in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Act.

The Directors consider that in preparing the financial statements for the year ended 31 December 2007 set out on pages 28 to 91, the Group has used the appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates. The Directors have responsibility for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company which enable them to ensure that the financial statements comply with the Act. The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

INTRODUCTION

Pursuant to Paragraph 15.27(b) of the Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of Emico Holdings Berhad is pleased to provide the following statement on the state of internal control of the Group, which has been prepared in accordance with the Statement on Internal Control: Guidance for Directors of Public Listed Companies ("Internal Control Guidance") issued by the Institute of Internal Auditors Malaysia and adopted by Bursa Malaysia Securities Berhad.

RESPONSIBILITY FOR RISK AND INTERNAL CONTROL

The Board recognises the importance of a sound system of internal control and a structured risk management framework to good corporate governance. The Board affirms its overall responsibility for the Group's systems of internal control and for reviewing the adequacy and integrity of those systems. Because of the limitations that are inherent in any systems of internal control, those systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced, or potentially exposed to, by the Group in pursuing its business objectives. This process has been in place throughout the financial year and up to the date of approval of the annual report. The adequacy and effectiveness of this process have been continually reviewed by the Board and are in accordance with the Internal Control Guidance.

RISK MANAGEMENT

The Board and management practise proactive significant risks identification on a quarterly basis or earlier as appropriate, particularly any major proposed transactions, changes in nature of activities and/or operating environment, or venturing into new operating environment which may entail different risks, and put in place the appropriate risk response strategies and controls until those risks are managed to, and maintained at, a level acceptable to the Board.

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of internal audit function and has engaged the services of an independent professional accounting and consulting firm, Messrs UHY Diong to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group's systems of internal control.

The internal audit function adopts a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group based on their risk profile. Scheduled internal audits are carried out by the Internal Auditors based on the audit plan presented to and approved by the Audit Committee. The audit focuses on areas with high risk and weak controls to ensure that an adequate action plan is in place to improve the controls. For those areas with high risk and strong controls, the audit ascertains that the risks are effectively mitigated by the controls. On a quarterly basis or earlier as appropriate, the internal auditors report to the Audit Committee on areas for improvement and will subsequently follow up to determine the extent of their recommendations that have been implemented.

INTERNAL CONTROL

Apart from risk management and internal audit, the Group has put in place the following key elements of internal control:-

- An organisation structure with well-defined scopes of responsibility, clear lines of accountability, and appropriate levels of delegated authority;
- A process of hierarchical reporting which provides for a documented and auditable trail of accountability;
- A set of documented internal policies and procedures for operational, financial and human resource management, which is subject to regular review and improvement;
- Regular and comprehensive information provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making;
- A comprehensive business planning and detailed budgeting process where operating units prepare budgets for the coming year which are approved both at operating unit level and by the Board;
- Monthly monitoring of results against budget, with major variances being followed up and management action taken, where necessary; and
- Regular visits to operating units by members of the Board and senior management.

Based on the internal auditors' report for the financial year ended 31 December 2007, there is a reasonable assurance that the Group's systems of internal control are generally adequate and appear to be working satisfactorily. A number of minor internal control weaknesses were identified during the financial year, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

The Board continues to review and implement measures to strengthen the internal control environment of the Group.

This statement has been reviewed by the external auditors in compliance with Paragraph 15.24 of the Listing Requirements of Bursa Malaysia Securities Berhad.

This statement is issued in accordance with a resolution of the Directors dated 14 April 2008.

1. **Utilisation of Proceeds**
There was no capital raising exercise carried out by the Company during the financial year.

2. **Share Buy-Backs**
The Company has not purchased any of its own shares and as such, there is no treasury shares maintained by the Company for share buy-backs.

3. **Options, Warrants or Convertible Securities**
During the financial year, there were no options, or convertibles securities exercised by the Company except for the issuance of 1,037,241 ordinary shares of RM1 each through the conversion of 11,141 units of Irredeemable Convertible Secured Loan Stocks.

4. **American Depository Receipts (ADR) or Global Depository Receipt (GDR) Programme**
During the financial year, the Company and its subsidiaries did not sponsor any ADR or GDR programme.

5. **Sanctions And/Or Penalties**
There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies.

6. **Non-Audit Fees**
The non-audit fee paid/payable to external auditors for the financial year ended 31 December 2007 was RM2,000.

7. **Variation in Results**
There were no variations of 10% or more between the audited results for the financial year ended 31 December 2007 and the unaudited results announced on 28 February 2008.

8. **Profit Guarantee**
During the financial year, there was no profit guarantee given by the Company and its subsidiaries.

9. **Material Contracts**
There were no material contracts entered by the Company and its subsidiaries involving Director's and major shareholder's interest other than those disclosed in the financial statements.

10. **Revaluation Policy**
The Company has not adopted a regular revaluation policy on landed properties.

11. **Recurrent Related Party Transactions of a Revenue Nature**
There were no material recurrent related party transactions of a revenue nature during the year other than those disclosed in the financial statements.

12. **Corporate Social Responsibility (CSR)**
The Group acknowledges that in pursuit of any business objective, there is a need to find a balance between profitability and contributions towards being a socially responsible corporate citizen. With such belief, the Group is committed and uses its best endeavour, on ongoing basis, to integrate CSR practices into its day to day business operations i.e. constantly review of the staff benefits to enhance the quality of life of its employees and adopting eco-friendly practices such as recycling to protect the environment.

On behalf of the Board of Directors of Emico Holdings Berhad, I am pleased to present herewith the Annual Report and Accounts of the Group and of the Company for the financial year ended 31 December 2007.

REVIEW OF RESULTS

The Group recorded a higher turnover of RM69 million and loss for the year of RM1.2 million as compared to 2006 results of RM64 million for turnover and profit for the year of RM8.5 million. The 7.8% increased turnover was primarily attributed to the increase in sales of OEM products and trading of household products. The loss for current year is principally due to the losses from manufacturing of chroming products and manufacturing operations in Vietnam.

DIVIDEND

The Board of Directors is not recommending any payment of dividend for the financial year ended 31 December 2007.

REVIEW OF OPERATIONS

The Group is organized into the following divisions :

(i) Manufacturing and trading – consumer products

(ii) Property Development

MANUFACTURING AND TRADING - CONSUMER PRODUCTS

Manufacturing and trading of plastic consumer products such as trophy components and OEM products, posted a higher turnover of RM47.5 million as compared to RM42.9 million last year.

The 10.7% growth in turnover for the trophy division during the year is primarily due to the development of new products from Emico which has drawn good response from our customers especially the European and South East Asian markets. The Group's trophy division is expected to continue to grow and contribute positively to the profitability for 2008.

The manufacturing of OEM products for our Swedish customer has shown a higher turnover as compared to previous year with more products being produced and assembled in Emico's factory. The development of new projects and increment of products ranges will give an impetus to the turnover in 2008 onwards.

Currently, Emico's Vietnam businesses are still occupied mainly by OEM products. However, there is positive news that Emico Vietnam had secured more orders to produce plastic display units and plastic cloth hangers which are expected to increase its turnover and return to black for 2008. We believe that we can manage and sustain this growth effectively.

Emico Asia which specialises in sourcing of products from Asia for its customer in United Kingdom ("UK") achieved a turnover of RM22.6 million compared to RM19 million last year. Emico has adapted to the strategical changes and widened our sourcing network globally with a clear goal of providing even more competitive priced products. We expect a steady turnover for this year, with increased efforts to boost the UK business.

PROPERTY DEVELOPMENT

The property development project in Sungai Petani, Kedah namely Bandar Mutiara will continue to spearhead Emico's property development division. This division achieved the same turnover of RM21 million as compared to last year.

As at 31 December 2007, 126 of the 242 units of the Bandar Mutiara project have been completed with occupational certificates, 48 units at 65% completion and balance of 68 units at earthwork stage. To date, 55% of units have been sold, with diligent efforts from the marketing department to continuously promote aggressively throughout the year. Strategies have been put into place to ensure a timely launching of new phases.

With the combined efforts for the joint venture project with a development arm of the Melaka State Government in Jasin Melaka, 70% of the 144 units of single storey terrace houses have been completed and 33% sold as at 31 December 2007. The houses are expected to be completed with vacant possession by middle of 2008.

We foresee that the property development division will continue to contribute positively toward the Group’s results over the next few years with expected development in the following projects :-

(i) Joint venture development project with Permodalan Kedah Berhad (PKB) to develop 36 acres of reclamation land in Kuah Town, Langkawi, and

(ii) The development of remaining land bank in Sungai Petani (to be developed into 229 units of shop office and factory lots).

PROSPECTS

Emico’s management will concentrate its resources to build its core businesses i.e Manufacturing and trading - consumer products division and Property development as explained below :-

(1) Manufacturing and trading - consumer products division

The trophy division will continue its expansion overseas especially in Europe and USA. Our collaboration with an Italian company where they will concentrate on design whilst Emico will manufacture the products are working very well. The newly design trophies are currently been distributed to Europe by the Italian company whilst Emico distributes to other parts of the world. We project a steady expansion of the OEM manufacturing business this year.

(2) Property development

For Sungai Petani projects, with the completion of Phase 3 Bandar Mutiara, we have to date about RM8.4 million of completed units. Management will continue to market the existing completed units before we embark on further new phases.

CONCLUSION

The export to overseas market will continue to be very challenging with stronger Ringgit against US Dollar. Therefore, to mitigate the losses on the foreign exchange, we will continue to implement stringent cost reduction and improve production efficiency programs.

Emico Group will continue to restructure our non productive assets to par down its loan stocks which will expire in 2009. Additionally, the obtainment of the ISO9001:2000 Quality Certificate by TUV-NORD CERT GmbH in August 2007 will further boost Emico's prospects. Overall, we have a positive outlook on the business and a belief that appropriate strategies in sales and marketing will yield opportunities for higher revenue growth in 2008 and beyond.

With this, I wish to thank all bankers, suppliers, customers, business associates and most important of all the management and staff of Emico for the dedication and professionalism that underpins everything we do, and for their part in further developing the Emico business. We are also grateful to all our shareholders of the Company and relevant authorities for their continued invaluable support and confidence in the Group.

Lim Beng Huan
Executive Chairman

FINANCIAL | STATEMENTS

The directors of **EMICO HOLDINGS BERHAD** hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended December 31, 2007.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding. The principal activities of the subsidiary companies are stated in Note 15 to the financial statements. There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

RESULTS OF OPERATIONS

	The Group	The Company
	RM	RM
Loss after tax for the year	1,198,031	3,559,379
Attributable to:		
Equity holders of the parent	962,723	3,559,379
Minority interest	235,308	-
	1,198,031	3,559,379

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors also do not recommend any dividend payment in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up share capital from RM51,498,570 to RM52,535,811 by way of issuance of 1,037,241 ordinary shares of RM1 each through the conversion of 11,141 units of Irredeemable Convertible Secured Loan Stocks.

The new ordinary shares rank pari passu with the then existing ordinary shares of the Company and were granted listing on April 4, 2007, June 20, 2007 and November 16, 2007.

The Company has not issued any debentures during the financial year.

WARRANTS

On December 1, 2003, 11,130,000 detachable warrants were granted by the Company to the subscribers of the rights shares. The warrants may be exercised at any time after the issue date but not later than 5.00 p.m. on December 1, 2013. Each warrant entitles its registered holder, at any time during the exercise period of the warrants, to subscribe for one new ordinary share. The exercise price of each warrant is fixed at RM1 payable in cash for each new ordinary share of RM1 each in the Company. As of December 31, 2007, none of the 11,130,000 warrants were exercised to subscribe for new ordinary shares.

EMPLOYEES' SHARES OPTION SCHEME

In 2002, the Securities Commission had approved the Company's Employees' Share Option Scheme (the "Scheme") which was proposed in 2001. The shareholders of the Company had approved the scheme at the Extraordinary General Meeting held on September 16, 2002. The effective date of implementation was May 24, 2004 and the principal features of the Scheme are as follows:

(a) The total numbers of new ordinary shares of RM1 each to be offered under the Scheme shall not exceed 10% of the issued and paid-up share capital of the Company at any point of time during the existence of the Scheme;

(b) An employee (including full time Executive Directors) of the Group shall be eligible to participate in the Scheme, if the employee :

  (i) is employed full-time and is on the payroll of the Group for at least a year; and

  (ii) has attained the age of eighteen years on the date of allocation;

(c) The Scheme shall be in force for a period of 5 years from May 24, 2004. The Company is entitled to terminate the Scheme prior to the expiry of the five years period provided that prior to the termination of the Scheme, the approval of the Securities Commission, the shareholders of the Company and all holders of the unexercised share options have been obtained;

(d) The price payable upon the exercise of the share options under the Scheme shall be the higher of either of the following :

  (i) a discount of not more than 10% from the five days weighted average market price of the underlying shares immediately preceding the date of offer; or

  (ii) the par value of the shares; and

(e) The new ordinary share of RM1 each to be issued pursuant to the exercise of the share options under the Scheme shall, upon allotment and issue, rank pari passu in all respects with the then issued and fully paid-up ordinary shares of RM1 each of the Company except that they will not be entitled for any dividends, rights, allotments or other distributions, the entitlement date of which is prior to the date of allotment of the new shares.

As of December 31, 2007, the Company has not granted any share option to the Group's eligible employees.

OTHER FINANCIAL INFORMATION

Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps :

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

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

(a) which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) 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

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability 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, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

During the financial year :

(a) a direct subsidiary company, Emico Development Sdn. Bhd. entered into a sale and purchase agreement with a third party to dispose of its entire equity interest of 79.75% in Emico Properties Sdn. Bhd. which comprise 1,595,000 shares of RM1 each for a total cash consideration of RM6,800,000;

(b) a direct subsidiary company, Emico Penang Sdn. Bhd. entered into a sale and purchase agreement with a third party to dispose of certain parcel of land for a total cash consideration of RM700,000; and

(c) a direct subsidiary company, Emico Asia Sdn. Bhd. entered into a sale and purchase agreement with a third party to dispose of its freehold land and building for a total cash consideration of RM1,100,000.

DIRECTORS

The following directors served on the Board of the Company since the date of the last report :

Lim Beng Huan
Loh Lay Choo
Nik Azalan Bin Nik A. Kadir
Lim Teik Hian
Wong Sew Yun
Jimmy Ong Chin Keng
Ng Chee Kong
Lim Teck Chye

DIRECTORS' INTEREST

The shareholdings in the Company of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows :

	No. of ordinary shares of RM1 each			
Shares in the Company	Balance as of 1.1.2007	Bought	Sold	Balance as of 31.12.2007
Direct interest :				
Lim Beng Huan	583,630	-	(583,630)	-
Loh Lay Choo	458,000	-	(458,000)	-
Lim Teik Hian	52,000	-	-	52,000
Wong Sew Yun	895,859	-	-	895,859
Lim Teck Chye	200,000	1,341,630	-	1,541,630
Indirect interest :				
Lim Beng Huan	14,605,224	-	(1,708,182)	12,897,042
Loh Lay Choo	14,730,854	-	(1,833,812)	12,897,042
Lim Teik Hian	15,136,854	-	(2,291,812)	12,845,042
Wong Sew Yun	696,527	-	(641,207)	55,320
Lim Teck Chye	14,988,854	-	(3,633,442)	11,355,412

Warrants in the Company	Unexercised balance as of 1.1.2007	No. of share warrants Bought	Sold	Unexercised balance as of 31.12.2007
Direct interest :				
Lim Beng Huan	145,907	-	(145,907)	-
Loh Lay Choo	114,500	-	(114,500)	-
Lim Teik Hian	13,000	-	-	13,000
Wong Sew Yun	263,488	-	-	263,488
Lim Teck Chye	425,750	-	(165,343)	260,407
Indirect interest :				
Lim Beng Huan	3,153,356	-	(1,374,343)	1,779,013
Loh Lay Choo	3,184,763	-	(1,405,750)	1,779,013
Lim Teik Hian	3,286,263	-	(1,520,250)	1,766,013
Lim Teck Chye	2,873,513	-	(1,354,907)	1,518,606

By virtue of their shareholdings in the Company, Mr. Lim Beng Huan, Madam Loh Lay Choo, Mr. Lim Teik Hian and Mr. Lim Teck Chye are also deemed to have beneficial interests in the shares of all the subsidiary companies of Emico Holdings Berhad to the extent that Emico Holdings Berhad has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than those disclosed as directors' remuneration and benefits-in-kind in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions mentioned in Note 32 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby the directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Deloitte KassimChan, have indicated their willingness to continue in office.

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

LIM BENG HUAN

LOH LAY CHOO

Penang,

April 14, 2008

REPORT OF THE AUDITORS

TO THE MEMBERS OF EMICO HOLDINGS BERHAD

(Incorporated in Malaysia)

We have audited the accompanying balance sheets as of December 31, 2007, and the related statements of income, changes in equity and cash flows, for the year then ended. These financial statements are the responsibility of the Company's directors. It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion :

(a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable Malaysian Accounting Standards Board approved accounting standards in Malaysia so as to give a true and fair view of :

- (i) the state of affairs of the Group and of the Company as of December 31, 2007 and of their results and cash flows for the year ended on that date; and

- (ii) the matters required by Section 169 of the Act to be dealt with in the financial statements and consolidated financial statements; and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of the subsidiary companies, of which we have not acted as auditors, as indicated in Note 15 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(FORWARD)

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements, and we have received satisfactory information and explanation as required by us for these purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comments made under Sub-section (3) of Section 174 of the Act.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

LEE CHENG HEOH
2225/04/10(J)
Partner

Penang,

April 14, 2008

INCOME STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

		The Group		The Company	
	Note	2007	2006	2007	2006
		RM	RM	RM	RM
Continuing operations					
Revenue	5	69,245,823	64,289,125	240,000	160,000
Investment revenue		751,205	586,889	58,720	966,184
Gain on disposal of subsidiary companies		1,252,156	14,292,729	-	-
Other gains and losses		(51,816)	(100,810)	7,069	26,999
Other income		291,980	223,169	-	-
Share of profits and losses of associated companies		(292,328)	(57,971)	-	-
Property development expenditure recognised		(18,711,572)	(18,138,247)	-	-
Changes in inventories of finished goods and work-in-progress		(323,703)	1,574,468	-	-
Purchase of finished goods		(26,062,372)	(23,584,433)	-	-
Raw materials and consumables used		(8,556,312)	(8,781,728)	-	-
Employee benefits expense	6	(4,868,883)	(4,853,214)	(229,038)	(223,298)
Depreciation and amortisation		(2,062,393)	(1,330,322)	-	-
Goodwill on consolidation written off		(71,158)	-	-	-
Finance costs		(3,441,962)	(5,530,255)	(3,169,347)	(5,115,967)
Other expenses		(7,952,365)	(9,962,236)	(466,783)	(477,704)
(Loss) / Profit before tax		(853,700)	8,627,164	(3,559,379)	(4,663,786)
Income tax expense	7	(344,331)	(136,787)	-	-
(Loss) / Profit for the year from continuing operations		(1,198,031)	8,490,377	(3,559,379)	(4,663,786)
Discontinued operations					
Profit for the year from discontinued operations	8	-	2,416,735	-	-
(Loss) / Profit for the year	9	(1,198,031)	10,907,112	(3,559,379)	(4,663,786)

(FORWARD)

	Note	The Group 2007 RM	The Group 2006 RM	The Company 2007 RM	The Company 2006 RM
Attributable to :					
Equity holders of the parent		(962,723)	4,622,591	(3,559,379)	(4,663,786)
Minority interests		(235,308)	6,284,521	-	-
		(1,198,031)	10,907,112	(3,559,379)	(4,663,786)
(Loss) / Earnings per ordinary share (sen) :					
Basic					
From continuing and discontinued operations	10	(0.92)	5.20		
From continuing operations	10	(0.92)	3.62		

The accompanying notes form an integral part of the financial statements.

BALANCE SHEETS

AS OF DECEMBER 31, 2007

		The Group		The Company	
	Note	2007	2006	2007	2006
		RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	11	11,317,899	14,496,825	-	-
Investment properties	12	5,260,258	3,902,817	2,800,000	2,800,000
Prepaid lease payments on leasehold land	13	1,177,785	1,206,513	-	-
Goodwill	14	551,552	622,710	-	-
Investment in subsidiary companies	15	-	-	18,208,606	18,592,636
Investment in associated companies	16	1,069,162	1,361,490	-	-
Other investments	17	-	-	-	-
Property development projects	18	30,715,184	26,986,173	-	-
Deferred tax assets	19	304,800	304,800	-	-
Total non-current assets		50,396,640	48,881,328	21,008,606	21,392,636
Current assets					
Property development projects	18	23,450,816	37,741,928	-	-
Inventories	20	14,184,268	6,403,078	-	-
Trade and other receivables	21	19,281,569	26,403,369	43,892,510	53,449,449
Current tax assets		29,663	29,663	-	-
Other assets	22	714,617	953,422	1,000	1,000
Deposits with licensed banks	23	797,314	9,602,351	165,508	5,306,641
Cash and bank balances	24	3,502,080	5,842,810	61,007	310,538
Total current assets		61,960,327	86,976,621	44,120,025	59,067,628
Total assets		112,356,967	135,857,949	65,128,631	80,460,264

(FORWARD)

	Note	The Group 2007 RM	The Group 2006 RM	The Company 2007 RM	The Company 2006 RM
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	25	52,535,811	51,498,570	52,535,811	51,498,570
Equity component of irredeemable convertible secured loan stocks	26	38,310,232	37,011,393	38,310,232	37,011,393
Reserves	27	6,836,330	7,339,069	7,736,782	7,736,782
Accumulated losses		(74,140,621)	(70,901,666)	(82,412,093)	(76,576,482)
Equity attributable to equity holders of the Company		23,541,752	24,947,366	16,170,732	19,670,263
Minority interests		7,661,707	8,150,071	-	-
Total equity		31,203,459	33,097,437	16,170,732	19,670,263
Non-current liabilities					
Redeemable secured loan stocks	28	33,448,246	40,725,303	33,448,246	40,725,303
Irredeemable convertible secured loan stocks	26	2,370,456	4,031,986	2,370,456	4,031,986
Borrowings	29	594,350	531,347	-	-
Deferred tax liabilities	19	533,946	582,814	-	-
Total non-current liabilities		36,946,998	45,871,450	35,818,702	44,757,289
Current liabilities					
Trade and other payables	30	38,119,704	43,661,339	13,013,097	15,906,612
Progress billings		2,666,072	9,332,311	-	-
Borrowings	29	3,182,063	3,636,567	-	-
Current tax liabilities		238,671	258,845	126,100	126,100
Total current liabilities		44,206,510	56,889,062	13,139,197	16,032,712
Total liabilities		81,153,508	102,760,512	48,957,899	60,790,001
Total equity and liabilities		112,356,967	135,857,949	65,128,631	80,460,264

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2007

The Group

	Note	Share Capital RM	Irredeemable Convertible Secured Loan Stocks ("ICSLS") RM	Other Reserves * RM	Accumulated Losses RM	Attributable to Equity Holder of the Company RM	Minority Interest RM	Total RM
Balance as of January 1, 2006		51,194,711	35,147,476	7,730,646	(73,275,755)	20,797,078	1,865,550	22,662,628
Interest on ICSLS		-	-	-	(1,603,557)	(1,603,557)	-	(1,603,557)
Increase in ICSLS theoretical value	26	-	644,945	-	(644,945)	-	-	-
Exchange loss on translation of net investment in a foreign subsidiary company		-	-	(391,577)	-	(391,577)	-	(391,577)
Net income and expenses recognised directly in equity		-	644,945	(391,577)	(2,248,502)	(1,995,134)	-	(1,995,134)
Profit for the year		-	-	-	4,622,591	4,622,591	6,284,521	10,907,112
Total recognised income and expense		-	644,945	(391,577)	2,374,089	2,627,457	6,284,521	8,911,978
Conversion of ICSLS into shares	26	303,859	(262,390)	-	-	41,469	-	41,469
Transfer from liability component of ICSLS	26	-	1,481,362	-	-	1,481,362	-	1,481,362
Balance as of December 31, 2006		51,498,570	37,011,393	7,339,069	(70,901,666)	24,947,366	8,150,071	33,097,437

(FORWARD)

The Group

	Note	Share Capital RM	Irredeemable Convertible Secured Loan Stocks ("ICSLS") RM	Other Reserves * RM	Accumulated Losses RM	Attributable to Equity Holder of the Company RM	Minority Interest RM	Total RM
Balance as of January 1, 2007		51,498,570	37,011,393	7,339,069	(70,901,666)	24,947,366	8,150,071	33,097,437
Interest on ICSLS		-	-	-	(1,601,682)	(1,601,682)	-	(1,601,682)
Increase in ICSLS theoretical value	26	-	674,550	-	(674,550)	-	-	-
Exchange loss on translation of net investment in a foreign subsidiary company		-	-	(502,739)	-	(502,739)	-	(502,739)
Net income and expenses recognised directly in equity		-	674,550	(502,739)	(2,276,232)	(2,104,421)	-	(2,104,421)
Loss for the year		-	-	-	(962,723)	(962,723)	(235,308)	(1,198,031)
Total recognised income and expenses		-	674,550	(502,739)	(3,238,955)	(3,067,144)	(235,308)	(3,302,452)
Conversion of ICSLS into shares	26	1,037,241	(935,345)	-	-	101,896	-	101,896
Transfer from liability component of ICSLS	26	-	1,559,634	-	-	1,559,634	-	1,559,634
Disposal of a subsidiary	15	-	-	-	-	-	(253,056)	(253,056)
Balance as of December 31, 2007		52,535,811	38,310,232	6,836,330	(74,140,621)	23,541,752	7,661,707	31,203,459

(FORWARD)

* An analysis of the movement of other reserves is shown below :

The Group	**Share Premium RM**	**Exchange Reserve RM**	**Total RM**
Balance as of January 1, 2006	7,736,782	(6,136)	7,730,646
Net income and expenses recognised directly in equity :			
Exchange loss on translation of net investment in a foreign subsidiary company	-	(391,577)	(391,577)
Balance as of December 31, 2006	7,736,782	(397,713)	7,339,069
Balance as of January 1, 2007	7,736,782	(397,713)	7,339,069
Net income and expenses recognised directly in equity :			
Exchange loss on translation of net investment in a foreign subsidiary company	-	(502,739)	(502,739)
Balance as of December 31, 2007	7,736,782	(900,452)	6,836,330

(FORWARD)

The Company

	Note	Share Capital RM	Irredeemable Convertible Secured Loan Stocks ("ICSLS") RM	Share Premium RM	Accumulated Losses RM	Total RM
Balance as of January 1, 2006		51,194,711	35,147,476	7,736,782	(69,664,194)	24,414,775
Interest on ICSLS		-	-	-	(1,603,557)	(1,603,557)
Increase in ICSLS theoretical value	26	-	644,945	-	(644,945)	-
Net income and expense recognised directly in equity		-	644,945	-	(2,248,502)	(1,603,557)
Loss for the year		-	-	-	(4,663,786)	(4,663,786)
Total recognised income and expense		-	644,945	-	(6,912,288)	(6,267,343)
Conversion of ICSLS into shares	26	303,859	(262,390)	-	-	41,469
Transfer from liability component of ICSLS	26	-	1,481,362	-	-	1,481,362
Balance as of December 31, 2006		51,498,570	37,011,393	7,736,782	(76,576,482)	19,670,263
Balance as of January 1, 2007		51,498,570	37,011,393	7,736,782	(76,576,482)	19,670,263
Interest on ICSLS		-	-	-	(1,601,682)	(1,601,682)
Increase in ICSLS theoretical value	26	-	674,550	-	(674,550)	-
Net income and expenses recognised directly in equity		-	674,550	-	(2,276,232)	(1,601,682)
Loss for the year		-	-	-	(3,559,379)	(3,559,379)
Total recognised income and expense		-	674,550	-	(5,835,611)	(5,161,061)
Conversion of ICSLS into shares	26	1,037,241	(935,345)	-	-	101,896
Transfer from liability component of ICSLS	26	-	1,559,634	-	-	1,559,634
Balance as of December 31, 2007		52,535,811	38,310,232	7,736,782	(82,412,093)	16,170,732

The accompanying notes form an integral part of the financial statements.

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss) / Profit for the year	(1,198,031)	10,907,112	(3,559,379)	(4,663,786)
Adjustments for :				
Finance costs recognised in profit or loss	3,441,962	5,609,737	3,169,347	5,115,967
Depreciation and amortisation	2,062,393	1,686,132	-	-
Unrealised loss on foreign exchange	392,971	297,956	-	-
Income tax expense recognised in profit or loss	344,331	693,787	-	-
Share of profits and losses of associated companies	292,328	57,971	-	-
Allowance for slow moving inventories	147,349	10,406	-	-
Goodwill on consolidation written off	71,158	-	-	-
Property, plant and equipment written off	63,188	85,871	-	-
Allowance for doubtful debts	53,766	2,675,247	3,500	122,307
Bad debts written off	8,288	34,049	-	-
Gain on disposal of subsidiary companies	(1,252,156)	(14,292,729)	-	-
Allowance for doubtful debts no longer required	(477,463)	(483,541)	(8,500)	-
Net gain on disposal of property, plant and equipment	(358,461)	(117,687)	-	(26,999)
Interest income	(180,796)	(318,278)	(58,720)	(966,184)
Deposit forfeited	(2,110)	-	-	-
Allowance for diminution in value of :				
Quoted investment in Malaysia	-	8,415	-	-
Unquoted investment in Malaysia	-	13,500	-	-
Allowance for slow moving inventories no longer required	-	(127,944)	-	-
	3,408,717	6,740,004	(453,752)	(418,695)

(FORWARD)

	Note	The Group 2007 RM	The Group 2006 RM	The Company 2007 RM	The Company 2006 RM
Movement in working capital :					
(Increase) / Decrease in :					
Property development projects		4,986,786	(12,295,946)	-	-
Inventories		(7,928,539)	(496,562)	-	-
Trade and other receivables		5,197,548	(6,496,453)	-	-
Other assets		238,805	201,358	-	-
Increase / (Decrease) in :					
Trade and other payables		(535,891)	39,515,500	(74,286)	(79,955)
Progress billings		(6,666,239)	8,118,845	-	-
Cash (used in) / generated from operations		(1,298,813)	35,286,746	(528,038)	(498,650)
Income tax paid		(413,373)	(241,862)	-	-
Net cash (used in) / generated from operating activities		(1,712,186)	35,044,884	(528,038)	(498,650)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of investment in subsidiary companies	15	2,235,568	9,268,360	-	-
Proceeds from disposal of property, plant and equipment		1,876,999	314,611	-	27,000
Net repayment of advances from / (advances to) directors		541,000	(397,830)	-	-
Interest received		180,796	318,278	58,720	77,757
Purchase of property, plant and equipment *		(1,255,940)	(1,348,262)	-	-
Proceeds from disposal of leasehold land		-	1,508,610	-	-
Proceeds from disposal of investment in an associated company		-	71,726	-	-
Net repayment of advances from associated companies		-	48,073	-	-
Net repayment of advances from subsidiary companies		-	-	9,561,939	37,493,046
Purchase of shares in a subsidiary company		-	-	-	(1,334,258)
Net cash generated from investing activities		3,578,423	9,783,566	9,620,659	36,263,545

(FORWARD)

	Note	The Group 2007 RM	The Group 2006 RM	The Company 2007 RM	The Company 2006 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from term loans		3,512,346	1,358,923	-	-
Fixed deposit released from / (held as) security value / sinking fund		1,455,037	(142,670)	1,541,133	(705,641)
Net advances from / (repayment of advances to) directors		276,878	2,021,155	-	(500,001)
Redemption of redeemable secured loan stocks		(8,555,311)	(33,055,207)	(8,555,311)	(33,055,207)
Interest paid		(4,023,854)	(6,147,628)	(3,751,239)	(5,653,858)
Repayment of long-term loans		(3,621,841)	(942,148)	-	-
Decrease in bank borrowings		(381,807)	(9,023,226)	-	-
Repayment of hire-purchase payables		(203,263)	(232,653)	-	-
Net repayment of advances to an associated company		-	(63,591)	-	-
Net (repayment of advances to) / advances from subsidiary companies		-	-	(2,176,735)	8,051,845
Net cash used in financing activities		(11,541,815)	(46,227,045)	(12,942,152)	(31,862,862)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(9,675,578)	(1,398,595)	(3,849,531)	3,902,033
CURRENCY TRANSLATION DIFFERENCES		10,294	453,902	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		13,119,207	14,063,900	3,910,538	8,505
CASH AND CASH EQUIVALENTS AT END OF YEAR	31	3,453,923	13,119,207	61,007	3,910,538

* During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM1,584,450 (2006 : RM1,978,262) of which RM328,510 (2006 : RM630,000) was financed by means of hire-purchase and the balance of RM1,255,940 (2006 : RM1,348,262) was cash payment.

The accompanying notes form an integral part of the financial statements.

1. GENERAL INFORMATION

The Company is principally involved in investment holding. The principal activities of the subsidiary companies are stated in Note 15. There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia,and is listed on the Second Board of Bursa Malaysia Securities Berhad.

The registered office of the Company is at 51-21-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang, Malaysia. The principal place of business of the Company is at 18, Lebuhraya Kampung Jawa, 11900 Bayan Lepas, Penang, Malaysia.

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the directors on April 14, 2008.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable Malaysian Accounting Standards Board ("MASB") approved accounting standards in Malaysia.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM") and have been prepared under the historical cost convention, unless otherwise indicated in the accounting policies mentioned below.

During the financial year, the Group and the Company adopted Financial Reporting Standard 124 Related Party Disclosures that is relevant to their operations and effective for accounting periods beginning on or after October 1, 2006. The adoption of FRS 124 has no material effect on the financial statements of the Group and of the Company.

The new standards, amendments to published standards and interpretations to existing standards that were issued but are not yet effective to the Group and the Company and have not been early adopted by the Group and the Company are as follows :

(a) FRS 107 Cash Flow Statements (effective for accounting periods beginning on or after July 1, 2007). The Group and the Company will apply this standard from financial periods beginning on January 1, 2008;
(b) FRS 112 Income Taxes (effective for accounting periods beginning on or after July 1, 2007). The Group and the Company will apply this standard from financial periods beginning on January 1, 2008;
(c) FRS 118 Revenue (effective for accounting periods beginning on or after July 1, 2007). The Group and the Company will apply this standard from financial periods beginning on January 1, 2008;
(d) Amendment to Financial Reporting Standard FRS 121 The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation (effective for accounting periods beginning on or after July 1, 2007). The Group will apply this standard from financial periods beginning on January 1, 2008;
(e) FRS 134 Interim Financial Reporting (effective for accounting periods beginning on or after July 1, 2007); The Company will apply this standard from financial periods beginning on January 1, 2008;
(f) FRS 137 Provisions, Contingent Liabilities and Contingent Assets (effective for accounting periods beginning on or after July 1, 2007). The Group and the Company will apply this standard from financial periods beginning on January 1, 2008;
(g) FRS 139 Financial Instruments: Recognition and Measurement (effective date yet to be determined by MASB). This new standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted only under strict circumstances. The Group and the Company will apply this standard when effective;
(h) IC Interpretation 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities (effective for accounting periods beginning on or after July 1, 2007). This Interpretation addresses how the effect of the changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or change in the discount rate, shall be accounted for. The Group and the Company will apply this interpretation from financial periods beginning on January 1, 2008; and
(i) IC Interpretation 8 Scope of FRS 2 (effective for accounting periods beginning on or after July 1, 2007). This interpretation set out that the scope of FRS 2 shall also applies to transactions in which the entity cannot identify specifically some or all of the goods or services received. The Group and the Company will apply this standard from financial periods beginning on January 1, 2008.

The impact of FRS 139 on the financial statements upon its initial application is not disclosed by virtue of the exemption given by this FRS. FRS 107, FRS 112, Amendment to Financial Reporting Standard FRS 121, FRS 118, FRS 134 and FRS 137, and IC Interpretations 1 and 8 are expected to have no significant impact on the financial statements of the Group and of the Company upon their initial application.

The standards that are not yet effective and not relevant to the Group's and the Company's operations are as follows :

(a) FRS 111 Construction Contracts (effective for accounting periods beginning on or after July 1, 2007);
(b) FRS 120 Accounting for Government Grants and Disclosure of Government Assistance (effective for accounting periods beginning on or after July 1, 2007);
(c) IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (effective for accounting periods beginning on or after July 1, 2007);
(d) IC Interpretation 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (effective for accounting periods beginning on or after July 1, 2007);
(e) IC Interpretation 6 Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment (effective for accounting periods beginning on or after July 1, 2007); and
(f) IC Interpretation 7 Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies (effective for accounting periods beginning on or after July 1, 2007).

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group (its subsidiary companies). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Subsidiary companies are consolidated using the purchase method of accounting. Under the purchase method accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The cost of an acquisition is measured as fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of the minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statements.

Minority interests represent that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since that date.

All intra-group transactions, balances and resulting unrealised gains are eliminated on consolidation. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue relating to property development activities are accounted for based on the percentage of completion method on development units that have been sold. The stage of completion is determined by the proportion of development costs incurred todate against the total estimated costs on projects where the outcome of the projects can be reliably estimated. All anticipated losses on property development projects are fully provided for.

Sales of developed properties are recognised when deposits are received and upon the signing of the individual sales and purchase agreements.

Revenue from the sale of goods is recognised when all the following conditions are satisfied :

(a) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
(b) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
(c) the amount of revenue can be measured reliably;
(d) it is probable that the economic benefits associated with the transaction will flow to the Group; and
(e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from services rendered are recognised upon completion of services rendered. Rental income is accrued on a time basis, by reference to the agreement entered. Interest income is recognised using the effective interest method.

Other income are recognised on an accrual basis.

Employee benefits

(a) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the year in which the associated services are rendered by the employees of the Group and the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by the employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the employees' provident fund. Such contributions are recognised as expenses in the income statements as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

Borrowing costs

Interest cost incurred in connection with the acquisition of property, plant and equipment and on property development projects which require a period of time to get them ready for their intended use and for sale respectively are capitalised and included as part of the cost of the related assets. However, interest cost incurred for property development projects for which active development is interrupted are charged out to the income statements. All interest and other costs incurred in connection with borrowings are expensed as incurred.

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statements because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's and the Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Foreign currencies

The financial statements of the Group and of the Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency). The financial statements are presented in RM, which is the Company's functional and presentation currency.

In preparing the financial statements of the Group and of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items are included in profit or loss for the period. For non-monetary items that are measured in terms of historical cost in foreign currency, any exchange component of that gain or loss is recognised in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in presentation currency using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such exchange differences are recognised in profit or loss in the period in which the operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exceptions :

Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease.

Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

(a) The Group as lessee under finance leases

Assets acquired by way of hire-purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheets as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the income statements over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment.

(b) **The Group as lessee under operating leases**

Operating lease payments are recognised as an expense on a straight line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight line basis.

In the case of a lease of land and buildings, the minimum lease payments or the upfront payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight line basis over the lease term.

(c) **The Group as lessor under operating leases**

Assets leased out under operating leases are presented on the balance sheets according to the nature of the assets. Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. All other property, plant and equipment are depreciated on the straight line method in order to write off the cost of each asset to its residual value over its estimated useful life at the following annual rates :

Buildings	2% - 10%
Plant and machinery	10% - 20%
Moulds	10% & 20%
Motor vehicles	10% - 20%
Office equipment, furniture and fittings	8% - 20%
Tools, implements and equipment	10% & 20%
Electrical installation and renovation	10% & 20%

The Group carried some of its land and buildings at revalued amounts and placed reliance on the transitional provisions of International Accounting Standards No. 16 (Revised) as adopted by the Malaysian Accounting Standards Board which provides exemption from the need to make regular revaluations for such assets. Effective from 1994, no further revaluations were carried out. The aggregate carrying amount of such assets as of December 31, 2007 amounted to RM4,492,647 (2006 : RM5,119,747) and this amount will be amortised or depreciated over the remaining useful lives of the relevant assets.

An increase in the carrying amount arising from revaluation of property, plant and equipment is credited to the revaluation reserve account as revaluation surplus. Any deficit arising from revaluation is charged against the revaluation reserve account to the extent of a previous surplus held in the revaluation reserve account for the same asset. In all other cases, a decrease in carrying amount is charged to income statements. An increase in revaluation directly related to a previous decrease in carrying amount for that same asset that was recognised as an expense, is credited to income statements to the extent that it offsets the previously recorded decrease.

Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in the income statements. On disposal of revalued assets, the amounts in revaluation reserve account relating to such assets are transferred to retained earnings account.

At each balance sheet date, the residual values, useful lives and depreciation method of the property, plant and equipment are reviewed, and the effects of any changes are recognised prospectively.

Impairment of assets

At each balance sheet date, the Group and the Company review the carrying amounts of assets (other than goodwill, inventories, deferred tax assets and financial assets which are dealt with in their respective policies) to determine if there is any indication that those assets may be impaired.

If any such indication exists, the asset's recoverable amount, which is the higher of net selling price and value in use, is estimated.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the income statements, unless the asset is carried at revalued amount, in which case, the impairment loss is treated as a revaluation decrease.

An impairment loss is only reversed 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 loss are recognised in the income statements unless it reverses an impairment loss on revalued assets, in which case, the reversal is treated as a revaluation increase.

Investment properties

Investment properties are properties held for long-term to earn rentals and/ or for capital appreciation or both, and are not occupied by the Group and the Company.

Investment properties are stated at cost less accumulated depreciation and impairment losses. Freehold land is not depreciated. Depreciation of buildings is computed on the straight-line method in order to write-off the cost to its residual value over its estimated useful life of 60 and 96 years.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group and the Company holds it to earn rentals or for capital appreciation or both.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in income statements in the year in which they arise.

Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Negative goodwill on consolidation is recognised in the income statements at the date of acquisition.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Investments in subsidiaries

Subsidiaries are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Investment in subsidiaries, which are eliminated on consolidation, are stated at cost less allowance for diminution in value of investment in the Company's financial statements.

Investments in associates

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

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sales, in which case it is accounted for in accordance with FRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

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Other investments

Other investments in quoted and unquoted shares are stated at cost less allowance for diminution in value of investments to recognise any decline, other than a temporary decline, in the value of the investments.

Property development projects

Property development revenue are recognised for all units sold using the percentage of completion method, by reference to the stage of completion of the property development projects at the balance sheet date as measured by the proportion that development costs incurred for work performed to-date bear to the estimated total property development costs on completion.

When the outcome of a property development activity cannot be estimated reliably, property development revenue is recognised to the extent of property development costs incurred that is probable of recovery.

Any anticipated loss on a development project (including costs to be incurred over the defects liability period), is recognised as an expense immediately.

Accrued billings represent the excess of property development revenue recognised in the income statements over the billings to purchasers while, progress billings represent the excess of billings to purchasers over property development revenue recognised in the income statements.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are determined either on the first-in, first-out, weighted average or specific identification basis, depending on the nature of the inventories. Costs of finished goods and work-in-progress consist of cost of raw materials, direct labour and a proportion of factory overheads while the cost of raw materials consist of the purchase price plus the cost of bringing the inventories to their present location.

Cost of developed properties consists of the cost of land, construction and appropriate development overheads. Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

Receivables

Receivables are stated at nominal value as reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

Share capital

Ordinary shares are classified as equity. The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

Borrowings

All borrowings are initially recognised at the nominal value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing borrowings are subsequently measured at amortised cost using the effective interest method.

Payables

Payables are stated at the nominal value of the consideration to be paid in the future for goods and services received.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances (including the balances in Housing Development Accounts), demand deposits which are not pledged, bank overdrafts and highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial instruments

Financial instruments carried on the balance sheets include cash and bank balances, short-term deposits, investments, receivables, payables and borrowings. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group and the Company have a legally enforceable right to set off the recognised amounts and intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Contingent liabilities

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's and the Company's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight line basis over their estimated useful lives. Management estimates the useful lives of the property, plant and equipment to be 5 to 50 years. The carrying amounts of the Group's property, plant and equipment as of December 31, 2007 were RM11,317,899 (2006: RM 14,496,825). Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of the property, plant and equipment. Therefore the future depreciation charge could be revised.

Property development

The Group recognises property development revenue and costs in the income statements by using the stage of completion method. The stage of completion is measured by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs on completion.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates by relying on past experience and the work of specialists.

5. REVENUE

An analysis of revenue is as follows :

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Sales of goods	47,281,207	42,500,509	-	-
Revenue from property development activities	21,751,566	21,441,304	-	-
Chroming services rendered	213,050	347,312	-	-
Management services rendered	-	-	240,000	160,000
	69,245,823	64,289,125	240,000	160,000

6. EMPLOYEE BENEFITS EXPENSE

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Contributions to employees' provident fund	183,195	457,982	10,800	10,800
Other employee benefits expenses	4,685,688	10,033,481	218,238	212,498
	4,868,883	10,491,463	229,038	223,298
Attributable to :				
Continuing operations	4,868,883	4,853,214	229,038	223,298
Discontinued operations	-	5,638,249	-	-
	4,868,883	10,491,463	229,038	223,298

Employee benefits expense include directors' remuneration, salaries, bonuses, contributions to employees' provident fund and all other staff related expenses.

Details of remuneration of executive directors, who are the key management personnel of the Group and of the Company, are as follows :

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Directors of the Company :				
Fee	50,000	130,000	50,000	50,000
Contributions to employees' provident fund	33,120	43,680	10,800	10,800
Other emoluments	761,433	863,121	94,238	90,548
Directors of subsidiaries :				
Fee	-	40,000	-	-
Contributions to employees' provident fund	11,520	39,732	-	-
Other emoluments	101,387	326,213	-	-
	957,460	1,442,746	155,038	151,348

7. INCOME TAX EXPENSE

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Current tax :				
Current year	(346,637)	(230,800)	-	-
(Under) / Overprovision in prior years	(874)	10,764	-	-
Deferred tax (Note 19) :				
Relating to origination and reversal of temporary differences	33,919	(485,700)	-	-
Crystallisation of deferred tax liability on revaluation surplus	11,949	11,949	-	-
Reversal upon disposal of revalued properties	3,000	-	-	-
Real property gains tax	(45,688)	-	-	-
Tax expense	(344,331)	(693,787)	-	-
Attributable to :				
Continuing operations	(344,331)	(136,787)	-	-
Discontinued operations	-	(557,000)	-	-
	(344,331)	(693,787)	-	-

A numerical reconciliation of income tax at the applicable income tax rate to income tax at the effective income tax rate is as follows :

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
(Loss) / Profit from continuing operations	(853,700)	8,627,164	(3,559,379)	(4,663,786)
Profit from discontinued operations	-	2,973,735	-	-
(Loss) / Profit from operations	(853,700)	11,600,899	(3,559,379)	(4,663,786)
Tax at the applicable income tax rates of 27% (2006 : 28%)	(230,000)	3,149,240	(961,000)	(1,306,000)
Tax effects of :				
Expenses that are not deductible in determining taxable profit	1,354,697	2,911,311	935,000	1,229,000
Income that are not taxable in determining taxable profit	(128,000)	(4,652,000)	-	(7,000)
Net deferred tax assets not recognised	291,000	143,000	26,000	84,000
Effect of different tax rates	(302,240)	-	-	-
Reversal of deferred tax liability upon disposal of revalued properties	(3,000)	-	-	-
Utilisation of deferred tax assets not recognised previously	(639,000)	(847,000)	-	-
	343,457	704,551	-	-
Under / (Over)provision in prior years	874	(10,764)	-	-
Tax expense	344,331	693,787	-	-

The applicable tax rate of 27% (2006: 28%) used in the numerical reconciliation of tax of the Group and of the Company is determined based on the statutory income tax rate prevailing for the Company.

The corporate income tax rate of small and medium scale companies with paid-up capital of RM2.5 million and below are subject to income tax at the rate of 20% on chargeable income of up to RM500,000. For chargeable income in excess of RM500,000, the corporate income tax rate was 28% for the year of assessment 2006 and 27% for the year of assessment 2007. In September 2007, the Malaysian government announced in the yearly budget a reduction in this corporate income tax rate to 26% for the year of assessment 2008 and 25% for the year of assessment 2009.

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The estimated amount of tax savings included in net income as a result of the realisation of unused tax losses of the Group is RM192,000 (2006 : RM716,000).

As of December 31, 2007, the approximate amount of unused tax losses and unused tax capital allowances of the Group and of the Company for which no deferred tax assets are recognised in the financial statements and, which are available for set off against future taxable income are as follows :

	The Group		The Company	
	2007	**2006**	**2007**	**2006**
	RM	**RM**	**RM**	**RM**
Unused tax losses	32,426,000	33,584,300	3,714,000	3,616,000
Unused tax capital allowances	780,400	1,701,500	-	-

The unused tax losses and unused tax capital allowances are subject to agreement by the tax authorities.

8. DISCONTINUED OPERATIONS

In 2005, the Company and Northern Elevator Berhad ("NEB"), a 60% owned subsidiary company, entered into a conditional share purchase agreement with KONE Corporation, Lim Chong Hoe, Koay Teng Cheang and Lim Teck Chye for the disposal of the following subsidiary companies :

(i) 100% equity interest in Fuji Lift & Escalator Manufacturing Sdn. Bhd. comprising 1,000,000 ordinary shares of RM1.00 each;

(ii) 100% equity interest in Fuji Lift & Escalator Sdn. Bhd. comprising 250,000 ordinary shares of RM1.00 each; and

(iii) 100% equity interest in Fein Blanking Sdn. Bhd. comprising 200,000 ordinary shares of RM1.00 each

for a total cash consideration of RM55 million comprising the settlement of intercompany loan of RM31,902,000, the consideration for the sale of ordinary shares of the abovementioned subsidiary companies and the consideration for the property, plant and equipment to be transferred by NEB to Fein Blanking Sdn. Bhd.. The three subsidiary companies are principally involved in the manufacturing and maintenance services of lifts and escalators. The disposal of these subsidiary companies was completed on August 29, 2006.

Profit for the year from discontinued operations

	The Group	
	2007	2006
	RM	RM
Revenue	-	29,379,011
Other gains	-	1,031,074
Expenses	-	(27,436,350)
Profit before tax from discontinued operations	-	2,973,735
Tax expense	-	(557,000)
Profit for the year from discontinued operations	-	2,416,735

Cash flows from discontinued operations

	The Group	
	2007	2006
	RM	RM
Net cash flows from operating activities	-	6,850,492
Net cash flows from investing activities	-	(1,098)
Net cash flows from financing activities	-	(6,217,078)
Net cash flows	-	632,316

9. (LOSS) / PROFIT FOR THE YEAR

(Loss) / Profit for the year is arrived at :

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
After charging :				
Interest expenses on :				
Loan stocks	3,169,347	5,115,779	3,169,347	5,115,779
Bank borrowings	79,547	240,009	-	-
Term loans	90,833	176,431	-	-
Hire purchase payables	42,316	34,589	-	-
Others	59,919	42,929	-	188
Depreciation and amortisation	2,062,393	1,686,132	-	-
Net loss on foreign exchange* :				
Unrealised	392,971	297,956	-	-
Realised	222,397	139,534	-	-
Rental of :				
Premises	433,988	395,439	-	-
Overprovision in prior year	(35,600)	-	-	-
Equipment	3,269	38,349	-	-
Property, plant and equipment	43,356	32,517	-	-

(FORWARD)

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Directors' remuneration :				
Fees :				
Directors of the Company	80,000	160,000	80,000	80,000
Directors of subsidiary companies	-	40,000	-	-
Contributions to employees' provident fund :				
Directors of the Company	33,120	43,680	10,800	10,800
Directors of subsidiary companies	11,520	39,732	-	-
Other emoluments :				
Directors of the Company	781,433	878,371	114,238	105,798
Directors of subsidiary companies	101,387	326,213	-	-
Allowance for slow moving inventories*	147,349	10,406	-	-
Audit fee :				
Current year	122,044	99,440	32,000	18,000
Underprovision in prior year	23,800	2,600	12,000	-
Property, plant and equipment written off*	63,188	85,871	-	-
Allowance for doubtful debts*	53,766	2,675,247	3,500	122,307
Bad debts written off	8,288	34,049	-	-
Allowance for diminution in value of :				
Quoted investment in Malaysia	-	8,415	-	-
Unquoted investment in Malaysia	-	13,500	-	-

And crediting :

Rental income on :				
Premises	331,500	656,100	-	-
Machinery	180,000	-	-	-
Allowance for doubtful debts no longer required*	477,463	483,541	8,500	-
Net gain on disposal of property, plant and equipment*	358,461	117,687	-	26,999
Interest income	180,796	318,278	58,720	966,184
Deposit forfeited	2,110	-	-	-
Realised gain on foreign exchange*	-	-	2,069	-
Allowance for slow moving inventories no longer required	-	127,944	-	-

* Included in other gains and losses

10. (LOSS) / EARNINGS PER ORDINARY SHARE

	The Group	
	2007	2006
	RM	RM
(Loss) / Profit for the year attributable to equity holders of the Company	(962,723)	4,622,591
Add : Assumed saving in interest expense charged to income statements on conversion of irredeemable convertible secured loan stocks	117,734	159,979
	(844,989)	4,782,570
(Loss) / Earnings used in the calculation of total basic (loss) / earnings per share	(844,989)	4,782,570
Profit for the year from discontinued operations used in the calculation of basic (loss) / earnings per share from discontinued operations	-	(1,450,041)
(Loss) / Earnings used in the calculation of basic (loss) / earnings per share from continuing operations	(844,989)	3,332,529

	The Group	
	2007	2006
	Units	Units
Number of ordinary shares in issue as of January 1	51,498,570	51,194,711
Effect of conversion of ICSLS	40,267,282	40,646,395
Effect of share issue	414,238	127,371
Weighted average number of ordinary shares in issue	92,180,090	91,968,477
Basic (loss) / earnings per ordinary share (sen)		
From continuing operations	(0.92)	3.62
From discontinued operations	-	1.58
Total basic (loss) / earnings per ordinary share	(0.92)	5.20

The diluted loss per ordinary share was not shown in 2007 and 2006 as the effect of the assumed conversions of warrants to ordinary shares would be anti-dilutive.

11. PROPERTY, PLANT AND EQUIPMENT

The Group

Cost unless stated otherwise	Beginning of year	Additions	Disposals	Disposal of subsidiary companies	Currency translation differences	End of year
	RM	RM	RM	RM	RM	RM
2007 :						
Freehold land						
- at 1994 valuation	500,000	-	(500,000)	-	-	-
- at cost	406,069	-	(406,069)	-	-	-
Buildings						
- at 1994 valuation	6,355,000	-	-	-	-	6,355,000
- at cost	1,827,253	201,266	(727,286)	-	(60,624)	1,240,609
Plant and machinery	12,366,359	520,020	(1,549,538)	-	(553,712)	10,783,129
Moulds	7,124,379	305,195	-	-	-	7,429,574
Motor vehicles	2,166,089	381,828	(132,444)	-	(38,244)	2,377,229
Office equipment, furniture and fittings	2,468,846	168,078	(595,958)	(3,221)	(4,092)	2,033,653
Tools, implements and equipment	2,041	-	(124)	-	-	1,917
Electrical installation and renovation	25,316	8,063	(4,667)	-	-	28,712
	33,241,352	1,584,450	(3,916,086)	(3,221)	(656,672)	30,249,823

(FORWARD)

Cost unless stated otherwise	Beginning of year	Additions	Disposals	Disposal of subsidiary companies	Currency translation differences	End of year
	RM	RM	RM	RM	RM	RM
2006 :						
Freehold land						
- at 1994 valuation	500,000	-	-	-	-	500,000
- at cost	820,089	-	-	(414,020)	-	406,069
Buildings						
- at 1994 valuation	6,355,000	-	-	-	-	6,355,000
- at cost	11,744,169	-	(521,390)	(9,327,325)	(68,201)	1,827,253
Plant and machinery	16,049,681	576,650	(1,745,840)	(1,906,351)	(607,781)	12,366,359
Moulds	6,905,629	218,750	-	-	-	7,124,379
Motor vehicles	1,853,830	810,820	(420,455)	(35,818)	(42,288)	2,166,089
Office equipment, furniture and fittings	4,309,493	284,937	(237,864)	(1,904,253)	16,533	2,468,846
Tools, implements and equipment	754,313	-	(633,670)	(118,602)	-	2,041
Electrical installation and renovation	593,801	87,105	-	(655,590)	-	25,316
	49,886,005	1,978,262	(3,559,219)	(14,361,959)	(701,737)	33,241,352

(FORWARD)

Accumulated depreciation	Beginning of year	Charge for the year	Disposals	Disposal of subsidiaries	Currency translation differences	End of year
	RM	RM	RM	RM	RM	RM
2007 :						
Buildings						
- at 1994 valuation	1,735,253	127,100	-	-	-	1,862,353
- at cost	534,351	103,241	(155,153)	-	(21,299)	461,140
Plant and machinery	7,456,442	905,582	(822,225)	-	(106,799)	7,433,000
Moulds	6,170,858	337,295	-	-	-	6,508,153
Motor vehicles	1,018,750	378,796	(132,442)	-	(13,583)	1,251,521
Office equipment, furniture and fittings	1,810,391	144,773	(557,404)	(649)	(1,958)	1,395,153
Tools, implements and equipment	1,012	295	(124)	-	-	1,183
Electrical installation and renovation	17,470	6,463	(4,512)	-	-	19,421
	18,744,527	2,003,545	(1,671,860)	(649)	(143,639)	18,931,924
2006 :						
Buildings						
- at 1994 valuation	1,608,153	127,100	-	-	-	1,735,253
- at cost	2,209,527	247,986	(120,422)	(1,785,301)	(17,439)	534,351
Plant and machinery	10,536,769	332,269	(1,745,838)	(1,583,063)	(83,695)	7,456,442
Moulds	5,874,563	296,295	-	-	-	6,170,858
Motor vehicles	1,133,139	289,329	(377,068)	(11,940)	(14,710)	1,018,750
Office equipment, furniture and fittings	3,130,035	291,523	(179,617)	(1,459,600)	28,050	1,810,391
Tools, implements and equipment	746,383	408	(633,663)	(112,116)	-	1,012
Electrical installation and renovation	70,913	6,099	-	(59,542)	-	17,470
	25,309,482	1,591,009	(3,056,608)	(5,011,562)	(87,794)	18,744,527

The Company

Cost	Beginning of year RM	Addition RM	Disposal RM	End of year RM
2007 :				
Office equipment, furniture and fittings	10,450	-	-	10,450
2006 :				
Motor vehicles	169,801	-	(169,801)	-
Office equipment, furniture and fittings	10,450	-	-	10,450
	180,251	-	(169,801)	10,450

Accumulated depreciation	Beginning of year RM	Charge for the year RM	Disposal RM	End of year RM
2007 :				
Office equipment, furniture and fittings	10,450	-	-	10,450
2006 :				
Motor vehicles	169,800	-	(169,800)	-
Office equipment, furniture and fittings	10,450	-	-	10,450
	180,250	-	(169,800)	10,450

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Net Book Value :				
Freehold land				
- at 1994 valuation	-	500,000	-	-
- at cost	-	406,069	-	-
Buildings				
- at 1994 valuation	4,492,647	4,619,747	-	-
- at cost	779,469	1,292,902	-	-
Plant and machinery	3,350,129	4,909,917	-	-
Moulds	921,421	953,521	-	-
Motor vehicles	1,125,708	1,147,339	-	-
Office equipment, furniture and fittings	638,500	658,455	-	-
Tools, implements and equipment	734	1,029	-	-
Electrical installation and renovation	9,291	7,846	-	-
	11,317,899	14,496,825	-	-

As of December 31, 2007, certain property, plant and equipment of the Group with total carrying values of RM9,446,928 (2006 : RM10,568,372) are charged to local banks as securities for credit facilities as mentioned in Note 29.

As of December 31, 2007, certain property, plant and equipment of the Group with total carrying value of RM4,569,753 (2006 : RM6,187,283) are charged as securities for the redeemable secured loan stocks and irredeemable convertible secured loan stocks issued by the Company as mentioned in Note 26.

As of December 31, 2007, the property, plant and equipment of the Group with a net carrying amount of RM774,195 (2006 : RM784,612) are acquired under hire-purchase arrangements of which instalments are still outstanding.

As of December 31, 2007, certain motor vehicles of the Group with a total carrying value of RM269,744 (2006 : RM692,803) are registered in the names of certain directors of the Group and third parties who hold them in trust for the subsidiary companies.

The freehold land and buildings of the subsidiary companies were revalued by the directors in 1994 based on valuation exercises carried out by independent professional valuers on the open market value basis.

Had these assets been carried at the historical cost, the carrying amounts of the revalued properties will be as follows :

	The Group	
	2007	2006
	RM	RM
Cost :		
Freehold land	-	440,000
Buildings	4,754,340	4,754,340
	4,754,340	5,194,340
Accumulated depreciation :		
Buildings	(1,544,144)	(1,449,057)
Carrying amount	3,210,196	3,745,283

12. INVESTMENT PROPERTIES

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
At cost				
At beginning of year	4,306,000	7,402,310	2,800,000	2,800,000
Addition during the year	1,387,561	-	-	-
Disposal of subsidiary companies	-	(3,096,310)	-	-
At end of year	5,693,561	4,306,000	2,800,000	2,800,000

(FORWARD)

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Accumulated depreciation				
At beginning of year	(403,183)	(379,563)	-	-
Depreciation during the year	(30,120)	(23,620)	-	-
At end of year	(433,303)	(403,183)	-	-
Impairment loss				
At beginning of year	-	(223,892)	-	-
Disposal of subsidiary companies	-	223,892	-	-
At end of year	-	-	-	-
Net	5,260,258	3,902,817	2,800,000	2,800,000
Fair value	7,737,000	6,350,000	3,000,000	3,000,000

The fair value is based on directors' estimation by reference to market evidence of transaction prices for similar properties and recent experience in the location and category of the properties being valued.

The investment properties as of December 31, 2007 are as follows :

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Freehold land	4,187,561	2,800,000	2,800,000	2,800,000
Buildings	1,072,697	1,102,817	-	-
	5,260,258	3,902,817	2,800,000	2,800,000

During the financial year, the Group acquired a parcel of freehold land with a cost of RM1,387,561 which was settled by the way of contra debts owing by a debtor to the Group.

The buildings which are leased out under operating leases amounted to RM1,072,697 (2006 : RM1,102,817). The rental income earned by the Group from its investment properties during the financial year amounted to RM211,500 (2006 : RM536,100).

The title deed of a parcel of freehold land of the Company with a carrying value of RM2,800,000 is registered in the name of a subsidiary company.

As of December 31, 2007, certain investment properties with a carrying value of RM834,905 (2006 : RM858,525) is charged as security for the credit facilities mentioned in Note 29.

As of December 31, 2007, certain investment properties of the Group and of the Company with total carrying value of RM3,872,697 (2006: RM3,902,817) and RM2,800,000 (2006 : RM2,800,000) respectively are charged as securities for the redeemable secured loan stocks and irredeemable convertible secured loan stocks issued by the Company as mentioned in Note 26.

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13. PREPAID LEASE PAYMENTS ON LEASEHOLD LAND

	The Group	
	2007	2006
	RM	RM
At beginning of year	1,206,513	4,389,342
Amortisation during the year	(28,728)	(71,503)
Disposal during the year	-	(1,508,610)
Disposal of subsidiary companies	-	(1,602,716)
At end of year	1,177,785	1,206,513

As of December 31, 2007, the unexpired lease periods of the short leasehold land are 38 to 40 years.

As of December 31, 2007, the short leasehold land with a carrying value of RM1,177,785 (2006 : RM1,206,513) is charged as security for the credit facilities mentioned in Note 29 and for the redeemable secured loan stocks and irredeemable convertible secured loan stocks issued by the Company.

14. GOODWILL

	The Group	
	2007	2006
	RM	RM
At beginning of year	622,710	3,409,993
Write-off during the year	(71,158)	-
Goodwill in subsidiaries disposed of	-	(2,787,283)
At end of year	551,552	622,710

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from that business combination. Before recognition of any impairment losses, the carrying amount of goodwill had been allocated to the following business segments as independent CGUs :

	The Group	
	2007	2006
	RM	RM
Property development	551,552	551,552
Manufacturing and trading of consumable products	-	71,158
	551,552	622,710

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

(i) Key assumptions used

The recoverable amount of a CGU is determined based on the higher of fair value less costs to sell and value-in-use. The value-in-use calculations are based on the discounted net cash projections based on financial budgets approved by management covering a 3 year period and a discount rate of 8% (2006 : 8%), reflecting the effective interest rate on borrowings.

(ii) Sensitivity analysis

With regard to the assessment of value-in-use and fair value less costs to sell, management believes that no reasonably possible change in any of the above key assumptions would cause the recoverable amounts of the units to be materially below their carrying amounts.

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15. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company 2007 RM	The Company 2006 RM
Unquoted shares, at cost	40,074,900	40,458,930
Less : Allowance for diminution in value	(21,866,294)	(21,866,294)
	18,208,606	18,592,636

During the financial year, the Company received discount amounting to RM384,030 given by the vendor on the machinery purchased and invested in Emico (Vietnam) Co. Ltd.

The Company held interests in the following subsidiary companies :

Direct Subsidiaries	Place of Incorporation	Effective Percentage of Ownership 2007	Effective Percentage of Ownership 2006	Principal Activities
Emico Penang Sdn. Bhd.	Malaysia	100%	100%	Manufacturing of original equipment manufacturer (OEM) products, awards, trophy components, medallions, souvenir, gift items, furniture products and general trading
Emico Tools Sdn. Bhd.	Malaysia	100%	100%	Inactive
Emico Capital Sdn. Bhd.*	Malaysia	100%	100%	Inactive
Emico Marketing Sdn. Bhd.	Malaysia	100%	100%	Manufacturing and marketing of awards, trophy components, souvenir items and general trading
Emico Development Sdn. Bhd.	Malaysia	100%	100%	Investment holding and property development
Emico Newk Sdn. Bhd.*	Malaysia	100%	100%	Inactive
Emico (Vietnam) Co. Ltd.*	Vietnam	100%	100%	Manufacturing of plastic products from plastic particles, plastic and metal souvenirs and household utensils
Mercu Tanah Langkawi Sdn. Bhd.*	Malaysia	71%	71%	Property development
Northern Elevator Berhad*	Malaysia	60%	60%	Investment holding company, property development, provision of management services and rental of equipment
Emico Creative Design Sdn. Bhd.*	Malaysia	100%	100%	Dormant

(FORWARD)

Indirect Subsidiaries	Place of Incorporation	Effective Percentage of Ownership		Principal Activities
		2007	2006	
Emico Development (Langkawi) Sdn. Bhd.	Malaysia	100%	100%	Inactive
Emico Metalizing Sdn. Bhd.	Malaysia	100%	100%	Offering chroming services
Emico Properties Sdn. Bhd.	Malaysia	-	79.8%	Property development
Pacific Elevator Sdn. Bhd.*	Malaysia	60%	60%	Dormant
Standard Trend Apparel Industries Sdn. Bhd.	Malaysia	53.3%	53.3%	Inactive
Emico Asia Sdn. Bhd.*	Malaysia	100%	100%	Trading of houseware and furniture
Operasi Tembaga Sdn. Bhd.*	Malaysia	49.7%	49.7%	Investment holding
PKB-Operasi Tembaga Sdn. Bhd.*	Malaysia	39.8%	39.8%	Investment holding and contractor in property development
Fuji Lift Components Manufacturing Sdn. Bhd.*	Malaysia	60%	60%	Dormant

* The financial statements of these subsidiary companies were audited by auditors other than the auditors of the Company.

As of December 31, 2007, all the shares held by the Company in Northern Elevator Berhad and Mercu Tanah Langkawi Sdn. Bhd. are charged as securities for the redeemable secured loan stocks and irredeemable convertible secured loan stocks.

On March 6, 2007, Emico Development Sdn. Bhd. entered into a sales and purchase agreement with a third party to dispose of its entire equity interest of 79.75% in Emico Properties Sdn. Bhd. which comprise 1,595,000 shares of RM1 each for a total cash consideration of RM6,800,000. The disposal was completed on July 3, 2007, on which date control of Emico Properties Sdn. Bhd. was passed to the acquirer, resulting in a gain on disposal to the Group amounting to RM1,252,156.

During the financial year ended December 31, 2006, the Group disposed of the following subsidiary companies :

		Completion Date of Disposal
a.	Fuji Lift & Escalator Manufacturing Sdn. Bhd.	August 29, 2006
b.	Fuji Lift and Escalator Sdn. Bhd.	August 29, 2006
c.	Fein Blanking Sdn. Bhd.	August 29, 2006
d.	Emico Marketing (Thailand) Limited, Partnership	December 30, 2006

The disposals of subsidiaries had the following effects on the financial position of the Group as of the end of the year :

	Unaudited As of date of disposal 2007 RM	2006 RM
Net assets disposed as of date of disposal :		
Property, plant and equipment	2,572	9,350,397
Investment properties	-	2,872,418
Prepaid lease payments on leasehold land	-	1,602,716
Other investments	-	201,960
Property development projects	5,575,315	-
Deferred tax assets	-	63,000
Inventories	-	8,545,348
Trade and other receivables	-	13,078,815
Current tax assets	-	352,541
Other assets	18,129	-
Deposits with licensed banks	-	3,580,098
Cash and bank balances	13,198	8,224,380
Deferred tax liabilities	-	(489,450)
Trade and other payables	(4,359,548)	(43,809,159)
Borrowings	-	(267,653)
Current tax liabilities	-	(1,000)
	1,249,666	3,304,411
Minority interests	(253,056)	-
Net assets disposed	996,610	3,304,411
Unamortised goodwill on consolidation	-	2,787,283
Transfer from foreign exchange reserve	-	(11,720)
Waiver of debts	-	760,135
	996,610	6,840,109
Net disposal proceeds	(2,248,766)	(21,132,838)
Gain on disposal to the Group	(1,252,156)	(14,292,729)
Net disposal proceeds settled by :		
Cash	2,248,766	21,072,838
Deferred payment	-	60,000
	2,248,766	21,132,838
Net cash inflow arising on disposals		
Total proceeds from disposal – cash consideration	6,800,000	55,015,076
Expenses directly attributable to the disposal, paid in cash	(210,785)	(2,040,238)
Settlement of intercompany loan	(4,340,449)	(31,902,000)
Net disposal proceeds	2,248,766	21,072,838
Cash and cash equivalents of subsidiary companies disposed	(13,198)	(11,804,478)
Cash flow on disposal, net of cash disposed	2,235,568	9,268,360

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16. INVESTMENT IN ASSOCIATED COMPANIES

	The Group	
	2007	2006
	RM	RM
Unquoted shares – at cost	2,882,474	2,882,474
Group's share in results of associated companies	(1,813,312)	(1,520,984)
	1,069,162	1,361,490

The Group's interest in the associated companies is analysed as follows :

	The Group	
	2007	2006
	RM	RM
Share of net assets	1,063,364	1,355,692
Premium on acquisition	5,798	5,798
	1,069,162	1,361,490

The associated companies are as follows :

	Country of incorporation	Effective percentage of ownership		Principal activities
		2007	2006	
Panashiba Industries (M) Sdn. Bhd.*	Malaysia	50%	50%	Investment holding
PT Panashiba Industries Indonesia*@	Republic of Indonesia	24.5%	24.5%	Inactive
Quanzhou Fuji-Sino Elevators Co. Ltd.*	People's Republic of China	20.9%	20.9%	Manufacturing, installing and maintaining lifts and escalators
Asian Elevator (M) Sdn. Bhd.*	Malaysia	24%	24%	Dormant
Jiangnan Escalator (M) Sdn. Bhd.*	Malaysia	18%	18%	Dormant

* The financial statements of these associated companies were audited by auditors other than the auditors of the Company.

@ PT Panashiba Industries Indonesia is formed as a joint venture company on April 1, 1997 in Indonesia. The results of the operations of this associated company have not been equity accounted for in the consolidated financial statements as it had ceased operations and has not recommenced operations.

The summarised unaudited financial information of an associate, Quanzhou Fuji-Sino Elevators Co. Ltd. is as follows :

	The Group	
	2007	2006
	RM	RM
Total assets	15,948,547	16,471,592
Total liabilities	11,254,094	10,944,164
Revenue	5,115,157	7,727,076
Loss for the year	837,861	166,392

The summarised financial information of other associated companies and the cumulative and current year's unrecognised share of losses in excess of the carrying amount of the investment in these associates were not disclosed as the Group's share of losses in these associates have been recognised to the extent of the carrying amount of the investments.

17. OTHER INVESTMENTS

	The Group	
	2007	**2006**
	RM	**RM**
Unquoted shares in Malaysia – at cost	57,500	57,500
Less : Allowance for diminution in value	(57,500)	(57,500)
	-	-

18. PROPERTY DEVELOPMENT PROJECTS

	The Group			
	2007		**2006**	
	Non-current assets	**Current assets**	**Non-current assets**	**Current assets**
	RM	**RM**	**RM**	**RM**
At beginning of year :				
Freehold land	11,589,497	7,271,384	11,663,738	9,219,268
Development costs	15,396,676	46,910,544	10,439,332	55,515,812
	26,986,173	54,181,928	22,103,070	64,735,080
Cost incurred / (reversed) during the year :				
Freehold land	650,576	(650,576)	-	-
Development costs	8,653,750	12,275,842	4,977,078	27,040,763
Reversal upon closure of project	-	(32,677,379)	-	(37,687,890)
Disposal of a subsidiary company	(5,575,315)	-	-	-
	3,729,011	(21,052,113)	4,977,078	(10,647,127)
Costs recognised in income statements :				
At beginning of year	-	(16,440,000)	-	(35,264,000)
Recognised during the year	-	(20,094,834)	-	(18,097,550)
Reversal upon closure of projects	-	26,855,835	-	36,921,550
At end of year	-	(9,678,999)	-	(16,440,000)
Transfer (to current assets) / from non-current assets of property development costs :				
Freehold land	-	-	(74,241)	74,241
Development costs	-	-	(19,734)	19,734
	-	-	(93,975)	93,975
At end of year	30,715,184	23,450,816	26,986,173	37,741,928

The property development costs at end of year are analysed as follows :

	The Group			
	2007		2006	
	Non-current assets	Current assets	Non-current assets	Current assets
	RM	RM	RM	RM
Freehold land, at cost	9,145,256	4,684,040	11,589,497	7,583,910
Development costs	21,569,928	18,766,776	15,396,676	30,158,018
	30,715,184	23,450,816	26,986,173	37,741,928

Included in property development costs incurred during the financial year are the following charges :

	The Group	
	2007	2006
	RM	RM
Employee benefits expense :		
Contributions to employees' provident fund	26,314	62,568
Other employee benefits expense	408,452	753,504
Rental of :		
Premise	12,080	-
Equipment	1,760	2,040
Machinery	300	-
Motor vehicle	-	600

The freehold land of certain subsidiary companies with a total carrying value of RM11,624,395 (2006 : RM16,655,980) are charged as security for the redeemable secured loan stocks and irredeemable convertible secured loan stocks issued by the Company.

19. DEFERRED TAX ASSETS / (LIABILITIES)

	The Group	
	2007	2006
	RM	RM
Deferred tax assets	304,800	304,800
Deferred tax liabilities	(533,946)	(582,814)
	(229,146)	(278,014)

The movement of deferred tax assets is as follows :

	The Group	
	2007	2006
	RM	RM
At beginning of year	304,800	403,500
Transfer from / (to) income statements (Note 7) :		
Relating to origination and reversal of temporary differences	-	(35,700)
Disposal of subsidiary companies	-	(63,000)
At end of year	304,800	304,800

The deferred tax assets are in respect of the unused tax losses.

As mentioned in Note 3, the tax effects of temporary differences which give rise to net deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. As of December 31, 2007, the amount of deferred tax assets, calculated at the applicable tax rate, which is not recognised in the financial statements, is as follows :

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Tax effects of :				
Temporary differences arising from :				
Property, plant and equipment	(63,700)	(222,000)	-	-
Allowance for inventory obsolescence	34,000	34,000	-	-
Allowance for doubtful debts	392,100	583,000	-	-
Others	10,000	8,000	-	-
Unused tax losses	7,654,300	8,422,000	966,000	940,000
Unused tax capital allowances	192,400	463,000	-	-
	8,219,100	9,288,000	966,000	940,000

The movement of deferred tax liabilities is as follows :

	The Group	
	2007	2006
	RM	RM
At beginning of year	582,814	634,213
Transfer from / (to) income statements (Note 7) :		
Reversal of deferred tax liability on revaluation surplus arising from the change in tax rates	(33,919)	-
Crystallisation of deferred tax liability on revaluation surplus	(11,949)	(11,949)
Relating to the origination and reversal of temporary differences	-	450,000
Disposal of subsidiary companies	-	(489,450)
Realisation of deferred tax liability upon disposal of properties	(3,000)	-
At end of year	533,946	582,814

The deferred tax liabilities are in respect of the following :

	The Group	
	2007	2006
	RM	RM
Tax effects of :		
Temporary difference arising from :		
Property, plant and equipment	99,000	100,000
Others	(6,000)	(7,000)
Revaluation surplus of revalued properties	440,946	489,814
	533,946	582,814

20. INVENTORIES

	The Group	
	2007	2006
	RM	RM
Raw materials	1,109,867	1,205,977
Work-in-progress	961,837	850,014
Finished goods	3,667,299	3,580,747
Developed properties	8,400,813	766,340
Goods-in-transit	44,452	-
	14,184,268	6,403,078

The cost of inventories recognised as an expense during the year was RM58,843,009 (2006 : RM53,174,294).

21. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Trade receivables	20,913,849	24,872,423	-	-
Less : Allowance for doubtful debts	(6,651,019)	(8,136,949)	-	-
	14,262,830	16,735,474	-	
Amount owing by subsidiary companies	-	-	77,989,364	87,551,303
Less : Allowance for doubtful debts	-	-	(34,096,854)	(34,101,854)
	-	-	43,892,510	53,449,449
Amount owing by associated companies	127,607	4,249,896	-	-
Less : Allowance for doubtful debts	(127,607)	(4,249,896)	-	-
	-	-	-	-
Amount owing by directors	72,000	613,000	-	-
Other receivables	6,251,721	10,653,005	-	-
Less : Allowance for doubtful debts	(1,304,982)	(1,598,110)	-	-
	4,946,739	9,054,895	-	-
	19,281,569	26,403,369	43,892,510	53,449,449

The currency exposure profile of trade and other receivables is as follows :

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Ringgit Malaysia	16,194,534	17,910,088	43,892,510	53,449,449
United States Dollar	1,720,382	8,473,320	-	-
Vietnam Dong	1,366,653	-	-	-
Singapore Dollar	-	19,961	-	-
	19,281,569	26,403,369	43,892,510	53,449,449

Trade receivables comprise amounts receivable for the sale of goods, sale of properties and from chroming and maintenance services rendered.

The credit period granted on sale of goods and services rendered ranges from 30 to 120 days (2006 : 30 to 150 days) while the credit period for purchasers of properties is 21 to 90 days (2006 : 14 to 30 days).

The amounts owing by subsidiary companies net of allowance for doubtful debts are as follows :

	The Company	
	2007	2006
	RM	RM
Emico Development Sdn. Bhd.	26,202,785	34,115,081
Emico Penang Sdn. Bhd.	13,552,862	14,331,344
Emico Marketing Sdn. Bhd.	3,789,503	3,733,304
Emico Metalizing Sdn. Bhd.	347,360	347,360
Emico Asia Sdn. Bhd.	-	922,360
	43,892,510	53,449,449

Amount owing by subsidiary companies arising mainly from transfer of bank borrowings from subsidiary companies pursuant to the debt restructuring scheme of the Group implemented in 2004 and unsecured advances which are interest free and have no fixed term of repayment.

The amounts owing by associated companies are as follows :

	The Group	
	2007	2006
	RM	RM
Panashiba Industries (M) Sdn. Bhd.	-	4,122,289
Jiangnan Escalator (M) Sdn. Bhd.	127,607	127,607
	127,607	4,249,896

The amount owing by associated companies arising mainly from advances which are unsecured, interest free and with no fixed term of repayment.

The amount owing by directors are as follows :

	The Group	
	2007	2006
	RM	RM
Directors of the Company :		
Lim Teck Chye	-	100,000
Jimmy Ong Chin Keng	-	50,000
Director of subsidiary companies :		
Tan Chin Peng	72,000	84,000
Lim Chong Hoe	-	279,000
Koay Teng Cheang	-	100,000
	72,000	613,000

The above amounts represent housing and car loans given to the directors which are unsecured and interest free.

Other receivables comprise mainly stakeholders' retention sum, representing monies paid by house buyers which are held by solicitors and would be released to the Group upon expiry of defective period and payments in advance for trade purchases.

22. OTHER ASSETS

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Refundable deposits	536,635	511,943	1,000	1,000
Prepaid expenses	177,982	441,479	-	-
	714,617	953,422	1,000	1,000

23. DEPOSITS WITH LICENSED BANKS

Fixed deposits of the Group and of the Company which have been pledged are as follows :

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Sinking Fund Account for the repayment of RSLS and 4% coupon rate of ICSLS and RSLS	165,508	1,706,641	165,508	1,706,641
Pledged as security for banking facilities granted to a subsidiary company	631,806	545,710	-	-
	797,314	2,252,351	165,508	1,706,641

The effective annual interest rates of deposits with licensed banks of the Group and of the Company range from 2.9% to 3.70% (2006 : 2.4% to 3.7%) and 2.9% (2006 : 2.4% to 3%) per annum respectively. The fixed deposits will mature from January 2008 to March 2009.

24. CASH AND BANK BALANCES

Included in cash and bank balances of the Group is an amount of RM1,561,865 (2006 : RM1,090,530) representing bank balances under Housing Development Accounts opened and maintained by certain subsidiary companies in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966. These accounts which consist of monies received from purchasers are for the payment of property development expenditure incurred. The surplus monies, if any, will be released to the subsidiary company upon the completion of the property development projects and after all property development expenditure has been fully settled.

The currency exposure profile of cash and bank balances is as follows :

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Ringgit Malaysia	3,423,999	2,424,679	61,007	310,538
Vietnam Dong	73,327	2,547	-	-
United States Dollar	4,754	3,414,259	-	-
Hong Kong Dollar	-	1,079	-	-
Renminbi	-	246	-	-
	3,502,080	5,842,810	61,007	310,538

25. SHARE CAPITAL

	The Company			
	2007		2006	
	No. of shares	RM	No. of shares	RM
Authorised :				
Ordinary shares of RM1 each	150,000,000	150,000,000	150,000,000	150,000,000
Issued and fully paid :				
Ordinary shares of RM1 each				
At beginning of year	51,498,570	51,498,570	51,194,711	51,194,711
Increased during the year	1,037,241	1,037,241	303,859	303,859
At end of year	52,535,811	52,535,811	51,498,570	51,498,570

During the financial year, the Company increased its issued and paid up share capital from RM51,498,570 to RM52,535,811 by way of issuance of 1,037,241 ordinary shares of RM1 each through the conversion of 11,141 units of Irredeemable Convertible Secured Loan Stocks.

The new ordinary shares rank pari passu with the then existing ordinary shares of the Company and were granted listing on April 4, 2007, June 20, 2007 and November 16, 2007.

On December 1, 2003, 11,130,000 detachable warrants were granted by the Company to the subscribers of the rights shares. The warrants may be exercised at any time after the issue date but not later than 5.00 p.m. on December 1, 2013. Each warrant entitles its registered holder, at any time during the exercise period of the warrants, to subscribe for one new ordinary share. The exercise price of each warrant is fixed at RM1 payable in cash for each new ordinary share of RM1 each in the Company. As of December 31, 2007, none of the 11,130,000 warrants were exercised to subscribe for new ordinary shares.

26. IRREDEEMABLE CONVERTIBLE SECURED LOAN STOCKS ("ICSLS")

On May 24, 2004, the Company issued 451,537 units of 4% 5-year ICSLS at nominal value of RM100 per 4% ICSLS at an issue price of RM88.59 to its Scheme Lenders pursuant to the Debt Restructuring Scheme implemented.

The principal terms of the ICSLS are as follows :

i) Conversion rights – each holder of the ICSLS shall have the right to convert the ICSLS into fully paid-up new ordinary shares of RM1 each in the Company based on the conversion ratio at any time during the conversion period of five years commencing from the date of issue;

ii) Conversion ratio – one new ordinary share of RM1 in the Company issued as fully paid-up for every theoretical value of ICSLS at the conversion price of RM1;

iii) The theoretical value of the 4% ICSLS at the following anniversary date of the issue of the 4% ICSLS are tabulated below :

Anniversary Date	Nominal Value per 4% ICSLS	Theoretical Value per 4% ICSLS
	RM	RM
First	100.00	89.90
Second	100.00	91.30
Third	100.00	92.77
Fourth	100.00	94.34
Fifth	100.00	100.00

iv) The ICSLS bears a fixed coupon rate of 4% per annum and is payable annually in arrears; and

v) The new ordinary shares to be allotted and issued upon conversion of the ICSLS will rank pari passu in all aspects with the existing ordinary shares of the Company except that they will not rank for any dividends, rights, allotment or other distributions, declared, made or paid prior to the allotment of the shares.

The ICSLS and the redeemable secured loan stocks mentioned in Note 28 are secured by certain property, plant and equipment of the subsidiary companies, certain development properties of the subsidiary companies and all the shares held by the Company in Northern Elevator Berhad and Mercu Tanah Langkawi Sdn. Bhd..

The ICSLS have been presented as a compound instrument which comprises both an equity and a liability component. As of December 31, 2007, the carrying amount of each component is as follows :

	The Group and The Company	
	2007	2006
	RM	RM
ICSLS (Equity Component) :		
At beginning of year	37,011,393	35,147,476
Converted into ordinary shares during the year	(935,345)	(262,390)
Transfer from liability component to equity component due to reduction in interest obligation	1,559,634	1,481,362
Increase in ICSLS theoretical value	674,550	644,945
At end of year	38,310,232	37,011,393
ICSLS (Liability Component) :		
At beginning of year	4,031,986	5,554,817
Converted into ordinary shares during the year	(101,896)	(41,469)
Transfer from liability component to equity component due to reduction in interest obligation	(1,559,634)	(1,481,362)
At end of year	2,370,456	4,031,986
Total	40,680,688	41,043,379

27. RESERVES

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Non-distributable as cash dividends :				
Share premium	7,736,782	7,736,782	7,736,782	7,736,782
Exchange reserve	(900,452)	(397,713)	-	-
	6,836,330	7,339,069	7,736,782	7,736,782

Share premium of the Group and of the Company arose from allotments of ordinary shares at premium.

Exchange reserve of the Group is used to record exchange differences arising on translation of the financial statements of foreign operations as described in the accounting policies.

28. REDEEMABLE SECURED LOAN STOCKS ("RSLS")

On May 24, 2004, the Company issued 840,001 units of 4% 5-year RSLS at nominal value of RM100 per 4% RSLS at an issue price of RM81.31 to its Scheme Lenders pursuant to the Debt Restructuring Scheme implemented.

The principal terms of the RSLS are as follows :

(i) Convertibility - the RSLS would be fully redeemed and not convertible into new shares of the Company;

(ii) The RSLS bear a fixed coupon rate of 4% per annum and is payable annually in arrears; and

(iii) The RSLS may be redeemable in part or in full at the option of the Company from the date of issuance. Any RSLS not redeemed within one year from the date of issuance will be redeemed by the Company pro-rated among the holders of the RSLS as follows :

Anniversary Date	Nominal Value	Redemption Value	Redemption Price
	RM	RM	RM per 4% RSLS
First	-	-	83.81
Second	13,870,000	12,000,000	86.52
Third	22,362,000	20,000,000	89.44
Fourth	21,600,000	20,000,000	92.59
Fifth	26,168,000	26,168,000	100.00
	84,000,000	78,168,000	

The securities on the RSLS are disclosed in Note 26.

The movements of the RSLS during the year are as follows :

	The Group and The Company	
	2007	2006
	RM	RM
At beginning of year	40,725,303	71,785,036
Redemption during the year	(8,555,311)	(33,055,207)
Increase in RSLS redemption price	1,278,254	1,995,474
At end of year	33,448,246	40,725,303

29. BORROWINGS

	The Group	
	2007	2006
	RM	RM
Secured :		
Trust receipts	1,125,772	857,579
Term loans	685,359	794,854
Hire-purchase payables	787,125	661,878
Bank overdrafts	48,157	73,603
Other borrowings	1,130,000	1,780,000
	3,776,413	4,167,914
Less : Current portion	(3,182,063)	(3,636,567)
Non-current portion	594,350	531,347

The currency exposure profile of borrowings is as follows :

	2007 RM	2006 RM
Ringgit Malaysia	3,091,054	3,373,060
Vietnam Dong	685,359	794,854
	3,776,413	4,167,914

The hire-purchase payables are as follows :

	The Group	
	2007 RM	2006 RM
Total outstanding	876,949	742,356
Less : Interest-in-suspense outstanding	(89,824)	(80,478)
Principal outstanding	787,125	661,878
Less : Current portion	(206,182)	(162,032)
Non-current portion	580,943	499,846

The non-current portion of hire-purchase payables is repayable as follows :

	The Group	
	2007 RM	2006 RM
Later than 1 year and not later than 2 years	156,375	160,305
Later than 2 years and not later than 5 years	379,161	339,541
Later than 5 years	45,407	-
	580,943	499,846

The terms for the above hire-purchases range from 5 to 7 years. The hire-purchase payables are secured by the financial institutions' charge over the assets under hire-purchase.

The term loans are as follows :

	The Group	
	2007 RM	2006 RM
Secured :		
Amount outstanding	685,359	794,854
Less : Current portion	(671,952)	(763,353)
Non-current portion	13,407	31,501

The non-current portion of the term loans is repayable as follows :

	The Group	
	2007 RM	2006 RM
Later than 1 year and not later than 2 years	13,407	31,501

The secured bank borrowings of the Group are secured over a pledge of short-term deposit, charges over certain or entire assets of the subsidiary companies and are further guaranteed by the Company.

The Group's bank overdrafts and trust receipts bear interest at 2% (2006 : 2%) per annum above the lending banks' base lending rates. The Group's other borrowings represents a restructured loan to be settled by way of fixed instalments with no further interest charge.

The term loans bear interests at rates ranging from 2.0% to 2.5% (2006 : 2.0% to 2.5%) per annum above the lending banks' base lending rates.

The effective interest rates per annum as of December 31, 2007 for the Group are as follows :

	The Group	
	2007	2006
	%	%
Bank overdrafts	8.75	8.75
Trust receipts	8.75	8.75
Hire-purchase payables	4.39 - 7.16	6.36 - 10.70
Term loans	6.65 - 11.52	10.08 - 11.52

30. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Trade payables	13,653,866	15,177,284	-	-
Amount owing to subsidiary companies	-	-	9,863,232	12,039,967
Amount owing to directors	1,777,344	3,839,215	172,879	172,879
Other payables	7,150,655	12,903,284	530,567	1,072,883
Accrued expenses	15,537,839	11,741,556	2,446,419	2,620,883
	38,119,704	43,661,339	13,013,097	15,906,612

The currency exposure profile of trade and other payables is as follows :

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Ringgit Malaysia	35,169,069	39,807,426	13,011,028	15,520,513
United States Dollar	1,496,677	3,581,970	2,069	386,099
Vietnam Dong	1,075,699	-	-	-
European Dollar	135,931	-	-	-
Singapore Dollar	127,986	136,936	-	-
Hong Kong Dollar	114,342	114,341	-	-
Japanese Yen	-	20,666	-	-
	38,119,704	43,661,339	13,013,097	15,906,612

Trade payables comprise amounts outstanding for trade purchases and construction related costs. The credit period granted to the Group ranges from 30 to 150 days (2006 : 30 to 150 days).

The amount owing to subsidiary companies are as follows :

	The Company	
	2007	2006
	RM	RM
Northern Elevator Berhad	6,444,209	8,055,818
Emico Capital Sdn. Bhd.	2,782,579	2,784,194
Emico Development (Langkawi) Sdn. Bhd.	506,444	507,191
Emico Asia Sdn. Bhd.	130,000	-
Emico Properties Sdn. Bhd.	-	692,764
	9,863,232	12,039,967

Amount owing to subsidiary companies arose mainly from unsecured advances which are interest free and have no fixed term of repayment.

The amount owing to directors are as follows :

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Directors of the Company :				
Loh Lay Choo	1,285,241	3,418,266	-	-
Lim Beng Huan	242,053	247,197	172,879	172,879
Lim Teik Hian	123,225	20,842	-	-
Director of subsidiary companies :				
Chan Hwa Chong	126,825	152,910	-	-
	1,777,344	3,839,215	172,879	172,879

The amount owing to directors arose mainly from unsecured advances which are interest free and have no fixed term of repayment.

Other payables comprise mainly amount outstanding from ongoing costs.

31. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following :

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Cash and bank balances	3,502,080	5,842,810	61,007	310,538
Deposits with licensed banks	797,314	9,602,351	165,508	5,306,641
Bank overdrafts (Note 29)	(48,157)	(73,603)	-	-
	4,251,237	15,371,558	226,515	5,617,179
Less :				
Deposits held as security value	(797,314)	(2,252,351)	(165,508)	(1,706,641)
	3,453,923	13,119,207	61,007	3,910,538

32. RELATED PARTY BALANCES AND TRANSACTIONS

Included in the following accounts of the Group as of December 31, 2007 are amounts owing by / to the following related parties :

	The Group	
	2007	2006
	RM	RM
Trade receivables :		
Lim Teik Hian (k)	38,979	-
U-Can Marketing Sdn. Bhd. (c)	2,589	741
Dotcal Inc. (a)	941	410,345
Century Plas Industries Sdn. Bhd. (b)	-	1,165,909
Trade payables :		
Century Plas Industries Sdn. Bhd. (b)	400,118	1,172,410
PH Tools Industries Sdn. Bhd. (e)	67,332	67,332
U-Can Marketing Sdn. Bhd. (c)	42,300	-
Other payables :		
Beng Choo Marketing Sdn. Bhd. (i)	250,000	-
Emico Garment Industries Sdn. Bhd. (f)	165,888	195,888
Yonda Electronic Co. (M) Sdn. Bhd. (g)	153,253	153,253
Emico Garment (KK) Sdn. Bhd. (h)	6,000	6,000
Lim Poh Hoon (j)	4,269	4,269
Esteem Mould Engineering Sdn. Bhd. (d)	-	7,096

[a] A company in which a shareholder of that company, Mr. Tan Chin Hin is a person connected to certain directors of the Company, Mr. Lim Beng Huan, Madam Loh Lay Choo and Mr. Lim Teik Hian.

[b] A company in which a director of that company, Madam Chan Lay Li is the spouse of Mr. Lim Teik Hian who is a director of the Company.

[c] A company in which a substantial shareholder of that company, Madam Chan Lay Li is a person connected to certain directors of the Company, Mr. Lim Beng Huan, Madam Loh Lay Choo and Mr. Lim Teik Hian.

[d] A company in which a substantial shareholder of that company, Mr. Lim Teck Chye is a person connected to certain directors of the Company, Mr. Lim Beng Huan, Madam Loh Lay Choo and Mr. Lim Teik Hian.

[e] A company in which a director of that company, Mr. Henry Ong Chin Teong is the brother of Mr. Jimmy Ong Chin Keng who is a director of the Company.

[f] A company in which the shareholders of that company, Mr. Lim Beng Huan is a shareholder of the Company.

[g] A company in which the substantial shareholders of that company, Mr. Lim Beng Huan and Madam Loh Lay Choo are shareholders of the Company.

[h] A company in which the shareholders of that company, Mr. Lim Beng Huan and Madam Loh Lay Choo are directors of the Company.

[i] A company in which the substantial shareholder of that company, Mr. Lim Teck Chye is a director of the Company.

[j] A person connected to certain directors of the Company, Mr. Lim Beng Huan, Madam Loh Lay Choo, Mr. Lim Teck Chye and Mr. Lim Teik Hian.

[k] A director of the Company.

The above amounts under other payables arose mainly from rental payable and unsecured advances which are interest free and with no fixed repayment term.

Significant transactions between the Group and the Company with related parties during the year were as follows :

	The Group		**The Company**	
	2007	**2006**	**2007**	**2006**
	RM	**RM**	**RM**	**RM**
With subsidiary companies :				
Management fee received and receivable :				
Emico Development Sdn. Bhd.	-	-	240,000	-
Northern Elevator Berhad	-	-	-	160,000
Interest receivable :				
Fuji Lift & Escalator Manufacturing Sdn. Bhd.	-	-	-	628,694
Northern Elevator Berhad	-	-	-	259,733

(FORWARD)

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
With other related parties :				
Purchases :				
Century Plas Industries Sdn. Bhd.	5,494,757	4,928,958	-	-
U-Can Marketing Sdn. Bhd.	117,963	-	-	-
Sales of finished goods :				
Century Plas Industries Sdn. Bhd.	3,172,340	2,904,265	-	-
U-Can Marketing Sdn. Bhd.	2,148	1,894	-	-
Rental of machinery received :				
Century Plas Industries Sdn. Bhd.	180,000	-	-	-
Rental of premises received :				
Century Plas Industries Sdn. Bhd.	120,000	120,000	-	-
Rental paid and payable :				
Mr. Tan Chin Peng, a director of a subsidiary company	22,828	24,000	-	-

The directors are of the opinion that the above transactions were entered into in the normal course of business and have been determined based on terms negotiated and agreed between the parties.

33. DIRECTORS' BENEFITS-IN-KIND

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Estimated cash value of benefits-in-kind provided to directors	59,125	8,400	-	-

34. CONTINGENT LIABILITIES - UNSECURED

As of December 31, 2007, the Company is contingently liable to the extent of about RM3,104,000 (2006 : RM13,030,000) in respect of corporate guarantees given to local banks and creditors for credit facilities granted to its subsidiary companies.

A subsidiary company is the defendant in a lawsuit brought by a landlord of a premise on a claim amounting to RM254,547 together with interest alleging that the subsidiary company had breached the terms of the tenancy agreement. The subsidiary company is contesting this claim and has filed its defence. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

35. OPERATING LEASE ARRANGEMENTS

The Group has entered into operating lease agreements to lease out certain of their investment properties for lease terms of 3 years.

The future minimum lease payments receivable under operating leases contracted for as of the balance sheet date but not recognised as receivables, are as follows :

	The Group	
	2007	2006
	RM	RM
Not later than 1 year	-	85,000

The Group has entered into an operating lease agreement for the use of land and premises for a lease term of 44 years.

The future aggregate minimum lease payments under operating leases contracted for as of the balance sheet date but not recognised as liabilities are as follows :

	The Group	
	2007	2006
	RM	RM
Not later than 1 year	104,996	358,970
Later than 1 year but not later than 5 years	419,985	444,879
Later than 5 years	3,491,127	3,834,961
	4,016,108	4,638,810

36. FINANCIAL INSTRUMENTS

a. Financial risk management objectives and policies

The operation of the Group is subject to a variety of financial risks, including interest rate risk, credit risk, foreign currency risk and liquidity and cash flow risks. The overall financial risk management policy of the Group is to minimise the effects of such risks on its financial performance. Various risk management policies are made and approved by the Board for observation in the day-to-day operations for the controlling and management of the risks associated with financial instruments.

The Group is exposed to the following financial risks :

i. Interest rate risk

The Group's exposure to changes in interest rates relates primarily to the Group's bank borrowings, hire-purchase payables, term loans and deposits with licensed banks. The Group does not use derivative financial instruments to hedge its risk.

ii. **Credit risk**

The Group is exposed to credit risk mainly from trade and other receivables. These receivables are continually monitored to ensure that issues arising from non-collectibility are minimised. There were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

iii. **Foreign currency risk**

The Group has exposure to foreign currency risk as a result of transactions with its foreign subsidiary companies, and receivables and payables in foreign currencies arising from normal operating activities. The Group does not speculate in foreign currencies.

iv. **Liquidity risk**

The Group actively manages its debts maturity profiles, operating cash flows and the availability of funding so as to ensure that all financing, repayment and funding needs are met. In addition, the Group strive to maintain available bank credit facilities of a reasonable level to its overall debts position. As far as possible, the Group raises committed fund from banks and prudently balance its portfolio with some short-term funding so as to achieve overall cost effectiveness.

v. **Cash flow risk**

The Group reviews their cash flow position regularly to manage their exposure to fluctuations in future cash flows associated with their monetary financial instruments.

b. **Fair values**

i. **Other investments**

It is not practical to estimate the fair value of the investment in unquoted shares but the directors believe that the carrying amount represents recoverable value, based on the Group's share of its net asset as of balance sheet date.

ii. **Hire-purchase payables, term loans and loan stocks**

The carrying amounts of hire-purchase payables, term loans and loan stocks approximate fair values. The fair values of these financial liabilities are estimated using discounted cash flow analysis based on current borrowing rates for similar types of borrowings arrangements.

iii. **Cash and cash equivalents, short-term bank borrowings, trade and other receivables, amounts owing by/ to associated companies, trade and other payables and inter-company indebtedness**

The carrying amounts of cash and cash equivalents, short-term bank borrowings, trade and other receivables, amounts owing by/ to associated companies and trade and other payables approximate fair values because of the short maturity of these instruments.

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The fair values of intercompany indebtedness have not been computed as the timing of the repayment of these balances cannot be reasonably determined.

iv. Contingent liabilities

It was not practical to estimate reliably the fair value of contingent liability in respect of claims arising from dispute over the tenancy agreement due to the uncertainties of timing, costs or eventual outcome.

The fair value of contingent liabilities in respect of corporate guarantees given by the Company to certain local banks and creditors is RM3,104,000 (2006 : RM13,030,000). This fair value is determined based on the amount that would be payable to the banks and creditors for credit facilities granted to and utilised by subsidiaries at the balance sheet date.

37. SEGMENT REPORTING

Business segments

For management purposes, the Group is organised into the following business segments :

- manufacturing and trading of consumable products
- manufacturing and maintenance services of lifts and escalators
- property development
- investment holdings

Intersegment pricing is determined based on negotiated terms.

The Group

	Manufacturing and trading of consumable products	Property development	Investment holdings	Eliminations	Total
	RM	RM	RM	RM	RM
2007					
Revenue					
External sales	47,494,257	21,751,566	-	-	69,245,823
Inter-segment sales	-	-	240,000	(240,000)	-
Total revenue	47,494,257	21,751,566	240,000	(240,000)	69,245,823
Results					
Segment results	720,570	1,508,954	(367,446)	1,018,512	2,880,590
Share of loss of associated companies					(292,328)
Finance costs					(3,441,962)
Loss before tax					(853,700)
Income tax expense					(344,331)
Loss for the year					(1,198,031)

(FORWARD)

	Manufacturing and trading of consumable products	Property development	Investment holdings	Eliminations	Total
	RM	RM	RM	RM	RM
Other information					
Capital additions	2,642,695	329,316	-	-	2,972,011
Depreciation and amortisation	1,761,415	298,501	2,477	-	2,062,393
Other non-cash expenses	662,705	2,857	71,158	-	736,720
Assets					
Segment assets	35,619,578	73,715,101	24,242,521	(22,623,858)	110,953,342
Income tax assets					334,463
Investment in associated companies					1,069,162
Consolidated total assets					112,356,967
Liabilities					
Segment liabilities	12,823,616	23,506,928	40,276,537	(2,603)	76,604,478
Borrowings					3,776,413
Income tax liabilities					772,617
Consolidated total liabilities					81,153,508

(FORWARD)

	Continuing operations					Discontinued operations	
	Manufacturing and trading of consumable products	Property development	Investment holdings	Eliminations	Total	Manufacturing and maintenance services of lifts and escalators	Total operations
	RM	RM	RM	RM	RM	RM	RM
2006							
Revenue							
External sales	42,847,821	21,441,304	-	-	64,289,125	29,379,011	93,668,136
Inter-segment sales	5,459	-	160,000	(165,459)	-	-	-
Total revenue	42,853,280	21,441,304	160,000	(165,459)	64,289,125	29,379,011	93,668,136
Results							
Segment results	772,336	1,838,842	14,709,931	(3,105,719)	14,215,390	3,053,217	17,268,607
Share of loss of associated companies					(57,971)	-	(57,971)
Finance costs					(5,530,255)	(79,482)	(5,609,737)
Profit before tax					8,627,164	2,973,735	11,600,899
Income tax expense					(136,787)	(557,000)	(693,787)
Profit for the year					8,490,377	2,416,735	10,907,112
Other information							
Capital additions	1,055,171	741,662	-	-	1,796,833	181,429	1,978,262
Depreciation and amortisation	1,093,092	197,671	39,559	-	1,330,322	355,810	1,686,132
Other non-cash expenses	513,531	747,325	1,692,974	-	2,953,830	171,614	3,125,444
Assets							
Segment assets	49,192,580	81,139,205	103,338,715	(99,508,504)	134,161,996	-	134,161,996
Income tax assets					334,463	-	334,463
Investment in associated companies					1,361,490	-	1,361,490
Consolidated total assets					135,857,949	-	135,857,949
Liabilities							
Segment liabilities	73,058,969	76,397,174	63,207,586	(114,912,790)	97,750,939	-	97,750,939
Borrowings					4,167,914	-	4,167,914
Income tax liabilities					841,659	-	841,659
Consolidated total liabilities					102,760,512	-	102,760,512

(FORWARD)

Geographical segments

The following is an analysis of the carrying amount of segment assets and capital additions by the geographical area in which the assets are located.

	Carrying amount of segment assets		Capital additions	
	2007	2006	2007	2006
	RM	RM	RM	RM
Malaysia	104,804,109	126,574,708	2,246,649	1,643,871
Other Asian countries	6,149,233	7,587,288	725,362	334,391
	110,953,342	134,161,996	2,972,011	1,978,262

The segment revenue from external customers by geographical area based on the geographical location of its customers are as follows :

	Continuing operations		Discontinued operations		Total	
	2007	2006	2007	2006	2007	2006
	RM	RM	RM	RM	RM	RM
Malaysia	31,145,523	30,955,841	-	17,217,998	31,145,523	48,173,839
Europe	30,966,120	26,780,580	-	-	30,966,120	26,780,580
Other countries	7,134,180	6,552,704	-	12,161,013	7,134,180	18,713,717
	69,245,823	64,289,125	-	29,379,011	69,245,823	93,668,136

STATEMENT BY DIRECTORS

The directors of EMICO HOLDINGS BERHAD state that, in their opinion, the accompanying balance sheets, and the related statements of income, changes in equity and cash flows, are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable MASB approved accounting standards in Malaysia, so as to give a true and fair view of the state of affairs of the Group and of the Company as of December 31, 2007 and of their results and cash flows for the year ended on that date.

Signed in accordance with
a resolution of the Directors,

LIM BENG HUAN **LOH LAY CHOO**

Penang,

April 14, 2008

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, JIMMY ONG CHIN KENG, the director primarily responsible for the financial management of EMICO HOLDINGS BERHAD, do solemnly and sincerely declare that the accompanying balance sheets, and the related statements of income, changes in equity and cash flows, are, in my opinion, 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 abovenamed JIMMY ONG CHIN KENG at)

GEORGETOWN in the State of PENANG)

on April 14, 2008

Before me,

CHINNIAH MUTHUMONEY, BKM, PJK

COMMISSIONER FOR OATHS

Authorised Share Capital	: RM150,000,000
Issued and Fully Paid Up Capital	: RM52,535,811
Class of Shares	: Ordinary shares of RM1 each
Voting Rights	: One vote per share

DISTRIBUTION OF SHAREHOLDINGS

	No. of Shares Held		No. of Shareholders	
Size of Holdings	**Quantity**	**%**	**Number**	**%**
1 To 99	746	-	20	0.58
100 To 1,000	886,247	1.69	950	27.52
1,001 To 10,000	8,550,327	16.27	1,962	56.84
10,001 To 100,000	13,685,280	26.05	465	13.47
100,001 To 2,626,789 (*)	25,138,711	47.85	54	1.56
2,626,790 AND ABOVE (**)	4,274,500	8.14	1	0.03
Total	52,535,811	100.00	3,452	100.00

REMARK : * Less than 5% of issued shares
** 5% or more of issued shares

SUBSTANTIAL SHAREHOLDERS

		No. of Shares Held			
	Name	**Direct**	**%**	**Indirect**	**%**
1.	Lim Beng Huan	-	-	13,174,959 #	25.08
2.	Loh Lay Choo	-	-	13,174,959 #	25.08
3.	Lim Poh Hoon	112,000	0.21	13,062,959 #	24.87
4.	Lim Teik Hian	52,000	0.10	13,122,959 #	24.98
5.	Lim Teck Chye	1,241,630	2.36	11,933,329 #	22.72

Note :

By virtue of their beneficial interest in the shares held by Mersec Nominees (Tempatan) Sdn. Bhd., HDM Nominees (Tempatan) Sdn. Bhd., PM Nominees (Tempatan) Sdn. Bhd.,Alliancegroup Nominees (Tempatan) Sdn. Bhd., Mayban Nominees (Tempatan) Sdn. Bhd. and Beng Choo Marketing Sdn. Bhd. for substantial shareholders listed above. In addition it also includes the deemed interest via their family members Lim Beng Huan (father), Loh Lay Choo (wife), Lim Teik Hian (son), Lim Poh Hoon (daughter) and Lim Teck Chye (son).

DIRECTORS' SHAREHOLDINGS

		No. of Shares Held			
	Name	**Direct**	**%**	**Indirect**	**%**
1.	Lim Beng Huan	-	-	13,174,959 #	25.08
2.	Loh Lay Choo	-	-	13,174,959 #	25.08
3.	Lim Teik Hian	52,000	0.10	13,122,959 #	24.98
4.	Lim Teck Chye	1,241,630	2.36	11,933,329 #	22.72
5.	Wong Sew Yun	895,859	1.71	55,320	0.11

DISTRIBUTION OF WARRANTS

	No. of Warrants Held		No. of Warrantholders	
Size of Holdings	**Quantity**	**%**	**Number**	**%**
1 To 99	1,771	0.02	37	2.72
100 To 1,000	447,472	4.02	617	45.30
1,001 To 10,000	2,325,506	20.89	559	41.04
10,001 To 100,000	4,355,650	39.13	135	9.91
100,001 To 556,499 (*)	2,517,495	22.62	13	0.96
556,500 AND ABOVE (**)	1,482,106	13.32	1	0.07
Total	11,130,000	100.00	1,362	100.00

REMARK : * Less than 5% of issued warrants
** 5% and above of issued warrants

SUBSTANTIAL WARRANTHOLDERS

		No. of Warrants Held			
	Name	**Direct**	**%**	**Indirect**	**%**
1.	Lim Beng Huan	-	-	1,779,013 #	15.98
2.	Loh Lay Choo	-	-	1,779,013 #	15.98
3.	Lim Poh Hoon	17,000	0.15	1,762,013 #	15.83
4.	Lim Teik Hian	13,000	0.12	1,766,013 #	15.86
5.	Lim Teck Chye	260,407	2.34	1,518,606 #	13.64

Note :

\# *By virtue of their beneficial interest in the shares held by Mayban Nominees (Tempatan) Sdn. Bhd., Alliancegroup Nominees (Tempatan) Sdn. Bhd. and Beng Choo Marketing Sdn. Bhd. for the substantial shareholders listed above. In addition it also includes the deemed interest via their family members Lim Beng Huan (husband), Loh Lay Choo (wife), Lim Teik Hian (son), Lim Poh Hoon (daughter) and Lim Teck Chye (son).*

DIRECTORS' WARRANTHOLDINGS

		No. of Warrants Held			
	Name	**Direct**	**%**	**Indirect**	**%**
1.	Lim Beng Huan	-	-	1,779,013 #	15.98
2.	Loh Lay Choo	-	-	1,779,013 #	15.98
3.	Lim Teik Hian	13,000	0.12	1,766,013 #	15.86
4.	Lim Teck Chye	260,407	2.34	1,518,606 #	13.64
5.	Wong Sew Yun	263,488	2.37	-	-

(Without Aggregating Securities from Different Securities Accounts Belonging to the Same Person)

	Name	No. of Shares	Percentage
1.	PM Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Teck Chye	4,274,500	8.14
2.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Teck Chye	2,200,000	4.19
3.	Beng Choo Marketing Sdn Bhd	1,964,212	3.74
4.	Ke-zan Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Emiglow Ventures (M) Sdn Bhd	1,826,893	3.48
5.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Pang Lan Yin	1,358,300	2.59
6.	Mercsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Beng Choo Marketing Sdn Bhd	1,334,800	2.54
7.	Lim Teck Chye	1,241,630	2.36
8.	PM Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for How Choon Ho	1,226,800	2.33
9.	CIMSEC Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Poh Leng	1,164,000	2.21
10.	Wong Sew Yun	895,859	1.71
11.	Hupson (B'worth) Sdn Bhd	791,000	1.51
12.	Yeo Pow Choo	719,600	1.37
13.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Koh Loke Moy	642,200	1.22
14.	HDM Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Poh Leng	600,900	1.14
15.	Mercury Industries Berhad	510,000	0.97
16.	Mercsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Li Li	490,000	0.93
17.	HDM Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Teck Chye	480,000	0.91
18.	Mayban Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Teck Chye	477,917	0.91
19.	Ke-zan Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Beng Choo Marketing Sdn Bhd	437,000	0.83
20.	Tay Bee Geok	415,000	0.79
21.	Mayban Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Gin Seong	395,800	0.75
22.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Pang Khip Hon	361,400	0.69
23.	Ang Hock Hin	307,500	0.59
24.	Sim Kean Hee	300,000	0.57
25.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chu Yoke Hua	263,900	0.50
26.	HDM Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Hupson (B'worth) Sdn Bhd	239,900	0.46
27.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ting Lian Siew @ Ting Lian Bo	224,000	0.43
28.	Javin Lee Tze Chuin	214,000	0.41
29.	Mercsec Nominees (Tempatan) Sdn Bhd Mercury Securities Sdn Bhd	210,200	0.40
30.	RHB Capital Nominees (Tempatan) Sdn Bhd Goh Wee Hok	207,800	0.39
	Total	25,775,111	49.06

EMICO®

LIST OF TOP 30 WARRANTHOLDERS

AS AT 28 APRIL 2008

(Without Aggregating Securities from Different Securities Accounts Belonging to the Same Person)

	Name	No. of Shares	Percentage
1.	Beng Choo Marketing Sdn Bhd	1,482,106	13.32
2.	Yeo Pow Choo	359,400	3.23
3.	Low Teong Hwa	297,000	2.67
4.	Wong Sew Yun	263,488	2.37
5.	Lim Teck Chye	260,407	2.34
6.	Mayban Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Gin Seong	254,700	2.29
7.	Mayban Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Moong Chiung Yau	184,200	1.65
8.	Low Yoke Choo	164,500	1.48
9.	Ong Lian Oeu	153,000	1.37
10.	Chew Sit See	135,000	1.21
11.	Ting Lian Siew @ Ting Lian Bo	122,800	1.10
12.	Tham Soon Chuan	110,000	0.99
13.	Thean Yin Kong	108,000	0.97
14.	Chew Lai Hock	105,000	0.94
15.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Saw Hai Earn	100,000	0.90
16.	SJ Sec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Chee Keong	99,000	0.89
17.	Chong Woon Sang	98,400	0.88
18.	Mercsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Li Li	94,000	0.84
19.	Chu Mun Len @ Chu Lee Sen	87,000	0.78
20.	Teh Wei Beng	85,500	0.77
21.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ting Lian Siew @ Ting Lian Bo	84,150	0.76
22.	Loke Pek Yoke	77,500	0.70
23.	Mercsec Nominees (Tempatan) Sdn Bhd - Mercury Securities Sdn Bhd	75,600	0.68
24.	Lim Jun Sung	69,900	0.63
25.	Chew Kim Hwa	69,000	0.62
26.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Sing Ka Tong	69,000	0.62
27.	Chin Poh Lean	67,000	0.60
28.	Yong Jen Ping	66,000	0.59
29.	A.A. Anthony Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Choong Chee Keong	57,400	0.52
30.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ting Lian Siew @ Ting Lian Bo	56,000	0.50
	Total	5,255,051	47.21

Location	Tenure	Description / Existing Use	Land Area (sq ft)	Built-up Area (sq ft)	Age of Building (Years)	Net Book Value RM'000	Acquisition / Revaluation*
Plot 17 Kawasan Perindustrian Bayan Lepas, Mukim 12 Daerah Barat Daya, Pulau Pinang	60-years Leasehold Expiring 2045	Land and factory building for rental	39,346	33,602	23	1,177	1994*
Plot 18 & 19 Kawasan Perindustrian Bayan Lepas, Mukim 12 Daerah Barat Daya, Pulau Pinang	60-years Leasehold Expiring 2046 and 2047 respectively	Land and factory buildings, warehouse and office for industrial use	81,350	116,847	16 to 23	5,405	1994*
Unit 2-5-9 Harbour Trade Centre, Lebuh Macallum, Pulau Pinang	99-years Leasehold Expiring 2089	Office unit for rental	-	2,031	13	238	1992
Taman Batik, Sungai Petani, Daerah Kuala Muda, Kedah	Freehold	On-going mix development project	1,986,814	-	-	2,803	1996
HS(D) 773/97, PT49753 Mk Sungai Petani, Daerah Kuala Muda, Kedah	Freehold	On-going mix development project	6,519,033	-	-	8,821	1996
HS(D) 1/97, PT 48979 Mk Sungai Petani, Daerah Kuala Muda, Kedah	Freehold	Vacant commercial land for future development	154,118	-	-	2,800	1997
Lot D-2, LOTECO Industrial Park, Route 15A, Long Binh, Bien Hoa, Dong Nai, Vietnam	44 years Leasehold Expiring 2046	Factory buildings and office for industrial use	97,204	79,591	5	702	2003
HS (M) 156-96 MK Kuah Kelibang Kedah	99 years Leasehold Expiring 2095	On-going mix development project	1,589,940	-	-	2,205	1996
HS (D) 762/97, PT49740 & HS (D) 763/97, PT49741 Mk Sungai Petani, Daerah Kuala Muda, Kedah	Freehold	Vacant commercial land for petrol station	66,930	-	-	1,388	2007

NOTICE IS HEREBY GIVEN that the Sixteenth Annual General Meeting of the Company will be held at The Conference Room of Emico Holdings Berhad, 18 Lebuhraya Kampung Jawa, 11900 Bayan Lepas, Penang on Tuesday, 24 June 2008 at 11.00 a.m. for the following purposes :-

AGENDA

As Ordinary Business :

1 To receive the Audited Financial Statements for the financial year ended 31 December 2007 together with the Reports of Directors and Auditors thereon.

2 To approve the payment of Directors' Fees for the year ended 31 December 2007. **ORDINARY RESOLUTION 1**

3 To re-elect the following Directors who retire pursuant to Article 80 of the Company's Articles of Association and who being eligible, offer themselves for re-election :

(i) Madam Loh Lay Choo **ORDINARY RESOLUTION 2**
(ii) Mr. Jimmy Ong Chin Keng **ORDINARY RESOLUTION 3**
(iii) Mr. Lim Teck Hian **ORDINARY RESOLUTION 4**

4 To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company until the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration. **ORDINARY RESOLUTION 5**

As Special Business :

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

5 **AUTHORITY UNDER SECTION 132D OF THE COMPANIES ACT, 1965 FOR THE DIRECTORS TO ISSUE SHARES** **ORDINARY RESOLUTION 6**

"THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant government / regulatory authorities, the Directors be and are hereby authorised, pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deemed fit, provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being and that the Directors are also empowered to obtain the approval from the Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares to be issued."

6 **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE INVOLVING MR. TAN CHIN PENG AND MADAM CHAN LAY LI** **ORDINARY RESOLUTION 7**

"THAT, approval be given to the Company and / or its subsidiary companies to enter into recurrent transactions of a revenue or trading nature as stated in Section 2.1 of the Circular to Shareholders dated 2 June 2008 ("Circular") invoiving Mr. Tan Chin Peng and Madam Chan Lay Li with related parties which are necessary for the day-to-day operations and on normal commercial terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders as set out in the Circular ("the Mandate").

THAT the Directors be empowered to do all such acts and things (including executing all such documents as may be required) as they may be considered expedient or necessary to give full effect to the Mandate with full powers to assent to any conditions, modifications, revaluations, variations and / or amendments (if any) as may be imposed by the relevant authorities AND THAT such Mandate shall commence upon passing of this ordinary resolution and will expire at the conclusion of the next AGM of the Company following the passing of this ordinary resolution or the expiry of the period within which the next AGM is required by law to be held but shall not extent to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965 (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting, whichever is earlier);

THAT disclosure will be made in the Annual Report of the Company of the aggregate value of Recurrent Related Party Transactions conducted pursuant to the Mandate during the financial year based on the following information :-

i) the type of Recurrent Related Party Transactions made; and
ii) the names of the related parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the Company."

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

By Order of the Board

ONG ENG CHOON (MIA 2121)
LEE PENG LOON (MACS 01258)
Joint Secretaries

PENANG
2 June 2008

Notes :

1 A proxy may but need not be a member of the Company and the provisions of the Section 149(1) (b) of the Companies Act, 1965 shall not apply to the Company.

2 For a proxy to be valid, the proxy form duly completed and must be deposited at the Registered Office of the Company, 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time appointed for holding the meeting.

3 A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting.

4 Where a member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless the member specified the proportion of his shareholdings to be represented by each proxy.

5 If the appointor is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.

6 Explanatory Notes On Special Business :-

AGENDA 5
The Ordinary Resolution 6 proposed under agenda 5, if passed, will give the Directors of the Company authority to issue shares in the Company up to an amount not exceeding 10% of the total issued capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in general meeting will expire at the conclusion of the next Annual General Meeting.

AGENDA 6
The Ordinary Resolution 7 proposed under agenda 6, if passed, will enable the Company and its subsidiaries to enter into recurrent transactions involving the interests of related parties, which are of a revenue or trading nature and necessary for the Group's day to day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of minority shareholders of the Company, particulars of which have been disclosed in the Circular to Shareholders dated 2 June 2008 which have been dispatched together with the Company's 2007 Annual Report.

2007 ANNUAL REPORT

The Company's 2007 Annual Report is in CD-ROM format. Printed copy of the Annual Report shall be provided to the shareholder upon request within 4 market days from the date of receipt of the verbal or written request.

Shareholders who wish to receive the printed Annual Report and who require assistance in viewing the CD-ROM, kindly contact Ms Susan Chang at telephone no. 03-7718 6000 or email to susanchang@pfa.com.my.

STATEMENT ACCOMPANYING NOTICE OF THE SIXTEENTH ANNUAL GENERAL MEETING

Details of Directors who are seeking for re-election at the Sixteenth Annual General Meeting

(a) Madam Loh Lay Choo, a Malaysian, aged 60, the Managing Director of the Company is retiring by rotation pursuant to Article 80 of the Company's Articles of Association.

Madam Loh is the co-founder of the business with Mr. Lim Beng Huan. During the initial period of Emico's operation, she was involved in the establishment of the Company's manufacturing operations. She has in-depth knowledge of Emico Group's operations and adopts a personal touch approach in running the day-to-day operation maters. Her strong leadership has steered Emico Group from a small trading company to a diversified Group involved in manufacturing of plastic, woods and household products, manufacturing and maintenance of lifts and escalators and property development.

She is the spouse of Mr. Lim Beng Huan, mother to Mr. Lim Teik Hian and Mr. Lim Teck Chye, who are the Executive Directors of the Company. Other than as disclosed in the related party transactions in Note 32 of the Financial Statements of the 2007 Annual Report, she does not have any conflict of interest.

Madam Loh has an indirect interest of 13,174,959 ordinary shares of RM1.00 each in the Company and is also deemed to have beneficial interest in the shares of all the Company's subsidiaries to the extent that the Company has an interest.

Madam Loh has not been convicted of any offence in the past 10 years other than traffic offences, if any.

(b) Mr. Jimmy Ong CHin Keng, a Malaysian, aged 45, the Executive Director of the Company is retiring by rotation pursuant ot Article 80 of the Company's Articles of Association.

Mr. Ong is a Chartered Accountant and holds a professional qualification from the Malaysian Institute of Certified Public Accountants and is a member of Malaysian Institute of Accountants. He joined Emico Group in February 1993 as the Financial Controller and rose to the rank of Financial Director in 1996. His responsibilities include financial planning and budgeting, establishment and maintenance of accounting system and internal controls, credit management and matters relating to corporate affairs. Prior to his engagement in Emico, he served in two international accounting firms namely PriceWaterhousCoopers and KPMG for a total of 8 years.

Other than as disclosed in the related party transactions in Note 32 of the Financial Statements of the 2007 Annual Report, he has no conflict of interest with the Company.

Mr. Ong has no family relationship with any director and / or major shareholder of the Company and has not been convicted of any offences in the past 10 years other than traffic offences, if any.

(c) Mr. Lim Teik Hian, a Malaysian, aged 41, the Executive Director of the Company is retiring by rotation pursuant to Article 80 of the Company's Articles of Association.

Mr. Lim has a Diploma in Business Administration from Australia Business College, Melbourne, Australia. Upon graduation, he joined the Company in 1989 as the Marketing Manager and was responsible for the development of domestic market for Emico. At a later stage, he was involved in the general management of the manufacturing concern and was instrumental in the commissioning of modern manufacturing facilities for Emico Group. He was seconded to Vietnam to set up Emico's plastic manufacturing plant and has been actively running the day-by-day operation since then.

He is the eldest son of Mr. Lim Beng Huan and Madam Loh Lay Choo and his younger brother Mr. Lim Teck Chye is the Executive Director of the Company. Other than as disclosed in the related party transaction in Note 32 of the Financial Statements of the 2007 Annual Report, he has no other conflict of interest.

Mr. Lim has a direct interest of 52,000 ordinary shares of RM1.00 each and indirect interest of 13,122,959 ordinary shares of RM1.00 each in the Company and is also deemed to have beneficial interest in the shares of all the Company's subsidiaries to the extent that the Company has an interest.

Mr. Lim has not been convicted of any offence in the past 10 years other than traffic offences, if any.

PROXY FORM

EMICO HOLDINGS BERHAD
(Company No. 230326-D)
(Incorporated In Malaysia under the Companies Act 1965)

*I / We ____
(Full Name In Block Letters)

of ____
(Address)

being a *member / members of the abovenamed Company, hereby appoint ______________________

____
(Full Name In Block Letters)

of ____
(Address)

or failing him, the Chairman of the Meeting as *my / our proxy to vote for *me / us on *my / our behalf, at the Sixteenth Annual General Meeting of the Company to be held at The Conference Room, Emico Holdings Berhad, 18 Lebuhraya Kampung Jawa, 11900 Bayan Lepas, Penang on Tuesday, 24 June 2008 at 11.00 a.m. and at any adjournment thereof.

	Ordinary Resolution						
	1	2	3	4	5	6	7
FOR							
AGAINST							

Please indicate with an 'x' in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy may vote or abstain from voting at his/her discretion.

No. of shares held:

Signed this .... day of .... ,2008

....
Signature of Member(s)

Notes:
1 . A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies' Act, 1965 shall not apply to the Company.
2 . For a proxy to be valid, this form duly completed must be deposited at the Registered Office of the Company, 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time appointed for holding the meeting.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting.
4 . Where a member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless the member specified the proportion of his shareholdings to be represented by each proxy.
5. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.

* Strike out whichever is not desired.