

www.sindora.com.my

SINDORA BERHAD
(Company No. : 13418-K)

A member of Johor Corporation Group of Companies

9C, LEVEL 9, MENARA ANSAR, 65, JALAN TRUS, 80000 JOHOR BAHRU, JOHOR, MALAYSIA
TEL : 607 221 5459 FAX: 607 226 0131



penjanaan nilai



The analogy of a honey bee depicts Sindora as an organization that constantly works towards creating a mutually beneficial symbiotic relationship with its shareholders and stakeholders alike, propelled by the goal of value creation. Through our combined strength of diverse ventures, products, people and processes, the magnitude of the Group continues to increase considerably. We're constantly positioning ourselves for sustained, profitable growth by identifying and pursuing attractive growth opportunities that come our way, whilst continuing to achieve superior financial performance and progress.

COVER RATIONALE *Rasional Kulit*

Analogi lebah menggambarkan Sindora sebagai sebuah organisasi yang sentiasa berusaha ke arah mencipta perhubungan simbiotik yang saling memanfaatkan dengan para pemegang saham dan semua pihak-pihak yang berkepentingan, didorong oleh matlamat "Penjanaan Nilai". Melalui gabungan kekuatan yang lahir dari kepelbagaian usaha, produk, modal insan dan proses, Kumpulan terus berkembang maju dengan ketara. Kami sentiasa berazam dan berusaha agar Kumpulan terus mencatatkan pertumbuhan keuntungan yang mampan dengan menerokai dan mengenalpasti peluang-peluang pertumbuhan yang menarik bagi mencapai prestasi kewangan dan kemajuan yang unggul.

001 Corporate Vision **002** Corporate Profile **003** Notice Of Annual General Meeting
007 Statement Accompanying The Notice Of Annual General Meeting **009** Group's Five Years Financial Performance **012** Summary Of Group's 5 Years Segmental Financial Performance **013** Share Performance Charts **014** Announcements 2007 **019** Corporate Statement **064** Criteria For Acquisitions/Investments **065** Corporate Information **066** Corporate Structure **067** Profile Of Board Of Directors **076** Management Team **078** Intrapreneur Managers Of Intrapreneur Venture Companies **081** Statement On Corporate Governance **092** Statement On Internal Control **099** Additional Disclosure Information **102** Statement On Directors' Responsibilities **103** Audit Committee Report **109** Corporate Social Responsibilities **118** Awards, Recognition & Certification **120** Calendar Of Significant Events - 2007 **125** Financial Statements **187** Shareholdings Statistics **189** List Of Group's Landed Properties
 • Proxy Form

CONTENTS *Kandungan*

001 Visi Korporat **002** Profil Korporat **005** Notis Mesyuarat Agung Tahunan **007** Penyata Bersama Notis Mesyuarat Agung Tahunan **009** Prestasi Kewangan Kumpulan Lima Tahun **012** Ringkasan Prestasi Kewangan Kumpulan Mengikut Segmen Untuk 5 Tahun **013** Carta Prestasi Saham **014** Pengumuman 2007 **019** Penyata Korporat **064** Kriteria Pengambilalihan/Pelaburan **065** Maklumat Korporat **066** Struktur Korporat **067** Profil Lembaga Pengarah **076** Kumpulan Pengurusan **078** Pengurus Intrapreneur Syarikat Intrapreneur Venture **081** Penyata Tadbir Urus Korporat **092** Penyata Kawalan Dalaman **099** Pendedahan Maklumat Tambahan **102** Penyata Tanggungjawab Pengarah **103** Laporan Jawatankuasa Audit **109** Tanggungjawab Sosial Korporat **118** Anugerah, Pengiktirafan & Pensijilan **120** Kalendar Peristiwa Penting - 2007 **125** Penyata Kewangan **187** Statistik Pemegang Saham **191** Senarai Hartanah Kumpulan • Borang Proksi



35TH Annual General Meeting of SINDORA BERHAD will be held at the Permata Room 3, The Puteri Pacific Hotel, Jalan Abdullah Ibrahim, 80000 Johor Bahru on Wednesday, 25 June 2008 at 12.00 noon

Mesyuarat Agung Tahunan SINDORA BERHAD yang ke 35 akan diadakan di Bilik Permata 3, Hotel Puteri Pacific, Jalan Abdullah Ibrahim, 80000 Johor Bahru, Johor pada hari Rabu, 25 Jun 2008, jam 12.00 tengahari

Sustaining Growth and Creating Value Through Intrapreneur Venture

Pengekalan Pertumbuhan dan Penjanaan Nilai Melalui Intrapreneur Venture

Sindora Berhad's bold move into Intrapreneur Venture was a deliberate, carefully thought-out strategic shift that is expected to steer the Group's future on to a solid corporate growth path. The shift was in fact incumbent on Sindora, due to the pressing need to redefine and articulate afresh the Group's business direction. This is consequent upon the inevitable decline of its timber-based activities that has lost its strategic positioning as a core business, and hence weakened its ability to drive future corporate growth.

The shift into Intrapreneur Venture as a new core business is indeed for the better, leading Sindora towards a newly defined, exciting and challenging corporate destiny. The Intrapreneur Venture concept capitalises on meeting a perceived need in the market, especially from among successful entrepreneurs of small and medium-scale enterprises seeking institutional support to sustain business growth and expansion. The Intrapreneur Venture concept enables them to access and leverage on Sindora's strengths and capabilities, as well as latching on to the larger Johor Corporation Group's corporate critical mass, vast network and formidable reach, to realise their full business potential.

Success, going forward, will therefore be directly linked to the capabilities and entrepreneurial initiatives of participating intrapreneurs working in tandem with Sindora's management in sustaining value creation. The stringent criteria imposed for membership of Sindora's Intrapreneur Venture drive ensures that risks are always managed fully to mutual advantage, though collectively consequentially tilted in Sindora's favour. Among others, the emphasis on a proven entrepreneurial track record, plus the fact that Sindora will always carry a diversified range of highly viable businesses with sustainable growth prospects, reduce risks by ensuring that "as many eggs are carried in Sindora's baskets".

The Intrapreneur Venture business concept is indeed novel and a welcome new dimension to Malaysia's future economic growth that obviously has to be business-led and entrepreneur-driven. What it offers are opportunities for ambitious and hungry, small and medium enterprises to grow and take off, releasing energy and motivational power that are ultimately rewarding both to intrapreneurs involved as well as to Sindora's shareholders. Sindora's Intrapreneur Venture concept therefore offers growth in wealth-creating opportunities that in turn adds and enhance value to benefit all parties involved.

Such entrepreneurial empowerment, in the final analysis, will add tremendous long term value; not only to drive economic growth, but also no less valuable, in ultimately enriching the value of Malaysia's social assets and social capital as well.

Keputusan dan langkah berani Sindora Berhad melibatkan diri dalam Intrapreneur Venture telah dirancang dengan teliti bagi memastikan Kumpulan terus menjana nilai dan mengekalkan pertumbuhan korporatnya agar berada di landasan yang lebih kukuh. Perubahan ini bertepatan dengan keperluan yang mendesak yang menuntut Sindora Berhad mencorak semula tuju arah bisnes Kumpulan bagi kesinambungan dan masa depannya yang lebih cemerlang. Ianya berpunca dari prestasi aktiviti perikanan yang merudum dan menjejaskan kedudukannya sebagai bisnes teras Kumpulan. Keadaan ini telah melemahkan keupayaannya untuk memacu pertumbuhan korporat masa hadapan.

Perubahan kepada Intrapreneur Venture sebagai bisnes teras baru sesungguhnya mampu untuk meningkatkan prestasi serta memacu Sindora Berhad ke arah masa depan korporatnya yang lebih menarik dan mencabar. Konsep Intrapreneur Venture ini selari dengan keperluan pasaran, terutamanya kepada kelompok usahawan kecil dan sederhana yang berjaya dan memerlukan sokongan institusi untuk pertumbuhan dan perkembangan bisnes mereka. Intrapreneur Venture ini akan membolehkan mereka memanfaatkan dan mengambil peluang dari kekuatan dan keupayaan Sindora Berhad serta Kumpulan Johor Corporation yang lebih besar yang mampu menawarkan peluang-peluang dan rangkaian jaringan bagi merealisasikan potensi bisnes masing-masing.

Kejayaan dan pencapaian masa depan Sindora Berhad amat bergantung kepada inisiatif dan keupayaan keusahawanan oleh Pengurus Usahawan sendiri yang

bergerak seiring dengan pengurusan Sindora Berhad dalam mengekalkan penjanaan nilai. Kriteria ketat Intrapreneur Venture telah sengaja dirangka bagi memastikan risiko bisnes dapat ditangani dengan lebih berkesan untuk kebaikan bersama. Antara lain, penekanan adalah terhadap syarikat-syarikat intrapreneur yang mempunyai rekod pencapaian yang cemerlang di samping kepelbagaian aktiviti bisnes yang berdaya maju dan mempunyai prospek pertumbuhan yang berterusan bagi membolehkan Sindora Berhad mengurangkan risiko.

Konsep Intrapreneur Venture sesungguhnya amat murni dan memberikan satu dimensi baru kepada pertumbuhan masa depan ekonomi Malaysia yang seharusnya diterajui bisnes dan dipacu oleh usahawan. Konsep ini memberi peluang yang luas kepada semua usahawan industri kecil dan sederhana yang bercita-cita besar serta dahagakan perkembangan dan pertumbuhan bisnes masing-masing, yang dapat dijadikan daya penggerak bagi memberikan ganjaran dan pulangan yang setimpal bukan sahaja kepada usahawan berkenaan malahan kepada pemegang saham Sindora Berhad sendiri. Dengan yang demikian, konsep Intrapreneur Venture ini memberi peluang pertumbuhan menjana kekayaan yang seterusnya menambah dan meningkatkan nilai untuk manfaat semua pihak yang terlibat.

Pendekatan yang memperkasakan daya keusahawanan ini pada akhirnya akan menambah nilai jangka panjang yang bukan sahaja dapat menggerakkan pertumbuhan ekonomi malahan tidak kurang pentingnya memperkayakan sumbangan aset dan modal sosial kepada masyarakat.

CORPORATE PROFILE

Profil Korporat

002

SINDORA BERHAD
2007

Sindora Berhad, a member of Johor Corporation Group of Companies, was incorporated on 30 December 1972. The Company commenced its business operations in 1974 and subsequently listed on the Main Board of Bursa Malaysia on 7 December 1995. With a current paid-up capital of RM96.0 million, the Company's core business is now Intrapreneur Venture with Plantation as the backbone of the Group.

The growth of Intrapreneur Venture Business is primarily to improve earnings, add value and maximise returns to stakeholders.

Sindora Berhad currently has ten companies under its Intrapreneur Venture Business namely:-

- EA Technique (M) Sdn Bhd, an owner and manager of vessels and boats for charter in the oil and gas transport activities;
- Metro Parking (M) Sdn Bhd, a parking operator and related services company;
- Pro Office Solutions Sdn Bhd, data and document processing and office solutions service provider;
- EPASA Shipping Agency Sdn Bhd, a shipping and freight forwarding agency and logistics provider;
- GranuLab (M) Sdn Bhd, a manufacturer for the commercialisation of a medical device for synthetic bone graft under the name of 'GranuMas™';
- Sindora Timber Sdn Bhd, involved in timber downstream activities;
- Willis (Malaysia) Sdn Bhd, an insurance broking house;
- Tepak Marketing Sdn Bhd, a contract manufacturer for tea blending and packaging and carbonated drinks;
- AmanahRaya JMF Asset Management Sdn Bhd, an asset and fund management company; and
- MM Vitaols Sdn Bhd, a manufacturer of edible oils and fats products.

Sindora Berhad Group is a regional player through its subsidiary, Metro Parking (M) Sdn Bhd that had established subsidiaries in Singapore, Brunei, Indonesia, Philippines, Hong Kong and India. Meanwhile, Sindora Timber Sdn Bhd had also established a subsidiary through an earthwork contracting company, General Access Sdn Bhd.

Throughout the year, the Company remained focus on its goal of enhancing shareholders' value for a strong and consistent financial performance with the establishment of growth strategy involving acquisitions of selected profitable enterprises that fulfilled all the stringent criteria formulated under the Intrapreneur Venture Business.

Companies within the Group are aligned to a common core values and corporate culture that emphasise on continuous pursuit of entrepreneurial talent and excellence to enhance and sustain profitability and value creation for maximum returns to all stakeholders.

The Plantation Business remains as the backbone of the Group with ownership of more than 6,000 hectares of oil palm and rubber plantations, and a palm oil mill. The plantation activities continue to provide stable and consistent earnings and income stream to enable the Group to embark on continuous expansion of its Intrapreneur Venture Business.

Sindora Berhad, sebuah syarikat di dalam Kumpulan Johor Corporation telah ditubuhkan pada 30 Disember 1972. Syarikat telah memulakan operasi bisnesnya pada tahun 1974 dan kemudian disenaraikan di Papan Utama Bursa Malaysia pada 7 Disember 1995. Dengan modal berbayar sebanyak RM96.0 juta, aktiviti Syarikat kini tertumpu kepada dua segmen bisnes strategik, iaitu Bisnes Intrapreneur Venture dan Bisnes Perladangan.

Pertumbuhan Bisnes Intrapreneur Venture terutamanya adalah untuk meningkatkan perolehan, menambah nilai dan memaksimumkan pulangan kepada pihak yang berkepentingan.

Pada masa ini Sindora Berhad mempunyai sepuluh buah syarikat di bawah Bisnes Intrapreneur Venturenya iaitu:

- EA Technique (M) Sdn Bhd, pemilik dan pengurus kapal tangki minyak dan perkhidmatan pengangkutan pekerja dalam industri minyak dan gas;
- Metro Parking (M) Sdn Bhd, pengendali tempat letak kenderaan dan khidmat perundingan yang berkaitan;
- Pro-Office Solutions Sdn Bhd, syarikat perkhidmatan pemrosesan data dan dokumen dan pengurusan mel;
- EPASA Shipping Agency Sdn Bhd, syarikat yang menyediakan perkhidmatan ejen pengurusan penghantaran dan perkapalan serta perkhidmatan logistik;
- GranuLab (M) Sdn Bhd, syarikat yang terlibat dalam pengeluaran dan pengkomersialan produk tisu tulang sintetik di bawah jenama GranuMas™;
- Sindora Timber Sdn Bhd, yang terlibat dalam aktiviti aliran perikanan;
- Willis (Malaysia) Sdn Bhd; syarikat pembrokeran insurans
- Tepak Marketing Sdn Bhd, syarikat yang menjalankan kontrak pengilangan bagi pengadunan dan pembungkusan teh serta pengeluar minuman berkarbonat;

- AmanahRaya JMF Asset Management Sdn Bhd, syarikat pengurusan aset dan dana;
- MM Vitaols Sdn Bhd, pengeluar produk berasaskan minyak kelapa sawit dan produk lemak.

Kumpulan Sindora Berhad telah mengembangkan bisnesnya ke peringkat serantau melalui anak syarikatnya Metro Parking (M) Sdn Bhd yang telah menubuhkan syarikat-syarikat subsidiari di Singapura, Brunei, Indonesia, Filipina, Hong Kong dan India. Sindora Timber Sdn Bhd juga telah menubuhkan syarikat subsidiarinya, General Access Sdn Bhd yang menjalankan kontrak kerja-kerja tanah.

Sepanjang tahun 2007 Syarikat kekal fokus kepada matlamatnya untuk mempertingkatkan nilai pemegang saham dalam usahanya untuk memastikan prestasi kewangan terus kukuh dan konsisten dengan strategi pertumbuhan melibatkan pengambilalihan syarikat terpilih dan memenuhi semua kriteria yang dirumuskan di bawah Bisnes Intrapreneur Venture.

Syarikat-syarikat di dalam Kumpulan digerakkan di atas landasan nilai dan teras serta budaya korporat yang sama yang menekankan usaha berterusan untuk mencari bakat dan kecemerlangan keusahawanan dalam mempertingkatkan dan mengekalkan keuntungan di samping menambah nilai bagi pulangan yang maksimum kepada semua pihak yang berkepentingan.

Bisnes Perladangan kekal sebagai penyumbang utama Kumpulan. Melalui pemilikan lebih 6,000 hektar ladang kelapa sawit dan getah, serta sebuah kilang minyak sawit, aktiviti perladangan terus menyumbang kepada perolehan dan keuntungan yang stabil dan konsisten bagi menyokong Kumpulan melaksanakan usaha pengembangan korporat Bisnes Intrapreneur Venturenya secara berterusan.

NOTICE OF ANNUAL GENERAL MEETING

003

SINDORA BERHAD
2007

NOTICE IS HEREBY GIVEN THAT the **Thirty Fifth (35th)** Annual General Meeting of **SINDORA BERHAD** (Sindora or the Company) will be held at the **Permata Room 3, Level B2, The Puteri Pacific Hotel, Jalan Abdullah Ibrahim, 80000 Johor Bahru, Johor** on **Wednesday, 25 June 2008** at **12.00 noon** for the following purposes:-

AS ORDINARY BUSINESSES:-

1. To receive and adopt the Report and Audited Financial Statements for the financial year ended 31 December 2007 and the reports of the Directors and Auditors thereon. **Resolution 1**
2. To approve the final dividend of 5 percent less tax in respect of the financial year ended 31 December 2007. **Resolution 2**
3. To re-elect the following Directors who retires in accordance with the Company's Articles of Association:-
 - i. Rozan Bin Mohd Sa'at (Article 87) **Resolution 3**
 - ii. Halmi Bin Jasmin (Article 87) **Resolution 4**
 - iii. Dato' Ir Abdul Hak Bin Md Amin (Article 93) **Resolution 5**
 - iv. Hj Johari Bin Ma'arof (Article 93) **Resolution 6**
4. To consider, and if deemed fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:-

"That Tan Sri Datuk Arshad Ayub, who is over the age of seventy (70), be hereby reappointed as Director of the Company and to hold office until the next Annual General Meeting of the Company."

Resolution 7
5. To approve the payment of Directors' fees in respect of the financial year ended 31 December 2007. **Resolution 8**
6. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 9**
7. To transact any other business of which due notice shall be given.

AS SPECIAL BUSINESS:-

8. To consider, and if deemed fit, to pass the following Resolution as Ordinary Resolution:-

ORDINARY RESOLUTION 1:-

AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965
"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors of the Company be and are hereby authorised, to allot and issue shares of the Company at any time until the conclusion of the next Annual General Meeting, to such persons, upon such terms and conditions and for such purposes as the Directors may, in their

Resolution 10

004

SINDORA BERHAD
2007

absolute discretion shall deem fit provided always that the aggregate number of shares to be allotted and issued shall not exceed ten percent (10%) of the issued share capital of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue." (See Explanatory Note on Special Business below)

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT NO. 22

Subject to approval of Resolution 2 above, **NOTICE IS HEREBY GIVEN THAT** a final Dividend of 5 percent less tax in respect of the financial year ended 31 December 2007 on the entitled issued ordinary share capital of the Company payable on **25 July 2008** to shareholders registered in the Register of Members of the Company with the Registrars, Pro Corporate Management Services Sdn Bhd, Suite 2, 17th Floor, KOMTAR, Jalan Wong Ah Fook, 80000 Johor Bahru, Johor at the close of business at 5.00 p.m. on **30 June 2008**.

Further **NOTICE IS ALSO HEREBY GIVEN** that a depositor shall qualify for entitlement only in respect of:-

- a) Shares transferred into the depositor's securities accounts before 4.00 p.m. on **30 June 2008** in respect of ordinary transfers;
- b) Shares bought on the Bursa Malaysia Securities Berhad (Bursa Malaysia) on a cum entitlement basis according to the Rules of the Bursa Malaysia.

By Order of the Board
SINDORA BERHAD

JAMALLUDIN BIN KALAM (LS 02710)
HANA BINTI AB. RAHIM @ ALI (LS 05694)
Secretaries

Johor Bahru
3 June 2008

EXPLANATORY NOTE ON SPECIAL BUSINESS:-

(Resolution 10)

The Ordinary Resolution 1 proposed as a special business is primarily intended to give the Board of Directors the flexibility to issue and allot shares at any time and for such purposes as it considers justified in the interest of the Company without the need to convene a general meeting. The authority will, unless otherwise revoked by the shareholders, expires at the next Annual General Meeting of the Company.

Notes:-

1. A Member who is entitled to attend and vote at this meeting, is entitled to appoint a proxy and vote instead of him. A proxy may but need not be a Member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a Corporation/Company either under seal or in some other manner approved by its Board of Directors. Where a member appoints two proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
3. The instrument appointing a proxy must be deposited at the registered office of the Company, at 13th Floor, Menara Johor Corporation, KOTARAYA, 80000 Johor Bahru, Johor not less than forty eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

Notis Mesyuarat Agung Tahunan

005

SINDORA BERHAD
2007

DENGAN INI DIMAKLUMKAN BAHAWA Mesyuarat Agung Tahunan **SINDORA BERHAD** (Sindora atau Syarikat) **Ke Tiga Puluh Lima (35)** akan diadakan di **Bilik Permata 3, Aras B2, Hotel Puteri Pacific, Jalan Abdullah Ibrahim, 80000 Johor Bahru** pada hari **Rabu, 25 Jun 2008 jam 12.00 tengahari** bagi tujuan-tujuan berikut:

SEBAGAI URUSAN-URUSAN BIASA:-

1. Menerima dan meluluskan Laporan dan Penyata Kewangan Beraudit bagi tahun kewangan berakhir 31 Disember 2007 serta Laporan Pengarah-pengarah dan Juraudit berkaitan dengannya. **Resolusi 1**
2. Meluluskan dividen akhir 5 peratus ditolak cukai bagi tahun kewangan berakhir 31 Disember 2007. **Resolusi 2**
3. Melantik semula Pengarah-Pengarah berikut yang bersara mengikut Tataurus Syarikat:
 - i. Rozan Bin Mohd Sa'at (Artikel 87) **Resolusi 3**
 - ii. Halmi Bin Jasmin (Artikel 87) **Resolusi 4**
 - iii. Dato' Ir Abdul Hak Bin Md Amin (Artikel 93) **Resolusi 5**
 - iv. Hj Johari Bin Ma'arof (Artikel 93) **Resolusi 6**
4. Menimbang dan jika dianggap wajar, meluluskan resolusi berikut menurut Seksyen 129(6), Akta Syarikat 1965:

"Bahawa Tan Sri Datuk Arshad Ayub yang berusia melebihi tujuh puluh (70) tahun, dilantik semula sebagai Pengarah Syarikat bagi tempoh sehingga Mesyuarat Agung Tahunan yang akan datang"

Resolusi 7
5. Meluluskan pembayaran yuran Pengarah kepada Pengarah-pengarah bagi tahun kewangan berakhir 31 Disember 2007. **Resolusi 8**
6. Melantik semula Tetuan KPMG sebagai Juraudit Syarikat dan memberi kuasa kepada Pengarah-pengarah untuk menetapkan kadar bayaran mereka. **Resolusi 9**
7. Menjalankan sebarang urusan Syarikat yang lain di mana notis yang sewajarnya akan diberi.

SEBAGAI URUSAN-URUSAN KHAS:-

8. Untuk mempertimbangkan dan sekiranya didapati wajar, meluluskan Resolusi Biasa berikut:-

RESOLUSI BIASA 1:-

BIDANG KUASA UNTUK MENERBITKAN SAHAM SELARAS DENGAN SEKSYEN 132D AKTA SYARIKAT, 1965

"BAHAWA selaras dengan peruntukan Seksyen 132D Akta Syarikat, 1965, adalah dan

Resolusi 10

006

SINDORA BERHAD
2007

dengan ini para Pengarah diberi kuasa untuk memperuntukkan dan menerbitkan saham-saham Syarikat pada bila-bila masa sehingga penutup Mesyuarat Agung Tahunan akan datang, kepada sesiapa mengikut terma-terma dan syarat-syarat tertentu dan untuk tujuan-tujuan sebagaimana para Pengarah mungkin, mengikut budibicara mutlak mereka, fikirkan wajar dengan syarat bahawa agregat bilangan saham yang akan diperuntukkan dan diterbitkan tidak melebihi sepuluh peratus (10%) daripada modal saham Syarikat yang diterbitkan ketika ini, tertakluk kepada kelulusan pihak-pihak berkuasa yang berkaitan diperolehi bagi peruntukan dan terbitan saham demikian” (Lihat Nota Keterangan bagi Urusan Khas sebagaimana di bawah).

NOTIS KELAYAKAN DAN PEMBAYARAN DIVIDEN NO. 22

Tertakluk kepada kelulusan Resolusi 2 di atas, **DENGAN INI DIBERITAHU BAHAWA** dividen akhir sebanyak 5 peratus yang ditolak cukai bagi tahun kewangan berakhir 31 Disember 2007 ke atas saham-saham yang berkelayakan akan dibayar pada **25 Julai 2007** kepada pemegang-pemegang saham berdaftar di Daftar Pemegang Saham Syarikat dengan Pendaftar Saham Syarikat, Pro Corporate Management Services Sdn Bhd, Suite 2, Tingkat 17, KOMTAR, Jalan Wong Ah Fook, 80000 Johor Bahru, Johor pada penutupan urusniaga pada jam 5.00 petang pada **30 Jun 2008**.

DENGAN INI SELANJUTNYA DIBERITAHU BAHAWA pendeposit adalah berkelayakan untuk hak dividen hanya dalam keadaan-keadaan berikut:-

- a) Saham-saham yang dipindah milik kepada akaun sekuriti pendeposit sebelum jam 4.00 petang pada **30 Jun 2008** bagi pindah milik biasa.
- b) Saham-saham yang dibeli di Bursa Malaysia Securities Berhad (Bursa Malaysia) yang berkelayakan berdasarkan pada peraturan asas yang ditetapkan oleh Bursa Malaysia.

Dengan perintah Lembaga Pengarah
SINDORA BERHAD

JAMALLUDIN BIN KALAM (LS 02710)
HANA BINTI AB. RAHIM @ ALI (LS 05694)
Setiausaha-setiausaha

Johor Bahru
3 Jun 2008

NOTA KETERANGAN BAGI URUSAN-URUSAN KHAS:-

(Resolusi 10)

Resolusi Biasa 1 yang dicadangkan sebagai urusan khas adalah untuk membolehkan Lembaga Pengarah menerbitkan dan memperuntukkan saham-saham biasa apabila perlu untuk kepentingan Syarikat tanpa perlu mengadakan mesyuarat agung luarbiasa. Kuasa ini akan berakhir pada mesyuarat agung tahunan akan datang kecuali jika dibatalkan oleh para pemegang saham.

Nota-nota:-

1. Seorang ahli yang berhak menghadiri dan mengundi dalam Mesyuarat ini berhak melantik seorang proksi untuk mengundi bagi pihak dirinya. Seorang proksi tidak semestinya seorang Ahli Syarikat.
2. Suratcara perlantikan proksi hendaklah dibuat secara bertulis oleh pelantik atau wakil mutlak yang berkuasa atau jika pelantik adalah sebuah Perbadanan/Syarikat, suratcara mestilah disempurnakan di bawah meteri perbadanan/syarikat atau lain-lain cara yang diluluskan oleh Lembaga Pengarah. Apabila seorang Ahli melantik dua orang proksi, perlantikan tersebut tidak akan diterima sebagai sah melainkan setelah dinyatakan bilangan saham yang akan diwakili oleh mereka.
3. Suratcara perlantikan proksi hendaklah sampai di Pejabat Berdaftar Syarikat di Tingkat 13, Menara Johor Corporation, KOTARAYA, 80000 Johor Bahru, Johor tidak lewat dari empat puluh lapan jam (48) sebelum Mesyuarat ditetapkan atau sebarang penangguhan Mesyuarat.

STATEMENT ACCOMPANYING
The Notice of Annual General Meeting
Penyata Bersama Notis Mesyuarat Agung Tahunan

007

SINDORA BERHAD
2007

(PURSUANT TO PARAGRAPH 8.28(2) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA)
(*SELARAS DENGAN PERUNTUKAN PERENGGAN 8.28(2) KEPERLUAN PENYENARAIAN BURSA MALAYSIA*)

1. Directors who are standing for re-election at the Thirty Fifth (35th) Annual General Meeting of the Company are as follows:
Para pengarah yang menawarkan diri untuk dipilih semula pada Mesyuarat Agung Tahunan yang ke Tiga Puluh Lima (35) Syarikat adalah seperti berikut:
- i. Rozan Bin Mohd Sa'at - (Article/*Artikel* 87) Resolution/*Resolusi* 3
 - ii. Halmi Bin Jasmin - (Article/*Artikel* 87) Resolution/*Resolusi* 4
 - iii. Dato' Ir Abdul Hak Bin Md Amin - (Article/*Artikel* 93) Resolution/*Resolusi* 5
 - iv. Hj Johari Bin Ma'arof - (Article/*Artikel* 93) Resolution/*Resolusi* 6
 - v. Tan Sri Datuk Arshad Ayub - Resolution/*Resolusi* 7

The profiles of the Directors standing for re-election are on pages 67 to 75.

Profil para Pengarah yang menawarkan diri untuk dipilih semula adalah seperti di muka surat 67 hingga 75.

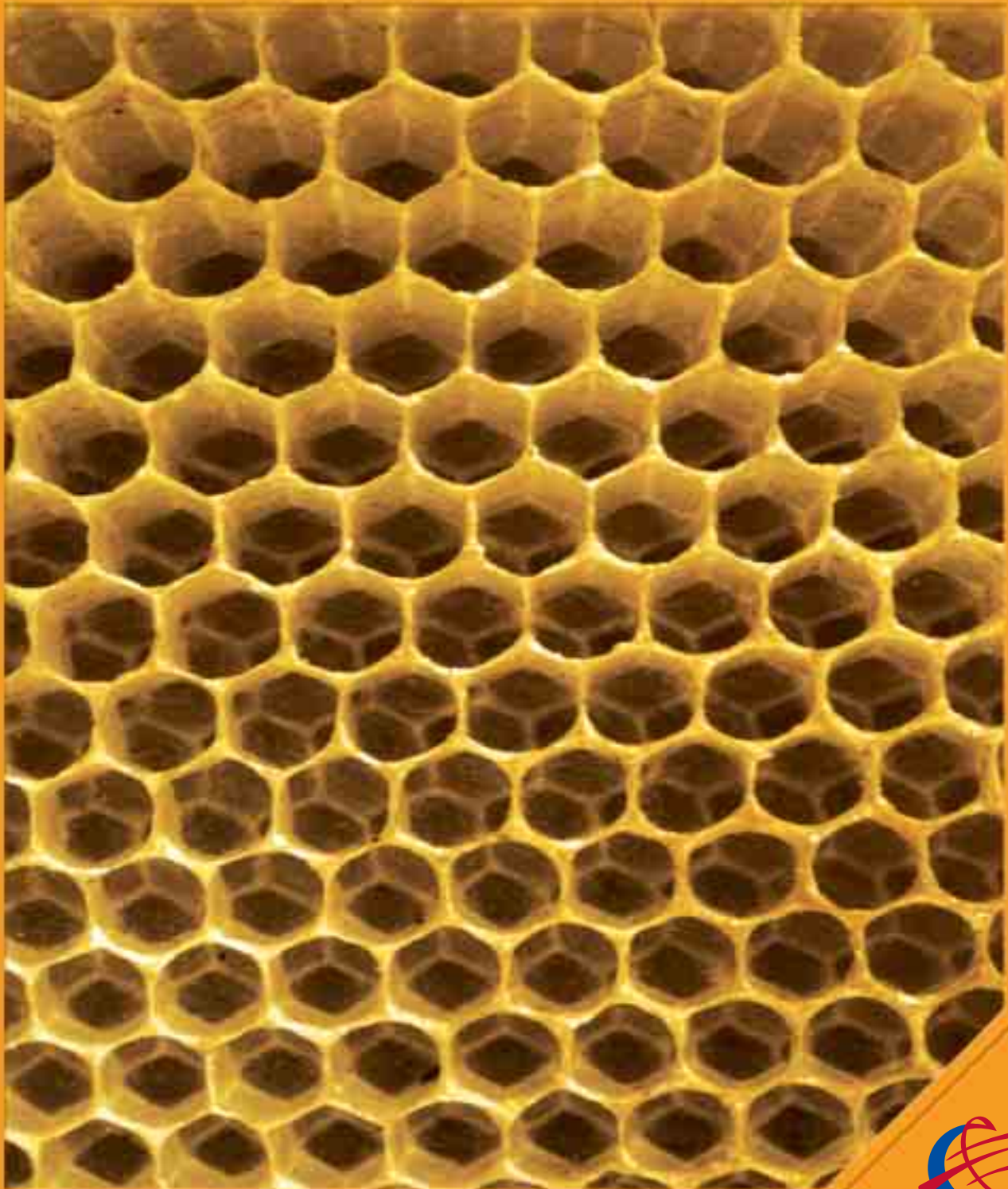
2. The total number of Board of Directors' Meeting held during the financial year ended 31 December 2007 is four (4).
Bilangan Mesyuarat Lembaga Pengarah yang diadakan pada tahun kewangan berakhir 31 Disember 2007 adalah empat (4).

brandstrength

The honeycomb cells are a testament of solidity and geometric efficiency. Sindora not only continues to maintain its positive track record but continues to display sound financial management.

KEKUATAN JENAMA

Sel sarang lebah adalah bukti kekukuhan dan efisiensi geometrik. Sindora bukan sahaja terus mengekalkan rekod pencapaiannya yang positif malah terus memperlihatkan pengurusan kewangan yang kukuh.



GROUP'S FIVE YEARS FINANCIAL PERFORMANCE

Prestasi Kewangan Kumpulan Lima Tahun

009

SINDORA BERHAD
2007

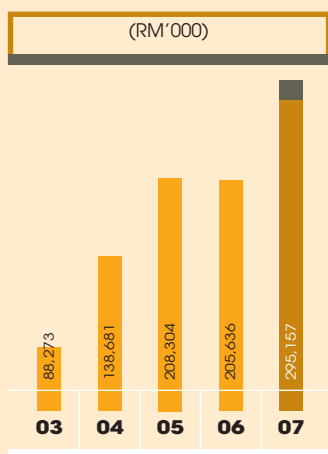
DESCRIPTION/PERKARA	2007 RM'000	2006 RM'000	2005 RM'000	2004 RM'000	2003 RM'000
RESULTS/KEPUTUSAN					
Revenue/Perolehan	295,157	205,636	208,304	138,681	88,273
Cost of Sales/Kos Jualan	(225,974)	(168,898)	(172,026)	(94,030)	(63,007)
Gross Profit/Keuntungan Kasar	69,183	36,738	36,278	44,651	25,266
Profit/(Loss) Before Tax/ Keuntungan/(Kerugian) Sebelum Cukai	30,760	14,487	13,965	19,473	9,637
Profit/(Loss) After Tax/ Keuntungan/(Kerugian) Selepas Cukai	26,576	11,886	10,391	12,613	6,138
Net Profit for the Year after Minority Interest/ Keuntungan Bersih Selepas Kepentingan Minoriti	17,928	10,758	10,007	12,575	5,993
GROUP ASSETS/ASET KUMPULAN					
Non-Current Assets/Aset Bukan Semasa	392,361	310,691	177,893	179,534	169,515
Current Assets/Aset Semasa	106,038	78,651	61,222	59,496	45,264
Investment/Pelaburan	27,305	26,303	15,389	4,514	3,688
Plantation Development Expenditure/ Perbelanjaan Pembangunan Pertladangan	21,512	19,258	17,396	31,088	30,498
Intangible Assets/Aset Tidak Ketara	14,863	15,139	—	—	—
Goodwill on Consolidation/ Muhibah daripada Penyatuan	14,309	14,442	5,774	5,545	4,004
Deferred Tax Assets/Aset Cukai Tertunda	473	197	1,000	1,425	1,478
Total Assets/Jumlah Aset	498,399	389,342	239,115	239,030	214,779
Current Liabilities/Tanggungannya Semasa	94,201	69,351	48,877	34,758	17,767
Net Current Assets/Aset Semasa Bersih	11,837	9,300	12,345	24,738	27,497
FINANCED BY/DIBIAYAI OLEH					
Share Capital/Modal Saham	96,000	96,000	96,000	96,000	96,000
Reserves/Rizab	81,783	69,047	58,043	83,256	77,514
Treasury Shares/Saham Perbendaharaan	—	—	—	(2,596)	(1,324)
Shareholders' Equity/Ekuiti Pemegang Saham	177,783	165,047	154,043	176,660	172,190
Minority Interests/Kepentingan Minoriti	44,268	33,043	3,255	3,370	2,814
Total Equity/Jumlah Ekuiti	222,051	198,090	157,298	180,030	175,004
Borrowings/Pinjaman	157,908	98,324	8,349	4,031	907
Deferred Tax Liabilities/Tanggungannya Cukai Tertunda	24,239	23,577	24,591	20,211	21,101
Non-Current Liabilities/Tanggungannya Bukan Semasa	182,147	121,901	32,940	24,242	22,008
Average Capital Employed/ Purata Modal Diguna	404,198	319,991	190,238	204,272	197,012

GROUP'S FIVE YEARS FINANCIAL PERFORMANCE (CONT'D.)
Prestasi Kewangan Kumpulan Lima Tahun (Samb.)

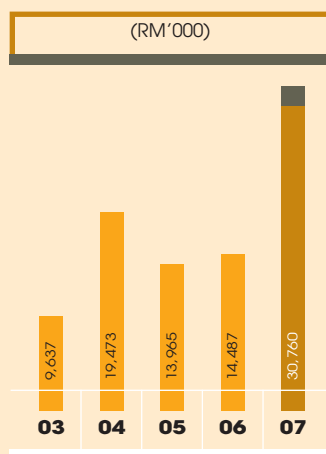
010

SINDORA BERHAD
 2007

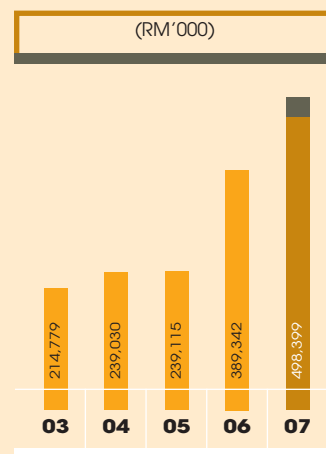
Revenue
Perolehan



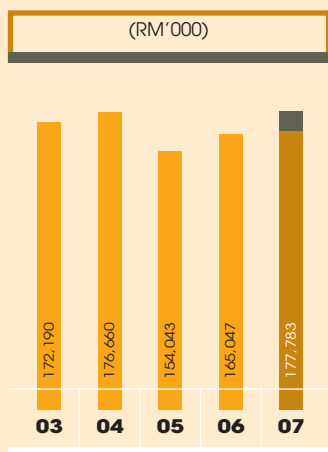
Profit Before Tax
Keuntungan Sebelum Cukai



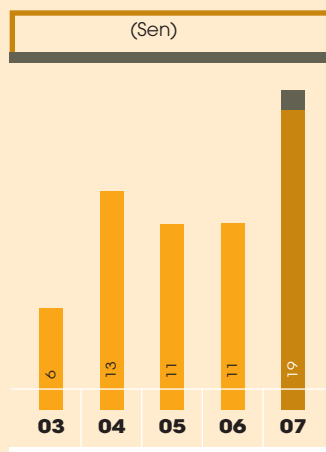
Total Assets
Jumlah Aset



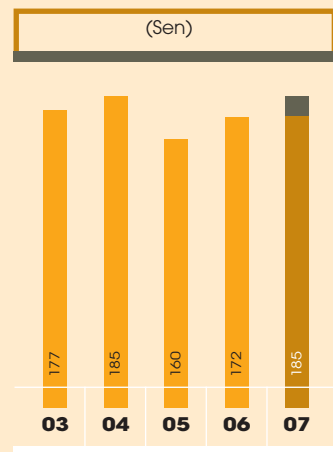
Shareholders' Equity
Ekuiti Pemegang Saham



Earnings Per Share
Pendapatan Sesaham



Net Tangible Assets Per Share
Aset Ketara Bersih Sesaham



DESCRIPTION/ <i>PERKARA</i>	2007	2006	2005	2004	2003
FINANCIAL RATIOS/<i>NISBAH KEWANGAN</i>					
PROFITABILITY RATIOS/<i>NISBAH KEUNTUNGAN</i>					
Return on Total Assets (%)/ <i>Pulangan atas Jumlah Aset (%)</i>	5.3	3.1	4.3	5.3	2.9
Gross Profit/(Loss) Margin (%)/ <i>Margin Keuntungan/(Kerugian) Kasar (%)</i>	23	18	17	32	29
Earnings (Loss) per Share (sen)/ <i>Pendapatan (Kerugian) Sesaham (sen)</i>	19	11	11	13	6
VALUATION RATIOS/<i>NISBAH PENILAIAN</i>					
Net Dividend per Share (sen)/ <i>Dividen Bersih Sesaham (sen)</i>	7	5	10	8	14
Net Tangible Assets per Share (sen)/ <i>Aset Ketara Bersih Sesaham (sen)</i>	185	172	160	185	177
Price to Earnings Multiple (sen)/ <i>Harga kepada Pendapatan Berganda (sen)</i>	9	10	11	12	23
CAPITAL ADEQUACY RATIOS/ <i>NISBAH KECUKUPAN MODAL</i>					
Return on Average Equity (%)/ <i>Pulangan kepada Purata Ekuiti (%)</i>	12.0	6.0	6.6	7.0	3.5
Return on Capital Employed/ <i>Pulangan atas Modal Diguna</i>	7	4	5	6	3

SUMMARY OF GROUP'S 5 YEARS SEGMENTAL FINANCIAL PERFORMANCE

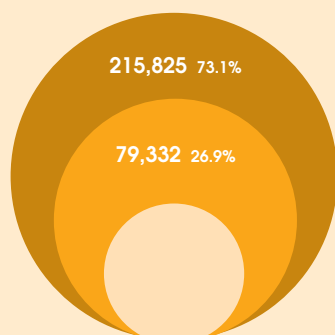
Ringkasan Prestasi Kewangan Kumpulan Mengikut Segmen Untuk 5 Tahun

012

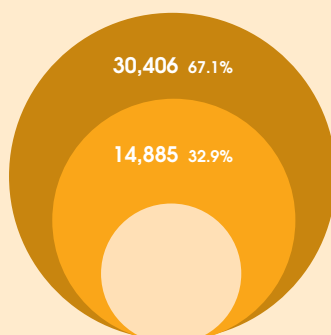
SINDORA BERHAD
2007

DESCRIPTION/PERKARA	2007 RM'000	2006 RM'000	2005 RM'000	2004 RM'000	2003 RM'000
REVENUE/PEROLEHAN					
Intrapreneur Venture Business/ <i>Bisnes Intrapreneur Venture</i>	215,825	138,750	139,143	111,793	28,451
Plantation Business/ <i>Bisnes Perladangan</i>	79,332	66,886	69,161	100,059	91,740
Timber Business/ <i>Bisnes Perakayuan</i>	—	—	—	17,731	26,855
Elimination/ <i>Penyelarasan</i>	—	—	—	(90,902)	(58,773)
Sindora Berhad Group/ <i>Kumpulan Sindora Berhad</i>	295,157	205,636	208,304	138,681	88,273
PROFIT/(LOSS) FROM OPERATIONS/ KEUNTUNGAN/(KERUGIAN) OPERASI					
Intrapreneur Venture Business/ <i>Bisnes Intrapreneur Venture</i>	30,406	9,313	9,776	4,451	1,197
Plantation Business/ <i>Bisnes Perladangan</i>	14,885	11,504	11,327	16,039	11,111
Timber Business/ <i>Bisnes Perakayuan</i>	—	—	—	(2,882)	(1,712)
Investment/ <i>Pelaburan</i>	—	—	—	4,765	8,087
Elimination/ <i>Penyelarasan</i>	—	—	—	(6,531)	(9,581)
Group's Profit from Operations/ <i>Keuntungan Operasi Kumpulan</i>	45,291	20,817	21,103	15,842	9,102

REVENUE (RM'000)
PEROLEHAN (RM'000)



PROFIT FROM OPERATIONS (RM'000)
KEUNTUNGAN DARIPADA OPERASI (RM'000)



2007

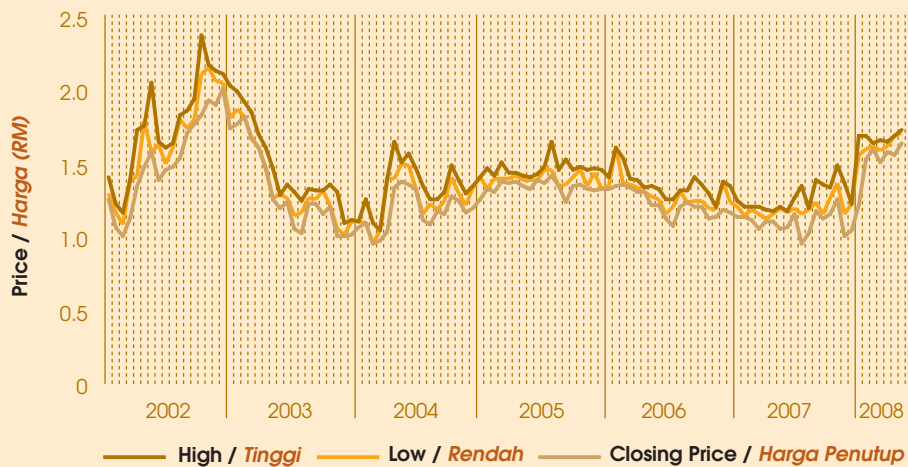
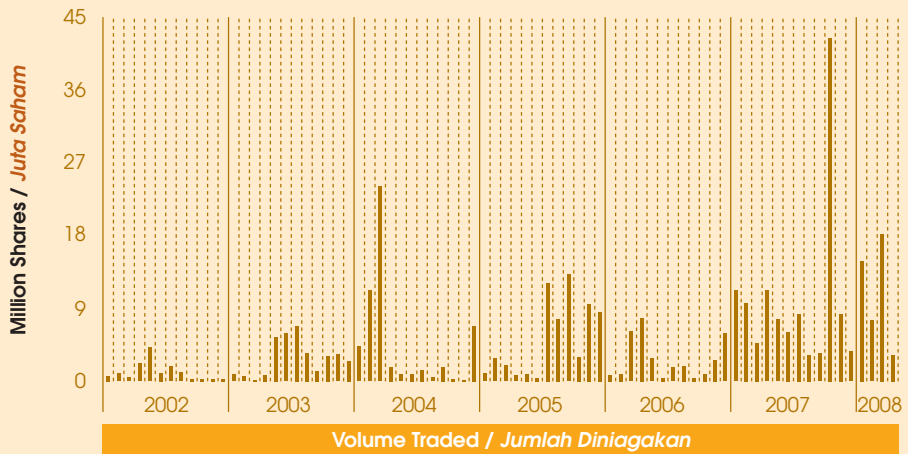
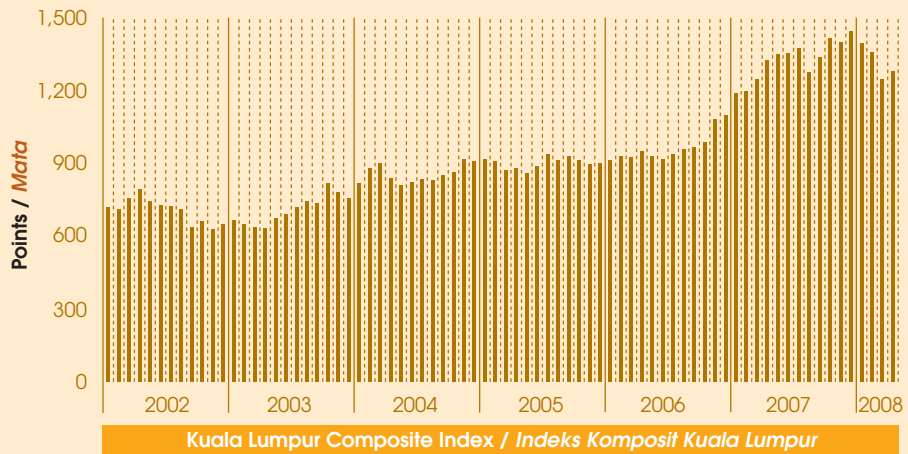
Intrapreneur Venture Business
Bisnes Intrapreneur Venture

Plantation Business
Bisnes Perladangan

SHARE PERFORMANCE CHARTS / *Carta Prestasi Saham*

013

SINDORA BERHAD
2007



ANNOUNCEMENTS 2007

Pengumuman 2007

014

SINDORA BERHAD
2007

29 JAN/JAN

The Board of Directors of Sindora Berhad is pleased to announce that its subsidiary, E.A. Technique (M) Sdn Bhd (EAT), had on 26 January 2007, signed an agreement with NGV Tech Sdn Bhd for the acquisition of one unit Offshore Crew Boat for a total purchase consideration of RM12,500,000.

Lembaga Pengarah Sindora Berhad dengan sukacitanya mengumumkan bahawa anak syarikatnya, E.A. Technique (M) Sdn Bhd (EAT), telah memeterai perjanjian pada 26 Januari 2007 dengan NGV Tech Sdn Bhd untuk pembelian satu (1) unit bot Pengangkutan Pekerja Luar Pesisir pada pertimbangan harga sebanyak RM12,500,000.

8 FEB/FEB

GranuLab (M) Sdn Bhd (GranuLab) had on 6 February 2007 entered into a Technology License agreement with Sirim Berhad, appointing GranuLab as the manufacturer and distributor of GranuMas.

GranuLab (M) Sdn Bhd (GranuLab) telah memeterai perjanjian Lesen Teknologi pada 6 Februari 2007 dengan SIRIM Berhad yang melantik GranuLab sebagai pengeluar dan pengedar GranuMas.

15 MAR/MAC

The Board of Directors of Sindora Berhad is pleased to announce that its 51% subsidiary, EAT, had entered into a conditional Sale and Purchase Agreement (SPA) with Mohd Zain Bin Abdullah to dispose 1,037,600 ordinary shares of RM1.00 each representing 40% equity interest in E.A Bunkering Services Sdn Bhd for a total cash consideration of RM1,193,240 or RM1.15 per share.

Lembaga Pengarah Sindora Berhad dengan sukacitanya mengumumkan bahawa EAT, anak syarikatnya dengan pemilikan ekuiti sebanyak 51%, telah memeterai Perjanjian Jual Beli (SPA) bersyarat dengan Mohd Zain Bin Abdullah untuk menjual sebanyak 1,037,600 saham biasa berharga RM1.00 sesaham yang merupakan 40% kepentingan ekuiti dalam E.A Bunkering Services Sdn Bhd pada pertimbangan harga sebanyak RM1,193,240 atau RM1.15 sesaham.

20 MAR/MAC

Proposed renounceable two-call rights issue of 105,600,000 new ordinary shares of RM1.00 each in Sindora ("Rights Shares") at an indicative issue price of RM1.00 per Rights Share, on the basis of eleven (11) Rights Shares for every ten (10) existing ordinary shares of RM1.00 each in Sindora ("Sindora Shares"), together with one (1) free detachable warrant ("Warrant") for every two (2) Rights Shares subscribed ("Proposed Rights Issue with Warrants").

Cadangan dua Panggilan Terbitan Hak Boleh Batal 105,600,000 saham biasa dalam Sindora ("Saham-saham Hak") pada harga terbitan RM1.00 sesaham berdasarkan

sebelas (11) Saham Hak untuk setiap sepuluh (10) saham biasa yang sedia ada berharga RM1.00 sesaham dalam Sindora ("Saham Sindora"), bersama satu (1) waran percuma boleh pisah untuk setiap dua (2) Saham Hak yang dilanggan ("Cadangan Terbitan Hak Bersama Waran").

22 MAR/MAC

Proposed acquisition and subscription of 3,023,659 ordinary shares of RM1.00 each in J.M. Permata Sdn Bhd (JMP), representing approximately 58.52% of the enlarged issued and paid-up share capital of JMP for a total cash consideration of RM18,141,954.

Cadangan pengambilalihan dan langganan 3,023,659 saham biasa berharga RM1.00 setiap satu dalam J.M. Permata Sdn Bhd (JMP), yang meliputi kepentingan ekuiti kira-kira 58.52% daripada modal terbitan dan modal saham berbayar JMP yang ditingkatkan dengan pertimbangan harga sebanyak RM18,141,954.

29 MAR/MAC

The Board of Directors of Sindora Berhad is pleased to announce that its 51% subsidiary, E.A. Technique (M) Sdn Bhd (EAT) had on 29 March 2007, signed an agreement with Sterlink Imperial Pte Ltd, Singapore ("Sterlink Imperial") for the acquisition of one (1) unit Offshore Crew Boat for a total purchase consideration of Ringgit Malaysia: Twelve Million Two Hundred Thousand Only (RM12,200,000.00).

Lembaga Pengarah Sindora Berhad dengan sukacitanya mengumumkan bahawa E.A. Technique (M) Sdn Bhd (EAT) anak syarikat dengan pemilikan ekuiti sebanyak 51%, telah memeterai satu perjanjian pada 29 Mac 2007, dengan Sterlink Imperial Pte Ltd, Singapura ("Sterlink Imperial") untuk pembelian satu (1) unit Bot Pengangkutan Pekerja Luar Pesisir pada pertimbangan harga sebanyak Ringgit Malaysia: Dua Belas Juta Dua Ratus Ribu Sahaja (RM12,200,000.00).

12 APR/APR

The Foreign Investment Committee had approved the proposed investment in GranuLab (M) Sdn Bhd vide their letter dated 4 April 2007, which was received on 12 April 2007.

Jawatankuasa Pelaburan Asing telah meluluskan cadangan pelaburan dalam GranuLab (M) Sdn Bhd melalui suratnya bertarikh 4 April 2007, yang diterima pada 12 April 2007.

25 APR/APR

All the conditions precedent pursuant to the sale and purchase agreement dated 25 November 2006 ("SPA") in respect of the Proposed Investment in Granulab (M) Sdn Bhd have been fulfilled.

Semua syarat menurut perjanjian jual beli bertarikh 25 November 2006 ("SPA") mengenai cadangan pelaburan dalam Granulab (M) Sdn Bhd telah dipenuhi.

4 MAY/MEI

The Board of Directors of Sindora Berhad is pleased to announce that the Company together with Dato' Abdul Hak Bin Md Amin and Datin Hamidah Binti Omar had on 4 May 2007 agreed to further subscribe for up to 25,000,000 new ordinary shares of RM1.00 each at par in E.A Technique (M) Sdn Bhd (EAT). The Proposed Subscription will be implemented progressively and is expected to be completed by the end of 2008.

Lembaga Pengarah Sindora Berhad dengan sukacitanya mengumumkan bahawa Syarikat bersama Dato' Abdul Hak Bin Md Amin dan Datin Hamidah Binti Omar telah bersetuju pada 4 Mei 2007 untuk melanggan sehingga 25,000,000 saham baru berharga RM1.00 sesaham pada nilai tara dalam E.A Technique (M) Sdn Bhd (EAT). Langganan yang dicadangkan akan dilaksanakan secara berperingkat-peringkat dan dijangka selesai pada akhir tahun 2008.

7 MAY/MEI

The Board of Directors of Sindora Berhad had approved for a revision to the utilisation of proceeds pursuant to the Proposed Rights Issue with Warrants in view of the recent development with regards to the Proposed Subscription of new shares in E.A. Technique (M) Sdn Bhd (EAT).

Lembaga Pengarah Sindora Berhad telah meluluskan penyemakan semula penggunaan perolehan mengikut Cadangan Terbitan Hak dengan Waran berdasarkan perkembangan baru berkaitan dengan Cadangan Langganan saham baru dalam E.A. Technique (M) Sdn Bhd (EAT).

18 MAY/MEI

The Board of Directors of Sindora Berhad is pleased to announce that its 51% subsidiary, E.A Technique (M) Sdn Bhd (EAT) had on 17 May 2007 entered into a Memorandum of Agreement (MOA) with Capital Queen International Limited to acquire M.T. Coromandel, a 40,000 Dead Weight Tonnage (DWT) oil tanker for a total cash consideration of USD15.8 million or approximately RM55.3 million.

Lembaga Pengarah Sindora Berhad dengan sukacitanya mengumumkan bahawa E.A Technique (M) Sdn Bhd (EAT), anak syarikat dengan pemilikan ekuiti sebanyak 51%, telah menandatangani Memorandum Persefahaman (MOU) pada 17 Mei 2007 dengan Capital Queen International Limited untuk mengambilalih kapal tangki M.T. Coromandel yang berkapasiti 40,000 tan (DWT) pada pertimbangan harga sebanyak USD15.8 juta atau kira-kira RM55.3 juta.

18 MAY/MEI

Pursuant to Part C of Chapter 9, Paragraph 9.04 (e) of the Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of Sindora Berhad is pleased to announce that E.A Technique (M) Sdn Bhd, a 51% subsidiary of Sindora had on 17 May 2007 secured a banking facility from Malayan Banking Berhad amounting to RM11.25 million which will be utilised for fleet expansion and working capital purposes.

Menurut Bahagian C Bab 9, Perenggan 9.04 (e) Keperluan Penyenaraian Bursa Malaysia Securities Berhad, Lembaga Pengarah Sindora Berhad dengan sukacitanya mengumumkan bahawa E.A Technique (M) Sdn Bhd, anak syarikat dengan pemilikan ekuiti sebanyak 51% telah memperolehi kemudahan perbankan daripada Malayan Banking Berhad pada 17 Mei 2007 berjumlah RM11.25 juta yang akan digunakan untuk tujuan penambahan bilangan kapal serta modal kerja.

21 MAY/MEI

Proposed renewal of shareholders' mandate for the share buy back authority, in accordance with Section 67A of the Companies Act, 1965, the Articles of Association of the Company and the Listing Requirements of Bursa Malaysia Securities Berhad; and proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature, pursuant to paragraph 10.09 of the Bursa Securities Listing Requirements.

Cadangan pembaharuan mandat pemegang saham untuk kuasa pembelian balik saham menurut Seksyen 67A, Akta Syarikat 1965, Tataurusian Pertubuhan Syarikat dan Keperluan Penyenaraian Bursa Malaysia Securities Berhad; dan cadangan pembaharuan mandat pemegang saham untuk urus niaga pihak berkaitan yang bersifat perolehan atau perdagangan, menurut perenggan 10.09 Keperluan Penyenaraian Bursa Securities.

21 MAY/MEI

The Board of Directors of Sindora Berhad is pleased to declare a distribution of One (1) Treasury Share for every Sixty (60) existing ordinary shares of RM1.00 each held ("Share Dividend"), fractions of Treasury Shares to be disregarded.

Lembaga Pengarah Sindora Berhad dengan sukacitanya mengisytiharkan pengagihan Satu (1) Saham Perbendaharaan untuk setiap Enam Puluh (60) saham biasa yang sedia ada berharga RM1.00 sesaham yang dipegang ("Saham Dividen"), dengan pecahan Saham Perbendaharaan tidak diambil kira.

22 MAY/MEI

Notice of Book Closure.

Notis Penutupan Buku.

23 MAY/MEI

Proposed increase in authorised share capital of Sindora from RM200,000,000 comprising 200,000,000 ordinary shares of RM1.00 in Sindora to RM500,000,000 comprising 500,000,000 Sindora Shares.

Cadangan meningkatkan Modal Yang Dibenarkan daripada RM200,000,000 terdiri daripada 200,000,000 saham biasa berharga RM1.00 sesaham dalam Sindora kepada RM500,000,000 terdiri daripada 500,000,000 saham Sindora.

016

SINDORA BERHAD
2007

23 MAY/MEI

Proposed amendment to the Memorandum and Articles of Association of Sindora.

Cadangan pindaan kepada Memorandum Tataurusian Pertubuhan Syarikat.

25 MAY/MEI

Proposed Investment in GranuLab (M) Sdn Bhd is duly completed.

Cadangan pelaburan dalam GranuLab (M) Sdn Bhd telah disempurnakan.

28 MAY/MEI

Proposed acquisition of M.T. Coromandel, a 40,000 DWT oil tanker for a total cash consideration of USD15.8 million or approximately RM55.3 million was completed on Friday, 25 May 2007.

Cadangan pengambilalihan M.T. Coromandel, kapal tangki berkapasiti 40,000 tan (DWT) pada pertimbangan harga sebanyak USD15.8 juta atau kira-kira RM55.3 juta telah disempurnakan pada hari Jumaat, 25 Mei 2007.

4 JUN/JUN

The Board of Directors of Sindora wishes to announce that the Thirty Fourth (34th) Annual General Meeting (AGM) of the Company will be held at the Permata Ballroom 3, Level B2, The Puteri Pacific Hotel, Jalan Abdullah Ibrahim, 80000 Johor Bahru, Johor on Wednesday, 27 June 2007 at 12.00 noon followed by an Extraordinary General Meeting (EGM) to be held at 12.30 p.m., or immediately after the conclusion or adjournment of the 34th AGM.

Lembaga Pengarah Sindora ingin mengumumkan bahawa Mesyuarat Agung Tahunan Ke-34 Syarikat akan diadakan di Permata Ballroom 3, Aras B2, Hotel Puteri Pacific, Jalan Abdullah Ibrahim, 80000 Johor Bahru, Johor pada hari Rabu 27 Jun 2007 pukul 12.00 tengahari disusuli dengan Mesyuarat Agung Luar Biasa (EGM) yang akan diadakan pada pukul 12.30 petang atau seurus selepas tamatnya atau penangguhan Mesyuarat Agung Tahunan Ke-34.

17 JUL/JUL

Sindora Berhad is pleased to announce that Metro Parking (M) Sdn Bhd, its 75% owned subsidiary, has received a letter dated 17 July 2007 from Hongo Management Limited that it has successfully acquired the entire issued and paid-up share capital of Metro Parking (HK) Limited, a company incorporated in Hong Kong, for a cash consideration of HKD\$1.00.

Sindora Berhad dengan sukacitanya mengumumkan bahawa Metro Parking (M) Sdn Bhd, anak syarikat dengan pemilikan ekuiti sebanyak 75% telah menerima surat daripada Hongo

Management Limited bertarikh 17 Julai 2007 menyatakan bahawa syarikat tersebut telah berjaya mengambilalih kesemua modal saham terbitan dan modal berbayar Metro Parking (HK) Limited, sebuah syarikat yang diperbadankan di Hong Kong, pada pertimbangan harga sebanyak HKD\$1.00.

20 JUL/JUL

A total of 1,572,307 treasury shares were distributed to entitled shareholders in relation the Distribution of Treasury Shares.

Sejumlah 1,572,307 saham perbendaharaan telah diagihkan kepada para pemegang saham yang layak di bawah Pengagihan Saham Perbendaharaan.

3 SEP/SEP

Change in the boardroom as En Halmi Jasmin was redesignated from Non-Executive Director to Executive Director effective from 1 September 2007.

Perubahan dalam Lembaga Pengarah berlaku apabila Encik Halmi Jasmin, Pengarah Bukan Eksekutif telah dilantik sebagai Pengarah Eksekutif mulai 1 September 2007.

3 SEP/SEP

Change in the Audit Committee as En Halmi Jasmin resigned as a member of the Audit Committee and appointed Datuk Johan bin Jaaffar as the new member of the Audit Committee.

Perubahan dalam Jawatankuasa Audit berlaku apabila En Halmi Jasmin meletak jawatan sebagai Ahli Jawatankuasa Audit dan Datuk Johan bin Jaaffar dilantik sebagai ahli baru Jawatankuasa Audit.

11 SEP/SEP

Proposed acquisition and subscription of 3,382,600 ordinary shares of RM1.00 each in J.M. Permata Sdn Bhd ("JMP"), representing approximately 71.21% of the enlarged issued and paid-up share capital of JMP ("Revised Proposal").

Cadangan pengambilalihan dan langganan sebanyak 3,382,600 saham biasa berharga RM1.00 sesaham dalam J.M. Permata Sdn Bhd ("JMP"), yang meliputi kepentingan ekuiti kira-kira sebanyak 71.21% daripada modal terbitan dan modal berbayar JMP yang ditingkatkan ('Perubahan Cadangan').

25 SEP/SEP

The Board of Directors of Sindora is pleased to announce that the proposed development agreement with Pembinaan Prefab Sdn Bhd is duly completed as of the date of this announcement.

Lembaga Pengarah dengan sukacitanya mengumumkan bahawa cadangan perjanjian pembangunan dengan Pembinaan Prefab Sdn Bhd telah disempurnakan pada tarikh pengumuman ini.

31 OCT/OKT

The Board of Directors of Sindora Berhad is pleased to announce that the Company has on 31 October 2007 entered into a conditional Share Sale Agreement with KFC Holdings (Malaysia) Bhd (KFCH) to dispose 440,000 ordinary shares of RM1.00 each representing 55% equity interest in Tepak Marketing Sdn Bhd (Tepak) for a total cash consideration of RM2,970,000 or RM6.75 per share.

As a result of the Proposal, the shareholding of Sindora in Tepak will be reduced from 75% to 20% whereas the shareholding of Johor Corporation and Tn Hj Suhaimi Sulaiman will be maintained at 22.38% and 2.62% respectively. As a result, KFCH will become the new controlling shareholder of Tepak with 55% shareholding in the company.

Lembaga Pengarah Sindora Berhad dengan sukacitanya mengumumkan bahawa Syarikat telah memeterai Perjanjian Penjualan Saham bersyarat pada 31 Oktober 2007 dengan KFC Holdings (Malaysia) Bhd (KFCH) untuk melupuskan sebanyak 440,000 saham biasa berharga RM1.00 sesaham yang meliputi kepentingan ekuiti sebanyak 55% dalam Tepak Marketing Sdn Bhd (Tepak) pada pertimbangan harga sebanyak RM2,970,000 atau RM6.75 sesaham.

Hasil daripada cadangan itu, pemegangan saham Sindora dalam Tepak berkurang daripada 75% kepada 20% sementara pemegangan saham Johor Corporation dan Tn Hj Suhaimi Sulaiman akan dikekalkan masing-masing pada 22.38% dan 2.62%. Hasilnya, KFCH akan menjadi pemegang saham majoriti Tepak yang baru dengan 55% pemegangan saham dalam syarikat tersebut.

5 NOV/NOV

Pursuant to Part C of Chapter 9, Paragraph 9.04 (e) of the Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of Sindora Berhad is pleased to announce that Metro Parking (M) Sdn Bhd, a 75% subsidiary of Sindora had on 5 November 2007 secured a banking facility from Affin Bank Berhad amounting to RM8.7 million which will be utilised for project financing and working capital purposes.

Menurut Bahagian C, Bab 9, Perenggan 9.04 (e) Keperluan Penyenaraian Bursa Malaysia Securities Berhad, Lembaga Pengarah Sindora Berhad dengan sukacitanya mengumumkan bahawa Metro Parking (M) Sdn Bhd, anak syarikat Sindora dengan pemilikan saham sebanyak 75% telah memperolehi kemudahan perbankan daripada Affin Bank Berhad pada 5 November 2007 berjumlah RM8.7 juta yang akan digunakan untuk tujuan pembiayaan projek dan modal kerja.

14 NOV/NOV

The Proposed Rights Issue with Warrants has been deferred until further notice due to pending development in respect of the change in Sindora's major shareholders as announced by Kulim (Malaysia) Berhad (Kulim) on 13 November 2007 of its intention to, amongst others, acquire 57,528,844 Sindora Shares and 2,004,445 Sindora Shares from Johor Corporation and Johor Capital Holdings Sdn Bhd respectively, which collectively represents approximately 62.01% of the issued and paid-up share capital of Sindora.

As a result of the Proposed Acquisition and in accordance with the Malaysian Code on Take-Overs and Mergers, 1998, Kulim would be obliged to undertake a mandatory offer to acquire all the remaining Sindora Shares not already held by Kulim and its parties acting in concert.

Cadangan Terbitan Hak dengan Waran ditangguh sehingga diberitahu kelak tertakluk kepada perkembangan urusan penukaran pemegang saham majoriti Sindora seperti yang diumumkan oleh Kulim (Malaysia) Berhad (Kulim) pada 13 November 2007 yang antara lain, mengenai hasratnya hendak mengambilalih sebanyak 57,528,844 saham Sindora dan sebanyak 2,004,445 saham Sindora daripada Johor Corporation dan Johor Capital Holdings Sdn Bhd masing-masing yang secara kolektif meliputi kepentingan saham kira-kira 62.01% daripada modal terbitan dan modal berbayar Sindora.

Hasil dari Cadangan Pengambilalihan dan menurut Kanun Pengambilalihan dan Penggabungan Tahun 1998, Kulim dikehendaki membuat tawaran pengambilalihan wajib untuk mengambilalih baki saham-saham Sindora yang belum dipegang olehnya dan pihak-pihak yang bertindak bersama dengannya.

14 NOV/NOV

Announcement of notification received from Johor Corporation and Johor Capital Holdings Sdn Bhd pertaining to the disposal of their entire 62.01% shareholding in Sindora, comprising of 59,533,289 ordinary shares of RM1.00 each in the Company.

Pengumuman mengenai Pemberitahuan yang diterima daripada Johor Corporation dan Johor Capital Holdings Sdn Bhd berkaitan pelupusan kesemua 62.01% pemilikan saham dalam Sindora, terdiri daripada 59,533,289 saham biasa berharga RM1.00 sesaham dalam Syarikat.

27 DEC/DIS

The Board of Directors of Sindora Berhad is pleased to announce that the Company on 27 December 2007 entered into a conditional Sale and Purchase Agreement with KFC Holdings (Malaysia) Bhd (KFC) to dispose a piece of land (including all factory, buildings, structures, infrastructure and facilities built or erected on the land) measuring 20.533 acres that forms part of a leasehold industrial land (expiring on 30 January 2041) held under document of title HS(D) 2276, PTD 1384, Mukim Hulu Sungai Johor, Kota Tinggi, Johor for RM6.15 million. This is a related party transaction.

Lembaga Pengarah Sindora Berhad dengan sukacitanya mengumumkan bahawa Syarikat telah memeterai Perjanjian Jual Beli bersyarat pada 27 Disember 2007 dengan KFC Holdings (Malaysia) Bhd (KFC) untuk melupus sebidang tanah (termasuk semua kilang, bangunan, struktur, infrastruktur dan kemudahan yang dibina atau didirikan di atas tanah tersebut) seluas 20.533 ekar yang menjadi sebahagian daripada tanah industri pegangan pajakan (tamat tempoh pada 30 Januari 2041) yang dipegang di bawah dokumen hakmilik HS(D) 2276, PTD 1384, Mukim Hulu Sungai Johor, Kota Tinggi, Johor dengan harga sebanyak RM6.15 juta. Ini adalah urusan pihak berkaitan.

empowering relationships

A bee goes from flower to flower gathering nectar. While it is doing this, some of the flower's pollen ends up being carried to the next flower thus pollinating it. A mutually beneficial symbiotic relationship delivering value through unified commitment - a relationship that the Group has constantly adopted.

MEMPERKASAKAN PERHUBUNGAN

Lebah mengumpulkan nektar dengan menghisap dari bunga ke bunga. Ketika berbuat demikian, debunga turut dibawanya dan kuntum berikutnya dapat didebungakan. Satu perhubungan simbiotik yang saling memanfaatkan, menghasilkan nilai melalui komitmen bersepadu – satu perhubungan yang sentiasa diterima pakai oleh Kumpulan.





ON BEHALF OF THE BOARD OF DIRECTORS, WE ARE PLEASED TO PRESENT THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF SINDORA BERHAD (SINDORA OR THE COMPANY) AND ITS GROUP OF COMPANIES (THE GROUP) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007 AS WELL AS THE OUTLOOK AND PROSPECTS FOR 2008.

BAGI PIHAK LEMBAGA PENGARAH, KAMI DENGAN SUKACITANYA MEMBENTANGKAN LAPORAN TAHUNAN DAN PENYATA KEWANGAN SINDORA BERHAD (SINDORA ATAU SYARIKAT) DAN KUMPULAN SYARIKATNYA (KUMPULAN) BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2007 SERTA TINJAUAN DAN PROSPEK BAGI TAHUN 2008.

020

SINDORA BERHAD
 2007



Group business performance for 2007 further validated Sindora's business model and strategy reformulation as reflected in the daring shift towards the Intrapreneur Venture format adopted by the Company. The outstanding 2007 performance underlines sustainability of Sindora's value creation efforts. It is also obviously the outcome of outstanding management capability and drive as well as their daring to risk the unknown in translating into reality the untested Intrapreneur Venture concept. All together these efforts had put Sindora Group on track for sustainable future growth.

The Intrapreneur Venture (IV) Business had once again emerged as the corporate flag bearer by charting impressive performance both in terms of revenue and profit before tax (PBT) for the Group. Going forward, the Group has every reason to continue to focus on this segment as the key thrust of its future business direction.

GROUP FINANCIAL PERFORMANCE

OVERALL FINANCIAL PERFORMANCE

Year 2007 witnessed the Group achieving a stellar financial performance, registering the highest ever revenue and PBT since its incorporation in 1972. The Group registered revenue of RM295.2 million in 2007, an increase of 43.5% compared to RM205.6 million in the previous financial year. The Group's PBT amounted to RM30.8 million for the period under review registering a remarkable increase of 112.3% over the RM14.5 million achieved in 2006.

Kecemerlangan yang dicapai oleh Kumpulan dalam tahun 2007 telah mengesahkan bahawa anjakan dan keputusan berani yang diambil dengan memperkenalkan Intrapreneur Venture sebagai model bisnes baru Syarikat terbukti berjaya menepati matlamatnya. Kejayaan ini dicapai melalui usaha-usaha pengukuhan dan penajanaan nilai berterusan yang diambil oleh Sindora. Ia juga adalah hasil keupayaan pengurusan yang cemerlang serta keberanian mengharungi bidang yang belum pernah diterokai, yang sekaligus membuktikan bahawa konsep dan pendekatan Intrapreneur Venture ini adalah berdayamaju. Kesemua usaha ini telah membolehkan Kumpulan Sindora berada di landasan pertumbuhan yang kukuh dan berterusan bagi tahun-tahun mendatang.

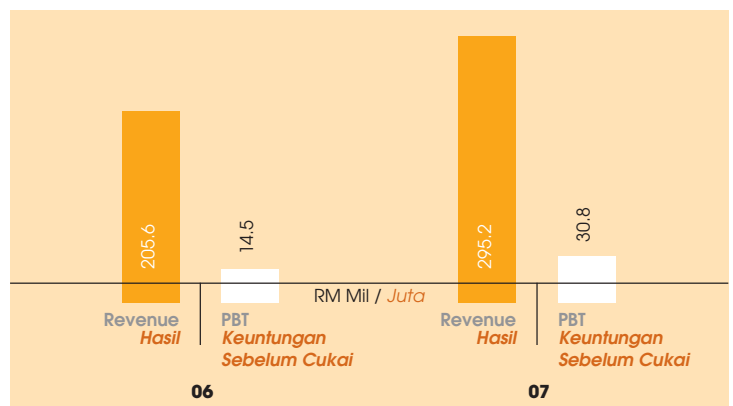
Bisnes Intrapreneur Venture sekali lagi muncul sebagai peneraju prestasi bisnes Kumpulan dengan catatan pencapaian yang memberangsangkan baik dari segi

perolehan mahupun keuntungan sebelum cukai. Segmen ini akan terus diberi keutamaan dan tumpuan sebagai teras hala tuju bisnes masa depan Kumpulan.

PRESTASI KEWANGAN KUMPULAN

PRESTASI KEWANGAN KESELURUHAN

Tahun 2007 telah menyaksikan Kumpulan mencipta sejarah dengan mencatatkan perolehan dan Keuntungan Sebelum Cukai yang tertinggi sejak Syarikat ditubuhkan. Kumpulan telah mencatatkan perolehan sebanyak RM295.2 juta pada tahun 2007, meningkat sebanyak 43.5% berbanding RM205.6 juta pada tahun kewangan sebelumnya. Peningkatan perolehan ini membolehkan Kumpulan merekodkan Keuntungan Sebelum Cukai berjumlah RM30.8 juta dalam tahun yang ditinjau yang sekaligus mencatatkan peningkatan amat ketara sebanyak 112.3% berbanding RM14.5 juta yang dicapai pada tahun 2006.



Consequently Group net profit attributable to shareholders increased by 66.6% from RM10.8 million in 2006 to RM17.9 million during the year. The return on equity (ROE) for the financial year 2007 increased substantially to 15.0% against 7.2% recorded in 2006 and earnings per share (EPS) had increased to 18.8 sen against 11.4 sen achieved for the same period in 2006 (after taking into consideration the weighted average number of ordinary shares outstanding, for both years). The closing market price of Sindora as at 31 December 2007 of RM1.61 per share was an improvement against RM1.16 per share at the same period in 2006 which was an increase of 38.8%, with the Price Earnings (PE) Ratio of Sindora declining to 8.6 times as at end 2007 compared with 10.2 times for the same period in 2006.

Petunjuk pencapaian prestasi kewangan yang lain turut meningkat. Keuntungan bersih Kumpulan yang boleh diagihkan kepada pemegang saham meningkat sebanyak 66.6% kepada RM17.9 juta pada tahun 2007 berbanding RM10.8 juta pada tahun 2006. Pulangan ke atas Ekuiti (ROE) bagi tahun kewangan 2007 juga meningkat dengan ketara sebanyak 15.0% berbanding 7.2% yang dicatatkan pada tahun 2006. Pendapatan Sesaham (EPS) turut meningkat kepada 18.8 sen berbanding 11.4 sen pada tahun

2006 (setelah mengambilkira pewajaran purata bilangan saham biasa di pasaran bagi kedua-dua tahun). Harga penutup saham Sindora di pasaran pada 31 Disember 2007 adalah RM1.61 sesaham, lebih tinggi berbanding RM1.16 sesaham pada tempoh yang sama tahun 2006, yang merupakan peningkatan sebanyak 38.8%. Nisbah Harga Perolehan (PE Ratio) Sindora adalah 8.6 kali ganda pada akhir tahun 2007 berbanding 10.2 kali ganda bagi tempoh yang sama tahun 2006.

Summary Of Performance Analysis 2007 Vs. 2006/Ringkasan Analisis Prestasi 2007 Berbanding 2006

Financial Parameters/Parameter Kewangan	2007	2006
PAT (Attributable to Shareholders) (RM Million)/KSC (Diagih kepada pemegang saham) (RM Juta)	17.9	10.8
Return on Equity (ROE) (%)/Pulangan Ke atas Ekuiti (ROE) (%)	15.0	7.2
Share Price (as at 31 December) (sen)/Harga Saham (pada 31 Disember) (sen)	1.61	1.16
Earnings Per Share (sen)/Pendapatan Sesaham (sen)	18.8	11.4
Price Earnings (PE) Ratio (times)/Nisbah Harga Perolehan (PE Ratio) (kali ganda)	8.6	10.2

Intrapreneur Venture Business continued to be the Group's core business and accounted for 73.1% or RM215.8 million of the Group's total revenue, contributing RM18.4 million or 59.7% to the Group's PBT. In comparison, revenue contribution from this segment in 2006 was RM138.8 million or 67.5% while PBT was only RM4.9 million or 33.5%. The better performance in revenue and profit for the year under review is attributable mainly to the significantly improved performance of the Group's subsidiaries and associate companies under this business. The result had proven yet again that the shift to Intrapreneur Venture Business as the main thrust for growth and expansion has been an overwhelming strategic success in adding long term value to the Group.

Bisnes Intrapreneur Venture terus menjadi aktiviti teras Kumpulan dan menyumbang sebanyak 73.1% atau RM215.8 juta kepada perolehan Kumpulan dan sebanyak RM18.4 juta atau 59.7% kepada Keuntungan Sebelum Cukai Kumpulan. Sebagai perbandingan, sumbangan perolehan daripada segmen ini pada tahun 2006 adalah sebanyak RM138.8 juta atau 67.5% sementara Keuntungan Sebelum Cukai adalah hanya RM4.9 juta atau 33.5%. Prestasi perolehan dan keuntungan yang

lebih baik bagi tahun yang ditinjau didorong terutamanya oleh prestasi yang jauh lebih baik dari syarikat-syarikat anak dan syarikat-syarikat sekutu Kumpulan di bawah bisnes ini. Prestasi cemerlang ini sekali lagi membuktikan bahawa anjakan kepada Bisnes Intrapreneur Venture sebagai teras utama pertumbuhan dan pengembangan bisnes Kumpulan merupakan satu kejayaan yang strategik ke arah menyumbang kepada peningkatan nilai jangka panjang Kumpulan.

022

SINDORA BERHAD
 2007



The Plantation Business registered an increase of 18.6% in revenue from RM66.9 million in the previous year to RM79.3 million in the year under review. Concurrently PBT recorded was higher by 28.7% to RM12.4 million compared to RM9.6 million in the previous year due mainly to better Fresh Fruit Bunch (FFB) and Crude Palm Oil (CPO) prices.

Bisnes Perladangan telah mencatatkan peningkatan perolehan sebanyak 18.6% daripada RM66.9 juta pada tahun sebelumnya kepada RM79.3 juta pada tahun yang ditinjau. Keuntungan Sebelum Cukai yang dicatatkan juga meningkat lebih tinggi sebanyak

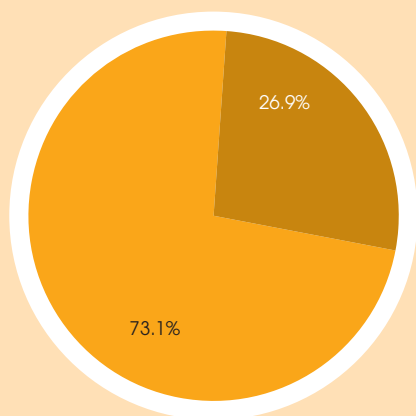
28.7% kepada RM12.4 juta berbanding RM9.6 juta pada tahun sebelumnya, didorong oleh harga Buah Tandan Segar (BTS) dan minyak sawit mentah yang lebih tinggi.

A summary of the segmental contribution is as follows:

Ringkasan sumbangan mengikut segmen adalah seperti berikut:

SEGMENT/SEGMENT	2006 (RM'000)		2007 (RM'000)	
	Revenue <i>Perolehan</i>	Operating Profit <i>Keuntungan Operasi</i>	Revenue <i>Perolehan</i>	Operating Profit <i>Keuntungan Operasi</i>
Intrapreneur Venture/ <i>Intrapreneur Venture</i> Plantation/ <i>Perladangan</i>	138,750 66,886	4,859 9,628	215,825 79,332	18,372 12,388
TOTAL/JUMLAH	205,636	14,487	295,157	30,760

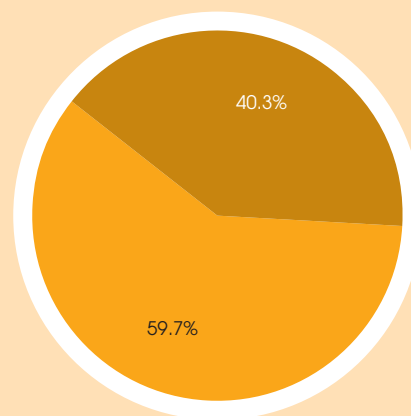
Revenue Contribution 2007
Sumbangan Perolehan Tahun 2007



● Plantation Business
Bisnes Perladangan

● Intrapreneur
 Venture Business
*Bisnes Intrapreneur
 Venture*

PBT Contribution 2007
*Sumbangan Keuntungan
 Sebelum Cukai Tahun 2007*





BALANCE SHEET POSITION

The Group's shareholders' fund increased to RM177.8 million in the year under review, an improvement of 7.7% from RM165.1 million recorded in 2006. Total assets of the Group increased from RM389.3 million in 2006 to RM498.4 million in 2007, representing a rise of 28.0%. Total liabilities recorded a significant increase of 44.5% from RM191.3 million in 2006 to RM276.4 million in 2007.

The rapid expansion at EA Technique (M) Sdn Bhd (EA Tech), mainly through the acquisition of an oil tanker and fast crew boats which were funded by external borrowing, had resulted in the increase of total assets and liabilities. Consequently the Group's gearing level had also increased from 0.6 times in 2006 to 0.9 times in 2007. However, at the Company's level, gearing position is manageable at 0.3 times with total borrowing of only RM55.5 million. The gearing position of the Group was expected to improve through the implementation of the proposed enlargement of paid-up capital of the Company in 2007. However, this exercise had to be deferred due to the restructuring of majority shareholding by Johor Corporation (JCorp).

Moving forward, the Group would pursue the financial strategy of maintaining manageable gearing position of less than 0.3 times and would strive to balance future expansion and acquisitions with an optimum mix of cash, equity and debt financing.

DIVIDEND

Sindora will continue its high dividend payout policy as a reward to its shareholders. This is attested by the lucrative annual gross dividend payouts of between 7.1% to 14.4% since 1998.

For the year under review, an interim dividend of 5.0% which was declared on 13 December 2007 in respect of financial year ended 31 December 2007 was paid on 25 January 2008. The Board is pleased to recommend for shareholders' approval a final dividend of 5.0% less tax, payable on 25 July 2008.

KEDUDUKAN KUNCI KIRA-KIRA

Dana pemegang saham Kumpulan meningkat kepada RM177.8 juta pada tahun yang ditinjau, yang merupakan peningkatan sebanyak 7.7% daripada RM165.1 juta yang dicatatkan pada tahun 2006. Jumlah aset Kumpulan telah bertambah daripada RM389.3 juta pada tahun 2006 kepada RM498.4 juta pada tahun 2007, satu lonjakan sebanyak 28.0%. Pada masa yang sama, jumlah liabiliti juga turut mengalami peningkatan yang ketara sebanyak 44.5% daripada RM191.3 juta pada tahun 2006 kepada RM276.4 juta pada tahun 2007.

Pengembangan pesat EA Technique (M) Sdn Bhd (EA Tech), terutamanya melalui pembelian sebuah kapal tangki dan bot pengangkut pekerja yang dibiayai melalui pinjaman telah menyebabkan peningkatan jumlah aset dan liabiliti. Hasilnya, kedudukan gearan Kumpulan turut meningkat daripada 0.6 kali ganda pada tahun 2006 kepada 0.9 kali ganda pada tahun 2007. Bagaimanapun, kedudukan gearan di peringkat Syarikat adalah lebih terkawal pada 0.3 kali ganda dengan jumlah pinjaman hanya sebanyak RM55.5 juta. Kedudukan gearan Kumpulan pada asalnya dijangka akan bertambah baik sekiranya cadangan meningkatkan modal berbayar Syarikat dapat dilaksanakan pada tahun 2007.

Walau bagaimanapun, cadangan ini terpaksa ditunda disebabkan oleh penyusunan semula pegangan saham majoriti Syarikat oleh Johor Corporation (JCorp).

Kumpulan akan terus melaksanakan strategi kewangan dengan berpandukan kepada kedudukan gearan yang lebih terkawal, kurang daripada 0.3 kali ganda, dan akan berusaha mengimbangi pengembangan bisnes dan pengambilalihan syarikat di masa hadapan dengan mengoptimalkan penggunaan tunai, penstrukturan ekuiti dan pembiayaan melalui pinjaman.

DIVIDEN

Sindora akan meneruskan dasar pembayaran dividen yang tinggi sebagai ganjaran yang setimpal kepada pemegang sahamnya. Ini boleh dibuktikan dengan pembayaran dividen kasar tahunan yang tinggi antara 7.1% hingga 14.44% sejak tahun 1998.

Dalam tahun yang ditinjau, dividen interim sebanyak 5.0% yang diisytiharkan pada 13 Disember 2007 bagi tahun kewangan berakhir 31 Disember 2007 telah dibayar pada 25 Januari 2008. Ahli Lembaga Pengarah dengan sukacitanya mengesyorkan untuk kelulusan para pemegang saham, dividen akhir sebanyak 5.0% ditolak cukai, yang akan dibayar pada 25 Julai 2008.

024

SINDORA BERHAD
2007

In addition, the Company, on 20 July 2007, had distributed 1,572,307 units of the treasury shares held by the Company to the shareholders as dividend-in-specie by way of distribution of one existing treasury share for every sixty existing ordinary shares held by the shareholders, valued at RM2,216,953 in respect of the year ended 31 December 2006.

The Board is also pleased to inform that the Company will continue to adopt a minimum dividend payment policy of 25% of the Group's annual profit after tax to be declared each year as benchmark for dividend payment.

Sindora remained committed to deliver and maximise shareholders' value over the long term especially through its new core business thrust in Intrapreneur Venture. All future investments in companies earmarked for selective acquisition will be judiciously evaluated and strictly ensured to fulfil all the stringent selection criteria which include sound financial position, strong business growth prospects and established management systems and structure.

OVERVIEW OF MALYSIAN ECONOMY

ECONOMIC SCENARIO 2006 - 2007

The Malaysian economy had recorded a Gross Domestic Product (GDP) growth of 6.3% in 2007 over the 5.9% recorded in 2006. The strong economic growth was driven by robust domestic demand, increasingly diversified exports, higher commodity prices, and a conducive financing environment.

Malaysia has once again reaffirmed its position as a vibrant trading nation. The trade surplus recorded in 2006 continued to be sustained, albeit at a lower rate in 2007. Gross exports grew at a moderate pace of 2.8% to RM605.2 billion (2006: 10.3%; RM589 billion) as weak demand for manufactured exports was partially mitigated by strong growth of primary commodity. Gross imports increased by 5% to RM504.8 billion (RM480.0 billion in 2006) reflecting mainly inputs for manufactured exports as well as high demand for consumer and capital goods. The trade surplus of RM100.3 billion was 7.4% lower than the RM108.2 billion registered in 2006.

The services account recorded its first surplus of RM1 billion against a deficit of RM6.9 billion due mainly to higher income from tourism and transportation. Reflecting the successful operations of Malaysian companies investing abroad, profits and dividends accruing to Malaysian companies, particularly in the manufacturing, mining and financial sectors, increased to RM14.7 billion.

Di samping itu, sebanyak 1,572,307 unit saham perbendaharaan bernilai RM2,216,953 yang dipegang oleh Syarikat telah diagihkan kepada pemegang saham pada 20 Julai 2007 sebagai dividend-in-specie mengikut kaedah pengagihan satu saham perbendaharaan yang sedia ada bagi setiap enam puluh saham biasa sedia ada yang dipegang oleh pemegang saham bagi tahun kewangan berakhir 31 Disember 2006.

Ahli Lembaga Pengarah juga dengan sukacitanya memaklumkan bahawa Syarikat akan terus menerimapakai dasar pembayaran dividen minimum sebanyak 25% daripada keuntungan selepas cukai tahunan Kumpulan diisytiharkan setiap tahun sebagai tanda aras untuk pembayaran dividen.

Sindora tetap komited dalam menambah dan memaksimumkan nilai pemegang saham untuk tempoh jangka panjang khususnya melalui bisnes teras baru Intrapreneur Venture. Semua pelaburan masa depan dalam syarikat yang disasarkan untuk diambilalih akan dinilai dengan teliti serta memenuhi semua kriteria pemilihan ketat yang telah dirumus termasuk kedudukan kewangan yang teguh, prospek pertumbuhan perniagaan yang mantap serta sistem dan struktur pengurusan yang kukuh dan kemaskini.

TINJAUAN EKONOMI MALAYSIA

Ekonomi Malaysia 2006 - 2007

Ekonomi Malaysia telah mencatatkan pertumbuhan Keluaran Dalam Negara Kasar (KDNK) sebanyak 6.3% pada tahun 2007 berbanding 5.9% pada tahun 2006. Pertumbuhan

ekonomi yang mampan ini didorong oleh permintaan dalam negeri yang kukuh, kepelbagaian eksport yang semakin meningkat, harga komoditi yang lebih tinggi dan tahap persekitaran serta pembiayaan yang kondusif.

Malaysia sekali lagi telah berjaya mengekalkan kedudukannya sebagai sebuah negara perdagangan yang mantap. Lebihan dagangan yang kukuh yang dicatatkan pada tahun 2006 terus dikekalkan pada tahun 2007 walaupun pada kadar yang lebih rendah. Eksport kasar meningkat pada kadar yang sederhana sebanyak 2.8 kepada RM605.2 billion (10.3%; RM589 billion pada tahun 2006) apabila permintaan yang lemah terhadap eksport perkilangan telah dapat ditampung sebahagiannya oleh pertumbuhan komoditi utama yang kukuh. Import kasar telah meningkat sebanyak 5% kepada RM504.8 billion (RM480.0 billion pada tahun 2006) terutamanya input untuk eksport perkilangan serta permintaan barangan pengguna dan barangan modal yang tinggi. Lebihan dagangan sebanyak RM100.3 billion adalah 7.4% lebih rendah berbanding RM108.2 billion yang dicatatkan pada tahun 2006.

Buat pertama kalinya akaun perkhidmatan mencatatkan lebihan sebanyak RM1 billion berbanding defisit sebanyak RM6.9 billion. Ini disebabkan terutamanya oleh pendapatan sektor pelancongan dan pengangkutan yang lebih tinggi. Sebagai mencerminkan kejayaan operasi syarikat-syarikat Malaysia yang melabur di luar negeri, keuntungan dan dividen yang terakru kepada syarikat-syarikat Malaysia, khususnya dalam sektor-sektor perkilangan, perlombongan dan kewangan, telah meningkat kepada RM14.7 billion.

In 2007, the headline inflation rate, as measured by the annual change in the Consumer Price Index (CPI) rose at a slower pace of 2%. It is within the forecast range of 2% to 2.5%. Although the global price of crude oil advanced towards the US\$100 per barrel mark in 2007, domestic fuel and gas prices remained unchanged because of the fuel subsidy provided by the Government.

The domestic labour market continued to improve in 2007, in line with the stronger economic performance. The unemployment rate remained low at 3.3% as demand for workers increased and fewer retrenchments were recorded during the year. Total employment grew by 2.1% to 11.4 million workers compared to the labour force growth of 2% to 11.8 million persons.

ECONOMIC PROSPECTS 2008

Bank Negara Malaysia projected the Malaysian economy to expand by 5% to 6% in 2008. As a small and highly open economy, the outlook will be influenced by the current high degree of uncertainties in the global economic and financial environment, including problems associated with the international credit markets and financial institutions. These uncertainties would have some impact on Malaysia, mainly through the trade and financial markets linkages. However, the resilience of the Malaysian economy to weather a slowdown in the global economy had strengthened over the years.

The outlook of strong economic growth in the Asian region and other emerging economies would support Malaysia's export sector. In addition, as a commodity producer, Malaysia will continue to benefit from high prices of crude oil, palm oil and rubber. The strong base in the commodity sector would further strengthen the linkages with down stream activities, including resource-based industries which will continue to benefit from the robust domestic demand as well as demand from the regional economies.

All economic sectors are projected to record strong growth in 2008, except manufacturing which is expected to moderate due to the impact of global economic growth on export-oriented industries. The services sector is expected to remain strong at a projected 7.7% growth, reinforced by expanding construction and commodities sectors. Construction is expected to grow by 5.5%, agriculture, 3.4%; mining and quarry, 6% and manufacturing, 1.8%.

Pada tahun 2007, kadar inflasi yang diukur berdasarkan perubahan tahunan Indeks Harga Pengguna (CPI) telah meningkat pada kadar yang lebih rendah sebanyak 2% iaitu pada julat yang diramalkan sebanyak 2% hingga 2.5%. Walaupun harga minyak mentah dunia telah mencecah paras US\$100 setong pada tahun 2007, harga bahan api dan gas tempatan tetap tidak berubah ekoran subsidi bahan api yang dibiayai oleh Kerajaan.

Pasaran buruh tempatan pula terus bertambah baik pada tahun 2007 selaras dengan prestasi ekonomi yang lebih mantap. Kadar pengangguran kekal pada paras yang rendah iaitu 3.3% disebabkan oleh permintaan terhadap pekerja yang meningkat dan pengurangan kes-kes pemberhentian kerja yang dicatitkan sepanjang tahun 2007. Jumlah pekerjaan telah meningkat sebanyak 2.1% kepada 11.4 juta pekerja berbanding pertumbuhan tenaga buruh sebanyak 2% kepada 11.8 juta orang.

PROSPEK EKONOMI BAGI TAHUN 2008

Bank Negara Malaysia mengunjurkan bahawa ekonomi Malaysia akan berkembang pada kadar 5% hingga 6% pada tahun 2008. Sebagai sebuah ekonomi yang kecil dan amat terbuka, unjuran ini akan dipengaruhi oleh kadar ketidaktentuan semasa yang tinggi yang wujud dalam persekitaran ekonomi dan kewangan dunia, termasuk masalah berkaitan dengan pasaran kredit dan institusi kewangan antarabangsa.

Ketidaktentuan ini akan memberi kesan kepada Malaysia terutamanya melalui rantaian pasaran perdagangan dan kewangan. Bagaimanapun, daya ketahanan ekonomi Malaysia untuk mengharungi kemelesetan ekonomi dunia telah bertambah kukuh sejak tahun-tahun kebelakangan ini.

Prospek pertumbuhan ekonomi yang kukuh di rantau Asia dan ekonomi sedang membangun yang lain akan menyokong sektor eksport Malaysia. Di samping itu, sebagai pengeluar komoditi, Malaysia akan terus menerima manfaat daripada harga-harga minyak mentah, minyak sawit dan getah yang lebih tinggi. Asas sektor komoditi yang kukuh akan terus memantapkan rantaian dengan aktiviti hiliran, termasuk industri-industri berasaskan sumber yang akan terus menerima manfaat daripada permintaan dalam negeri yang mantap serta permintaan daripada ekonomi serantau.

Kesemua sektor ekonomi dijangka mencatat pertumbuhan kukuh pada tahun 2008, kecuali sektor perkilangan yang akan mengalami pertumbuhan yang sederhana akibat kesan pertumbuhan ekonomi dunia ke atas industri yang berorientasikan eksport. Sektor perkhidmatan dijangka kekal sebagai pendorong utama pertumbuhan dengan unjuran pertumbuhan sebanyak 7.7%, dengan dimantapkan oleh sektor-sektor pembinaan dan komoditi yang dijangka akan terus berkembang. Sektor pembinaan dijangka bertumbuh pada kadar 5.5%, pertanian 3.4%, perlombongan dan kuari 6% dan perkilangan 1.8%.

INTRAPRENEUR VENTURE AS THE PRINCIPAL BUSINESS THRUST

OVERALL PERFORMANCE OF INTRAPRENEUR VENTURE COMPANIES

Sindora's core business in Intrapreneur Venture continued to drive Group performance and recorded commendable results for 2007. The overall financial performance of these Intrapreneur Venture companies for 2007 is summarised as follows:-

INTRAPRENEUR VENTURE SEBAGAI BISNES TERAS

PRESTASI KESELURUHAN SYARIKAT-SYARIKAT INTRAPRENEUR VENTURE
 Bisnes teras Sindora iaitu Intrapreneur Venture terus menerajui prestasi Kumpulan dan

mencatatkan pencapaian yang memberangsangkan bagi tahun 2007. Prestasi kewangan keseluruhan syarikat-syarikat Intrapreneur Venture bagi tahun 2007 diringkaskan seperti berikut:-

IV CO'S SYARIKAT IV	REVENUE PEROLEHAN (RM'000)	PROFIT BEFORE TAX KEUNTUNGAN SEBELUM CUKAI (RM'000)	PROFIT AFTER TAX KEUNTUNGAN SELEPAS CUKAI (RM'000)	RETURN ON EQUITY PULANGAN KE ATAS EKUITI (%)	NTA/SHARE NTA/SAHAM (SEN)
POSSB ¹	19,875	1,527	1,287	18.0	716
Tepak ²	18,770	1,477	1,073	26.6	504
Metro Parking ³	96,026	1,316	313	5.8	539
EPASA ⁴	7,708	902	533	35.2	303
STSB ⁵	10,122	(2,515)	(2,537)	-	(311)
Willis ⁶	25,251	16,362	11,927	94.1	1,268
MMV ⁷	86,974	5,408	4,910	22.2	325
AR-JMF ⁸	13,385	6,773	4,741	168.8	276
EA Tech	63,296	17,283	17,490	30.0	298
GranuLab ⁹	56	(341)	(341)	-	85

Note/Nota :

- 1 POSSB – Pro Office Solutions Sdn Bhd
 2 Tepak – Tepak Marketing Sdn Bhd
 3 Metro Parking – Metro Parking (M) Sdn Bhd

- 4 EPASA – EPASA Shipping Agency Sdn Bhd
 5 STSB – Sindora Timber Sdn Bhd
 6 Willis – Willis (M) Sdn Bhd

- 7 MMV – MM Vitaols Sdn Bhd
 8 AR-JMF – AmanahRaya JMF Asset Management Sdn Bhd
 9 GranuLab – GranuLab (M) Sdn Bhd

Generally, the Intrapreneur Venture companies performed well in 2007 with six (6) companies, i.e. EA Tech, Willis, AR-JMF, MMV, Tepak and EPASA registering their highest ever Profit After Tax (PAT). This outstanding achievement was doubly commendable due to the fact that more than 95% of their operating revenues were generated from outside JCorp and Sindora Group of Companies.

Since the inception of the Intrapreneur Venture concept in 2002 until the end of 2007, Sindora had received RM26.92 million in net dividends, of which RM6.68 million was received in 2007 alone. The Company had also recovered another RM4.4 million proceeds from 55% partial divestment of AR-JMF (previously known as JMF Asset Management Sdn Bhd) in 2005. Further RM2.97 million proceeds were received in February 2008 for the 55% partial divestment of Tepak. Thus far, the Company had recovered RM34.29 million in net dividends and proceeds from partial divestment of interests, which translated into 43.1% of the total investment.

Secara keseluruhannya, syarikat-syarikat Intrapreneur Venture telah menunjukkan prestasi yang mantap pada tahun 2007 di mana enam syarikat iaitu EA Tech, Willis, AR-JMF, MMV, Tepak dan EPASA telah mencatatkan keuntungan selepas cukai (PAT) yang tertinggi sejak penubuhannya. Pencapaian yang cemerlang ini lebih bermakna memandangkan 95% daripada perolehan operasinya dijana dari luar JCorp dan Kumpulan Syarikat Sindora.

Sejak pelancaran konsep Intrapreneur Venture pada tahun 2002 hingga akhir tahun 2007, Sindora telah mendapat pulangan ke atas pelaburannya sebanyak RM26.92 juta dalam

bentuk dividen bersih. Dari jumlah ini sebanyak RM6.68 juta diperolehi pada tahun 2007. Syarikat juga telah berjaya mendapat pulangan sebanyak RM4.4 juta hasil daripada penjualan 55% saham dalam AR-JMF (dahulunya dikenali sebagai JMF Asset Management Sdn Bhd) pada tahun 2005. Sebanyak RM2.97 juta lagi diterima dalam bulan Februari 2008 hasil penjualan 55% saham Tepak. Setakat ini, secara keseluruhannya, Syarikat telah mendapat pulangan sejumlah RM34.29 juta dalam bentuk dividen bersih dan hasil daripada penjualan sebahagian kepentingannya, iaitu bersamaan dengan 43.1% daripada jumlah pelaburan.

The percentage returns would have been higher if the biggest investment of RM41.25 million in EA Tech and RM2.7 million investment in GranuLab were not taken into consideration. EA Tech had not declared any dividend in 2007 as its focus is to strengthen present business to meet growing demand and expand into lucrative shipbuilding and ship repairs activities. Meanwhile, GranuLab is still in its infancy stage and requires a long gestation period to perpetuate returns.

INVESTMENT RETURNS FROM INTRAPRENEUR VENTURE COMPANIES

The returns on investment and partial divestment can be summarised as follows:

Peratusan pulangan adalah jauh lebih tinggi sekiranya pelaburan terbesar sebanyak RM41.25 juta dalam EA Tech dan RM2.7 juta dalam GranuLab tidak diambil kira. EA Tech tidak mengisytiharkan sebarang dividen dalam tahun 2007 disebabkan syarikat tersebut lebih menumpukan kepada usaha mengukuhkan perniagaannya bagi memenuhi permintaan yang semakin meningkat di samping menceburi dalam bidang pembinaan dan pembaikan kapal

yang lumayan pulangnya. GranuLab pula masih berada pada tahap awalan operasi dan memerlukan jangka masa yang agak panjang sebelum ia dapat menjana pulangan.

PULANGAN PELABURAN DARIPADA SYARIKAT-SYARIKAT INTRAPRENEUR VENTURE

Hasil pulangan dividen dan penjualan sebahagian daripada pelaburan boleh diringkaskan seperti berikut:

COMPANY SYARIKAT	YEAR OF ACQUISITION/ ESTABLISHMENT TAHUN DIPEROLEHI/ DITUBUHKAN	INVESTMENT PELABURAN (RM MIL/JUTA)	NET DIVIDENDS RECEIVED DIVIDEN BERSIH DITERIMA (RM MIL/JUTA)	INVESTMENT RECOVERED PULANGAN KE ATAS PELABURAN (%)
POSSB	2003	5.59	3.03	54.1
Tepak (^)	2003	3.00	0.69	23.1
Willis	2003	4.50	16.55	367.8
AR-JMF (#)	2003	4.50	4.83	107.4
Metro Parking	2004	6.38	1.38	21.7
EPASA	2005	2.10	0.44	21.1
STSB	2005	-	-	-
MMV	2005	9.50	-	-
EA Tech (*)	2006	41.25	-	-
GranuLab	2007	2.70	-	-
TOTAL/JUMLAH		79.52	26.92	33.9

Note:

(^) Sindora had divested 55% of its shareholding in Tepak Marketing Sdn Bhd at RM2.97 million

(#) Sindora had divested 55% of its shareholding in JMF Asset Management Sdn Bhd at RM4.4 million, which was subsequently renamed AmanahRaya-JMF Asset Management Sdn Bhd (AR-JMF)

(*) Initial investment in EA Tech was RM38.25 million and subsequently, Sindora subscribed additional RM3.0 million paid-up capital of the company in 2007

Nota:

(^) Sindora telah menjual 55% pegangan sahamnya dalam Tepak Marketing Sdn Bhd pada pertimbangan harga RM2.97 juta

(#) Sindora telah menjual 55% pegangan sahamnya dalam JMF Asset Management pada tahun 2005 dengan harga RM4.4 juta dan kemudian syarikat ini diberi nama baru AmanahRaya-JMF Asset Management Sdn Bhd (AR-JMF)

(*) Pelaburan awal dalam EA Tech adalah sebanyak RM38.25 juta dan Sindora kemudiannya menambah pelaburan sebanyak RM3.0 juta lagi ekoran peningkatan terbitan modal berbayar syarikat dalam tahun 2007

STRATEGIC DIRECTION OF INTRAPRENEUR VENTURE BUSINESS

The role of Intrapreneur Venture in Sindora's corporate well-being need not be over emphasised. Since 2002, the substance and spirit of this business concept had been ingrained in the Group's corporate culture. Buoyed and encouraged by its consistently good performance over the years, the Group will continue to pursue the strategic shift into this Core Business as a means to expand its operations and improve its financial performance.

Sindora aims to be a successful intrapreneur-driven Group with consistently high profits and dividend growth. The following approach had been adopted as part of the Group's corporate strategies going forward:

- **The existing Intrapreneur Venture companies will be developed or nurtured to emerge as the leading player in its respective industry and subsequently transform itself as a Strategic Business of the Group.**

In this regard, EA Tech, which has led to the identification of shipping as a new core company of the Group, would further venture into shipbuilding and ship repairs as part of its expansion programme. Going into shipbuilding and ship repair is also a deliberate strategic move to address vulnerabilities and strengthen its core shipping business by acquiring additional ships and tankers.

Metro Parking is expected to expand its international operations as a strategy to reposition and build its brand in new regional markets. It had since ventured into Hong Kong and India on top of its existing presence in ASEAN countries.

Another subsidiary, EPASA is set to involve itself in the related container haulage business, concentrating in Pasir Gudang area as a means of providing an integrated logistics services to gain competitive edge and enhance prospects for long term higher value creation.

HALA TUJU STRATEGIK BISNES INTRAPRENEUR VENTURE

Peranan Bisnes Intrapreneur Venture dalam memantapkan kedudukan korporat Sindora sudah terbukti dan tidak dapat disangkal lagi. Sejak diperkenalkan pada tahun 2002, falsafah serta konsep bisnes ini telah berakar umbi dan menjadi budaya korporat Kumpulan. Berbekalkan kepada prestasi yang cemerlang sejak diperkenalkan, Kumpulan akan terus mengekalkan kedudukan strategik bisnes teras ini sebagai kaedah untuk memperkembangkan operasi dan meningkatkan prestasi kewangannya.

Matlamat Sindora adalah menjadikannya sebagai sebuah Kumpulan yang dipacu oleh intrapreneur dan berupaya mengekalkan pertumbuhan keuntungan dan dividen yang tinggi. Sebagai langkah ke hadapan, Kumpulan telah menggariskan dan menerimapakai pendekatan berikut sebagai sebahagian daripada strategi korporatnya:

- **Syarikat-syarikat Intrapreneur Venture yang sedia ada akan terus dipupuk supaya berupaya muncul sebagai syarikat terkemuka dalam industri masing-masing dan seterusnya menjadi Bisnes Strategik Kumpulan.**

EA Tech, yang terlibat dalam bidang perkapalan telah dikenalpasti sebagai syarikat teras baru Kumpulan dan akan meneroka bidang

pembinaan dan pembaikan kapal sebagai sebahagian daripada program pengembangan bisnesnya. Keputusan untuk menceburi bidang pembinaan dan pembaikan kapal ini merupakan satu langkah strategik yang terancang untuk menangani risiko yang dihadapi serta memenuhi keperluan syarikat selari dengan strateginya untuk mengukuhkan bisnes teras perkapalannya dengan membeli kapal dan kapal tangki tambahan.

Metro Parking akan terus mengembangkan operasinya di peringkat antarabangsa sebagai satu strategi mengukuhkan semula kedudukannya dan membina jenama Metro Parking dalam pasaran baru serantau. Metro Parking telah menerokai pasaran baru di Hong Kong dan India di samping mengukuhkan operasi sedia ada di negara-negara ASEAN.

Sebuah lagi syarikat anak iaitu EPASA bersedia melibatkan diri dalam perkhidmatan pengangkutan kontena dengan menumpukan operasi dalam kawasan sekitar Pasir Gudang sebagai usaha untuk memberi perkhidmatan logistik secara bersepadu demi meningkatkan daya saing dan prospek menambah nilai yang lebih tinggi dalam tempoh jangka panjang.

- **Selective acquisitions of profitable companies, for continuous growth and expansion of Intrapreneur Venture Business.**

For this purpose, Sindora had set a stringent investment criteria that includes good value proposition, market and business scalability, sound business model and ethics, the drive, passion and experience of the entrepreneur, sustainable market demand as well as a high degree of competitive advantage offered through strategic innovativeness.

- **Evaluate possibility to create value from corporate synergies through consolidation, restructure, merger and acquisition of Intrapreneur Venture companies with complementary and synergistic businesses or existing subsidiaries to stimulate their growth and expansion.**
- **Employ selective exit, harvest, restructuring or divestment strategies.**

Following the formulation and adoption of the categorisation system to evaluate investment in Intrapreneur Venture Business, the Group would continue to apply the exit, harvest, restructure or divestment strategies where appropriate on the existing companies and assets. Under these strategies, the selected companies would either be partially or fully harvested as a strategic move to gain maximum returns and value creation. The divestment of 55% equity interest in AR-JMF in 2005 and Tepak in October 2007 were cases in point.

- **Strengthening of monitoring and custodian functions to ensure stronger and more reliable internal control systems and high compliance to corporate and investment standards established by Sindora.**

- ***Pengambilalihan secara terpilih syarikat-syarikat yang berdayamaju sebagai strategi pertumbuhan dan pengembangan berterusan Bisnes Intrapreneur Venture.***

Untuk tujuan ini, Sindora telah menetapkan kriteria pengambilalihan yang ketat yang menitikberatkan potensi penambahan nilai, prospek bisnes dan pasaran, model bisnes yang kukuh, keupayaan, daya penggerak, semangat dan pengalaman usahawan, kedudukan pasaran yang kukuh serta kelebihan dayasaing yang tinggi yang dihasilkan secara strategik dan berinovasi.

- ***Membuat penilaian terhadap kemungkinan menambah nilai dari sinergi korporat melalui pendekatan penyatuan, penyusunan semula, penggabungan dan pengambilalihan syarikat-syarikat Intrapreneur Venture yang mempunyai sinergi bisnes atau syarikat-syarikat anak sedia ada untuk merangsang pertumbuhan dan perkembangannya.***
- ***Melaksanakan strategi-strategi secara terpilih bagi syarikat-syarikat Intrapreneur Venture melalui penyusunan semula, penjualan dan/atau keluar dari pelaburan.***

Dengan adanya sistem dan mekanisma untuk mengkategorikan syarikat bagi menilai pelaburan dalam Bisnes Intrapreneur Venture, Kumpulan akan terus melaksanakan strategi keluar, menjual dan menyusun semula syarikat-syarikat dan aset-aset yang dimiliki apabila perlu. Syarikat-syarikat yang dikenalpasti sesuai akan dijual sama ada sebahagian atau sepenuhnya sebagai langkah strategik untuk menambah nilai dan mendapat pulangan yang maksimum. Sebagai contoh, Kumpulan telah menyempurnakan penjualan 55% peratus kepentingan ekuiti dalam AR-JMF pada tahun 2005 dan dalam Tepak pada bulan Oktober 2007.

- ***Mengukuhkan pemantauan dan fungsi pengawalan untuk memastikan semua sistem kawalan dalaman adalah lebih mantap dan diyakini serta tahap pematuhan yang tinggi terhadap piawaian korporat dan pelaburan yang ditetapkan oleh Sindora.***

030

SINDORA BERHAD
2007

PLANTATION business as consistent earnings stream

BISNES PERLADANGAN *sebagai penjana pendapatan yang konsisten*

Although the Intrapreneur Venture Business remained the main thrust for Sindora's growth and expansion as evidenced in the significant contribution of the segment to the overall business of the Group, the Plantation Business would continue to play a much needed role in ensuring reliable and continuous cash flows and sustainable profits to the Group to meet its future requirements.

The Plantation Business registered an increase in revenue from RM66.9 million in 2006 to RM79.3 million in the year under review. Concurrently, pre-tax profit recorded was higher by 28.7% to RM12.4 million, compared with RM9.6 million in the previous year, driven by the hike in FFB and CPO prices. For the year under review, average price per tonne of CPO registered by the Company was RM2,270 compared with RM1,457 in 2006.

Sindora Palm Oil Mill (SPOM) has the capacity to process 40 tonnes of FFB per hour or 200,000 tonnes annually. In an effort to operate at an optimum level, the management of the palm oil mill had taken the initiative to externally source FFB supply to complement dwindling internal supply from own estates. The mill processed a total of 153,062 tonnes of FFB in 2007, 23.1% lower compared with 198,989 tonnes in 2006, of which 73,152 tonnes or 47.8% were from external sources. The Group's FFB production was lower at 79,910 metric tonnes in 2007 compared with 97,939 metric tonnes in 2006. The drop in production volume was mainly due to replanting programmes and floods which caused setback to the immediate term production. The mill produced a total of 28,256 tonnes of CPO in 2007 with Oil Extraction Rate (OER) of 18.5% compared with 36,926 tonnes in 2006 and OER of 18.6%.

In tandem with the objective to maximise profit for the Plantation Business, with effect from October 2007, Sindora had entered into a supply contract with a nearby external palm oil mill operator in

Walaupun Bisnes Intrapreneur Venture kekal sebagai teras utama pertumbuhan dan pengembangan Sindora seperti yang terbukti dengan sumbangan ketara segmen ini kepada keseluruhan bisnes Kumpulan, Bisnes Perladangan akan terus memainkan peranan yang amat diperlukan dalam memastikan aliran tunai yang mantap dan berterusan kepada Kumpulan untuk menampung segala keperluan masa hadapannya.

Bisnes Perladangan telah mencatatkan peningkatan perolehan daripada RM66.9 juta pada tahun 2006 kepada RM79.3 juta pada tahun yang ditinjau. Pada masa yang sama, keuntungan selepas cukai juga telah melonjak sebanyak 28.7% kepada RM12.4 juta berbanding dengan RM9.6 juta bagi tahun lalu didorong oleh kenaikan harga Buah Tandan Segar (BTS) dan harga minyak sawit mentah (MSM). Pada tahun 2007, harga purata MSM setan yang dicatat oleh Syarikat ialah sebanyak RM2,270 berbanding RM1,457 pada tahun 2006.

Kilang Minyak Sawit Sindora (SPOM) mempunyai kapasiti untuk memproses 40 tan BTS sejam atau 200,000 tan setahun. Dalam usaha untuk beroperasi pada tahap yang

optimum, pihak pengurusan kilang minyak sawit telah mengambil inisiatif untuk mendapatkan bekalan BTS dari pembekal luar bagi menampung bekalan dalaman dari ladang sendiri yang semakin merosot. Kilang tersebut telah memproses sejumlah 153,062 tan BTS dalam tahun 2007, iaitu 23.1% lebih rendah berbanding 198,989 tan pada tahun 2006. Dari jumlah tersebut sebanyak 73,152 tan atau 47.8% telah diperolehi dari pembekal luar. Kemerostotan jumlah pengeluaran terutamanya disebabkan oleh program penanaman semula dan bencana banjir telah menjejaskan pengeluaran. Pihak kilang telah mengeluarkan sejumlah 28,256 tan MSM pada tahun 2007 dengan Kadar Perahan Minyak (OER) sebanyak 18.5% berbanding 36,926 tan pada tahun 2006 dengan OER sebanyak 18.6%.

Selaras dengan objektif untuk memaksimumkan keuntungan Bisnes Perladangan, mulai Oktober 2007 Sindora telah menandatangani kontrak bekalan dengan sebuah kilang minyak sawit luar yang berhampiran di Chaah, Segamat untuk menjual kesemua Buah Tandan Segar (BTS) yang dihasilkan dari Ladang Sg. Simpang Kiri.

Chaah, Segamat to sell all of its FFB produced from Sg. Simpang Kiri Estate. Previously, all of the produce were sent and processed at SPOM which is about 100 kilometres away. Profit is optimised through savings from transportation, higher OER offered by the external palm oil mill and competitive FFB prices, determined based on Malaysian Palm Oil Board (MPOB) rate.

RUBBER PLANTATION

Rubber plantation had experienced a slight downturn in performance in 2007 with an operating profit of RM1.1 million compared with RM1.4 million in 2006. The year's latex and scrap production stood at 398,228 kg against 419,757 kg recorded in 2006. Latex and scrap prices, however, had recorded a marginal upward trend, increasing from RM7.13 per kg in 2006 to RM7.23 per kg in 2007.

Despite better prices, the bottom line was affected by higher production cost per kg at RM3.69 against RM3.17 in 2006. The high production cost was attributed to the increase in the cost of weeding, *lalang* eradication, manuring as well as higher infrastructure cost for roads, drains and bridges. To remain competitive, cost control measures and operational revamp that would lead to higher yield would be undertaken. Recovery tapping to increase yield and heavy bark consumption and tapping hygiene are among practices that would sustain long term production.

ENHANCEMENT MEASURES FOR THE PLANTATION BUSINESS

Moving forward, various strategies will be implemented to revitalise the Plantation Business. The Company will intensify the marketing of CPO. Stronger synergy would be forged between marketing and production functions to create maximum values and returns. Capital expenditure will be optimised to meet the high initial outlay for replanting programmes.

Sebelum ini, semua hasil ladang telah dihantar dan diproses di SPOM yang terletak sejauh kira-kira 100 kilometer. Keuntungan dapat dioptimumkan hasil penjimatan kos pengangkutan, Kadar Perahan Minyak (OER) yang lebih tinggi dari kilang minyak sawit luar dan harga BTS yang lebih kompetitif berasaskan kadar yang dikeluarkan oleh Lembaga Minyak Sawit Malaysia (MPOB).

PERLADANGAN GETAH

Prestasi perladangan getah telah mengalami sedikit kemerosotan bagi tahun 2007 dengan keuntungan operasi menurun kepada RM1.1 juta berbanding RM1.4 juta pada tahun 2006. Pengeluaran susu getah dan skrap adalah sebanyak 398,228 kilogram (kg) berbanding 419,757 kg yang dicatatkan pada tahun 2006. Bagaimanapun, harga susu getah dan skrap kekal tinggi malah telah mencatatkan peningkatan marginal dari RM7.13 satu kg pada tahun 2006 kepada RM7.23 satu kg pada tahun 2007.

Walaupun harganya adalah lebih tinggi, paras keuntungan turut terjejas akibat kos pengeluaran yang lebih tinggi pada RM3.69 satu kg berbanding hanya RM3.17 pada tahun 2006. Kos pengeluaran yang lebih tinggi

adalah disebabkan oleh kenaikan kos kawalan rumpai, pembasmian lalang, pembajaan serta kos infrastruktur seperti jalan, parit dan jambatan. Untuk mengekalkan daya saing, langkah-langkah kawalan kos dan pembaharuan operasi yang mampu menghasilkan keluaran yang lebih tinggi akan dilaksanakan. Torehan pemulihan untuk meningkatkan hasil dan penggunaan kulit yang ketara dan torehan yang sempuran adalah di antara amalan-amalan yang akan menjamin pengeluaran jangka panjang yang mampan.

LANGKAH-LANGKAH UNTUK MEMANTAPKAN BISNES PERLADANGAN

Pelbagai langkah akan dilaksanakan untuk merangsang semula Bisnes Perladangan pada masa hadapan. Syarikat akan mempergiatkan aktiviti pemasaran minyak sawit mentah. Sinergi yang lebih mantap akan dijalin antara fungsi pemasaran dan pengeluaran untuk mencipta nilai dan pulangan yang maksimum. Perbelanjaan modal akan dioptimumkan untuk menampung keperluan perbelanjaan yang tinggi bagi program penanaman semula.

The operations of the bio-composting plant at Sindora Palm Oil Mill will be optimised by utilising Palm Oil Mill Effluent (POME) and Empty Fruit Bunches (EFB) to produce high nutrient value compost. In addition to increasing yield, the strategy would help reduce fertiliser costs, which had progressively escalated over time.

Replanting programmes would be accelerated by substituting aging palms with better and high yielding clones. Sindora Estate commenced the replanting programme in 2006 and to-date 420 hectares had been replanted. Plans are underway to replant a total of 300 hectares per year starting 2008. As for Sg. Simpang Kiri Estate, a balance of 593 hectares is due for replanting in the immediate future.

Where economically viable, mechanisation of estate operations would be enhanced to reduce dependency on labour. In addition, uniform quality of work in mechanical spreading of fertiliser is a pre-requisite for yield enhancement. The Company would strive to maintain the ISO 14001 certification for its plantation operations by adopting best agricultural practices which are environmentally friendly.

The Company would continue to subscribe to the highest standards of sustainable development through participation in Roundtable on Sustainable Palm Oil (RSPO). RSPO is a multi-stakeholder association to promote the growth and use of sustainable palm oil through cooperation within the supply chain.

CORPORATE DEVELOPMENT

The Intrapreneur Venture Business will continue to provide Sindora with the platform to seek, explore and seize new business opportunities, strengthen its strategic advantages and positioning as well as sustain its value creation and corporate growth. Thus far, Sindora has ten companies involved in various manufacturing and services sectors under its stable of Intrapreneur Venture Business.

PROPOSED ACQUISITION OF JM PERMATA SDN BHD

During the year, Sindora continued to pursue acquisitions to further enhance contributions from its Intrapreneur Venture Business and build upon its track record of success. One of Sindora's bold moves in the year under review involved the proposed acquisition of 71.2% shareholding in JM Permata Sdn

Operasi kilang baja kompos di SPOM akan dioptimumkan dengan menggunakan bahan buangan minyak sawit (POME) dan Tandan Buah Kosong (EFB) untuk menghasilkan kompos dengan nilai nutrien yang tinggi. Di samping meningkatkan hasil pengeluaran, strategi tersebut akan membantu mengurangkan kos baja yang semakin meningkat.

Program penanaman semula akan dipercepatkan dengan menggantikan pokok kelapa sawit tua dengan klon yang bermutu tinggi. Ladang Sindora telah memulakan program penanaman semula pada tahun 2006 dan sehingga kini seluas 420 hektar telah ditanam semula. Syarikat juga sedang merancang program penanaman semula seluas 300 hektar setahun mulai tahun 2008. Baki kawasan seluas 593 hektar lagi di Ladang Sg. Simpang Kiri akan ditanam semula dalam tempoh yang terdekat.

Sekiranya sesuai dan berdayamaju, penggunaan jentera bagi operasi ladang akan dipertingkatkan untuk mengurangkan penggantungan ke atas tenaga buruh. Di samping itu, keseragaman kualiti kerja dalam pembajaan dengan menggunakan jentera adalah prasyarat bagi peningkatan hasil. Syarikat akan berusaha mengekalkan pensijilan ISO 14001 bagi operasi perladangannya dengan menggunakan amalan pertanian terbaik yang mesra alam sekitar.

Syarikat akan terus mendokong piawaian tertinggi bagi pembangunan perladangan yang mantap dengan menyertai 'Roundtable on Sustainable Palm Oil' (RSPO). RSPO adalah sebuah persatuan pelbagai pihak berkepentingan yang bermatlamat memajukan pertumbuhan dan penggunaan minyak sawit secara berterusan menerusi kerjasama dalam rantaian bekalan.

PEMBANGUNAN KORPORAT

Bisnes Intrapreneur Venture akan terus menjadi wadah bagi Sindora mengenalpasti, menerokai dan merebut peluang perniagaan baru, mengukuhkan kelebihan dan kedudukan strategik serta memantapkan penambahan nilai dan pertumbuhan korporatnya. Setakat ini Sindora memiliki sepuluh buah syarikat yang terlibat dalam pelbagai sektor perkilangan dan perkhidmatan di bawah Bisnes Intrapreneur Venturennya.

CADANGAN PENGAMBILALIHAN JM PERMATA SDN BHD

Pada tahun 2007, Sindora meneruskan usaha-usaha pengambilalihan demi meningkatkan sumbangan daripada Bisnes Intrapreneur Venture dan mengukuhkan rekod kejayaannya. Salah satu langkah berani yang diambil oleh Sindora pada tahun dalam tinjauan melibatkan cadangan pengambilalihan 71.2% pegangan saham dalam JM Permata Sdn Bhd (JMP) dengan pertimbangan harga

Bhd (JMP) for a total consideration of RM13.5 million. The company is principally involved in manufacturing and marketing of disposable baby diapers for local and export markets. Operating out of Kapar, Klang, the manufactured diapers are exported to Indonesia, Madagascar, India, New Zealand, Singapore and South Africa. The proposed acquisition is expected to be concluded in second quarter of 2008.

ACQUISITION OF GRANULAB (M) SDN BHD

During the year under review, Sindora also concluded the acquisition of 90% equity in GranuLab, a technology-driven manufacturer of synthetic bone graft under the brand name GranuMaS™ for a total consideration of RM270,000. The paid-up capital of GranuLab was subsequently increased to RM3.0 million in May 2007. The company is still in its infancy stage and the manufacturing facility for GranuMaS™ is expected to be ready for commercial production by early 2009.

Presently, the Management is focusing on establishing and positioning GranuMaS™ and marketing the product from SIRIM Berhad (SIRIM) for local market. The company, under the commercialisation agreement with SIRIM was granted a 10-year license with a renewable option of another 10 years to manufacture and market GranuMaS™ to 49 countries worldwide.

STRENGTHENING OF EA TECHNIQUE (M) SDN BHD'S OPERATIONS

On 1 April 2007, EA Tech had concluded the disposal of its 40% equity interest in an associate company, EA Bunkering Services Sdn Bhd for a total consideration of RM1.2 million to the existing shareholders. This is in tandem with the objective to focus on its principal activities of owning and managing oil tankers and offshore support vessels for the oil and gas industry.

The investment in EA Tech enabled Sindora to expand into shipping industry which presented vast opportunities for further growth of the upstream and downstream activities. EA Tech is set to undertake further expansion in 2008 through a shipbuilding and ship repairs/maintenance project at Tanjung Langsat Industrial Complex. A wholly-owned subsidiary of EA Tech, Johor Shipyards and Engineering Sdn Bhd (JSE) was formed in March 2008 to undertake the proposed project, which is expected to commence operations by early 2009.

sebanyak RM13.5 juta. Aktiviti utama syarikat ini ialah mengeluarkan dan memasarkan lampin bayi pakai buang untuk pasaran tempatan dan eksport. Lampin yang dikeluarkan di kilang yang beroperasi di Kapar, Klang dieksport ke Indonesia, Madagascar, India, New Zealand, Singapura and Afrika Selatan. Cadangan pengambilalihan ini dijangka akan dapat disempurnakan pada suku kedua tahun 2008.

PENGAMBILALIHAN GRANULAB (M) SDN BHD

Pada tahun yang ditinjau, Sindora juga telah berjaya menyempurnakan pengambilalihan 90% kepentingan dalam GranuLab, syarikat yang dilantik oleh SIRIM Berhad untuk mengeluarkan dan menghasilkan tisu tulang tiruan di bawah jenama GranuMaS™ dengan pertimbangan harga sebanyak RM270,000. Modal berbayar GranuLab kemudiannya ditingkatkan kepada RM3.0 juta pada bulan Mei 2007. Syarikat ini masih pada peringkat awal dan kemudahan untuk menghasilkan GranuMaS™ dijangka siap untuk pengeluaran secara komersial pada awal tahun 2009.

Syarikat ini sedang menumpukan usaha membina jenama dan kedudukan GranuMaS™ serta memasarkannya ke pasaran tempatan dengan bekalan yang diperolehi daripada SIRIM Berhad (SIRIM). Di bawah perjanjian pengkomersialan

dengan SIRIM, syarikat diberi kebenaran untuk mengeluarkan dan memasarkan GranuMaS™ di 49 buah negara di seluruh dunia selama 10 tahun dengan opsi penyambungan selama 10 tahun lagi.

PENGUKUHAN OPERASI EA TECHNIQUE (M) SDN BHD

Pada 1 April 2007, EA Tech telah menyempurnakan penjualan 40% kepentingannya dalam syarikat sekutunya, EA Bunkering Services Sdn Bhd dengan pertimbangan harga berjumlah RM1.2 juta kepada pemegang saham yang sedia ada. Ia adalah selaras dengan matlamat syarikat untuk memberi tumpuan kepada aktiviti utamanya sebagai pemilik dan pengurus kapal tangki dan perkhidmatan sokongan kapal luar pesisir bagi industri minyak dan gas.

Pelaburan dalam EA Tech telah membuka jalan bagi Sindora melibatkan diri dalam industri perkapalan yang berpotensi untuk menjana pertumbuhan secara berterusan dalam aktiviti hulu dan hilirannya. EA Tech bersedia untuk terus berkembang pada tahun 2008 dalam aktiviti perkapalan dan projek pembinaan dan penyelenggaraan kapal di Pelabuhan Tanjung Langsat. Johor Shipyards and Engineering Sdn Bhd (JSE), syarikat anak milik penuh EA Tech telah ditubuhkan pada bulan Mac 2008 untuk mengendalikan projek tersebut yang dijangka mula beroperasi pada awal tahun 2009.

EXPANSION OF PARKING BUSINESS TO HONG KONG AND INDIA

Metro Parking (M) Sdn Bhd and its subsidiaries (Metro Parking Group) continued to expand their operations to boost long term revenue and profitability. During the year under review, Metro Parking Group initiated expansion into Hong Kong to serve as a springboard to tap into the huge China market. Metro Parking (Hong Kong) Pte Ltd was established in July 2007 and is wholly-owned by Metro Parking (M) Sdn Bhd with an initial paid-up capital of HKD1.00, which will be gradually increased to HKD6.0 million. It commenced operations in January 2008 with five (5) contracts for a total of 787 parking bays. The highly competitive and mature market in Hong Kong would promote Metro Parking's professionalism and capability to operate in a large metropolitan city. In addition, the high parking rates in Hong Kong also offer better margins and attractive profits to Metro Parking Group.

Metro Parking Group has also recently invested in India through a wholly-owned subsidiary, Metro Parking Services (India) Pte Ltd, which was established in March 2008. As the service is comparatively new in India, the new venture would offer great potentials in parking management business. The investment in India will also serve as a gateway for Metro Parking Group to tap into the West Asian markets of Saudi Arabia, Dubai and others. The new subsidiary in India is set to commence operations in May 2008 with its first parking contract of a large shopping mall in Mumbai.

PROPOSED INCREASE OF PAID-UP CAPITAL OF THE COMPANY

The Board of Directors of the Company had principally approved the proposed increase of the paid-up capital of the Company through Renounceable Two Call Rights Issue of 105,600,000 ordinary shares together with One Free Detachable Warrant for every Two Rights Shares subscribed. However, this proposal has been deferred until further notice, pending development in respect of the change in ownership as a result of the disposal by JCorp of all its shares in the Company to Kulim (M) Berhad (Kulim). The notification of this proposal was served to the Company on 14 November 2007.

PENGEMBANGAN BISNES LETAK KERETA KE HONG KONG DAN INDIA

Metro Parking (M) Sdn Bhd dan syarikat-syarikat anaknya (Kumpulan Metro Parking) terus mengembangkan operasi bertujuan meningkatkan perolehan dan keuntungan jangka panjang Kumpulan. Dalam tahun tinjauan, Kumpulan Metro Parking mula mengembangkan bisnesnya ke Hong Kong sebagai batu loncatan untuk meneroka potensi yang besar di pasaran China. Metro Parking (Hong Kong) Pte Ltd, syarikat anak milik penuh Metro Parking (M) Sdn Bhd ditubuhkan pada bulan Julai 2007 dengan modal berbayar asal sebanyak HKD1.00 dan kemudiannya ditingkatkan secara berperingkat-peringkat kepada HKD6.0 juta. Syarikat anak ini mula beroperasi pada bulan Januari 2008 dengan lima kontrak melibatkan 787 ruang letak kereta. Pasaran Hong Kong yang amat kompetitif dan matang akan membolehkan Metro Parking memantapkan tahap profesionalisma dan keupayaannya melalui pengalaman beroperasi di sebuah bandaraya metropolitan yang besar. Di samping itu, kadar bayaran letak kereta yang tinggi di Hong Kong akan juga memberi margin yang lebih besar serta keuntungan yang amat lumayan kepada Kumpulan Metro Parking.

Kumpulan Metro Parking juga telah membuat pelaburan di India melalui syarikat anak milik penuhnya Metro Parking Services (India) Pte Ltd yang ditubuhkan pada bulan Mac 2008. Pengurusan letak kereta secara profesional adalah baru di India dan penerokaan pasaran di India akan membolehkan Kumpulan Metro Parking menikmati potensi yang lumayan dalam bisnes ini. Pelaburan di India juga akan memberi ruang dan kesempatan kepada Kumpulan Metro Parking untuk menerokai pasaran Asia Barat di Arab Saudi, Dubai dan lain-lain lagi. Operasi di India ini dijangka akan dapat dimulakan secara komersial pada bulan Mei 2008 dengan kontrak pertamanya di salah sebuah pusat membeli belah yang besar di Mumbai.

CADANGAN PENINGKATAN MODAL BERBAYAR SYARIKAT

Lembaga Pengarah Syarikat telah bersetuju pada dasarnya dengan cadangan peningkatan modal berbayar Syarikat melalui Dua Panggilan Terbitan Hak Boleh Batal 105,600,000 saham biasa beserta dengan Waran Percuma Boleh Pisah bagi setiap Dua Saham Hak yang dilanggan. Bagaimanapun, cadangan ini telah ditunda ekoran keputusan JCorp selaku pemegang saham majoriti Sindora untuk menjual keseluruhan pegangan sahamnya kepada Kulim (M) Berhad (Kulim). Pemberitahuan mengenai penjualan ini telah diterima oleh Syarikat pada 14 November 2007.

The proposed increase in the paid-up capital was required to meet the Company's increasing obligation to finance its acquisitions and expansion programmes. Among outstanding obligations are the payment for the acquisition of JMP, the proposed expansion programme in shipbuilding and ship repair activities of EA Tech, financing for the paid-up capital of GranuLab and acquisitions of new potential companies. Concurrently, financing the high capital outlay for replanting and infrastructure development is also anticipated for the Plantation Business.

Due to the deferment of the proposed increase in paid-up capital, funds generation through the exit strategy involving partial harvest of 55% equity interest in Tepak and disposal of 20.5 acres of land located at Bandar Tenggara Timber Complex helped to ease cashflow, albeit temporarily.

The Plantation Business, dubbed as a "cash flow generator" had also experienced a cash flow gap due to heavy replanting programmes at the two estates. The mismatch of timing between cash inflow and outflow would be judiciously managed. While time is of the essence to meet these funding proposals, Sindora stands guided by prudence in seeking the most favourable terms for any financing requirement. The proposed increase in paid-up capital will be pursued soon after the completion of the proposed acquisition of Sindora by Kulim, subject to fresh approval and undertaking by Kulim as the new majority shareholder of the Company.

PROPOSED ACQUISITION OF SINDORA BERHAD BY KULIM (M) BERHAD

Kulim, in its announcement dated 13 November 2007, had entered into a Conditional Sale and Purchase Agreement (CSPA) with Johor Corporation (JCorp) to acquire 59,533,289 units of ordinary shares of Sindora or approximately 62.0% shareholding in the Company for a total cash consideration of RM102.4 million or RM1.72 per share. The acquisition was successfully concluded on 25 April 2008. With the conclusion of this acquisition, Sindora is now a subsidiary of Kulim.

Kulim shall, in accordance with the provisions of the Malaysian Code on Take-Overs and Mergers, 1998, be obliged to undertake a mandatory take-over offer to acquire the remaining shares of Sindora not already held by Kulim and parties acting in-concert with it, at the same offer price of RM1.72 per share.

Cadangan peningkatan modal berbayar ini adalah bertujuan untuk memenuhi obligasi Syarikat membiayai program-program pengambilalihan dan pengembangan bisnesnya. Antara obligasi yang perlu dipenuhi termasuklah peruntukan pembayaran untuk pengambilalihan JMP, cadangan pengembangan aktiviti pembinaan dan penyelenggaraan kapal EA Tech, pembiayaan modal berbayar GranuLab dan pengambilalihan syarikat-syarikat baru yang berpotensi. Pada masa yang sama, Syarikat dijangka menanggung pembiayaan perbelanjaan modal yang tinggi untuk program penanaman semula dan pembangunan infrastruktur dalam Bisnes Perladangannya.

Disebabkan oleh penangguhan peningkatan modal berbayar yang dicadangkan, dana yang dijana melalui strategi keluar yang melibatkan penjualan 55% saham dalam Tepak dan penjualan tanah seluas 20.5 ekar di Kompleks Perkayuan Bandar Tenggara telah membantu meringankan kedudukan aliran tunai walaupun buat sementara waktu.

Bisnes Perladangan yang bertindak sebagai penjana aliran tunai telah mengalami defisit disebabkan oleh program penanaman semula secara besar-besaran di dua buah ladang Syarikat. Pihak Syarikat akan menangani masalah kekurangan aliran tunai ini dengan penuh bijaksana. Walaupun Sindora menghadapi kesuntukan masa untuk memenuhi pembiayaan cadangan-cadangan yang

dinyatakan, Syarikat akan tetap berhemah dalam usaha mendapatkan keperluan pembiayaan dengan terma yang terbaik. Cadangan peningkatan modal berbayar akan diaktifkan semula sejurus selepas cadangan pengambilalihan Sindora disempurnakan, tertakluk kepada kelulusan dan persetujuan Kulim sebagai pemegang saham majoriti baru Syarikat.

CADANGAN PENGAMBILALIHAN SINDORA BERHAD OLEH KULIM (M) BERHAD

Kulim dalam pengumuman yang bertarikh 13 November 2007 memaklumkan bahawa syarikat tersebut telah menandatangani Perjanjian Jual Beli Bersyarat (CSPA) dengan Johor Corporation (JCorp) untuk mengambilalih 59,533,289 unit saham biasa Sindora atau lebih kurang 62.0% daripada pegangan saham dalam Syarikat dengan pertimbangan tunai berjumlah RM102.4 juta atau RM1.72 sesaham. Pengambilalihan ini telah berjaya disempurnakan pada 25 April 2008. Dengan sempurnanya pengambilalihan ini, Sindora kini merupakan syarikat anak Kulim.

Menurut peruntukan Kod Pengambilalihan dan Penggabungan Malaysia Tahun 1998, Kulim dikehendaki membuat tawaran pengambilalihan wajib untuk mengambilalih baki saham-saham Sindora yang belum dipegang olehnya atau pihak-pihak yang bertindak bersama dengannya pada harga tawaran yang sama sebanyak RM1.72 sesaham.

036

SINDORA BERHAD
2007





The process related to the mandatory take-over offer has started with the issuance of the mandatory notice of take-over offer by Kulim to the Board of Directors of Sindora on 15 April 2008. The whole exercise is expected to be completed by the end of second quarter of 2008.

The conclusion of this acquisition allows Sindora to derive synergistic benefits from the enlarged base of operations offered by Kulim. The integration of managerial and operational aspects of especially the plantation operations into Kulim is expected to be seamless despite Sindora being involved in a broad spectrum of industries and which are mostly still growing in terms of operations and profitability.

Sindora will be able to capitalise on the enlarged Kulim Group pursuant to the acquisition and minimise occurrences of related party transactions with regards to the management of Sindora's palm oil estates and mill.

Proses berkaitan pengambilalihan wajib ini telah bermula apabila Kulim mengeluarkan notis tawaran pengambilalihan kepada Lembaga Pengarah Sindora pada 15 April 2008. Keseluruhan urusan ini dijangka siap sepenuhnya pada akhir suku kedua tahun 2008.

Dengan sempurnanya urusan pengambilalihan ini, Sindora dijangka mendapat manfaat dan sinergi hasil dari asas operasi yang lebih besar di bawah Kulim. Integrasi aspek-aspek pengurusan dan operasi khususnya operasi perladangan ke dalam Kulim dijangka memberi kelebihan walaupun Sindora terlibat dalam pelbagai latar belakang industri yang sebahagian besar operasi dan keuntungannya masih berada pada tahap berkembang.

Berikutan pengambilalihan ini, Sindora akan berupaya merebut peluang dan manfaat dari saiz Kumpulan Kulim yang lebih besar di samping meminimumkan urusniaga berkaitan dalam Kumpulan terutamanya yang melibatkan pengurusan ladang dan kilang minyak sawit Sindora.

038

SINDORA BERHAD
2007

OPERATIONAL REVIEW of intrapreneur venture companies

TINJAUAN OPERASI

syarikat-syarikat intrapreneur venture

EA TECHNIQUE (M) SDN BHD

EA Tech is principally an owner and manager of a pool of oil tankers and offshore support vessels for charter in the lucrative oil and gas transport activities. The acquisition of EA Tech by Sindora in late 2006 has enabled it to expand its fleet of vessels and ships to tap growing demand which presented tremendous growth prospects. It had since increased its fleet size with the addition of 40,000 deadweight tonnage (dwt) M.T. Nautica Muar at a cost of RM50.0 million in May 2007 and two fast crew boats, M.V. Nautica Tg. Puteri IV and V at a total cost of RM25.0 million. In September 2007, the company launched its newly built double hulled tanker, M.T. Nautica Johor Bahru which was constructed at a cost of RM39.0 million.

With the addition of new vessels in 2007, EA Tech now owns 11 vessels with a total capacity of 60,000 dwt compared with only seven vessels by end 2006 with a capacity of 15,000 dwt. With the larger capacity, EA Tech is able to serve a wider customer base in Malaysia and neighbouring ASEAN countries.

EA Tech adalah pemilik dan pengurus kapal tangki dan perkhidmatan sokongan kapal luar pesisir pantai untuk disewa bagi aktiviti pengangkutan minyak dan gas yang menguntungkan. Pengambilalihan EA Tech oleh Sindora pada lewat tahun 2006 membolehkan syarikat ini menambah bilangan bot dan kapal bagi memenuhi permintaan yang kian meningkat sekaligus menawarkan prospek pertumbuhan yang amat cerah. Bilangan kapal EA Tech telah bertambah berikutan pembelian kapal M.T. Nautica Muar yang berkapasiti 40,000 tan (DWT) dengan harga RM50.0 juta pada bulan Mei 2007 dan dua buah bot pengangkut pekerja, M.V. Nautica

Tg. Puteri IV dan V dengan harga berjumlah RM25.0 juta. Pada bulan September 2007, syarikat telah melancarkan kapal tangki baru, M.T. Nautica Johor Bahru yang dibina dengan kos sebanyak RM39.0 juta.

Dengan bertambahnya kapal-kapal baru pada tahun 2007, EA Tech kini memiliki 11 buah kapal dengan kapasiti berjumlah 60,000 tan (DWT) berbanding hanya tujuh buah kapal pada akhir tahun 2006 dengan kapasiti sebanyak 15,000 tan (DWT). Dengan kapasiti yang lebih besar ini, EA Tech kini berupaya memberi perkhidmatan kepada pelbagai pelanggan yang terdapat di Malaysia dan negara-negara ASEAN.

Name of vessels <i>Nama kapal</i>	Type of vessels <i>Jenis kapal</i>	Year built <i>Tahun dibina</i>	DWT <i>Tan</i>
Currently in service/Dalam perkhidmatan sekarang			
M.T. Nautica Mersing	Tanker/Kapal Tangki	1986	3,042
M.T. Nautica Pontian	Tanker/Kapal Tangki	1989	3,747
M.T. Nautica Kluang	Tanker/Kapal Tangki	1992	3,298
M.T. Nautica Segamat	LPG carrier/Pembawa LPG	1991	4,421
M.T. Nautica Muar	Tanker/Kapal Tangki	1992	40,000
M.V. Nautica Tg. Puteri I	Harbour tug/Bot Tunda pelabuhan	2004	305
M.V. Nautica Tg. Puteri II	Harbour tug/Bot Tunda pelabuhan	2004	305
M.V. Nautica Tg. Puteri III	Security boat/Bot Keselamatan	2005	4.5
M.V. Nautica Tg. Puteri IV	Off-shore crew boat/ Bot Pengangkut Pekerja	2005	226
M.V. Nautica Tg. Puteri V	Off-shore crew boat/ Bot Pengangkut Pekerja	2005	226
M.T. Nautica Johor Bahru	Tanker/Kapal Tangki	2007	5,500
Managed for other company/ Mengurus bagi pihak syarikat lain			
M.T. Gaya Tapis	Tanker/Kapal Tangki	1993	6,012

In the year under review, the company had performed extremely well in terms of profit contribution to Sindora Group. It registered an operating revenue of RM63.3 million, an increase of 40.5% over the RM45.1 million revenue recorded during the same period of 2006 mainly attributable to several new contracts being secured during the period. Consequently, its PBT rose in tandem to RM17.3 million from RM10.2 million in 2006. Despite higher interest and other operational costs, the company succeeded in surpassing its PBT projection by 13.6% as a result of the direct contribution of a larger fleet size to operating profit.

A substantial capital outlay will be required to realise the company's plans to further expand its business in the upstream activities of shipbuilding and ship repairs, to be undertaken by a wholly-owned subsidiary, Johor Shipyard and Engineering Sdn Bhd (JSE). A 20 acre site has been identified at Tg. Langsat Industrial Complex to accommodate the proposed shipyard facilities. The shipyard facilities are expected to be fully operational latest by early 2009 and will complement EA Tech's own requirement to build new tankers and maintenance of its fleet. The establishment of JSE will enable EA Tech to become one of the premier companies in the shipping industry in Malaysia.

Funding requirements for the proposed expansion programmes would be met by gradually increasing EA Tech's paid-up capital to RM38 million from current RM19.42 million. Funding options from financial institutions, asset-backed securitisation or Islamic Bond will also be explored for the expansion programmes. Identified as potential Strategic Business, the company is expected to achieve RM20 million PBT from 2008 onwards.

The company is open to various collaboration to enhance value creation in view of its rapid growth and expansion mode, either through mergers and acquisitions or joint ventures or any other forms of business partnerships.

Bagi tahun 2007, syarikat telah menunjukkan prestasi yang amat cemerlang dari segi sumbangan keuntungan kepada Kumpulan Sindora. EA Tech telah mencatatkan perolehan sebanyak RM63.3 juta, satu peningkatan sebanyak 40.5% berbanding perolehan berjumlah RM45.1 juta yang dicatat bagi tempoh yang sama pada tahun 2006 disebabkan terutamanya oleh kejayaan syarikat memperolehi beberapa kontrak baru yang ditandatangani dalam tempoh tersebut. Selaras dengan itu Keuntungan Sebelum Cukai telah meningkat kepada RM17.3 juta berbanding RM10.2 juta pada tahun 2006. Walaupun menghadapi kos faedah dan operasi yang lebih tinggi, syarikat berjaya melangkaui unjuran Keuntungan Sebelum Cukai pada kadar 13.6% hasil sumbangan langsung keuntungan operasi daripada bilangan kapal yang bertambah.

Perbelanjaan modal yang besar diperlukan untuk merealisasikan rancangan pengembangan bisnes syarikat dalam aktiviti huluhan seperti projek pembinaan dan pembaikan kapal yang akan dikendalikan oleh syarikat anak milik sepenuhnya, Johor Shipyard and Engineering Sdn Bhd (JSE). Tapak seluas 20 ekar di Pelabuhan Tg. Langsat telah dikenalpasti untuk pembinaan kemudahan limbungan kapal yang dicadangkan. Kemudahan

ini dijangka beroperasi sepenuhnya selewat-lewatnya pada awal tahun 2009 dan akan menjadi pelengkap kepada keperluan pembinaan dan penyelenggaraan kapal-kapal syarikat. Penubuhan JSE akan membolehkan EA Tech menjadi salah sebuah syarikat utama dalam industri perkapalan di Malaysia.

Cadangan program pengembangan ini akan dibiayai dengan peningkatan modal berbayar EA Tech secara berperingkat-peringkat daripada RM23.53 juta sekarang kepada RM38 juta. Syarikat akan mengkaji pelbagai opsyen pembiayaan termasuk pinjaman daripada institusi-institusi kewangan, pengsekuritan aset atau penerbitan Bon Islam. Dikenalpasti sebagai berpotensi untuk menjadi Bisnes Strategik, syarikat ini dijangka mencatatkan Keuntungan Sebelum Cukai tahunan sebanyak RM20.0 juta mulai tahun 2008.

Memandangkan syarikat berada pada peringkat pertumbuhan dan pengembangan yang pesat, syarikat bersedia menjalinkan kerjasama sama ada melalui penggabungan, pengambilalihan, atau apa jua bentuk perkongsian bisnes yang lain untuk meningkatkan penjanaan nilai.

040

SINDORA BERHAD
2007



041

SINDORA BERHAD
2007



042

SINDORA BERHAD
2007

METRO PARKING (M) SDN BHD AND ITS GROUP OF COMPANIES

Metro Parking (M) Sdn Bhd is the leading parking operator in the country garnering some 30% of the market share. It had established strong regional network and operation base in Malaysia, Singapore, Brunei, Indonesia and the Philippines with more than 200 contracts under its management.

As a reputable brand name, Metro Parking Group is able to offer complete parking management package, including equipment and related facilities as well as comprehensive computer software systems for car park management, audit and evaluation. In recognition of its expertise in this area, the company was awarded international accreditation including from the National Parking Association based in the United States and quality accreditation for ISO 9001:2000 under the scope "Parking Management" in Malaysia and the Philippines. It also won the Industry Excellence Award "Certificate of Excellence for Export Services" in 2007.

During the year under review, Metro Parking Group recorded revenues of RM96.0 million, an increase of 10.6% over the same period in 2006. While there is a significant improvement in revenue, Metro Parking Group registered a lower PBT of RM1.3 million in 2007, 37.1% lower than RM2.1 million recorded in 2006. This lower PBT was mainly due to the substantial provisions made during the year as a result of managerial lapses at one of the branches of Metro Parking's Central Region operations. The management has taken immediate action to rectify the situation and put in place measures to ensure no future recurrence. The lower profit also reflected slim profit margin and escalating operating costs in parking management business.

Generally, operating subsidiaries had shown good performance both in terms of revenue and PBT, which had contributed positively to Metro Parking Group in 2007 and can be summarised as follows:-

Metro Parking adalah pengendali tempat letak kereta yang terkemuka dalam negara dengan menguasai 30% saiz pasaran. Ia telah berjaya mewujudkan rangkaian serantau dan asas operasi yang kukuh di Malaysia, Singapura, Brunei, Indonesia dan Filipina dengan lebih 200 kontrak di bawah pengurusannya.

Sebagai jenama yang terkemuka, Kumpulan Metro Parking berupaya menawarkan pakej pengurusan letak kereta, termasuk peralatan dan kemudahan yang berkaitan serta sistem perisian komputer yang komprehensif untuk pengurusan, audit dan penilaian tempat letak kereta. Sebagai tanda pengiktirafan terhadap sumbangan dan kepakarannya dalam bidang ini, syarikat ini telah diberi akreditasi antarabangsa termasuk daripada National Parking Association Amerika Syarikat dan akreditasi kualiti untuk ISO 9001:2000 di bawah skop "Pengurusan Tempat Letak Kereta" di Malaysia dan Filipina. Pada tahun 2007, syarikat ini juga telah dianugerahkan dengan Anugerah Kecemerlangan Industri "Sijil Kecemerlangan bagi Perkhidmatan Eksport".

Dalam tahun tinjauan, Kumpulan Metro Parking telah mencatatkan perolehan sebanyak RM96.0 juta, meningkat sebanyak 10.6% berbanding tempoh yang sama pada tahun 2006. Walaupun perolehan telah meningkat dengan ketara, Kumpulan Metro Parking telah mencatatkan Keuntungan Sebelum Cukai yang lebih rendah sebanyak RM1.3 juta pada tahun 2007, menurun sebanyak 37.1% berbanding RM2.1 juta yang dicatatkan pada tahun 2006. Keuntungan Sebelum Cukai yang menurun ini berpunca terutamanya daripada peruntukan yang besar pada tahun 2007 ekoran kecuaiian pengurusan di salah sebuah cawangan operasi Metro Parking di Wilayah Tengah. Pihak pengurusan telah mengambil langkah segera memperbetulkan kedudukan dan melaksanakan langkah-langkah yang wajar bagi memastikan kejadian seumpama itu tidak berulang. Keuntungan yang lebih rendah juga mencerminkan margin keuntungan yang kecil serta kos operasi yang semakin meningkat. Secara keseluruhan, syarikat-syarikat anak yang beroperasi telah menunjukkan prestasi yang menggalakkan dari segi perolehan dan Keuntungan Sebelum Cukai yang menyumbang secara positif kepada Kumpulan Metro Parking pada tahun 2007. Butirannya boleh diringkaskan seperti berikut:-

COMPANY/SYARIKAT	REVENUE/PEROLEHAN (RM'000)		PROFIT BEFORE TAXATION KEUNTUNGAN SEBELUM CUKAI (RM'000)	
	Audited Beraudit 2006	Audited Beraudit 2007	Audited Beraudit 2006	Audited Beraudit 2007
Metro Parking (M) Sdn Bhd	42,430	45,887	374	776
Metro Parking (S) Pte Ltd	32,492	33,202	700	915
Metro Parking (B) Sdn Bhd	5,479	4,197	841	811
Metro Parking (Phil) Inc.	4,688	6,089	401	551
PT Metro Penata Sarana	406	635	(122)	(188)
Metro Equipment Systems Sdn Bhd	1,590	1,638	85	(150)
Smart Parking Management Systems Sdn Bhd	1,590	9,514	295	766
Metro Parking (HK) Pte Ltd	-	508	-	(496)
Inter-Company Adjustment	(1,850)	(5,644)	(482)	(1,669)
GRAND TOTAL/JUMLAH BESAR	86,825	96,026	2,092	1,316

During the year under review, Metro Parking Group established presence in Hong Kong in view of huge potential market in China through a wholly-owned subsidiary, Metro Parking (Hong Kong) Pte Ltd, in July 2007. It commenced operations in January 2008 with five (5) contracts for a total of 787 parking bays. The highly competitive and mature market in Hong Kong would promote Metro Parking's professionalism and capability to operate in a large metropolitan city. In addition, the high parking rates in Hong Kong also offer better margin and attractive profits to Metro Parking Group.

Metro Parking Group had also recently ventured into India by establishing foothold in Mumbai and Hyderabad. Since professional parking management business is still at an infancy stage in India, the market promises huge potential for growth for an outfit like Metro Parking.

Memandangkan potensi yang besar di pasaran China, Kumpulan Metro Parking telah mula bertapak di Hong Kong pada bulan Julai 2007 melalui syarikat anak milik sepenuhnya, Metro Parking (Hong Kong) Pte Ltd. Ia mula beroperasi pada bulan Januari 2008 dengan lima kontrak yang meliputi 787 ruang tempat letak kereta. Pasaran Hong Kong yang amat kompetitif dan matang akan membolehkan Metro Parking memantapkan profesionalisma dan keupayaannya melalui pengalaman beroperasi di sebuah bandaraya metropolitan yang besar. Di samping itu, kadar

bayaran letak kereta yang tinggi di Hong Kong akan juga memberi margin yang lebih besar serta keuntungan yang amat lumayan kepada Kumpulan Metro Parking.

Kumpulan Metro Parking juga telah menerokai pasaran India baru-baru ini dengan memulakan operasinya di Mumbai dan Hyderabad. Oleh kerana bisnes pengurusan tempat letak kereta adalah bisnes baru di India, pasaran tersebut menjanjikan potensi pertumbuhan yang besar bagi syarikat seperti Metro Parking.

044

SINDORA BERHAD
2007





046

SINDORA BERHAD
2007

PRO OFFICE SOLUTIONS SDN BHD

Pro Office Solutions Sdn Bhd (POSSB) is a Business Process Outsourcing (BPO) company that is principally involved in the provision of integrated outsourcing solutions in Data and Document Processing (DDP) to blue chip financial institutions, telecommunication, insurance and Government Linked Companies. With a proven track record of 15 years, POSSB is recognised as one of the top DDP service providers in the country.

Despite keen competition amongst industry players and lower margin, the company had recorded an increase of 17.3% in operating revenue of RM19.9 million in 2007 against RM17.0 million in 2006. PBT rose 8.5% to RM1.5 million from RM1.4 million recorded in 2006.

During the year, POSSB established a new business unit, Mail Management and Courier Services, which targeted market segments outside the ambit of the major players. Being small and agile, the business unit succeeded in securing several contracts from MATRADE, Readers Digest, Astro, PostLink.Sg, etc. The unit would be placed under the sub-intrapreneurship scheme upon completion of its incubation under the 'corporatised' intrapreneurship scheme.

In an effort to strengthen its operations, the management had viewed several possibilities of business collaboration and / or established smart partnership with other service providers. On a broader scale, the company is also actively evaluating all possible corporate options, including consolidating the present business, seeking new possibilities and chances of merger and acquisitions, or even total divestment and harvesting. Whatever option it finally decides upon, shareholders can rest assured that the company will be principally guided by the business objective of sustaining long term shareholder value as determined by Sindora.

POSSB adalah syarikat yang terlibat terutamanya dalam memberi perkhidmatan Pemprosesan Data dan Dokumen (DDP) secara bersepadu kepada institusi kewangan, syarikat insurans, telekomunikasi dan Syarikat Berkaitan Kerajaan. Dengan rekod pencapaian yang terbukti selama 15 tahun, POSSB diiktiraf sebagai salah sebuah syarikat yang terulung dalam menyediakan perkhidmatan DDP di Malaysia.

Walaupun menghadapi persaingan yang getir dan pengurangan margin, syarikat telah mencatatkan peningkatan perolehan sebanyak 17.3% kepada RM19.9 juta pada tahun 2007 berbanding RM17.0 juta pada tahun 2006. Keuntungan Sebelum Cukai meningkat sebanyak 8.5% kepada RM1.5 juta daripada RM1.4 juta yang dicatatkan pada tahun 2006.

Pada tahun 2007, satu unit perniagaan baru iaitu Pengurusan Mel dan Perkhidmatan Penghantaran ditubuhkan oleh POSSB. Unit ini mensasarkan segmen pasaran selain daripada tumpuan liputan syarikat-syarikat besar. Sebagai unit bisnes yang kecil dan lebih

fleksibel, ia telah berjaya mengikat kontrak dengan beberapa pihak termasuk MATRADE, Readers' Digest, Astro, PostLink.Sg, dan lain-lain lagi. Unit ini kemudiannya akan dilaksanakan dengan skim intrapreneur apabila menepati ciri-ciri yang telah ditetapkan.

Dalam usaha mengukuhkan operasinya, pengurusan POSSB sedang mengkaji beberapa kemungkinan kerjasama bisnes dan/atau menubuhkan perkongsian pintar dengan penyedia perkhidmatan yang lain. Pada masa yang sama, syarikat turut menilai pelbagai opsyen dan pendekatan korporat termasuk mengukuhkan bisnes sedia ada, meneroka kemungkinan baru dan peluang penyatuan dan pengambilalihan atau menjual pelaburan ini kepada pihak yang berminat. Apa jua opsyen yang akan dipilih kelak, para pemegang saham diberi jaminan bahawa syarikat akan berpegang kepada prinsip memenuhi matlamat perniagaan untuk mengekalkan nilai jangka panjang pemegang saham seperti yang ditetapkan oleh Sindora.





EPASA SHIPPING AGENCY SDN BHD

Operating in Pasir Gudang, EPASA is principally involved in freight forwarding, shipping and logistics services. Its clients include major shipping companies with international affiliation such as Mitsui OSK Lines, China Shipping, Evergreen, DiPerdana, Kontena Nasional and other clientele that includes Antara Steel Mills Sdn Bhd, Behn Meyer and FPM (M) Sdn Bhd.

EPASA's container yard in Pasir Gudang with a capacity to accommodate 10,000 TEUs per month, is equipped with modern facilities and recognised as among the preferred logistics provider. However, the container yard has reached maximum capacity as the company handled on average 9,808 TEUs per month in 2007. In an effort to enhance competitiveness and increase its capability to meet increasing demand for the logistics services, the company will be expanding its container yard capacity by another 10,000 TEUs per month, by developing a site adjacent to its current premises.

For 2007, EPASA had performed well by exceeding the expected budget for the year. Revenue increased to RM7.7 million from RM6.4 million, an increase of 21.0%. Correspondingly, PBT surged by 42.1% to RM0.9 million compared with RM0.6 million recorded in 2006. The better overall performance was attributed to the better margin contribution from the Logistics Operations which accounted for 49.0% of the revenue or RM3.8 million while Forwarding Operations accounted for the balance by recording operating revenue of RM3.9 million or 51.0%. In 2007, the container yard handled slightly lower TEUs of 117,700 compared with 118,183 TEUs in 2006.

To sustain and further enhance its good performance, EPASA is investing RM2.0 million to acquire prime movers, trailers and tippers for the Haulage Business, expected to commence in the third quarter of 2008. The implementation of this new business will move EPASA towards becoming a comprehensive and integrated logistic company. Haulage service will complement its logistics activities and provide an option for its clients to gain access to a more efficient and competitive integrated forwarding services. Apart from providing an additional income stream, the haulage service would also hedge EPASA against its competitors. It is envisaged that at the initial stage, the service would be tailored towards meeting the needs of its existing clients in Pasir Gudang and Tanjung Pelepas Port, which currently are experiencing shortages and inefficient haulage services.

EPASA yang berpangkalan di Pasir Gudang, terlibat dalam perkhidmatan pengurusan penghantaran, agensi perkapalan serta pengendalian perkhidmatan perkarangan kontena. Para pelanggannya merangkumi syarikat perkapalan terkemuka antarabangsa seperti Mitsui OSK Lines, China Shipping, Evergreen, DiPerdana, Kontena Nasional dan pelanggan lain termasuk Antara Steel Mills Sdn Bhd, Behn Meyer dan FPM (M) Sdn Bhd.

Perkarangan kontena EPASA di Pasir Gudang dengan kapasiti mengendalikan 10,000 TEU sebulan dilengkapi dengan kemudahan moden dan diiktiraf sebagai antara penyedia utama perkhidmatan logistik di selatan tanahair. Bagaimanapun, perkarangan kontena ini telah mencecah kapasiti maksimum kerana syarikat kini mengendalikan purata 9,808 TEU sebulan pada tahun 2007. Dalam usaha meningkatkan daya saing dan menambah kapasiti untuk memenuhi permintaan terhadap perkhidmatan logistik yang semakin meningkat, syarikat akan mengembangkan kapasiti perkarangan kontennanya sehingga 10,000 TEU lagi sebulan dengan membangunkan tapak bersebelahan dengan premis sedia ada.

Bagi tahun 2007, EPASA telah menunjukkan prestasi cemerlang dengan melangkaui unjuran bagi tahun tersebut. Perolehan telah meningkat kepada RM7.7 juta daripada RM6.4 juta mencerminkan peningkatan sebanyak 21.0%. Selaras dengan itu, keuntungan sebelum cukai turut melonjak sebanyak 42.1% kepada RM0.9 juta berbanding

RM0.6 juta yang dicatatkan pada tahun 2006. Prestasi keseluruhan yang lebih baik ini berpunca daripada margin Operasi Logistik yang lebih tinggi yang menyumbang sebanyak 49.0% kepada perolehan atau sebanyak RM3.8 juta manakala selebihnya adalah sumbangan aktiviti Operasi Penghantaran yang mencatatkan perolehan sebanyak RM3.9 juta atau 51.0%. Pada tahun 2007, perkarangan kontena syarikat telah mengendalikan bilangan TEU yang kurang sedikit berjumlah 117,700 berbanding 118,183 TEU pada tahun 2006.

Untuk memantapkan dan meningkatkan prestasi yang cemerlang ini, EPASA melabur sebanyak RM 2.0 juta untuk membeli kemudahan perkhidmatan seperti prime movers, treler and lori tippers untuk Bisnes Penghantarannya. Usaha ini dijangka akan bermula pada suka ketiga tahun 2008. Pelaksanaan perniagaan baru ini akan menjadikan EPASA syarikat logistik yang komprehensif dan bersepadu. Perkhidmatan penghantaran (haulage) akan menjadi pelengkap kepada aktiviti logistik syarikat yang akan menawarkan kepelbagaian perkhidmatan bersepadu yang lebih cekap dan berdaya saing kepada para pelanggannya. Selain menjadi sumber perolehan tambahan, perkhidmatan penghantaran ini akan melindungi EPASA daripada para pesaingnya. Perkhidmatan ini akan berupaya menampung keperluan para pelanggan sedia ada di sekitar Pasir Gudang dan Pelabuhan Tanjung Pelepas yang kini menghadapi kekurangan dan ketidakcekapan perkhidmatan penghantaran.

048

SINDORA BERHAD
2007





050

SINDORA BERHAD
2007

WILLIS (MALAYSIA) SDN BHD



Willis retained its position as among the top contributors to the Group's profit in 2007. It continued to strengthen its position to be recognised as one of the top insurance brokers in Malaysia in terms of quality of service, profitability and expertise in providing insurance, reinsurance and risk management consulting services. Willis served a wide spectrum of customers including among others corporations involved in large construction projects, aviation, marine, petrochemical, power and telecommunication, privatised power utility, hospitality, financial institutions and risk management. It had expanded its scope to include the new aerospace and energy sectors following the signing of several significant new contracts. These new commitments would require extensive global support from its international partner.

Reflecting the strong entrepreneurial drive of the intrapreneur, the company charted remarkable performance in the year under review by recording PBT of RM16.4 million albeit 0.6% lower than that of previous year on the back of RM25.3 million in revenue. It contributed RM4.8 million to the Group's profit in 2007 and thus far, had contributed more than RM16.0 million in dividend since its acquisition in 2003.

During the year, the company's international partner, Willis International (UK) Ltd (Willis international) had indicated interest to acquire both Sindora's and JCorp's stakes in Willis, amidst the ongoing liberalisation of the insurance industry by Bank Negara Malaysia. The liberalisation would enable foreign entities to set up wholly-owned subsidiaries or branches locally. Should the divestment took place, Sindora is expected to record an extraordinary gain which could be utilised for alternative investments.

Willis mengekalkan kedudukannya sebagai antara penyumbang utama kepada keuntungan Kumpulan pada tahun 2007. Syarikat ini juga terus diiktiraf sebagai salah sebuah syarikat pembrokeran insurans yang terkemuka di Malaysia dari segi kualiti perkhidmatan, keuntungan dan kepakaran dalam menyediakan perkhidmatan perundingan insurans, penginsuranaan semula serta pengurusan risiko. Willis menyediakan perkhidmatan kepada pelbagai pelanggan termasuk antaranya syarikat yang terlibat dalam projek-projek pembinaan, penerbangan, marin, petrokimia, tenaga dan telekomunikasi, penswastaaan penjaan kuasa, hospitaliti, institusi kewangan dan pengurusan risiko. Willis telah mengembangkan bisnesnya ke sektor aeroangkasa dan tenaga selepas beberapa kontrak baru yang penting ditandatangani. Komitmen baru ini memerlukan sokongan meluas daripada rakan kongsi antarabangnya.

Sebagai mencerminkan tahap keusahawanan yang tinggi dari intrapreneurnya, syarikat tersebut telah mencatatkan prestasi yang

cemerlang dalam tahun tinjauan dengan merekodkan keuntungan sebelum cukai sebanyak RM16.4 juta walaupun 0.6% lebih rendah daripada tahun 2006 dengan perolehan sebanyak RM25.3 juta. Syarikat tersebut menyumbang sebanyak RM4.8 juta kepada keuntungan Kumpulan dalam tahun 2007. Sejak pengambilalihannya pada tahun 2003, sejumlah lebih RM16.0 juta telah diterima hasil dari pulangan dividen ke atas pelaburan di dalam syarikat ini.

Pada tahun 2007, rakan kongsi antarabangsa syarikat tersebut, Willis International (UK) Ltd (Willis International) telah menyuarakan hasrat hendak mengambilalih kepentingan Sindora dan JCorp didorong terutamanya oleh dasar liberalisasi industri insurans yang akan diperkenalkan oleh Bank Negara Malaysia. Proses liberalisasi ini memungkinan syarikat asing menubuhkan syarikat anak milik penuh atau membuka cawangan di Malaysia. Sekiranya penjualan ini berlaku, Sindora dijangka mendapat laba luar biasa yang boleh digunakan untuk pelaburan yang lain.

MM VITAOILS SDN BHD

MMV manufactures cooking oils, margarine, vegetable ghee and shortening mainly for exports. The company currently produces and exports over 20 brands of quality edible oil products of which more than 98% are exported under various brand names which included Marvelloso, Palmas, Serimas, Qualitaste and Blossommm. MMV's current export market covers more than 58 countries mainly in Europe and the East European countries like Romania, Albania, Ukraine, Bulgaria, Poland, Monrovia, Russia, Kazakhstan and Uzbekistan and more recently to Chile, Fiji, Greece, Kiribati, Malta, and USA.

For the period under review, MMV performed well by registering PBT of RM5.4 million on the back of RM87.0 million revenue. By comparison, it had exceeded its performance for the same period last year by more than 52.6% in revenue and 98.9% in PBT. Export sales are dominated by cooking oil segment, which contributed 96.4% of total sales.

The company is committed to produce quality products to gain domestic and international recognition and acceptance and continued to observe high standards of operation and quality assurance for its products. In this regard, it was awarded various certification and accreditation including being granted Trade Priority Approval under Common Effective Preferential Tariff (CEPT) Scheme by the Ministry of International Trade and Industry (MITI) and granted exemption from Sales and Custom Tax for all packaging types. MMV was also approved with the coveted US Food and Drug Administration Certificate and awarded the Asia Pacific Entrepreneurship Award 2007 for Outstanding Entrepreneur. To add another feather to its cap, MMV was ranked 38th among 50 winning companies in 2007 Enterprise 50 Award, a coveted award for most enterprising home grown companies.

Moving forward, MMV could enhance its value creation and maximise returns for its stakeholders by leveraging on the increased awareness of the benefits of palm oil products as well as endorsement of *Halal* logo to promote its products to wider market including the Middle East.

MMV mengeluarkan minyak masak, marjerin, minyak dan lemak sayuran terutamanya untuk pasaran eksport. Pada masa ini, MMV mengeluarkan dan mengeksport lebih 20 jenama produk berkualiti yang mana lebih 98% dieksport di bawah jenama Marvelloso, Palmas, Serimas, Qualitaste dan Blossommm. Pasaran eksport MMV sekarang meliputi lebih 58 buah negara yang kebanyakannya tertumpu di Eropah dan Eropah Timur seperti Romania, Albania, Ukraine, Bulgaria, Poland, Monrovia, Rusia, Kazakhstan dan Uzbekistan dan yang terkini termasuk Chile, Fiji, Greece, Kiribati, Malta dan Amerika Syarikat.

MMV turut menunjukkan prestasi yang menggalakkan dalam tahun 2007 dengan mencatatkan keuntungan sebelum cukai sebanyak RM5.4 juta dari hasil perolehan sebanyak RM87.0 juta. Sebagai perbandingan, syarikat tersebut telah melebihi prestasi perolehan sebanyak 52.6% dan keuntungan sebelum cukai sebanyak 98.9% bagi tempoh yang sama tahun 2006. Segmen minyak masak telah menguasai jualan eksport yang menyumbang sebanyak 96.4% daripada jumlah jualan.

Syarikat berkomitmen penuh terhadap pengeluaran produk-produk berkualiti tinggi yang diiktiraf dan diterima di dalam negara serta di peringkat antarabangsa dan akan terus mematuhi piawaian operasi dan jaminan kualiti yang tinggi untuk produk-produknya. Dalam hal ini, MMV telah dianugerah pelbagai pensijilan dan akreditasi termasuk Kelulusan Keutamaan Perdagangan di bawah Skim Tarif Keutamaan Berkesan Sama (CEPT) oleh Kementerian Perdagangan Antarabangsa dan Industri (MITI) dan pengecualian Cukai Jualan dan Kastam bagi semua jenis pembungkusan. MMV juga telah mendapat kelulusan Sijil US Food and Drug Administration dan Anugerah 'Asia Pacific Entrepreneurship 2007' untuk Usahawan Cemerlang. MMV diberi satu lagi penghormatan apabila syarikat tersebut menduduki tempat ke 38 di antara 50 syarikat yang memenangi Anugerah 'Enterprise 50' 2007, iaitu anugerah yang berprestij bagi syarikat-syarikat tempatan yang bersemangat keusahawanan tinggi.

Untuk tahun-tahun mendatang, MMV mampu untuk menambah nilai dan memaksimumkan pulangan kepada pemegang sahamnya bersandarkan kepada kesedaran yang meningkat terhadap khasiat produk-produk minyak sawit dan pengesahan logo Halal untuk mempromosikan produknya di pasaran yang lebih luas termasuk di Timur Tengah.

052

SINDORA BERHAD
2007





TEPAK MARKETING SDN BHD

Tepak which operates in Pasir Gudang, Johor has gained reputation as a reliable, efficient and professional contract manufacturer for tea blending and packaging. Tepak continued to enjoy the status of the preferred vendor for tea packaging in Malaysia by Unilever Holdings (M) Berhad (Unilever). This is a testament of Unilever's confidence in Tepak's ability to deliver continuous excellent service especially for Lipton tea products. However, Tepak's diversification into beverage industry under the Zippie brand has yet to produce the desired results.

Tepak has been able to maintain its high quality of services by qualifying for credentials which were reviewed and audited periodically by local and international consultants. Among the accreditations achieved were ISO 9001:2000 since 1999, Supplier Quality Management Programme (SQMP) critical preferred vendor, Safety, Health and Environment (SHE) Audit Conformance, Good Manufacturing Practices (GMP) and Halal certification by Jabatan Kemajuan Islam Malaysia (JAKIM).

For the year under review, Tepak recorded the highest ever profit in its history reflecting the management's diligent effort in convincing Unilever to retain and sustain the company as the sole contract manufacturer for Lipton tea since 1990. Revenue increased by 33.9% to RM18.8 million compared with RM14.0 million recorded in 2006. Consequently, profit before tax increased to RM1.5 million against RM0.3 million in the previous year, showing a tremendous jump of 459.7%. The Lipton range dominated revenue contribution with sales totalling RM16.4 million while Zippie soft drinks range contributed only RM2.4 million net sales during the year. This was reflected in the improvement of 37.3% in total sales charted by the Contract Manufacturing Unit (Lipton range) against Zippie's 2.9%.

During the year, Sindora undertook partial disposal of 55% of its equity interest in Tepak to KFC Holdings (M) Berhad for a total consideration of RM2.97 million. The exercise was concluded on 4 February 2008 and the company is now an associate of the Group on even date.

Tepak yang beroperasi di Pasir Gudang, Johor, terkenal sebagai pengilang kontrak yang cekap dan profesional dalam menyediakan perkhidmatan mengadun dan membungkus teh. Tepak terus menikmati status sebagai vendor utama di Malaysia oleh Unilever Holdings (M) Berhad (Unilever). Ini merupakan bukti kukuh keyakinan Unilever terhadap kebolehan Tepak menyediakan perkhidmatan terbaik secara berterusan khususnya bagi produk-produk teh Lipton. Bagaimanapun, usaha Tepak mempelbagaikan aktiviti dalam industri minuman ringan di bawah jenama Zippie masih belum memberi hasil yang diharapkan.

Tepak berjaya mengekalkan kualiti perkhidmatan yang tinggi dengan mendapat sijil kelayakan yang disemak dan diaudit secara berkala oleh syarikat perunding tempatan dan antarabangsa. Antara akreditasi yang dicapai oleh Tepak termasuklah pengiktirafan ISO 9001:2000 yang diterima sejak tahun 1999, vendor kritikal utama di bawah Program Pengurusan Kualiti Pembekal (SQMP), Pematuhan Audit Keselamatan, Kesihatan dan Alam Sekitar serta pensijilan Halal oleh Jabatan Kemajuan Islam Malaysia (JAKIM).

Tepak telah berjaya mencatatkan keuntungan yang tertinggi dalam sejarah penubuhannya pada tahun 2007, yang sekaligus mencerminkan kegigihan dan kebolehan pihak pengurusan dalam mengekalkan syarikat ini sebagai pengilang kontrak tunggal untuk teh Lipton sejak tahun 1990. Perolehan syarikat telah meningkat sebanyak 33.9% kepada RM18.8 juta berbanding RM14.0 juta yang dicatat pada 2006. Keuntungan sebelum cukai yang dicatat juga melonjak sebanyak 459.7% kepada RM1.5 juta berbanding RM0.3 juta pada tahun sebelumnya. Produk Lipton menguasai sumbangan perolehan dengan jualan berjumlah RM16.4 juta sementara produk minuman ringan Zippie hanya mencatat jualan bersih berjumlah RM2.4 juta sepanjang tahun 2007. Ini dicerminkan melalui peningkatan jumlah jualan sebanyak 37.3% yang dicatat oleh Unit Perkilangan Kontrak (Produk Lipton) berbanding jualan produk Zippie sebanyak 2.9%.

Pada tahun 2007, Sindora telah memulakan urusan penjualan 55% kepentingannya dalam Tepak kepada KFC Holdings (M) Berhad dengan pertimbangan harga berjumlah RM2.97 juta. Urusan penjualan ini telah disempurnakan pada 4 Februari 2008 dan Tepak menjadi syarikat sekutu kumpulan mulai tarikh tersebut.

054

SINDORA BERHAD
2007

AMANAHRAYA - JMF ASSET MANAGEMENT SDN BHD



AR-JMF, an associate company, is involved in assets and fund management and related services and the company is licensed to deal in securities as well as provide corporate advisory, custodian and nominee services. AR-JMF had consistently charted a good track record of providing higher than average returns to clients. Among its esteemed clientele are "blue chip" companies, state governments' investment arms, statutory bodies, charitable organisations and high net worth individuals.

In the year under review, AR-JMF continued to record a commendable increase of 59.9% in revenue to RM13.4 million against RM8.4 million in 2006 while PBT increased by 42.4% from RM4.8 million in 2006 to RM6.8 million. This achievement is in part attributable to its access to large funds from Amanah Raya Berhad (ARB) which ballooned from RM300 million prior to being a subsidiary of ARB to more than RM5.0 billion in 2007.

In addition to managing ARB and Kumpulan Wang Bersama Funds, AR-JMF had diversified its business in the management of AmanahRaya REIT, which is listed on the Main Board of Bursa Malaysia Securities Berhad. With this new business, AR-JMF is committed in ensuring optimal performance of the REIT and enhancement of the quality of portfolio of the real estate assets to provide stable returns to unit holders. Subscribing to the tenet that only insightful research would produce long term optimal investment performance, the company has committed significant resources to develop an in-house research capabilities and expertise to provide high quality research.

Amanahraya-JMF Asset Management Sdn Bhd (AR-JMF) adalah sebuah syarikat sekutu yang terlibat dalam pengurusan aset dan dana serta perkhidmatan yang berkaitan. Syarikat tersebut juga mempunyai lesen untuk berurusan dalam sekuriti serta menyediakan khidmat nasihat, perkhidmatan penjagaan dan penamaan. AR-JMF berjaya mengekalkan rekod prestasi yang cemerlang dengan memberikan pulangan yang lebih baik kepada para pelanggannya. Antara pelanggan yang terkemuka adalah syarikat-syarikat tersenarai, syarikat pelaburan milik kerajaan negeri dan Persekutuan, badan-badan berkanun, organisasi amal serta individu yang berkemampuan kewangan tinggi.

AR-JMF terus mencatatkan peningkatan perolehan yang cemerlang sebanyak 59.9% kepada RM13.4 juta pada tahun 2007 berbanding RM8.4 juta pada tahun 2006 sementara Keuntungan Sebelum Cukai meningkat sebanyak 42.4% daripada RM4.8 juta pada tahun 2006 kepada RM6.8 juta.

Pencapaian ini sebahagian besarnya berpunca daripada akses kepada sumber dana yang lebih besar daripada Amanah Raya Berhad (ARB) yang melonjak daripada RM300 juta sebelum ini kepada lebih RM5.0 billion pada tahun 2007.

Selain daripada menguruskan dana ARB dan dana Kumpulan Wang Bersama, AR-JMF juga telah dipertanggungjawabkan untuk menguruskan AmanahRaya REIT yang tersenarai di Papan Utama Bursa Malaysia. Dengan perniagaan baru ini, AR-JMF bertanggungjawab memastikan prestasi optimum REIT dan peningkatan kualiti portfolio aset hartanah bagi membolehkan pengagihan pulangan yang stabil kepada para pemegang unit. Dengan berpandukan kepada prinsip bahawa hanya penyelidikan yang mendalam dapat menghasilkan prestasi pelaburan jangka panjang yang optimum, syarikat telah menyalurkan sebahagian besar sumber untuk membangunkan keupayaan dan kepakaran penyelidikan dalamannya yang tinggi.

SINDORA TIMBER SDN BHD



2007 saw the continuation of further restructuring and cost cutting exercises undertaken following the cessation of the company's sawmilling activities. Periodic reviews were conducted to determine the value addition of STSB's operations to the overall performance of the Group. In the year under review, STSB again recorded dismal performance with a loss of RM2.5 million on the back of RM10.1 million revenue, compared with RM2.6 million loss and RM14.6 million revenue recorded in 2006. Stocks that were marked down by RM1.2 million and operational loss of RM0.9 million contributed to the loss position of the company.

STSB was strongly challenged and badly affected by the downturn of global timber industry in the last few years. Despite bold moves and drastic measures undertaken, the company has yet to show a significant improvement in its business. Its lacklustre performance and lack of success of various restructuring plans demanded a total review of its future business direction.

The company is currently focusing on the production of low cost raw materials products such as glued lamination (glulam) and laminated scantlings to create value to the timber business. France and Greece provided the market for the glulam while laminated scantlings were destined for Germany, Ukraine, Romania and Russia. STSB is also pursuing collaboration with MPOB to produce polymeric high density oil palm lumber where sawn timber from oil palm trunks were dried and treated with a resin adhesive prior to densification process for European residential flooring producers. Other activity includes the trial production of woodchips for fibre board and block board producers in Japan.

Efforts to improve efficiency and performance continued to be taken including optimising asset utilisation, enforcing financial discipline, improving cash flow, reducing wastages on raw materials and other cost savings measures. STSB's management envisaged recovery of the company through prospective exports of new products which command higher prices and better profit margins from the European markets.

The management has started cultivating Grey Oyster Mushrooms on a small scale basis in an effort to create value by utilising existing assets and building infrastructure at Bandar Tenggara Timber Complex with the aim of spawning several sub-intrapreneurs to undertake the mushroom operation and market the harvests.

At this juncture, the Group's involvement in timber business is still being reviewed and several alternatives of its future direction are being deliberated including the possibility of total exit from this business.

Langkah penyusunan semula dan pengurangan kos yang bermula selepas pemberhentian aktiviti pembalakan dan pengilangan kayu bergergaji diteruskan pada tahun 2007. Kajian semula secara berkala akan dijalankan bagi memastikan operasi STSB menjana nilai dan seterusnya menyumbang secara positif kepada prestasi Kumpulan. Dalam tahun tinjauan, STSB mengulangi catatan prestasi yang tidak memberangsangkan dengan kerugian sebanyak RM 2.5 juta daripada perolehan sebanyak RM10.1 juta berbanding dengan kerugian sebanyak RM2.6 juta dan perolehan sebanyak RM14.6 juta yang dicatatkan pada 2006. Penurunan nilai stok sebanyak RM1.2 juta dan kerugian operasi sebanyak RM0.9 juta menjadi penyumbang terbesar kepada kerugian tersebut.

STSB menghadapi cabaran hebat dan terjejas teruk akibat kemelesetan industri per kayu dunia sejak beberapa tahun kebelakangan ini. Walaupun beberapa langkah berani dan mendadak telah diambil, bisnes syarikat masih belum memperlihatkan sebarang pemulihan prestasi seperti yang diharapkan. Prestasi yang tidak bermaya dan kurang berkesannya pelbagai rancangan penyusunan semula memerlukan Syarikat mengambil langkah drastik dengan mengkaji secara menyeluruh tuju arah masa depan syarikat ini.

Pengurusan syarikat kini sedang memberi tumpuan terhadap pengeluaran bahan mentah berkos rendah seperti kayu lapis berglu (glulam) dan beruti bertapis untuk mencipta nilai kepada keseluruhan bisnes per kayu tersebut. Perancis dan Greece menjadi pasaran eksport untuk glulam sementara beruti bertapis dieksport ke pasaran di Jerman,

Ukraine, Romania dan Rusia. STSB juga sedang menjalin usahasama dengan MPOB untuk pengeluaran balak palma polimerik berketumpatan tinggi di mana kayu bergergaji daripada batang kayu bergergaji daripada batang pokok kelapa sawit dikering dan diawet dengan sejenis resin pelekat sebelum proses pemadatan. Produk ini dieksport kepada pengeluar dan pengedar lantai rumah kediaman di pasaran Eropah. Aktiviti lain termasuklah pengeluaran cip kayu untuk pengeluar papan gentian dan papan cantum di Jepun yang masih di peringkat percubaan.

Usaha untuk meningkatkan kecekapan dan prestasi terus dijalankan termasuk mengoptimumkan penggunaan aset, meningkatkan disiplin kewangan, memperbaiki aliran tunai, mengurangkan pembaziran bahan mentah dan langkah-langkah penjimatan kos yang lain. Pengurusan STSB menjangkakan prestasi syarikat dapat dipulihkan dengan eksport produk-produk baru pada harga yang lebih tinggi serta margin keuntungan yang lebih besar dari pasaran-pasaran baru di Eropah.

Pengurusan STSB telah memulakan usaha penanaman Cendawan Tiram Kelabu secara kecil-kecilan sebagai usaha menambah nilai dan meningkatkan penggunaan aset serta infrastruktur sedia ada di Kompleks Per kayu Bandar Tenggara dengan tujuan melahirkan sebilangan sub-intrapreneur untuk mengendalikan operasi cendawan tersebut secara komersial.

Penglibatan Kumpulan dalam bisnes per kayu masih dikaji dan beberapa alternatif hala tuju masa depan sedang dirancang termasuk melaksanakan strategi keluar daripada bisnes ini sepenuhnya.

056

SINDORA BERHAD
2007

GRANULAB (M) SDN BHD



Since its acquisition by Sindora in May 2007, GranuLab had proceeded with the marketing of a medical device of synthetic bone graft under the brand name of GranuMaS™. This technology-driven project was the outcome of joint research efforts between SIRIM, Malaysian Institute of Nuclear Technology (MINT), Universiti Sains Malaysia (USM), Universiti Kebangsaan Malaysia (UKM) and International Islamic University of Malaysia (IIUM) to produce Bone Graft Substitutes for surgical applications in normal bone procedure for Orthopaedics, ENT, dentistry, plastic surgery and Maxillofacial surgery. This is the first project by SIRIM to be commercialised through smart partnership with a local company. GranuMaS™ had received international accreditation including the American Standards for Testing Materials Standard and ISO 10993 Series In-Vitro Cytotoxicology and Biocompatibility Tests.

The project was granted Bio Nexus Status which enabled the company to enjoy tax exemption for 10 years. It is also eligible for a Government Grant of RM4.0 million from Malaysian Technology Development Corporation (MTDC) to finance the setting up of a production lab and its facilities. A medical grade laboratory and production centre will be established by the company at Technology Park Malaysia, Bukit Jalil. The production facilities will be completed and available for commercial production in the second quarter of 2009. Currently, GranuLab is getting its supply of GranuMaS from SIRIM on consignment basis for local market.

The promotional and marketing activities of GranuMaS™ had taken place since November 2006. GranuLab has received very good response from participants during the promotional tours, and subsequently, the Ministry of Health (MOH) has extended its support for all government hospitals to utilise GranuMaS™ in all its bone grafting surgeries.

In the year under review, GranuLab, which is still in its infancy stage, incurred a loss of RM340,955 mainly due to initial cost in establishing and positioning the product to the targeted market segments.

The company will continue to foster close collaboration with the Advanced Materials Research Centre (AMREC) of SIRIM for material development and the technologies of producing Hydroxyapatite chemical into granular bone graft product. It will also enter into collaborative agreement with local universities and institutions to utilise company's soon to be constructed laboratory facilities for further research.

Sejak pengambilalihan oleh Sindora pada bulan Mei 2007, GranuLab telah meneruskan pemasaran produk sintetik tisu tulang tiruan di bawah jenama GranuMaS™. Projek berasaskan teknologi ini adalah hasil daripada penyelidikan bersama antara SIRIM, Institut Teknologi Nuklear Malaysia (MINT), Universiti Sains Malaysia (USM), Universiti Kebangsaan Malaysia (UKM) dan Universiti Islam Antarabangsa Malaysia (IIUM) untuk menghasilkan produk sintetik tisu tulang gantian bagi kegunaan prosedur pembedahan tulang untuk Ortopaedik, Telinga, Hidung dan Tekak (ENT), pergigian, pembedahan plastik dan pembedahan Maxillofacial. Ini merupakan projek pertama SIRIM yang dikomersialkan melalui perkongsian pintar dengan sebuah syarikat tempatan. GranuMaS™ telah menerima akreditasi antarabangsa termasuk 'American Standards for Testing Materials Standard' dan ISO 10993 'Series In-Vitro Cytotoxicology' dan Ujian Biokompatibiliti.

Projek berkenaan diberi status Bio Nexus yang melayakkan syarikat menikmati pengecualian cukai selama 10 tahun. Projek ini juga layak untuk memperolehi geran Kerajaan sehingga RM4.0 juta daripada Perbadanan Pembangunan Teknologi Malaysia (MTDC) untuk membiayai penubuhan makmal pengeluaran serta kemudahan-kemudahan yang berkaitan. Sebuah makmal dan pusat pengeluaran bertaraf perubatan akan ditubuhkan oleh syarikat di Taman Teknologi Malaysia (TPM) di Bukit Jalil. Kemudahan pengeluaran

dijangka siap untuk pengeluaran komersial pada suku kedua tahun 2009. Pada masa ini, GranuLab mendapatkan bekalan produk GranuMaS dari SIRIM untuk pasaran tempatan.

Aktiviti promosi dan pemasaran GranuMaS™ telah berlangsung sejak November 2006. Produk GranuMaS™ telah mendapat sambutan yang amat menggalakkan daripada para peserta semasa kunjungan promosi diadakan. Kementerian Kesihatan Malaysia turut memberikan sokongannya dengan mencadangkan semua hospital Kerajaan digalakkan menggunakan produk GranuMaS™ untuk sebarang pembedahan tulang.

Pada tahun yang ditinjau, GranuLab yang masih di peringkat awal penubuhan telah mengalami kerugian sebanyak RM340,955 berpunca terutamanya daripada kos pemasaran yang tinggi untuk membina jenama dan meningkatkan penerimaan produk di kalangan segmen pasaran yang disasarkan.

Syarikat ini akan terus menjalin kerjasama rapat dengan Pusat Penyelidikan Bahan Lanjutan (AMREC) SIRIM untuk pembangunan bahan dan teknologi pengeluaran kimia Hidroxyapatite kepada produk tisu tulang. Syarikat ini juga akan menandatangani perjanjian kerjasama dengan universiti-universiti dan institusi-institusi tempatan untuk menawarkan penggunaan kemudahan makmal yang akan dibina bagi tujuan penyelidikan lanjutan.

ACCREDITATION, AWARDS AND RECOGNITIONS

During the year, Sindora was successfully accredited with ISO 9001:2000 under the scope of "Provision of Investment and Monitoring of Business and Subsidiaries" by SIRIM. This is a testimony that the Company has put in place a system of standard quality to monitor and assess its investments in the Intrapreneur Venture companies.

In 2007, Metro Parking Group through Metro Parking (M) Sdn Bhd had won the "Industry Excellence Award - Certificate of Excellence for Export Services" while Metro Parking (Singapore) Pte Ltd won 1 Gold and 3 Silvers for the "Excellence Service Award 2007 - Excellent Service Category" in recognition of its high standard of professionalism in the management of parking services both locally and abroad.

MMV was adjudged the Outstanding Entrepreneur in conjunction with the Asia Pacific Entrepreneurship Award 2007. It had also won the Enterprise 50 Award and Malaysia Productivity Centre (MPC) 2006 - 2007 Productivity Award for SME with a turnover of between RM25 million to RM100 million.

Another Intrapreneur Venture company, GranuLab walked away with the prestigious Prime Minister's Award under National Innovation Award 2007 for its synthetic bone graft "GranuMaS™" under the Product Category in conjunction with the National Innovation Conference and Exhibition 2007 (NICE 2007).

The accreditation and awards are firm attestation of the Group's commitment towards upholding quality culture in all its business undertakings as well as a noble way to win public acceptance, trust and confidence in its products and services.

AKREDITASI, ANUGERAH DAN PENGIKTIRAFAN

Dalam tahun 2007, Sindora telah berjaya diakreditasi dengan ISO 9001:2000 di bawah skop "Peruntukan Pelaburan dan Pemantauan Bisnes dan Syarikat Subsidiari" daripada SIRIM. Ini membuktikan bahawa Syarikat telah berjaya melaksanakan satu sistem kualiti mengikut piawaian bagi memantau dan menilai pelaburannya di dalam syarikat-syarikat Bisnes Intrapreneur Venture.

Pada tahun 2007, Kumpulan Metro Parking melalui Metro Parking (M) Sdn Bhd memenangi Anugerah Kecemerlangan Industri - Sijil Kecemerlangan bagi Perkhidmatan Eksport sementara Metro Parking (Singapore) Pte Ltd memenangi satu pingat emas dan tiga pingat perak untuk Anugerah Kecemerlangan Perkhidmatan 2007 - Kategori Perkhidmatan Cemerlang sebagai pengiktirafan terhadap piawaian profesionalisma yang tinggi dalam pengurusan perkhidmatan letak kereta di dalam dan luar negara.

MMV telah diiktiraf Usahawan Cemerlang sempena Anugerah 'Asia Pacific Entrepreneurship 2007'. Syarikat ini juga telah memenangi Anugerah 'Enterprise 50' dan Perbadanan Produktiviti Malaysia (MPC) 2006 - 2007 Anugerah Produktiviti untuk industri kecil dan sederhana bagi kategori jualan berjumlah antara RM25 juta hingga RM100 juta.

Sebuah lagi syarikat Intrapreneur Venture, GranuLab memenangi Anugerah Perdana Menteri yang berprestij di bawah Anugerah Inovasi Kebangsaan 2007 untuk tisu tulang sintetik "GranuMaS™" di bawah Kategori Produk sempena Persidangan dan Pameran Inovasi Kebangsaan 2007 (NICE 2007).

Akreditasi dan anugerah ini adalah bukti kukuh terhadap komitmen Kumpulan membudayakan kualiti dalam semua kegiatan bisnesnya serta sebagai satu cara untuk meningkatkan penerimaan, kepercayaan dan keyakinan orang ramai terhadap semua produk dan perkhidmatan Kumpulan.

HUMAN RESOURCE DEVELOPMENT

Today, leading edge companies are actively seeking ways of leveraging their human capital to develop a strategic advantage. Human capital is the knowledge and skills of an organisation's entire workforce. Sindora regards human capital as one of the most valuable asset. A workforce with the right skill sets, common direction and orientation is crucial towards meeting the business objectives of an organisation. This is particularly important to a corporate body like Sindora which is involved in highly diversified activities which ranged from plantation to shipping, insurance, commercialisation of a medical device, parking services and many more. Certainly, employees with the right blend of professionalism, knowledge, skills, and attitude to drive the organisation to greater heights are needed. The employees must share common corporate values so as to take the organisation towards a common goal. Sindora strongly believes in unity in diversity.

Besides recruitment, the development and retention of human capital are crucial towards sustaining competitive edge. To this end, comprehensive human capital development programmes have been put in place to provide the necessary technical skills, knowledge and exposure to the workforce. Besides courses on knowledge enhancement, skills development, quality and management, programmes on mergers and acquisition strategies and entrepreneurial development are also pursued to increase knowledge and work performance.

In addition to formal and structured training programmes, employees are encouraged to pursue life-long learning and attain professionally accredited qualifications to enhance their career advancement within the Group and professionalism in the workplace. Given the dynamism of the diverse businesses, the Group had also put in place succession planning mechanism where second liners in Intrapreneur Venture companies are being groomed to assume leadership positions when the occasions arise. In this regard, the Group could also tap on the pool of Intrapreneurs nurtured by JCorp under its Intrapreneur Equity Participation Scheme.

PEMBANGUNAN SUMBER MANUSIA

Semua syarikat yang berjaya sentiasa aktif mencari jalan untuk mengoptimumkan manfaat yang dapat dihipunkan dari modal insannya untuk membina dan mencipta kelebihan strategik masing-masing. Modal insan adalah rangkuman pengetahuan dan kemahiran kesemua tenaga kerja sesebuah organisasi. Sindora amat yakin bahawa modal insan merupakan antara aset terpenting yang dimiliki. Tenaga kerja dengan kemahiran yang sesuai serta hala tuju dan orientasi yang seiring adalah penting bagi sesebuah organisasi mencapai matlamat bisnesnya. Ia amat penting bagi sebuah badan korporat seperti Sindora yang terlibat dalam pelbagai aktiviti yang merangkumi perladangan, perkapalan, insurans, perkhidmatan logistik, letak kereta dan banyak lagi. Sememangnya, anggota pekerja yang memiliki profesionalisma, pengetahuan, kemahiran dan sikap yang betul amat diperlukan untuk membawa sesebuah organisasi ke tahap pencapaian yang lebih tinggi. Para anggota pekerja perlu berkongsi nilai-nilai asas korporat dan objektif yang sama supaya dapat mencapai matlamat organisasi secara kolektif. Sindora berpegang kuat kepada prinsip kesepakatan dalam kepelbagaian.

Selain daripada pengambilan pekerja baru, pembangunan dan pengekalan modal insan adalah sama penting untuk memantapkan daya saing organisasi. Dalam hal ini, program pembangunan modal insan yang komprehensif telah dilaksanakan sebagai usaha melengkapkan anggota pekerja dengan kemahiran teknikal, pengetahuan dan pendedahan yang diperlukan. Di samping kursus untuk meningkatkan pengetahuan, membangunkan kemahiran, kualiti dan pengurusan, program tentang strategi penggabungan dan pengambilalihan dan pembangunan keusahawanan juga dititikberatkan untuk meningkatkan pengetahuan dan prestasi kerja.

Di samping program latihan yang formal dan tersusun, anggota pekerja juga digalakkan untuk meneruskan pembelajaran secara berterusan dan mendapat kelayakan profesional yang diakreditasi untuk meningkatkan kemajuan kerjaya dan profesionalisma di tempat kerja. Memandangkan Kumpulan terlibat dalam pelbagai latarbelakang bisnes, perancangan dan mekanisme penggantian secara tersusun telah dirangka di mana para eksekutif menengah dan sokongan di syarikat-syarikat Intrapreneur Venture dipupuk dan diberi pendedahan untuk mengambilalih kepimpinan syarikat-syarikat yang berkaitan apabila diperlukan. Dalam hal ini, Kumpulan juga boleh memanfaatkan kumpulan Pengurus-Usahawan yang dilahirkan oleh JCorp di bawah Skim Pemilikan Ekuitinya.

The Group subscribes to performance-based culture and believes in merit-based rewards and recognition. Therefore, a comprehensive performance appraisal system has been implemented as part of the drive towards operational efficiency and individual accountability throughout the Group. Individual Key Performance Indicators (KPIs) was used as a basis in determining emoluments, rewards and incentives for management and employees.

In the pursuit of enhancing values and maximising returns to stakeholders, the Group also places great emphasis on employees' interests and welfare. Activities such as sports and recreation were organised during the year through Kelab Keluarga Sindora (KKS) to inculcate a culture of value-sharing, sense of belonging and camaraderie. The Company had also implemented the 'Bakti Ladang' Housing Scheme in its two estates where workers are entitled to own three bedroom semi-detached house after a minimum of 10 years continuous service.

Total staff strength of the Group as at 31 December 2007 was 2,564 compared with 2,367 in the previous year, an increase of 8.3% due to expansion of existing Intrapreneur Venture companies and acquisitions of EA Tech and GranuLab.

As in previous years, quality improvement programmes continued to be implemented throughout 2007. The commitment to quality is a reflection of the Group's on-going quality drive and with the concerted involvement of all management and staff, it will continue to carve high level achievements in quality competitions. At the same time, annual ICC competitions and Suggestion Scheme will continue to be developed as the platform to build and challenge the staff and management in lateral thinking for problem solving and generating new and innovative ideas and work methods.

The Group's survival and future success in sustaining high level performance and achievements will be guided more by the entrepreneurial capabilities of its leadership and the initiative and drive of its management teams. The entrepreneurial spirit will continue to be cultivated, especially on the part of the Intrapreneurs leading Sindora's Intrapreneur Venture companies. At the same time, priorities will be set to develop and grow talented executives to spearhead various business units, not only to ensure continuity but also to chart new paths for future corporate growth.

Kumpulan tetap berpegang kepada budaya prestasi yang memberikan ganjaran dan pengiktirafan berasaskan merit. Justeru itu, satu sistem penilaian prestasi yang komprehensif telah dilaksanakan di seluruh organisasi sebagai sebahagian daripada usaha mencapai kecekapan operasi dan kebertanggungjawaban setiap anggota pekerja. Petunjuk Prestasi Utama (KPI) telah digunakan sebagai asas dalam menentukan emolument, ganjaran dan insentif bagi pengurusan dan anggota pekerja.

Dalam usaha meningkatkan nilai dan memaksimumkan pulangan kepada semua pihak yang berkepentingan, Kumpulan juga memberi penekanan utama terhadap kepentingan dan kebajikan anggota pekerja. Aktiviti-aktiviti seperti sukan dan rekreasi telah dianjurkan sepanjang tahun melalui Kelab Keluarga Sindora (KKS) bertujuan memupuk nilai dan semangat kekitaan serta kerjasama berpasukan. Syarikat telah juga melaksanakan Skim Perumahan 'Bakti Ladang' di dua buah ladangnya di mana pekerja yang telah berkhidmat sekurang-kurangnya 10 tahun layak memiliki rumah berkembar tiga bilik.

Jumlah anggota pekerja Kumpulan pada 31 Disember 2007 adalah 2,564 orang berbanding 2,367 orang pada tahun sebelumnya, meningkat sebanyak 8.3% berpunca daripada pengembangan syarikat-syarikat Intrapreneur Venture sedia ada serta pengambilalihan EA Tech dan GranuLab.

Seperti tahun-tahun yang lalu, program peningkatan kualiti terus dilaksanakan sepanjang tahun 2007. Komitmen terhadap kualiti dapat dilihat dari aktiviti kempen peningkatan kualiti yang diadakan secara berterusan. Dengan penglibatan bersepadu oleh pihak pengurusan dan anggota pekerja, Kumpulan pasti akan dapat menghasilkan pencapaian yang tinggi dalam pertandingan-pertandingan kualiti. Pada masa yang sama, pertandingan ICC tahunan dan Skim Cadangan akan diteruskan sebagai wadah untuk membina dan mencabar semua anggota pekerja dan pengurusan supaya dapat berfikir secara lebih kreatif dalam menyelesaikan masalah serta menjana idea-idea dan kaedah kerja yang baru dan inovatif.

Kesinambungan dan kejayaan masa depan Kumpulan dalam mengekalkan prestasi dan pencapaian pada tahap yang tinggi banyak bergantung kepada kemampuan keusahawanan pucuk pimpinan, inisiatif dan daya usaha kumpulan pengurusannya. Semangat keusahawanan akan terus dipupuk khususnya di kalangan Pengurus Usahawan yang menerajui syarikat-syarikat Intrapreneur Venture Sindora. Pada masa yang sama, Kumpulan akan memberi keutamaan kepada pembangunan dan pendedahan eksekutif yang berbakat untuk menerajui pelbagai unit bisnesnya, bukan sahaja untuk memastikan kesinambungan tetapi juga sebagai persediaan untuk memenuhi keperluan pertumbuhan korporat pada masa akan datang.

060

SINDORA BERHAD
2007

OUTLOOK FOR 2008

TINJAUAN TAHUN 2008

THE MALAYSIAN ECONOMY

The Malaysian economy is expected to grow by 5.0% to 6.0% in 2008 amidst a high degree of uncertainties in the global economic and financial environment. All sectors of the economy are projected to post strong growth in 2008 with the exception of manufacturing. Growth in this sector is expected to slow to 1.8% compared with 3.1% in 2007, in tandem with the weakness in external demand arising from general global slowdown.

The services sector, meanwhile, will be supported by resilient private consumption and a robust tourism sector. The implementation of projects under the 9th Malaysia Plan as well as investment in oil and gas sectors would underpin the growth momentum in the construction sector. Growth in agriculture and mining is projected to remain strong, at 3.2% and 6% respectively. On the external front, growth in both exports and imports are expected to slow to 1.8% and 1.4% respectively. Inflation rate is expected to be between 2.5% to 3% this year against 2% in 2007.

INTRAPRENEUR VENTURE AS GROWTH DRIVER

Amidst this favourable but cautious outlook, the Group will continue to pursue its plan to consolidate and expand its Intrapreneur Venture Business. Among the initiatives is the implementation of strategy of selective acquisitions of expanding and profitable companies. The exercise will be guided by a set of stringent evaluation criteria which include good track record of the intrapreneur, market potential of the products or services, sound business model and management system. The existing Intrapreneur Venture companies have each laid down plans to grow their respective businesses to be more robust and profitable in the years to come. In this regard, the Group will continue to provide institutional support, strategic guidance and facilitation to ensure their objectives are realised. The Group will also implement exit or harvest strategies on existing Intrapreneur Venture companies in order to reap capital gains, mitigate risks or low returns.

EKONOMI MALAYSIA

Ekonomi Malaysia dijangka mencatat pertumbuhan antara 5.0% hingga 6.0% pada tahun 2008 dalam suasana ketidakpastian yang tinggi yang dialami oleh persekitaran ekonomi dan kewangan dunia. Semua sektor ekonomi dijangka mencatat pertumbuhan yang kukuh pada tahun 2008, kecuali sektor perkilangan. Pertumbuhan dalam sektor ini dijangka sederhana kepada 1.8% berbanding 3.1% pada tahun 2007, selaras dengan penurunan permintaan luar yang berpunca daripada kelembapan ekonomi dunia secara amnya.

Sementara itu sektor perkhidmatan akan didokong oleh penggunaan swasta dan sektor pelancongan yang mampan. Pelaksanaan projek-projek di bawah Rancangan Malaysia Ke-9 serta pelaburan dalam sektor minyak dan gas akan menerajui momentum pertumbuhan dalam sektor pembinaan. Sektor pertanian dan perlombongan dijangka menunjukkan pertumbuhan yang kukuh masing-masing pada 3.2% dan 6%. Bagi sektor luaran, pertumbuhan eksport dan import dijangka menurun masing-masing kepada 1.8% dan 1.4%. Kadar inflasi dijangka berada di antara 2.5% hingga 3% tahun ini berbanding 2.7% pada tahun 2007.

BISNES INTRAPRENEUR VENTURE SEBAGAI PEMANGKIN PERTUMBUHAN

Berlatarbelakangkan suasana dan persekitaran yang positif tetapi berwaspada, Kumpulan akan meneruskan segala perancangannya untuk mengukuhkan dan mengembangkan Bisnes Intrapreneur Venturenya. Antara inisiatif yang telah dirancang termasuklah pelaksanaan strategi pengambilalihan secara terpilih syarikat-syarikat yang sedang berkembang dan berdayamaju. Pengambilalihan ini akan dilaksanakan berpandukan kepada kriteria-kriteria yang ketat termasuk rekod prestasi cemerlang intrapreneur berkenaan, potensi pasaran produk dan perkhidmatan, model bisnes serta sistem pengurusan yang mantap.

Syarikat-syarikat Intrapreneur Venture sedia ada turut merumuskan rancangan pengembangan bisnes masing-masing supaya dapat meningkatkan prestasi dan keuntungan pada tahun-tahun akan datang. Dalam hal ini, Kumpulan akan terus memajukan sokongan institusi termasuk membimbing, memudahcara dan membantu untuk memastikan matlamat korporat masing-masing dapat direalisasikan. Kumpulan akan melaksanakan strategi keluar atau penjualan ke atas syarikat-syarikat Intrapreneur Venture

The Group will leverage on sectors which are projected to provide good growth prospects especially in the immediate future for expansion of its Intrapreneur Venture businesses. EPASA for example, is expected to benefit from increasing demand for logistics and forwarding services following the establishment of the economic corridor of Iskandar Malaysia Region in Johor. Another positive impetus emanates from the expansion of international shipping especially in bulk cargo and container. It is envisaged that three million TEUs are expected to gain entry at Tanjung Pelepas Port each year.

The oil and gas industry is expected to remain vibrant with continuous growth in the long term. In this regard, EA Tech will be able to benefit and gain from the potential business expansion as well as support from various sectors including financial institutions. Furthermore, availability of ship building and ship repairs facilities and infrastructure regionally had reached maximum capacity, hence, providing EA Tech golden opportunity to tap the upside potential of this business.

In terms of parking management, Government policies which paved the way for privatisation of car parking facilities and business sector growth that spurs development of commercial properties, would provide opportunities for Metro Parking to sustain its dominance in Malaysia.

The Intrapreneur Venture concept which has been the mainstay of the Group's strengths and successes since its introduction in 2002 will remain as the key thrust in driving the business forward. The Group will therefore continue to strengthen its corporate positioning for long term growth through this chosen Intrapreneur Venture approach. With the emphasis on human capital development, prudent deployment of financial resources and market driven business strategies, the Group is poised to embark on another journey of continued growth in this core business in 2008 and beyond.

sedia ada untuk mengaut dan memaksimumkan laba modal, mengurangkan risiko pelaburan atau pulangan yang rendah.

Kumpulan akan memanfaatkan dan mengambil peluang dari sektor-sektor yang dijangka berpotensi memberi prospek pertumbuhan yang baik terhadap pengembangan bisnes-bisnes Intrapreneur Venturenya khususnya dalam jangka masa yang terdekat. Sebagai contoh, EPASA dijangka mendapat manfaat daripada permintaan terhadap perkhidmatan logistik dan pengangkutan yang meningkat berikutan penubuhan koridor ekonomi di Wilayah Iskandar Malaysia di Johor. Pengembangan sektor perkhidmatan perkapalan khususnya dalam kargo pukal dan kontena juga akan memberikan impak positif secara langsung kepada EPASA di mana sebanyak tiga juta TEU dijangka dibawa masuk ke Pelabuhan Tanjung Pelepas setiap tahun.

Industri minyak dan gas dijangka akan kekal mampan dengan pertumbuhan yang berterusan dalam tempoh jangka panjang. Dalam hal ini, EA Tech akan mendapat manfaat daripada potensi pengembangan bisnes serta sokongan daripada pelbagai sektor termasuk institusi kewangan. Di samping itu, kemudahan dan infrastruktur untuk pembinaan dan pembaikan kapal di rantau ini

sudah mencecah kapasiti maksimum. Keadaan ini akan memberi peluang keemasan kepada EA Tech untuk mengeksploitasi potensi yang wujud dalam bisnes ini.

Dari segi pengurusan tempat letak kereta, dasar penswastaaan Kerajaan yang menggalakkan penswastaaan kemudahan tempat letak kereta dan pertumbuhan sektor bisnes yang merangsang pembangunan hartanah komersial, akan membuka peluang kepada Metro Parking untuk mengekalkan penguasaannya dalam bisnes pengurusan tempat letak kereta di Malaysia.

Konsep Intrapreneur Venture yang menjadi tunjang kepada kekuatan dan kejayaan Kumpulan sejak ia diperkenalkan pada tahun 2002 akan kekal sebagai bisnes teras utama Kumpulan. Oleh itu, Kumpulan akan terus mengukuhkan kedudukan korporatnya untuk pertumbuhan jangka panjang berasaskan pendekatan Intrapreneur Venture ini. Dengan penekanan terhadap pembangunan modal insan, penggunaan sumber kewangan yang berhemah serta strategi bisnes yang berasaskan pasaran, Kumpulan bersedia melangkah ke hadapan dalam memastikan pertumbuhan korporat yang berterusan melalui bisnes teras ini untuk tahun 2008 dan seterusnya.

062

SINDORA BERHAD
2007**PLANTATION BUSINESS AS CASHFLOW AND INCOME GENERATOR**

The prospects of Plantation Business remain bright as it will benefit from the strong demand for palm oil from traditional and new markets. Among factors that contribute to the favourable outlook are the shortfall in world vegetable oil production and increased production of bio-fuel. Favourable demand-supply dynamics has also helped to sustain the CPO prices which is projected to remain at least above RM3,000 per tonne in 2008.

Price of rubber which is trading at a 20 year high is projected to trend upwards in 2008. The price increase was mainly driven by strong demand from newly emerged economies like China and India. In addition, the direction of rubber prices is often determined by the movement of oil price. The current high crude oil prices has encouraged a shift to natural rubber from synthetic rubber which is a petroleum product thus triggering an increase in fresh demand for natural rubber. Export of rubber products is expected to increase in 2008 in line with the forecast average annual growth rate for the industry under the Third Industrial Master Plan (IMP) (2006-2020).

With higher prices of both palm oil and rubber, the implementation of best practices in estate management, setting targets for yields and oil extraction rates and cost control measures, the Plantation Business is set to see a positive growth and value creation in 2008.

CONCLUSION

Underpinning the Group's pursuit of business growth is the mandate to create value and maximise return to the stakeholders. The Group will observe strict adherence to the principles of good corporate governance, sound internal control, risk management and prudence management of financial and physical resources in order to support long term growth and profitability of the Group. In addition, the Group will always be mindful of the need to meet the rising expectations of all its stakeholders.

Sustainable Intrapreneur Venture Business growth, continued improvement in investment quality, as well as pro-active financial management, will be the catalysts for continued growth and strong profit performance for 2008. The Group will continue to focus on grooming existing Intrapreneur Venture companies into new strategic businesses and strengthening them, tapping their full business potential and charting their strategic corporate positioning for long term growth.

BISNES PERLADANGAN SEBAGAI PENJANA ALIRAN TUNAI DAN PENDAPATAN

Prospek Bisnes Perladangan tetap cerah berpunca daripada permintaan yang kukuh terhadap minyak sawit daripada pasaran baru dan yang sedia ada. Antara faktor yang menyumbang kepada tinjauan yang cerah ini ialah pengurangan dalam pengeluaran minyak sayuran dunia dan peningkatan dalam pengeluaran biobahan api. Kedudukan permintaan dan penawaran yang dinamik telah membantu mengekalkan harga minyak sawit mentah pada tahap yang tinggi sekitar RM3,000 per tan pada tahun 2008.

Harga getah yang berada pada paras paling tinggi dalam tempoh 20 tahun dijangka akan terus mengukuh pada tahun 2008. Kenaikan harga ini didorong terutamanya oleh permintaan yang kukuh dari negara China dan India. Di samping itu, hala tuju harga getah lazimnya ditentukan oleh pergerakan harga minyak. Harga minyak mentah yang tinggi telah menggalakkan anjakan dari getah sintetik kepada getah asli memandangkan getah sintetik adalah produk berasaskan petroleum. Eksport produk getah dijangka meningkat pada tahun 2008 sejajar dengan ramalan kadar pertumbuhan purata tahunan bagi industri getah di bawah Pelan Induk Industri Ketiga (IMP) (2006-2020).

Didorong oleh harga minyak sawit dan harga getah yang lebih tinggi, pelaksanaan amalan-amalan terbaik dalam pengurusan ladang, penetapan sasaran pengeluaran dan kadar perahan minyak serta langkah-langkah pengawalan kos, Bisnes Perladangan dijangka mencatatkan pertumbuhan positif dan penjana nilai pada tahun 2008.

KESIMPULAN

Usaha berterusan pertumbuhan bisnes Kumpulan merupakan mandat yang perlu dijayakan untuk menjana nilai dan memaksimumkan pulangan kepada semua pihak yang berkepentingan. Kumpulan akan mematuhi semua prinsip-prinsip baik tadbir urus korporat, kawalan dalaman yang mantap, pengurusan risiko dan pengurusan sumber kewangan dan fizikal yang cekap bagi menyokong pertumbuhan dan keuntungan jangka panjang Kumpulan. Di samping itu, Kumpulan akan sentiasa peka dalam memenuhi harapan yang semakin meningkat dari semua pihak yang berkepentingan.

Pertumbuhan Bisnes Intrapreneur Venture yang mantap, penambahbaikan kualiti pelaburan yang berterusan serta pengurusan kewangan yang pro-aktif akan menjadi pemangkin pertumbuhan yang berterusan dan prestasi keuntungan yang kukuh bagi tahun 2008. Kumpulan akan terus memberi tumpuan untuk memupuk dan membimbing syarikat-syarikat Intrapreneur Venture yang sedia ada supaya dapat beralih menjadi bisnes strategik, mengukuhkannya, memanfaatkan sepenuhnya potensi bisnes dan memantapkan kedudukan strategik korporat syarikat-syarikat tersebut untuk pertumbuhan jangka panjang. Untuk membolehkan syarikat-syarikat Intrapreneur Venture berkembang maju, penekanan akan diberi kepada kecekapan operasi, kawalan bisnes yang berkesan dan kemantapan keupayaan pengurusan keusahawanan.

Operational efficiency, effective business control and presence of strong entrepreneurial management capabilities will be emphasised to enable the Intrapreneur companies to prosper.

The existing IV companies will be developed and groomed to emerge as the leading players in their respective industries that will subsequently transform the company as a new strategic business for the Group. In this regard, EA Tech has been identified as the first Strategic IV Business of the Group.

Sindora will continue an aggressive but selective acquisition mode to boost long-term prosperity of the Group. The returns from all the Intrapreneur Venture businesses will be further re-invested for future acquisitions to strengthen the Group's stronghold in the market.


Given the growth prospects for both the Intrapreneur Venture and Plantation Businesses, the Group is ready to forge ahead with its plans and strategies to meet the challenges of the coming year. Barring unforeseen circumstances, the Group is optimistic of delivering better performance in 2008. In the medium term, the Group is confident in gaining significant benefits from its investments and on-going efforts in enlarging and integrating all its Intrapreneur Venture operations.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, we wish to express our deepest appreciation to the management and staff of the Group at all levels for their contribution, untiring commitment, dedication and loyalty in contributing to the commendable performance of the Group during the year.

We also wish to express our gratitude to our shareholders for their continued support and confidence in the Group which has spurred us to continue enhancing the Group's long term value appreciation.

As always, we remain grateful to all our valued customers, business partners and associates, bankers, government institutions and relevant regulatory authorities who have been extremely supportive of the Group.



TAN SRI DATO' MUHAMMAD ALI HASHIM
Chairman/*Pengerusi*

Syarikat-syarikat Intrapreneur Venture yang sedia ada akan dimaju dan dipupuk supaya berjaya sebagai syarikat utama dalam industri masing-masing dan seterusnya berupaya menjadi bisnes strategik Kumpulan. Sehubungan dengan ini, EA Tech telah dikenalpasti sebagai Bisnes Strategik Intrapreneur Venture yang pertama dalam Kumpulan.

Sindora akan meneruskan pendekatan pengambilalihan yang agresif tetapi secara terpilih untuk merangsang kemakmuran jangka panjang Kumpulan. Pulangan daripada semua bisnes Intrapreneur Venture akan dilabur semula bagi membiayai pengambilalihan pada masa depan selaras dengan matlamatnya untuk mengukuhkan kedudukan Kumpulan.

Dengan prospek pertumbuhan yang memberangsangkan bagi kedua-dua bisnes teras Intrapreneur Venture dan Perladangan, Kumpulan amat bersedia untuk meneruskan rancangan dan strategi bisnesnya untuk menghadapi cabaran getir di masa depan. Kecuali berlaku peristiwa yang di luar jangkaan, Kumpulan yakin akan dapat mencapai prestasi yang lebih baik pada tahun 2008. Dalam tempoh masa sederhana, Kumpulan yakin akan dapat memperolehi manfaat besar daripada pelaburan dan usaha berterusannya dalam memperkembangkan dan menyepadukan semua operasi Bisnes Intrapreneur Venture.



ROZAN BIN MOHD SA'AT
Managing Director/*Pengarah Urusan*

PENGHARGAAN

Bagi pihak Lembaga Pengarah, kami ingin mengucapkan setinggi-tinggi penghargaan kepada pihak pengurusan dan anggota pekerja Kumpulan di semua peringkat atas sumbangan, komitmen yang tidak berbelah bahagi, dedikasi dan kesetiaan dalam menyumbang kepada prestasi Kumpulan yang membanggakan pada tahun ini.

Kami juga ingin mengucapkan ribuan terima kasih kepada para pemegang saham atas sokongan dan keyakinan berterusan mereka terhadap Kumpulan yang telah memberikan semangat untuk kami terus mempertingkatkan nilai jangka panjang Kumpulan.

Sebagaimana lazimnya, kami turut juga menyampaikan ucapan terima kasih dan penghargaan tulus ikhlas kepada para pelanggan, rakan kongsi bisnes dan syarikat-syarikat bersekutu yang kami hargai, bank-bank, institusi kerajaan dan pihak-pihak berkuasa yang sentiasa memberi sokongan padu kepada Kumpulan.

CRITERIA FOR ACQUISITIONS/INVESTMENTS

Kriteria Pengambilalihan/Pelaburan

064

SINDORA BERHAD
2007

Intrapreneur Venture Business as the core business thrust of the Group had acquired and will continue to venture to acquire profitable and fundamentally sound businesses to ensure continuity in adding value and generating wealth for long-term investment returns.

In achieving this fundamental goals, the Group has laid down its selection criteria that emphasised on strict financial parameters, solid business performance and strong management capabilities as follows:

■ Financial Parameters

- Strong past ROE performance
- Minimum past and future PAT of more than RM500,000
- Consistent dividend contributions
- Manageable gearing position
- Healthy cashflow and income stream
- Positive Economic Value Added (EVA) improvement

■ Business Aspects

- Operating in a growth industry with potential for further growth
- Among key players and command significant presence
- Competitive and able to increase market share
- Focused and operating in a specialised, even simple business

■ Management Aspects

- The Intrapreneur Manager(s) possess the relevant knowledge and know-how
- Possess competency in relevant business activity
- Ability and willingness to spearhead the company for long term business presence
- Established business and management systems and structure

Priority will be given to companies that offer the highest prospects for growth and expansion in the immediate future. The acquisition process is offered to enterprises that fulfil all the stringent selection criteria that were formulated.

Bisnes Intrapreneur Venture sebagai bisnes teras Kumpulan telah dan akan terus mengenalpasti syarikat-syarikat yang berdaya maju dan menguntungkan serta berpotensi untuk diambilalih agar dapat menyumbang ke arah penambahan nilai dan penajanaan kekayaan bagi memastikan pulangan pelaburan secara berterusan.

Untuk mencapai matlamat asas ini, Kumpulan telah menggariskan kriteria pemilihan yang ketat dan menekankan kepada aspek kewangan yang teguh, prestasi bisnes yang memberangsangkan dan pengurusan yang mantap sebagaimana berikut:

■ Aspek Kewangan

- Prestasi Pulangan Ekuiti yang teguh
- Purata pencapaian minima Keuntungan Selepas Cukai tahunan melebihi RM500,000
- Sumbangan dividen yang konsisten
- Kadar gearan yang terkawal
- Aliran tunai dan sumber pendapatan yang mantap
- Kedudukan Nilai Ekonomi Ditambah (EVA) yang positif

■ Aspek Bisnes

- Beroperasi dalam industri yang berdaya maju dan berpotensi untuk terus berkembang
- Antara peneraju utama dan menguasai pasaran

- Berdaya saing dan mampu meningkatkan penguasaan pasaran
- Mengendalikan bisnes yang khusus dan mudah difahami

■ Aspek Pengurusan

- Pengurus Usahawan memiliki pengetahuan dan kepakaran dalam bisnes berkaitan
- Mempunyai kemahiran dalam bidang bisnes yang diceburi
- Mampu dan sanggup untuk menerajui syarikat dan terus mengembangkan bisnes dalam tempoh jangka panjang
- Mempunyai sistem dan struktur bisnes serta pengurusan yang mantap

Keutamaan akan diberikan kepada syarikat-syarikat yang menawarkan prospek pertumbuhan dan pengembangan dalam tempoh yang singkat. Proses pengambilalihan ini ditawarkan kepada syarikat kecil dan sederhana (IKS) yang memenuhi kesemua kriteria pemilihan yang telah dirumuskan.



BOARD OF DIRECTORS

Lembaga Pengarah

- **Tan Sri Dato' Muhammad Ali Hashim**
Chairman *Pengerusi*
Non-Independent Non-Executive
Director *Pengarah Bukan Bebas Bukan Eksekutif*
- **Tan Sri Datuk Arshad Ayub**
Independent Non-Executive
Director *Pengarah Bebas Bukan Eksekutif*
- **Dato' Ir. Abd Hak Bin Md Amin**
Non-Independent Non-Executive
Director *Pengarah Bukan Bebas Bukan Eksekutif*
- **Rozaan Bin Mohd Sa'at**
Managing Director *Pengarah Urusan*
- **Kua Hwee Sim**
Independent Non-Executive
Director *Pengarah Bebas Bukan Eksekutif*
- **Hj Esa Bin Mamek**
Independent Non-Executive
Director *Pengarah Bebas Bukan Eksekutif*
- **Halmi Bin Jasmin**
Executive Director *Pengarah Eksekutif*
- **Datuk Johan Bin Jaaffar**
Independent Non-Executive
Director *Pengarah Bebas Bukan Eksekutif*
- **Hj Johari Bin Ma'arof**
Non-Independent Non-Executive
Director *Pengarah Bukan Bebas Bukan Eksekutif*

SECRETARIES

Setiausaha-Setiausaha

Jamalludin Bin Kalam
(LS 02710)
Hana Binti Ab. Rahim @ Ali
(LS 05694)
Telephone/*Telefon*
607-223 2692
Facsimile/*Faksimili*
607-223 3175
E-mail : jamal@jcorp.com.my
hana@jcorp.com.my

REGISTERED OFFICE

Pejabat Berdaftar

13th Floor, Menara Johor
Corporation, KOTARAYA
80000 Johor Bahru
Johor, Malaysia
Telephone/*Telefon*
607-223 2692
Facsimile/*Faksimili*
607-223 3175

CORPORATE OFFICE

Pejabat Korporat

9C, Level 9, Menara Ansar
65, Jalan Trus
80000 Johor Bahru
Johor, Malaysia
Telephone/*Telefon*
607-221 5459
Facsimile/*Faksimili*
607-226 0131

SHARE REGISTRAR

Pendaffar Saham

Pro Corporate Management
Services Sdn Bhd
Suite 2, Level 17, KOMTAR
Jalan Wong Ah Fook
80000 Johor Bahru
Johor, Malaysia
Telephone/*Telefon*
607-222 5044
Facsimile/*Faksimili*
607-222 3044
E-mail:
sheila@procorporate.com.my

PRINCIPAL BANKERS

Bank-bank Utama

Malayan Banking Berhad
RHB Bank Berhad

AUDITORS

Juruaudit

KPMG
Chartered Accountants
Level 14, Menara Ansar
65, Jalan Trus
80000 Johor Bahru
Johor, Malaysia
Telephone/*Telefon*
607-224 2870
Facsimile/*Faksimili*
607-224 8055
www.kpmg.com.my

AUDIT COMMITTEE

Jawatankuasa Audit

Established on 2 May 1995
Ditubuhkan pada 2 Mei 1995

Chairman

Pengerusi

Tan Sri Datuk Arshad Ayub

Independent Non-Executive
Director
Pengarah Bebas Bukan Eksekutif

Members

Ahli-Ahli

Kua Hwee Sim

Independent Non-Executive
Director
Pengarah Bebas Bukan Eksekutif

Datuk Johan Bin Jaaffar

Independent Non-Executive
Director
Pengarah Bebas Bukan Eksekutif

STOCK EXCHANGE LISTING

Penyenaraian Bursa Saham

The Main Board of Bursa
Malaysia
Papan Utama Bursa Malaysia

WEBSITE

Laman Web

www.sindora.com.my

CORPORATE STRUCTURE

Struktur Korporat

066

SINDORA BERHAD
2007

PLANTATION BUSINESS

Bisnes Perladangan



(Company No. : 13418-K)
(A Member of Johor Corporation Group of Companies)

INTRAPRENEUR VENTURE BUSINESS

Bisnes Intrapreneur Venture



E.A. TECHNIQUE (M) SDN BHD

E.A. Technique (M) Sdn Bhd (256516-W)
Owner and manager of vessels and boats for oil and gas
Pemilik dan pengurus kapal tangki dan bot untuk industri minyak dan gas



A Member of Sindora Berhad Group of Companies

Pro Office Solutions Sdn Bhd (206955-T)
Data and document processing and office solutions service provider
Pemprosesan data dan dokumen serta khidmat berkaitan pengurusan pejabat



Willis (Malaysia) Sdn Bhd (26067-X)
Insurance broker
Broker insurans



Tepak Marketing Sdn Bhd (204952-K)
Tea blending and packaging; production and marketing of carbonated drinks and mineral water
Mengadun serta membungkus teh; pengeluaran dan pemasaran minuman berkarbonat dan air mineral

SINDORA TIMBER SDN BHD

Sindora Timber Sdn Bhd (196092-K)
Timber downstream activities
Aktiviti hiliran berasaskan per kayu



Metro Parking (M) Sdn Bhd (213264-G)
Parking operator, supplier of parking equipment and consultation services
Operator tempat letak kereta, pembekal peralatan dan khidmat perundingan berkaitan



EPASA Shipping Agency Sdn Bhd (49052-P)
Shipping, freight forwarding agency and logistics provider
Perkhidmatan ejen pengurusan penghantaran dan perkapalan serta perkhidmatan logistik



MM Vitaoils Sdn Bhd (394937-P)
Manufacturing and marketing of edible oil products like cooking oils, margarine, ghee and shortening
Mengeluar dan memasarkan produk berasaskan minyak kelapa sawit termasuk minyak masak, marjerin, minyak sapi dan lelembak

AMANAH RAYA JMF
ASSET MANAGEMENT

AmanahRaya JMF Asset Management Sdn Bhd (309646-H)
Fund and asset management services
Khidmat pengurusan dana pelaburan dan aset



GranuLab (M) Sdn Bhd (693189-U)
Manufacturing and commercialisation of a medical device for synthetic bone graft (GranuMaS)[™]
Pengeluaran dan pengkomersialan peralatan perubatan tisu tulang tiruan (GranuMaS)[™]

PROFILE OF BOARD OF DIRECTORS

Profil Lembaga Pengarah

067

SINDORA BERHAD
2007

Tan Sri Dato' Muhammad Ali Hashim

Chairman / *Pengerusi* • Non-Independent Non-Executive Director / *Pengarah Bukan Bebas Bukan Eksekutif*

Tan Sri Dato' Muhammad Ali Hashim, a Malaysian, aged 61, is a Non-Independent Non-Executive Director and the Chairman of Sindora Berhad. Tan Sri was appointed as Chairman of Sindora Berhad on 1 August 2002 and had served as Chairman previously from 1 August 1980 till 22 February 2001.

Tan Sri is the Group Chief Executive of Johor Corporation (JCorp), the ultimate holding corporation of Sindora Berhad, since January 1982. He graduated from the University of Malaya with a Bachelor of Economics (Honours) degree in 1969 and participated in the Senior Executive Programme, Stanford University, USA in 1985.

Tan Sri was conferred the Honorary Doctorate of Management by Universiti Teknologi Malaysia (UTM) on 19 August 2000; Honorary Doctorate in Entrepreneurship by Universiti Teknologi Mara (UiTM) on 24 May 2007; Honorary Doctorate in Technology Management by Universiti Tun Hussien Onn Malaysia (UTHM) on 2 September 2007 and was awarded the prestigious Maal Hijrah 1428H Appreciation Award by Duli Yang Maha Mulia Seri Paduka Baginda Yang DiPertuan Agong on 20 January 2007.

Tan Sri's tenacity, business acumen and entrepreneurial leadership has enabled JCorp to grow into one of Malaysia's leading conglomerates with more than 250 companies, eight of which are listed on Bursa Malaysia Securities Berhad and one on the London Stock Exchange. This highly diversified Group offers meaningful career opportunities to more than 50,000 employees.

Tan Sri Dato' Muhammad Ali Hashim, warganegara Malaysia, berusia 61 tahun. Beliau merupakan Pengarah Bukan Bebas Bukan Eksekutif dan juga Pengerusi Sindora Berhad. Tan Sri telah dilantik sebagai Pengerusi Sindora Berhad pada 1 Ogos 2002. Beliau sebelum ini pernah berkhidmat sebagai Pengerusi dari 1 Ogos 1980 hingga 22 Februari 2001.

Tan Sri adalah Ketua Eksekutif Kumpulan Johor Corporation (JCorp), perbadanan induk Sindora Berhad, sejak Januari 1982. Beliau memperoleh ijazah Sarjana Muda Ekonomi (Kepujian) dari Universiti Malaya pada tahun 1969 dan telah menyertai Program Eksekutif Kanan, Stanford University, Amerika Syarikat pada tahun 1985.

Tan Sri telah dianugerahkan Doktor Kehormat Pengurusan oleh Universiti Teknologi Malaysia pada 19 Ogos 2000; Doktor Kehormat Keusahawanan oleh Universiti Teknologi Mara (UiTM) pada 24 Mei 2007; Doktor Kehormat Pengurusan Teknologi

As CEO of JCorp Group, Tan Sri had also successfully steered the Group through extreme business challenges, especially when JCorp Group was hard hit by the 1997 Asian Crisis. In 2006-2007, JCorp, through Kulim (Malaysia) Berhad had also successfully acquired two PLC's namely QSR Brands Bhd and KFC Holdings (Malaysia) Bhd, overcoming a protracted hostile challenge. This had led to the exercise becoming one of Malaysia's landmark corporate acquisitions.

JCorp has also successfully managed Malaysia's one and only 'market-driven' local authority, namely the Pasir Gudang Local Authority (PGLA), with Tan Sri as President having mayorial responsibilities since January 1982. JCorp was the single most important agency responsible for Pasir Gudang's development into one of Malaysia's vibrant and dynamics industrial townships. PGLA made history by becoming the first business-driven Local Authority in Malaysia to issue a Mudharabah Bond rated Triple 'A' by Ratings Agency Malaysia (RAM).

Tan Sri sits as Chairman of Kulim (Malaysia) Berhad, KPJ Healthcare Berhad, Johor Land Berhad, QSR Brands Bhd and KFC Holdings (Malaysia) Bhd which are JCorp's subsidiaries listed on the Main Board of Bursa Malaysia Securities Berhad. Tan Sri also sits as Chairman of Damansara Realty Berhad, an associate company of JCorp listed on the Main Board of Bursa Malaysia Securities Berhad.

Tan Sri is also active as a Council Member of Malaysian Industrial Development Authority (MIDA), President of the Johor Football Association, President of the Malaysian Kite Council, Vice President of the Malaysian Islamic Chamber of Commerce (MICC), Chairman of the MICC Corporate Bureau and Chairman of Kumpulan Waqaf An-Nur Berhad, an Islamic endowment institution that spearheads JCorp Group's CSR programs, including the unique Corporate Waqaf initiated by JCorp. He is the Chairman of Damansara REIT Managers Sdn Bhd and also the Chairman and /or Director of several other companies within JCorp Group.

Other than as disclosed, he does not have any family relationship with any director and/or major shareholder of Sindora Berhad. He has no personal interest in any business arrangement involving Sindora Berhad. He has not been convicted for any offences. He attended all four Board of Directors' Meetings of the Company in the financial year ended 31 December 2007.



oleh Universiti Tun Hussien Onn Malaysia (UTHM) pada 2 September 2007 dan Anugerah Penghargaan Maal Hijrah 1428H yang berprestij oleh Duli Yang Maha Mulia Seri Paduka Baginda Yang DiPertuan Agung pada 20 Januari 2007.

Berkeperibadian gigih dan cekal, berwawasan serta memiliki ciri-ciri kepimpinan dan semangat keusahawanan yang tinggi. Tan Sri telah berjaya membina JCorp sehingga menjadi sebuah konglomerat dengan lebih daripada 250 buah syarikat, lapan daripadanya disenaraikan di Bursa Malaysia Securities Berhad dan satu di London Stock Exchange. Kumpulan JCorp yang terlibat di dalam pelbagai industri dan sektor yang meluas ini menawarkan peluang kerjaya yang bermakna kepada lebih daripada 50,000 anggota pekerja.

Sebagai Ketua Pegawai Eksekutif Kumpulan JCorp, Tan Sri telah berjaya mengemudikan Kumpulan dalam mengharungi cabaran-cabaran bisnes yang amat getir, khususnya apabila Kumpulan JCorp dilanda teruk oleh Krisis Kewangan Asia pada 1997. Pada tahun 2006-2007, JCorp, melalui Kulim (Malaysia) Berhad berjaya mengambilalih dua buah Syarikat Tersenarai Awam iaitu QSR Brands Bhd dan KFC Holdings (Malaysia) Bhd, setelah berjaya mengatasi tentangan hebat dan berlarutan daripada pihak-pihak tertentu. Pengambilalihan ini telah menjadi arastanda dalam sejarah pengambilalihan korporat tanah air.

JCorp juga telah berjaya menguruskan pihak berkuasa tempatan yang pertama diswastakan di Malaysia, iaitu Pihak Berkuasa Tempatan Pasir Gudang (PBT Pasir Gudang). Tan Sri bertanggungjawab selaku Presiden PBT Pasir Gudang sejak Januari 1982. JCorp adalah merupakan agensi utama yang bertanggungjawab ke atas pembangunan Pasir Gudang sehingga berjaya dimajukan menjadi sebuah bandar perindustrian yang

unggul. PBT Pasir Gudang yang diuruskan melalui pendekatan pasaran, telah menempa sejarah dengan menjadi Pihak Berkuasa Tempatan yang pertama di Malaysia yang menerbitkan Bon Mudharabah dengan penarafan tiga 'A' oleh Ratings Agency Malaysia (RAM).

Tan Sri adalah Pengerusi Kulim (Malaysia) Berhad, KPJ Healthcare Berhad, Johor Land Berhad, QSR Brands Bhd dan KFC Holdings (Malaysia) Bhd yang tersenarai di Papan Utama Bursa Malaysia Securities Berhad. Tan Sri juga adalah Pengerusi Damansara Realty Berhad, syarikat sekutu JCorp yang tersenarai di Papan Utama Bursa Malaysia Securities Berhad.

Tan Sri juga aktif sebagai Ahli Majlis Lembaga Pembangunan Perindustrian Malaysia (MIDA), Presiden Persatuan Bola Sepak Negeri Johor, Presiden Majlis Pelayang Malaysia, Naib Presiden Dewan Perdagangan Islam Malaysia (DPIM), Pengerusi Biro Korporat DPIM dan Pengerusi Kumpulan Waqaf An-Nur Berhad, sebuah institusi kebajikan Islam yang menerajui program-program Tanggungjawab Sosial Korporat Kumpulan JCorp, termasuk Waqaf Korporat yang unik yang diasaskan oleh JCorp. Tan Sri adalah merupakan Pengerusi Damansara REIT Managers Sdn Bhd dan juga merupakan Pengerusi dan/atau Pengarah di dalam beberapa buah syarikat lain dalam Kumpulan JCorp.

Selain dari yang dinyatakan, beliau tidak mempunyai sebarang kaitan kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham terbesar Sindora Berhad. Beliau juga tidak mempunyai sebarang kepentingan dalam bisnes Syarikat. Beliau juga tidak pernah disabitkan dengan sebarang kesalahan jenayah dalam tempoh 10 tahun yang lalu. Beliau telah menghadiri semua mesyuarat Lembaga Pengarah pada tahun kewangan yang berakhir pada 31 Disember 2007.



Rozan Bin Mohd Sa'at
Managing Director / Pengarah Urusan

Rozan Bin Mohd Sa'at, a Malaysian, aged 48, was appointed to the Board of Sindora Berhad on 23 May 2002 and assumed the position as the Managing Director of Sindora Berhad on 1 September 2002.

He holds a Bachelor of Economics (Honours) majoring in Statistics from Universiti Kebangsaan Malaysia.

He started his career in 1983 as an Administrative Officer in Corporate Planning & Research Department of Johor Corporation before being seconded as an Operations Manager in Sergam Berhad (a subsidiary of Johor Corporation) in 1986.

From 1987 - 1988, he served in the Corporate Communications Department, Johor Corporation as an Administrative Officer.

From 1988 to 1993, he was appointed as the Executive Director of several subsidiaries in Johor Corporation Group. In 1994, he was appointed as the General Manager of Johor Corporation's Tourism Division before assuming the post as Chief Executive of the same Division on 15 June 1996, a post which he held until his appointment as the General Manager, Business Development, Johor Corporation beginning January 1999.

Prior to his appointment as the Managing Director of Sindora Berhad, he served as the Senior General Manager, Business Development of Johor Corporation from 2000 until August 2002.

Currently, he is a Director of Kulim (Malaysia) Berhad and Chairman and / or Director of several companies in Johor Corporation Group.

Other than as disclosed, he does not have any family relationship with any directors and/or major shareholders of Sindora Berhad. He has no personal interest in any business arrangement involving Sindora Berhad and has not been convicted of any offences within the past 10 years. He attended three out of four Board of Directors meetings held in 2007.



Rozan Bin Mohd Sa'at, warganegara Malaysia, berusia 48 tahun. Beliau telah dilantik sebagai Ahli Lembaga Pengarah Sindora Berhad pada 23 Mei 2002 dan mula memegang jawatan sebagai Pengarah Urusan Sindora Berhad pada 1 September 2002.

Beliau berkelulusan Ijazah Sarjana Muda Ekonomi (Kepujian) dengan pengkhususan dalam bidang Statistik dari Universiti Kebangsaan Malaysia.

Beliau memulakan kerjaya di Johor Corporation pada tahun 1983 sebagai Pegawai Tadbir di Jabatan Perancangan & Penyelidikan sebelum dipinjamkan sebagai Pengurus Operasi Sergam Berhad, anak syarikat Johor Corporation pada tahun 1986.

Dari tahun 1987 - 1988, beliau dilantik sebagai Pegawai Tadbir di Jabatan Komunikasi Korporat, Johor Corporation.

Dari tahun 1988 hingga 1993, beliau telah dilantik sebagai Pengarah Eksekutif di beberapa anak syarikat Kumpulan Johor Corporation. Pada tahun 1994, beliau dilantik sebagai Pengurus Besar Bahagian Pelancongan Johor Corporation sebelum memegang jawatan Ketua Eksekutif Bahagian yang sama mulai 15 Jun 1996, sehingga beliau dilantik sebagai Pengurus Besar, Pembangunan Bisnes, Johor Corporation mulai bulan Januari 1999.

Sebelum dilantik sebagai Pengarah Urusan Sindora Berhad, beliau merupakan Pengurus Besar Kanan, Pembangunan Bisnes, Johor Corporation mulai tahun 2000 sehingga Ogos 2002.

Pada masa ini, beliau adalah Pengarah Kulim (Malaysia) Berhad dan Pengerusi dan/atau Pengarah beberapa syarikat dalam Kumpulan Johor Corporation.

Selain dari yang dinyatakan, beliau tidak mempunyai sebarang kaitan kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham terbesar Sindora Berhad. Beliau juga tidak mempunyai sebarang kepentingan dalam bisnes Syarikat. Beliau juga tidak pernah disabitkan dengan sebarang kesalahan jenayah dalam tempoh 10 tahun yang lalu. Beliau telah menghadiri tiga daripada empat mesyuarat Lembaga Pengarah yang diadakan pada tahun 2007.

Tan Sri Datuk Arshad Ayub

Director/ *Pengarah*
Independent Non-Executive Director /
Pengarah Bebas Bukan Eksekutif

Tan Sri Datuk Arshad Ayub, a Malaysian, aged 79, is an Independent Non-Executive Director of Sindora Berhad. He was appointed to the Board of Sindora Berhad on 7 July 1995. He is the Chairman of the Audit Committee of Sindora Berhad.

He graduated with a Diploma in Agriculture from College of Agriculture, Serdang, Selangor in 1954 and obtained his Bachelor of Science (Honours) Degree in Economics and Statistics from the University College of Wales, Aberystwyth in United Kingdom in 1958 and in 1964, he pursued a postgraduate Diploma in Business Administration from the Management Development Institute (IMEDE), Lausanne, Switzerland.

He joined the Malaysian Civil Service upon graduation and had a successful career and an extensive work experience, having held senior positions in various Ministries in the Malaysian Government from 1958 to 1983 including as the Deputy Controller, Industrial Development Division of the Ministry of Commerce and

Industry (later known as Ministry of Trade and Industry) from 1961 to 1965. He was the first Director of MARA Institute of Technology from 1965 to 1975, then as Deputy Governor of Bank Negara Malaysia from 1975 to 1977, Deputy Director General in the Economic Planning Unit (EPU) of the Prime Minister's Department from 1977-1978, and Secretary General of 3 Ministries, namely, Ministry of Primary Industries in 1978, Ministry of Agriculture from 1979 to 1981 and Ministry of Land and Regional Development from 1981 to 1983. He also sat on various committees at National and international levels. He was a Member of Justice Harun's Salaries Commission for statutory bodies.

He is presently the Chairman of Malaysian Rubber Export Promotion Council (MREPC), the President of the Malaysian Rubber Products Manufacturers Association (MRPMA) and a member of Lembaga Getah Malaysia (LGM). He currently holds the esteemed position as the Pro-Chancellor of Universiti Teknologi MARA (UiTM), Chairman of the Board of Directors of University of Malaya and a member of the Council of Cooperative College Malaysia.

He currently sits in the Board of Directors of several public listed companies as Chairman of Malayan Flour Mills Berhad, Asia Brands Corporation Berhad, LBI Capital Berhad and Tomypak Holdings Berhad. He is also a Director of Kulim (Malaysia) Berhad, KPJ Healthcare Berhad, Top Glove Corporation Berhad and Greenfield Berhad.

He sits as the Chairman of Audit Committee of Sindora Berhad, KPJ Healthcare Berhad, Pelaburan Johor Berhad and Kulim (Malaysia) Berhad, as well as a member of Investment Committee, Pelaburan Johor Berhad. He also holds directorship in several private companies.

070

SINDORA BERHAD
2007

He was the recipient of many awards and accolades like 'Anugerah Mutiara Budi' from the Ministry of Finance for his great contribution to the government. Recently, he was awarded the prestigious ACCA Achievement Award 2007 for his outstanding contribution for the development of professional accountancy in Malaysia.

Other than as disclosed, he does not have any family relationship with any director and/or major shareholders of Sindora Berhad. He has no personal interest in any business arrangement involving Sindora Berhad. He has not been convicted of any offences within the past 10 years and had attended all four (4) Board of Directors meetings held in 2007.

Tan Sri Datuk Arshad Ayub, warganegara Malaysia, berusia 79 tahun. Beliau adalah Pengarah Bebas Bukan Eksekutif dan telah dilantik menganggotai Lembaga Pengarah Sindora Berhad mulai 7 Julai 1995. Beliau juga merupakan Pengerusi Jawatankuasa Audit Sindora Berhad.

Beliau memperolehi Diploma Pertanian dari Kolej Pertanian Serdang, Selangor pada tahun 1954 dan kemudiannya melanjutkan pengajian ke University College of Wales, Aberystwyth di United Kingdom dan dikurniakan ijazah Sarjana Muda Sains (Kepujian) Ekonomi dan Statistik pada tahun 1958. Beliau juga memperolehi Diploma Lanjutan Pentadbiran Perniagaan dari Management Development Institute (IMEDE), Lausanne, Switzerland pada tahun 1964.

Beliau menyertai Perkhidmatan Awam Malaysia selepas tamat pengajian dan telah mencapai kerjaya yang cemerlang serta pengalaman yang luas setelah memegang pelbagai jawatan penting di dalam beberapa kementerian Kerajaan Malaysia dari tahun 1958 hingga 1983 termasuk sebagai Timbalan Pengarah Bahagian Pembangunan Perindustrian, Kementerian Perdagangan dan Industri dari tahun 1961 hingga 1965. Beliau merupakan Pengarah pertama Institut Teknologi MARA dari tahun 1965 hingga 1975 sebelum dilantik sebagai Timbalan Gabenor Bank Negara Malaysia dari tahun 1975 hingga 1977, dan sebagai

Timbalan Ketua Pengarah, Unit Perancangan Ekonomi (EPU) di Jabatan Perdana Menteri dari tahun 1977 ke 1978 sebelum dilantik sebagai Ketua Setiausaha tiga Kementerian, iaitu Kementerian Perusahaan Utama pada tahun 1978, Kementerian Pertanian dari tahun 1979 hingga 1980 dan Kementerian Tanah dan Pembangunan Wilayah pada tahun 1981 hingga 1983. Beliau juga adalah ahli beberapa jawatankuasa yang ditubuhkan di peringkat kebangsaan dan antarabangsa. Beliau juga pernah menjadi ahli Suruhanjaya Gaji Harun.

Pada masa ini beliau merupakan Pengerusi Majlis Promosi Eksport Getah Malaysia (MREPC), Presiden Persatuan Pengeluar Produk Getah Malaysia (MRPMA) dan ahli Lembaga Getah Malaysia (LGM). Beliau kini merupakan Pro-Canselor, Universiti Teknologi MARA (UiTM) dan ahli Lembaga Koperasi Kolej Malaysia.

Pada masa ini, beliau merupakan Pengerusi beberapa syarikat tersenarai awam iaitu Malayan Flour Mills Berhad, Asia Brands Corporation Berhad, LBI Capital Berhad dan Tomypak Holdings Berhad. Beliau juga adalah Pengarah Kulim (Malaysia) Berhad, KPJ Healthcare Berhad, Top Glove Corporation Berhad dan Greenyield Berhad.

Beliau adalah Pengerusi Jawatankuasa Audit Sindora Berhad, KPJ Healthcare Berhad, Pelaburan Johor Berhad dan Kulim (Malaysia) Berhad serta ahli

Jawatankuasa Pelaburan, Pelaburan Johor Berhad. Beliau juga merupakan pengarah di beberapa syarikat swasta seperti Bistari Johor Berhad, Land Rover (M) Sdn Bhd, Bata (M) Sdn Bhd dan Nakagawa Rubber Industries Sdn Bhd. Beliau merupakan Pengerusi Koperasi MOCCIS Berhad, MOCCIS Trading Berhad, Ladang MOCCIS Sdn Bhd, AmanahRaya JMF Asset Management Sdn Bhd, PFM Capital Holding Sdn Bhd, CSR Building Materials Sdn Bhd dan Sato Amoy Sdn Bhd.

Beliau merupakan penerima pelbagai anugerah dan penghargaan seperti 'Anugerah Mutiara Budi' oleh Kementerian Kewangan atas khidmat dan jasa beliau kepada Kerajaan Malaysia. Baru-baru ini beliau telah dikurniakan anugerah berprestij "ACCA Achievement Award 2007" atas sumbangan beliau yang cemerlang kepada pembangunan perakaunan profesional Malaysia.

Selain dari yang dinyatakan, beliau tidak mempunyai sebarang kaitan kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham terbesar Sindora Berhad. Beliau juga tidak mempunyai sebarang kepentingan dalam bisnes Syarikat. Beliau juga tidak pernah disabitkan dengan sebarang kesalahan jenayah dalam tempoh 10 tahun yang lalu dan telah menghadiri keempat-empat mesyuarat Lembaga Pengarah pada tahun 2007.

**Datuk Johan Bin Jaaffar**Director/ *Pengarah*Independent Non-Executive Director / *Pengarah Bebas Bukan Eksekutif*

Datuk Johan Jaaffar, a Malaysian, aged 55, is an Independent Non-Executive Director, and appointed to the Board of Sindora Berhad on 1 January 2006. He was appointed as a member of the Audit Committee of Sindora Berhad on 1 September 2007. He graduated from University of Malaya in 1977. He was conferred 'Panglima Jasa Negara' (PJN) which carried the title Datuk in 1997.

He is currently Chairman of the Board of Dewan Bahasa dan Pustaka (DBP), a statutory body under the Ministry of Education. He once served as one of the members of the National Brain Trust on National Education under the auspices of ISIS and the National Economic Action Committee (NEAC). He was Co-Chairman of a special committee set up by NEAC on "Malay Values and Attitude".

In 2006, he was appointed Chairman of the National Arts Council of Malaysia set up by the Ministry of Culture, Arts and Heritage (KEKKWA).

He is currently a columnist for both the New Straits Times and Berita Minggu. He hosted the weekly TV programme "Debat Perdana" on RTM1 and "Isu Semasa" for several years.

Currently, Datuk Johan Jaaffar is very much involved in the electronics media, public relations, medical supply and educational sectors.

He started his career with Dewan Bahasa dan Pustaka (DBP) in 1977. His last post was the Head of General Publishing Department of DBP. He joined Utusan Melayu (M)

Berhad as the Group Chief Editor in November 1992 until July 1998. At Utusan Melayu, Datuk Johan Jaaffar was not only responsible for the daily and weekly papers but 13 other magazines and journals published by Utusan Melayu. As the Group Chief Editor, he sat in the board of Utusan Melayu Berhad as well as one of its subsidiary companies, Metrovision Sdn Bhd. He also sat as a board member of BERNAMA, the national news agency. In 1995, he was appointed as one of the members of Malaysian Business Council (MBC).

When the government mooted the idea of "Multimedia Super Corridor" (MSC), Datuk Johan was appointed to the board of Multimedia Development Council (MDC), which was responsible to spearhead the MSC programme. He was also appointed as one of the advisory members on National Culture and a member of Malaysia Incorporated committee.

He used to serve as a committee member of Yayasan Anak-anak Yatim Malaysia (YATIM) and a member of Jawatankuasa Diplomatik dan Hubungan Antarabangsa (JIDHA). He was once a member of Majlis Perpaduan Negara.

Other than as disclosed, he does not have any family relationship with any director and/or major shareholders of Sindora Berhad. He has no personal interest in any business arrangement involving Sindora Berhad. He has not been convicted of any offences within the past 10 years and attended all four Board of Directors meetings held in 2007.

Datuk Johan Jaaffar, warganegara Malaysia berusia 55 tahun. Beliau merupakan Pengarah Bebas Bukan Eksekutif yang dilantik menganggotai Lembaga Pengarah Sindora Berhad pada 1 Januari 2006. Beliau dilantik sebagai ahli Jawatankuasa Audit Sindora Berhad pada 1 September 2007. Beliau berkelulusan dari Universiti Malaya pada tahun 1977 dan telah dianugerahkan pingat 'Panglima Jasa Negara' (PJN) yang membawa gelaran 'Datuk' pada tahun 1997.

Pada masa ini beliau merupakan Pengerusi, Lembaga Pengelola Dewan Bahasa dan Pustaka (DBP), sebuah badan berkanun di bawah Kementerian Pendidikan. Beliau pernah berkhidmat sebagai ahli "National Brain Trust on National Education" yang digerakkan oleh ISIS dan Majlis Tindakan Ekonomi Negara (MTEN). Beliau juga pernah dilantik sebagai Pengerusi Bersama Jawatankuasa Sikap dan Nilai Melayu di bawah MTEN.

Pada tahun 2006, beliau dilantik sebagai Pengerusi Majlis Seni Budaya Malaysia (National Arts Council of Malaysia) di bawah Kementerian Kebudayaan, Kesenian dan Warisan (KEKKWA).

Beliau juga merupakan kolumnis untuk akhbar New Straits Times dan Berita Minggu. Beliau juga merupakan hos untuk program "Debat Perdana" di RTM1. Beliau juga pernah mengendalikankan program "Isu Semasa" untuk beberapa tahun.

Pada masa ini, Datuk Johan Jaaffar bergiat aktif dalam sektor media elektronik, perhubungan awam, pembekalan barangan perubatan dan pendidikan.

Beliau memulakan kariernya di Dewan Bahasa dan Pustaka (DBP) pada tahun 1977 dan jawatan terakhir beliau di DBP ialah Ketua Bahagian Penerbitan Am. Beliau menyertai Utusan Melayu (M) Berhad sebagai Ketua Pengarang Kumpulan pada bulan November 1992 sehingga Julai 1998. Di Utusan Melayu, beliau bukan sahaja bertanggungjawab terhadap penerbitan akhbar-akhbar harian dan mingguan tetapi juga 13 buah majalah dan jurnal yang diterbitkan oleh Utusan Melayu. Sebagai Ketua Pengarang Kumpulan, beliau juga menganggotai Lembaga Pengarah Utusan Melayu (M) Berhad selain dari anak syarikatnya, Metrovision Sdn Bhd. Beliau juga pernah dilantik sebagai Lembaga Pengarah syarikat berita kebangsaan, BERNAMA. Pada tahun

1995, beliau dilantik sebagai salah seorang ahli Majlis Perniagaan Malaysia (MBC).

Apabila kerajaan memperkenalkan Koridor Raya Multimedia (MSC), beliau dilantik sebagai salah seorang Lembaga Pengarah Perbadanan Kemajuan Multimedia (MDC) yang bertanggungjawab menentukan hala tuju MSC. Beliau juga pernah dilantik sebagai penasihat Kebudayaan

Kebangsaan dan ahli Persyarikatan Malaysia (Malaysia Incorporated).

Beliau juga pernah dilantik sebagai salah seorang ahli jawatankuasa Yayasan Anak-anak Yatim Malaysia (YATIM) dan Jawatankuasa Diplomatik dan Hubungan Antarabangsa (JIDHA). Beliau juga pernah menjadi ahli Majlis Perpaduan Negara.

Selain dari yang dinyatakan, beliau

tidak mempunyai sebarang kaitan kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham terbesar Sindora Berhad. Beliau juga tidak mempunyai sebarang kepentingan dalam bisnes Syarikat. Beliau juga tidak pernah disabitkan dengan sebarang kesalahan jenayah dalam tempoh 10 tahun yang lalu. Beliau telah menghadiri semua mesyuarat Lembaga Pengarah yang diadakan pada tahun 2007.



Kua Hwee Sim

Director / Pengarah

Independent Non-Executive Director / Pengarah Bebas Bukan Eksekutif

Kua Hwee Sim, a Malaysian, aged 55, is an Independent Non-Executive Director. She was appointed to the Board of Sindora Berhad on 1 August 2002. She is a member of the Audit Committee of Sindora Berhad with effect from her appointment. She is an Accountant by profession and is a Fellow of the Association of Chartered Certified Accountant, United Kingdom since 1984. She is also a Registered Accountant in Malaysia and Singapore since 1980. She has more than 30 years of corporate and financial experience in several industries within Malaysia and overseas. As a Professional Accountant, she provides financial training to companies within Malaysia.

She is currently a Director of QSR Brands Bhd and KFC Holdings (Malaysia) Bhd as well as Kulim (Malaysia) Berhad and Johor Land Berhad, which are Johor Corporation's subsidiaries listed on the Main Board of Bursa Malaysia Securities Berhad. She is the Chairman of the Audit Committee of QSR Brands Bhd, KFC Holdings (Malaysia) Bhd and Johor Land Berhad and a member of the Audit Committee of Kulim (Malaysia) Berhad.

Other than as disclosed, she does not have any family relationship with any director and/or major shareholders of Sindora Berhad. She has no personal interest in any business arrangement involving Sindora Berhad. She has not been convicted of any offences within the past 10 years and attended all four Board of Directors meetings held in 2007.

Kua Hwee Sim, warganegara Malaysia, berusia 55 tahun. Beliau merupakan Pengarah Bebas Bukan Eksekutif dan dilantik menganggotai Lembaga Pengarah Sindora Berhad pada 1 Ogos 2002. Beliau adalah ahli Jawatankuasa Audit berkuatkuasa dari tarikh perlantikannya. Beliau adalah merupakan "Fellow of the Association of Chartered Certified Accountant, United Kingdom" sejak tahun 1984. Beliau juga merupakan seorang Akauntan Berdaftar di Malaysia dan Singapura sejak tahun 1980. Beliau mempunyai lebih daripada 30 tahun pengalaman dalam bidang korporat dan kewangan dalam

pelbagai industri di Malaysia dan luar negeri. Sebagai seorang Akauntan Profesional, beliau memberikan latihan kewangan kepada syarikat-syarikat di Malaysia.

Pada masa ini beliau merupakan Pengarah QSR Brands Bhd, KFC Holdings (Malaysia) Bhd, Kulim (Malaysia) Berhad dan Johor Land Berhad, anak-anak syarikat Johor Corporation yang tersenarai di Papan Utama Bursa Malaysia Securities Berhad. Beliau adalah Pengerusi Jawatankuasa Audit QSR Brands Bhd, KFC Holdings (Malaysia) Bhd dan Johor Land Berhad

dan Ahli Jawatankuasa Audit Kulim (Malaysia) Berhad.

Selain dari yang dinyatakan, beliau tidak mempunyai sebarang kaitan kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham terbesar Sindora Berhad. Beliau juga tidak mempunyai sebarang kepentingan dalam bisnes Syarikat. Beliau juga tidak pernah disabitkan dengan sebarang kesalahan jenayah dalam tempoh 10 tahun yang lalu. Beliau telah menghadiri semua mesyuarat Lembaga Pengarah yang diadakan pada tahun 2007.



Dato' Ir. Abd Hak Md Amin

Director/ *Pengarah*

Non-Independent Non-Executive Director / *Pengarah Bukan Bebas Bukan Eksekutif*

of DNV Johor Bahru. In 1990, he became the Managing Director of Det Norske Veritas Sdn Bhd, a position he held until 2002. Currently, he is the Managing Director of EA Technique (M) Sdn Bhd, a company that he set up in 1993, primarily as owner and manager of oil tankers and offshore support vessels.

Other than as disclosed, he does not have any family relationship with any director and / or major shareholders of Sindora Berhad. He has no personal interest in any business arrangement involving Sindora Berhad. He has not been convicted of any offences within the past 10 years.

Dato' Ir. Abd Hak Md Amin, warganegara Malaysia berumur 54 tahun. Beliau dilantik menganggotai Lembaga Pengarah Sindora Berhad pada 1 Januari 2008. Beliau merupakan Pengarah Bukan Bebas Bukan Eksekutif.

Beliau berkelulusan Ijazah Sarjana Muda Sains dengan pengkhususan dalam bidang Kejuruteraan Marin. Beliau juga memiliki Ijazah Sarjana Muda Sains dalam Kejuruteraan Projek dari Universiti Lancaster, United Kingdom dan Diploma dalam Penilaian Kapal dari Det Norske Veritas, Oslo, Norway. Beliau juga memiliki Sijil Kompetensi sebagai Jurutera Marin Seberang Laut dan berdaftar sebagai Jurutera Pengamal dengan Lembaga Jurutera Malaysia.

Kerjaya beliau bermula sebagai Jurutera Marin dengan Perbadanan Perkapalan Antarabangsa Malaysia (MISC) pada tahun 1977 sebelum memegang jawatan sebagai Pengurus Projek dengan Lembaga Pembangunan

Perikanan Malaysia pada tahun 1980. Beliau kemudian dilantik sebagai Pengurus Kilang, Sime Darby Plantation pada tahun 1981. Dari tahun 1983 hingga 1989, beliau telah bertugas dengan Det Norske Veritas (DNV) sebagai Penilai Kapal di Singapura sebelum dilantik sebagai Pengurus Stesen DNV di Johor Bahru. Pada tahun 1990, beliau adalah Pengarah Urusan Det Norske Veritas Sdn Bhd sehingga tahun 2002. Pada masa ini beliau merupakan Pengarah Urusan EA Technique (M) Sdn Bhd, sebuah syarikat yang ditubuhkan pada tahun 1993, sebagai pemilik dan pengurus kapal tangki minyak dan bot.

Selain dari yang dinyatakan, beliau tidak mempunyai sebarang kaitan kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham terbesar Sindora Berhad. Beliau juga tidak mempunyai sebarang kepentingan dalam bisnes Syarikat. Beliau juga tidak pernah disabitkan dengan sebarang kesalahan jenayah dalam tempoh 10 tahun yang lalu.

Dato' Ir. Abd Hak Md Amin, a Malaysian, aged 54, was appointed to the Board of Sindora Berhad on 1 January 2008. He is a Non-Independent Non-Executive Director.

He holds a Bachelor of Science in Marine Engineering and a Master of Science in Project Engineering from the University of Lancaster, United Kingdom and a Diploma in Ship Survey from Det Norske Veritas, Oslo, Norway. He also has a Certificate of Competency as a Foreign Going Marine Engineer and registered as a Practising Engineer with the Board of Engineers, Malaysia.

He started his career as a Marine Engineer with Malaysian International Shipping Corporation (MISC) in 1977 prior to becoming a Project Manager with Malaysian Fisheries Development Authority in 1980. He became the Mill Manager of Sime Darby Plantation in 1981 before taking up the position as Project Manager in Development Bank Malaysia Berhad in 1983. From 1983 till 1989, he worked for Det Norske Veritas (DNV) as a Ship Surveyor in Singapore before becoming the Station Manager



Hj. Esa Bin Mamek

Director/ *Pengarah*

Independent Non-Executive Director / *Pengarah Bebas Bukan Eksekutif*

Hj. Esa Bin Mamek, a Malaysian, aged 55, was appointed to the Board of Sindora Berhad as a Non-Independent Non-Executive Director on 1 January 2003. However, he was re-designated as an Independent Non-Executive Director on 1 January 2008.

He holds a Bachelor of Economics and Advance Diploma in Computer Science from Universiti Kebangsaan Malaysia. He started his career with Johor Corporation in 1978 as an Administrative/Planning Officer at Internal Audit Department and served in various positions at the Administration/Personnel Department before transferring to Finance Department in 1990. He was appointed as the Acting Financial Controller of Johor Corporation's Development Division in 1991. In 1992, he was appointed as the Chief Executive, Property Management Division of Johor Corporation, holding the position as General Manager of Total Project Management Sdn Bhd (a subsidiary of Johor Corporation). He was later appointed as the Managing Director of Total Project Management Sdn Bhd in 1993 prior to his appointment as the General Manager, Business Development Department of Johor Corporation in 1996. In 1997, he was appointed as the Chief Executive, Sports Division of Johor Corporation, in the position as Managing Director of Tajasukan Sdn Bhd (a wholly-owned subsidiary of Johor Corporation).

His last position was the Senior General Manager of Johor Corporation before opting to retire on 1 December 2005.

He does not have any family relationship with any director and/or major shareholders of Sindora Berhad. He also has no personal interest in any business arrangement involving Sindora Berhad and has not been convicted of any offences within the past 10 years. He attended all four Board of Directors meetings held in 2007.

Hj. Esa Bin Mamek, wargenegara Malaysia berumur 55 tahun. Beliau merupakan Pengarah Bebas Bukan Eksekutif yang dilantik menganggotai Lembaga Pengarah Sindora Berhad pada 1 Januari 2003. Bagaimanapun, beliau kemudian dilantik sebagai Pengarah Bebas Bukan Eksekutif pada 1 Januari 2008.

Beliau berkelulusan Ijazah Sarjana Muda Ekonomi dan memiliki Diploma Lanjutan Sains Komputer dari Universiti Kebangsaan Malaysia. Beliau mula menyertai Johor Corporation pada tahun 1978 sebagai Pegawai Tadbir/Perancang di Jabatan Audit Dalam. Beliau kemudiannya menjawat beberapa jawatan di Jabatan Pentadbiran/Perjawatan sebelum ditugaskan di Jabatan Kewangan pada 1990. Beliau seterusnya dilantik sebagai Pemangku Pengawal Kewangan

Bahagian Pembangunan Johor Corporation pada 1991. Pada tahun 1992, beliau telah dilantik sebagai Ketua Eksekutif Bahagian Pengurusan Hartanah Johor Corporation dengan memegang jawatan sebagai Pengurus Besar, Total Project Management Sdn Bhd (anak syarikat Johor Corporation). Kemudiannya, beliau telah dilantik sebagai Pengarah Urusan syarikat yang sama pada tahun 1993. Pada tahun 1996, beliau telah kembali ke Johor Corporation sebagai Pengurus Besar, Jabatan Pembangunan Bisnes sebelum dilantik sebagai Ketua Eksekutif, Bahagian Sukan pada tahun 1997 dengan memegang jawatan sebagai Pengarah Urusan Tajasukan Sdn Bhd (anak syarikat Johor Corporation). Jawatan terakhir beliau adalah sebagai Pengurus Besar Kanan, Johor Corporation sebelum beliau bersara pada 1 Disember 2005.

Selain dari yang dinyatakan, beliau tidak mempunyai sebarang kaitan kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham terbesar Sindora Berhad. Beliau juga tidak mempunyai sebarang kepentingan dalam bisnes Syarikat. Beliau juga tidak pernah disabitkan dengan sebarang kesalahan jenayah dalam tempoh 10 tahun yang lalu. Beliau telah menghadiri semua mesyuarat Lembaga Pengarah yang diadakan pada tahun 2007.

Halmi Bin Jasmin

Director/ *Pengarah*

Executive Director/ *Pengarah Eksekutif*

Halmi Bin Jasmin, a Malaysian, aged 43, was appointed to the Board of Sindora Berhad on 20 February 2003 as Non-Independent Non-Executive Director and appointed as a member of Sindora Berhad's Audit Committee with effect from his appointment. However, he was re-designated as Executive Director on 1 September 2007 and resigned as a member of the Audit Committee on even date.

He holds a Bachelor's Degree in Business Administration, majoring in Computer Information Systems from West Texas State University, USA. He started his career in 1988 as an Executive in Johor Corporation before taking up the same post in Metro Parking (M) Sdn Bhd (Metro Parking) in 1991. He was

then promoted to a Branch Manager in 1992. He became Metro Parking's Group General Manager in September 1997 prior to his appointment as its Group Managing Director in April 2000. He is a shareholder of Metro Parking (M) Sdn Bhd.

He is currently the Chairman of JCorp Intrapreneur (M) Berhad, an association of all Intrapreneur companies within Johor Corporation Group of Companies. He is also Chairman and / or Director of several companies under Metro Parking Group and Johor Corporation Group.

Other than as disclosed, he has no personal interest or any family relationship with any director and/or major shareholders



of Sindora Berhad. He has not been convicted of any offences within the past 10 years. He attended all four Board of Directors Meetings held in 2007.

Halmi Bin Jasmin, warganegara Malaysia berusia 43 tahun. Beliau merupakan Pengarah Bukan Bebas Bukan Eksekutif. Beliau telah dilantik menganggotai Lembaga Pengarah Sindora Berhad pada 20 Februari 2003. Beliau adalah ahli Jawatankuasa Audit Sindora Berhad berkuatkuasa dari tarikh perlantikannya. Bagaimanapun beliau telah meletak jawatan sebagai ahli Jawatankuasa Audit setelah dilantik sebagai Pengarah Eksekutif pada 1 September 2007.

Beliau memiliki ijazah Sarjana Muda Pentadbiran Perniagaan dengan pengkhususan dalam bidang Sistem Maklumat Komputer dari Universiti West Texas State, Amerika Syarikat. Kerjaya beliau bermula pada tahun 1988 sebagai Eksekutif di Johor Corporation sebelum memegang jawatan yang sama di Metro Parking (M) Sdn Bhd (Metro Parking) pada tahun 1991. Pada tahun 1992 beliau telah dilantik sebagai Pengurus Cawangan dan seterusnya dilantik sebagai Pengurus Besar Kumpulan Metro Parking pada September 1997. Beliau kemudiannya telah dilantik sebagai Pengarah Urusan Kumpulan Metro Parking bermula pada April 2000. Beliau adalah seorang pemegang saham Metro Parking (M) Sdn Bhd.

Pada masa ini beliau adalah Pengerusi JCorp Intrapreneur (M) Berhad, sebuah persatuan syarikat Intrapreneur dalam Kumpulan Johor Corporation. Beliau adalah juga Pengerusi dan/atau Pengarah beberapa buah syarikat di bawah Kumpulan Metro Parking dan Kumpulan Johor Corporation.

Selain dari yang dinyatakan, beliau tidak mempunyai sebarang kepentingan peribadi atau kaitan kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham terbesar Sindora Berhad. Beliau juga tidak pernah disabitkan dengan sebarang kesalahan jenayah dalam tempoh 10 tahun yang lalu. Beliau telah menghadiri semua mesyuarat Lembaga Pengarah yang diadakan pada tahun 2007.

075

SINDORA BERHAD
2007

Hj. Johari Bin Ma'arof

Director/ *Pengarah*

Non-Independent Non-Executive Director /

Pengarah Bukan Bebas Bukan Eksekutif

Hj. Johari Bin Ma'arof, a Malaysian, aged 50, was appointed to the Board of Sindora Berhad on 1 January 2008. He is a Non-Independent Non-Executive Director of the Company.

Currently, he is the Managing Director of JM Permata Sdn Bhd, which was set up in 1991 that specialised in contract manufacturing of disposable baby diapers for local and overseas markets. He has extensive experience in the areas of trading and marketing, which enabled him to penetrate more than 16 countries in ASEAN, New Zealand, Middle East and Africa.

Other than as disclosed, he does not have any family relationship with any director and / or major shareholders of Sindora Berhad. He has no personal interest in any business arrangement involving Sindora Berhad. He has not been convicted of any offences within the past 10 years.

Hj Johari Bin Ma'arof, warganegara Malaysia, berusia 50 tahun. Beliau merupakan Pengarah Bukan Bebas Bukan Eksekutif yang dilantik menganggotai Lembaga Pengarah Sindora Berhad pada 1 Januari 2008.

Pada masa ini, beliau merupakan Pengarah Urusan JM Permata Sdn Bhd, yang ditubuhkan pada tahun 1991 dengan aktiviti utama sebagai pengeluar kontrak lampin bayi pakai buang untuk pasaran tempatan dan eksport. Beliau berpengalaman yang luas dalam bidang perdagangan dan pemasaran yang membolehkan beliau menembusi pasaran di lebih daripada 16 buah negara di ASEAN, New Zealand, Timur Tengah dan Afrika.

Selain dari yang dinyatakan, beliau tidak mempunyai sebarang kaitan kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham terbesar Sindora Berhad. Beliau juga tidak mempunyai sebarang kepentingan dalam bisnes Syarikat. Beliau juga tidak pernah disabitkan dengan sebarang kesalahan jenayah dalam tempoh 10 tahun yang lalu.



MANAGEMENT TEAM

Kumpulan Pengurusan

076

SINDORA BERHAD
2007



ROZAN MOHD SA'AT
MANAGING DIRECTOR
Pengarah Urusan



RAMLAN JUKI
GENERAL MANAGER
Pengurus Besar



HEIKAL ISMAIL
SENIOR MANAGER
Pengurus Kanan
Corporate and Investment/
Korporat dan Pelaburan



ROSNAH BASOK
MANAGER
Pengurus
Finance/*Kewangan*





SUHATI KABAN

MANAGER

Pengurus

Internal Audit/*Audit Dalam*



ZURAINI MOHD YUSOF

MANAGER

Pengurus

Business Development/
Pembangunan Bisnes



MARIYAM MOHD YUSOF

MANAGER

Pengurus

Business Development/
Pembangunan Bisnes



ABD RAHMAN YUSOFF

DEPUTY MANAGER

Timbalan Pengurus

Internal Audit/*Audit Dalam*



NOR RAHMAT ABD JALIL

DEPUTY MANAGER

Timbalan Pengurus

Human Resource and
Administration/*Tenaga Insan
dan Pentadbiran*



INTRAPRENEUR MANAGERS OF INTRAPRENEUR VENTURE COMPANIES

Pengurus Intrapreneur Syarikat Intrapreneur Venture

078

SINDORA BERHAD
2007



DATO' IR. ABD HAK MD AMIN

MANAGING DIRECTOR

Pengarah Urusan

EA Technique (M) Sdn Bhd



HALMI JASMIN

MANAGING DIRECTOR

Pengarah Urusan

Metro Parking (M) Sdn Bhd



BUKHARI ABD RAHMAN

MANAGING DIRECTOR

Pengarah Urusan

Pro Office Solutions Sdn Bhd



AB WAHAB MOHD TAIB

MANAGING DIRECTOR

Pengarah Urusan

EPASA Shipping Agency
Sdn Bhd



ABDULLAH MD ZAHID

MANAGING DIRECTOR

Pengarah Urusan

Willis (M) Sdn Bhd



MAZLAN MUHAMMAD

MANAGING DIRECTOR
Pengarah Urusan
MM Vitaols Sdn Bhd



SUHAIMI SULAIMAN

GENERAL MANAGER
Pengurus Besar
Tepak Marketing Sdn Bhd



**DATUK MOHAMED AZAHARI
MOHAMED KAMIL**

MANAGING DIRECTOR
Pengarah Urusan
AmanahRaya JMF Asset
Management Sdn Bhd



MAHAT DENAN

GENERAL MANAGER
Pengurus Besar
Sindora Timber Sdn Bhd



ROMLI ISHAK

MANAGING DIRECTOR
Pengarah Urusan
GranuLab (M) Sdn Bhd

rewarding strategies

Scouting bees foraging for nectar enact a unique dance translating the results of their excursion to worker bees informing them of the exact location of the pollen. Decisive tactical decisions are crucial in determining that valued returns are worthy of every endeavour and consistently rewarding to stakeholders.

STRATEGI-STRATEGI YANG MENGUNTUNGKAN
Lebah peninjau ketika mencari nektar mempersembahkan satu tarian unik yang menterjemahkan penemuannya sebagai maklumat lokasi debunga yang tepat kepada lebah pekerja. Keputusan taktikal yang tegas adalah penting dalam menentukan bahawa setiap usaha harus diikhtiar demi menghasilkan pulangan yang bernilai serta memberi ganjaran yang konsisten kepada pihak yang berkepentingan.



STATEMENT ON CORPORATE GOVERNANCE

Penyata Tadbir Urus Korporat

081

SINDORA BERHAD
2007

THE BOARD OF DIRECTORS

COMPOSITION AND BALANCE

The Board's composition is made up of members with a blend of expertise drawn from various backgrounds, bringing with them, depth and diversity in knowledge and experience which are valuable to the long term prosperity of the Group.

The Board currently has nine (9) members comprising two (2) executive directors, three (3) non-independent non-executive directors and four (4) independent directors. This is in compliance with the Amended Listing Requirements (LR) of Bursa Malaysia Securities Berhad (Bursa Malaysia) which requires that at least one third of the total number of directors should be independent.

There is a clear separation of role and responsibility between the Chairman and the Managing Director to ensure a clear segregation of authorities and duties. The Chairman is responsible for ensuring the Board's effectiveness and conduct, whilst the Managing Director is responsible for implementing the policies and decisions of the Board, overseeing the operations as well as co-ordinating the development and implementation of business and corporate strategies.

LEMBAGA PENGARAH

KOMPOSISI DAN KESEIMBANGAN

Lembaga Pengarah terdiri daripada ahli-ahli yang memiliki berbagai kepakaran dan latar belakang. Mereka memiliki pengetahuan dan pengalaman yang luas yang amat bernilai dan diperlukan untuk pertumbuhan jangka panjang Kumpulan.

Pada masa ini Lembaga dianggotai oleh sembilan (9) ahli yang terdiri daripada dua pengarah eksekutif, tiga pengarah bukan bebas bukan eksekutif dan empat pengarah bebas. Komposisi ini adalah mematuhi Keperluan Penyenaraian (LR) Bursa Malaysia Securities Berhad (Bursa Malaysia) yang mensyaratkan supaya sekurang-kurangnya satu pertiga daripada keahlian Lembaga Pengarah adalah terdiri daripada Pengarah Bebas.

Terdapat pengasingan peranan dan tanggungjawab antara Pengerusi dan Pengarah Urusan bagi memastikan pemisahan kuasa dan tugas yang jelas. Pengerusi berperanan memastikan keberkesanan Lembaga Pengarah serta melaksanakan kewajibannya berlandaskan tatacara yang mantap. Pengarah Urusan adalah bertanggungjawab untuk melaksanakan polisi dan keputusan yang dibuat oleh Lembaga Pengarah, mengawalselia operasi serta menyelaras pembangunan dan pelaksanaan strategi bisnes dan korporat.



DIRECTORSHIP IN OTHER COMPANIES

None of the Directors of the Company holds more than ten (10) directorships in listed companies and more than fifteen (15) directorships in non-listed companies. This practice ensures that the Directors are able to allocate sufficient commitment, resources and time in discharging their duties effectively.

RESPONSIBILITY OF THE BOARD

The Board has the ultimate and overall responsibility for the effective control of the Group. As prescribed by the Revised Code, the Board assumes six (6) principal responsibilities in discharging its statutory and fiduciary duty. This includes:-

- Reviewing and approving the Group's strategic business plans as a whole. This encompasses the annual budget, medium term corporate plan, new investment/divestment as well as acquisition.
- Overseeing the conduct of the business to ascertain its proper management including setting clear objectives and policies for senior management to operate.
- Identifying and approving policies pertaining to the management of all risk categories, including but not limited to strategic and financial risks.
- Developing succession plan, particularly for senior management and intrapreneurs.
- Developing and implementing investor relations programme for the Company.
- Reviewing the adequacy and the integrity of internal controls and management information systems, including system for compliance with applicable laws, rules, regulations, directives and guidelines.

The Board also ensures the sustenance of a dynamic and robust corporate climate focused on strong ethical values. This is emphasised in active participation and dialogues on a structured basis involving key people at all levels, as well as ensuring accessibility to information and transparency on all executive action. The corporate climate is also continuously nourished by value-centred programmes for team-building and active subscription to core values.

PERWAKILAN SEBAGAI PENGARAH DALAM SYARIKAT-SYARIKAT LAIN

Tiada seorang pun Pengarah Syarikat yang memegang lebih daripada sepuluh (10) jawatan pengarah di dalam syarikat tersenarai awam dan lebih daripada lima belas (15) jawatan pengarah di dalam syarikat yang tidak tersenarai. Amalan ini bertujuan memastikan bahawa para Pengarah Syarikat dapat menumpukan komitmen, sumber dan masa bagi membolehkan mereka melaksanakan tugas dan tanggungjawab secara berkesan.

TANGGUNGJAWAB LEMBAGA PENGARAH

Lembaga Pengarah bertanggungjawab sepenuhnya dan menyeluruh di dalam memastikan Kumpulan mempunyai sistem kawalan yang efektif. Sebagaimana yang dinyatakan di dalam Kod, Lembaga Pengarah mempunyai enam tanggungjawab utama dalam melaksanakan tanggungjawab berkanun dan fidusiarinya. Ini termasuk:-

- Menyemak dan meluluskan perancangan bisnes strategik Kumpulan secara keseluruhannya. Ini merangkumi bajet tahunan, rancangan korporat jangka masa sederhana, pelaburan/ pelupusan serta pengambilalihan.
- Mengawalselia tatacara bisnes untuk memastikan pengurusan yang mantap termasuk menetapkan objektif dan dasar yang

jelas untuk memudahkan pelaksanaan oleh pihak pengurusan kanan.

- Mengenalpasti dan meluluskan polisi berkaitan dengan pengurusan semua kategori risiko, termasuk tetapi tidak terhad kepada risiko strategik dan kewangan.
- Merumus perancangan penggantian khususnya untuk pengurusan kanan dan intrapreneur.
- Merangka dan melaksanakan program perhubungan pelabur untuk Syarikat.
- Mengkaji kecukupan dan kewibawaan sistem kawalan dalaman Syarikat serta sistem pengurusan maklumat termasuk sistem pematuhan terhadap undang-undang, peraturan, arahan dan garis panduan yang berkaitan.

Lembaga Pengarah juga akan memastikan iklim korporat yang dinamik dan mantap dengan memfokuskan kepada nilai-nilai etika yang tinggi. Ini diberi penekanan melalui penyertaan aktif dan penglibatan pengurusan kanan Syarikat di semua peringkat melalui dialog yang diadakan secara tersusun di samping memastikan semua maklumat mengenai bisnes dapat disalurkan secara terus dan semua tindakan eksekutif dilaksanakan secara telus. Iklim korporat juga akan terus dipupuk melalui program-program yang berteraskan nilai demi membina semangat berpasukan dan dokongan nilai-nilai teras secara aktif.

BOARD MEETINGS/MESYUARAT LEMBAGA PENGARAH

The Board meets on a quarterly basis and when necessary, additional meetings will be convened to deliberate and decide on specific matters. There were four (4) Board Meetings convened in the year under review and the following are the details of attendance of each Director:-

Lembaga Pengarah bermesyuarat sekali setiap suku tahun dan jika perlu, mesyuarat khas Lembaga akan diadakan bagi membincangkan perkara-perkara tertentu. Dalam tahun yang ditinjau, empat Mesyuarat Lembaga Pengarah telah diadakan dan butir-butir kehadiran setiap ahli Lembaga Pengarah di mesyuarat-mesyuarat tersebut adalah seperti jadual di bawah:

Director Pengarah	Number of meeting and attendance Bilangan mesyuarat dan kehadiran	Percentage/Peratusan %
Tan Sri Dato' Muhammad Ali Hashim	4/4	100%
Rozan Bin Mohd Sa'at**	3/4**	75%**
Tan Sri Datuk Arshad Ayub*	4/4	100%
Kua Hwee Sim*	4/4	100%
Esa Bin Mamek*	4/4	100%
Halmi Bin Jasmin	4/4	100%
Datuk Johan Jaaffar*	4/4	100%
Dato' Ir Abd Hak Md Amin (appointed 1/1/2008/ <i>dilantik pada 1/1/2008</i>)	-	-
Johari Bin Ma'arof (appointed 1/1/2008/ <i>dilantik pada 1/1/2008</i>)	-	-

* denote independent member of the Board/*Pengarah Bebas*

** denote hospitalisation/*dimasukkan ke hospital*

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Board has in place, the process for proposing new nominees, selection of new members for the Board and assessing the Directors on an on-going basis. The decision as to who shall be nominated would take into consideration the recommendations from the Nomination and Remuneration Committee of Johor Corporation (JCorp Group NRC).

In accordance with the Company's Article of Association, at least one third of the directors are required to retire from office at each Annual General Meeting (AGM) and can offer themselves for re-election at the AGM, including Rozan Mohd Sa'at, the Managing Director and Halmi Jasmin, the Executive Director, who shall retire from office at the forthcoming AGM, scheduled on 25 June 2008, and being eligible, offer themselves for re-election. Tan Sri Dato' Muhammad Ali Hashim and Kua Hwee Sim retired during the last AGM held on 27 June 2007 and had been re-elected.

PERLANTIKAN DAN PEMILIHAN SEMULA PENGARAH

Lembaga Pengarah sudah mempunyai proses untuk mencadangkan pencalonan baru bagi menganggotai Lembaga Pengarah dan menilai setiap Pengarah secara berterusan. Keputusan akhir untuk pemilihan calon pengarah akan mengambil kira syor-syor yang dikemukakan oleh Jawatankuasa Pencalonan dan Imbuhan Kumpulan Johor Corporation (NRC JCorp).

Menurut Tataurusan Pertubuhan Syarikat, sekurang-kurangnya satu pertiga daripada Pengarah disyaratkan untuk bersara

daripada jawatan masing-masing pada setiap Mesyuarat Agung Tahunan (AGM). Para Pengarah yang bersara boleh menawarkan diri mereka untuk dipilih semula semasa AGM termasuk Rozan Mohd Sa'at, Pengarah Urusan dan Halmi Jasmin, Pengarah Eksekutif, yang akan bersara dari jawatan masing-masing pada AGM yang dijadualkan pada 25 Jun 2008. Mereka bagaimanapun, boleh menawarkan diri untuk dipilih semula. Tan Sri Dato' Muhammad Ali Hashim dan Kua Hwee Sim telah bersara pada AGM yang lalu yang diadakan pada 27 Jun 2007 dan telah dilantik semula.

Directors who are appointed during the financial year are also subject to re-election by the shareholders at the next AGM held following their appointment (Article 93). Dato' Ir Abd Hak Md Amin and Johari Bin Ma'arof, who were appointed on 1 January 2008 are subjected to re-election at the forthcoming AGM scheduled for 25 June 2008. Directors over 70 years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965. At present, only Tan Sri Datuk Arshad Ayub is subjected to this requirement.

BOARD COMMITTEES

i) Nomination and Remuneration Committees

The Board has in place an established method in nominating and selecting Board members. In line with JCorp's Group-wide corporate practice, the functions and responsibilities of the Nomination and Remuneration Committees are undertaken by JCorp Group NRC. Sindora is directly represented at JCorp Group NRC by its Chairman and Managing Director who are respectively the Chairman and permanent member of the committee. Tan Sri Datuk Arshad Ayub, the Independent Director of Sindora, is also an independent member of JCorp Group NRC.

This approach in centralising NRC functions at JCorp Group is not an uncommon practice among top global companies and leading multi-national corporations. The prime consideration is the strategic advantage that the centre provides by allowing wider access and greater reach to a much larger pool of talent, skills and expertise as well as to benchmark remunerations on a Group-wide basis.

ii) Audit Committee

The Audit Committee (AC), chaired by Tan Sri Datuk Arshad Ayub, is operating within clearly defined terms of reference as stated in pages 103 to 107 of this Annual Report. AC comprises three (3) members, all of whom are Independent Non-Executive Directors.

Para Pengarah yang dilantik pada tahun kewangan ini juga tertakluk kepada perlantikan semula oleh para pemegang saham pada AGM yang akan diadakan selepas perlantikan mereka (Artikel 93). Dato' Ir Abd Hak Md Amin dan Johari Bin Ma'arof, yang dilantik pada 1 Januari 2008 tertakluk kepada perlantikan semula pada AGM yang akan datang yang dijadualkan pada 25 Jun 2008. Pengarah yang berusia lebih daripada 70 tahun dikehendaki menawarkan diri mereka untuk dilantik semula pada setiap tahun sejajar dengan Seksyen 129(6) Akta Syarikat 1965. Pada masa ini hanya Tan Sri Datuk Arshad Ayub sahaja yang tertakluk kepada syarat tersebut.

JAWATANKUASA LEMBAGA PENGARAH

i) Jawatankuasa Pencalonan dan Imbuan

Lembaga Pengarah mempunyai kaedah untuk mencalon dan memilih ahli Lembaga Pengarah. Seajar dengan amalan korporat Kumpulan JCorp, fungsi dan tanggungjawab Jawatankuasa Pencalonan dan Imbuan (NRC) Sindora diambilalih oleh NRC JCorp. Sindora diwakili secara langsung di dalam NRC JCorp oleh Pengerusi dan Pengarah Urusannya yang juga masing-masing merupakan Pengerusi dan ahli tetap jawatankuasa. Tan Sri

Datuk Arshad Ayub, Pengarah Bebas Sindora adalah juga Ahli Bebas NRC JCorp.

Pendekatan dalam menggabungkan fungsi Jawatankuasa Pencalonan dan Imbuan di peringkat Kumpulan JCorp adalah satu amalan yang lumrah di kalangan syarikat-syarikat antarabangsa yang ternama dan terkemuka. Pertimbangan utama dan kelebihan strategik ekoran dari langkah penggabungan tersebut adalah akses kepada peluang mendapatkan individu yang berbakat, berkemahiran dan berkepakaran tinggi yang mampu diketengahkan oleh Kumpulan JCorp di samping menyelaraskan asas imbuan yang lebih seragam dan kemaskini dalam Kumpulan berasaskan pasaran.

ii) Jawatankuasa Audit

Jawatankuasa Audit (AC), yang dipengerusikan oleh Tan Sri Datuk Arshad Ayub, beroperasi mengikut bidang rujukan yang jelas seperti yang dinyatakan di muka surat 103 hingga 107 Laporan Tahunan ini. Jawatankuasa ini terdiri daripada tiga (3) orang ahli yang mana kesemua daripada mereka adalah Pengarah Bebas Bukan Eksekutif.

Considering its importance under the governance framework, AC had conducted a self-assessment of its effectiveness. The evaluation summarises key principles and best practices that were aligned to Chapter 15 of LR, the Revised Code and Statement of Internal Control: Guidance to Directors of Public Listed Companies (the Guidance), and is provided for AC Members' use in assessing the committee's performance. It was adapted from the latest edition of the research paper "Audit Committee Effectiveness - What Works Best" by PricewaterhouseCoopers (PwC) and sponsored by the Institute of Internal Auditors (IIA) Research Foundation, USA. Where appropriate, the terms have been modified to reflect Malaysian regulatory environment. The evaluation covers areas on Financial Statements, Risk Management and Internal Control, Compliance and Ethics, Oversight of Management and Internal Audit, Relationship with External Auditors, Committee Composition, Training, Resources and Special Investigations, Charter and Evaluation, Meetings and The Future.

DIRECTORS' TRAINING

All members of the Board have attended the required Mandatory Accreditation Programme (MAP) and during the year under review, had participated in training programmes related to current developments and changes in laws and regulations where appropriate, to assist them in effectively discharging their duties and responsibilities. The members of the Board will continue to participate in the enhancement programmes related to directors' training in the future as part of their Continuing Education Programme.

In addition to formal trainings, new Directors also attended Majlis Pedoman (an annual employees meeting and dialogue session) held by Sindora, JCorp and other listed or strategic companies within JCorp Group for a better understanding of the Company's and JCorp Group's vision, mission and objectives.

Memandangkan peri pentingnya peranan serta fungsinya di bawah rangka kerja tadbir urus, Jawatankuasa ini telah menjalankan penilaian sendiri terhadap keberkesannya. Penilaian ini merumuskan prinsip penting dan amalan terbaik yang diselaraskan dengan Bab 15 Keperluan Penyenaraian, Kod Semakan, Penyata Kawalan Dalam: Panduan untuk Pengarah Syarikat-syarikat Awam Tersenarai (Panduan) serta disediakan untuk kegunaan Ahli-ahli AC dalam menilai prestasi Jawatankuasa. Prinsip dan amalan tersebut diambil dan disesuaikan daripada "Audit Committee Effectiveness - What Works Best" yang diterbitkan oleh PricewaterhouseCoopers (PwC) dan ditaja oleh Yayasan Penyelidikan Institute of Internal Audit (IIA) Amerika Syarikat (USA). Di mana wajar, prinsip dan amalan itu diubahsuai untuk mencerminkan persekitaran pengawalseliaan di Malaysia. Penilaian tersebut meliputi bidang-bidang berhubung Penyata Kewangan, Pengurusan Risiko dan Kawalan Dalam, Pematuhan dan Etika, Pengawasan

Pengurusan dan Audit Dalam, Perhubungan dengan Juruaudit Luar; Komposisi Jawatankuasa, Latihan; Sumber dan Penyiasatan Khas; Piagam dan Penilaian; serta Mesyuarat dan Masa Depan.

LATIHAN PENGARAH

Semua ahli Lembaga Pengarah telah menghadiri Program Akreditasi Mandatori (MAP). Bagi tahun dalam tinjauan, mereka juga telah menghadiri pelbagai program latihan mengenai perkembangan semasa serta perubahan dalam undang-undang dan peraturan di mana sesuai, untuk membantu mereka menjalankan tugas dan tanggungjawab dengan berkesan. Pada masa akan datang, para Pengarah akan terus menghadiri program-program berkaitan dengan latihan pengarah sebagai sebahagian daripada Program Pendidikan Berterusan (CEP).

Di samping latihan formal, para Pengarah baru juga menghadiri Majlis Pedoman (mesyuarat tahunan dan sesi dialog anggota pekerja) yang dianjurkan oleh Sindora, JCorp dan syarikat-syarikat tersenarai atau strategik dalam Kumpulan JCorp untuk lebih memahami wawasan, misi dan objektif Syarikat dan Kumpulan JCorp.

SUPPLY OF INFORMATION

The Board is provided with relevant and timely information which are not merely historical or financially oriented but are broader and of intrinsic value to enable the Board to discharge its duties and responsibilities to the fullest.

Sindora has in place a procedure to ensure that all the requisite agenda are incorporated in the notice of resolution in all Board meetings. The information made available to the Board are in various forms such as quarterly financial results, internal audit reports, risk management report, progress report, corporate plans and minutes of the meetings.

The Board has access to all information, whether as a full Board or in their individual capacity in discharging their duties and responsibilities. The Board and its committee may also seek independent professional advice at the Company's expense in the course of discharging its duties.

BOARD'S EFFECTIVENESS

The Board forms an important structure/platform of the overall sound internal control system. Beginning 2007, JCorp Group NRC has adopted a standard format for the Board of Directors' evaluation. One of the evaluations is adapted from the research paper "Corporate Governance and the Board - What Works Best" by PwC and sponsored by the IIA Research Foundation, USA. The evaluation covers areas on Strategy and Planning; Risk Management; Tone at the Top; Measuring and Monitoring Performance; Transformational Transactions; Management Evaluation; Compensation and Succession Planning; Transparency; and Board Dynamics.

DIRECTORS' REMUNERATION**PROCEDURE**

JCorp Group NRC is responsible for making recommendations on the framework, policy and procedures to determine and review the specific remuneration package of the Executive Directors and senior executives of JCorp Group, including Sindora Group.

PENYEDIAAN MAKLUMAT

Lembaga Pengarah telah disediakan dengan maklumat yang relevan dan tepat pada masanya, bukan sahaja yang bersifat sejarah dan berorientasikan kewangan malah yang lebih luas dan bernilai intrinsik untuk membantu Lembaga Pengarah melaksanakan tugas dan tanggungjawab dengan berkesan.

Sindora telah menggariskan prosedur untuk memastikan bahawa semua agenda mesyuarat perlu dimuatkan di dalam notis ketetapan bagi semua mesyuarat Lembaga. Maklumat yang disediakan untuk Lembaga Pengarah adalah dalam berbagai bentuk seperti keputusan kewangan suku tahunan, laporan audit dalaman, laporan pengurusan risiko, laporan kemajuan, rancangan korporat dan minit mesyuarat.

Lembaga Pengarah secara kolektif atau atas kapasiti individu, boleh mendapatkan semua maklumat untuk menjalankan tugas dan tanggungjawab mereka. Lembaga dan jawatankuasa-jawatankuasanya juga boleh mendapatkan nasihat juruperunding profesional dalam melaksanakan tugas mereka di mana perbelanjaan tersebut akan ditanggung oleh Syarikat.

KEBERKESANAN LEMBAGA

Lembaga Pengarah merupakan struktur/landasan yang penting dalam memastikan sistem kawalan dalaman yang berkesan. Mulai tahun 2007, NRC JCorp telah menerima pakai satu format borang yang seragam dalam sistem penilaian Lembaga Pengarah. Salah satu daripada komponen penilaian tersebut dirujuk daripada kertas penyelidikan bertajuk "Corporate Governance and the Board - What Works Best" oleh PwC dan ditaja oleh IIA Research Foundation, Amerika Syarikat. Penilaian tersebut merangkumi bidang-bidang Strategi dan Perancangan; Pengurusan Risiko; Tatacara Pengendalian Lembaga Pengarah; Mengukur dan Memantau Prestasi; Urusan Transformasi; Penilaian Pengurusan; Imbuhan dan Program Pelapis; Ketelusan; dan Dinamisma Lembaga Pengarah.

IMBUHAN PENGARAH**PROSEDUR**

NRC JCorp bertanggungjawab mengemukakan syor-syor berhubung rangka kerja, polisi dan prosedur untuk mengkaji dan menentukan pakej imbuhan yang khusus bagi para Pengarah Eksekutif dan eksekutif kanan Kumpulan JCorp termasuk Kumpulan Sindora.

The objectives of the remuneration policy are:-

- To ensure that individual rewards and incentives fairly relate to the performance of the individual, the Company and the interests of shareholders; and
- To attract and retain the most qualified and experienced senior executives.

The Committee seeks independent advice, where appropriate, and has information on compensation and salary levels of other companies in similar industry of comparable size, for executives with similar skills, qualifications and experience for the purpose of reviewing the salaries and benefits of staff of the Group.

LEVEL & MAKE-UP

The Managing Director's remuneration package comprises basic salary and other emoluments. Other customary benefits are made available as appropriate. Non-executive directors' remuneration is based on a standard fee. An additional allowance is also paid for attendance to the Board and Audit Committee meetings.

Objektif polisi imbuhan tersebut adalah untuk:-

- Memastikan supaya setiap ganjaran dan insentif adalah berdasarkan prestasi individu, Syarikat dan kepentingan para pemegang saham; dan
- Menarik dan mengekalkan pengurusan kanan yang berkelayakan dan berpengalaman.

Sekiranya perlu, Jawatankuasa akan mendapatkan khidmat nasihat bebas dan mendapatkan maklumat berhubung tahap pampasan dan gaji di kalangan syarikat-syarikat lain dalam industri yang sama bagi para eksekutif mengikut kemahiran, kelayakan

dan pengalaman yang serupa untuk tujuan penilaian semula gaji dan ganjaran anggota pekerja Kumpulan.

TAHAP & BENTUK IMBUHAN

Pakej imbuhan Pengarah Urusan merangkumi gaji asas dan imbuhan lain. Manfaat lazim yang lain bagi Kumpulan disediakan berdasarkan kesesuaian. Imbuhan untuk para pengarah Bukan Eksekutif adalah berdasarkan kepada yuran yang seragam. Setiap kehadiran di dalam mesyuarat Lembaga Pengarah dan Jawatankuasa Audit melayakkan pembayaran elaun tambahan kepada Pengarah.

DISCLOSURE ON DIRECTORS' REMUNERATION FOR 2007/PENDEDAHAN IMBUHAN PENGARAH BAGI TAHUN 2007

The aggregate Board's remuneration paid or payable or otherwise made to all Directors of the Company who served during the financial year is as follows:-

Jumlah imbuhan Lembaga Pengarah yang dibayar atau layak dibayar atau diberi kepada semua Pengarah Syarikat yang berkhidmat dalam tahun kewangan adalah seperti berikut:

Director/Pengarah	Salary* Gaji* RM	Directors Fees Yuran Pengarah RM	Meetings Allowance Elaun Mesyuarat RM	Benefit-in-Kind Manfaat RM	Total Jumlah RM
Executive/Eksektif					
Rozan Mohd Sa'at	465,475	45,000	-	36,192	546,667
Halmi Jasmin	-	30,000	1,700	-	31,700
Non-executive/Bukan Eksekutif					
Tan Sri Dato' Muhammad Ali Hashim	-	60,000	2,000	-	62,000
Tan Sri Datuk Arshad Ayub	-	30,000	3,200	-	33,200
Datuk Johan Jaaffar	-	30,000	1,900	-	31,900
Kua Hwee Sim	-	30,000	2,800	-	32,800
Esa Mamek	-	30,000	1,600	-	31,600

* Includes fixed allowance, bonus and employer's contribution to EPF

* Termasuk elaun tetap, bonus dan caruman majikan kepada KWSP

INVESTOR RELATIONS AND SHAREHOLDERS' COMMUNICATION

Sindora adopts an open and transparent policy in respect of its relationship with its shareholders and investors. Upon embarking on new business or strategic venture, press conferences are held to keep the shareholders, investors and the public informed of significant developments. Its website is also continuously updated to reflect current developments of the Company and the Group to inform shareholders and the investing public.

Sindora communicates with its shareholders and investors through the Annual Reports, AGMs, announcements to Bursa Malaysia and its website.

ANNUAL GENERAL MEETING (AGM)

The AGM serves as the principal forum for dialogue with shareholders. The role of the Board is to ensure that the AGMs are conducted in an efficient manner, which includes supply of timely and relevant information to shareholders and encouragement of active participation at the AGM.

The annual report is sent to all shareholders each year and shareholders are free to contact the Company at all times.

The Company's website, www.sindora.com.my also provides easy and quick access to the latest financial, corporate and other significant information on the Group's various activities.

ACCOUNTABILITY AND AUDIT

In presenting the quarterly results and annual financial statement to the shareholders, the Board aims to present an accurate and balanced assessment of the Group's financial position and prospects. AC and the external auditors, reviewed both the annual financial statements and quarterly reports to ensure that appropriate accounting policies are consistently applied and supported by reasonable and prudent judgement, and all accounting standards which the Board considers to be applicable have been followed.

PERHUBUNGAN PELABUR DAN KOMUNIKASI DENGAN PEMEGANG SAHAM

Sindora menerima pakai dasar yang terbuka dan telus berkaitan perhubungan dengan pemegang saham, pelabur dan pihak yang berkepentingan. Apabila Syarikat memulakan bisnes baru atau usaha niaga strategik, sidang akhbar akan diadakan untuk memaklumkan para pemegang saham, pelabur dan orang ramai mengenai perkembangan penting. Laman web Syarikat sentiasa dikemaskinikan untuk mencerminkan perkembangan terkini Syarikat dan Kumpulan untuk makluman pemegang saham dan pelabur.

Sindora menyalurkan maklumat dan berkomunikasi dengan pemegang saham dan pelabur melalui Laporan Tahunan, Mesyuarat Agung Tahunan, pengumuman kepada Bursa Malaysia dan laman webnya.

MESYUARAT AGUNG TAHUNAN (AGM)

Mesyuarat Agung Tahunan (AGM) merupakan satu forum utama bagi menggalakkan komunikasi di antara para Pengarah Syarikat dengan para pemegang saham. Peranan Lembaga Pengarah adalah untuk memastikan supaya AGM berjalan dengan lancar, termasuk penyediaan maklumat yang tepat pada

masanya dan relevan kepada pemegang saham serta menggalakkan penyertaan aktif pemegang-pemegang saham di dalam AGM.

Laporan Tahunan dihantar kepada semua pemegang saham pada setiap tahun dan mereka bebas untuk menghubungi Syarikat pada bila-bila masa.

Laman web Syarikat di www.sindora.com.my turut menyediakan akses yang mudah, pantas serta kemaskini mengenai maklumat kewangan, korporat dan yang berkaitan dengan aktiviti Kumpulan.

KEBERTANGGUNG-JAWABAN DAN AUDIT

Dalam membentangkan keputusan suku tahunan dan penyata kewangan tahunan kepada pemegang-pemegang saham, Lembaga Pengarah berusaha memastikan pembentangan kedudukan kewangan Kumpulan dan prospek adalah tepat dan seimbang. Jawatankuasa Audit dan Juruaudit Luar menilai penyata kewangan tahunan dan laporan suku tahunan bagi memastikan supaya polisi perakaunan yang bersesuaian digunakan secara konsisten serta disokong oleh pertimbangan yang berpatutan dan berhemah, dan mematuhi kesemua piawaian perakaunan yang difikirkan sesuai oleh Lembaga Pengarah.

INTERNAL CONTROL

The Board acknowledges its full responsibility to ensure a sound system of internal control covering the financial, operational and compliances aspect of the business. The Statement of Internal Control that provides an overview of the state of internal control of Sindora is set out on page 92 to 98.

RELATIONSHIP WITH AUDITORS

The Board, through the Audit Committee, maintained a formal and transparent professional relationship with the external auditors, KPMG, in seeking professional advice and ensuring compliance with the applicable accounting standards and statutory requirements.

The Audit Committee, without the presence of the Executive Directors and the management, met the external auditors four (4) times in the year under review.

COMPLIANCE TO THE CODE

The Board is of the opinion that Sindora Group had consistently complied with the principles and Best Practices of Corporate Governance throughout the financial year ended 31 December 2007.

ADDITIONAL INFORMATION

Apart from providing the shareholders and the stakeholders at large with an overview of the state of corporate governance practices of the Company, the following are also disclosed for shareholders' information:-

- **MANAGEMENT'S SUCCESSION**

The Company does not anticipate that the Managing Director will retire other than due to disability. He reports to the Board on executive management's succession planning programmes.

KAWALAN DALAMAN

Lembaga Pengarah bertanggungjawab sepenuhnya untuk memastikan bahawa sistem kawalan dalaman yang mantap meliputi aspek kewangan, operasi dan pematuhan dalam menjalankan bisnes. Penyata Kawalan Dalaman yang menerangkan aspek kawalan dalaman secara terperinci dibentangkan di muka surat 92 hingga 98.

PERHUBUNGAN DENGAN JURUAUDIT

Lembaga Pengarah melalui Jawatankuasa Audit, mengekalkan hubungan profesional yang formal dan telus dengan juruaudit luar, KPMG, dalam mendapatkan nasihat profesional dan memastikan pematuhan kepada piawai perakaunan dan keperluan berkanun yang berkaitan.

Jawatankuasa Audit, bermesyuarat dengan juruaudit luar empat (4) kali pada tahun 2007 tanpa kehadiran para Pengarah Eksekutif dan pihak pengurusan.

PEMATUHAN TERHADAP KOD TADBIR URUS KORPORAT

Lembaga Pengarah berpendapat bahawa Kumpulan Sindora telah mematuhi secara konsisten semua prinsip dan amalan terbaik dalam Tadbir Urus Korporat sepanjang tahun kewangan berakhir 31 Disember 2007.

MAKLUMAT TAMBAHAN

Selain daripada menyediakan satu tinjauan menyeluruh berhubung amalan tadbir urus korporat Syarikat kepada para pemegang saham dan semua pihak berkepentingan, perkara-perkara berikut turut didedahkan untuk makluman para pemegang saham:-

- **BARISAN PENGURUSAN PELAPIS**

Syarikat tidak menjangkakan bahawa Pengarah Urusan akan bersara melainkan atas sebab-sebab ketidakupayaan. Beliau melapor terus kepada Lembaga Pengarah berhubung program penyediaan barisan pengurusan pelapis.

090

SINDORA BERHAD
2007

- SHARE BUY-BACKS**

As at the end of the preceding financial year, a total of 1,292,907 units of the Company's own shares were retained as treasury shares, and during the year under review, 295,500 units were repurchased from the open market at a total consideration of RM361,669.

- PEMBELIAN SEMULA SAHAM**

Pada akhir tahun kewangan sebelumnya, sejumlah 1,292,907 unit saham Syarikat kekal sebagai saham perbendaharaan, dan

pada tahun 2007, sebanyak 295,500 unit telah dibeli dari pasaran terbuka pada pertimbangan berjumlah RM361,669.

A total of 1,588,407 units of these shares were retained as treasury shares and none was cancelled. The details of the repurchase in 2007 are as follows:-

Sejumlah 1,588,407 unit saham-saham tersebut telah disimpan sebagai saham perbendaharaan dan tiada sebarang saham dibatalkan. Butir-butir pembelian semula pada tahun 2007 adalah seperti berikut:-

Month <i>Bulan</i>	Quantity <i>Kuantiti</i> (units/unit)	Average Price <i>Harga Purata</i> (RM)	Total Consideration <i>Jumlah Petimbangan</i> (RM)
January/ <i>Januari</i>	289,400	1.2173	354,541.14
February/ <i>Februari</i>	6,100	1.1598	7,128.28
TOTAL/ <i>JUMLAH</i>	295,500	1.2161	361,669.42

The highest price paid was RM1.24 while lowest price was RM1.15. The Board of Directors of Sindora Berhad declared a distribution of one existing ordinary share of RM1.00 each held as treasury shares pursuant to the share buy-back scheme for every 60 existing ordinary shares held by the shareholders (with fractions of the treasury shares disregarded). A total of 1,572,307 units of the treasury shares were distributed to entitled shareholders on 20 July 2007.

On 24 July 2007, the undistributed balance of 16,100 units was resold in the open market and the Company received a total consideration of RM22,449 for the resale at an average price of 1.39 per share. As at the end of the financial year under review, no more shares were retained as treasury shares.

Harga tertinggi yang dibayar ialah RM1.24 sementara harga terendah ialah RM1.15. Lembaga Pengarah Sindora Berhad mengisytiharkan pengagihan satu saham biasa yang sedia ada berharga RM1.00 sesaham yang dipegang sebagai saham perbendaharaan menurut skim pembelian balik bagi setiap 60 saham biasa yang dipegang oleh pemegang saham (pecahan saham perbendaharaan tidak diambil kira). Sejumlah 1,572,307 unit saham perbendaharaan telah diagihkan kepada pemegang saham yang layak pada 20 Julai 2007.

Pada 24 Julai 2007, baki sejumlah 16,100 unit yang belum diagih telah dijual semula di pasaran terbuka dan Syarikat menerima pertimbangan berjumlah RM22,449 daripada penjualan semula itu pada harga purata RM1.39 sesaham. Pada akhir tahun kewangan dalam tinjauan, tiada lagi saham dipegang sebagai saham perbendaharaan.

NON-AUDIT FEES/YURAN BUKAN AUDIT

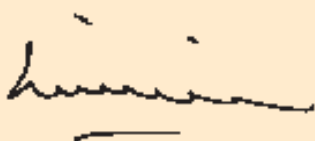
The amount of non-audit fees paid by the Group to external auditors and other consultants for the financial year ended 31 December 2007 was as follows:-

Jumlah yuran bukan audit yang dibayar kepada juruaudit luar dan juruperunding lain oleh Kumpulan pada tahun kewangan yang berakhir 31 Disember 2007 adalah seperti berikut:-

SERVICES/PERKHIDMATAN	RM
Advisory and Consultancy Fees/ <i>Yuran Khidmat Nasihat dan Perundingan</i>	272,454.76
Financial and Legal Due Diligence/ <i>Audit Ketekunan Kewangan dan Perundangan</i>	134,069.42
Valuation/ <i>Khidmat Jurunilai</i>	90,490.11
Tax Consultancy/ <i>Yuran Perundingan Cukai</i>	15,335.00
Internal Control/ <i>Kawalan Dalaman</i>	43,951.00
Others/ <i>Lain-lain</i>	1,800.00
Total/Jumlah	558,100.29

This statement is made in accordance with the resolutions of the Board of Directors dated 26 March 2008.

Penyata ini disediakan selaras dengan resolusi Lembaga Pengarah bertarikh 26 Mac 2008.



TAN SRI DATO' MUHAMMAD ALI HASHIM

Chairman/*Pengerusi*



ROZAN BIN MOHD SA'AT

Managing Director/*Pengarah Urusan*

STATEMENT ON INTERNAL CONTROL

Penyata Kawalan Dalaman

092

SINDORA BERHAD
2007

The Board of Directors of Sindora Berhad (the Board) recognises the critical roles of corporate governance and a sound internal control to safeguard the interest of shareholders and other stakeholders.

The Board is pleased to present the following report on the state of principles and applications of the internal controls of Sindora Berhad (Sindora) in accordance with Paragraph 15.27(b) of the Listing Requirements of Bursa Malaysia.

BOARD'S RESPONSIBILITY

The Board's primary role is to oversee and review the adequacy and effectiveness of the internal controls and risk management procedures across the various operating subsidiaries in the Group.

The Board has in place, an ongoing process for identifying, evaluating and managing the significant risks faced by Sindora Group and this is regularly reviewed by the Board, through the Audit Committee, in accordance with the **Statement on Internal Control: Guidance For Directors of Public Listed Companies** (the Guidance).

Any systems of internal control, due to its inherent limitations, are only designed to manage, rather than eliminate, the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

In making this Statement, pursuant to Paragraph 46 of the Guidance, the Board has excluded the assessment of controls on associate companies - Willis (Malaysia) Sdn Bhd, MM Vitaoils Sdn Bhd and AmanahRaya JMF Asset Management Sdn Bhd. Sindora is represented in the Board of these associate companies by the Managing Director of the Company.

INTERNAL CONTROL FRAMEWORK

The Board adopted Sponsoring Organisations of the Treadway Commission's (COSO) Internal Control - Integrated Framework since 2001.

Lembaga Pengarah Sindora Berhad (Lembaga Pengarah) mengiktiraf kepentingan tadbir urus korporat dan kawalan dalaman yang mantap untuk melindungi kepentingan para pemegang saham dan pihak berkepentingan.

Lembaga Pengarah dengan sukacitanya membentangkan laporan berhubung dengan prinsip dan amalan kawalan dalaman Sindora Berhad (Sindora) selaras dengan Perenggan 15.27(b) Keperluan Penyenaraian Bursa Malaysia.

TANGGUNGJAWAB LEMBAGA PENGARAH

Peranan utama Lembaga Pengarah adalah untuk mengawalselia dan mengkaji kecukupan dan keberkesanan prosedur kawalan dalaman dan pengurusan risiko di dalam Kumpulan Sindora.

Lembaga Pengarah telah menyediakan satu proses secara berterusan untuk mengenalpasti, menilai dan menguruskan risiko-risiko utama yang dihadapi oleh Kumpulan. Lembaga Pengarah, melalui Jawatankuasa Audit, mengenalpasti secara berterusan tahap keberkesanan proses tersebut selaras dengan Penyata Kawalan Dalaman: Panduan untuk Pengarah Syarikat-syarikat Tersenarai Awam (Panduan).

Sistem kawalan dalaman ini diolah sebaik mungkin untuk mengurus dan bukan menghapuskan sama sekali risiko, dalam usaha mencapai objektif korporat. Sehubungan dengan itu sistem ini hanya berupaya menyediakan kawalan dalaman

yang efektif tetapi tidak menolak secara mutlak kemungkinan berlakunya salahnyata atau kerugian yang ketara.

Lembaga Pengarah ingin memaklumkan bahawa menurut Perenggan 46 Panduan Pengarah, penyata ini tidak meliputi penilaian kawalan bagi syarikat-syarikat sekutu, iaitu Willis (Malaysia) Sdn Bhd, MM Vitaoils Sdn Bhd and AmanahRaya JMF Asset Management Sdn Bhd. Penilaian kawalan terhadap syarikat-syarikat sekutu tersebut adalah melalui penglibatan Pengarah Urusan Sindora di dalam Lembaga Pengarah syarikat-syarikat berkenaan.

RANGKA KERJA KAWALAN DALAMAN

Lembaga Pengarah telah menerima pakai garis panduan yang ditetapkan oleh "Sponsoring Organisations of the Treadway Commission's (COSO) Internal Control - Integrated Framework" sejak 2001.

Kawalan dalaman ditakrifkan sebagai satu proses yang dikuatkuasa oleh Lembaga Pengarah dan Pengurusan Sindora, di mana hanya diolah untuk memastikan objektif Syarikat tercapai dan tertumpu kepada empat elemen asas sebagaimana berikut:

Internal control is defined as a process, effected by Sindora's Board and Management, designed to provide reasonable assurance regarding the achievement of the Company's objectives, which focuses on four fundamental elements as depicted in the diagram:-

CONTROL ENVIRONMENT

The Board has clear strategies in dealing with the significant risks that have been identified. The Group's structure has been established with clearly defined lines of responsibility, limits of authority and accountability aligned to business and operations requirements that support the maintenance of an effective control environment.

1. RISK ASSESSMENT

Enterprise-Wide Risk Management (EWRM)

For the financial year under review, the Board is satisfied that the Group's objectives are adequately supported by strategic business plans and budgets. The Group has in place an effective risk management policy together with effective mechanisms to anticipate and respond to changes.

The Group had established an EWRM framework which was adopted from the Australian / New Zealand Standard (AS/NZS) 4360. EWRM provides a structured approach to identify, evaluate and mitigate the risk exposure of performing various activities within the Group.

The Chief Risk Officer (CRO) is responsible to oversee the implementation of EWRM at Group level with the support of Risk Officers from each Operating Unit.

Risk Policy

The main underlying principles of Group's risk policy are:-

- Informed risk management element of Group's business strategy.
- Effective risk management that provides greater assurance of the Group's vision and strategy to be achieved.
- Each business unit and division is expressly responsible for managing the risks associated with its respective business and investments project.



PERSEKITARAN KAWALAN

Lembaga Pengarah menggariskan strategi yang jelas untuk menangani risiko-risiko utama yang telah dikenalpasti. Struktur Kumpulan adalah berasaskan kepada skop tanggungjawab yang telah ditetapkan, had-had kuasa dan kebertanggungjawaban yang diiktiraf dengan jelas, selaras dengan keperluan bisnes dan operasi bagi memastikan persekitaran kawalan yang berkesan.

1. PENILAIAN RISIKO

Pengurusan Risiko Kumpulan (EWRM)

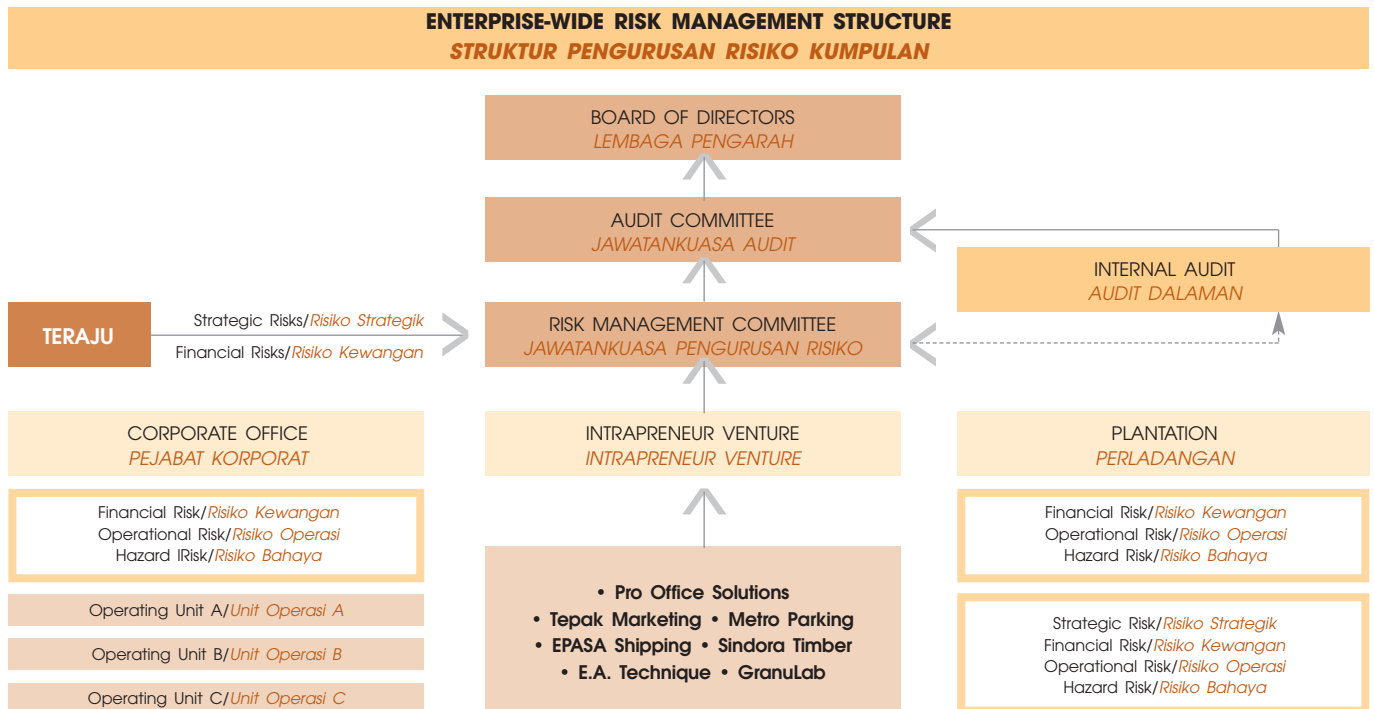
Sepanjang 2007, Lembaga Pengarah berpuashati bahawa objektif Kumpulan disokong dengan sebaik mungkin oleh perancangan bisnes strategik dan bajet. Kumpulan telah menyediakan polisi pengurusan risiko yang efektif beserta mekanisma yang berkesan untuk menjangkakan dan bertindakbalas terhadap sebarang perubahan dan kemungkinan.

Kumpulan telah mewujudkan rangka kerja EWRM yang berpandukan kepada sistem "Australian / New Zealand Standard (AS/NZS) 4360." EWRM menyediakan pendekatan yang rapi untuk mengenalpasti, menilai dan mengurangkan pendedahan terhadap risiko dalam melaksanakan pelbagai aktiviti Kumpulan. Ketua Pegawai Risiko (CRO), dengan bantuan Pegawai-pegawai Risiko daripada setiap Unit Operasi, bertanggungjawab untuk mengawalselia pelaksanaan EWRM di peringkat Kumpulan.

Polisi Risiko

Prinsip-prinsip asas utama risiko Kumpulan adalah:-

- Pemahaman unsur pengurusan risiko berkaitan dengan strategi bisnes Kumpulan.
- Pengurusan risiko yang berkesan bagi memastikan pencapaian wawasan dan strategi Kumpulan.
- Setiap Unit Bisnes dan Bahagian adalah bertanggungjawab untuk mengurus risiko-risiko berkaitan dengan bisnes dan projek pelaburan masing-masing.



All material risks are to be identified, analysed, managed, monitored and reported. Risks have been identified and analysed to determine the significance of the risk, the likelihood of occurrence and the controls established to address them.

The risk architecture covers all risk categories – strategic, financial, operational and hazards.

Key Performance Indicators (KPI)

The adoption of KPI is another tool to mitigate risks and it has proven successful due to the fact that risks associated with respective Operating Units have already been considered in determining the KPIs. Through KPIs, all operations are aligned with the organisation’s goals and objectives.

2. CONTROL ACTIVITIES

Policies, control objectives and internal controls have been designed and implemented for each risk. Internal controls are effected through policy manuals, organisation charts, job descriptions, operating instructions, delegations, authorisation, etc.

Semua risiko utama perlu dikenalpasti, dianalisa, diurus, dipantau dan dilaporkan. Risiko-risiko telah dikenalpasti dan dianalisa bagi menentukan tahap risiko berkenaan, kemungkinan ianya berlaku dan kawalan-kawalan yang diwujudkan untuk menanganinya. Sistem pengawalan risiko meliputi semua kategori risiko – strategik, kewangan, operasi dan bahaya.

Petunjuk Prestasi Utama (KPI)

Penggunaan KPI adalah satu lagi kaedah untuk mengurangkan risiko dan ianya terbukti berkesan kerana risiko-risiko yang dikaitkan dengan setiap Unit

Operasi telah pun diambil kira dalam menentukan KPI. Penentuan KPI dan pelaksanaannya diselarasakan dengan matlamat dan objektif organisasi.

2. AKTIVITI KAWALAN

Kesemua dasar, objektif kawalan dan kawalan dalaman telah diolah dan dilaksanakan bagi setiap risiko. Kawalan dalaman dikuatkuasakan melalui manual polisi, carta organisasi, skop kerja, manual operasi, pembahagian tugas, tanggungjawab serta mandat dan lain-lain.

Sindora has successfully obtained MS ISO 9001:2000 in provisions of investment and monitoring of businesses and subsidiaries. Tea blending and packaging processes and management of car parks are also ISO 9001:2000 certified.

Internal control is designed to ensure all activities and operations of the organisation are in compliance with policies and statutory obligations and include segregation of duties, reconciliation, inspections, security of assets and cash. Appropriate control activities are in place to safeguard funds and assets of the organisation and to ensure they are used ethically, economically, efficiently and effectively.

3. INFORMATION AND COMMUNICATION

There is a clear line of communication throughout the organisation and with stakeholders. Employees regularly receive information and direction on matters, which has direct impact on the operations of the business units and the organisation.

Formal and informal communication initiatives include, among others, strategic plans, vision and mission statements, specific and ad hoc reports, briefings, meetings and discussions, website, circulars and news bulletins, training and induction programmes.

4. MONITORING

In addition to the on-going processes, independent evaluations of the control activities are performed regularly to ensure their effectiveness and relevance.

Internal Audit Function

The Internal Audit of the Group supervises the observance of internal control policy and procedures by performing regular reviews of the business processes. Audits on Operating Units are carried out on risk-based approach.

The Audit Committee (AC) on a quarterly basis, reviews matters on internal controls, and consistently evaluates the effectiveness and adequacy of the Group's internal control system.

Sindora telah berjaya diakreditasi dengan MS ISO 9001:2000 di dalam kategori "Peruntukan Pelaburan dan Pemantauan Bisnes dan Syarikat Anak". Proses-proses mengadun dan membungkus teh dan pengurusan tempat letak kereta juga telah memperolehi pensijilan ISO 9001:2000.

Kawalan dalaman diwujudkan untuk memastikan supaya semua aktiviti dan operasi dalam organisasi mematuhi dasar dan keperluan berkanun serta meliputi pembahagian tugas, penyesuaian, pemeriksaan, keselamatan ke atas aset dan wang tunai. Aktiviti kawalan yang sewajarnya dilaksanakan untuk melindungi sumber dan aset organisasi dan bagi memastikan ianya digunakan secara beretika, ekonomikal, cekap dan berkesan.

3. MAKLUMAT DAN KOMUNIKASI

Terdapat saluran komunikasi yang jelas di seluruh organisasi dan dengan pihak berkepentingan. Anggota pekerja menerima maklumat dan arahan secara kerap berhubung dengan hal-hal yang mendatangkan kesan langsung terhadap operasi Unit-Unit Bisnes dan organisasi.

Inisiatif-inisiatif komunikasi yang rasmi dan tidak rasmi meliputi antara lainnya melalui perancangan strategik, penyata wawasan dan misi, laporan khusus dan berkala, penerangan, mesyuarat dan perbincangan, laman web, pekelling dan buletin, serta program-program latihan dan induksi.

4. PEMANTAUAN

Di samping proses-proses yang berlangsung secara berterusan, penilaian bebas dijalankan secara kerap bagi memastikan keberkesanan dan kesesuaian aktiviti-aktiviti kawalan.

Fungsi Audit Dalaman

Audit Dalaman Kumpulan memantau kepatuhan terhadap polisi dan prosedur kawalan dalaman dengan melaksanakan penilaian secara kerap ke atas proses bisnes. Audit ke atas Unit-unit Operasi dilaksanakan berdasarkan kepada pendekatan mengenalpasti risiko.

Jawatankuasa Audit (AC) akan mengkaji secara suku tahunan, hal-hal berhubung kawalan dalaman, dan menilai secara berterusan keberkesanan dan kecukupan sistem kawalan dalaman Kumpulan.

Governance Committees

Whilst the Board maintains full control of the Group's direction over strategic, financial, organisational and compliance issues, it has delegated to the Management the implementation of the internal control system. Accordingly, the Management has established six Governance Committees to discharge its roles and responsibilities and ensure all major decisions are duly discussed and considered.

TERAJU

It is the highest management decision-making committee that focuses on strategic issues and policies, including financial matters and Board's decisions.

Management Committee (MCM)

It focuses on operational issues and monitors the implementation of decisions by the Board, Audit Committee and TERAJU.

Investment Committee

It assesses and evaluates new projects / investment proposals for recommendations to TERAJU and the Board.

Risk Management Committee

The responsibilities of the committee in relation to the implementation of risk management within the Group are:-

- Establishing strategic and organisational context within the Group.
- Moderating the risk appetite of the Group.
- Communicating control expectation.
- Assessing and evaluating risk management process on a periodic basis.

'Induk Perjawatan'

It evaluates and proposes issues, policies and strategies related to human resource management of the Group.

Lembaga Korporat

It focuses on corporate matters including financial performance of the Group.

Jawatankuasa-Jawatankuasa Tadbir Urus

Lembaga Pengarah menentukan sepenuhnya halatuju Kumpulan berkaitan isu-isu strategik, kewangan, organisasi dan pematuhan, manakala pihak Pengurusan pula dipertanggungjawabkan untuk melaksanakan sistem kawalan dalaman. Pihak Pengurusan telah mewujudkan enam Jawatankuasa Tadbir Urus seperti berikut untuk menjalankan peranan dan tanggungjawabnya dan memastikan semua keputusan penting telah dibincang dan dipertimbangkan dengan teliti.

Jawatankuasa Pengurusan Tertinggi (TERAJU)

TERAJU adalah jawatankuasa membuat keputusan pengurusan tertinggi dan memfokus isu-isu strategik dan dasar, termasuk hal-hal kewangan dan keputusan Lembaga Pengarah.

Jawatankuasa Pengurusan (MCM)

Memfokus isu-isu operasi dan memantau pelaksanaan keputusan Lembaga Pengarah, Jawatankuasa Audit dan TERAJU.

Jawatankuasa Pelaburan

Fungsinya tertumpu kepada penilaian dayamaju cadangan projek/pelaburan baru untuk disyorkan kepada TERAJU dan Lembaga Pengarah.

Jawatankuasa Pengurusan Risiko

Tanggungjawab jawatankuasa ini dalam pelaksanaan pengurusan risiko Kumpulan adalah:-

- Mewujudkan konteks organisasi yang strategik dalam Kumpulan.
- Menyederhana kehendak menanggung risiko Kumpulan.
- Menyampaikan maklumat mengenai kawalan yang diharapkan.

Induk Perjawatan

Menilai dan mencadangkan isu-isu, dasar dan strategi berkaitan dengan pengurusan sumber manusia Kumpulan.

Lembaga Korporat

Memfokus terhadap hal-hal korporat termasuk prestasi kewangan Kumpulan.

OTHER OVERSIGHT FUNCTIONS/*FUNGSI-FUNGSI PEMANTAUAN YANG LAIN*

Internal Quality Audits (IQAs) are performed regularly to ensure conformance to systems and procedures of ISO standards. Such conformance is further ensured through surveillance audits by numerous external parties.

Audit Kualiti Dalaman (IQA) kerap dilaksanakan untuk memastikan pematuhan terhadap sistem dan prosedur mengikut piawaian ISO. Pematuhan tersebut diperkukuhkan lagi melalui audit pemantauan oleh pelbagai pihak luar ke atas syarikat-syarikat anak dalam Kumpulan.

Operating Unit/ <i>Unit Operasi</i>	Scope/ <i>Skop</i>	Oversight Function/ <i>Fungsi Pemantauan</i>
Tepak Marketing Sdn Bhd	Company procedures and food safety system/ <i>Prosedur syarikat dan sistem keselamatan makanan</i>	<ul style="list-style-type: none"> SIRIM QAS International Sdn Bhd Quality Dossier including HACCP audits by Unilever (M)/B/ <i>Quality Dossier termasuk audit HACCP oleh Unilever (M)</i>
Metro Parking (M) Sdn Bhd	Company procedures in management of car parks/ <i>Prosedur dalam pengurusan tempat letak kereta</i>	<ul style="list-style-type: none"> SIRIM QAS International Sdn Bhd
Pro Office Solutions Sdn Bhd	Monthly service performance audit/ <i>Audit bulanan prestasi perkhidmatan</i>	<ul style="list-style-type: none"> Major clients/ <i>Pelanggan-pelanggan utama</i>
EA Technique (M) Sdn Bhd	<ul style="list-style-type: none"> Oil Major (Vetting)/ <i>Syarikat Minyak Utama (Pemeriksaan)</i> Internal Safety Management (ISM)/ <i>Pengurusan Keselamatan Dalaman (ISM)</i> Internal Sea and Port Security/ <i>Keselamatan Laut dan Pelabuhan</i> 	<ul style="list-style-type: none"> Major Clients/ <i>Pelanggan-pelanggan utama</i> Local/International Marine Regulators/ <i>Pihak Berkuasa Marin Tempatan/ Antarabangsa</i> Local/International Marine Regulators/ <i>Pihak Berkuasa Marin Tempatan/ Antarabangsa</i>

EFFECTIVENESS OF INTERNAL CONTROL

The Board confirms that there is an ongoing process throughout the financial year ended 31 December 2007 for the review of the effectiveness of the system of internal controls and risk management within the Group and has taken account of any material development up to the date of approval of the annual report and financial statements.

The process is regularly reviewed by the Board and is in accordance with the guidelines as contained in the Guidance. No material losses were incurred during the financial year as a result of weaknesses in internal controls except the discovery of a fraud which has occurred in one of its subsidiaries. Immediate steps have been taken to ensure that the weaknesses would not recur in the subsidiary or the Group.

KEBERKESANAN KAWALAN DALAMAN

Lembaga Pengarah mengesahkan bahawa proses yang berterusan untuk mengkaji keberkesanan sistem kawalan dalaman dan pengurusan risiko di dalam Kumpulan dijalankan sepanjang tahun kewangan berakhir 31 Disember 2007 dan telah mengambil kira semua perkembangan penting sehingga tarikh kelulusan laporan tahunan dan penyata-penyata kewangan.

Proses tersebut sentiasa dikaji oleh Lembaga Pengarah dan adalah selaras dengan garis panduan seperti yang terkandung di dalam Panduan. Tiada kerugian berlaku pada tahun kewangan yang disebabkan oleh kelemahan di dalam kawalan dalaman kecuali satu kejadian penipuan yang berlaku di peringkat operasi cawangan salah sebuah syarikat anaknya. Langkah-langkah segera telah diambil untuk memastikan kelemahan-kelemahan tidak akan berlaku lagi di dalam syarikat anak atau Kumpulan.

REGULATORS AND EXTERNAL AUDITORS

The external auditors are engaged to express an opinion on the financial statements of the Company and the Group. They review and test the data contained in the financial statements to the extent necessary to express their audit opinion. They discussed with Management on the financial statements of the Company and the Group and presented their findings to the Audit Committee.

Operating Units are also subjected to periodic inspections by various authorities and agencies such as the Department of Occupational Safety and Health, Fire and Rescue Department, Department of Environment, Land Office, and other relevant authorities to ensure satisfactory compliance.

REVIEW BY THE EXTERNAL AUDITORS

The External Auditors have reviewed this Statement pursuant to Paragraph 15.24 of the Listing Requirements and in accordance with **Recommended Practise Guides (RPG) 5, Guidance for Auditors on the Review of Directors' Statement on Internal Control**, and reported that nothing has come to their attention that cause them to believe that this Statement is inconsistent with their understanding of the processes that the Board has adopted in reviewing the adequacy and integrity of the system of internal control.

ASSURANCE

The Board is of the opinion that the current state of internal controls is generally appropriate and effective, and that risks are within an acceptable level throughout the Group's businesses.

This Statement, signed on behalf of the Board of Directors, is in accordance with a resolution of the Board of Directors dated 26 March 2008.



TAN SRI DATO' MUHAMMAD ALI HASHIM
Chairman/*Pengerusi*

PIHAK BERKUASA DAN JURUAUDIT LUAR

Juruaudit luar dilantik untuk memberikan maklumbalas ke atas penyata kewangan Syarikat dan Kumpulan. Data-data yang terkandung di dalam penyata kewangan dikaji dan diuji setakat mana yang perlu untuk memberi pendapat audit mereka. Mereka membincangkan penyata kewangan Syarikat dan Kumpulan dengan pihak Pengurusan dan mengemukakan segala penemuan kepada Jawatankuasa Audit.

Unit-Unit Operasi adalah juga tertakluk kepada pemeriksaan berkala oleh pelbagai pihak berkuasa dan agensi seperti Jabatan Keselamatan dan Kesihatan Pekerjaan, Jabatan Bomba dan Penyelamat, Jabatan Alam Sekitar, Pejabat Tanah dan lain-lain pihak berkuasa untuk memastikan pematuhan yang memuaskan.

PENILAIAN OLEH JURUAUDIT LUAR

Juruaudit luar telah meneliti Penyata Kawalan Dalam ini menurut Perenggan 15.24 Keperluan Penyenaaran dan selaras dengan Recommended Practise Guides (RPG) 5, Guidance for Auditors on the Review of Directors' Statement on Internal Control. Juruaudit luar juga telah melaporkan kepada Lembaga Pengarah bahawa menurut pemerhatian mereka Penyata ini adalah selari dengan proses-proses yang telah diterimapakai oleh Lembaga Pengarah dalam mengkaji kecukupan dan kewibawaan sistem kawalan dalaman.

JAMINAN

Lembaga Pengarah berpendapat bahawa sistem kawalan dalaman yang sedia ada secara keseluruhannya adalah bersesuaian dan berkesan, dan risiko di seluruh bisnes Kumpulan berada di tahap yang terkawal.

Penyata yang ditandatangani bagi pihak Lembaga Pengarah ini adalah selaras dengan resolusi Lembaga Pengarah bertarikh 26 Mac 2008.



ROZAN BIN MOHD SA'AT
Managing Director/*Pengarah Urusan*

ADDITIONAL DISCLOSURE INFORMATION

Pendedahan Maklumat Tambahan

099

SINDORA BERHAD
2007

UTILISATION OF PROCEEDS

The Company has not implemented any fund raising exercise during the financial year.

OPTION, WARRANTS OR CONVERTIBLE SECURITIES

No options, warrants or Convertible Securities were exercised during the financial year.

AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR)

The Company has not sponsored any ADR or GDR programme during the financial year.

SANCTIONS AND/OR PENALTIES

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by any regulatory bodies during the financial year.

VARIATION IN RESULTS

There were no material variation between the audited results for the financial year ended 31 December 2007 and the unaudited results previously released for the financial quarter ended 31 December 2007.

PROFIT GUARANTEE

The Company has not made any arrangement during the financial year which requires profit guarantee.

MATERIAL CONTRACTS

Save as disclosed below, there was no other material contracts entered into by the Company and/or its subsidiaries involving Directors and major shareholders' interests subsisting at 31 December 2007 or entered into since the end of the previous financial year ended 31 December 2006.

PENGGUNAAN KUTIPAN DANA

Syarikat tidak melaksanakan sebarang aktiviti mendapatkan pembiayaan dana dalam tahun kewangan.

OPSYEN, WARAN ATAU SEKURITI BOLEH TUKAR

Tiada sebarang opsiyen, waran atau Sekuriti Boleh Tukar dilaksanakan dalam tahun kewangan.

AMERICAN DEPOSITORY RECEIPT (ADR) ATAU GLOBAL DEPOSITORY RECEIPT (GDR)

Syarikat tidak menaja sebarang program ADR atau GDR dalam tahun kewangan.

SEKATAN DAN/ATAU PENALTI

Tiada sekatan dan/atau penalti awam dikenakan ke atas Syarikat dan syarikat-syarikat anaknya, para Pengarah atau pihak pengurusan oleh mana-mana pihak berkuasa dalam tahun kewangan.

PERBEZAAN DALAM KEPUTUSAN KEWANGAN

Tiada perbezaan ketara antara keputusan beraudit bagi tahun kewangan berakhir 31 Disember 2007 dan keputusan tidak diaudit yang telah diumumkan sebelumnya bagi suku tahun kewangan berakhir 31 Disember 2007.

JAMINAN KEUNTUNGAN

Syarikat tidak membuat sebarang komitmen pada tahun kewangan yang memerlukan jaminan keuntungan.

KONTRAK-KONTRAK PENTING

Kecuali yang dinyatakan di bawah, tiada sebarang kontrak penting lain yang telah dimeterai oleh Syarikat dan/atau syarikat anaknya yang melibatkan kepentingan para Pengarah dan pemegang saham utama setakat 31 Disember 2007 atau dimeterai sejak akhir tahun kewangan sebelum ini yang berakhir 31 Disember 2006.

100

SINDORA BERHAD
2007

- i) On 22 March 2007, the Company had entered into a Conditional Sale and Purchase cum Subscription Agreement (CSPA) with Johari bin Ma'arof, Laili binti Ismail and Hayati binti Jalaludin and JM Permata Sdn Bhd (JMP) to:-
- acquire 1,856,992 ordinary shares of RM1.00 each in JMP representing 46.4% of the existing issued and paid-up share capital of JMP for a purchase consideration of RM11,141,952 to be satisfied by cash; and
 - subscribe for a total of 1,166,667 new JMP shares upon completion of the proposed acquisition for a total subscription price of RM7.0 million. Upon completion, the Company's equity interest in JMP shall increase to approximately 58.52%.

Subsequently, the Company had on 11 September 2007 entered into a Supplemental Share Purchase cum Subscription Agreement to vary certain terms and conditions of the Principal Agreement, which among others, included the following:-

- acquire 2,632,600 ordinary shares of RM1.00 each in JMP representing 65.8% of the existing issued and paid-up share capital of JMP for a purchase consideration of RM10,530,400 or RM4.00 per share to be satisfied by cash; and
- subscribe for a total of RM750,000 new JMP shares upon completion of the Revised Proposed Acquisition for a total subscription price of RM3.0 million. Upon completion, the Company's equity interest in JMP shall increase to approximately 71.21%.

This proposal is expected to be completed in the second quarter of 2008.

- ii) The Company had on 31 October 2007 entered into a conditional Share Sale Agreement with KFC Holdings (Malaysia) Bhd to dispose 440,000 ordinary shares of RM1.00 each representing 55% equity interest in Tepak Marketing Sdn Bhd for a total cash consideration of RM2.97 million or RM6.75 per share. The proposal was completed on 4 February 2008.
- iii) The Company had on 27 December 2007 entered into a conditional Sale & Purchase Agreement with KFC Holdings (Malaysia) Bhd to dispose a piece of land (including all factory, buildings, structures, infrastructure and facilities built or erected on the land) measuring 20.533 acres that forms part of a leasehold industrial land (expiring on 30 January 2041) held under document of title HS(D) 2276, PTD

- i) Pada 22 Mac 2007, Syarikat telah memeterai Perjanjian Jual Beli Bersyarat serta Perjanjian Langganan (CSPA) dengan Johari bin Ma'arof, Laili binti Ismail dan Hayati binti Jalaludin serta JM Permata Sdn Bhd (JMP) untuk:-
- mengambilalih sebanyak 1,856,992 saham biasa berharga RM1.00 sesaham dalam JMP yang meliputi ekuiti sebanyak 46.4% daripada modal terbitan dan modal berbayar JMP pada pertimbangan pembelian sebanyak RM11,141,952 dan akan dibayar secara tunai; dan
 - melanggan sebanyak 1,166,667 saham baru JMP setelah sempurnanya cadangan pengambilalihan pada jumlah harga langganan sebanyak RM7.0 juta. Apabila selesai, kepentingan Syarikat di dalam JMP akan meningkat kepada kira-kira 58.52%.

Syarikat kemudiannya telah memeterai Perjanjian Pembelian Saham Tambahan dan Perjanjian Langganan pada 11 September 2007 untuk menukar terma-terma dan syarat-syarat tertentu dalam Perjanjian Utama, antara lain termasuk yang berikut:-

- mengambilalih sebanyak 2,632,600 saham biasa berharga RM1.00 sesaham dalam JMP yang meliputi ekuiti sebanyak 65.8% daripada modal terbitan dan modal berbayar JMP pada pertimbangan pembelian sebanyak RM10,530,400 atau berharga RM4.00 sesaham yang akan dibayar secara tunai; dan
- melanggan sejumlah 750,000 saham baru JMP pada harga langganan sebanyak RM3.0 juta setelah selesai Cadangan Pengambilalihan Yang Dikaji Semula. Apabila selesai, kepentingan ekuiti Syarikat dalam JMP akan meningkat kepada kira-kira 71.21%.

Cadangan ini dijangka disempurnakan pada suku kedua tahun 2008.

- ii) Syarikat telah memeterai Perjanjian Penjualan Saham Bersyarat pada 31 Oktober 2007 dengan KFC Holdings (Malaysia) Berhad untuk melupuskan sebanyak 440,000 saham biasa berharga RM1.00 sesaham yang meliputi ekuiti sebanyak 55% dalam Tepak Marketing Sdn Bhd pada pertimbangan tunai sebanyak RM2.97 juta atau RM6.75 sesaham. Cadangan ini telah disempurnakan pada 4 Februari 2008.
- iii) Syarikat telah memeterai Perjanjian Jual Beli Bersyarat pada 27 Disember 2007 dengan KFC Holdings (Malaysia) Berhad (KFC) untuk melupuskan sebidang tanah (termasuk semua kilang, bangunan, struktur, infrastruktur dan kemudahan yang dibina atau didirikan di atas tanah tersebut) seluas 20.533 ekar yang menjadi sebahagian daripada tanah industri pegangan pajakan (tamat tempoh pada 30 Januari 2041) yang

1384, Mukim Hulu Sungai Johor, Kota Tinggi, Johor for RM6.15 million cash. The proposal is expected to be completed by third quarter of 2008.

- iv) EA Technique (M) Sdn Bhd
On 15 March 2007, the subsidiary entered into a Conditional Sale and Purchase Agreement with Mohd. Zain Bin Abdullah to dispose 1,037,600 ordinary shares of RM1.00 each representing 40% equity interest in EA. Bunkering Services Sdn Bhd for a cash consideration of RM1.15 per ordinary share amounting to RM1,193,240. The disposal was completed on 1 April 2007.

dipegang di bawah dokumen hakmilik HS(D) 2276, PTD 1384, Mukim Hulu Sungai Johor, Kota Tinggi, Johor dengan harga tunai sebanyak RM6.15 juta. Cadangan ini dijangka disempurnakan pada suku ketiga tahun 2008.

- iv) EA Technique (M) Sdn Bhd
Pada 15 Mac 2007, syarikat ini telah memeterai Perjanjian Jual Beli Bersyarat dengan Mohd. Zain Bin Abdullah untuk menjual sebanyak 1,037,600 saham biasa bernilai RM1.00 sesaham yang merupakan 40% kepentingan ekuiti dalam EA Bunkering Services Sdn Bhd pada pertimbangan harga RM1.15 sesaham berjumlah RM1,193,240. Penjualan ini telah disempurnakan pada 1 April 2007.

SHARE BUY-BACKS

As at the end of the preceding financial year, a total of 1,292,907 units of the Company's own shares were retained as treasury shares, and during the year under review, 295,500 units were repurchased from the open market at a total consideration of RM361,669 (including commission).

All of these 1,588,407 units of shares were retained as treasury shares and none was cancelled. The details of the repurchase in 2007 were as follows:-

PEMBELIAN BALIK SAHAM

Pada akhir tahun kewangan sebelum ini, sejumlah 1,292,907 unit saham Syarikat telah disimpan sebagai saham perbendaharaan, dan pada tahun tinjauan, sebanyak 295,500 unit telah dibeli balik dari pasaran terbuka pada pertimbangan sebanyak RM361,669 (termasuk komisen).

Kesemua 1,588,407 unit saham ini telah disimpan sebagai saham perbendaharaan dan tiada saham yang dibatalkan. Butir-butir pembelian balik pada tahun 2007 adalah seperti berikut:-

Month/ <i>Bulan</i> 2006	Quantity <i>Kuantiti</i> (units/ <i>unit</i>)	Average Price <i>Purata Harga</i> (RM)	Total Consideration <i>Jumlah Pembayaran</i> (RM)
January/ <i>Januari</i>	289,400	1.2173	354,541.14
February/ <i>Februari</i>	6,100	1.1598	7,128.28
TOTAL/<i>JUMLAH</i>	295,500	1.2161	361,669.42

The highest price paid was RM1.24 while lowest price was RM1.15. On 21 May 2007, the Board of Directors of Sindora Berhad declared a distribution of one existing ordinary share of RM1.00 each held as treasury shares pursuant to the share buyback scheme for every 60 existing ordinary shares held by the shareholders (with fractions of the treasury shares disregarded). A total of 1,572,307 units of the treasury shares were distributed to entitled shareholders on 20 July 2007.

On 24 July 2007, the undistributed balance of 16,100 units was resold in the open market and the Company received a total consideration of RM22,449 for the resale at an average price of 1.39 per share. As at the end of the financial year under review, no more shares were retained as treasury shares.

Harga tertinggi yang dibayar adalah RM1.24 sementara harga terendah adalah RM1.15 sesaham. Pada 21 Mei 2007, Lembaga Pengarah Sindora Berhad mengisytiharkan pengagihan Satu (1) unit saham biasa yang sedia ada berharga RM1.00 sesaham yang dipegang sebagai saham perbendaharaan menurut skim pembelian balik untuk setiap Enam Puluh (60) saham biasa yang dipegang oleh pemegang saham (pecahan Saham Perbendaharaan tidak akan diambil kira). Sejumlah 1,572,307 unit saham perbendaharaan telah diagih kepada pemegang saham yang layak pada 20 Julai 2007.

Pada 24 Julai 2007, baki 16,100 unit yang tidak diagih telah dijual semula di pasaran terbuka dan Syarikat telah menerima pertimbangan berjumlah RM22,449 daripada penjualan semula itu pada harga purata RM1.39 sesaham. Pada akhir tahun kewangan dalam tinjauan, tiada sebarang saham disimpan sebagai saham perbendaharaan.

STATEMENT ON DIRECTORS' RESPONSIBILITIES

Penyata Tanggungjawab Pengarah

102

SINDORA BERHAD
2007

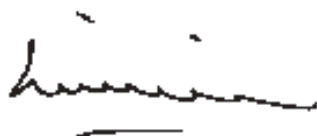
(PURSUANT TO PARAGRAPH 15.27 (A) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

The Directors consider that in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2007, the Group and the Company have used appropriate accounting policies which were consistently applied and supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standard Boards have been followed and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Company and its subsidiaries keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965.

The Directors are also responsible 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.

Signed on behalf of the Board of Directors in accordance with their resolution dated 26 March 2008.



TAN SRI DATO' MUHAMMAD ALI HASHIM
Chairman/*Pengerusi*

(MENURUT PERENGGAN 15.27 (A) KEPERLUAN PENYENARAIAAN BURSA MALAYSIA SECURITIES BERHAD)

Para Pengarah menganggap dalam menyediakan Penyata-Penyata Kewangan Kumpulan dan Syarikat bagi tahun kewangan berakhir 31 Disember 2007, Kumpulan dan Syarikat telah menggunakan dan mematuhi dasar perakaunan yang bersesuaian secara konsisten dan disokong oleh anggaran dan pertimbangan yang wajar. Para pengarah juga beranggapan bahawa kesemua piawaian perakaunan yang diluluskan bagi entiti selain daripada entiti swasta yang dikeluarkan oleh Lembaga Piawaian Perakaunan Malaysia telah dipatuhi dan mengesahkan bahawa Penyata Kewangan tersebut telah disediakan mengikut dasar berterusan.

Para pengarah bertanggungjawab untuk memastikan bahawa Syarikat dan kesemua anak syarikatnya menyimpan rekod perakaunan yang mendedahkan secara wajar dan tepat pada setiap masa kedudukan kewangan Kumpulan dan Syarikat yang membolehkannya memastikan kesemua penyata kewangan tersebut mematuhi peruntukan-peruntukan di bawah Akta Syarikat, 1965.

Para pengarah juga bertanggungjawab untuk mengambil langkah yang sewajarnya bagi melindungi aset milik Kumpulan dan Syarikat serta mengesan sebarang penipuan dan perkara-perkara yang menyimpang dari kebiasaan.

Ditandatangani bagi pihak Lembaga Pengarah mengikut resolusi bertarikh 26 Mac 2008.



ROZAN BIN MOHD SA'AT
Managing Director/*Pengarah Urusan*

AUDIT COMMITTEE REPORT

Laporan Jawatankuasa Audit

103

SINDORA BERHAD
2007

OBJECTIVES OF THE AUDIT COMMITTEE

The primary objective of the Audit Committee is to assist the Board of Directors (the Board) in discharging its statutory duties and responsibilities relating to accounting and reporting practices and ensuring adequacy and effectiveness of Sindora Group's internal control measures. It reviews the financial information to be provided to the shareholders and investing public as well as reviews the system of internal controls which the Management and the Board have established.

COMPOSITION

The members of Audit Committee shall be appointed by the Board from amongst its members. They shall consist of not less than three, all of whom shall not be executive directors with a majority of them shall be independent directors of the Company and shall not have a relationship, which in the opinion of the Board, would interfere with the exercise of independent judgement in carrying out the functions of the Audit Committee. The Company Secretary shall be the secretary of the Committee.

The Committee currently comprises of three independent non-executive directors. The members are:-

- 1) TAN SRI DATUK ARSHAD AYUB (Chairman)
- 2) KUA HWEI SIM (member)
- 3) DATUK JOHAN JAAFFAR (member)

Kua Hwei Sim is a Fellow of the Association of Chartered Certified Accountant, United Kingdom and also a Chartered Accountant with the Malaysian Institute of Accountants.

AUTHORITY

The Committee is authorised by the Board to:-

- i. Investigate any matter within its terms of reference.
- ii. Command the resources which are required to perform its duties.
- iii. Gain an unrestricted access to any information pertaining to the Group.
- iv. Channel direct communication with the external auditors and person(s) carrying out the internal audit functions or activities.

OBJEKTIF JAWATANKUASA AUDIT

Objektif utama Jawatankuasa Audit adalah untuk membantu Lembaga Pengarah menjalankan tugas dan tanggungjawab berkanunnya berkaitan amalan perakaunan dan laporan serta memastikan kecukupan dan keberkesanan langkah-langkah kawalan dalaman Kumpulan Sindora. Ia mengkaji maklumat kewangan untuk dikemukakan kepada pemegang-pemegang saham dan lain-lain pihak berkepentingan, termasuk menilai sistem kawalan dalaman yang telah dibentuk dan ditentukan oleh pihak Pengurusan dan Lembaga Pengarah.

KOMPOSISI

Ahli-ahli Jawatankuasa Audit adalah dilantik oleh Lembaga Pengarah dari kalangan ahli-ahlinya. Ia perlu terdiri tidak kurang daripada tiga orang yang merupakan pengarah bukan eksekutif dengan majoriti daripada mereka adalah pengarah bebas Syarikat. Mereka juga tidak mempunyai sebarang perhubungan, yang pada pendapat Lembaga Pengarah, akan menjejaskan pelaksanaan pertimbangan secara bebas dalam menjalankan fungsi Jawatankuasa Audit. Setiausaha Syarikat adalah merupakan setiausaha Jawatankuasa.

Jawatankuasa sedia ada terdiri daripada tiga orang pengarah bebas bukan eksekutif sebagaimana berikut:-

- 1) TAN SRI DATUK ARSHAD AYUB (Pengerusi)
- 2) KUA HWEI SIM (Ahli)
- 3) DATUK JOHAN JAAFFAR (Ahli)

Kua Hwei Sim adalah "Fellow of the Association of Chartered Certified Accountant, United Kingdom" dan juga Akauntan Berdaftar dengan Institut Akauntan Malaysia (MIA).

BIDANG KUASA

Jawatankuasa diberi kuasa oleh Lembaga Pengarah untuk:-

- i. Menyasat apa jua perkara dalam bidang kuasanya.
- ii. Mendapat sumber-sumber yang diperlukan untuk pelaksanaan tugasnya.
- iii. Memperolehi maklumat berkaitan Kumpulan tanpa sebarang sekatan.
- iv. Berkomunikasi secara langsung dengan juruaudit luar dan mana-mana individu yang menjalankan fungsi atau aktiviti audit dalaman.



(From left)/(Dari kiri)

TAN SRI DATUK ARSHAD AYUB
KUA HWEE SIM
DATUK JOHAN BIN JAAFFAR

- v. Obtain external legal or other independent professional advice if it considers necessary.
- vi. To convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the listed issuer, whenever deemed necessary.

- v. Mendapat khidmat nasihat profesional yang bebas sekiranya perlu.
- vi. Mengadakan mesyuarat dengan juruaudit luar, juruaudit dalaman atau kedua-duanya, tanpa kehadiran pengarah-pengarah lain dan anggota pekerja Syarikat, apabila difikirkan perlu.

RESPONSIBILITIES AND DUTIES

To fulfil its responsibilities and duties, the Committee shall:-

- i. Review and approve scope and nature of audit, audit plan and audit reports of the Company and the Group.
- ii. Assess and review the adequacy and effectiveness of internal control system and accounting control procedures of the Company/Group and in particular review the external auditors' management letters and management response.
- iii. Review the adequacy of the scope, functions, competency and resources of the Company's internal audit function and ensure that it has the necessary authority to carry out its work.
- iv. Analyse the audit report and findings with the external auditors.
- v. Review the follow-up actions taken by the Management on findings and recommendations by both the internal and external auditors.
- vi. Evaluate the quarterly interim results and annual financial statements of the Company, focusing particularly on:-
 - Any changes in accounting policies and practices.
 - Significant adjustments arising from the external audits.
 - The going concern assumption.
 - Compliance with accounting standards and other legal requirements.

TANGGUNGJAWAB DAN TUGAS

Dalam melaksanakan tanggungjawab dan tugasnya, Jawatankuasa hendaklah:-

- i. Mengkaji semula dan meluluskan skop dan bentuk audit, rancangan audit dan laporan audit bagi Syarikat dan Kumpulan.
- ii. Menilai dan mengkaji kecukupan dan keberkesanan sistem kawalan dalaman dan prosedur kawalan perakaunan Syarikat/Kumpulan, khususnya mengkaji laporan pengurusan juruaudit luar dan tindakan pengurusan terhadapnya.
- iii. Mengkaji kecukupan skop, fungsi, kompetensi dan sumber-sumber fungsi jabatan audit dalaman Syarikat dan memastikan ia mempunyai kuasa yang diperlukan dalam melaksanakan tugas mereka.
- iv. Menganalisa laporan audit dan sebarang penemuan dengan juruaudit luar.
- v. Mengkaji semula tindakan susulan yang dilaksanakan oleh pihak Pengurusan berhubung penemuan dan syor-syor oleh juruaudit dalaman dan luar.
- vi. Mengkaji keputusan laporan kewangan suku tahunan dan penyata kewangan tahunan Syarikat, dengan menitikberatkan kepada:-
 - Sebarang perubahan dalam dasar dan amalan perakaunan.
 - Pelarasan penting yang timbul daripada audit-audit luar.
 - Andaian penerusan operasi.
 - Pematuhan terhadap piawaian perakaunan dan keperluan perundangan lain.

- vii. Review any related party transactions and conflict of interest situation that may arise within the Company or the business units.
- viii. Review risk management report and to discuss any significant risk or exposure and assess the steps that management had taken to minimise the risks.
- ix. Recommend to the Board on the appointment and resignation of the external auditors, the audit fees and other related matters.
- x. Report to the Board on a regular basis on the major events covered by the Committee and make recommendations to the Board and Management concerning these matters.
- xi. Perform any other functions as determined by the Audit Committee and the Board of Directors.
- vii. *Mengkaji sebarang urusan niaga pihak berkaitan dan percanggahan kepentingan yang mungkin timbul di dalam Syarikat atau unit-unit bisnes.*
- viii. *Mengkaji laporan pengurusan risiko dan membincang sebarang risiko atau pendedahan penting dan menilai langkah-langkah yang dilaksanakan oleh pihak Pengurusan untuk meminimalkan risiko-risiko tersebut.*
- ix. *Mengesyorkan kepada Lembaga Pengarah berhubung perlantikan dan perletakan jawatan juruaudit luar, yuran audit dan perkara-perkara lain yang berkaitan.*
- x. *Melapor kepada Lembaga Pengarah secara kerap berhubung perkara-perkara penting yang diuruskan oleh Jawatankuasa dan mengemukakan saranan kepada Lembaga Pengarah dan pihak Pengurusan berkaitan perkara ini.*
- xi. *Melaksanakan sebarang fungsi lain seperti yang ditentukan oleh Jawatankuasa Audit dan Lembaga Pengarah dari semasa ke semasa.*

MESYUARAT

Jawatankuasa Audit hendaklah bermesyuarat sekurang-kurangnya empat kali setahun. Pengarah Urusan, Pengarah Eksekutif, Pengurus Besar, Pengurus Kewangan, Pengurus Audit Dalaman dan wakil-wakil dari unit bisnes yang berkaitan dan/atau syarikat-syarikat anak dan sekutu, sekiranya perlu, akan dijemput untuk menghadiri mesyuarat. Jawatankuasa juga boleh meminta mana-mana pihak Pengurusan dan wakil-wakil Juruaudit Luar serta Agen Pengurusan untuk menghadiri mesyuarat Jawatankuasa.

Kehadiran setiap ahli Jawatankuasa adalah seperti berikut:-

MEETINGS

The Audit Committee shall meet at least four times a year. The Managing Director, Executive Director, General Manager, Finance Manager, Internal Audit Manager and representatives from respective business units and/or subsidiaries and associates, if necessary, shall normally be invited to attend the meeting. The Committee may also request any member of the Management and representatives of the External Auditors and Management Agent to be present at the Committee meetings.

The attendance of each member of the Committee is as follows:-

	Date of Meeting/Tarikh Mesyuarat			
Directors Pengarah	23 Feb 2007 23 Feb 2007	23 May 2007 23 Mei 2007	22 Aug 2007 22 Ogos 2007	27 Nov 2007 27 Nov 2007
Tan Sri Datuk Arshad Ayub	✓	✓	✓	✓
Kua Hwee Sim	✓	✓	✓	✓
Halmi Jasmin (resigned/ <i>meletak jawatan pada</i> 1/9/2007)	✓	✓	✓	—
Datuk Johan Jaaffar (appointed/ <i>dilantik pada</i> 1/9/2007)	—	—	—	✓

SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2007, the activities of the Audit Committee included the following:-

- Reviewed the findings of the internal audit functions and ensured appropriate actions were taken and recommendations implemented.
- Assessed and reviewed the unaudited quarterly results, annual audited accounts and any related announcements prior to Board's approval and subsequent release to Bursa Malaysia.
- Reviewed with external auditors the results and issues from audit findings and resolutions of such issues and management letter including management response.
- Evaluated and approved Internal Audit Department's annual audit plan, including its resources and training needs.
- Reviewed, analyse, deliberated and monitored the Group's Enterprise-Wide Risk Management (ERM) which includes key operational and strategic risks and actions taken to address and mitigate such risks.
- Assessed the Corporate Governance and Internal Control Statements to be included in the Group's Annual Report.
- Reported to the Board on a regular basis on major events covered by the Committee and made recommendations to the Board and Management concerning these matters.
- Performed any other activities as outlined in the Audit Charter, or any other activities the Board deemed necessary, including but not limited to the Company's legal and regulatory compliance.

STATEMENT ON INTERNAL AUDIT FUNCTION'S ACTIVITIES

During the financial year ended 31 December 2007, the internal audit function of the Group was performed by the Internal Audit Department (IAD) of Sindora Berhad. The audit team comprises a Manager, two audit executives and two audit assistants. Functionally, IAD reports directly to the Audit Committee and administratively to the Managing Director. When necessary, IAD might seek advice and assistance from the Group Corporate Assurance function of the Holding Corporation.

RINGKASAN AKTIVITI

Pada tahun kewangan berakhir 31 Disember 2007, aktiviti-aktiviti Jawatankuasa Audit termasuk perkara-perkara berikut:-

- *Mengkaji penemuan audit dalaman dan memastikan supaya tindakan yang sewajarnya diambil dan cadangan dilaksanakan.*
- *Menilai dan mengkaji keputusan kewangan suku tahunan yang belum diaudit, akaun beraudit tahunan dan sebarang pengumuman berkaitan, sebelum diluluskan oleh Lembaga Pengarah dan kemudian dilaporkan kepada Bursa Malaysia.*
- *Mengkaji bersama juruaudit luar keputusan dan isu-isu daripada penemuan audit dan penyelesaian isu-isu tersebut serta laporan pengurusan termasuk tindakan pengurusan.*
- *Menilai dan meluluskan rancangan audit tahunan jabatan audit dalaman, termasuk keperluan sumber dan latihannya.*
- *Mengkaji, menganalisa, membincang dan memantau Enterprise-Wide Risk Management (ERM) Kumpulan yang meliputi risiko utama operasi dan strategik dan tindakan yang diambil untuk menangani dan mengurangkan risiko-risiko tersebut.*
- *Menilai Penyata Tadbir Urus dan Kawalan Dalaman yang dimuatkan di dalam Laporan Tahunan Kumpulan.*

- *Melapor kepada Lembaga Pengarah secara kerap berhubung perkara-perkara penting yang diuruskan oleh Jawatankuasa dan mengemukakan cadangan kepada Lembaga Pengarah dan pihak Pengurusan berkaitan perkara tersebut.*
- *Melaksanakan sebarang aktiviti lain seperti yang digariskan di dalam panduan Piagam Audit, atau sebarang aktiviti-aktiviti yang dianggap perlu oleh Lembaga Pengarah, termasuk dan tidak terhad kepada pematuhan undang-undang dan peraturan Syarikat.*

PENYATA MENGENAI AKTIVITI-AKTIVITI FUNGSI AUDIT DALAMAN

Pada tahun kewangan berakhir 31 Disember 2007, fungsi audit dalaman Kumpulan telah dilaksanakan oleh Jabatan Audit Dalaman (IAD) Sindora Berhad. Pasukan audit terdiri daripada seorang Pengurus, dua eksekutif audit dan dua pembantu audit. Dari segi fungsi, IAD melapor terus kepada Jawatankuasa Audit dan dari segi pentadbiran, kepada Pengarah Urusan. Apabila perlu, IAD boleh mendapatkan khidmat nasihat dan bantuan daripada Jabatan Audit Dalaman dan Pematuhan JCorp.

IAD examines and evaluates the adequacy and effectiveness of the internal control systems, risk management activities and corporate governance requirements throughout the organisation.

The activities of IAD included the following:

- Performing 12 audit visits to Sindora's properties and subsidiaries.
- Performing 4 special requested audits.
- Performing due diligent audits with regards to proposed acquisitions of potential companies.
- Assisting in the review of corporate governance and internal control systems
- Assisting in the preparation of the Corporate Governance and Internal Control Statements
- Encouraging the staff to pursue accreditation programmes such as Certified Internal Auditor.

With regards to the operations of the Group's oil palm estates and palm oil mill, which a management agent is engaged, the assurance on the internal control and management information systems rely on reviews and tests carried out by the internal audit function of the management agent. They would present the findings and results of their reviews to the Audit Committee and IAD also received a copy of the audit reports.

STATEMENT ON SHARE SCHEME FOR EMPLOYEES

The Company has not allocated any options pursuant to a share scheme for its employees.

IAD dan menilai kecukupan dan keberkesanan sistem kawalan dalaman, aktiviti-aktiviti pengurusan risiko dan keperluan tadbir urus bagi seluruh organisasi.

IAD menjalankan aktiviti audit seperti berikut:

- *Melakukan 12 lawatan audit terhadap aset Sindora dan syarikat anaknya.*
- *Menjalankan 4 audit khas atas keperluan Kumpulan.*
- *Menjalankan audit ketekunan wajar ke atas cadangan pengambilalihan syarikat-syarikat yang dikenalpasti.*
- *Membantu menyemak dan menyediakan laporan-laporan sistem tadbir urus dan kawalan dalaman.*
- *Menggalakkan anggota pekerja menyertai program akreditasi termasuk Juruaudit Dalaman Bertauliah.*

Bagi operasi perladangan dan kilang minyak sawit Kumpulan di mana agen pengurusan telah dilantik, pematuhan terhadap sistem kawalan dalaman dan pengurusan maklumat adalah bergantung kepada semakan dan ujian audit dalaman agen pengurusan tersebut. Mereka akan mengemukakan penemuan dan keputusan ujian kepada Jawatankuasa Audit dan IAD turut menerima satu salinan laporan audit tersebut.

PENYATA MENGENAI SKIM PEMBERIAN SAHAM KEPADA ANGGOTA PEKERJA

Syarikat sejauh ini tidak memperuntukkan sebarang opsyen yang berkaitan dengan skim pemberian saham kepada anggota pekerjanya.

thriving communities

The economy of the honeybee nest is a testament of ingenuity and dedication in ensuring success of its community. We believe in investing in the progress and potential of others, funding growth in thriving businesses and forming partnerships whilst sharpening our ability to identify prized ventures everyday, everywhere.

KOMUNITI YANG BERKEMBANG MAJU

Ekonomi dalam sarang lebah adalah bukti kepintaran dan dedikasi dalam memastikan kejayaan komunitinya. Kami percaya kepada usaha melabur demi merangsang kemajuan dan potensi orang lain, membiayai pertumbuhan dalam bisnes yang sedang berkembang maju dan menjalin perkongsian dan pada masa yang sama mempertingkatkan keupayaan kami mengenalpasti usaha niaga yang berdaya maju setiap hari, di mana jua.



CORPORATE SOCIAL RESPONSIBILITIES

Tanggungjawab Sosial Korporat

109

SINDORA BERHAD
2007



The Group is committed in supporting and encouraging worthy social causes as part of the Group's Corporate Social Responsibilities programmes.

Kumpulan komited untuk terus menyokong dan memainkan peranan aktif terhadap usaha-usaha kemasyarakatan yang dianggap penting sebagai sebahagian daripada program Tanggungjawab Sosial Korporatnya.

The Group is committed in supporting and encouraging worthy social causes as part of the Group's Corporate Social Responsibilities (CSR) programmes. It is very conscious of its responsibilities to ensure that its business objectives and corporate success are achieved based on methods and approaches that are aligned with universal values that will, in the long run, benefits the society at large. Sindora adopts a much broader dimension to its corporate obligations in meeting with the aims and objectives of its CSR to add value to Malaysia's social asset in uplifting the quality of life. In tandem with this objective, the Group has integrated CSR programmes in its daily operations towards achieving the **CSR vision of "Enriching Society"**.

The vision reflected the Group's strong belief that it should bring positive impact through enriching the larger community and giving back to society for higher levels of social achievements and giving greater significance to the meaning of life.

THE MARKETPLACE

Sindora's approach to its involvement in Non-Governmental Organisations (NGOs) is basically founded on corporate and commercial principles with efficiency, effectiveness, results and performance being the primary features.

One significant programme is Sindora's continuous involvement in Corporate Bureau of Malaysian Islamic Chamber of Commerce (MICC). Through the Corporate Bureau of MICC, Sindora strives to build a larger business network among businessmen to enable them to expand their businesses through smart partnerships. The principle objectives of MICC's Corporate Bureau are aimed at mobilising support and participation of the Malaysian corporate sector in taking the lead and driving the future strategic direction of business and the nation's economic well-being. In the financial year under review, Sindora was involved in many programmes organised by MICC's Corporate Bureau with the Company being one of the main sponsors for most of the activities.

Kumpulan komited untuk terus menyokong dan memainkan peranan aktif terhadap usaha-usaha kemasyarakatan yang dianggap penting sebagai sebahagian daripada program Tanggungjawab Sosial Korporatnya (CSR). Kumpulan amat menyedari akan tanggungjawabnya untuk memastikan supaya objektif bisnes dan kejayaan korporat yang dicapai adalah berdasarkan kaedah dan pendekatan yang selaras dengan nilai-nilai sejagat, di mana dalam jangka masa panjang, memberi manfaat secara langsung kepada masyarakat umum. Sindora menerima pakai dimensi yang lebih luas di dalam tanggungjawab korporatnya bagi memenuhi matlamat dan objektif CSR untuk menambah nilai kepada aset sosial negara yang kritikal bagi pembangunan dan peningkatan kualiti hidup. Selaras dengan objektif ini, Kumpulan telah menyepadukan program CSR dalam operasi hariannya ke arah mencapai wawasan CSR iaitu "Memperkayakan Masyarakat".

Wawasan ini mencerminkan kepercayaan kukuh Kumpulan bahawa ia perlu membawa kesan yang positif dengan memperkayakan komuniti serta menyumbang kembali kepada pembangunan negara dan masyarakat untuk pencapaian sosial yang lebih cemerlang dan membawa makna yang lebih besar kepada kehidupan masyarakat.

PASARAN

Pendekatan Sindora terhadap penglibatannya di dalam Organisasi Bukan Kerajaan (NGO) secara umumnya dilaksanakan berasaskan kepada prinsip-prinsip korporat dan komersial dengan menitikberatkan tahap kecekapan, keberkesanan, prestasi dan manfaat sebagai ciri-ciri utama.

Salah satu daripada program CSR utama adalah penglibatan berterusan Sindora dalam Biro Korporat Dewan Perdagangan Islam Malaysia (DPIM). Melalui Biro Korporat DPIM, Sindora berusaha membina jaringan bisnes yang lebih meluas di kalangan usahawan bagi membolehkan mereka mengembangkan perniagaan melalui perkongsian pintar. Objektif utama Biro Korporat DPIM adalah bertujuan untuk menggalakkan sokongan dan penyertaan sektor korporat Malaysia dalam menerajui hala tuju bisnes yang strategik demi kemakmuran ekonomi negara pada masa depan. Pada tahun kewangan dalam tinjauan, Sindora telah melibatkan diri dalam pelbagai program anjuran Biro Korporat DPIM sebagai penaja utama kebanyakan aktiviti tersebut.

110

SINDORA BERHAD
2007



For Sindora, it is committed in pursuing social responsibilities through corporate means and strictly business-driven approach. In this regard, stronger networking will continue to be fostered with business oriented NGOs like JCorp Intrapreneur (M) Bhd (JIMB) as a potential source in developing a Business Commercial and Industrial Community (BCIC) in line with the Group's determination to enhance Malaysia's economic development through monetary and non-monetary support of its various programmes. JIMB, as the main liaison body for all JCorp's intrapreneur companies, acts to foster and establish business links that are concerned and interested in business development throughout Malaysia.

THE COMMUNITY

In its endeavour to educate, instill interest in business and inculcate a business culture among young Malaysians, the Group is actively involved in *Siswa Bistari*, a programme for undergraduates of Universiti Teknologi Mara (UiTM), organised and designed by BISTARI of JCorp to accomplish the ultimate goal of spawning the growth of entrepreneurial energies, harnessing talent, creativity and innovation amongst the students, in order to equip them with appropriate fundamental skills, attitude and motivation for business. Sindora has been this programme's main sponsor for the last two financial years and foresees that it will continue to do so in the immediate future.

A subsidiary, EA Tech, has established scholarship programmes for selected underprivileged full time first degree and diploma students of Malaysian Polytechnic Ungku Omar, Universiti Kuala Lumpur and Akademi Laut Malaysia (ALAM) in the field of Marine Engineering. Besides helping the underprivileged, this sponsorship is also in line with its long term objective of creating a pool of talented and skilled workforce to meet its growing demand. The same sponsorship is also extended to existing sea crew of the company who wanted to enhance their ability and career development.

Sindora continued to participate in other social projects for the benefits of the society at large. In 2007, Sindora sponsored a fund raising project to help the underprivileged and less fortunate through a TV1 programme entitled 'Tijarah Ramadhan' during the month of Ramadhan. The programme was successful in generating contributions from various corporate entities and the public to the cause of the underprivileged.

Sindora tetap komited dalam memenuhi tanggungjawab sosialnya dengan berorientasikan keusahawanan dan bisnes. Dalam hal ini, jaringan bisnes yang lebih kukuh akan terus dipupuk dengan pelbagai NGO seperti JCorp Intrapreneur (M) Bhd (JIMB) yang mampu menjadi penggerak ke arah mewujudkan Masyarakat Perdagangan dan Perindustrian Bumiputra (MPPB) sejajar dengan usaha Kumpulan untuk mempertingkatkan pembangunan ekonomi Malaysia melalui pelbagai program yang dianjurkan. Sebagai sebuah badan yang menyelaras kesemua syarikat intrapreneur Johor Corporation, JIMB berperanan mengukuh dan mewujudkan hubungan dan jaringan bisnes di kalangan komuniti bisnes di seluruh Malaysia.

KOMUNITI

Dalam usahanya untuk memupuk minat, kesedaran dan menerapkan budaya perniagaan di kalangan golongan muda Malaysia, Kumpulan telah terlibat secara aktif di dalam Siswa Bistari, sebuah program khusus bagi para pelajar peringkat ijazah Universiti Teknologi Mara (UiTM) yang dianjurkan dan dirumus oleh BISTARI Johor Corporation untuk mencapai matlamat mencetuskan daya keusahawanan, memanfaatkan bakat, kreativiti dan inovasi di kalangan para pelajar untuk mempersiapkan mereka dengan kemahiran, sikap dan motivasi yang wajar untuk menjadi usahawan. Sindora merupakan penaja utama program ini sejak dua tahun keawangan yang lepas dan dijangka akan terus memainkan peranan ini dalam jangka masa terdekat.

Sebuah anak syarikat, EA Tech telah menubuhkan program biasiswa untuk pelajar yang kurang berkemampuan dan yang memerlukan di peringkat ijazah dan diploma sepenuh masa di Politeknik Ungku Omar, Universiti Kuala Lumpur dan Akademi Laut Malaysia (ALAM) dalam bidang Kejuruteraan Marin. Di samping membantu mereka yang kurang berkemampuan, penajaan ini juga sejajar dengan objektif jangka panjang syarikat untuk mencipta kumpulan tenaga kerja yang berbakat dan berkemahiran untuk menampung permintaan yang kian meningkat. Penajaan yang sama juga dipanjangkan kepada anak-anak kapal yang berhasrat mempertingkatkan kemahiran mereka dan sebagai pembangunan kerjaya.

Sindora terus mengambil bahagian di dalam aktiviti sosial untuk manfaat dan faedah masyarakat secara umum. Pada tahun 2007, Sindora telah menaja sebuah projek amal pengumpulan dana bantuan untuk mereka yang kurang bernasib baik dan yang memerlukan melalui program bertajuk 'Tijarah Ramadhan' dalam bulan Ramadhan yang disiarkan di TV1. Program tersebut mendapat sambutan yang menggalakkan dan berjaya mengumpul dana daripada pelbagai entiti korporat dan orang ramai.

112

SINDORA BERHAD
2007



THE WORKPLACE

Employees' interest and welfare are not ignored in the pursuit to enhance value and maximise returns to all stakeholders. Activities involving sports and recreation through Kelab Keluarga Sindora were continuously pursued to inculcate a culture of sharing values and sense of ownership and camaraderie.

The flood tragedy that hit Johor beginning late 2006 and extended into early part of 2007 compelled Sindora to send in a rescue mission with much needed food supplies and medical aid to relieve the suffering of the stranded employees in Sg Simpang Kiri Estate and its surrounding area.

To further enhance its caring programme for the employees, the Company had implemented 'BaktiLadang' Housing Scheme in both its estates, which aims to elevate the standard of living of the plantation workers. The scheme entitled the workers to own a three bedroom semi-detached house after a minimum of 10 years continuous service. The Company had constructed 73 houses to be allocated to the eligible plantation workers under this scheme. The Company is also providing a total of 286 units of staff quarters to accommodate its Palm Oil Mill and plantation workers.

Occupational Safety and Health

Sindora Group recognises the importance of providing a safe and healthy working environment, and assuring the safety and health of the Group's employees. The Group aims to achieve "Zero Accident and Zero Illness" to ensure a safe working environment and excellent occupational health throughout all of its subsidiaries. Safety and Health Committees were formed in each operational unit to continuously monitor and oversee employees' activities, as a precautionary measure to prevent and eliminate risk of any occupational accidents, injuries and health hazard. Safety and Health Committee meetings were held at each operational unit at least once in every three months and act as an avenue to mitigate and resolve any issues pertaining to the employees' safety and health matters.

In ensuring that each of its subsidiary and business unit complies with all regulations pertaining to safety in their daily operations, the Group provides an occasional series of programmes and training courses, such as fire drill and fire fighting training, chemical health risk assessment, and basic first aid course, in order to further enhance knowledge and awareness on occupational safety and health. As preventive measure against any hazards at the workplace, proper tools and attire are provided to the workers by the companies within the Group.

TEMPAT KERJA

Kepentingan dan kebijakan anggota pekerja tidak diabaikan dalam usaha-usaha Kumpulan mempertingkatkan nilai dan memaksimumkan pulangan kepada semua pihak yang berkepentingan. Aktiviti-aktiviti yang melibatkan sukan dan rekreasi melalui Kelab Keluarga Sindora terus dianjurkan untuk memupuk semangat kekitaan dan kerjasama berpasukan.

Tragedi banjir yang buruk yang melanda Johor pada lewat tahun 2006 dan berlarutan sehingga awal 2007 menyebabkan Sindora turut terpenggil menghantar misi menyelamatkan dan bantuan bekalan makanan dan perubatan yang amat diperlukan untuk mengurangkan penderitaan anggota pekerja yang terlibat di Ladang Sungai Simpang Kiri dan kawasan sekitarnya.

Skim Perumahan "BaktiLadang" di kedua-dua ladang milik Sindora yang dilaksanakan yang bermatlamat untuk meningkatkan taraf kehidupan para pekerja ladang merupakan satu lagi keprihatinan Syarikat dalam menjayakan CSRnya. Di bawah skim ini, peserta adalah layak untuk memiliki rumah berkembar tiga bilik selepas berkhidmat sekurang-kurangnya selama 10 tahun. Syarikat telah membina sebanyak 73 buah rumah di bawah skim ini dan Syarikat juga turut menyediakan sebanyak 286 unit perumahan pekerja untuk menempatkan para pekerja kilang minyak sawit dan ladangnya.

Keselamatan dan Kesihatan Pekerja

Kumpulan Sindora menyedari peri pentingnya menyediakan persekitaran kerja yang selamat dan sihat serta menjamin keselamatan dan kesihatan anggota pekerjanya. Kumpulan menetapkan matlamat hendak mencapai "Kemalangan Sifar dan Penyakit Sifar" untuk memastikan persekitaran kerja yang selamat dan kesihatan pekerja yang cemerlang di seluruh syarikat subsidiarinya. Jawatankuasa Keselamatan dan Kesihatan telah dibentuk di dalam setiap unit operasi untuk sentiasa memantau dan mengawasi aktiviti anggota pekerja sebagai langkah berjaga-jaga untuk mencegah dan menghapuskan risiko berlakunya sebarang kemalangan, kecederaan dan bahaya kesihatan. Mesyuarat Jawatankuasa Keselamatan dan Kesihatan diadakan di setiap unit operasi sekurang-kurangnya tiga bulan sekali dan bertindak sebagai cara untuk mengurangkan dan menyelesaikan sebarang isu berkaitan hal-hal keselamatan dan kesihatan pekerja.

Bagi memastikan bahawa setiap syarikat subsidiari dan unit bisnes mematuhi semua peraturan berkaitan keselamatan dalam operasi harian mereka, Kumpulan telah menyediakan satu siri program berkala dan kursus-kursus latihan, seperti latihan kebakaran dan memadam api, penilaian risiko kesihatan bahan kimia dan kursus asas bantuan kecemasan untuk mempertingkatkan lagi pengetahuan dan kesedaran para pekerja. Sebagai langkah pencegahan terhadap sebarang bahaya di tempat kerja, peralatan dan pakaian yang sesuai juga disediakan untuk para pekerja oleh syarikat-syarikat di dalam Kumpulan.



Relevant security features were installed by Pro Office Solutions Sdn Bhd at its premises to ensure safe daily operations. Only authorised personnel are allowed access into specific equipment room with approved authorisation card to safeguard data and information of the clients.

Tepak Marketing Sdn Bhd (Tepak) has employed stringent international safety standards, throughout all of its manufacturing processes. As compliance of the critical preferred vendors imposed by Unilever (Holdings) Berhad, Tepak has implemented the Supplier Quality Management Program (SQMP).

Tepak periodically audits and reviews its processing line and end products, as a precautionary measure to avoid contamination of the end-product. Tepak also ensures that its workers adhere to the standard operating procedures for the tea production for a safer working environment.

Due to the nature of its operation, Sindora Timber Sdn Bhd (STSB) is exposed to high risk in its working environment. To protect its employees against exposure to loud noise, the company conducts an annual audiometric test which was supervised by health professionals, to raise the employees' awareness on the effect of noise in the working environment. Any abnormalities found in the baseline tests or audiograms will be rectified. The company also performs regular safety inspections throughout the factory and its surrounding area. In addition, through the annual inspection by the Department of Safety and Health (DOSH), STSB further instills awareness among its employees on Occupational Safety and Health.

Pro Office Solutions Sdn Bhd telah memperlengkapkan premisnya dengan ciri-ciri keselamatan yang diperlukan untuk menjamin keselamatan operasi harian. Hanya anggota pekerja diberi kuasa sahaja dibenarkan masuk bilik peralatan tertentu dengan menggunakan kad akses yang diluluskan untuk melindungi keselamatan data dan maklumat pelanggan.

Tepak Marketing Sdn Bhd (Tepak) menggunakan piawaian keselamatan antarabangsa yang ketat di seluruh proses pengilangannya. Tepak telah melaksanakan prosedur Program Pengurusan Kualiti Pembekal (SQMP) yang dikenakan oleh Unilever (Holdings) Berhad bagi vendor-vendor terpilih.

Sebagai langkah untuk mengelakkan pencemaran terhadap produk pengeluarannya, aktiviti pemprosesan dan keluaran produknya diaudit dan dikaji secara berkala. Tepak juga memastikan bahawa para pekerjaannya mematuhi prosedur operasi piawaian untuk pengeluaran teh bagi menjamin persekitaran kerja yang lebih selamat.

Operasi Sindora Timber (STSB) sentiasa terdedah kepada persekitaran kerja yang berisiko tinggi. Untuk melindungi anggota pekerjaannya daripada pendedahan kepada pencemaran bunyi yang kuat, syarikat menjalankan ujian audiometrik yang diselia oleh para profesional kesihatan. Langkah ini juga bertujuan meningkatkan kesedaran di kalangan anggota pekerja berhubung kesan bunyi bising di tempat kerja. Langkah pembetulan akan diambil sekiranya terdapat sebarang penemuan luar biasa di dalam ujian yang dijalankan. STSB turut menjalankan pemeriksaan keselamatan secara kerap di seluruh kilang dan kawasan di sekelilingnya. Kesedaran berhubung keselamatan dan kesihatan pekerjaan di kalangan anggota pekerja turut ditingkatkan melalui pemeriksaan tahunan oleh Jabatan Keselamatan dan Kesihatan (DOSH).



EA Technique (M) Sdn Bhd (EATech) has implemented its Health, Safety and Environment (HSE) policy since November 2003. Its main objective is to ensure safety at sea, prevention of human injury or loss of life, and avoidance of damage to the environment, in particular, the marine life. EA Tech had adopted Safety Management Systems (SMS) which comprises different operational procedure manuals to reinforce the importance of safety and health at all times.

The aim of the SMS is to achieve zero defect, accident and downtime; achieve zero injury and fatality; prevent any oil spills and pollution of the seas; and create a safe and healthy environment. Overall, the SMS and the operational procedures comply with the International Safety Management (ISM) standard. Since its implementation, EA Tech has managed to achieve and maintain zero defect, accident, injury and fatality.

Besides providing basic health requirements, like in-house clinics in Sindora Estate and Sungai Simpang Kiri Estate, employees within the Group are also equipped with 24-hour specialist health coverage plan under the Prisihatin Scheme or Health Insurance Scheme, should the need arise for such medical attention.

The responsibility for the safety and health of all employees is not only vested upon the employees themselves and the Group acknowledges that it also requires full commitment and continuous support from all stakeholders of the Group, which also includes the management, business partners such as contractors and customers, and other individuals who are involved directly or indirectly with the Group's activities.

EA Technique (M) Sdn Bhd (EA Tech) telah melaksanakan dasar Kesihatan, Keselamatan dan Alam Sekitarnya sejak November 2003. Objektif utamanya ialah untuk memastikan keselamatan di laut, pencegahan kecederaan dan kehilangan nyawa dan mengelakkan kemusnahan ke atas alam sekitar, khususnya hidupan marin. EA Tech telah menerimapakai Sistem Pengurusan Keselamatan (SMS) yang merangkumi manual prosedur operasi untuk memberi penekanan tentang peri pentingnya keselamatan dan kesihatan sepanjang masa.

Tujuan SMS ini ialah untuk mencapai kecacatan, kemalangan dan lengai sifar; mencapai kecederaan dan kecelakaan sifar; mencegah tumpahan minyak dan pencemaran laut serta mencipta persekitaran yang selamat dan sihat. Secara keseluruhannya, SMS serta prosedur-prosedur operasi itu mematuhi piawaian Pengurusan Keselamatan Antarabangsa (ISM). Sejak pelaksanaannya, EA Tech telah berjaya mencapai dan mengekalkan kecacatan, kemalangan, kecederaan dan kecelakaan sifar.

Selain daripada menyediakan keperluan kesihatan asas, seperti klinik-klinik dalaman di Ladang Sindora dan Ladang Sungai Simpang Kiri, anggota pekerja Kumpulan yang memerlukan rawatan perubatan turut disediakan dengan rancangan perlindungan kesihatan pakar di bawah Skim Prisihatin atau Skim Insurans Kesihatan.

Kumpulan mengakui bahawa tanggungjawab terhadap keselamatan dan kesihatan pekerjaannya bukan hanya terletak kepada pekerja itu sendiri, malah turut memerlukan komitmen penuh dan sokongan berterusan daripada semua pihak yang berkepentingan termasuk pihak pengurusan dan pekerja dan rakan kongsi perniagaan seperti kontraktor, pelanggan dan individu-individu lain yang terlibat secara langsung atau tidak langsung dengan aktiviti Kumpulan.

THE ENVIRONMENT

Sindora is committed in the creation of a quality environment as a key factor for the continuous success of the Group. In this regard, the Group always strives to limit the environmental impact as much as possible through strict compliance to local environmental regulations. Sustainable environmental development is mainly observed in its oil palm and rubber plantations and bio-compost production activities. The Group consistently maintained sustainable agricultural practices and has implemented significant improvement in enhancing yield, productivity and cost efficiency of the oil palm plantations that will ensure long term sustainability through optimisation of renewable resources.

To protect the environment, Sindora has complied with Environment Quality Act 1974, Pesticide Act 1974, Poison Act 1952, Occupational Safety and Health Act 1994 and other applicable regulations and requirements imposed by various relevant authorities. Environmental friendly agricultural practices such as zero burning, soil and water conservation and integrated pest management were emphasised to conserve the biodiversity of both estates and the surrounding area.

Zero burning technique adopted by the oil palm estates management for the replanting programme has contributed to a cleaner environment and replenished the soil fertility with higher presence of organic substance as well as improving the soil's physical presence. Meanwhile, the bio-composting system was identified as an effective solution to deal with the palm oil mill's waste. Through this system, both the empty fruit bunches and palm oil mill effluent are processed and converted into high nutrient value compost, which is applied back to the estate to preserve the soil fertility and sustainability. Adopting this system is expected to improve the estate's yield and the Company is perceived to be more environmentally-friendly.

During the period under review, specific focus was given on the preparation of land for replanting, cultivation, fertilisers' application, harvesting of oil palm fresh fruit bunches, tapping of latex, production of bio-compost and the general administration of the plantation. Sindora also strives for continuous improvement in its environmental performance by adopting ISO 14001 Environmental Management System. An Environmental Policy is used to provide the framework for setting and reviewing the environmental objectives and targets periodically.

The Environmental Policy has been documented, implemented, maintained and communicated to all

ALAM SEKITAR

Sindora amat komited untuk mewujudkan persekitaran yang berkualiti sebagai satu faktor penting bagi memastikan kesinambungan kejayaan korporatnya. Sehubungan dengan ini, Kumpulan sentiasa berusaha mengurangkan sebanyak mungkin kesan negatif ke atas alam sekitar dengan mematuhi secara rapi peraturan alam sekitar tempatan. Pembangunan alam sekitar yang mampan diamalkan khususnya dalam aktiviti perladangan kelapa sawit dan getah serta pengeluaran baja kompos. Kumpulan telah melaksanakan secara konsisten amalan-amalan pertanian yang mampan dan telah mencapai kemajuan ketara dalam mempertingkatkan kadar hasil, produktiviti dan kecekapan kos dalam operasi perladangan kelapa sawit yang dapat menjamin bekalan masa depan menerusi pengoptimuman sumber-sumber yang boleh diperbaharui.

Dalam usaha memelihara alam sekitar, Sindora telah mematuhi Akta Kualiti Alam Sekitar 1974, Akta Racun Perosak 1974, Akta Racun 1952, Akta Keselamatan dan Kesihatan Pekerjaan 1994 dan peraturan serta keperluan berkaitan lain yang dikuatkuasakan oleh pihak berkuasa yang berkenaan. Amalan-amalan pertanian yang mesra alam sekitar seperti pembakaran sifar, pemuliharaan tanah dan air dan pengurusan serangga perosak yang bersepadu telah diberi penekanan untuk memelihara biodiversiti di ladang dan kawasan sekitarnya.

Teknik pembakaran sifar yang diterimapakai di ladang-ladang kelapa sawit milik Sindora bagi program penanaman semula telah menyumbang kepada

alam sekitar yang lebih bersih dan memulihkan kesuburan tanah dengan kehadiran unsur organik yang lebih tinggi serta memperbaiki keadaan fizikal tanah. Sementara itu, sistem baja kompos telah dikenalpasti sebagai penyelesaian berkesan dalam pengendalian bahan buangan kilang minyak sawit. Melalui sistem ini, tandan buah kosong dan sisa buangan kilang minyak sawit diproses dan ditukar menjadi baja kompos dengan nilai nutrien yang tinggi yang kemudiannya diguna semula di ladang untuk memelihara kesuburan tanah. Dengan menerimapakai sistem yang dianggap lebih mesra alam sekitar kadar hasil ladang dijangka akan lebih meningkat.

Dalam tempoh kajian, tumpuan yang khusus diberikan kepada penyediaan tanah untuk penanaman semula, penyemaian, aktiviti memetik buah tandan segar kelapa sawit, penorehan getah, pengeluaran baja kompos dan pentadbiran am perladangan. Sindora juga berusaha untuk mempertingkatkan secara berterusan prestasi mesra alamnya dengan menerimapakai Sistem Pengurusan Alam Sekitar ISO 14001. Satu Dasar Alam Sekitar telah digunakan sebagai rangka kerja dalam menetapkan dan mengkaji matlamat dan sasaran alam sekitar secara berkala.

Dasar Alam Sekitar ini telah didokumentasi, dilaksanakan, diselenggara dan dihebah kepada semua anggota pekerja. Para pekerja digalakkan untuk menjalankan aktiviti mereka secara berhemah dan lebih bertanggungjawab terhadap alam sekitar. Dasar Alam Sekitar ini juga dipanjangkan kepada orang ramai dan pihak-pihak lain yang berminat untuk berurusan secara langsung dengan Sindora.





employees. Employees are encouraged to conduct their business activities in an environmentally responsible manner. The Environmental Policy has also been made available to the public and any other parties who express interest in Sindora's business activities.

The Company also reviews, adopts and implements good agricultural and manufacturing practises through environmental management programmes. On-site waste has also been reduced, reused and recycled, wherever practicable, and waste is being disposed off safely without causing detrimental effects to the environment.

Both the oil palm estates and the palm oil mill, are managed by the appointed management agent, Kulim (M) Berhad, a member of the Roundtable on Sustainable Palm Oil (RSPO). The estates and mill are currently gearing towards RSPO Certification that contributes towards the enhancement of sustainably produced palm oil and its uses. Certainly all the measures that had been taken will help the Company to attain the certification and achieve the overall objective of sustainable environment.

STSB has implemented and obtained its timber raw materials from sustainable forest management system and certified sources. The aim is to position itself within the rapidly changing marketplace and foster environmental consciousness within the organisation. STSB's move is in line with the National Forestry Policy (NFP) that proposed to give effect to ecologically sustainable forest management.

The effectiveness of all these practices is closely monitored while other probable beneficial improvement is continuously researched to preserve the sensitive bio-diversity and eco-system.

Syarikat juga mengkaji, menerima pakai dan melaksanakan amalan pertanian dan perkilangan yang baik melalui program-program pengurusan alam sekitar. Bahan buangan di tapak terbuka juga telah dikurangkan, diguna dan dikitar semula sekiranya bersesuaian dan bahan buangan dilupus secara selamat tanpa mencemarkan alam sekitar.

Kedua-dua ladang kelapa sawit dan kilang kelapa sawit telah diletakkan di bawah pengurusan agen yang dilantik Kulim (M) Berhad, yang juga menjadi ahli Roundtable on Sustainable Palm Oil (RSPO). Ladang-ladang dan kilang tersebut kini sedang berusaha untuk mendapat Pensijilan RSPO yang akan menyumbang ke arah peningkatan di dalam penghasilan dan penggunaan minyak sawit yang mampan. Kesemua langkah-langkah yang diambil sudah pasti akan membantu Syarikat mendapat pensijilan serta mencapai objektif keseluruhan terhadap pengendalian alam sekitar.

Sindora Timber Sdn Bhd (STSB) telah melaksanakan dan mendapatkan sumber kayu balaknya daripada sistem pengurusan yang mampan dan dari sumber-sumber yang diiktiraf. Matlamatnya ialah untuk memantapkan kedudukan syarikat dalam menghadapi saingan di dalam pasaran yang dinamik serta memupuk kesedaran peri pentingnya pengendalian alam sekitar di dalam organisasi. Langkah ini adalah sejajar dengan Dasar Perhutanan Negara (NFP) yang menggariskan pelaksanaan pengurusan hutan mampan yang baik dari segi ekologi.

Keberkesanan amalan-amalan ini dipantau dengan rapi dan pada masa yang sama penyelidikan terus dijalankan untuk mencari penambahbaikan lain demi memulihara biodiversiti dan eko-sistem yang sensitif.

AWARDS, RECOGNITION & CERTIFICATION

Anugerah, Pengiktirafan & Pensijilan

118

SINDORA BERHAD
2007

The Group's relentless pursuit of excellence in all aspects of its business and operations is evident in the numerous awards and accolades accorded to Sindora. The awards had enhanced the Group's reputation and corporate image as a profitable, strong and reliable business entity and a stepping stone which motivates the Group for continued improvement in its strive for excellence.

Usaha mencapai kecemerlangan Kumpulan yang berterusan dalam segala aspek bisnes dan operasi dapat dilihat melalui pelbagai anugerah dan pengiktirafan yang diberi kepada Sindora. Anugerah ini telah meningkatkan reputasi dan imej korporat Kumpulan sebagai entiti bisnes yang berdaya maju, kukuh dan berwibawa dan pencapaian ini akan mendorong Kumpulan untuk terus maju demi mencapai kecemerlangan.

Award/*Anugerah* 2007



1 Certificate of Merit - NACRA Award 2007

Sijil Merit - Anugerah NACRA 2007

Sindora Berhad

2 Industry Excellence Award "Certificate of Excellence" - Export (Services)

Anugerah Kecemerlangan Industri "Sijil Kecemerlangan" - Ekspor (Perkhidmatan)

Metro Parking (M) Sdn Bhd

3 Excellence Service Award 2007 - 1 Gold and 3 Silver Excellent Service Awards

Anugerah Kecemerlangan Perkhidmatan 2007 - 1 Emas dan 3 Anugerah Perak Kecemerlangan Perkhidmatan

Metro Parking (S) Pte Ltd

4 Asia Pacific Entrepreneurship Award 2007 - Outstanding Entrepreneur

Anugerah Usahawan Asia Pasifik 2007 - Usahawan Terkemuka

MM Vitaoils Sdn Bhd

5 US Food and Drug Administration Certificate

Sijil US Food and Drug Administration

MM Vitaoils Sdn Bhd



Certification/*Pensijilan*

6 Enterprise 50 Award

Anugerah Enterprise 50

MM Vitaoils Sdn Bhd

7 First Place - Innovative Exhibition (Technical)

Tempat Pertama - Pameran Inovatif (Teknikal)

Hari Mekar Johor Corporation (2007)

Kumpulan Suria

Sindora Timber Sdn Bhd

8 Prime Minister's Award - National Innovation Award 2007 (Product)

Anugerah Perdana Menteri - Anugerah Inovasi Negara 2007 (Produk)

National Innovation Conference and Exhibition 2007 (NiCE '07)

GranuLab (M) Sdn Bhd

9 ISO 9001:2000 - Provision of Investment and Monitoring of Business and Subsidiaries

ISO 9001:2000 - Peruntukan Pelaburan dan Pengawasan Bisnes dan Syarikat-syarikat Anak

Sindora Berhad

CALENDAR OF SIGNIFICANT EVENTS – 2007

Kalendar Peristiwa Penting – 2007

120

SINDORA BERHAD
2007



19 JANUARY/Januari

Sindora Berhad had successfully been certified with ISO 9001:2000 Quality Management Systems – Requirements: Provision of Investment and Monitoring of Business and Subsidiaries, from SIRIM QAS International Sdn Bhd.

Sindora Berhad berjaya diiktiraf dengan ISO 9001:2000 Sistem Pengurusan Kualiti – Keperluan: Peruntukan Pelaburan dan Pemantauan Bisnes Syarikat Subsidiari daripada SIRIM QAS International Sdn Bhd.

6 FEBRUARY/Februari

GranuLab (M) Sdn Bhd (GranuLab) had entered into a Technology License agreement with SIRIM Berhad, appointing GranuLab as the manufacturer and distributor of GranuMaS.

GranuLab (M) Sdn Bhd (GranuLab) memeterai perjanjian Pelesenan Teknologi dengan SIRIM Berhad yang melantik GranuLab sebagai pengeluar dan pengedar GranuMaS.



9 – 11 FEBRUARY/Februari

Sindora participated in the International Kite Festival, held annually at Bukit Layang-Layang, Pasir Gudang.

Sindora menyertai Pesta Layang-Layang Antarabangsa Tahunan di Bukit Layang-Layang, Pasir Gudang.



16 FEBRUARY/Februari

Sindora Berhad participated in the launching ceremony of Tunas Bistari programme conducted at Persada Johor International Convention Centre. Sindora donated RM100,000 for the cause.

Sindora Berhad menyertai majlis pelancaran program Tunas Bistari yang diadakan di Pusat Konvensyen Antarabangsa Persada Johor. Sindora menderma sebanyak RM100,000 kepada program tersebut.

15 MARCH/Mac

A signing ceremony for the disposal of EA Technique (M) Sdn Bhd's 40% equity in EA Bunkering Services Sdn Bhd at Sindora Berhad's Corporate Office.

Majlis menandatangani perjanjian untuk penjualan 40% kepentingan ekuiti EA Technique (M) Sdn Bhd dalam EA Bunkering Services Sdn Bhd di Pejabat Korporat Sindora Berhad.

19 MARCH/Mac

Metro Parking (M) Sdn Bhd had received Industry Excellence Award "Certificate of Excellence – Export (Services)" from Ministry of Trade and Industry (MITI), held at Kuala Lumpur Convention Centre.

Metro Parking (M) Sdn Bhd telah menerima Anugerah Kecemerlangan Industri "Certificate of Excellence – Export (Services)" daripada Kementerian Perdagangan Antarabangsa dan Industri (MITI) yang diadakan di Pusat Konvensyen Kuala Lumpur.



22 MARCH/Mac

Sindora Berhad entered into an agreement to acquire 58.52% equity in JM Permata Sdn Bhd involving the purchase of 3,023,659 ordinary shares worth RM18.41 million.

Sindora Berhad memeterai perjanjian mengambilalih 58.52% ekuiti dalam JM Permata Sdn Bhd melibatkan pembelian 3,023,659 saham biasa pada harga sebanyak RM18.41 juta.

24 MARCH/Mac

Sindora Berhad and Johor Intrapreneur (M) Bhd (JIMB) co-organised the Annual Employees Meeting (PEDOMAN Meeting) with the theme of "Integration and the Power of Networking" at Persada Johor International Convention Centre.

Sindora Berhad dan Johor Intrapreneur (M) Bhd (JIMB) menganjur secara bersama Mesyuarat Tahunan Anggota Pekerja (Mesyuarat PEDOMAN) dengan tema "Integration and the Power of Networking" di Pusat Konvensyen Antarabangsa Persada Johor.

**5 MAY/Mei**

Sindora Berhad participated in the official opening ceremony of Persada Johor International Convention Centre.

Sindora Berhad menyertai majlis pembukaan rasmi Pusat Konvensyen Antarabangsa Persada Johor.

10 MAY/Mei

Sindora Berhad encouraged its employees towards achieving innovative and creative works by organising ICC training program held at Puteri Pacific Hotel, Johor Bahru.

Sindora Berhad menggalakkan anggota pekerjaanya berusaha ke arah mencapai kerja-kerja yang berinovatif dan kreatif dengan mengendalikan program latihan ICC di Hotel Puteri Pacific, Johor Bahru.

**17 MAY/Mei**

EA Technique (M) Sdn Bhd had bought 40,000 DWT Oil Tanker, MT Coromandel, which was renamed MT Nautica Muar, from Capital Queen International Limited, for a total cash consideration of USD15.8 million or approximately RM55.3 million.

EA Technique (M) Sdn Bhd membeli kapal tangki MT Coromandel yang berkapasiti 40,000 tan (DWT) yang kemudian diberi nama baru MT Nautica Muar, daripada Capital Queen International Limited pada pertimbangan harga sebanyak USD15.8 juta atau kira-kira RM55.3 juta.

27 JUNE/Jun

34th Annual General Meeting and Extraordinary General Meeting of Sindora Berhad held at Puteri Pacific Hotel, Johor Bahru.

Mesyuarat Agung Tahunan Ke-34 dan Mesyuarat Agung Luar Biasa Sindora Berhad diadakan di Hotel Puteri Pacific, Johor Bahru.

17 JULY/Julai

Metro Parking (M) Sdn Bhd has successfully acquired Metro Parking (HK) Limited from Hongo Management Limited for a cash consideration of HKD\$1.00.

Metro Parking (M) Sdn Bhd berjaya mengambilalih Metro Parking (HK) Limited daripada Hongo Management Limited pada pertimbangan harga sebanyak HKD\$1.00.

122

SINDORA BERHAD
2007

19 JULY/Julai

Supplier Quality Management Program (SQMP) Audit by Unilever (M) Holding Bhd at Tepak Marketing Sdn Bhd.

Audit Program Pengurusan Kualiti Pembekal oleh Unilever (M) Holding Bhd di Tepak Marketing Sdn Bhd.



21 JULY/Julai

Sindora Sports and Recreational Club held Family Day at Wet World Water Theme Park, Batu Pahat, Johor.

Kelab Sukan dan Rekreasi Sindora mengadakan Hari Keluarga di Taman Tema Air Wet World, Batu Pahat, Johor.

31 JULY/Julai

YBhg Puan Sri Datin Noorzilah Mohammed Ali, wife of Chairman, Tan Sri Dato' Muhammad Ali Hashim, launched EA Technique's 5,500 DWT Tanker, MT Nautica Johor Bahru, at Teluk Intan, Perak.

YBhg Puan Sri Datin Noorzilah Mohammed Ali, isteri Pengerusi, Tan Sri Dato' Muhammad Ali Hashim, melancarkan Kapal Tangki EA Technique yang berkapasiti 5,500 tan (DWT), MT Nautica Johor Bahru, di Teluk Intan, Perak.



14 - 16 AUGUST/Ogos

Sindora Palm Oil Mill (SPOM) had managed to be one of the Best 10 Innovative & Creative Circle (ICC) Group in Service Category, at the 2007 National ICC Convention, organised by National Productivity Centre (NPC).

Sindora Palm Oil Mill (SPOM) berjaya muncul sebagai salah sebuah syarikat dalam 10 Kumpulan Terbaik Innovative & Creative Circle (ICC) di bawah Kategori Perkhidmatan di Konvensyen ICC 2007 anjuran Pusat Produktiviti Negara (NPC).



18 - 20 AUGUST/Ogos

Sindora Berhad participated in the 7th Annual Conference of JCorp Intrapreneur (M) Bhd (JIMB) at Surabaya, Indonesia

Sindora Berhad mengambil bahagian dalam Persidangan Tahunan Ke-7 JCorp Intrapreneur (M) Bhd (JIMB) di Surabaya, Indonesia.

27 AUGUST/Ogos

GranuLab (M) Sdn Bhd was awarded with Bionexus Status from Malaysian Biotechnology Corporation Sdn Bhd.

GranuLab (M) Sdn Bhd telah diberi status Bionexus oleh Malaysian Biotechnology Corporation Sdn Bhd.



4 OCTOBER/Oktober

As a testimony to its quality drive, Sindora Berhad and JIMB has jointly organised Quality Day, with the theme "Quality Spearheads Excellence", held at KOMTAR, Johor Bahru.

Sebagai bukti kepada kempen kualiti, Sindora Berhad dan JIMB telah menganjur bersama Hari Kualiti, dengan tema "Quality Spearheads Excellence", yang diadakan di KOMTAR, Johor Bahru.

5 OCTOBER/Oktober

Sindora Estate was awarded with MS ISO 14001:2004 – Provision for Palm Oil and Rubber Estate Management Including Bio-Composting Plant from SIRIM QAS International Sdn Bhd and the International Certification Network (IQNet).

Ladang Sindora telah diberi pensijilan MS ISO 14001:2004 – Peruntukan untuk Pengurusan Ladang Kelapa Sawit dan Ladang Getah termasuk Loji Baja Kompos daripada SIRIM QAS International Sdn Bhd dan International Certification Network (IQNet).

**31 OCTOBER/Oktober –
2 NOVEMBER/November**

Sindora participated in Hari Mekar Johor Corporation, organised by TPM Technopark Sdn Bhd and Tanjung Langsat Port Sdn Bhd, held at Persada Johor International Convention Centre, Johor Bahru.

Sindora mengambil bahagian dalam Hari Mekar Johor Corporation, anjuran bersama TPM Technopark Sdn Bhd and Tanjung Langsat Port Sdn Bhd yang diadakan di Pusat Konvensyen Antarabangsa Persada Johor.

31 OCTOBER/Oktober

Metro Parking (S) Pte Ltd had received Singapore Excellence Award from SPRING Singapore.

Metro Parking (S) Pte Ltd telah menerima anugerah Singapore Excellence Award daripada SPRING Singapore.

22 NOVEMBER/November

MM Vita oils was listed as one of the winners of the Enterprise 50 Award from SMIDEC.

MM Vita oils disenaraikan sebagai antara pemenang Anugerah Enterprise 50 daripada SMIDEC.

26 – 30 NOVEMBER/November

GranuLab was awarded with the Prime Minister's Award at the NICE 2007 (National Innovation Conference & Exhibition 2007), held at Putra World Trade Centre, Kuala Lumpur.

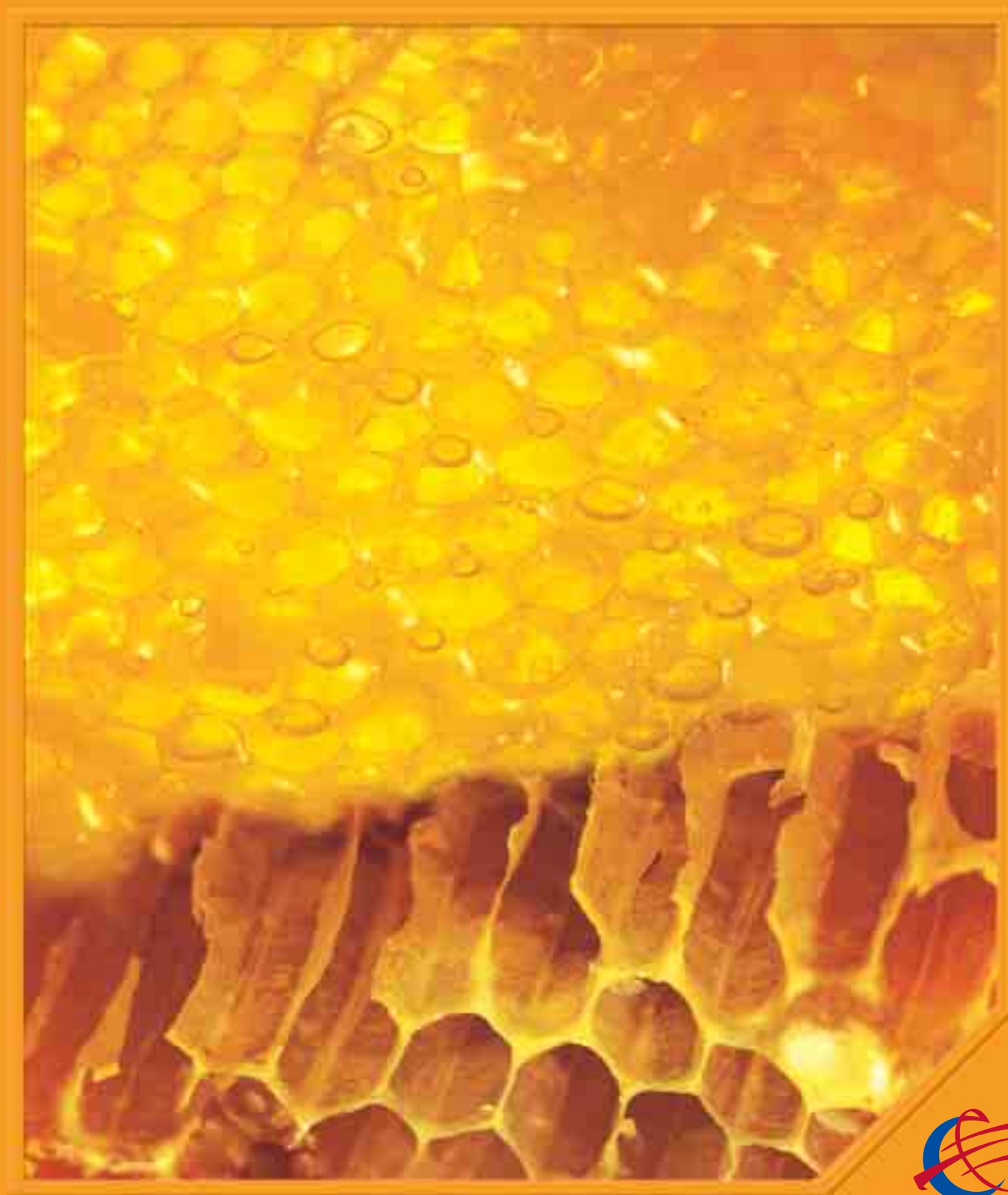
GranuLab memenangi Anugerah Perdana Menteri sempena Persidangan dan Pameran Inovasi Kebangsaan 2007 (NICE 2007) yang diadakan di Pusat Dagangan Dunia Putra, Kuala Lumpur.

stellarresults

Bees lay down honey for nutrients. Bees use their stored honey as their primary source of energy. Because we know that the creation of wealth is not just to propel us today, it's for the future and we enrich it through exacting intelligence in delivering results year after year.

KEPUTUSAN YANG CEMERLANG

Lebah menghasilkan madu sebagai sumber nutrien. Madu disimpan sebagai sumber tenaga utamanya. Oleh kerana kami menyedari bahawa menjana kekayaan bukan sekadar untuk menggerakkan kami ke hadapan, kami akan terus memperkayakannya melalui kecerdasan yang mantap bagi menghasilkan keputusan cemerlang tahun demi tahun.



125

SINDORA BERHAD
2007

Financial

S t a t e m e n t s

- 126** Directors' Report
- 131** Statement by Directors
- 131** Statutory Declaration
- 132** Report of the Auditors
- 133** Balance Sheets
- 135** Income Statements
- 136** Statement of Changes of Equity
- 138** Cash Flow Statements
- 140** Notes to the Financial Statements

DIRECTORS' REPORT

For the year ended 31 December 2007

126

SINDORA BERHAD
2007

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2007.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and operations of oil palm plantations, palm oil milling and rubber estate. The principal activities of its subsidiaries are disclosed in Note 8 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

RESULTS

	GROUP RM'000	COMPANY RM'000
Profit attributable to:		
Shareholders of the Company	17,928	9,570
Minority interest	8,648	—
	26,576	9,570

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in Note 17 to the financial statements.

DIVIDENDS

Since the end of the previous financial year, the Company paid:

- (i) a first interim dividend of 5% per ordinary share less tax 28% totalling RM3,399,000 (3.60 sen net per ordinary share) in respect of the year ended 31 December 2006 on 23 February 2007.
- (ii) a second interim dividend of 2.74% per ordinary share less tax 27%, totalling RM1,920,000 (2.0 sen net per ordinary share) in respect of the year ended 31 December 2006, by way of distribution of one existing ordinary share of RM1 each held by the Company pursuant to its treasury shares for every sixty existing ordinary shares held by shareholders, on 20 July 2007;
- (iii) a final dividend of 2.14% per ordinary share less tax 27%, totalling RM1,502,000 (1.56 sen net per ordinary share) in respect of the year ended 31 December 2006 on 26 July 2007; and
- (iv) an interim dividend of 5% per ordinary share less tax 27%, totalling RM3,504,000 (3.65 sen net per ordinary share) in respect of the year ended 31 December 2007 on 25 January 2008.

The final dividend recommended by the Directors in respect of the year ended 31 December 2007 is 5% per ordinary share less tax 26% totalling RM3,552,000 (3.70 sen net per ordinary share).

DIRECTORS OF THE COMPANY

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

Tan Sri Dato' Muhammad Ali Hashim
Tan Sri Datuk (Dr) Arshad Ayub
Rozan bin Mohd Sa'at
Datuk Johan bin Jaaffar
Hj. Esa bin Mamek
Kua Hwee Sim
Halmi bin Jasmin
Dato' Ir Abdul Hak bin Md Amin (appointed on 1 January 2008)
Hj. Johari bin Ma'arof (appointed on 1 January 2008)

DIRECTORS' INTERESTS

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

Name of Directors	Interest	Number of ordinary shares of RM1.00 each			At 31 December 2007
		At 1 January 2007	Bought	Sold	
Company					
Tan Sri Dato' Muhammad Ali Hashim	Direct	72,765	1,212	—	73,977
Tan Sri Datuk (Dr) Arshad Ayub	Direct	407,040	6,784	—	413,824
	Deemed	812,350	204,316	—	1,016,666
Rozan bin Mohd Sa'at	Direct	3,045	12,047	—	15,092
Subsidiary					
- Metro Parking (M) Sdn. Bhd.					
Halmi bin Jasmin	Direct	100,000	—	—	100,000
Related companies					
- KPJ Healthcare Berhad					
Tan Sri Dato' Muhammad Ali Hashim	Direct	81,100	—	—	81,100
	Deemed	12,000	—	—	12,000
Tan Sri Datuk (Dr) Arshad Ayub	Direct	386,000	—	—	386,000
	Deemed	733,000	—	—	733,000
Rozan bin Mohd Sa'at	Direct	3,300	—	(3,100)	200
- Johor Land Berhad					
Tan Sri Dato' Muhammad Ali Hashim	Direct	100,360	—	—	100,360
	Deemed	4,300	—	—	4,300
Tan Sri Datuk (Dr) Arshad Ayub	Direct	217,980	—	—	217,980
	Deemed	537,690	—	—	537,690
Kua Hwee Sim	Direct	9,000	—	—	9,000
Rozan bin Mohd Sa'at	Direct	4,950	—	(4,800)	150
Hj. Esa bin Mamek	Direct	270	—	—	270
Related companies					
- Kulim (Malaysia) Berhad					
Tan Sri Dato' Muhammad Ali Hashim	Direct	284,000	—	—	284,000
	Deemed	22,400	—	—	22,400
Tan Sri Datuk (Dr) Arshad Ayub	Direct	882,950	—	—	882,950
	Deemed	1,383,200	—	—	1,383,200
Rozan bin Mohd Sa'at	Direct	1,800	—	(1,600)	200
Hj. Esa bin Mamek	Direct	1,400	—	—	1,400

The other Director, Datuk Johan bin Jaaffar, holding office at 31 December 2007 does not have any interest in the ordinary shares of the Company and of its related corporations during the year.

DIRECTORS' REPORT

For the year ended 31 December 2007

128

SINDORA BERHAD
2007

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

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

ISSUE OF SHARES

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

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

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

In the opinion of the Directors, the results of the operations of the Group and of the Company for the year ended 31 December 2007 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

SIGNIFICANT EVENTS**The Company**

- (i) On 25 November 2006, the Company had entered into a conditional Sale and Purchase Agreement with Romli bin Ishak, Yurlida binti Mohd Zain and Muhammad Nor Annuar bin Hashim to acquire 90,000 ordinary shares of RM1.00 each in GranuLab (M) Sdn. Bhd. representing 90% equity interest in GranuLab (M) Sdn. Bhd. for a purchase consideration of RM270,000 to be satisfied by cash. The acquisition has been completed during the year and the effect of the acquisition is not significant to the Group's financial statements.
- (ii) The Company proposed a renounceable two-call rights issue of 105,600,000 new ordinary shares of RM1.00 each ("Rights Shares") at an indicative issue price of RM1.00 per Rights Share, on the basis of eleven (11) Rights Shares for every ten (10) existing ordinary shares of RM1.00 each in the Company ("Sindora Shares"), together with one (1) free detachable warrant ("Warrant") for every two (2) Rights Shares subscribed ("Proposed Rights Issue with Warrants"). The proposal has been deferred until further notice pending development in respect of the change in ownership as a result of disposal by the ultimate holding corporation, Johor Corporation of all its shares in the Company to Kulim (Malaysia) Berhad ("Kulim") as disclosed below.

On 14 November 2007, the Company received a notification from Johor Corporation ("JCorp") and Johor Capital Holdings Sdn. Bhd. ("JCHSB") pertaining to the disposal of their entire 62.01% shareholding in the Company, comprising of 59,533,289 ordinary shares of RM1.00 each in the Company for a total cash consideration of RM102,397,257.08 or RM1.72 per the Company share.

The proposal is conditional upon approvals from relevant authorities and stakeholders and is still pending at the date of this report.

- (iii) On 31 October 2007, the Company entered into a conditional Share Sale Agreement ("SSA") with KFC Holdings (Malaysia) Bhd ("KFCH") to dispose 440,000 ordinary shares of RM1.00 each ("Sale Shares") representing 55% equity interest in Tepak Marketing Sdn. Bhd. ("Tepak") for a total cash consideration of RM2,970,000 ("Disposal Consideration") or RM6.75 per share.

As a result of the Proposal, the shareholding of the Company in Tepak will be reduced from 75% to 20%. The disposal was completed on 4 February 2008 and the effect of the disposal is not significant to the Group's financial statements.

- (iv) On 27 December 2007, the Company entered into a conditional Sale and Purchase Agreement ("SPA") with KFC Holdings (Malaysia) Bhd. ("KFC") to dispose a piece of leasehold land (including all factory, buildings, structures, infrastructure and facilities built or erected on the land) for RM6.15 million cash. The disposal is expected to be completed within one year from the date of SPA.
- (v) On 22 March 2007, the Company entered into a conditional Share Purchase cum Subscription Agreement with Johari Bin Ma'arof, Laili Binti Ismail and Hayati Binti Jalaludin for acquisition of 1,856,992 ordinary shares of RM1.00 each and subscription of 1,166,667 new ordinary shares of RM1.00 each in J.M. Permata Sdn. Bhd. ("JMP") for a total cash consideration of RM11,141,952 and RM7,000,002 respectively. On 11 September 2007, the above parties entered into a Supplemental Agreement to vary certain terms and conditions of the Principal Agreement as follows:
- (a) acquire a total of 2,632,600 JMP Shares, representing 65.8% of the existing issued and paid-up share capital of JMP, from the Vendors for a total acquisition consideration of RM10,530,400 or RM4.00 per JMP Share (the "Revised Proposed Acquisition") and
- (b) subscribe for a total of 750,000 JMP Shares upon completion of the Revised Proposed Acquisition for a total subscription price of RM3,000,000 or RM4.00 per new JMP Share (the "Revised proposed Subscription")

The aggregate consideration of the Revised Proposals is RM13,530,400 as opposed to RM18,141,954 under the initial Proposals. Upon completion of the Revised Proposals, the Company's equity interest in JMP shall increase to approximately 71.21% of JMP's enlarged issued and paid-up share capital. The acquisition is expected to be completed by second quarter of 2008.

DIRECTORS' REPORT

For the year ended 31 December 2007

130

SINDORA BERHAD
2007

SIGNIFICANT EVENTS (cont'd.)

Subsidiaries

(i) **E.A. Technique (M) Sdn. Bhd.**

On 15 March 2007, the subsidiary entered into a conditional Sale and Purchase Agreement with Mohd Zain Bin Abdullah to dispose 1,037,600 ordinary shares of RM1.00 each representing 40% equity interest in E.A. Bunkering Services Sdn. Bhd. for a cash consideration of RM1.15 per ordinary share amounting to RM1,193,240. The disposal was completed on 1 April 2007.

(ii) **Metro Parking (M) Sdn. Bhd.**

Subsequent to the financial year end, the management of the subsidiary has discovered that there were misappropriations of cash collections during the year by certain employees at one of its branches in Malaysia. A police report has been lodged on 2 March 2008 and the matter is still under investigation.

Based on the initial findings of the investigation, the loss incurred is not material to the results of the Group for the year ended 31 December 2007. The estimated loss incurred has been fully provided in the subsidiary's and the Group's financial statements.

AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

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



Tan Sri Dato' Muhammad Ali Hashim



Rozan bin Mohd Sa'at

Johor Bahru,

Date: 26 March 2008

STATEMENT BY DIRECTORS

pursuant to Section 169(15) of the Companies Act, 1965

131

SINDORA BERHAD
2007

In the opinion of the Directors, the financial statements set out on pages 133 to 186, are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2007 and of the results of their operations and cash flows for the financial year ended on that date.

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



Tan Sri Dato' Muhammad Ali Hashim

Johor Bahru,
Date: 26 March 2008



Rozan bin Mohd Sa'at

STATUTORY DECLARATION

pursuant to Section 169(16) of the Companies Act, 1965

I, **Rosnah binti Basok**, the officer primarily responsible for the financial management of SINDORA BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 133 to 186 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed in Johor Bahru in the State of Johor on 26 March 2008.



Rosnah binti Basok

Before me:
Aminah Binti Abdullah (No. J150)
Commissioner of Oaths



REPORT OF THE AUDITORS

to the members of Sindora Berhad

132

SINDORA BERHAD
2007

We have audited the financial statements set out on pages 133 to 186. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the 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 to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those 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 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 applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board so as to give a true and fair view of:
 - (i) the state of affairs of the Group and of the Company as at 31 December 2007 and of the results of their operations and cash flows for the financial year ended on that date; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiaries in respect of which we have not acted as auditors are identified in Note 8 to the financial statements and we have considered their financial statements and, the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Act.



KPMG
Firm Number: AF 0758
Chartered Accountants

Johor Bahru,
Date: 26 March 2008



Lee Soon Teck
Partner
Approval Number: 1587/06/08 (J)

BALANCE SHEETS

As at 31 December 2007

133

SINDORA BERHAD
2007

	NOTE	GROUP		COMPANY	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Assets					
Property, plant and equipment	3	228,689	146,493	17,104	19,126
Intangible assets	4	29,172	29,581	14,198	15,139
Plantation development expenditure	5	21,512	19,258	21,512	19,258
Prepaid lease payments	6	85,210	88,859	82,371	83,497
Investment properties	7	3,040	3,040	9,185	15,785
Investments in subsidiaries	8	—	—	60,763	56,822
Investments in associates	9	17,518	17,413	15,200	15,200
Other investments	10	6,747	5,850	6,747	5,850
Deferred tax assets	11	473	197	—	—
Due from subsidiaries	14	—	—	—	1,002
Total non-current assets		392,361	310,691	227,080	231,679
Current assets					
Inventories	12	10,694	13,251	3,936	1,530
Trade and other receivables	13	38,424	26,030	6,156	2,144
Due from subsidiaries	14	—	—	903	—
Due from related companies	14	12,649	8,095	10,628	6,457
Assets classified as held for sale	15	14,862	267	8,350	—
Tax recoverable		427	1,104	—	581
Cash and cash equivalents	16	28,982	29,904	7,100	13,093
Total current assets		106,038	78,651	37,073	23,805
Total assets		498,399	389,342	264,153	255,484
Equity					
Share capital		96,000	96,000	96,000	96,000
Reserves		81,783	69,047	66,662	62,438
Total equity attributable to shareholders of the Company	17	177,783	165,047	162,662	158,438
Minority interest		44,268	33,043	—	—
Total equity		222,051	198,090	162,662	158,438

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

BALANCE SHEETS

As at 31 December 2007

134SINDORA BERHAD
2007

	NOTE	GROUP		COMPANY	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Liabilities					
Loans and borrowings	18	157,908	98,324	43,142	47,821
Due to subsidiaries	14	—	—	2,221	1,364
Deferred income		333	—	—	—
Deferred tax liabilities	11	23,906	23,577	23,573	23,440
Total non-current liabilities		182,147	121,901	68,936	72,625
Trade and other payables	19	36,917	29,738	8,505	4,705
Loans and borrowings	18	39,261	28,701	12,338	11,420
Due to holding corporation	14	6,870	4,564	5,131	4,551
Due to a subsidiary	14	—	—	1,897	—
Due to related companies	14	1,588	1,573	618	346
Taxation		1,388	602	562	—
Dividend payable		3,504	4,173	3,504	3,399
Liabilities classified as held for sale	15	4,673	—	—	—
Total current liabilities		94,201	69,351	32,555	24,421
Total liabilities		276,348	191,252	101,491	97,046
Total equity and liabilities		498,399	389,342	264,153	255,484

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

INCOME STATEMENTS

For the year ended 31 December 2007

135

SINDORA BERHAD
2007

	NOTE	GROUP		COMPANY	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Revenue	20	295,157	205,636	89,042	74,029
Cost of goods sold		(225,974)	(168,898)	(64,792)	(54,398)
Gross profit		69,183	36,738	24,250	19,631
Other income		9,296	3,490	5,151	2,228
Distribution expenses		(3,401)	(2,721)	(1,525)	(984)
Administrative expenses		(26,445)	(15,662)	(6,245)	(4,904)
Other expenses		(15,240)	(11,516)	(2,610)	(22,227)
Results from operating activities		33,393	10,329	19,021	(6,256)
Finance costs		(9,536)	(2,579)	(4,742)	(1,525)
Operating profit/(loss)	21	23,857	7,750	14,279	(7,781)
Share of profit after tax and minority interest of equity accounted associates		6,903	6,737	—	—
Profit/(Loss) before tax		30,760	14,487	14,279	(7,781)
Tax expense	22	(4,184)	(2,601)	(4,709)	(3,398)
Profit/(Loss) for the year		26,576	11,886	9,570	(11,179)
Attributable to:					
Shareholders of the Company		17,928	10,758	9,570	(11,179)
Minority interest		8,648	1,128	—	—
Profit/(Loss) for the year		26,576	11,886	9,570	(11,179)
Basic and diluted earnings per ordinary shares (sen)	23	18.83	11.41		

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

STATEMENT OF CHANGES OF EQUITY

For the year ended 31 December 2007

136

SINDORA BERHAD
2007

	Attributable to shareholders of the Company		Distributable		Total equity RM'000			
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Retained earnings RM'000		Minority interest RM'000		
Note	Non-distributable		Exchange fluctuation reserve RM'000	Total RM'000				
Group								
At 1 January 2006	96,000	11,107	(6,061)	25,432	(20)	154,909	3,255	158,164
Profit for the year	—	—	—	10,758	—	10,758	1,128	11,886
Treasury shares acquired	—	—	(1,579)	—	—	(1,579)	—	(1,579)
<i>Net gain not recognised in the income statements:</i>								
Exchange differences on translation of a foreign subsidiary	—	—	—	—	71	71	—	71
Acquisition of subsidiaries	—	—	—	—	—	—	29,079	29,079
Dividends to shareholders	—	—	6,060	—	—	—	(419)	469
	96,000	11,107	(1,580)	25,432	51	165,047	33,043	198,090
At 31 December 2006								
At 31 December 2006	96,000	11,107	(1,580)	25,432	51	165,047	33,043	198,090
Profit for the year	—	—	—	17,928	—	17,928	8,648	26,576
Treasury shares sold	—	—	22	—	—	22	—	22
Treasury shares acquired	—	—	(362)	—	—	(362)	—	(362)
<i>Net gain not recognised in the income statements:</i>								
Reversal of revaluation reserve and deferred tax liabilities	—	—	—	(111)	—	—	—	—
Exchange differences on translation of a foreign subsidiary	—	—	—	—	110	110	—	110
Issue of shares by subsidiaries	—	—	—	—	—	—	3,333	3,333
Dividends to shareholders	—	—	1,920	—	—	(6,926)	(756)	(5,762)
	96,000	11,107	—	25,321	161	177,783	44,268	222,051
At 31 December 2007								

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

Note	← Non-distributable →				Distributable	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Revaluation reserves RM'000	Treasury shares RM'000	Retained earnings RM'000	
Company						
At 1 January 2006	96,000	11,107	21,094	(6,061)	48,168	170,308
Loss for the year	—	—	—	—	(11,179)	(11,179)
Treasury shares acquired	—	—	—	(1,579)	—	(1,579)
Dividends to shareholders	24	—	—	6,060	(5,172)	888
At 31 December 2006	96,000	11,107	21,094	(1,580)	31,817	158,438
Profit for the year	—	—	—	—	9,570	9,570
Treasury shares acquired	—	—	—	(362)	—	(362)
Treasury shares sold	—	—	—	22	—	22
Dividends to shareholders	24	—	—	1,920	(6,926)	(5,006)
At 31 December 2007	96,000	11,107	21,094	—	34,461	162,662

CASH FLOW STATEMENTS

For the year ended 31 December 2007

138

SINDORA BERHAD
2007

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Cash flows from operating activities				
Profit/(Loss) before tax	30,760	14,487	14,279	(7,781)
Adjustments for:-				
Amortisation and depreciation of:				
- Property, plant and equipment	22,185	8,492	2,794	2,826
- Prepaid lease payments	1,303	1,281	1,126	1,124
- Intangible assets	1,035	167	1,000	167
- Plantation development expenditure	1,345	1,197	1,345	1,197
Change in fair value of investment properties	—	—	450	—
Finance costs	9,536	2,579	4,742	1,525
Impairment losses/(Reversal):				
- Property, plant and equipment	(66)	85	—	—
- Goodwill	—	76	—	—
- Other investment	(944)	(326)	(944)	(326)
- Investment in subsidiaries	—	—	—	1,521
Property, plant and equipment written off	60	—	32	—
(Gain)/Loss on disposal of property, plant and equipment	(902)	56	(67)	(17)
Gain on disposal of an associate	(156)	—	—	—
Dividend income	—	—	(9,710)	(7,143)
Interest income	(592)	(519)	(425)	(450)
Share of results in associates	(6,903)	(6,737)	—	—
Operating profit/(loss) before changes in working capital	56,661	20,838	14,622	(7,357)
Changes in working capital:				
Inventories	297	(1,822)	(2,406)	(419)
Trade and other receivables	(15,097)	(5,184)	(4,012)	(661)
Trade and other payables	8,933	3,443	3,800	(93)
Due from/(to) subsidiaries	—	—	2,853	19,955
Due to holding corporation	2,310	4,192	580	4,452
Due from/(to) related companies	(5,306)	6,396	(3,899)	4,516
Cash generated from operations	47,798	27,863	11,538	20,393
Dividend received	—	—	7,089	5,141
Interest paid	(9,536)	(2,579)	(4,742)	(1,525)
Tax paid	(2,649)	(2,793)	(812)	(1,360)
Net cash from operating activities	35,613	22,491	13,073	22,649

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

	NOTE	GROUP		COMPANY	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Cash flows from investing activities					
Acquisition of:					
- Property, plant and equipment	25	(107,755)	(4,696)	(891)	(1,284)
- Intangible assets		(759)	(15,306)	(59)	(15,306)
- Prepaid lease payments		(49)	(23)	—	—
- Plantation development expenditure		(3,513)	(2,968)	(3,513)	(2,968)
Investment in/Acquisition of subsidiaries, net of cash acquired		(525)	(33,539)	(6,141)	(38,286)
Acquisition/(Disposal) of other investment		47	(4,237)	47	(4,237)
Increase in pledged deposits placed with licensed banks		(3,907)	(2,254)	—	—
Proceeds from disposal of property, plant and equipment		1,643	317	68	—
Interest received		592	519	425	450
Dividend income from associates		5,760	4,464	—	—
Disposal of an associate		1,193	—	—	—
Net cash used in investing activities		(107,273)	(57,723)	(10,064)	(61,631)
Cash flows from financing activities					
Proceeds from term loans		84,534	59,200	—	46,947
Repayment of term loans		(11,591)	(1,288)	(4,679)	(700)
Net short term borrowings		(2,385)	(7,719)	918	3,152
Net (purchase cost)/Proceeds from sale of treasury shares		(340)	4,482	(340)	4,482
Payment of finance lease liabilities		(309)	(453)	—	—
Subscription of share by minority interest		3,333	—	—	—
Dividends paid to shareholders of the Company		(4,901)	(7,833)	(4,901)	(7,833)
Dividend paid to minority interest		(756)	(419)	—	—
Net cash from/(used in) financing activities		67,585	45,970	(9,002)	46,048
Net (decrease)/increase in cash and cash equivalents		(4,075)	10,738	(5,993)	7,066
Effects of exchange rate changes		112	(25)	—	—
Cash and cash equivalents at 1 January		21,780	11,067	13,046	5,980
Cash and cash equivalents at 31 December		17,817	21,780	7,053	13,046
Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:					
Cash and bank balances		20,166	18,496	6,853	7,046
Deposits with licensed banks		1,808	8,307	200	6,000
Cash and cash equivalents included in disposal group held for sale	15	1,920	—	—	—
Bank overdrafts		(6,077)	(5,023)	—	—
		17,817	21,780	7,053	13,046

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2007

140

SINDORA BERHAD
2007

Sindora Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

9C, 9th Floor, Menara Ansar
65, Jalan Trus
80000 Johor Bahru
Johor Darul Takzim
Malaysia

Registered office

13th Floor, Menara Johor Corporation
KOTARAYA
80000 Johor Bahru
Johor Darul Takzim
Malaysia

The consolidated financial statements of the Company as at and for the year ended 31 December 2007 comprise the Company and its subsidiaries and the Group's interest in associates.

The principal activities of the Company consist of investment holding and the operations of oil palm plantations, palm oil milling and rubber estate. The principal activities of its subsidiaries are disclosed in Note 8.

The holding and ultimate holding corporation of the Company is Johor Corporation, a body corporate established under the Johor Corporation Enactment (No. 4 of 1968) (as amended by Enactment No. 5 of 1995).

The financial statements were approved by the Board of Directors on 26 March 2008.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards (FRS) issued by the Malaysian Accounting Standards Board (MASB), the provisions of the Companies Act, 1965 and accounting principles generally accepted in Malaysia.

The MASB has also issued the following FRSs and Interpretations that are effective for annual periods beginning after 1 January 2007 and that have not been applied in preparing these financial statements:

FRSs / Interpretations	Effective date
FRS 107, <i>Cash Flow Statements</i>	1 July 2007
FRS 111, <i>Construction Contracts</i>	1 July 2007
FRS 112, <i>Income Taxes</i>	1 July 2007
FRS 118, <i>Revenue</i>	1 July 2007
FRS 120, <i>Accounting for Government Grants and Disclosure of Government Assistance</i>	1 July 2007
Amendment to FRS 121, <i>The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation</i>	1 July 2007
FRS 134, <i>Interim Financial Reporting</i>	1 July 2007
FRS 137, <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 July 2007

1. BASIS OF PREPARATION (CONT'D.)**(a) Statement of compliance (cont'd.)**

FRSs / Interpretations	Effective date
FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	To be announced
IC Interpretation 1, <i>Changes in Existing Decommissioning, Restoration and Similar Liabilities</i>	1 July 2007
IC Interpretation 2, <i>Members' Shares in Co-operative Entities and Similar Instruments</i>	1 July 2007
IC Interpretation 5, <i>Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds</i>	1 July 2007
IC Interpretation 6, <i>Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment</i>	1 July 2007
IC Interpretation 7, <i>Applying the Restatement Approach under FRS 129, Financial Reporting in Hyperinflationary Economies</i>	1 July 2007
IC Interpretation 8, <i>Scope of FRS 2</i>	1 July 2007

The Group and the Company plan to apply the abovementioned FRSs and Interpretations for the annual period beginning 1 January 2008, except for FRS 139 which its effective date has yet to be announced.

The impact of applying FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemption given in FRS 139.103AB.

The initial application of the other FRSs and Interpretations are not expected to have any material impact on the financial statements of the Group and of the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in Note 2(c) and 2(g).

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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 and in any future periods affected.

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

- * Note 4 - measurement of the recoverable amounts of cash-generating units
- * Note 7 - investment properties
- * Note 11 - recognition of unutilised tax losses and capital allowances
- * Note 12 - inventory write-down
- * Note 26 - business combinations

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

(i) Subsidiaries

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

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's balance sheet at cost less any impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(ii) Associates

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

Associates are accounted for in the consolidated financial statements using the equity method unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated financial statements include the Group's share of the profit or loss of the equity accounted associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

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

Investments in associates are stated in the Company's balance sheet at cost less any impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(iii) Changes in Group composition

Where a subsidiary issues new equity shares to minority interest for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the income statements.

When the Group purchases a subsidiary's equity shares from minority interest for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(a) Basis of consolidation (cont'd.)

(iv) *Minority interest*

Minority interest at the balance sheet date, being the portion of the net identifiable assets (excluding goodwill) of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Minority interest in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interest and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated with all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

(v) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) *Foreign currency transactions*

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

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

The assets and liabilities of operations in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the balance sheet date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2006 which are reported using the exchange rates at the dates of the acquisitions. The income and expenses of foreign operations, are translated to RM at exchange rates at the dates of the transactions.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(c) Property, plant and equipment

(i) **Recognition and measurement**

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

The Group has availed itself to the transitional provision when the MASB first adopted IAS 16, Property, Plant and Equipment in 1995. Freehold land and buildings were first revalued in 1995 and no later valuation has been recorded for these property, plant and equipment (except in the case of impairment adjustments based on a valuation).

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour and, for qualifying assets, borrowing costs are capitalised in accordance with the Group's accounting policy. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other expenses" respectively in the income statements. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(ii) **Subsequent costs**

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

(iii) **Depreciation**

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

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

Buildings and structures	5 - 50 years
Vessels, plant and machinery	5 - 25 years
Motor vehicles, office equipment, furniture and fittings	2 - 12.5 years

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(d) Leased assets

(i) *Finance lease*

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

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

(ii) *Operating lease*

Other leases are operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the Group's balance sheet. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments, except for leasehold land classified as investment property.

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

(e) Intangible assets

(i) *Goodwill*

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

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

With the adoption of FRS 3 beginning 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

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

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment. The entire carrying amount of the investment is tested for impairment when there is objective evidence of impairment.

(ii) *Other intangible assets*

Intangible assets, other than goodwill, that are acquired by the Group are stated at cost less any accumulated amortisation and any accumulated impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(e) Intangible assets (cont'd.)

(iii) *Subsequent expenditure*

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

(iv) *Amortisation*

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and whenever there is an indication that they may be impaired.

Intangible assets are amortised from the date that they are available for use. Amortisation of intangible assets is charged to the income statements on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives are as follows:

- Concession rights 15 years
- Technology license 10 years

(f) *Plantation development expenditure*

Plantation development expenditure are stated at cost less any accumulated depreciation and any accumulated impairment losses.

New planting or replanting expenditure incurred on land clearing, upkeep of immature palms/trees and interest incurred during the immature period are capitalised under Plantation Development Expenditure.

The Plantation Development Expenditure is amortised over its estimated economical life from the maturity date.

Plantation Development Expenditure of oil palm and rubber estates will be amortised on a straight line basis over 20 and 18 years respectively being their expected useful lives.

Plantation Development Expenditure of timber will be charged to the Income Statement at the time of logging and sale.

(g) *Investment properties*

(i) *Investment property carried at fair value*

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

Investment property are measured initially at cost and subsequently at fair value with any change therein recognised in the income statements.

(ii) *Reclassification to / from investment property*

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statements. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through the income statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(g) Investment properties (cont'd.)

(ii) *Reclassification to / from investment property (cont'd.)*

When an item of inventory or property development is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to the transfer and its fair value is recognised in the income statements.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(iii) *Determination of fair value*

An external, independent valuation firm, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio annually.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, where appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

(h) Investments in debt and equity securities

Investments in debt and equity securities are recognised initially at fair value plus attributable transaction costs.

Subsequent to initial recognition:

- Investments in non-current equity securities other than investments in subsidiaries, associates, are stated at cost less allowance for diminution in value,
- Investments in non-current debt securities are stated at amortised cost using the effective interest method less allowance for diminution in value,
- All current investments are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investments.

Where in the opinion of the Directors, there is a decline other than temporary in the value of non-current equity securities and non-current debt securities other than investment in subsidiaries, associates and jointly-controlled entities, the allowance for diminution in value is recognised as an expense in the financial year in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(h) Investments in debt and equity securities (cont'd.)

All investments in debt and equity securities are accounted for using settlement date accounting. Settlement date accounting refers to:

- a) the recognition of an asset on the day it is received by the entity, and
- b) the derecognition of an asset and recognition of any gain or loss on disposal on the date it is delivered.

(i) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

(k) Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the income statements. Gains are not recognised in excess of any cumulative impairment loss.

(l) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(m) Share capital

(i) Shares issue expenses

Incremental costs directly attributable to issue of shares and share options classified as equity are recognised as a deduction from equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(m) Share capital (cont'd.)

(ii) *Repurchase of share capital*

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

Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(n) Impairment of assets

The carrying amounts of assets except for financial assets, inventories, deferred tax assets, investment property that is measured at fair value and non-current assets (or disposal groups) classified as held for sale are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and / or intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses are recognised in the income statements. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(o) Loans and borrowings

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

(p) Payables

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

(q) Revenue recognition

(i) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Services rendered

Revenue from mailing and printing services are recognised as and when the services are rendered.

Revenue from sea transportation, shipping and forwarding services include freight income, time charter hire income and other shipping related income. These revenues are recognised as and when the services were performed.

(iii) Rental income

Rental income from investment property is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(iv) Dividend income

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

(r) Interest income and borrowings costs

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

All borrowing costs are recognised in the income statements using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the capital projects which necessarily takes a substantial period of time to be prepared for its intended use.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(s) Deferred income

Government grant is recognised initially as deferred income when there is reasonable assurance that it will be received and that the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred are recognised in the income statements on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Company for the cost of an asset are recognised in the income statements on a systematic basis over the useful life of the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(f) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statements except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences arising from: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) Employee benefits

Short term employee benefits

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

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

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

(v) Earnings per share

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

(w) Segment reporting

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

3. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings RM'000	Vessels, plant and machinery RM'000	Motor vehicles, office equipment, furniture and fittings RM'000	Capital-in-progress RM'000	Total RM'000
Group					
Cost/Valuation					
At 1 January 2006	35,207	35,866	50,550	525	122,148
Additions	216	2,132	2,243	105	4,696
Acquisition through business combination	205	96,649	1,635	19,240	117,729
Disposals	—	(1,447)	(214)	—	(1,661)
Written off	—	(6)	(2,911)	—	(2,917)
Transfers	164	448	—	(612)	—
Reclassification	—	29,327	(29,327)	—	—
Exchange differences	—	148	33	—	181
At 31 December 2006/1 January 2007	35,792	163,117	22,009	19,258	240,176
Additions	111	89,632	1,544	18,310	109,597
Acquisition through business combination	—	—	9	—	9
Disposals	—	(6,767)	(2,254)	—	(9,021)
Written off	—	(1,328)	(395)	—	(1,723)
Transfer to asset held for sale	(6,937)	(966)	(1,049)	—	(8,952)
Exchange difference	—	121	34	(2)	153
At 31 December 2007	28,966	243,809	19,898	37,566	330,239
Representing items at:					
Cost	24,162	243,809	19,898	37,566	325,435
Directors' valuation	4,804	—	—	—	4,804
At 31 December 2007	28,966	243,809	19,898	37,566	330,239
Depreciation and impairment losses					
At 1 January 2006					
Accumulated depreciation	14,531	23,356	36,571	—	74,458
Accumulated impairment losses	—	54	—	—	54
At 31 December 2006/1 January 2007	14,531	23,410	36,571	—	74,512
Depreciation charge	1,457	5,438	1,688	—	8,583
Acquisition through business combination	11	13,738	831	—	14,580
Disposals	—	(1,073)	(214)	—	(1,287)
Written off	—	(6)	(2,911)	—	(2,917)
Reclassification	—	18,604	(18,604)	—	—
Impairment loss	—	67	18	—	85
Exchange difference	—	105	22	—	127

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

	Land and buildings RM'000	Vessels, plant and machinery RM'000	Motor vehicles, office equipment, furniture and fittings RM'000	Capital- in-progress RM'000	Total RM'000
Group					
At 31 December 2006/1 January 2007					
Accumulated depreciation	15,999	60,162	17,383	—	93,544
Accumulated impairment losses	—	121	18	—	139
	15,999	60,283	17,401	—	93,683
Depreciation charge	1,384	18,726	2,161	—	22,271
Acquisition through business combination	—	—	6	—	6
Disposals	—	(6,112)	(2,234)	—	(8,346)
Written off	—	(1,278)	(385)	—	(1,663)
Reversal of impairment loss	—	(66)	—	—	(66)
Transfer to asset held for sale	(2,605)	(959)	(902)	—	(4,466)
Exchange difference	—	114	17	—	131
At 31 December 2007					
Accumulated depreciation	14,778	70,653	16,046	—	101,477
Accumulated impairment losses	—	55	18	—	73
	14,778	70,708	16,064	—	101,550
Carrying amounts					
At 31 December 2007	14,188	173,101	3,834	37,566	228,689
At 31 December 2006	19,793	102,834	4,608	19,258	146,493

NOTES TO THE FINANCIAL STATEMENTS

31 December 2007

154

SINDORA BERHAD
2007

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

	Land and buildings RM'000	Plant and machinery RM'000	Motor vehicles, office equipment, furniture and fittings RM'000	Capital- in-progress RM'000	Total RM'000
Company					
Cost/Valuation					
At 1 January 2006	17,388	23,430	12,353	525	53,696
Additions	116	476	605	87	1,284
Written off	—	(6)	(2,901)	—	(2,907)
Transfer	164	448	—	(612)	—
At 31 December 2006/1 January 2007	17,668	24,348	10,057	—	52,073
Additions	111	358	422	—	891
Disposals	—	(862)	(1,889)	—	(2,751)
Written off	—	(1,282)	(282)	—	(1,564)
At 31 December 2007	17,779	22,562	8,308	—	48,649
Representing items at:					
Cost	14,882	22,562	8,308	—	45,752
Directors' valuation	2,897	—	—	—	2,897
	17,779	22,562	8,308	—	48,649
Depreciation					
At 1 January 2006	7,648	14,874	10,415	—	32,937
Depreciation charge	796	1,507	614	—	2,917
Written off	—	(6)	(2,901)	—	(2,907)
At 31 December 2006/1 January 2007	8,444	16,375	8,128	—	32,947
Depreciation charge	757	1,433	690	—	2,880
Disposals	—	(862)	(1,888)	—	(2,750)
Written off	—	(1,250)	(282)	—	(1,532)
At 31 December 2007	9,201	15,696	6,648	—	31,545
Carrying amounts					
At 31 December 2007	8,578	6,866	1,660	—	17,104
At 31 December 2006	9,224	7,973	1,929	—	19,126

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

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Carrying amounts of land and buildings				
At valuation				
Buildings	1,755	6,688	1,541	1,622
At cost				
Freehold land	2,829	2,829	—	—
Buildings	9,604	10,276	7,037	7,602
	14,188	19,793	8,578	9,224

Revaluation

The Group's and the Company's buildings were revalued in 1995 by independent professional qualified valuers using an open market value method.

Had the buildings been carried under the cost model, their carrying amounts would have been included in the financial statements at the end of the year would be as follows:

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Buildings	1,033	5,263	844	888

Leased plant and machinery and motor vehicles

Included in property, plant and equipment of the Group and the Company are assets acquired under lease agreements with a net book value of RM5,788,000 (2006: RM4,847,000) and RM392,000 (2006: RM427,000) respectively. The leased assets consist of equipments and motor vehicles which secure lease obligations. (see Note 18).

Security

At 31 December 2007, property, plant and equipment of the Group with a carrying amount of RM171,688,000 (2006: RM77,668,000) are pledged for borrowings (see Note 18).

Borrowing costs

Included in capital-in-progress of the Group is interest capitalised at a rate of 7.38% (2006: NIL) per annum for the year of RM1,840,985 (2006: NIL) until the asset is ready for its intended use.

Others

Included in property, plant and equipment of the Group and of the Company are fully depreciated assets which are still in use costing RM18,115,000 (2006: RM19,703,000) and RM16,795,000 (2006: RM15,133,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2007

156

SINDORA BERHAD
2007

4. INTANGIBLE ASSETS

	Note	Goodwill RM'000	Concession right RM'000	Technology license RM'000	Total RM'000
Group					
Cost					
At 1 January 2006		5,774	—	—	5,774
Acquisition through business combination	26	8,744	—	—	8,744
Other acquisition during the year		—	15,306	—	15,306
At 31 December 2006/1 January 2007		14,518	15,306	—	29,824
Directly attributable cost		538	59	—	597
Other acquisition during the year		—	—	700	700
Transfer to asset classified as held for sale		(671)	—	—	(671)
At 31 December 2007		14,385	15,365	700	30,450
Amortisation and impairment losses					
At 1 January 2006		—	—	—	—
Amortisation charge		—	167	—	167
Impairment loss		76	—	—	76
At 31 December 2006/1 January 2007		—	167	—	167
Accumulated amortisation		76	—	—	76
Accumulated impairment loss		—	—	—	—
At 31 December 2007		76	167	—	243
Amortisation charge		—	1,000	35	1,035
At 31 December 2006		—	1,167	35	1,202
Accumulated amortisation		76	—	—	76
Accumulated impairment loss		—	—	—	—
At 31 December 2007		76	1,167	35	1,278
At 31 December 2006		76	1,167	35	1,278
Carrying amounts					
At 31 December 2007		14,309	14,198	665	29,172
At 31 December 2006		14,442	15,139	—	29,581

4. INTANGIBLE ASSETS (CONT'D.)

<i>Company Cost</i>	Concession right RM'000
Other acquisition during the year/At 31 December 2006	15,306
At 1 January 2007	15,306
Directly attributable costs	59
At 31 December 2007	15,365
<i>Amortisation</i>	
Amortisation charge/At 31 December 2006	167
At 1 January 2007	167
Amortisation charge	1,000
At 31 December 2007	1,167
<i>Carrying amounts</i>	
At 31 December 2007	14,198
At 31 December 2006	15,139

Concession right

The concession right arose from a 15 years Concession Agreement with the holding corporation and a subsidiary to manage, operate and maintain a multi-storey car park together with other parking facilities at Persada Johor International Convention Centre. It is reasonably anticipated that the cost will be recovered through future income derived from the car park operation or guaranteed income by the holding corporation pursuant to the Concession Agreement. The remaining amortisation period at year end is 13.8 years (2006: 14.8 years).

Technology license

Technology license was acquired from SIRIM Berhad for a consideration of RM700,000 of which RM350,000 was paid by the Company with the remaining balance to be paid from the government grant directly. It is reasonably anticipated that the cost will be recovered through future commercial production. The remaining amortisation period at year end is 9.5 years (2006: NIL).

Amortisation and impairment charge

The amortisation and impairment loss are recognised in other expenses in the income statements.

Impairment testing for cash-generating units containing goodwill

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2007

158

SINDORA BERHAD
2007

4. INTANGIBLE ASSETS (CONT'D.)

The aggregate carrying amounts of goodwill allocated to respective subsidiaries represent individual business unit are as follows:

	2007 RM'000	2006 RM'000
Contract packing of tea	—	671
Bulk mailing and printing services	1,931	1,931
Parking operator	2,347	2,347
Shipping and forwarding agent	1,333	1,333
Provision of sea transportation and related services	8,364	8,160
Others	334	—
	14,309	14,442

The recoverable amount for the above was based on its value in use and was determined by discounting the future cash flows generated from the continuing use of those units and was based on the following key assumptions:

- Cash flows were projected based on actual operating results and a 5-year forecast and projection
- Revenue was projected at anticipated annual revenue growth of approximately 5% – 22% per annum.
- Budget gross profit margins were projected at annual rate of 16% – 39% per annum.
- A pre-tax discount rate of 8% was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the Group's existing rate of borrowing.

The values assigned to the key assumptions represent management's assessment of future trends in the industry.

5. PLANTATION DEVELOPMENT EXPENDITURE

	Oil palm RM'000	Rubber RM'000	Timber RM'000	Total RM'000
Group/Company				
Cost				
At 1 January 2006	28,293	4,145	454	32,892
Additions	3,029	—	30	3,059
At 31 December 2006/1 January 2007	31,322	4,145	484	35,951
Addition	3,599	—	—	3,599
At 31 December 2007	34,921	4,145	484	39,550
Amortisation				
At January 2006	14,631	865	—	15,496
Amortisation charge	1,050	147	—	1,197
At 31 December 2006/1 January 2007	15,681	1,012	—	16,693
Amortisation charge	1,198	147	—	1,345
At 31 December 2007	16,879	1,159	—	18,038
Carrying amounts				
At 31 December 2007	18,042	2,986	484	21,512
At 31 December 2006	15,641	3,133	484	19,258

5. PLANTATION DEVELOPMENT EXPENDITURE (CONT'D.)

Included in plantation development expenditure of the Group and of the Company are depreciation capitalised during the financial year amounting to RM86,000 (2006: RM91,000).

Included in plantation development expenditure of the Group/Company is the following expenses capitalised:

	2007 RM'000	2006 RM'000
Personnel expenses		
- Contribution to Employee's Provident Fund	40	20
- Wages, salaries and others	227	130

6. PREPAID LEASE PAYMENTS

	Leasehold land Unexpired period less than 50 years RM'000	Leasehold land Unexpired period more than 50 years RM'000	Total RM'000
Group			
At cost			
At 1 January 2006	6,111	97,327	103,438
Addition	—	23	23
Reclassified to property held for sale	—	(267)	(267)
At 31 December 2006/1 January 2007	6,111	97,083	103,194
Addition	49	—	49
Transfer to property held for sale	(2,279)	(910)	(3,189)
At 31 December 2007	3,881	96,173	100,054
Amortisation			
At 1 January 2006	1,356	11,698	13,054
Amortisation charge	132	1,149	1,281
At 31 December 2006/1 January 2007	1,488	12,847	14,335
Amortisation charge	161	1,142	1,303
Transfer to property held for sale	(607)	(187)	(794)
At 31 December 2007	1,042	13,802	14,844
Carrying amounts			
At 31 December 2007	2,839	82,371	85,210
At 31 December 2006	4,623	84,236	88,859

NOTES TO THE FINANCIAL STATEMENTS

31 December 2007

160

SINDORA BERHAD
2007

6. PREPAID LEASE PAYMENTS (CONT'D.)

	Leasehold land Unexpired period more than 50 years RM'000
Company	
<i>At cost</i>	
At 1 January 2006/31 December 2006	96,173
At 1 January 2007/31 December 2007	96,173
<i>Amortisation</i>	
At 1 January 2006	11,552
Amortisation charge	1,124
At 31 December 2006/1 January 2007	12,676
Amortisation charge	1,126
At 31 December 2007	13,802
<i>Carrying amounts</i>	
At 31 December 2007	82,371
At 31 December 2006	83,497

7. INVESTMENT PROPERTIES

	GROUP	
	2007 RM'000	2006 RM'000
At 1 January	3,040	—
Effect of adopting FRS 140	—	3,040
At 31 December	3,040	3,040
<i>Included in the above are:</i>		
Freehold land	2,360	2,360
Buildings	680	680
	3,040	3,040

7. INVESTMENT PROPERTIES (CONT'D.)

	COMPANY	
	2007 RM'000	2006 RM'000
At 1 January	15,785	—
Effect of adopting FRS 140	—	15,785
Change in fair value	(450)	—
Transfer to assets held for sale	(6,150)	—
At 31 December	9,185	15,785
<i>Included in the above are:</i>		
Freehold land	2,360	2,360
Leasehold land with unexpired lease period of less than 50 years	4,000	5,900
Buildings	2,825	7,525
	9,185	15,785

Investment properties comprise freehold land, leasehold land and factory building that are leased to a subsidiary and third parties. Subsequent renewals are negotiated with the lessee and no contingent rents are charged.

The fair value of the investment properties at 31 December 2007 is determined using the comparison and cost method based on independent professional valuation made by chartered valuation surveyors/registered valuers in C H Williams Talhar & Wong.

Security

At 31 December 2007, investment properties of the Group/Company with a carrying amount of RM3,040,000 (2006: RM3,040,000) are charged to a bank for term loan facility granted to the Company.

8. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2007 RM'000	2006 RM'000
Unquoted investment - at cost	69,333	65,392
Less: Accumulated impairment	(8,570)	(8,570)
	60,763	56,822

NOTES TO THE FINANCIAL STATEMENTS

31 December 2007

162

SINDORA BERHAD
2007

8. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

The subsidiaries, are as follows:

Name of Company	Principal activities	Place of incorporation	Effective ownership interest	
			2007 %	2006 %
<u>Direct subsidiaries</u>				
Sindora Wood Products Sdn. Bhd.	Property letting	Malaysia	100	100
Sindora Timber Products Sdn. Bhd.	Dormant	Malaysia	100	100
Sindora Trading Sdn. Bhd.	Dormant	Malaysia	100	100
Sindora Development Sdn. Bhd.	Investment of property	Malaysia	100	100
Sindora Timber Sdn. Bhd.	Timber logging, processing and sale of sawn timber, timber doors, laminated timber scantling and trading of wood products	Malaysia	90	90
Granulab (M) Sdn. Bhd.#	Trading of GranuMas, a granular synthetic bone graft	Malaysia	90	—
Pro Office Solutions Sdn. Bhd.*	Bulk mailing and printing services	Malaysia	75	75
Tepak Marketing Sdn. Bhd.*@	Contract blending and packing of tea and producing carbonated drinks	Malaysia	75	75
Epasa Shipping Agency Sdn. Bhd.*	Shipping and forwarding agent	Malaysia	75	75
E.A. Technique (M) Sdn. Bhd.	Provision of sea transportation and related services	Malaysia	51	51
Metro Parking (M) Sdn. Bhd.	Parking operations and the provision of related consultancy services	Malaysia	75	75
<u>Subsidiaries of Metro Parking (M) Sdn. Bhd.</u>				
Metro Parking (S) Pte. Ltd.*	Parking operator and consultancy services	Republic of Singapore	52.50	52.50
Metro Parking (B) Sdn. Bhd.*	Parking operator and other transport related services	Negara Brunei Darussalam	56.25	56.25
Metro Equipment Systems (M) Sdn. Bhd.#	Trading or parking and other related equipments	Malaysia	68.50	63.75
Metro Parking (Sabah) Sdn. Bhd.	Parking operator and other transport related services	Malaysia	75	75
Metro Parking Management (Philippines) Inc.*	Parking operator and other transport related services	Philippines	75	75

8. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

The subsidiaries, are as follows: (cont'd.)

Name of Company	Principal activities	Place of incorporation	Effective ownership interest	
			2007 %	2006 %
<u>Subsidiaries of Metro Parking (M) Sdn. Bhd. (cont'd.)</u>				
PT Metro Penata Sarana*	Parking operator, consultancy services and transport related services	Indonesia	75	75
Smart Parking Management Systems Sdn. Bhd.	Trading of parking and other related equipments	Malaysia	52.5	52.5
Metro Parking (HK) Limited*#	Parking operator and other transport related services	Hong Kong	75	—
<u>Subsidiary of Sindora Timber Sdn. Bhd.</u>				
General Access Sdn. Bhd.#	Field clearing, earthwork, road construction and resurfacing	Malaysia	81	—

* Audited by other firms of accountants.

Effect of acquisitions is not material to the Group.

@ Portion of the investment cost has been reclassified as asset held for sale (see Note 15).

9. INVESTMENTS IN ASSOCIATES

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
In Malaysia:				
Unquoted shares at cost	15,200	16,238	15,200	15,200
Share of post-acquisition reserves	2,318	1,175	—	—
	17,518	17,413	15,200	15,200

Summarised financial information of the associates, which are incorporated in Malaysia, are as follows:

Name of company	Effective ownership interest (%)	Revenue	Profit	Total assets	Total liabilities
		(100%) RM'000	(100%) RM'000	(100%) RM'000	(100%) RM'000
2007					
Willis (Malaysia) Sdn. Bhd.	40	25,251	11,927	34,628	(21,951)
Amanahraya-JMF Asset Management Sdn. Bhd.	20	13,385	4,741	9,776	(6,967)
MM Vita oils Sdn. Bhd.*	35	86,982	4,382	68,742	(47,188)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2007

164

SINDORA BERHAD
2007

9. INVESTMENTS IN ASSOCIATES (CONT'D.)

Name of company	Effective ownership interest (%)	Revenue (100%) RM'000	Profit/ (Loss) (100%) RM'000	Total assets (100%) RM'000	Total liabilities (100%) RM'000
2006					
Willis (Malaysia) Sdn. Bhd.	40	24,330	11,867	40,373	(27,943)
Amanahraya-JMF Asset Management Sdn. Bhd.	20	8,371	3,278	6,010	(2,497)
MM Vita oils Sdn. Bhd.*	35	55,746	2,740	59,874	(41,986)
E.A Bunkering Services#	20	4,087	(150)	3,965	(1,363)

* The financial statements have not been audited. As such, the management accounts have been used for equity accounting.

Disposed during the year.

The associates do not have any significant contingent liabilities as at 31 December 2007.

10. OTHER INVESTMENTS

	GROUP/COMPANY	
	2007 RM'000	2006 RM'000
In Malaysia:		
Quoted share in Malaysia, at cost	15,266	15,313
Less: Allowance for diminution in value	(12,519)	(13,463)
	2,747	1,850
Unquoted subordinated bond	4,000	4,000
	6,747	5,850
Market value:		
Quoted share in Malaysia	2,627	1,988

Investment in unquoted Subordinated Bond is in accordance with the condition set in the Facility Agreement as detailed in Note 18.

11. DEFERRED TAX ASSETS AND LIABILITIES**Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Deferred tax assets	(473)	(197)	—	—
Deferred tax liabilities	23,906	23,577	23,573	23,440
	23,433	23,380	23,573	23,440
Property, plant and equipment				
- capital allowances	2,791	1,735	1,346	923
- revaluation	15,977	16,644	15,720	16,542
Investment properties	—	—	840	994
Unabsorbed capital allowances	(123)	(88)	(123)	(88)
Plantation development expenditure	5,467	5,069	5,467	5,069
Provision	(467)	—	(192)	—
Others	(212)	20	515	—
	23,433	23,380	23,573	23,440

Unrecognised deferred tax assets

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

	GROUP	
	2007 RM'000	2006 RM'000
Deductible temporary differences	2,761	1,623
Unabsorbed capital allowances	8,258	8,284
Unutilised tax losses	20,547	19,967
	31,566	29,874

The deductible temporary differences, unabsorbed capital allowances and unutilised tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group/Company can utilise the benefits there from.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2007

166

SINDORA BERHAD
2007

12. INVENTORIES

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Finished goods	3,017	7,966	—	—
Work-in-progress	933	83	—	—
Raw materials	781	2,121	—	—
General spare parts and fuel	2,133	1,723	106	172
Chemicals and fertilisers	330	149	330	149
Crude Palm Oil and Palm Kernel	3,500	1,209	3,500	1,209
	10,694	13,251	3,936	1,530

The write-down of finished goods to net realisable value amounted to RM1,028,079 (2006: RM559,000).

13. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Trade receivables	19,072	14,757	961	766
Less: Allowance for doubtful debts	(764)	(1,061)	—	—
	18,308	13,696	961	766
Other receivables	8,202	4,474	2,770	1,378
Less: Allowance for doubtful debts	(1,125)	(236)	—	—
	7,077	4,238	2,770	1,378
Partial payment for acquisition of J.M. Permata Sdn. Bhd. (see Note 33)	2,425	—	2,425	—
Deposits	6,184	5,089	—	—
Prepayments	4,430	3,007	—	—
	13,039	8,096	2,425	—
	38,424	26,030	6,156	2,144

Trade and other receivables denominated in currencies other than the functional currency of the Group entities are not significant to the financial statements.

14. DUE FROM/TO HOLDING CORPORATION/RELATED COMPANIES/SUBSIDIARIES

Non-trade

Except for an amount due to holding corporation of RM5 million that are chargeable at an interest rate of 10% (2006: 10%) per annum, the amounts due from/to holding corporation/related companies/subsidiaries are unsecured, interest free and have no fixed terms of repayment.

The non-current amounts due to subsidiaries are not repayable within the next 12 months.

15. ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE

The assets classified as held for sale consist of the following:

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Assets included in a disposal group held for sale (1):				
Property, plant and equipment	674	—	—	—
Prepaid lease payments	723	—	—	—
Goodwill	671	—	—	—
Inventories	2,260	—	—	—
Trade and other receivables	3,130	—	—	—
Cash and cash equivalents	1,920	—	—	—
	9,378	—	—	—
Other non-current assets held for sale:				
Investment in a subsidiary (1)	—	—	2,200	—
Investment property (2)	—	—	6,150	—
Building (2)	3,812	—	—	—
Prepaid lease payment (2)	1,672	267	—	—
	5,484	267	8,350	—
Total assets held for sale	14,862	267	8,350	—

The liabilities classified as held for sale consist of the following:

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Liabilities included in a disposal group held for sale (1):				
Trade and other payables	1,695	—	—	—
Borrowings	2,978	—	—	—
Total liabilities held for sale	4,673	—	—	—

(1) The disposal group held for sale relates to the disposal of Tepak Marketing Sdn. Bhd. as disclosed in Note 33. The portion of investment cost in Tepak Marketing Sdn. Bhd. to be disposed has also been reclassified accordingly.

(2) This relates to disposal of a property to KFC Holdings (Malaysia) Bhd. as disclosed in Note 33. The property is classified as investment property at the Company level but is classified as prepaid lease payments and building at Group level as they are used by the Group entities.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2007

168

SINDORA BERHAD
2007

15. ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE (CONT'D.)

Property, plant and equipment

Property, plant and equipment held for sale comprise the following:

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Cost	8,952	—	—	—
Accumulated depreciation	(4,466)	—	—	—
	4,486	—	—	—

Trade and other receivables

Trade and other receivables included as disposal group held for sale are stated at cost less allowance for doubtful debts of RM87,405.

Prepaid lease payments

Prepaid lease held for sale comprise the following:

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Unexpired period less than 50 years	1,672	—	—	—
Unexpired period more than 50 years	723	267	—	—
	2,395	267	—	—

16. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Cash and bank balances	20,166	18,496	6,853	7,046
Deposits with licensed banks	8,816	11,408	247	6,047
	28,982	29,904	7,100	13,093

The deposits of the Group and of the Company of RM7,008,000 (2006: RM3,101,000) and RM47,000 (2006: RM47,000) are pledged to licensed banks as security for bank facilities granted to the Group and the Company.

Cash and cash equivalents denominated in currencies other than the functional currency of the Group entities are not significant to the financial statements.

17. SHARE CAPITAL AND RESERVES

Share capital

	Group/Company		Group/Company Number of ordinary shares	
	2007 RM'000	2006 RM'000	2007 '000	2006 '000
Ordinary shares of RM1.00 each:				
Authorised	200,000	200,000	200,000	200,000
Issued and fully paid	96,000	96,000	96,000	96,000

Reserves

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Non-distributable				
Share premium	11,107	11,107	11,107	11,107
Treasury shares	—	(1,580)	—	(1,580)
Revaluation reserves	25,321	25,432	21,094	21,094
Exchange fluctuation reserve	161	51	—	—
	36,589	35,010	32,201	30,621
Distributable				
Retained earnings	45,194	34,037	34,461	31,817
	81,783	69,047	66,662	62,438

Treasury shares

The shareholders of the Company, by a special resolution passed in a general meeting held on 27 June 2007, renewed their approval for the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchase 295,500 (2006: 1,309,000) of its issued share capital from the open market. The average price paid for the shares repurchased was RM1.22 (2006: RM1.20) per share. The repurchase transactions were financed by internally generated funds.

On 20 July 2007, the Company re-issued 1,572,307 treasury shares to the shareholders as an interim dividend by way of distribution of one existing ordinary share of RM1 each held by the Company pursuant to its treasury shares for every sixty existing ordinary shares held by shareholders totalling RM1,920,000 in respect of the year ended 31 December 2007 and subsequently resold the remaining 16,100 shares in the open market at RM1.38 per share.

17. SHARE CAPITAL AND RESERVES (CONT'D.)

Section 108 tax credit and tax exempt account

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt account to frank the payment of dividends out of its entire retained earnings at 31 December 2007.

The Finance Act 2007 introduced the single tier company income tax system with effect from year of assessment 2008. Transitional provisions allow companies to stay on the existing imputation system up to 31 December 2013 should they have and continue to maintain positive Section 108 credit balances. The Company has decided to remain on the imputation system.

Revaluation reserve

The revaluation reserve relates to the revaluation of property, plant and equipment and prepaid lease payments.

18. LOANS AND BORROWINGS

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Non-current				
Secured				
Term loans	111,471	49,351	—	642
Finance lease liabilities	3,553	2,094	258	300
Unsecured				
Term loans	42,884	46,879	42,884	46,879
	157,908	98,324	43,142	47,821
Current				
Secured				
Term loans	19,523	8,562	700	700
Finance lease liabilities	1,910	1,879	118	91
Unsecured				
Revolving credits	7,500	7,508	7,500	7,508
Term loans	4,020	3,121	4,020	3,121
Bankers acceptance	231	2,608	—	—
Bank overdraft	6,077	5,023	—	—
	39,261	28,701	12,338	11,420
	197,169	127,025	55,480	59,241

18. LOANS AND BORROWINGS (CONT'D.)

Terms and debt repayment schedule

Group	Year of maturity	Carrying amount RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
2007						
Unsecured bankers' acceptances		231	231	—	—	—
Unsecured bank overdraft		6,077	6,077	—	—	—
Unsecured revolving credits	2008	7,500	7,500	—	—	—
Secured term loans	2008 - 2018	130,994	19,523	17,851	48,841	44,779
Unsecured term loans	2009 - 2011	46,904	4,020	2,884	40,000	—
Secured finance lease liabilities	2008 - 2012	5,463	1,910	1,615	1,938	—
		197,169	39,261	22,350	90,779	44,779
2006						
Unsecured bankers' acceptances		2,608	2,608	—	—	—
Unsecured bank overdraft		5,023	5,023	—	—	—
Unsecured revolving credits	2007	7,508	7,508	—	—	—
Secured term loans	2008 - 2018	57,913	8,562	8,636	33,659	7,056
Unsecured term loans	2009 - 2011	50,000	3,121	6,879	40,000	—
Secured finance lease liabilities	2008 - 2011	3,973	1,879	1,025	1,069	—
		127,025	28,701	16,540	74,728	7,056
Company						
2007						
Unsecured revolving credits	2008	7,500	7,500	—	—	—
Secured term loans	2008	700	700	—	—	—
Secured finance lease liabilities	2010 - 2011	376	118	91	167	—
Unsecured term loans	2009 - 2011	46,904	4,020	2,884	40,000	—
		55,480	12,338	2,975	40,167	—
2006						
Unsecured revolving credits	2007	7,508	7,508	—	—	—
Secured term loans	2008	1,342	700	642	—	—
Secured finance lease liabilities	2010 - 2011	391	91	91	209	—
Unsecured term loans	2009 - 2011	50,000	3,121	6,879	40,000	—
		59,241	11,420	7,612	40,209	—

NOTES TO THE FINANCIAL STATEMENTS

31 December 2007

172

SINDORA BERHAD
2007

18. LOANS AND BORROWINGS (CONT'D.)

Finance lease liabilities

	2007			2006		
	Minimum lease payments RM'000	Interest RM'000	Principal RM'000	Minimum lease payments RM'000	Interest RM'000	Principal RM'000
Group						
Less than one year	2,288	378	1,910	2,119	240	1,879
Between one and five years	4,493	940	3,553	2,315	224	2,091
More than five years	—	—	—	4	1	3
	6,781	1,318	5,463	4,438	465	3,973
Company						
Less than one year	134	16	118	107	16	91
Between one and five years	272	14	258	323	23	300
	406	30	376	430	39	391

Security

The term loans are secured over property, plant and machinery, investment properties and deposits with licensed banks as disclosed in Note 3, Note 7 and Note 16 respectively.

On 19 September 2006, the Company entered into a Facility Agreement with a licensed bank and a bond issuer ("Issuer") for an unsecured fixed rate term loan facility of RM40 million ("the Facility").

The salient terms of the Facility Agreement are as follows:

- (i) the Facility is repayable in one lump sum at the end of five (5) years from the drawdown date of 10 October 2006;
- (ii) the interest rate is fixed at 7.45% per annum and the interest is payable at six (6) monthly intervals from the date of drawdown;
- (iii) the Facility is unsecured; and
- (iv) as a condition of the Facility, the Company shall subscribe for the Subordinated Bond of RM4 million (Note 10).

Subordinated bonds are asset backed securities issued by the Issuer pursuant to the Primary Collateralised Loan Obligation Transaction, which shall rank after the Super Senior Bonds, the Senior Bonds and the Mezzanine Bonds in terms of priority.

19. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Trade payables	19,365	16,306	2,637	1,338
Other payables and accrued expenses	17,552	13,396	5,868	3,367
Due to Directors	—	36	—	—
	36,917	29,738	8,505	4,705

Trade and other payables denominated in currencies other than the functional currency of the Group entities are not significant to the financial statements.

20. REVENUE

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Sale of:				
Crude Palm Oil and Palm Kernel	73,865	63,893	73,865	63,893
Parking collection and management fees	96,026	86,825	—	—
Sea transportation, shipping and forwarding services	71,004	6,371	—	—
Fresh fruit bunches sales	2,590	—	2,590	—
Logs, sawn timber, treated timber and door Rubber	10,150	14,592	—	—
	2,877	2,993	2,877	2,993
Dividend income:				
- Subsidiaries	—	—	1,820	1,743
- Associates and others	—	—	7,890	5,400
Intrapreneur venture companies:				
Tea and carbonated drinks	18,770	14,015	—	—
Mailing and printing	19,875	16,947	—	—
	295,157	205,636	89,042	74,029

21. OPERATING PROFIT/(LOSS)

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Operating profit/(loss) is arrived at after charging/(crediting)				
Audit fees				
- Current year				
- Holding company auditors	333	93	100	75
- Others	68	252	—	—
Amortisation and depreciation of:-				
- Property, plant and equipment	22,185	8,492	2,794	2,826
- Prepaid lease payments	1,303	1,281	1,126	1,124
- Intangible assets	1,035	167	1,000	167
- Plantation development expenditure	1,345	1,197	1,345	1,197
Allowance for doubtful debts:				
- Subsidiaries	—	—	1,160	20,539
- Others	901	720	—	—
Change in fair value of investment properties	—	—	450	—
Guaranteed return on car park concession	(2,990)	(492)	(2,990)	(492)
Impairment losses/(Reversal):				
- Property, plant and equipment	(66)	85	—	—
- Goodwill	—	76	—	—
- Investment in subsidiaries	—	—	—	1,521
- Other investments	(944)	(326)	(944)	(326)
Retirement benefit	686	18	686	18
Rental of land and buildings	45,766	45,566	175	164
Property, plant and equipment written off	60	—	32	—
Write down of finished goods	1,028	559	—	—

21. OPERATING PROFIT/(LOSS) (CONT'D.)

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
(Gain)/Loss on disposal of property, plant and equipment	(902)	56	(67)	(17)
Gain on disposal of an associate	(156)	—	—	—
Personnel expenses (including key management personnel):				
- Contributions to Employee's Provident Fund	2,559	2,253	997	666
- Wages, salaries and others	38,225	28,222	9,519	8,303
Bad debts recovered	—	(458)	—	(458)
Rental received	(269)	(159)	(204)	(217)
Interest income	(592)	(519)	(425)	(450)

Key management personnel compensation

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

Key management personnel compensation are as follows:

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Directors				
- Fees	528	310	255	224
- Remuneration	3,245	2,324	479	309
Other short term employee benefits (including estimated monetary value of benefits-in-kind)	306	254	36	47
Total short-term employee benefits	4,079	2,888	770	580
Other key management personnel:				
- Short-term employee benefits	941	465	178	125
	5,020	3,353	948	705

Other key management personnel comprises persons other than the Directors of the Company, having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

22. TAX EXPENSE

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Tax expense				
- Malaysian tax				
- Current year	3,724	3,079	4,797	4,409
- Over provided in prior years	(253)	(516)	(221)	(173)
	3,471	2,563	4,576	4,236
- Foreign tax				
- Current year	660	572	—	—
- Over provided in prior years	—	(5)	—	—
	660	567	—	—
	4,131	3,130	4,576	4,236
Deferred tax expense/(income)				
- Reversal and origination of temporary differences	(232)	(154)	(279)	(394)
- Under/(Over) provided prior years	285	(375)	412	(444)
	53	(529)	133	(838)
	4,184	2,601	4,709	3,398
Share of tax of equity accounted associates	2,400	2,133	—	—
Total tax expense	6,584	4,734	4,709	3,398
Reconciliation of effective tax expense				
Profit/(Loss) for the year	26,576	11,886	9,570	(11,179)
Total tax expense	6,584	4,734	4,709	3,398
Profit/(Loss) before tax	33,160	16,620	14,279	(7,781)
Tax at Malaysian tax rate of 27% (2006: 28%)	8,953	4,654	3,855	(2,179)
Non-deductible expenses	2,877	2,067	1,925	7,127
Effect of income tax rate 20%	(64)	(123)	—	—
Effect of different tax rate in other countries	84	14	—	—
Effect of change in tax rate*	(889)	(830)	(882)	(830)
Tax exempt income	(4,322)	—	—	—
Non-taxable income	(457)	(699)	(457)	(103)
Utilisation of reinvestment allowances	—	(90)	—	—
Utilisation of unrecognised deferred tax assets	(423)	(119)	—	—
Deferred tax not recognised during the year	722	851	—	—
Others	71	(95)	77	—
	6,552	5,630	4,518	4,015
Under/(Over) provided in prior years	32	(896)	191	(617)
Tax expense	6,584	4,734	4,709	3,398

* The corporate tax rate are at 27% for year of assessment 2007, 26% for year of assessment 2008 and 25% for the subsequent years of assessment. Consequently, deferred tax assets and liabilities are measured using these tax rates.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2007

176

SINDORA BERHAD
2007

23. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2007 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	GROUP	
	2007 RM'000	2006 RM'000
Profit attributable to ordinary shareholders	17,928	10,758
	Numbers	Numbers
Weighted average number of ordinary shares		
Number of shares in issue at beginning of year ('000)	96,000	96,000
Effect of treasury shares held ('000)	(794)	(1,691)
Weighted average number of ordinary shares in issue ('000)	95,206	94,309
Basic earnings per ordinary share (sen)	18.83	11.41

Diluted earnings per ordinary share

There are no dilutive potential ordinary shares.

24. DIVIDENDS

Dividends recognised in the current year by the Company are:

	Sen per share (net of tax)	Total amount RM'000	Date of payment
2007			
2006 - Second interim *	2.00	1,920	20 July 2007
2006 - Final	1.56	1,502	26 July 2007
2007 - Interim	3.65	3,504	25 January 2008
Total amount	7.21	6,926	
2006			
2006 - First interim	3.60	3,399	23 February 2007
2005 - Final	1.87	1,773	28 July 2006
Total amount	5.47	5,172	

* Paid via reissue of treasury shares (See Note 17).

After the balance sheet date the following dividend was proposed by the Directors. This dividend will be recognised in subsequent financial reports upon approval by the shareholders.

	Sen per share (net of tax)	Total amount RM'000
2007 - Final	3.70	3,552

25. ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

During the year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM109,597,000 (2006: RM4,696,000) and RM891,000 (2006: RM1,284,000) of which RM1,842,000 (2006: NIL) and NIL (2006: NIL) was acquired under finance leases.

26. ACQUISITION OF SUBSIDIARIES

The acquisitions in 2007 do not have a material effect on the financial statements as disclosed in Note 8.

The effect of acquisition to the financial statements in prior year is as follows:

Business combination

On 26 December 2006, the Group acquired 51% of the shares in E.A. Technique (M) Sdn. Bhd. for RM38,250,000 satisfied in cash. The subsidiary is involved in provision of sea transportation, shipping and freight and time charter services, ship management and related services. If the acquisition had occurred on 1 January 2006, management estimates that consolidated revenue would have been RM250,681,000 and consolidated profit for the year would have been RM22,042,000.

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

		Pre-acquisition carrying amount RM'000	Fair value adjustment RM'000	Recognised value on acquisition RM'000
Property, plant and equipment	3	78,545	24,603	103,148
Investment in an associate		1,038	—	1,038
Inventories		649	—	649
Receivables, deposits and prepayments		4,141	—	4,141
Cash and cash equivalents		4,973	—	4,973
Loans and borrowings		(51,279)	—	(51,279)
Payables and accruals		(3,155)	—	(3,155)
Net identifiable assets and liabilities		34,912	24,603	59,515
Less: Minority interest share of acquisition				(29,163)
Goodwill on acquisition				8,160
Consideration paid, satisfied in cash				38,512
Cash acquired				(4,973)
Net cash outflow				33,539

On 20 September 2005, a subsidiary entered into a sale and purchase agreement to acquire 70% equity interest in Smart Parking Management Systems Sdn. Bhd., a company incorporated in Malaysia, representing 70,000 ordinary shares of RM1 each for a total cash consideration of RM500,000. The acquisition was completed on 1 March 2006. The additional acquisition resulted in a goodwill of RM584,448. The effect of the acquisition on the Group's assets and liabilities on acquisition was not material to the results and financial position of the Group.

The values of assets and liabilities recognised on acquisition are their estimated fair values. The fair value of the property, plant and equipment acquired was determined based on independent valuers' report.

27. OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Less than one year	53,257	44,825	206	171
Between one and five years	126,564	121,854	96	151
More than five years	5,040	6,328	—	—
	184,861	173,007	302	322

The Group leases a number of buildings under operating leases. The leases typically run for a period of between 2 to 5 years with renewal option included in the contracts. Certain contracts include escalation clauses or contingent rental arrangements computed based on sales achieved while others include fixed rentals for an average of 3 years. There are no restrictions placed upon the Group by entering into these leases.

The Group also leases various plant and machinery under cancellable operating lease agreements. The Group is required to give a 3-month notice for the termination of those agreements.

The Company leases office under operating leases. The leases typically run for a period of 3 years with one year renewal option included in the contracts. Lease payments are increased every 4 years to reflect market rentals. None of the leases includes contingent rentals.

The lease payments and contingent rent recognised in profit or loss during the financial year are disclosed in Note 21.

Leases as lessor

The Company leases out its investment properties under operating leases (see Note 7). The future minimum lease payments under non-cancellable leases are as follows:

	GROUP/COMPANY	
	2007 RM'000	2006 RM'000
Less than one year	150	110
Between one and five years	49	77
	199	187

28. CAPITAL COMMITMENTS

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Plant and machinery				
Contracted but not provided for	3,395	19,442	—	—
Authorised but not contracted for	45,030	—	—	—

29. CONTINGENT LIABILITIES

	GROUP	
	2007 RM'000	2006 RM'000
Secured		
Bank guarantee extended to third parties in respect of rental for parking space	1,837	2,633
Corporate guarantee given by subsidiaries to third parties	4,215	4,445
	6,052	7,078

30. SEGMENT REPORTING

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

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segments

The Group comprises the following main business segments:

- Plantation - The cultivation of oil palm and palm oil milling and rubber estate.
- Intrapreneur Venture - Investment holding in companies

Geographical segments

Geographical segment is not presented as the Group's customers and assets are principally operating in Malaysia.

30. SEGMENT REPORTING (CONT'D.)

	Plantation		Intrapreneur Venture		Eliminations		Consolidated	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Business segments								
Revenue from external customers	79,332	66,886	215,825	138,750	—	—	295,157	205,636
Segment result								
Unallocated expenses	14,885	11,504	23,503	2,576	—	—	38,388	14,080
							(4,995)	(3,751)
Results from operating activities								
Share of profit of associates							33,393	10,329
Finance costs							6,903	6,737
							(9,536)	(2,579)
Profit before tax							30,760	14,487
Tax expense							(4,184)	(2,601)
Profit after tax							26,576	11,886
Minority interests							(8,648)	(1,128)
Profit for the year							17,928	10,758
Segment assets	148,807	161,471	332,074	210,458	—	—	480,881	371,929
Investment in associates	—	—	17,518	17,413	—	—	17,518	17,413
Total assets							498,399	389,342
Segment/Total liabilities	45,200	37,805	231,148	153,447	—	—	276,348	191,252
Capital expenditure	4,255	1,284	108,383	3,412	—	—	112,638	4,696
Depreciation and amortisation	4,974	5,818	20,894	5,319	—	—	25,868	11,137
Non-cash expenses/(Income) other than depreciation and amortisation	32	—	112	(165)	—	—	144	(165)

31. FINANCIAL INSTRUMENTS**Financial risk management objectives and policies**

Exposure to credit, foreign currency, liquidity and interest rate risks arise in the normal course of the Group's and of the Company's business.

The Group's and the Company's policies for managing the risks are summarised below:

Credit risks

At balance sheet date, 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.

Foreign currency risk

The Group operates internationally and is exposed to various currencies, mainly US Dollar, Singapore Dollar, Brunei Dollar, Phillipines Peso and Indonesia Rupiah. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures. The management believes that the foreign exchange risks is minimal.

The Group does not hedge its financial assets and liabilities denominated in foreign currencies.

Liquidity risk

The Group and the Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the operations and to mitigate the effects of fluctuation in cash flow.

Interest rate risk

The Group's and the Company's investment in fixed-rate debt securities and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and Company's investments in variable-rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short term receivables and payables are not exposed to interest rate risk.

There is no formal hedging policy with respect to interest rate exposure. Exposure to interest rate risk is monitored on an ongoing basis and the Group and the Company endeavour to keep the exposure at an acceptable level.

Effective interest rate and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their average effective interest rates at the balance sheet date and the periods in which they mature, or if earlier, reprice.

Group 2007	Average effective interest rate %	Total RM'000	Less than 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
Fixed rate instruments						
Unquoted subordinated bond	7.45	4,000	—	—	4,000	—
Deposits with licensed banks	2.78 - 4.05	8,816	8,816	—	—	—
Secured term loans	3.75 - 7.25	(130,994)	(19,523)	(17,851)	(48,841)	(44,779)
Unsecured term loans	7.45 - 7.75	(46,904)	(4,020)	(2,884)	(40,000)	—
Unsecured bankers' acceptances	3.93	(231)	(231)	—	—	—
Secured finance lease liabilities	2.28 - 7.21	(5,463)	(1,910)	(1,615)	(1,938)	—
		(170,776)	(16,868)	(22,350)	(86,779)	(44,779)
Floating rate instruments						
Unsecured bank overdraft	6.90 - 7.75	(6,077)	(6,077)	—	—	—
Unsecured revolving credit	5.28 - 5.47	(7,500)	(7,500)	—	—	—
		(13,577)	(13,577)	—	—	—

NOTES TO THE FINANCIAL STATEMENTS

31 December 2007

182

SINDORA BERHAD
2007

31. FINANCIAL INSTRUMENTS (CONT'D.)

Group 2006	Average effective interest rate %	Total RM'000	Less than 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
Fixed rate instruments						
Unquoted subordinated bond	7.45	4,000	—	—	4,000	—
Deposits with licensed banks	2.80 – 4.05	11,408	11,408	—	—	—
Secured term loans	4.00 – 7.25	(57,913)	(8,562)	(8,636)	(33,659)	(7,056)
Unsecured term loans	7.45 – 7.75	(50,000)	(3,121)	(6,879)	(40,000)	—
Unsecured bankers' acceptances	3.92	(2,608)	(2,608)	—	—	—
Secured finance lease liabilities	3.50 – 7.21	(3,973)	(1,879)	(1,025)	(1,069)	—
		(99,086)	(4,762)	(16,540)	(70,728)	(7,056)
Floating rate instruments						
Unsecured bank overdraft	6.90 – 8.25	(5,023)	(5,023)	—	—	—
Unsecured revolving credit	3.51 – 5.61	(7,508)	(7,508)	—	—	—
		(12,531)	(12,531)	—	—	—
Company 2007						
	Average effective interest rate %	Total RM'000	Less than 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	
Fixed rate instruments						
Unquoted subordinated bond	7.45	4,000	—	—	4,000	
Deposits with licensed banks	2.78 – 3.16	247	247	—	—	
Secured term loan	4.31	(700)	(700)	—	—	
Unsecured term loans	7.45 – 7.75	(46,904)	(4,020)	(2,884)	(40,000)	
Secured finance lease liabilities	2.28 – 3.50	(376)	(118)	(91)	(167)	
		(43,733)	(4,591)	(2,975)	(36,167)	
Floating rate instruments						
Unsecured revolving credits	5.28 – 5.47	(7,500)	(7,500)	—	—	
Company 2006						
	Average effective interest rate %	Total RM'000	Less than 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	
Fixed rate instruments						
Unquoted subordinated bond	7.45	4,000	—	—	4,000	
Deposits with licensed banks	3.16 – 3.70	6,047	6,047	—	—	
Secured term loan	4.31	(1,342)	(700)	(642)	—	
Unsecured term loans	7.45 – 7.75	(50,000)	(3,121)	(6,879)	(40,000)	
Secured finance lease liabilities	2.28 – 2.90	(391)	(91)	(91)	(209)	
		(41,686)	2,135	(7,612)	(36,209)	
Floating rate instruments						
Unsecured revolving credit	3.51 – 5.61	(7,508)	(7,508)	—	—	

31. FINANCIAL INSTRUMENTS (CONT'D.)**Fair values***Recognised financial instruments*

The carrying amounts of the current financial assets and liabilities approximate their fair values due to the relatively short term nature of these financial instruments.

The carrying amount of term loan, being floating rate term loan, approximate fair value as its effective interest rate changes accordingly to movements in the market interest rate.

No disclosure of fair value is made for non-current amounts due to/from subsidiary companies as it is not practicable to determine their fair value with sufficient reliability since the amounts are interest free and have no fixed terms of repayment. However, the Group does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

The carrying amount of investment in unquoted subordinated bonds approximate their fair value since there were no material changes in market interest rate.

The fair value of other financial assets and liabilities, together with the carrying amounts shown in the balance sheets, are as follows:

Group	2007		2006	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial liabilities				
Fixed rate term loan	177,898	177,715	107,913	107,408
Finance lease liabilities	5,463	4,284	3,973	3,963
Company				
Financial liabilities				
Fixed rate term loan	47,604	47,421	51,342	51,252
Finance lease liabilities	376	376	391	391

Estimation of fair values

The following summarises the methods used in determining the fair values of financial instruments reflected in the table.

Fair value is determined using estimated future cash flows discounted using market related rate for a similar instrument at the balance sheet date.

The interest rate used to discount estimated cash flows are as follows:

	2007	2006
Term loan	7.50% - 8.00%	7.50% - 8.00%
Leases	8.40%	7.50%

32. RELATED PARTIES

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

The significant related party transactions of the Group and the Company are as follows:

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Holding corporation				
Administrative, Secretarial and Corporate fee payable	526	348	500	152
Training and courses	18	—	13	—
Dividend payable	3,000	3,075	3,000	3,075
Guaranteed return receivable	2,990	492	2,990	492
Mailing income receivable	44	—	—	—
Extract of logs	297	—	—	—
Management of car parks	637	272	—	—
Subsidiaries				
Dividend receivable	—	—	643	1,743
Contract services payable	—	—	—	252
Associates				
Dividend receivable	5,104	5,403	5,104	5,400
Insurance service payable	233	737	17	425
Brokerage fee	619	—	619	—
Related Companies				
Management fee payable	1,457	1,567	1,328	1,567
Sales	86,303	68,157	79,332	66,886
Rental payable	869	659	211	198
Management fee receivable	1,179	174	—	—
Logistic income receivable	3,788	3,360	—	—
Logistic expense payable	43	64	—	—
Mailing fee receivable	614	51	—	—
Mailing fee payable	13	169	13	25
Flight charges	55	—	55	—
Purchase of goods	259	1,825	—	—
Contract services receivable	—	38	—	—
Rental receivable	48	—	—	—

33. SIGNIFICANT EVENTS**The Company**

- (i) On 25 November 2006, the Company had entered into a conditional Sale and Purchase Agreement with Romli bin Ishak, Yurlida binti Mohd Zain and Muhammad Nor Annuar bin Hashim to acquire 90,000 ordinary shares of RM1.00 each in GranuLab (M) Sdn. Bhd. representing 90% equity interest in GranuLab (M) Sdn. Bhd. for a purchase consideration of RM270,000 to be satisfied by cash. The acquisition has been completed during the year and the effect of the acquisition is not significant to the Group's financial statements.
- (ii) The Company proposed a renounceable two-call rights issue of 105,600,000 new ordinary shares of RM1.00 each ("Rights Shares") at an indicative issue price of RM1.00 per Rights Share, on the basis of eleven (11) Rights Shares for every ten (10) existing ordinary shares of RM1.00 each in the Company ("Sindora Shares"), together with one (1) free detachable warrant ("Warrant") for every two (2) Rights Shares subscribed ("Proposed Rights Issue with Warrants"). The proposal has been deferred until further notice pending development in respect of the change in ownership as a result of disposal by the ultimate holding corporation, Johor Corporation of all its shares in the Company to Kulim (Malaysia) Berhad ("Kulim") as disclosed below.

On 14 November 2007, the Company received a notification from Johor Corporation ("JCorp") and Johor Capital Holdings Sdn. Bhd. ("JCHSB") pertaining to the disposal of their entire 62.01% shareholding in the Company, comprising of 59,533,289 ordinary shares of RM1.00 each in the Company for a total cash consideration of RM102,397,257.08 or RM1.72 per the Company share.

The proposal is conditional upon approvals from relevant authorities and stakeholders and is still pending at the date of this report.

- (iii) On 31 October 2007, the Company entered into a conditional Share Sale Agreement ("SSA") with KFC Holdings (Malaysia) Bhd. ("KFCH") to dispose 440,000 ordinary shares of RM1.00 each ("Sale Shares") representing 55% equity interest in Tepak Marketing Sdn. Bhd. ("Tepak") for a total cash consideration of RM2,970,000 ("Disposal Consideration") or RM6.75 per share.

As a result of the Proposal, the shareholding of the Company in Tepak will be reduced from 75% to 20%. The disposal was completed on 4 February 2008 and the effect of the disposal is not significant to the Group's financial statements.

- (iv) On 27 December 2007, the Company entered into a conditional Sale and Purchase Agreement ("SPA") with KFC Holdings (Malaysia) Bhd. ("KFC") to dispose a piece of leasehold land (including all factory, buildings, structures, infrastructure and facilities built or erected on the land) for RM6.15 million cash. The disposal is expected to be completed within one year from the date of SPA.
- (v) On 22 March 2007, the Company entered into a conditional Share Purchase cum Subscription Agreement with Johari bin Ma'arof, Laili binti Ismail and Hayati binti Jalaludin for acquisition of 1,856,992 ordinary shares of RM1.00 each and subscription of 1,166,667 new ordinary shares of RM1.00 each in J.M. Permata Sdn. Bhd. ("JMP") for a total cash consideration of RM11,141,952 and RM7,000,002 respectively. On 11 September 2007, the above parties entered into a Supplemental Agreement to vary certain terms and conditions of the Principal Agreement as follows:
- acquire a total of 2,632,600 JMP Shares, representing 65.8% of the existing issued and paid-up share capital of JMP, from the Vendors for a total acquisition consideration of RM10,530,400 or RM4.00 per JMP Share (the "Revised Proposed Acquisition") and
 - subscribe for a total of 750,000 JMP Shares upon completion of the Revised Proposed Acquisition for a total subscription price of RM3,000,000 or RM4.00 per new JMP Share (the "Revised proposed Subscription")

The aggregate consideration of the Revised Proposals is RM13,530,400 as opposed to RM18,141,954 under the initial Proposals. Upon completion of the Revised Proposals, the Company's equity interest in JMP shall increase to approximately 71.21% of JMP's enlarged issued and paid-up share capital. The acquisition is expected to be completed by second quarter of 2008.

33. SIGNIFICANT EVENTS (CONT'D.)

Subsidiaries

(i) E.A. Technique (M) Sdn. Bhd.

On 15 March 2007, the subsidiary entered into a conditional Sale and Purchase Agreement with Mohd Zain bin Abdullah to dispose 1,037,600 ordinary shares of RM1.00 each representing 40% equity interest in E.A. Bunkering Services Sdn. Bhd. for a cash consideration of RM1.15 per ordinary share amounting to RM1,193,240. The disposal was completed on 1 April 2007.

(ii) Metro Parking (M) Sdn. Bhd.

Subsequent to the financial year end, the management of the subsidiary has discovered that there were misappropriations of cash collections during the year by certain employees at one of its branches in Malaysia. A police report has been lodged on 2 March 2008 and the matter is still under investigation.

Based on the initial findings of the investigation, the loss incurred is not material to the results of the Group for the year ended 31 December 2007. The estimated loss incurred has been fully provided in the subsidiary's and the Group's financial statements.

SHAREHOLDINGS STATISTICS AS AT 30 APRIL 2008 / Statistik Pemegang Saham Pada 30 April 2008

187

SINDORA BERHAD
2007

Authorised Share Capital / Modal Saham Dibenarkan	:	RM200,000,000
Issued & Fully Paid-Up Capital / Modal Diterbitkan dan Berbayar Penuh	:	RM96,000,000
Class of Shares / Jenis Saham	:	Ordinary Share of RM1/= each Saham Biasa RM1/= setiap satu

VOTING RIGHT OF SHAREHOLDERS / HAK MENGUNDI PEMEGANG SAHAM

Every member of the Company present in person or by proxy shall have one vote on a show of hand and in the case of a poll shall have one vote for every share of which he/she is the holder.

Setiap ahli Syarikat yang hadir secara peribadi atau secara proksi adalah berhak ke atas satu undi melalui undian tangan dan sekiranya undian dibuat secara bertulis (poll), ahli-ahli berhak ke atas satu undi untuk setiap satu unit saham yang dipegang.

BREAK DOWN OF SHAREHOLDINGS/PECAHAN PEGANGAN SAHAM

Size of Shareholdings Saiz Pegangan Saham	No. of Shareholders Bil. Pemegang Saham	%	No. of Shares Bil. Saham	%
Less than / kurang dari 100	437	13.88	19,397	0.02
100 - 1,000	104	3.30	37,705	0.04
1,001 - 10,000	2,331	74.05	5,377,403	5.60
10,001 - 100,000	242	7.69	5,463,561	5.69
100,001 to less than 5% of Issued Capital / 100,001 hingga kurang daripada 5% Modal Diterbitkan	32	1.02	14,897,445	15.52
5% and above of Issued Capital 5% dan lebih daripada Modal Diterbitkan	2	0.06	70,204,489	73.13
TOTAL / JUMLAH	3,148	100.00	96,000,000	100.00

TOP THIRTY SECURITIES ACCOUNT HOLDERS / TIGA PULUH PEMEGANG AKAUN SEKURITI UTAMA

(Without aggregating the securities from different securities accounts belonging to the same depositor) /
(Tanpa mengagregat sekuriti daripada akaun sekuriti yang berlainan yang dimiliki pen Depositor yang sama)

Name Nama	No. of Shares Bil. Saham	%
1 Kulim (Malaysia) Berhad	63,799,489	66.46
2 Yeoh Kean Hua	6,405,000	6.67
3 PRB Noms (T) Sdn Bhd - A/C Rubber Industry Smallholders Development Authority	2,059,360	2.15
4 Pristine Bay Sdn Bhd	1,399,492	1.46
5 Johan Enterprise Sdn Bhd	1,152,900	1.20
6 Yeoh Meng Ghee	1,088,850	1.13
7 Zalaraz Sdn Bhd	1,016,666	1.06
8 Johor Ventures Sdn Bhd	863,795	0.90
9 Pua Soon	652,939	0.68
10 PRB Noms (T) Sdn Bhd - A/C Rubber Industry Smallholders Development Authority	587,125	0.61
11 Lee Huong Sing	550,100	0.57
12 Yeoh Phek Leng	536,952	0.56
13 Kulim (Malaysia) Berhad	533,750	0.56
14 Yeoh Swee Leng	525,210	0.55

188

SINDORA BERHAD
 2007

TOP THIRTY SECURITIES ACCOUNT HOLDERS / TIGA PULUH PEMEGANG AKAUN SEKURITI UTAMA (cont'd. / samb.)

(Without aggregating the securities from different securities accounts belonging to the same depositor) /
 (Tanpa mengagregat sekuriti daripada akaun sekuriti yang berlainan yang dimiliki pendeposit yang sama)

	Name Nama	No. of Shares Bil. Saham	%
15	Yeoh Tiong Ghee	427,000	0.44
16	Arshad bin Ayub	413,824	0.43
17	CIMB Group Noms (T) Sdn Bhd - A/C Chin Keo Chye @ Chin Key Soo	274,347	0.29
18	Lim Chee Yong	244,035	0.25
19	Public Noms (T) Sdn Bhd - A/C Surinder Singh a/l Wassan Singh (E-IMO)	237,025	0.25
20	M & A Nom (T) Sdn Bhd - A/C Titan Express Sdn Bhd	204,500	0.21
21	HDM Noms (A) Sdn Bhd - A/C Phillip Securities Pte Ltd for Boey Yin Sum	203,420	0.21
22	Toh Ah Moy @ Toh Siok Fong	203,000	0.21
23	Central Kedah Plywood Factory Sendirian Berhad	192,150	0.20
24	Amanah Raya Noms (T) Sdn Bhd - A/C Dana Johor	180,000	0.19
25	Lee Kok Hoong	180,000	0.19
26	Choo Wah Hing	170,100	0.18
27	Lee Lai Fong	165,000	0.17
28	Lee Huong Sing	156,137	0.16
29	Lim Boon Chee	130,000	0.14
30	Chew Boo Hock	120,000	0.13

SUBSTANTIAL SHAREHOLDERS / PEMEGANG SAHAM UTAMA

	Name Nama	No. of Shares Bil. Saham	%
1	Kulim (Malaysia) Berhad - 2 a/cs — Pristine Bay Sdn Bhd	64,333,239 1,399,492	67.01 1.46
2	Yeoh Kean Hua	6,405,000	6.67

ANALYSIS OF SHAREHOLDERS / ANALISA PEMEGANG SAHAM

		No. of Shareholders Bil. Pemegang Saham	%	No. of Shares Bil. Saham	%
Malaysian / Malaysia	— Bumiputra	532	16.90	72,751,325	75.78
	— Others / Lain-lain	2,547	80.91	22,163,042	23.09
Foreigners / Asing		69	2.19	1,085,633	1.13
TOTAL / JUMLAH		3,148	100.00	96,000,000	100.00

LIST OF GROUP'S LANDED PROPERTIES

189

SINDORA BERHAD
2007

Location/ Property Description	Address	Land Area (Hectares/ '000 Sq. Ft.)	Built-up Area (Hectares/ '000 Sq. Ft.)	Tenure	Approximate Age of Property (Year)	Net Book Value as at 31 December 2007 RM'000
Mukim of Rengam, Kluang, Johor (Sindora Estate)	Ladang Sindora, KB 539 86009 Kluang, Johor					
- Oil palm and rubber plantations		3,939/	27.03/	99 years lease expiring 24 Jan 2086	20	58,448
- Palm oil mill		16/	/120.7	No separate title (Part of Sindora Estate)	9	5,952
Mukim of Cha'ah Bahru Batu Pahat, Johor (Sungai Simpang Kiri Estate)	Ladang Sungai Simpang Kiri KB 103 85400 Cha'ah Johor					
- Oil palm plantation		2,371.7/	4.67/	99 years lease expiring 20 Mar 2081 and 22 Dec 2077	8, 25 and 29	25,049
Mukim of Ulu Sungai Johor Kota Tinggi, Johor	Lot 1384, Industrial Area Phase 1 Bandar Tenggara					
- Industrial land and buildings	81000 Kulai, Johor	2.56/	/857	60 years lease expiring 24 Nov 2059	8	120
- Industrial land and buildings for office and factory		/2,344	/857	60 years lease expiring 30 Jan 2041	25	9,130
- Factory building/ moulding factory		/5	/5	60 years lease expiring 30 Jan 2041	22	43
- 1 unit of double-storey bungalow (staff residence)	No. 1, Jalan Temenggong 10 Bandar Tenggara 81000 Kulai, Johor	/6	/3	99 years lease expiring 18 Apr 2085	21	58
Mukim of Plentong Johor Bahru, Johor	No. 6, 6A, 6B, 37, 37A, 37B, 41, 41A, 41B Jalan Perang Taman Pelangi 80000 Johor Bahru					
- 4 units of 3 storey shophouses		/8	/18	Freehold	26	3,040

LIST OF GROUP'S LANDED PROPERTIES

190

SINDORA BERHAD
2007

Location/ Property Description	Address	Land Area (Hectares/ '000 Sq. Ft.)	Built-up Area (Hectares/ '000 Sq. Ft.)	Tenure	Approximate Age of Property (Year)	Net Book Value as at 31 December 2007 RM'000
Mukim of Tebrau PTD 57100, Green Plains Ulu Tiram Johor	No. 17, Jalan Resam Green Plains Taman Bukit Tiram Ulu Tiram 81800 Ulu Tiram, Johor	0.5699/	/2.5	Leasehold	18	586
Tepak Marketing Mukim of Plentong Plo 398, Jalan Perak Pasir Gudang Industrial Area Johor	Mukim of Plentong Plo 398, Jalan Perak Pasir Gudang Industrial Area Johor	/2.41 /25.9	—	60 years lease expiring 18 Apr 2050	19	532
Tepak Marketing Mukim of Plentong Plo 399, Jalan Perak Pasir Gudang Industrial Area Johor	Mukim of Plentong Plo 399, Jalan Perak Pasir Gudang Industrial Area Johor	/2.41 /25.9	—	60 years lease expiring 18 Apr 2050	19	710
Wisma Pro Office Pro Office Solutions Sdn Bhd HSD 197666, PT 22234 Mukim of Batu Caves Gombak District Selangor	No. 6 Jln SBC 6 Taman Sri Batu Caves 68100 Batu Caves Selangor	/22.8		Freehold	3	4,375
EA Technique (M) Sdn Bhd	Setiawangsa Business Suites Unit C-3A-3A No. 2 Jln Setiawangsa II Taman Setiawangsa 54200 Kuala Lumpur				2	1,421

Senarai Hartanah Kumpulan

191

SINDORA BERHAD
2007

Lokasi/ Keterangan Tanah	Alamat	Keluasan Tanah (Hektar/ '000 kps.)	Kawasan Dibina (Hektar '000 kps.)	Hakmilik/ Pegangan	Jangkaan Usia Harta Milikan (Tahun)	Nilai Buku Bersih 31 Disember 2007 RM'000
Mukim Rengam Kluang, Johor (Ladang Sindora) - Ladang kelapa sawit dan getah - Kilang Kelapa Sawit	Ladang Sindora KB 539 86009 Kluang Johor	3,939/ 16/	27.03/ /120.7	Pajakan 99 tahun tamat 24 Jan 2086 Tiada suratan hakmilik tersendiri (Sebahagian Ladang Sindora)	20 9	58,448 5,952
Mukim Cha'ah Bahru Batu Pahat, Johor (Ladang Sungai Simpang Kiri) - Ladang Kelapa Sawit	Ladang Sungai Simpang Kiri KB 103 85400 Cha'ah Johor	2,371.7/	4.67/	Pajakan 99 tahun tamat 20 Mac 2081 dan 22 Dis 2077	8, 25 dan 29	25,049
Mukim Ulu Sungai Johor Kota Tinggi, Johor - Tanah industri dan bangunan - Tanah perindustrian dan bangunan dan bangunan yang digunakan sebagai pejabat dan kilang - Bangunan kilang/kilang kayu kumai	Lot 1384 Kawasan Perindustrian Fasa 1 Bandar Tenggara 81000 Kulai, Johor	2.56/ /2,344	- /857	Pajakan 60 tahun tamat 24 Nov 2059 Pajakan 60 tahun tamat 30 Jan 2041	8 25	120 9,130
- 1 unit banglo dua tingkat (kediaman anggota pekerja)	No. 1, Jalan Temenggong 10 Bandar Tenggara 81000 Kulai Johor	/6	/3	Pajakan 99 tahun tamat 18 Apr 2085	21	58
Mukim Plentong Johor Bahru, Johor - 4 unit rumah kedai tiga tingkat	No. 6, 6A, 6B, 37, 37A, 37B, 41, 41A, 41B Jalan Perang Taman Pelangi 80000 Johor Bahru	/8	/18	Milikan Bebas	26	3,040

Lokasi/ Keterangan Tanah	Alamat	Keluasan Tanah (Hektar/ '000 kps.)	Kawasan Dibina (Hektar '000 kps.)	Hakmilik/ Pegangan	Jangkaan Usia Harta Milikan (Tahun)	Nilai Buku Bersih 31 Disember 2007 RM'000
Mukim Tebrau PTD 57100, Green Plains Ulu Tiram Johor	No. 17, Jalan Resam Green Plains Taman Bukit Tiram Ulu Tiram 81800 Ulu Tiram, Johor	0.5699/	/2.5	Pegangan Pajak	18	586
Tepak Marketing Mukim Plentong Plo 398, Jalan Perak Kaw. Perindustrian Pasir Gudang Johor	Mukim Plentong Plo 398 Jalan Perak Kaw. Perindustrian Pasir Gudang, Johor	/2.41 /25.9	-	Pajakan 60 tahun tamat 18 Apr 2050	19	532
Tepak Marketing Mukim Plentong Plo 399, Jalan Perak Kaw. Perindustrian Pasir Gudang Johor	Mukim Plentong Plo 399 Jalan Perak Kaw. Perindustrian Pasir Gudang, Johor	/2.41 /25.9 tamat	-	Pajakan 60 tahun tamat 18 Apr 2050	19	710
Wisma Pro Office Pro Office Solutions Sdn Bhd HSD 197666, PT 22234 Mukim Batu Caves Daerah Gombak Selangor	No. 6 Jln SBC 6 Taman Sri Batu Caves 68100 Batu Caves Selangor	/22.8		Milikan bebas	3	4,375
EA Technique (M) Sdn Bhd	Setiawangsa Business Suites Unit C-3A-3A No. 2 Jln Setiawangsa II Taman Setiawangsa 54200 Kula Lumpur				2	1,421

Proxy Form

I/We _____
(FULL NAME IN CAPITAL LETTERS)

of _____
(ADDRESS)

being a member/members* of **SINDORA BERHAD**, hereby appoint the Chairman of the meeting _____

or _____
(FULL NAME)

of _____

as my/our* Proxy to attend and vote for me/us* and on my/our* behalf at the **Thirty Fifth (35th) Annual General Meeting** of the Company to be held on **Wednesday, 25 June 2008** at **12.00 noon** or at any adjournment thereof.

Should you desire to direct your Proxy how to vote on the Resolutions set out in the Notice of Meeting and as summarised below, please indicate with an "X" in the appropriate space. If no specific direction as to voting is given, the Proxy will vote or abstain at his/her* discretion.

	RESOLUTION		FOR	AGAINST
1.	To receive and adopt the Report and Audited Financial Statements	(Resolution 1)		
2.	To approve the final dividend	(Resolution 2)		
3.	To re-elect the following Directors: i. Rozan Bin Mohd Sa'at ii. Halmi Bin Jasmin iii. Dato' Ir Abdul Hak Bin Md Amin iv. Hj Johari Bin Ma'arof v. Tan Sri Datuk Arshad Ayub	(Resolution 3) (Resolution 4) (Resolution 5) (Resolution 6) (Resolution 7)		
4.	To approve Directors' Fees	(Resolution 8)		
5.	To re-appoint Messrs KPMG as Auditors	(Resolution 9)		
6.	To approve issuance of shares	(Resolution 10)		

* Delete where applicable

Number of Shares held (units)	
-------------------------------	--

Signed this _____ day of _____ 2008

Signature of Shareholder(s) /
Common Seal of Appointer

Notes:

1. A Member who is entitled to attend and vote at this meeting, is entitled to appoint a proxy and vote instead of him. A proxy may but need not be a Member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a Corporation/Company either under seal or in some other manner approved by its Board of Directors. Where a member appoints two proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
3. The instrument appointing a proxy must be deposited at the registered office of the Company, at 13th Floor, Menara Johor Corporation, KOTARAYA, 80000 Johor Bahru, Johor not less than forty eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

STAMP

SINDORA BERHAD

13th Floor, Menara Johor Corporation
KOTARAYA, 80000 Johor Bahru
Johor

Borang Proksi

Saya/Kami* _____
(NAMA PENUH DENGAN HURUF BESAR)

dari _____
(ALAMAT)

sebagai ahli/ahli-ahli* syarikat **SINDORA BERHAD**, dengan ini melantik Pengerusi Mesyuarat _____

atau _____
(NAMA PENUH)

dari _____

sebagai Proksi saya/kami* untuk menghadiri dan mengundi mengikut arahan yang tertentu di atas resolusi-resolusi bagi pihak saya/kami* di dalam **Mesyuarat Agung Tahunan Yang Ke Tiga Puluh Lima (35)** yang akan diadakan pada hari **Rabu, 25 Jun 2008, jam 12.00 tengahari** atau sebarang mesyuarat penangguhannya.

Jika anda ingin mengarahkan Proksi anda mengikut arahan yang tertentu di atas resolusi-resolusi yang tercatat di dalam Notis Mesyuarat, tandakan "X" di tempat yang berkenaan. Jika arahan tertentu tidak diberi, Proksi anda akan mengundi mengikut budibicaranya sendiri.

	RESOLUSI		MENYOKONG	MENENTANG
1.	Menerima dan meluluskan Laporan dan Penyata Kewangan Beraudit	(Resolusi 1)		
2.	Meluluskan dividen akhir	(Resolusi 2)		
3.	Melantik semula Pengarah-pengarah berikut: i. Rozan Bin Mohd Sa'at ii. Halmi Bin Jasmin iii. Dato' Ir Abdul Hak Bin Md Amin iv. Hj Johari Bin Ma'arof v. Tan Sri Datuk Arshad Ayub	(Resolusi 3) (Resolusi 4) (Resolusi 5) (Resolusi 6) (Resolusi 7)		
4.	Meluluskan Yuran Pengarah	(Resolusi 8)		
5.	Melantik semula Tetuan KPMG sebagai Juruaudit	(Resolusi 9)		
6.	Meluluskan Penerbitan Saham-saham	(Resolusi 10)		

* Potong yang tidak berkenaan

Bilangan Saham Dipegang (Unit) _____

Ditandatangani pada _____ haribulan _____ 2008 _____
Tandatangan Pemegang Saham /
Cop Mohor Pelantik

Nota-Nota:

- Seorang Ahli yang berhak menghadiri dan mengundi dalam Mesyuarat ini berhak melantik seorang proksi untuk mengundi bagi pihak dirinya. Seorang proksi tidak semestinya seorang ahli Syarikat.
- Suratcara perantikan proksi hendaklah dibuat secara bertulis oleh pelantik atau wakil mutlak yang berkuasa atau jika pelantik adalah sebuah Perbadanan/Syarikat, suratcara mestilah disempurnakan di bawah meteri Perbadanan/Syarikat atau lain-lain cara yang diluluskan oleh Lembaga Pengarah. Apabila seorang Ahli melantik dua orang proksi, perantikan tersebut tidak akan diterima sebagai sah melainkan setelah dinyatakan bilangan saham yang akan diwakili oleh mereka.
- Suratcara perantikan proksi hendaklah sampai di Pejabat Berdaftar Syarikat, di Tingkat 13, Menara Johor Corporation, KOTARAYA, 80000 Johor Bahru, Johor tidak lewat dari empat puluh lapan (48) jam sebelum Mesyuarat diadakan atau sebarang penangguhannya.

SETEM

SINDORA BERHAD

Tingkat 13, Menara Johor Corporation
KOTARAYA, 80000 Johor Bahru
Johor

