



Johan Holdings Berhad

(Company No. 314-K)



ANNUAL REPORT
for the year ended 31 January 2008

CONTENTS

Corporate Profile	1
Group Financial Statements	2
Chairman's Statement	3
Review of Operations	4
Corporate Information	6
Profile of Directors	7
Group Senior Management	9
Statement on Corporate Governance	10
Statement on Corporate Social Responsibility	15
Audit Committee Report	16
Statement on Internal Control	18
Financial Statements	19
Shareholders' Information	88
ICULS Holders' Information	90
Additional Information	92
Statement on Directors' Interests in the Company and Related Corporation	93
List of Properties Held	94
Notice of Annual General Meeting	95
Statement Accompanying the Notice of Annual General Meeting	96
Appendix I	97
Form of Proxy	

Johan began its activities in 1920 as Johan Tin Dredging Ltd. It operated a mining lease off the Sungei Johan in the Kinta District of Perak, Malaysia with a paid-up capital of RM136,000 which remained unchanged for 61 years until 1981. In 1979, the Company was renamed **Johan Holdings Berhad**.

Since 1979, Johan diversified away from its tin mining business and through acquisitions and organic growth, the Johan Group today is a Malaysian grown international group with diversified operations and business dealings in Malaysia, Singapore, Brunei, Australia and New Zealand.

Johan is listed on the Main Board of Bursa Malaysia Securities Berhad. Its subsidiary, Jaks International Limited is listed on the Singapore Exchange Securities Trading Limited.

Johan Group's current principal activities are manufacturing of ceramics tiles, distribution and retailing of health foods and supplements, Diners Club charge and credit cards, travel and tours, property development, resorts and hotels.



Corporate Profile



Group Financial Statements

Year Ended 31 January	2008 RM'000	2007 RM'000 (Restated)
Income Statement		
Revenue	466,003	522,594
Profit before tax	18,721	11,878
Income Tax	1,966	(463)
Profit for the year	20,687	11,415
Balance Sheet		
Fixed assets	174,905	198,629
Investments	664	2,483
Net current assets (Note 1)	62,859	51,839
Other assets (Note 2)	127,715	102,360
Total assets employed	366,143	355,311
Shareholders' funds	158,234	138,962
Minority interest	3,616	3,079
Short and long term borrowings	172,762	183,107
Deferred liabilities	31,531	30,163
Total funds invested	366,143	355,311
Per Ordinary Share		
Earnings after tax and minority interest but before extraordinary items (sen)	4.00	2.00
Net asset per share (sen)	31.0	27.0
Dividend – gross (sen)	-	-
Financial Ratios		
Return on shareholders' funds after tax and minority interest but before extraordinary items (%)	12.57	7.81
Debt – equity ratio (Note 3)	1.11 : 1	1.33 : 1
Interest cover (times)	1.50	1.41

Note 1 : In arriving at net current assets, short term borrowings and investment securities have been excluded.

Note 2 : Other assets comprise land and development expenditure, prepaid land lease payments, intangible assets and deferred tax assets.

Note 3 : Debt comprise current and non current bank borrowings, lease and hire purchase creditors.

Chairman's Statement

Dear Shareholders,

On behalf of your Board of Directors, I am pleased to present the Annual Report for the financial year ended 31 January 2008.

Economic and Business Environment Review

The Malaysian economy registered real GDP growth of 6.3% in 2007, representing another year of solid growth from 5.9% in 2006. This was despite uncertainties in the external environment throughout 2007 arising from the sub-prime housing mortgage issue in the US and record level of crude oil prices. Growth in 2007 was broad-based with positive expansion across all sectors, with the services and manufacturing sectors, the key drivers, accounting for 53.2% and 30.3% of the GDP respectively. The construction sector jumpstarted with 4.6% growth in 2007 with implementation of additional projects under the Ninth Malaysian Plan (2006-2010) and the Third Industrial Master Plan (2006-2020).

Singapore's economy registered a growth of 7.7% in 2007 as compared to 8.2% in 2006. Total demand grew slower at 7.2% down from 10% in 2006. For the whole year of 2007, all sectors registered growth led by the Construction Sector which expanded 20%. The Wholesale & Retail trade sector grew by 7.3% (2006:10%). The Hotel & Restaurant sector slowed to 4.4% (2006:4.8%) while visitor arrivals rose 5.4% to reach a record high of 10.3 million in 2007. The Financial Services sector posted a growth of 17% in 2007, up further from 11% in 2006.

In Australia, economic growth in 2007 was 4.3%, the 17th consecutive year of economic expansion sustained by tax cuts and continued growth in employment and wages. Capital imports remained strong as the appetite for investment remained robust.

New Zealand's economy in 2007 expanded 3.1% compared to 1.5% growth in the previous year due to growth in industrial activity, consumption expenditure, capital formation and an increase in net trade.

Review of Financial Results

For the financial year ended 31 January 2008, Group revenue was RM466.003 million, 10.8% lower when compared to RM522.594 million for the previous year. Despite a drop in revenue, the Group recorded a higher profit before tax of RM18.721 million i.e. up by 57.6% compared to RM11.878 million for the previous year. The higher profit was attributed mainly to an exchange gain of RM10.9 million arising from strengthening of the Ringgit Malaysia.

At attributable level, your Group registered a profit of RM19.873 million (2007:RM10.851 million). Group shareholders equity improved by 13.9% to RM158.234 million as at 31 January 2008 (2007:RM138.962 million). Net asset per share was 31 sen, up 15% from 27 sen.

Dividend

Your Board does not propose to declare any dividend for the year under review.

Business Outlook and Prospects

While growth in the developed economies in 2008 is expected to be moderate, growth is expected to remain strong in Asia and other emerging economies. However the global growth outlook would be dependent on the length and depth of the slowdown in the US and extent of the impact of the financial market turmoil. Inflation is expected to remain high following sustained high crude oil and food prices. Against this backdrop, based on Bank Negara's latest projection, Malaysia's economic growth is now projected at 5.5% in 2008, compared to 6.3% for 2007.

Many of our operating companies are expected to continue to perform well. Your Board is carefully optimistic of the current year prospect albeit the Group's businesses are operating in increasingly competitive markets. Your Group will continuously look for strategic investment opportunities to expand and diversify its core business to enhance shareholders' value.

Acknowledgement

On behalf of the Board, I wish to thank the management and staff for their hard work, dedication and collective contribution to the Group's performance. I wish to thank my fellow Board members for their continuing guidance and support and also our valued customers, suppliers and business associates as well as our shareholders for their continuing support.

On behalf of the Board

Tan Sri Dato' Tan Kay Hock

Chairman

10 June 2008

Review of Operations

The businesses of the Johan Group are principally in the manufacture of ceramic floor and wall tiles, franchisee for Diners Club charge and credit cards, distribution and retailing of health foods and supplements, air ticketing and travel management, property development and resort hotel operation. The Group's businesses are based in Malaysia, Singapore, Australia and New Zealand.

ENGINEERING AND BUILDING MATERIALS

Skinner Engineering (Australia) Pty. Ltd. recorded a lower turnover due to fewer contracts secured but remained profitable for the year under review. The profitability of this company remained to be dependent upon its success in securing contracts with good margins against a backdrop of economic growth in Australia which is expected to fall to 3.2% in 2008 from 4.3% in 2007.

Prestige Ceramics Sdn. Bhd. operated under challenging business environment during the year under review as a result of intense competition, strategies of low pricing by competitors in the local tile industry and low priced imports mainly from China. Going forward, the various ongoing infrastructure projects and newly launched infrastructure projects under the Ninth Malaysia Plan and the establishment of Iskandar Development Region will provide further stimulus for growth in the construction sector. Furthermore policies on reduction of stamp duty and waiver of real property gains tax will stimulate growth in the property sector, which in turn will generate consumption and sales of building materials in the construction sector.

TRADING

Retailing of health foods and supplements business are undertaken by Nature's Farm Pte. Ltd. (27 outlets in Singapore and 2 outlets in Brunei) and Nature's Farm (Health Foods) Sdn. Bhd. (6 outlets in Klang Valley, Malaysia).

In November 2007, 21 retail staff at Nature's Farm outlets in Singapore were awarded the Excellent Services Award, a national award that recognizes individuals who have delivered outstanding service during the year. This Award is managed by ten industry lead associations namely the Association of Singapore Attractions, the Civil Aviation Authority of Singapore, the Land Transport Authority, the National Association of Travel Agents Singapore, the National Healthcare Group, the Public Service Division, the Restaurant Association of Singapore, the Singapore Hotel Association, the Singapore Retailers Association, and The Association of Banks in Singapore and SPRING Singapore.

For 2 years in succession i.e. 2006 and 2007, Nature's Farm won the Gold Award by Horphag Research Co. for outstanding Sales Achievement – Asia Pacific region for sales of Nature's Farm Pycnogenol, the top selling anti-oxidant product available exclusively from Nature's Farm outlets. Nature's Farm was also bestowed the award by Wakunaga of America Co. Ltd. for No. 1 Sales achievement in South East Asia for Kyolic Brand

supplement products for 2007. Nature's Farm continues to be the biggest retailer for Manuka Honey in Singapore.

New specialty products for the health food and supplements business will continue to be introduced to broaden its products range. The profitability of each retail outlet will be closely monitored whilst opening of new outlets will continue. As a growth strategy, we will replicate our successful business model in new markets outside Malaysia and Singapore.



HOSPITALITY

Lumut Park Resort Sdn. Bhd. owns and operates The Orient Star Resort Lumut sited strategically in the heart of the coastal town of Lumut in Perak. The Resort offers 150 spacious rooms consisting of 9 Suites, 8 Superior rooms, 67 Deluxe rooms and 66 Superior rooms, all commanding a panoramic view of the sea. A grand ballroom, 3 F&B outlets with attractive convention and banquet facilities and a swimming pool are provided. Revenue from the Resort operations was up 30% whilst operating profit was up 173% when compared with the previous year performance. The higher revenue was attributed to stronger average occupancy rate and improved F&B revenue.

Lumut Marine Resort Berhad owns and operates The Lumut International Yacht Club located less than a kilometre from The Orient Star Resort Lumut. This Yacht Club has berthing facilities for more than 40 yachts of up to 100 feet and parking for more than 80 boats on trailers. Membership fee is RM7,500 each for individual members and RM13,500 each for corporate members. The Yacht Club is continuing to recruit the optimum number of members to enable it to operate profitably.

DINERS CLUB CHARGE & CREDIT CARDS/TRAVEL & TOURS

The Group holds the Diners Club card franchise for Malaysia, Singapore, Sri Lanka, Brunei and New Zealand including the Fiji Islands, Samoa and Tonga. Globally card members have access to over 14 million merchants in a wide range of businesses, such as airlines, hotels, car rental, dining and top-end retailing outlets. Card members also have access to the Cirrus ATM network with more than 1.1 million ATMs worldwide.

Review of Operations cont'd

During the financial year under review, Diners Club (Malaysia) Sdn. Bhd. increased its card base with a gross cards acquisition of 29%, 5% higher than previous year due to more aggressive card acquisition efforts. Overall, good responses were received from various cobrand card programmes such as Sushi King, Secret Recipe, Manhattan Fish Market and MetroJaya.

The business turnover grew by 12% due to the growth in card base and the launch of several new businesses or products as follows:

- (a) A private label medical card programme for charging of clinical and hospitalization charges was launched with Asia Assistance Network Sdn. Bhd. (AAN) in July 2007. To date, more than 21,000 cards have been issued to the various corporate clients of AAN.
- (b) An ATM cash advance programme was launched in July 2007. A selected group of card members with good payment conduct were issued with ATM PIN to facilitate cash withdrawal at any local & foreign Cirrus ATMs.
- (c) A personal loan product called Ready Cash was launched in October and December 2007 to selected card members with good payment conduct.
- (d) Giant, a major chain of hypermarkets/supermarkets was signed up and started accepting Diners Club for payment effective December 2007.
- (e) A Petrol Rebate program was launched in September 07 offering 8% rebate on RM200 petrol charges if card member charge RM500 other non-petrol charges.

During 2007, Diners Club (New Zealand) Ltd. ("DCNZ") appointed Banking Production Center B.V. ("BPC"), Amsterdam to implement a new computer system that would enable the New Zealand franchise to issue a credit card. In November, the scoping exercise began to replace the old HP3000 system with a modern system in the form of the BPC - SmartVista system. It is envisaged that all three Diners Club franchises will be on the same system by the middle of 2010 to enable efficiencies to be gained throughout the group. DCNZ will also be able to offer card members and merchants on-line access to historical data.

DCNZ won the Diners Club International Asia/Pacific Best Marketing Campaign award for their new GAS card. Gasoline Alley is a new owner operator in the Service Station market and DCNZ launched this co-branded card to compete for market share in their respective highly competitive markets. This co-brand is open to everyone and provides the best fuel discounts in the country.

It has been a year of working in the fuel industry for DCNZ as they also launched a co-brand card with Far North Fuels who are a major Mobil Oil co-operative. Far North Fuels and DCNZ are working closely together to expand their market to many of the associations and co-operatives that are in New Zealand. The expectations are high that this co-brand will go from strength to strength during the next 18 months and deliver a significant portfolio to DCNZ.

Diners World Travel (Malaysia) Sdn. Bhd. ("DWTM") maintained its level of profitability when compared to the previous year, earned from both corporate ticketing and incentive overseas tour sales. For year 2007, DWTM was awarded the Million Dollars Agent Award by Cathay Pacific, Diamond Award from Malaysian Airline System and Top 11 Travel Agent rating from Thai Airways International.

For Year 2007, Diners World Travel Pte. Ltd. ("DWTS") was again awarded Top Agent Award from Singapore Airline, United Airline, Continental Airlines, All Nippon Airlines (ANA), ABACUS Distribution Systems and AIG Insurance. DWTS also won the Excellent Service Award for the 10th consecutive year. Four of our staff won the individual Excellent Service Award. Two staff won the Gold Award and another two staff won the Silver Award. DWTS joined BCD Travel Global Network to expand our global reach for corporate travel in 92 countries worldwide.



Corporate Information

BOARD OF DIRECTORS

Tan Sri Dato' Tan Kay Hock	<i>Chairman & Chief Executive</i>
Puan Sri Datin Tan Swee Bee	<i>Group Managing Director</i>
Tan Sri Dato' Seri Dr Ting Chew Peh	<i>Independent Non-Executive Director</i>
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	<i>Independent Non-Executive Director</i>

COMPANY SECRETARY

Teh Yong Fah (MACS 00400)

REGISTERED OFFICE

George Kent Technology Centre
Lot 1115, Batu 15, Jalan Dengkil
47100 Puchong, Selangor Darul Ehsan
Tel : 603-8064 8000
Fax : 603-8061 3295/603-8061 9954

BUSINESS OFFICE

Suite 4.2, Level 4, Block C, Plaza Damansara
45 Jalan Medan Setia 1, Bukit Damansara
50490 Kuala Lumpur
Tel : 603-2092 1858
Fax : 603-2092 2812
E-mail : jhb@johanholdings.com.my
Website: www.johanholdings.com

SHARE REGISTRAR

Johan Management Services Sdn. Bhd.
Suite 4.2, Level 4, Block C, Plaza Damansara
45 Jalan Medan Setia 1, Bukit Damansara
50490 Kuala Lumpur
Tel : 603-2092 1858
Fax : 603-2092 2812
E-mail : johanms@po.jaring.my

AUDITORS

Ernst & Young
Chartered Accountants

AUDIT COMMITTEE

Dato' Ahmad Khairummuzammil Bin Mohd Yusoff (*Chairman*)
Tan Sri Dato' Seri Dr Ting Chew Peh
Puan Sri Datin Tan Swee Bee

RISK MANAGEMENT COMMITTEE

Tan Sri Dato' Tan Kay Hock (*Chairman*)
Puan Sri Datin Tan Swee Bee
Ng Yew Soon (*Senior General Manager-Finance*)

REMUNERATION COMMITTEE

Tan Sri Dato' Seri Dr Ting Chew Peh (*Chairman*)
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff
Puan Sri Datin Tan Swee Bee

GROUP PRINCIPAL BANKERS

(in alphabetical order)

AmMerchant Bank Berhad
Aseambankers Malaysia Berhad
Malayan Banking Berhad
RHB Bank Berhad
The Bank of East Asia, Limited (Labuan Branch)

STOCK EXCHANGE LISTING

Main Board, Bursa Malaysia Securities Berhad
Stock Name : JOHAN
Stock Code : 3441
ICULS Stock Name : JOHAN-LA
ICULS Stock Code : 3441-LA

Profile of Directors

	TAN SRI DATO' TAN KAY HOCK	PUAN SRI DATIN TAN SWEE BEE
Name		
Age	60	61
Nationality	Malaysian	British
Qualification	Barrister-at-Law	Barrister-at-Law
Position on Board	Chairman & Chief Executive (Non-Independent Executive Director)	Group Managing Director (Non-Independent Executive Director)
Date of Appointment	5 November 1980	29 January 1983
Working Experience	A lawyer by training having been called to the Bar by Lincoln's Inn, UK in 1971. In 1972, he was admitted as an advocate and solicitor to the Supreme Court of Malaysia. He is a Member of the Iskandar Regional Development Authority (IRDA), a Committee Member of the Malaysian Phillipines Business Council and a steering Committee Member of ASEAN-Japan Business Meeting as a member of the Malaysian National Committee, and a Trustee of Malaysian Humanitarian Foundation	A lawyer by training having been called to the Bar by Lincoln's Inn, UK in 1971. In 1972, she was admitted as an advocate and solicitor to the Supreme Court of Malaysia. She was appointed Managing Director of Johan Group since 17 December 1984.
Other directorships of public companies	<ul style="list-style-type: none"> • George Kent (Malaysia) Berhad • Jacks International Limited 	<ul style="list-style-type: none"> • George Kent (Malaysia) Berhad • Jacks International Limited
Family relationship with any director and/or major shareholders of the Company	Husband to Puan Sri Datin Tan Swee Bee, the Group Managing Director	Wife to Tan Sri Dato' Tan Kay Hock, the Chairman and Chief Executive of the Company
Conflict of interest with the Company	NIL	NIL
List of convictions for offences within the past ten (10) years	NIL	NIL
Committee	Member of Risk Management Committee and ESOS Committee	Member of the Audit Committee, Remuneration Committee, ESOS Committee and Risk Management Committee

Profile of Directors

cont'd

Name	TAN SRI DATO' SERI DR TING CHEW PEH	DATO' AHMAD KHAIUMMUZAMMIL BIN MOHD YUSOFF
Age	65	66
Nationality	Malaysian	Malaysian
Qualification	Bachelor of Arts from University of Malaya in 1970, Master of Science from University of London in 1972 and Doctor of Philosophy from University of Warwick in 1976.	Bachelor of Arts (Honours) Degree in Economics from University of Malaya
Position on Board	Director (Independent Non-Executive Director)	Director (Independent Non-Executive Director)
Date of Appointment	1 November 2003	4 July 2005
Working Experience	He was formerly the Lecturer (1974-1980) and Associate Professor (1981-1987) for Faculty of Humanities and Social Science of National University of Malaya. He was also a Parliament Secretary (Ministry of Health) (1988-1989), Deputy Minister (Prime Minister's Department) (1989-1990) and Minister of Housing and Local Government (1990-1999). He was a Member of Parliament (1987-February 2008) and was the Chairman of Klang Port Authority (2000-2004).	He was a Deputy Chairman of the Urban Development Authority (UDA) Kuala Lumpur from 1978 to 1981. He was subsequently appointed the Director-General/Chief Executive and Board Member of UDA in 1981. From May 1986 to 1994, he held various senior management positions in the Kumpulan Guthrie Berhad Group and also Executive Director of Kumpulan Guthrie Berhad from May 1986 to December 1987. He was a Vice President and a Director of HICOM Holdings Berhad from February 1995 to July 2000 and subsequently held the post of Group Director in the DRB-Hicom Group. He remained on the Board of several companies in the DRB-Hicom Group until March 2006. He is currently the Chairman of Metrojaya Berhad.
Other directorships of public companies	<ul style="list-style-type: none"> • Pan Malaysia Capital Berhad • Puncak Niaga Holdings Berhad • Hua Yang Bhd • Pan Malaysia Corporation Berhad • Complete Logistic Services Berhad 	<ul style="list-style-type: none"> • Metrojaya Berhad • Boustead Properties Berhad
Family relationship with any director and/or major shareholders of the Company	NIL	NIL
Conflict of interest with the Company	NIL	NIL
List of convictions for offences within the past ten (10) years	NIL	NIL
Committee	Chairman of the Remuneration Committee and member of the Audit Committee	Chairman of the Audit Committee and member of Remuneration Committee

Group Senior Management

CORPORATE HEAD OFFICE

Tan Sri Dato' Tan Kay Hock	<i>Chairman and Chief Executive</i>
Puan Sri Datin Tan Swee Bee	<i>Group Managing Director</i>
Teh Yong Fah	<i>Group Secretary</i>
Ng Yew Soon	<i>Senior General Manager - Finance</i>
Sia Chin Yap	<i>Internal Audit Manager</i>

PRINCIPAL OPERATING SUBSIDIARIES

Prestige Ceramics Sdn. Bhd.	Yap Fook Loi <i>Senior General Manager</i>
Diners Club (Malaysia) Sdn. Bhd. }	James Koh Chuan Lim
Diners Club (Singapore) Pte. Ltd. }	<i>Executive Director-Regional Operations</i>
Diners Club (New Zealand) Limited }	Henry Chia Shih Chan <i>Executive Director-Regional Marketing</i>
William Jacks & Co. (Singapore) Pte. Ltd. }	Simon Low Kean Jin
Nature's Farm Pte. Ltd. }	<i>Senior General Manager</i>
Nature's Farm (Health Food) Sdn. Bhd. }	
The Orient Star Resort, Lumut <i>(owned by Lumut Park Resort Sdn. Bhd.)</i>	Michael Cheong Weng Soon <i>Manager</i>
Diners World Travel (Malaysia) Sdn. Bhd.	Catherine Wong Tet Fah <i>General Manager</i>
Diners World Travel (Singapore) Pte. Ltd.	Robert Koh <i>General Manager</i>
Skinner Engineering Pty. Ltd.	Mabs Patel <i>General Manager</i>

Statement on Corporate Governance

The Board is committed to ensuring high standards of corporate governance throughout the Group and endeavours to ensure consistency of policies and procedures of Group companies in different geographical regions. This statement illustrates the extent of which the Board has embodied the spirit and principles of the Malaysian Code on Corporate Governance ("The Code"). The Code formalises management practices that have generally been adopted by the Board for some time now. Unless otherwise stated below, the Company is in compliance with the requirements of the Code.

A. Board of Directors

(i) Board Composition

The Board presently comprises of two (2) executive directors and two (2) independent non-executive directors who together have a diverse wealth of experience as well as skills and knowledge in the aspect of law, economics, banking, accounting and general management. The profile of each director is included in Page 7 and 8 of this Annual Report.

Although the Chairman who also acts as the Chief Executive Officer, nevertheless, he is only responsible for long range strategic planning for the Group whilst the Group Managing Director has overall responsibility in managing the Group's business. As such, there is clear segregation of responsibilities between the Chairman and Group Managing Director to ensure a balance of power and authority. The Board has two (2) independent non-executive directors who provide unbiased and independent view, advice and judgement.

(ii) Duties and Responsibilities

The Board recognises its duties and responsibilities to the shareholders of the Company which principally include the following:

- Reviewing and adopting a strategic plan for the Company and the Group
- Overseeing the overall conduct of the Company's business and that of the Group
- Identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risks
- Reviewing the adequacy and integrity of internal controls system and management information system in the Company and within the Group
- Developing and implementing a sound communications policy for investor relations
- Succession planning, including appointing and determining compensation of senior management
- Assessing the effectiveness of the Board, Board Committees and individual Directors

(iii) Supply of Information

All directors are given complete and timely information before each Board Meeting to be convened together with an agenda and a set of Board papers. Board papers are circulated in sufficient time to enable directors to obtain further explanation, if necessary, in order to be properly briefed before each meeting. Senior management staff are also invited to attend Board Meetings when necessary to present to the Board further explanation and clarification on matters being tabled.

At least four (4) Board Meetings are held annually, each meeting being scheduled to be held within two (2) months after each quarter to consider the quarterly financial results and review operational performance. Additional meetings are convened as and when necessary.

All directors have access to the advice and services of the Group Company Secretary and are updated on new statutory or regulations requirements concerning their duties and responsibilities.

Statement on Corporate Governance

cont'd

A. Board of Directors *cont'd*

(iv) Board of Directors' Meetings

During the financial year ended 31 January 2008, the number of Board of Directors' Meetings held and the attendance of each Director were as follows:-

Directors	No. of Board Meetings	
	Held	Attended
Tan Sri Dato' Tan Kay Hock	5	5
Puan Sri Datin Tan Swee Bee	5	5
Tan Sri Dato' Seri Dr Ting Chew Peh	5	4
Dato' Ahmad Khairumzammil Bin Mohd Yusoff	5	5

(v) Re-election of Directors

In accordance with the Articles of Association of the Company at least one-third of the Directors including the Managing Director are required to retire by rotation at each Annual General Meeting but shall be eligible for re-election.

Details of director seeking re-election or re-appointment (as the case may be) as required under Paragraph 8.28(2) of the Bursa Securities Listing Requirements are as set out in the Statement Accompanying the Notice of Annual General Meeting on Page 96 of this Annual Report.

(vi) Directors' Training

All Board members have attended and completed the Mandatory Accreditation Programme as required under the Listing Requirements of Bursa Malaysia Securities Berhad. The Board encourages its Directors to attend talks, seminars, workshops and in-house conferences to update and enhance their skills and knowledge and to keep abreast with developments in regulatory and corporate governance issues. During the year the Directors in their individual capacity had attended courses and seminars, one of which being "Key Obligation Recruitments for Companies Listed on Bursa Malaysia" conducted by Bursatra Sdn. Bhd. on 29 August 2007.

(vii) Board Committees

The Board had delegated certain responsibilities and duties to the following Board Committees which operate within clearly defined terms of reference. Except for the Remuneration Committee, the other Committees as listed below do not have executive powers but report to the Board on all matters considered and their recommendations thereon.

(a) Audit Committee

The Audit Committee comprises of two (2) independent non-executive directors and one (1) non-independent executive director. The members are comprised of:-

1. Dato' Ahmad Khairumzammil Bin Mohd Yusoff *(Independent Non-Executive Director - Chairman)*
2. Tan Sri Dato' Seri Dr Ting Chew Peh *(Independent Non-Executive Director)*
3. Puan Sri Datin Tan Swee Bee *(Non-Independent Executive Director)*

The Audit Committee's terms of reference include the review of the Group's quarterly and financial year end results, review of any major audit findings raised by external auditors and internal auditors and management's response thereon. The Chairman and Chief Executive, Internal Audit Manager, Senior General Manager-Finance and representatives from the External Auditors attend the meetings at the invitation of the Audit Committee.

Statement on Corporate Governance

cont'd

A. Board of Directors cont'd

(vii) Board Committees cont'd

(a) Audit Committee cont'd

At each Audit Committee Meeting held to review the Group's quarterly and financial year end results, the agenda of Audit Committee Meetings also include internal audit findings of operating units of the Group and investigations carried out by internal auditors. The Audit Committee shall meet with the external auditors at least once a year without any executive directors being present.

The Audit Committee Report for the financial year pursuant to Paragraph 15.16 of the Bursa Securities Listing Requirements is contained in Page 16 to 17 of this Annual Report.

(b) Risk Management Committee

During the financial year ended 31 January 2008, the members of Risk Management Committee ("RMC") comprised of:-

- | | | |
|----|-----------------------------|---|
| 1. | Tan Sri Dato' Tan Kay Hock | <i>(Chairman and Chief Executive)</i> |
| 2. | Puan Sri Datin Tan Swee Bee | <i>(Managing Director)</i> |
| 3. | Mr Ng Yew Soon | <i>(Senior General Manager – Finance)</i> |

The RMC's primary responsibility is to oversee the overall risk management of the Group, particularly on the strategic areas of the business. The RMC is supported by various sub-RMCs established at respective business units that are responsible for identifying, mitigating and managing risks through a systematic risk evaluation/ profiling exercise. The Risk Profile of respective business unit is reviewed and revised on a half-yearly basis and submitted to the RMC for review.

(c) Remuneration Committee

The Remuneration Committee comprised of two (2) independent non-executive directors and one (1) non-independent executive director. The members comprised of:-

- | | | |
|----|---|--|
| 1. | Tan Sri Dato' Seri Dr Ting Chew Peh | <i>(Independent Non-Executive Director - Chairman)</i> |
| 2. | Dato' Ahmad Khairummuzammil bin Mohd Yusoff | <i>(Independent Non-Executive Director)</i> |
| 3. | Puan Sri Datin Tan Swee Bee | <i>(Non-Independent Executive Director)</i> |

The Remuneration Committees' primary responsibilities are to recommend to the Board the remuneration package and the terms of employment of each executive director. The fees payable to non-executive director will be determined by the Board as a whole, and a director shall not participate in the decision on his own remuneration package.

The Remuneration Committee is also responsible for developing the Group's remuneration policy and determining the remuneration packages of senior executive employees of the Group.

(d) Nomination Committee

Given the current size of the Board, the directors consider it inappropriate for the time being, to formally establish a Nomination Committee. All newly nominated directors are assessed and approved by the entire Board. The process of assessing directors performance is also an ongoing responsibility of the entire Board.

Statement on Corporate Governance

cont'd

A. Board of Directors cont'd

(vii) Board Committees cont'd

(e) Employee Share Option Scheme ("ESOS") Committee

The ESOS Committee was established on 31 October 2003 to administer the ESOS of the Group implemented to be in force for a period of five (5) years commencing from 31 October 2003 to 30 October 2008. The ESOS Committee comprised of the following members:-

- | | | |
|----|-----------------------------|---|
| 1. | Tan Sri Dato' Tan Kay Hock | (Non-Independent Executive Director) - Chairman |
| 2. | Puan Sri Datin Tan Swee Bee | (Non-Independent Executive Director) |
| 3. | Yuen Kum Fong | (Human Resource Manager) |

At the ESOS Committee held on 31 October 2003, a 1st tranche of 3,147,000 option shares at an exercised price of RM0.50 per share were granted to eligible employees of the Group. No option shares were exercised by employees up to 31 January 2008.

B. Directors' Remuneration

The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to manage the Groups effectively.

The fees payable to the non-executive directors are approved by shareholders at each Annual General Meeting. None of the Directors is paid allowance for Board or Committee Meeting they attend.

The aggregate remuneration of the Directors categorised into the respective components for the year ended 31 January 2008 are as follows:-

	Fees (RM'000)	Emoluments (RM'000)	Benefits- In-Kind (RM'000)	Pension Cost (RM'000)	Total (RM'000)
Executive Directors					
Tan Sri Dato' Tan Kay Hock	-	629	91	50	770
Puan Sri Datin Tan Swee Bee	-	471	21	38	530
Non-executive Directors					
Tan Sri Dato' Seri Dr Ting Chew Peh	50	-	-	-	50
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	50	-	-	-	50
	100	1,100	112	88	1,400

The number of Directors whose remuneration falls into bands of RM50,000 are as follows:-

Range of Remuneration	Directors	
	Executive	Non-executive
RM10,000 to RM50,000	-	2
RM500,000 to RM550,000	1	-
RM750,000 to RM800,000	1	-
	2	2

Statement on Corporate Governance

cont'd

C. Shareholders Communication and Investors Relationship Policy

The Board acknowledges the need for shareholders to be informed of all material business and developments concerning the Group. In addition to various announcements made during the year, the Board had ensured timely release of financial results on a quarterly basis to provide shareholders with an overview of the Group's performance and operations. Copies of the full announcement are supplied to shareholders and members of the public upon request.

The Annual General Meeting is the principal forum for communicating with shareholders. Shareholders who are unable to attend are allowed to appoint not more than two (2) proxies, who need not be shareholders, to attend and vote on their behalf. Board members as well as the Senior General Manager-Finance and the External Auditors of the Company are present to answer questions raised by shareholders. Shareholders are given the opportunity to ask questions during the questions and answers session prior to each resolution being proposed for consideration by shareholders.

Corporate and financial information of the Company and the Group are also available via the Company's website, <http://www.johanholdings.com>.

D. Accountability and Audit

(i) Financial Reporting

The Board acknowledge their responsibility to ensure that the financial statements of the Company and the Group are prepared in accordance with the provisions of the Companies Act, 1965 and approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs and the result of the Company and of the Group.

In preparing these financial statements, the directors have:-

- adopted suitable accounting policies and applying them consistently;
- made judgement and estimates that are prudent and reasonable;
- ensured applicable approved accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements are prepared in compliance with the Companies Act, 1965. The directors are also responsible for safeguarding the assets of the Company and the Group and to take reasonable steps for the prevention and detection of fraud and other irregularities.

(ii) Internal Control

The Board acknowledges its overall responsibility for ensuring that a sound system of internal control is maintained throughout the Group and the need to review its effectiveness regularly. The Board recognises that risks cannot be totally eliminated and the system of internal controls instituted can only help to minimise and manage risks and provide some assurance that the assets of the Company and of the Group are safeguarded against material loss and unauthorised use and that financial statements are not materially misstated. The information on the Group's internal control is presented in the Statement on Internal Control on Page 18 of this Annual Report.

(iii) Relationship with External Auditors

A transparent and appropriate relationship with the external auditors to enable them to independently report to shareholders in accordance with statutory and professional requirement is established through the Audit Committee. The role of the Audit Committee members in relation to the external auditors whose attendance is compulsory at each Audit Committee Meeting is set out in the Audit Committee Report on Page 16 and 17 of the Annual Report.

This Statement is made in accordance with the resolution of the Board of Directors dated 16 May 2008.

Statement on Corporate Social Responsibility

The Johan Group believes in the concept of Corporate Social Responsibility (CSR) in going beyond business to fulfill our social responsibilities towards the environment, community, workplace and marketplace.

To further enhance the Group's overall CSR practices as integral part of our business operations, the Group is currently formulating a CSR framework for implementation of CSR programmes aimed towards the community, environment, its employees and shareholders.

The Environment

Our key commitments are to mitigate as far as possible any adverse impact on the environment, especially the operations of our manufacturing arm, Prestige Ceramics Sdn. Bhd., which manufacture ceramic floor and wall tiles in the plant in Puchong, Selangor. As waste are typically generated during the manufacturing process, the management over the years had implemented various positive measures to reduce such waste generated. In addition, ways to reduce water and energy consumption are on-going exercises. Utmost importance is placed to conform to and to satisfy regulations set by the Department of Environment. We ensure our workforce have the necessary information on environmental issues to undertake their work without any adverse impact on the environment and to help our customers meet to their own environmental targets. We also encourage good environmental practices with our suppliers and all business contacts within our supply chain.

The Community

The Johan Group aim to add value to the communities in which we operate to enhance the long term sustainability of our businesses through providing support in diverse areas of social welfare. We encourage employee participation in community projects and undertake voluntary work to help the needy.

In March and November 2007, The Orient Star Resort Lumut carried out two blood donation campaigns amongst the hotel staff to contribute towards the blood bank of Hospital Seri Manjung.

In Singapore, Nature's Farm Pte. Ltd. participated as one of the sponsors in Singapore Children's Cancer Foundation "Hair For Hope 2007" event in July 2007. Proceeds collected from sale of selected Nature's Farm range of health food and supplements during this event was donated to the Singapore Children's Cancer Foundation.

The Workplace

Our employees are our greatest assets. To ensure employees at every level make the fullest contribution to the Group's performance and to the achievement of goals, we seek to recruit people with the right skills and quality, trained, supported and retained to create high levels of motivation, achievement and job satisfaction. To this end, we seek to create a working environment that is conducive to good working relations and to adopt human resource practice with well developed policies and procedures. These are continually reviewed by the Human Resource Department in the Head Office. Employee welfare in the form of medical coverage and discounted purchase of company products are offered. Employees in the Group are provided opportunity to have ownership in the listed shares of Johan Holdings Berhad through participation in the Employees' Share Option Scheme.

The Group ensures that worksites and surrounding areas maintain high health and safety standards. In this regard, we ensure that our manufacturing arm, Prestige Ceramics Sdn. Bhd. adopt and adhere strictly to the guidelines on public safety and health issued by the Department of Occupational Safety and Health. To ensure safety and well being of its workforce, Prestige Ceramics has set up fire fighting teams, comprising security guards and factory supervisors. A total of 30 employees in 2 groups of 15 each successfully completed a 3 day Safety Training Course in December 2007 on "Effective Fire Protection and Fire Safety at the Workplace". Each of these 15 staff received the certification from Bomba.

The Marketplace

We are committed to actively engage and respond to our shareholders, analyst, fund managers, customers, suppliers and government and non-government bodies with a view to better relations and understanding.

We are committed to high ethical standards in the areas of marketing, advertising and procurement. We seek to protect our customers' rights through responsive customer complaint and meeting with the strictest data protection requirements. We continue to monitor all levels of our operations for efficiency to ensure that these aligned with our corporate governance statements.

We maintain timely and open communications with our shareholders, analyst and fund managers so as to have a clear understanding of the Group's strategy, performance and growth direction. Details of the Company's "Shareholders Communication and Investors Relationship Policy" are found on Statement On Corporate Governance on Page 14 of the Annual Report.

Audit Committee Report

MEMBERS

Dato' Ahmad Khairummuzammil bin Mohd Yusoff	<i>(Chairman - Independent Non-Executive Director)</i>
Tan Sri Dato' Seri Dr Ting Chew Peh	<i>(Independent Non-Executive Director)</i>
Puan Sri Datin Tan Swee Bee	<i>(Non-Independent Executive Director)</i>

A. TERMS OF REFERENCE

Constitution

- i) The Audit Committee ("the Committee") was established by the Board of Directors ("the Board") of the Company at its meeting held on 8 March 1994.
- ii) The Board shall ensure that the composition and functions of the Committee comply as far as possible with both the Bursa Securities Listing Requirements as well as other regulatory requirements.

Objectives

- i) To assist the Board in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices of the Company and the Group.
- ii) To maintain, through regularly scheduled meetings, a direct line of communication between the Board and the external auditors as well as the internal auditors.
- iii) To act upon the Board of Directors' request to investigate and report on any issue or concern with regard to the management of the Group.

Duties and Responsibilities

- i) To review with the external auditors the audit plan and their evaluation of the system of internal controls.
- ii) To consider and recommend for approval of the Board the appointment or re-appointment of the external auditors, the audit fees and any questions of their resignation or dismissal.
- iii) To review the adequacy of the internal audit plans, scope of examination of the internal auditors and ensure that appropriate action is taken by Management in respect of the audit observations and the Committee's recommendations.
- iv) To review the quarterly, half-yearly and annual financial statements before submission to the Board. The review focus primarily on compliance with accounting standards as well as other regulatory requirements and the adequacy of information disclosure for a fair and full presentation of the financial affairs of the Company and the Group.
- v) To review any related party transaction and conflict of interest situation that may arise within the Company and the Group including any transaction, procedure or conduct that raises questions of management integrity.
- vi) To direct any special investigations on the Group's operations to be carried out by the Internal Audit Department or any other appropriate agencies.
- vii) To discuss problems and reservations arising out of external or internal audits and any matters which the auditors wish to bring up in the absence of Management or the Executive Directors where necessary.
- viii) To perform other related duties as may be agreed by the Committee and the Board.

Audit Committee Report

cont'd

A. TERMS OF REFERENCE *cont'd*

Employees Share Option Scheme ("ESOS")

During the financial year ended 31 January 2008, no further share options were allocated pursuant to the Company's ESOS.

B. MEETINGS AND ACTIVITIES

During the year ended 31 January 2008, four (4) Audit Committee Meetings were held. Details of attendance of each Committee member were as follows:-

	Attendance
Dato' Ahmad Khairumzammil Bin Mohd Yusoff	four (4) out of four (4) meetings held
Tan Sri Dato' Seri Dr Ting Chew Peh	three (3) out of four (4) meetings held
Puan Sri Datin Tan Swee Bee	four (4) out of four (4) meetings held

At each of these Committee Meetings, the Senior General Manager-Finance, the Internal Audit Manager and representative(s) of the External Auditors were invited to attend to review with the Committee members the quarterly reports, half-year and annual financial statements as the case may be focusing on matters as listed out in the Duties and Responsibilities above.

After each Committee Meeting, the Chairman of the Committee reports to the Board on the proceedings conducted thereat and to convey the recommendations by the Committee on the quarterly reports, half-year and annual financial statements with or without amendments as the case may be to be adopted by the Board for release to the Bursa Securities.

Highlights of Activities

In line with the terms of reference of the Committee, the following activities were carried out by the Committee during the year ended 31 January 2008 in the discharge of its functions and duties:-

- i) Review of the audit plans and scope for the year for the Group prepared by Internal Audit Department and the external auditors;
- ii) Review of the internal audit reports of companies in the Group prepared by the Internal Audit Department and the Auditor's report by External Auditors and consideration of the major findings by the auditors and management's responses thereto. Monitored the corrective actions on the outstanding audit issues to ensure that all the key risks and control lapses have been addressed;
- iii) Review of the quarterly and annual reports of the Company and the Group prior to submission to the Board for consideration and approval;
- iv) Review of the related party transactions entered into by Companies in the Group;
- v) Review of the fees of the external auditors.

C. INTERNAL AUDIT FUNCTION

Johan had since December 1990 established an Internal Audit Department to carry out internal audit function of the Group's key operations in Malaysia and overseas. The scope of internal audit works are conducted on a rotation basis and as and when directed by the management. The internal audit reports generated were reviewed and discussed at each of the Audit Committee Meetings to assist the Committee to discharge its functions more effectively. The internal audit team is independent and has no involvement in the operations of Group companies.

This Statement is made in accordance with the resolution of the Board of Directors dated 16 May 2008.

Statement on Internal Control

DIRECTORS' RESPONSIBILITIES

The Board has overall responsibility for establishing and maintaining the Group's system of internal control to safeguard shareholders' investment and the Group's assets. The system of internal control is designed to manage and minimize risk rather than eliminating it. Shareholders should be aware that there are inherent limitations in any system of internal control. Thus, internal controls can only provide reasonable, but not absolute, assurance against material loss or misstatement.

INTERNAL CONTROL ENVIRONMENT AND RISK MANAGEMENT FRAMEWORK

The Audit Committee of the Company relies on the Audit Committee of its subsidiary, Jacks International Limited, listed on the Singapore Exchange Securities Trading Limited. Further, there are organizational structures in place for each operating unit with clearly defined levels of authority. Operational management has clear responsibility for identifying risks affecting their business and for instituting adequate procedures and internal controls to mitigate and monitor such risks in an ongoing basis. Issues are brought to the Board's attention regularly during Board meetings. Standard operating policies and procedures that document how transactions are captured and where internal controls are applied exist for all Group operating companies. As part of the performance monitoring process, management information in the form of annual budgets, revised forecasts and quarterly management accounts and reports are provided to the Board for approval and review respectively.

The Board had on 30 September 2002 set up a Risk Management Committee comprising of executive board members and senior management to better identify and to review the risk profile of companies within the Group. All material risks are identified, analysed, treated, monitored and reported to the Risk Management Committee and Audit Committee by various business units through the submission of Risk Profile that is reviewed on a half-yearly basis.

AUDIT COMMITTEE

The Audit Committee meets four times a year and provides assurance to the Board, in discharging its overall responsibility for the effectiveness of internal controls in the Group. The key functions of the Committee are to review:-

- Audit plans and consider reports of both internal and external auditors
- Financial statements and results announcements and recommend to the Board for approval
- Risk pertaining to Group companies and consider the effect on operations
- Any related party transaction and conflict of interest situations

INTERNAL AUDIT

To assist the Audit Committee in providing assurance that a sound system of internal controls exists, internal (management/operational) audits are conducted to appraise and review such controls and procedures for all companies in the Group at least once a year. At the beginning of each year, the audit programme is agreed with the Audit Committee and findings are presented to the Committee in a timely manner for their consideration. The internal audit role is performed by an inhouse team of professionally qualified personnel in the Internal Audit Department of the Company. The internal audit team is independent and has no involvement in the operations of Group companies.

REVIEW OF EFFECTIVENESS

The Board is satisfied with the procedures outlined above and believes that the system of internal controls had continued to operate effectively in the financial year under review.

This Statement is made in accordance with the resolution of the Board of Directors dated 16 May 2008.

Financial Statements

Directors' Report	20-23
Statement by Directors	24
Statutory Declaration	24
Report of the Auditors	25
Income Statements	26
Balance Sheets	27-28
Consolidated Statement of Changes in Equity	29
Cash Flow Statements	30-31
Notes to the Financial Statements	32-87

Directors' Report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 January 2008.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to the subsidiaries.

The principal activities of the subsidiaries are manufacturing and marketing of ceramic tiles, trading of engineering equipment, water meters, health foods and supplements, investment trading, management and secretarial services, provision of charge card and credit card services, travel and resort related business, property development, property investment and investment holding.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group	Company
	RM'000	RM'000
Profit for the year	20,687	1,121
Attributable to:		
Equity holders of the Company	19,873	1,121
Minority interests	814	-
	<u>20,687</u>	<u>1,121</u>

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

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

DIVIDENDS

The Directors do not recommend or propose any dividend for the financial year ended 31 January 2008.

DIRECTORS

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Dato' Tan Kay Hock
 Puan Sri Datin Tan Swee Bee
 Tan Sri Dato' Seri Dr Ting Chew Peh
 Dato' Ahmad Khairummuzammil Bin Mohd Yusoff

Directors' Report

cont'd

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Employee Share Options Scheme.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest, except as disclosed in Notes 36 to the financial statements.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings the interests of Directors in office at the end of the financial year in the shares in the Company during the financial year were as follows:

	Number of Ordinary Shares of RM0.50 Each			At 31 January 2008
	At 1 February 2007	During the year		
		Bought	Sold	

Direct and Indirect Interest:

Tan Sri Dato' Tan Kay Hock & Puan Sri Datin Tan Swee Bee	275,208,584	-	-	275,208,584
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	Number of Options Over Ordinary Shares of RM0.50 each			At 31 January 2008
	At 1 February 2007	During the year		
		Granted	Exercised	

Employee Share Options Scheme

Tan Sri Dato' Tan Kay Hock	100,000	-	-	100,000
Puan Sri Datin Tan Swee Bee	100,000	-	-	100,000

Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee by virtue of their interests in shares in the Company, are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Directors' Report

cont'd

EMPLOYEE SHARE OPTIONS SCHEME

The Johan Holdings Berhad Employee Share Options Scheme ("ESOS") is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 19 June 2003. The ESOS was implemented on 31 October 2003 and is to be in force for a period of 5 years expiring on 30 October 2008, subject to any extension for a period of 5 years.

The salient features and other terms of the ESOS are disclosed in Note 23 to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia vide their letter dated 21 April 2008 from having to disclose the names of employees who have been granted options to subscribe for less than 20,000 ordinary shares of RM0.50 each. The list of employees of the Group granted options to subscribe for 20,000 or more ordinary shares of RM0.50 each during the financial year is as follows:

Name	Number of Share Options			At 31 January 2008
	At 1 February 2007	Granted	Exercised	
Teh Yong Fah	45,000	-	-	45,000
Ng Yew Soon	41,000	-	-	41,000
Yap Fook Loi	40,000	-	-	40,000
Koh Chuan Lim	40,000	-	-	40,000
Chia Shih Chan	40,000	-	-	40,000
Poon Yew Wai	22,000	-	-	22,000
Robert Koh	22,000	-	-	22,000
Yap Ee Seong	20,000	-	-	20,000
Lee Chee Wah	20,000	-	-	20,000
Leong Kwee Heng	20,000	-	-	20,000

The above ESOS were granted on 31 October 2003 and the expiry date is 30 October 2008. The exercise price is RM0.50 per share.

Details of options granted to Directors are disclosed in the section on Directors' Interests in this report.

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

Directors' Report
cont'd**OTHER STATUTORY INFORMATION** cont'd

- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

OTHER SIGNIFICANT EVENTS

In addition to the significant events disclosed elsewhere in the report, other significant events are disclosed in Notes 43 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 16 May 2008.

Dato' Ahmad Khairummuzammil Bin Mohd Yusoff

Puan Sri Datin Tan Swee Bee

Statement by Directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, Dato' Ahmad Khairummuzammil Bin Mohd Yusoff and Puan Sri Datin Tan Swee Bee, being two of the Directors of Johan Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on Page 26 to 87 are drawn up in accordance with applicable Financial Reporting Standards in Malaysia and the provision of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2008 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 16 May 2008.

Dato' Ahmad Khairummuzammil Bin Mohd Yusoff

Puan Sri Datin Tan Swee Bee

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, Ng Yew Soon, being the Officer primarily responsible for the financial management of Johan Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on Page 26 to 87 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Ng Yew Soon at
Kuala Lumpur in the Federal Territory
on 16 May 2008

Ng Yew Soon

Before me,

MOHD RADZI BIN YASIN

W 327

Persuruhjaya Sumpah

(Commissioner for Oaths)

Malaysia

Report of the Auditors to the Members of Johan Holdings Berhad (Incorporated in Malaysia)

We have audited the financial statements set out on Page 26 to 87. These financial statements are the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on 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 applicable 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Group and of the Company as at 31 January 2008 and of the results and the cash flows of the Group and of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports thereon of the subsidiaries of which we have not acted as auditors, as indicated in Note 42 to the financial statements, being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

Ernst & Young
AF: 0039
Chartered Accountants

Lee Seng Huat
No. 2518/12/09(J)
Partner

Kuala Lumpur, Malaysia
16 May 2008

Income Statements

for the year ended 31 January 2008

	Note	Group		Company	
		2008 RM'000	2007 RM'000 (Restated)	2008 RM'000	2007 RM'000
Revenue	3	466,003	522,594	3,240	4,222
Cost of sales	4	(296,815)	(356,895)	-	-
Gross profit		169,188	165,699	3,240	4,222
Other income	5	10,208	12,573	2,150	1,798
Distribution expenses		(35,633)	(31,164)	-	-
Administrative expenses		(84,731)	(101,852)	(5,166)	(4,669)
Other expenses		(2,805)	(4,168)	912	(652)
Finance costs	6	(37,506)	(29,210)	(15)	(29)
Profit before tax	7	18,721	11,878	1,121	670
Income tax	10	1,966	(463)	-	77
Profit for the year		20,687	11,415	1,121	747
Attributable to:					
Equity holders of the Company		19,873	10,851	1,121	747
Minority interests		814	564	-	-
		20,687	11,415	1,121	747
Earnings per share attributable to equity holders of the Company (sen):					
Basic and diluted, profit for the year	11	3.19	1.74		

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

Balance Sheets

as at 31 January 2008

	Note	Group		Company	
		2008 RM'000	2007 RM'000 (Restated)	2008 RM'000	2007 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	174,905	198,629	150	158
Land held for property development	13 ^(a)	100,534	76,160	-	-
Prepaid land lease payments	14	8,937	9,043	-	-
Intangible assets	15	6,439	5,887	-	-
Investments in subsidiaries	16	-	-	35,399	35,399
Investment securities	18	6	1,813	-	-
Deferred tax assets	31	11,805	11,270	-	-
		302,626	302,802	35,549	35,557
Current assets					
Property development costs	13 ^(b)	241	-	-	-
Inventories	19	26,061	25,417	-	-
Trade receivables	20	460,874	422,500	-	-
Other receivables	21	20,132	19,398	761	761
Amounts owing by subsidiaries	17	-	-	173,921	176,819
Investment securities	18	658	670	264	284
Cash and bank balances	22	89,499	84,988	34	174
		597,465	552,973	174,980	178,038
TOTAL ASSETS		900,091	855,775	210,529	213,595
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	32	254,451	254,451	254,451	254,451
Share premium		69,415	69,415	69,415	69,415
Irredeemable convertible unsecured loan stocks	33	57,024	57,024	57,024	57,024
Revaluation reserve		29,426	28,438	-	-
Exchange reserve		6,059	7,516	-	-
Accumulated losses		(258,141)	(277,882)	(214,045)	(215,166)
		158,234	138,962	166,845	165,724
Minority interests		3,616	3,079	-	-
Total Equity		161,850	142,041	166,845	165,724

Balance Sheets

as at 31 January 2008
cont'd

	Note	Group		Company	
		2008 RM'000	2007 RM'000 (Restated)	2008 RM'000	2007 RM'000
Non-current liabilities					
Deferred tax liabilities	31	917	1,822	-	-
Senior certificates	28	29,000	27,000	-	-
Hire purchase and finance lease obligations	29	1,614	1,341	56	34
Borrowings	30	29,713	66,438	-	-
		61,244	96,601	56	34
Current liabilities					
Trade payables	24	80,327	73,456	-	-
Other payables	25	52,731	44,641	7,820	2,530
Amounts owing to subsidiaries	26	-	-	35,767	45,279
Provision for reward points	27	15,397	16,244	-	-
Current tax payable		1,542	4,892	-	-
Investor certificates	28	383,183	360,842	-	-
Hire purchase and finance lease obligations	29	768	389	41	28
Borrowings	30	143,049	116,669	-	-
		676,997	617,133	43,628	47,837
Total liabilities		738,241	713,734	43,684	47,871
TOTAL EQUITY AND LIABILITIES		900,091	855,775	210,529	213,595

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

Consolidated Statement of Changes in Equity for the year ended 31 January 2008

GROUP

Note	← Attributable to equity holders of the Company →								Total Equity RM'000
	← Non distributable →			Revaluation Reserve RM'000	Exchange Reserve RM'000	Accumulated Losses RM'000	Minority Interests RM'000	Total RM'000	
	Share Capital RM'000	Share Premium RM'000	ICULS RM'000						
At 1 February 2006									
As previously stated	254,451	69,415	57,024	27,485	8,452	(283,367)	133,460	9,688	143,148
Prior year adjustments	35	-	-	-	143	(5,366)	(5,223)	-	(5,223)
Restated	254,451	69,415	57,024	27,485	8,595	(288,733)	128,237	9,688	137,925
Translation differences	-	-	-	-	107	-	107	(1,840)	(1,733)
Recognised to equity	-	-	-	953	(1,186)	-	(233)	-	(233)
Capital distribution to minority interests	-	-	-	-	-	-	-	(5,333)	(5,333)
Profit for the year	-	-	-	-	-	10,851	10,851	564	11,415
At 31 January 2007	254,451	69,415	57,024	28,438	7,516	(277,882)	138,962	3,079	142,041
At 1 February 2007									
As previously stated	254,451	69,415	57,024	28,438	7,266	(273,178)	143,416	3,079	146,495
Prior year adjustments	35	-	-	-	382	(4,836)	(4,454)	-	(4,454)
	254,451	69,415	57,024	28,438	7,648	(278,014)	138,962	3,079	142,041
Recognised to equity	-	-	-	994	(1,589)	-	(595)	(277)	(872)
Capital distribution to minority interests	-	-	-	(6)	-	-	(6)	-	(6)
Profit for the year	-	-	-	-	-	19,873	19,873	814	20,687
At 31 January 2008	254,451	69,415	57,024	29,426	6,059	(258,141)	158,234	3,616	161,850

COMPANY

	← Attributable to equity holders of the Company →					
	Irredeemable			Convertible		Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Unsecured Loan RM'000	Accumulated Losses RM'000	Total RM'000	
At 1 February 2006						
Profit for the year	254,451	69,415	57,024	(215,913)	164,977	164,977
	-	-	-	747	747	747
At 31 January 2007	254,451	69,415	57,024	(215,166)	165,724	165,724
At 1 February 2007						
Profit for the year	254,451	69,415	57,024	(215,166)	165,724	165,724
	-	-	-	1,121	1,121	1,121
At 31 January 2008	254,451	69,415	57,024	(214,045)	166,845	166,845

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

Cash Flow Statement

for the year ended 31 January 2008

	Group		Company	
	2008 RM'000	2007 RM'000 (Restated)	2008 RM'000	2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	18,721	11,878	1,121	670
Adjustments for:				
Interest income	(4,766)	(1,789)	-	(112)
Dividend income from subsidiaries	-	-	(3,240)	(4,222)
Interest expense	37,506	29,210	15	29
Provision for financial guarantee	-	-	6,089	-
Impairment of goodwill	-	71	-	-
Amortisation of prepaid land lease payments	106	98	-	-
Depreciation of property, plant and equipment	8,560	9,033	86	98
Gain on disposal of property, plant and equipment	(10,028)	(163)	(8)	(8)
Property, plant and equipment written off	85	269	-	-
Reversal of impairment loss on land held for property development	(8,249)	-	-	-
Amortisation of intangible assets	385	513	-	-
Impairment loss of investment securities	1,819	63	20	42
Write-down of inventories	159	205	-	-
Allowance for doubtful receivables				
- trade and other receivables	13,107	11,708	-	-
- subsidiaries	-	-	228	171
Reversal of allowance for doubtful receivables				
- trade and other receivables	(42,775)	(3,456)	-	-
- subsidiaries	-	-	(7,916)	-
Bad debts written off	38,028	-	-	-
Bad debts recovered	(2,178)	(4,954)	-	-
Provision for reward points	6,576	6,715	-	-
Net unrealised foreign exchange gain	(6,340)	(9,687)	-	-
Operating profit/(loss) before working capital changes	50,716	49,714	(3,605)	(3,332)
Increase in property development costs	(75)	-	-	-
Increase in inventories	(803)	(1,753)	-	-
(Increase)/decrease in trade and other receivables	(47,468)	(21,468)	(2)	617
Increase/(decrease) in trade and other payables	21,668	(3,843)	(763)	24
Decrease in provision for reward points	(7,601)	(7,848)	-	-
Increase in amount owing by subsidiaries	-	-	1,074	19,170
	16,437	14,802	(3,296)	16,479
Interest paid	(37,506)	(29,210)	(15)	(29)
Interest received	4,766	1,789	-	-
Taxes paid	(1,927)	(2,774)	-	(528)
Net cash (used in)/generated from operating activities	(18,230)	(15,393)	(3,311)	15,922

Cash Flow Statement

for the year ended 31 January 2008
cont'd

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
	(Restated)			
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(4,401)	(3,014)	(7)	(1)
Proceeds from disposal of property plant and equipment	31,016	6,854	8	8
Purchase and cost incurred for land held for development	(16,291)	(139)	-	-
Purchase of intangible assets	(921)	(185)	-	-
Acquisition of investment securities	-	(1,821)	-	-
Dividend income from subsidiaries	-	-	3,240	4,222
Acquisition of a subsidiary	(32)	(3)	-	-
Net cash generated from investing activities	9,371	1,692	3,241	4,229
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of hire purchase and finance lease obligations	(273)	(153)	(70)	(39)
Net proceeds from investor and senior certificates	24,341	43,514	-	-
Proceeds from bank borrowings	1,527	12,225	-	-
Repayment of bank borrowings	(22,976)	(70,795)	-	(20,000)
Capital repayment to minority interest	-	(5,333)	-	-
Net cash generated/(used) in financing activities	2,619	(20,542)	(70)	(20,039)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(6,240)	(34,243)	(140)	112
Effects of foreign exchange rate changes	(353)	(1,700)	-	-
Cash and cash equivalents at beginning of year	60,157	96,100	174	62
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 22)	53,564	60,157	34	174

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

Notes to the Financial Statements

31 January 2008

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Lot 1115, Batu 15, Jalan Dengkil, 47100 Puchong, Selangor Darul Ehsan. The principal place of business is located at Suite 4.2, Level 4, Block C, Plaza Damansara, 45, Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 42. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 16 May 2008.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards ("FRS") in Malaysia.

The financial statements have been prepared on a historical basis except for land and buildings and available-for-sale financial assets that have been measured at their fair values.

The financial statements are presented in Ringgit Malaysia (RM), and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

The MASB has issued FRS 6: Exploration for and Evaluation of Mineral Resources and Amendment to FRS 119₂₀₀₄: Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures which will be effective for annual periods beginning on or after 1 January 2007. Both FRS 6 and Amendment to FRS 119₂₀₀₄ are not applicable to the Group or the Company.

Notes to the Financial Statements

31 January 2008
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.2 Standards and Interpretations Issued but Not Yet Effective

At the date of authorisation of these financial statements, the following FRS, amendments to FRS and Issues Committee Interpretations ("IC Interpretation") were issued but not yet effective and have not been applied by the Group and the Company:

FRS, Amendments to FRS and Interpretations	Effective for financial periods beginning on or after
FRS 107: Cash Flow Statements	1 July 2007
FRS 111: Construction Contracts	1 July 2007
FRS 112: Income Taxes	1 July 2007
FRS 118: Revenue	1 July 2007
FRS 120: Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 134: Interim Financial Reporting	1 July 2007
FRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 July 2007
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	1 July 2007
IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6: Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7: Applying the Restatement Approach under FRS 129 ²⁰⁰⁴ Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8: Scope of FRS 2	1 July 2007

The above new and revised FRS, amendment to FRS and Interpretations are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the following:

(i) Amendment to FRS 121: The effects of Changes in Foreign Exchange Rates-Net Investment in a Foreign Operation

This amendment requires that where an entity has a monetary item that forms part of its net investment in a foreign operation, the exchange differences arising from such monetary items should always be recognised in equity in the consolidated financial statements and should not be dependent on the currency of the monetary item. Prior to this amendment, exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation are recognised in equity in the consolidated financial statements only when that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation. The Group will apply this amendment from financial periods beginning 1 February 2008. As it is not possible to reasonably estimate the exchange rates applicable to such monetary items for future periods, the directors are therefore unable to determine if the initial adoption of this amendment will have a material impact on the consolidated financial statements for the financial year ending 31 January 2008.

Notes to the Financial Statements

31 January 2008

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any 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 represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

(b) Intangible Assets

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Notes to the Financial Statements

31 January 2008

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd***2.3 Summary of Significant Accounting Policies** *cont'd***(b) Intangible Assets** *cont'd***(ii) Other Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

(c) Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the balance sheet date. Any revaluation surplus is credited to the revaluation reserve included within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss to the extent of the decrease previously recognised. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in profit or loss.

Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

Freehold buildings	2% - 4%
Long leasehold buildings	1.38% - 14%
Long leasehold hotel properties	2%
Plant and machinery, furniture, equipment and vehicles	4% - 33.3%

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

Notes to the Financial Statements

31 January 2008

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 Summary of Significant Accounting Policies *cont'd*

(d) Land Held for Property Development and Property Development Costs

(i) Land Held for Property Development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Property Development Costs

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

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

(e) Impairment of Non-Financial Assets

The carrying amounts of the Group's assets, other than inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Notes to the Financial Statements

31 January 2008

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd**2.3 Summary of Significant Accounting Policies** cont'd**(e) Impairment of Non-Financial Assets** cont'd

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(f) Financial Assets

Financial assets are classified as either financial assets at fair value through profit or loss, loan and receivable, held to maturity investments or available-for-sale financial assets, as appropriate. Financial assets are recognised on the balance sheet when, and only when, the group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

(i) Loans and Receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest method, less impairment losses. Gains or losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

The Group classifies the following financial assets as loans and receivables:

- Cash and short term deposits
- Trade and other receivables, amount due from subsidiaries, related companies.

(ii) Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss are financial assets classified as held for trading. Financial assets classified as held for trading are derivatives or are acquired principally for the purpose of selling or repurchasing it in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in the income statement. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

(iii) Available-for-sale Financial Assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognised in the fair value adjustment reserve until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

Notes to the Financial Statements

31 January 2008

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 Summary of Significant Accounting Policies *cont'd*

(f) Financial assets *cont'd*

(iii) Available-for-sale Financial Assets *cont'd*

The fair value of investment that are actively traded in organised financial markets is determined by reference to the relevant Exchange's quoted market bid prices at the close of business on the balance sheet date. For investment where there is no active market, fair value is determined using valuation techniques. Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment losses.

(g) Derecognition of Financial Assets

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the income statement.

(h) Inventories

Inventories are stated at lower of cost and net realisable value.

Cost is determined using the first in, first out method. The cost of raw materials comprises costs of purchase. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity. The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Financial Liabilities

Financial liabilities include trade payables, which are normally settled on 30-90 day terms, other amounts payable, payables to related parties and interest-bearing loans and borrowings. Financial liabilities are recognised on the balance sheet when, and only when, the group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

Notes to the Financial Statements

31 January 2008

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd***2.3 Summary of Significant Accounting Policies** *cont'd***(j) Leases****(i) Classification**

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases except for land held for own use. Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

(ii) Finance Leases - the Group as Lessee

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

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

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 2.3 (c).

(iii) Operating Leases - the Group as Lessee

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

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

(k) Income Tax

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

Notes to the Financial Statements

31 January 2008

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

2.3 Summary of Significant Accounting Policies cont'd

(k) Income Tax cont'd

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(m) Employee Benefits

(i) Short Term Benefits

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

(ii) Defined Benefit Plan

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

Notes to the Financial Statements

31 January 2008

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd**2.3 Summary of Significant Accounting Policies** cont'd**(m) Employee Benefits** cont'd**(iii) Equity Compensation Benefits**

The Employee Share Options Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the share option reserve within equity over the vesting period and taking into account the probability that option reserve will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date. At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred directly to retained earnings. The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

(n) Functional Currencies**(i) Functional and Presentation Currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation.

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

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

Notes to the Financial Statements

31 January 2008

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 Summary of Significant Accounting Policies *cont'd*

(n) Functional Currencies *cont'd*

(iii) Foreign Operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency RM of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

(o) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) Dividend Income

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

(ii) Revenue from Charge and Credit Card

Charge and credit card commissions, cardholders' subscriptions, renewal fees and service charges are recognised on inception of the respective events.

(iii) Ticketing Revenue

Revenue from ticket sales is recognised upon issue and delivery of tickets and revenue from tour and travel services is recognised upon departure or arrival dates of the tours and services rendered.

(iv) Sale of Goods

Revenue is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(v) Revenue from Hotel Operations

Revenue from rental of hotel rooms, sale of food and beverage and other related income are recognised on an accrual basis.

(vi) Development Properties

Revenue from sale of development properties is accounted for by the percentage of completion method in respect of all building units that have been sold. The stage of completion is determined by reference to the costs incurred to date to the total estimated costs where the outcome of the projects can be reliably estimated.

(vii) Interest Income

Interest is recognised on a time proportion basis that reflects the effective yield on the asset.

Notes to the Financial Statements

31 January 2008

*cont'd***2. SIGNIFICANT ACCOUNTING POLICIES** *cont'd***2.3 Summary of Significant Accounting Policies** *cont'd***(o) Revenue Recognition** *cont'd***(viii) Contract Revenue**

Contract revenue and contract costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, when the outcome of the engineering service contract can be estimated reliably. An expected loss on the engineering service contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

Revenue is recognised in accordance with the percentage of completion method. The stage of completion is measured by reference to the costs incurred to date as a percentage of the total estimated costs for each contract.

Only costs that reflects services performed are included in the estimated total costs of the contract. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expense recognised that are recoverable.

2.4 Significant Accounting Estimates and Judgements**(a) Critical Judgements Made in Applying Accounting Policies**

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Revenue Recognition

The Group has recognised revenue amounting to RM20,069,000 (2007: RM32,994,000) for rendering of engineering services under contract to customers during 2008. The revenue from fixed-price contracts, cost-plus contracts and contract-in-progress are recognised in accordance to the accounting policy stated in Note 2.3 (o). Revenue arising from fixed-price contracts is recognised in accordance with the percentage of completion method. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Management estimates the total hours required for each contract based on experience with similar contracts.

(b) Key Sources of Estimation Uncertainty

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

(i) Impairment of Goodwill

The Group determines whether goodwill are impaired at least on an annual basis. This requires the estimation of the value in use of the cash-generating units to which goodwill are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill at 31 January 2008 was RM5,272,000 (2007: RM5,272,000). More details are given in Note 15.

Notes to the Financial Statements

31 January 2008

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES cont'd**2.4 Significant Accounting Estimates and Judgements** cont'd**(b) Key Sources of Estimation Uncertainty** cont'd**(ii) Depreciation of Plant and Equipment**

The cost of property, plant and equipment are depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and machinery to be within 3 to 60 years. These are common life expectancies applied in the industry in which the Group operates. The carrying amount of the Group's property, plant and equipment at 31 January 2008 are disclosed in Note 12. Changes in the expected level of maintenance, usage and technological developments could impact the economic lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised tax losses and capital allowances of the Group was RM31,735,000 (2007: RM25,965,000) and the unrecognised tax losses and capital allowances of the Group was RM54,244,000 (2007: RM93,663,000).

(iv) Provision for Reward Points

The provision for Reward Points pertain to the amounts awarded to card members based on the spending on their credit cards that could be redeemed for services and merchandises at a later date. There is no expiry date attached to these Reward Points. The provision for Reward Points amounting to RM15,397,000 (2007: RM16,244,000) represents costs which are expected to be incurred.

(v) Assessment of Allowance for Doubtful Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for doubtful receivables. In assessing the allowance for receivables, the Group takes into account the duration of the settlement agreement, whether any subsequent payments were in default as well as past payment history of the customers, where relevant.

3. REVENUE

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
	(Restated)			
Charge card operations, ticket sales, and resort operations	342,062	382,196	-	-
Sale of goods	103,729	107,278	-	-
Engineering contracts	20,069	32,993	-	-
Management services	143	127	-	-
Dividend income from subsidiaries	-	-	3,240	4,222
	466,003	522,594	3,240	4,222

Notes to the Financial Statements
31 January 2008
cont'd

4. COST OF SALES

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Ticketing services' costs and resort operations' related costs	216,679	264,165	-	-
Cost of inventories sold	65,637	67,140	-	-
Engineering contracts costs	14,499	25,590	-	-
	296,815	356,895	-	-

5. OTHER INCOME

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Management fees	-	-	2,150	1,686
Airline incentives	1,454	2,252	-	-
Interest income	4,766	1,789	-	112
Waiver of debts	-	2,318	-	-
Rental income	-	418	-	-
Income recovered from suspense accounts	570	1,821	-	-
Commissions	1,318	1,951	-	-
Miscellaneous	2,100	2,024	-	-
	10,208	12,573	2,150	1,798

6. FINANCE COSTS

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
Bank borrowings	37,031	28,542	-	-
Hire purchase	118	264	5	6
Others	357	404	10	23
	37,506	29,210	15	29

Notes to the Financial Statements

31 January 2008

cont'd

7. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2008 RM'000	2007 RM'000 (Restated)	2008 RM'000	2007 RM'000
Auditors' remuneration:				
- auditors of the Company	184	238	43	42
- other auditors	808	759	-	-
Impairment of goodwill	-	71	-	-
Asset Securitisation Program Expenses	584	1,076	-	-
Depreciation of property, plant and equipment	8,560	9,033	86	98
Gain on disposal of property, plant and equipment	(10,028)	(163)	(8)	(8)
Property, plant and equipment written off	85	269	-	-
Reversal of impairment loss on land held for property development	(8,249)	-	-	-
Amortisation of prepaid land lease payments	106	98	-	-
Amortisation of intangible assets	385	513	-	-
Impairment loss of investment securities	1,819	63	20	42
Write-down of inventories	159	205	-	-
Bad debts recovered	(2,178)	(4,954)	-	-
Bad debts written off	38,028	-	-	-
Allowance for doubtful receivables				
- subsidiaries	-	-	228	171
- trade and other receivables	13,107	11,708	-	-
Reversal of allowance for doubtful receivables				
- subsidiaries	-	-	(7,916)	-
- trade and other receivables	(42,775)	(3,456)	-	-
Provision for reward points	6,576	6,715	-	-
Provision for financial guarantee	-	-	6,089	-
Hire of plant and equipment	744	686	12	12
Foreign exchange (gain)/loss	(10,923)	(11,827)	668	448
Rental of land and buildings	12,806	11,739	381	362
Employee benefits expense (Note 8)	76,703	82,964	4,339	3,102
Directors' remuneration (Note 9)	3,709	3,550	1,400	1,305

Notes to the Financial Statements

31 January 2008
cont'd

8. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	66,457	73,472	4,163	2,926
Social security costs	218	106	9	11
Pension cost - defined contribution plans	5,133	4,869	(20)	(35)
Other staff related expenses	4,895	4,517	187	200
	76,703	82,964	4,339	3,102

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM1,713,000 (2007: RM1,555,000) and RM1,300,000 (2007: RM1,205,000) respectively as further disclosed in Notes 9.

9. DIRECTORS' REMUNERATION

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	1,513	1,330	1,100	980
Pension cost	88	118	88	118
Benefit-in-kind	112	107	112	107
Non-executive:				
Fees	100	100	100	100
	1,813	1,655	1,400	1,305
Directors of subsidiaries				
Executive:				
Salaries and other emoluments	1,856	1,857	-	-
Pension cost	40	38	-	-
	1,896	1,895	-	-
Total	3,709	3,550	1,400	1,305
Analysis excluding benefits-in-kind:				
Total executive Directors' remuneration excluding benefits-in-kind	3,497	3,343	1,188	1,098
Total non-executive Directors' remuneration excluding benefits-in-kind	100	100	100	100
Total Directors' remuneration excluding benefits-in-kind	3,597	3,443	1,288	1,198

Notes to the Financial Statements

31 January 2008

cont'd

9. DIRECTORS' REMUNERATION cont'd

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

	Number of Directors	
	2008	2007
Executive Directors:		
RM600,000 - RM650,000	-	1
RM650,000 - RM700,000	1	-
RM700,001 - RM750,000	-	-
RM750,001 - RM800,000	-	-
RM800,000 - RM1,000,000	1	1
Non-executive Directors		
RM10,000 - RM50,000	2	2

10. INCOME TAX

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
	(Restated)			
Current income tax:				
Malaysian tax	(97)	(605)	-	-
Foreign tax	1,056	3,262	-	-
	959	2,657	-	-
Over provision in prior years:				
Malaysian income tax	27	(77)	-	(77)
Foreign tax	(2,265)	(51)	-	-
	(1,279)	2,529	-	(77)
Deferred tax (Note 31):				
Relating to origination and reversal of temporary differences	(1,500)	(2,090)	-	-
Underprovision in prior years	813	24	-	-
	(687)	(2,066)	-	-
	(1,966)	463	-	(77)

Domestic income tax is calculated at the Malaysian statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 25% from the current year's rate of 26%, effective year of assessment 2009. Taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The computation of deferred tax as at 31 January 2008 has reflected these changes.

Notes to the Financial Statements

31 January 2008
cont'd

10. INCOME TAX *cont'd*

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

	Group		Company	
	2008 RM'000	2007 RM'000 (Restated)	2008 RM'000	2007 RM'000
Profit before tax	18,721	11,878	1,121	670
Tax at Malaysian statutory tax rate of 26% (2007: 27%)	4,867	3,207	291	181
Effect of different tax rates in foreign countries	386	417	-	-
Effect of reduction in tax rate	145	395	-	-
Income not subject to tax	(14,301)	(6,795)	(2,057)	(181)
Expenses not deductible for tax purposes	5,321	4,821	1,484	-
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(306)	(15)	-	-
Deferred tax assets not recognised during the year	1,344	(654)	282	-
Under provision of deferred tax in prior years	1,179	24	-	-
Over provision of tax expense in prior years	(1,221)	(128)	-	(77)
Others	620	(809)	-	-
Income tax for the year	(1,966)	463	-	(77)

11. EARNINGS PER SHARE

Basic and Diluted

Basic and diluted earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the year. In accordance with FRS 133 - Earnings Per Share, the Irredeemable Convertible Unsecured Loan Stocks ("ICULS") are included in the calculation of basic earnings per share as they are mandatorily convertible instruments.

Diluted earning per share amount is the same as basic earnings per share. The ESOS shares are not included as the effect is anti-dilutive.

	Group	
	2008 RM'000	2007 RM'000 (Restated)
Profit attributable to ordinary equity holders of the parent including assumed conversion	19,873	10,851
Weighted average number of ordinary shares in issue	508,901	508,901
Effects of dilution: Irredeemable Convertible Unsecured Loan Stocks (ICULS)	114,047	114,047
Adjusted weighted average number of ordinary shares in issue and issuable	622,948	622,948
Basic and diluted earnings per share for:		
Profit for the year (sen)	3.19	1.74

Notes to the Financial Statements

31 January 2008

cont'd

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Freehold buildings RM'000	Long Leasehold buildings RM'000	Long leasehold hotel properties RM'000	Plant and machinery RM'000	Furniture, equipment and vehicles RM'000	Total RM'000
Group							
At 31 January 2008							
Cost or valuation							
At 1 February 2007							
At cost	-	21,154	48,970	24,435	93,020	59,348	246,927
At valuation	50,850	-	-	-	-	-	50,850
	50,850	21,154	48,970	24,435	93,020	59,348	297,777
Additions	-	272	-	-	1,325	3,265	4,862
Disposals	(20,000)	-	-	-	-	(1,905)	(21,905)
Write off	-	-	-	-	(141)	-	(141)
Exchange differences	-	-	184	-	237	171	592
At 31 January 2008	30,850	21,426	49,154	24,435	94,441	60,879	281,185
Representing:							
At cost	-	21,426	49,154	24,435	94,441	60,879	250,335
At valuation	30,850	-	-	-	-	-	30,850
At 31 January 2008	30,850	21,426	49,154	24,435	94,441	60,879	281,185
Accumulated depreciation and impairment							
At 1 February 2007	-	3,676	7,326	764	35,821	51,561	99,148
Depreciation charge for the year	-	422	777	484	3,998	2,879	8,560
Disposals	-	-	-	-	-	(1,803)	(1,803)
Write off	-	-	-	-	(56)	-	(56)
Exchange differences	-	-	101	-	232	98	431
At 31 January 2008	-	4,098	8,204	1,248	39,995	52,735	106,280
Net carrying amount							
At cost	-	17,328	40,950	23,187	54,446	8,144	144,055
At valuation	30,850	-	-	-	-	-	30,850
At 31 January 2008	30,850	17,328	40,950	23,187	54,446	8,144	174,905

Notes to the Financial Statements
31 January 2008
cont'd

12. PROPERTY, PLANT AND EQUIPMENT *cont'd*

	Freehold land RM'000	Freehold buildings RM'000	Long Leasehold buildings RM'000	Long leasehold hotel properties RM'000	Plant and machinery RM'000	Furniture, equipment and vehicles RM'000	Total RM'000
Group							
At 31 January 2007							
Cost or valuation							
At 1 February 2006							
At cost	-	21,151	62,701	24,435	92,826	59,313	260,426
At valuation	50,850	-	-	-	-	-	50,850
	50,850	21,151	62,701	24,435	92,826	59,313	311,276
Additions	-	3	-	-	878	2,133	3,014
Disposals/ written off	-	-	(13,430)	-	(527)	(1,667)	(15,624)
Exchange differences	-	-	(301)	-	(157)	(431)	(889)
At 31 January 2007	50,850	21,154	48,970	24,435	93,020	59,348	297,777
Representing:							
At cost	-	21,154	48,970	24,435	93,020	59,348	246,927
At valuation	50,850	-	-	-	-	-	50,850
At 31 January 2007	50,850	21,154	48,970	24,435	93,020	59,348	297,777
Accumulated depreciation and impairment							
At 1 February 2006	-	3,250	13,090	281	31,821	50,892	99,334
Depreciation charge for the year	-	426	884	483	4,403	2,837	9,033
Disposals/ written off	-	-	(6,817)	-	(247)	(1,556)	(8,620)
Exchange differences	-	-	169	-	(156)	(612)	(599)
At 31 January 2007	-	3,676	7,326	764	35,821	51,561	99,148
Net carrying amount							
At cost	-	17,478	41,644	23,671	57,199	7,787	147,779
At valuation	50,850	-	-	-	-	-	50,850
At 31 January 2007	50,850	17,478	41,644	23,671	57,199	7,787	198,629

Notes to the Financial Statements

31 January 2008

cont'd

12. PROPERTY, PLANT AND EQUIPMENT cont'd

Had the freehold land and leasehold buildings been carried at historical cost less depreciation and impairment loss, the carrying amount of the revalued assets that would have been included in the financial statements as at the end of the financial year is as follows:

	Group	
	2008 RM'000	2007 RM'000
Freehold land	10,979	10,979
Leasehold buildings	2,957	7,090
	13,936	18,069
	Company	
	2008 RM'000	2007 RM'000
Furniture, equipment and vehicles		
Cost		
At 1 February 2007/2006	3,002	3,084
Additions	78	1
Disposals	(53)	(83)
At 31 January 2008/2007	3,027	3,002
Accumulated Depreciation		
At 1 February 2007/2006	2,844	2,829
Charge for the year	86	98
Disposals	(53)	(83)
At 31 January 2008/2007	2,877	2,844
Net Carrying Amount		
At 31 January 2008/2007	150	158

Notes to the Financial Statements

31 January 2008

cont'd

12. PROPERTY, PLANT AND EQUIPMENT *cont'd*

- (a) During the financial year, the Group and the Company acquired property, plant and equipment at aggregate costs of RM4,862,000 (2007: RM3,014,000) and RM77,463 (2007: RM1,200) respectively of which RM461,000 (2007: RM420,000) and RM70,083 (2007: RMNil) respectively were acquired by means of finance lease arrangements. Net book values of property plant and equipment held under hire purchase and finance leases arrangements are as follows:

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Furniture, equipment and vehicles	1,931	2,093	89	62

- (b) The net carrying amount of the property, plant and equipment pledged to financial institutions are as follows:

	Group	
	2008	2007
	RM'000	RM'000
Freehold land and buildings	48,178	68,328
Long leasehold buildings	27,099	27,864
Plant and machinery	54,339	57,135
	129,616	153,327

Notes to the Financial Statements

31 January 2008

cont'd

13. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS**(a) Land Held for Property Development**

	Freehold Land RM'000	Leasehold Land RM'000	Development Expenditure RM'000	Total RM'000
Group				
At 31 January 2008				
Cost				
At 1 February 2007	9,264	6,314	74,044	89,622
Additions	13,600	-	2,691	16,291
Transfer to property development costs	-	(141)	(25)	(166)
At 31 January 2008	<u>22,864</u>	<u>6,173</u>	<u>76,710</u>	<u>105,747</u>
Accumulated impairment losses				
At 1 February 2007	8,249	-	5,213	13,462
Reversal of impairment losses	(8,249)	-	-	(8,249)
At 31 January 2008	<u>-</u>	<u>-</u>	<u>5,213</u>	<u>5,213</u>
Carrying amount as at 31 January 2008	<u>22,864</u>	<u>6,173</u>	<u>71,497</u>	<u>100,534</u>
At 31 January 2007				
Cost				
At 1 February 2006	9,264	6,314	74,016	89,594
Additions	-	-	28	28
At 31 January 2007	<u>9,264</u>	<u>6,314</u>	<u>74,044</u>	<u>89,622</u>
Accumulated impairment losses				
At 1 February 2006	8,249	-	5,213	13,462
Additions	-	-	-	-
At 31 January 2007	<u>8,249</u>	<u>-</u>	<u>5,213</u>	<u>13,462</u>
Carrying amount as at 31 January 2007	<u>1,015</u>	<u>6,314</u>	<u>68,831</u>	<u>76,160</u>

Leasehold land and development expenditure of RM12,253,000 (2007: RM12,253,000) are pledged to a bank for a term loan granted to a subsidiary as disclosed in Note 30.

Included in land held for property development incurred during the financial year is borrowing cost of RM2,632,000 (2007: nil).

Notes to the Financial Statements
31 January 2008
cont'd

13. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS *cont'd*

(b) Property Development Costs

	Leasehold Land RM'000	Development Costs RM'000	Total RM'000
At 31 January 2008			
Cumulative property development costs			
At 1 February 2007	-	-	-
Costs incurred during the year	-	75	75
Transfer from land held for property development	141	25	166
At 31 January 2008	141	100	241
Cumulative costs recognised in income statement			
At 1 February 2007	-	-	-
Costs incurred during the year	-	-	-
At 31 January 2008	-	-	-
Property development costs at 31 January 2008	141	100	241
At 31 January 2007			
Cumulative property development costs			
At 1 February 2006	-	-	-
Costs incurred during the year	-	-	-
At 31 January 2007	-	-	-
Cumulative costs recognised in income statement			
At 1 February 2006	-	-	-
Costs incurred during the year	-	-	-
At 31 January 2007	-	-	-
Property development costs at 31 January 2007	-	-	-

Notes to the Financial Statements

31 January 2008

cont'd

14. PREPAID LAND LEASE PAYMENTS

	Group	
	2008	2007
	RM'000	RM'000
At 1 February 2007/2006	9,043	9,141
Amortisation for the year	(106)	(98)
At 31 January 2008/2007	<u>8,937</u>	<u>9,043</u>

The leasehold land is held under long term lease and is situated in Malaysia.

15. INTANGIBLE ASSETS**Group**

	Goodwill	Computer software	Total
	RM'000	RM'000	RM'000
Cost			
At 31 January 2007 and 1 February 2007	5,271	2,564	7,835
Addition	-	921	921
Exchange differences	1	32	33
At 31 January 2008	<u>5,272</u>	<u>3,517</u>	<u>8,789</u>
Accumulated Amortisation			
At 31 January 2007 and 1 February 2007	-	(1,948)	(1,948)
Amortisation	-	(385)	(385)
Exchange differences	-	(17)	(17)
At 31 January 2008	<u>-</u>	<u>(2,350)</u>	<u>(2,350)</u>
Net Carrying Amount			
At 31 January 2008	<u>5,272</u>	<u>1,167</u>	<u>6,439</u>
At 31 January 2007	<u>5,271</u>	<u>616</u>	<u>5,887</u>

Notes to the Financial Statements

31 January 2008

cont'd

15. INTANGIBLE ASSETS cont'd**Impairment testing of goodwill**

The carrying amount of goodwill has been allocated to the cash generating units of Diners Club (Singapore) Pte Ltd ("DCS"), which are under the provision of charge card services segment for impairment testing as follows:

	Provision for charge card services segment Group 2008 RM'000
Carrying amount of goodwill	5,272

The recoverable amount of DCS is determined based on value in use calculation using cash flow projections based on financial budgets approved by management covering a period of 5 years. The pre-tax discount rate applied to the cash flow projections is 10% (2007: 10%).

16. INVESTMENTS IN SUBSIDIARIES

	Company	
	2008	2007
	RM'000	RM'000
Shares, at cost	110,969	110,969
Impairment losses	(75,570)	(75,570)
Carrying amount of investments	35,399	35,399

The Group's effective equity interests in the subsidiaries, their respective principal activities and countries of incorporation are shown in Note 42 to the financial statements.

(a) Acquisition of subsidiary

On 18 December 2007, Abacus Pacific N.V a wholly owned subsidiary of Johan Holdings Berhad purchased a dormant shelf company called Crayford Limited, a company incorporated in Isle of Man at an investment cost of RM32,150 (£5,000).

The acquired subsidiary has not contributed any revenue nor profit to the Group.

The assets and liabilities arising from acquisition are as follows:

	Fair value recognised on acquisition RM'000
Other receivables	2
Preliminary expenses	30
Fair value of net assets	32
Total cost of acquisition/cash outflow of the Group	32

Notes to the Financial Statements

31 January 2008

cont'd

16. INVESTMENTS IN SUBSIDIARIES cont'd**(b) Deregistration of subsidiary companies**

Oil & Mineral Services Limited ("OMS"), DC Management Limited ("DC") and Seatronics Limited ("SEA"), wholly-owned subsidiary companies of the Group were deregistered on 4 April 2007, 27 April 2007 and 11 May 2007 respectively, at their carrying values. The disposal consideration was fully settled through assumption of all the liabilities of OMS, DC and SEA by their immediate holding companies, Jacks Inetrnational Limited, Diners Club (Singapore) Pte. Ltd. and Jacks Overseas Limited, respectively.

The value of assets and liabilities of the subsidiaries recorded in the consolidated financial statements and the cash flow effect of the disposal are as follows:

	RM'000
Other payables	(629)
Carrying value of net liabilities	(629)
Total consideration	629
Cash and cash equivalent of the subsidiary companies	-
	629
Assumption of all its liabilities by parent companies	(629)
Net cash outflow on disposal of subsidiary companies	-

17. AMOUNTS OWING BY SUBSIDIARIES

	Company	
	2008	2007
	RM'000	RM'000
Amounts owing by subsidiaries	302,035	311,964
Less: Allowance for doubtful receivables	(128,114)	(135,145)
	173,921	176,819

The amounts owing by the subsidiaries are unsecured, interest free, repayment on demand.

Notes to the Financial Statements

31 January 2008
cont'd

18. INVESTMENT SECURITIES

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Non-current:				
Available-for-sale financial assets				
Unquoted shares, at cost	6	1,813	-	-
	6	1,813	-	-
Current:				
Financial assets at fair value through profit or loss				
Quoted shares	658	670	264	284

Quoted shares with market value of RM281,000 (2007: RM294,000) have been pledged to financial institutions for credit facilities granted to a subsidiary as disclosed in Note 30.

Quoted shares with a market value of RM260,000 (2007: RM280,000) are held in trust by a third party.

Unquoted shares stated at cost have no market price and the fair value cannot be reliably measured using valuation techniques.

19. INVENTORIES

	Group	
	2008	2007
	RM'000	RM'000
Raw materials and components	6,795	7,257
Work-in-progress	157	318
Finished goods	19,109	17,842
Total inventories at lower of cost and net realisable value	26,061	25,417

During the financial year, the Group had written-down RM159,000 (2007: RM205,000) of inventories which is recognised as expense in the income statement.

20. TRADE RECEIVABLES

	Group	
	2008	2007
	RM'000	RM'000
Securitised Trade Receivables (Note 20(a))	403,690	351,754
Non-securitised trade receivables	171,643	215,633
Less: Allowance for doubtful receivables	(114,459)	(144,887)
	460,874	422,500

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Notes to the Financial Statements

31 January 2008

cont'd

20. TRADE RECEIVABLES cont'd

Trade receivables denominated in foreign currencies as at 31 January 2008 are as follows:

	Group	
	2008	2007
	RM'000	RM'000
Australia dollar	2,840	3,857
United States dollar	1,015	664
Singapore dollar	314,767	387,467
New Zealand dollar	81,132	79,649

(a) Securitised Trade Receivables in Singapore, New Zealand and Malaysia are disclosed as follows:

Singapore

On 4 May 2005, Diners Club (Singapore) Private Limited ("DCS"), the Group's Singapore-incorporated subsidiary, renewed its Asset Securitisation Program ("the DCS Program") with Card Centre Asset Purchase Company Pte. Ltd. ("CCAPC"), a special purpose entity set up for this purpose, and a private institutional lender to raise funds of up to Singapore dollar \$140 million over a 3-year period through the securitisation of its credit and charge card receivables which meet pre-determined criteria ("eligible trade receivables"). The programme is expiring on 9 May 2009.

In CCAPC, a trust is declared over the eligible trade receivables sold by DCS ("Securitised Trade Receivables"). The ownership of the trust assets is held through six certificates of beneficial interest, namely Class A certificate, Class B certificate, Class C certificate, Class D certificate, Class E certificate and Seller Certificate. Class C certificate and Seller certificate are two certificates representing DCS's interest in the trust assets. Neither DCS nor any other company in the Group is obliged to support any losses suffered by the investors.

During the period of the DCS Program, eligible trade receivables outstanding as at the 5th working day before the end of each month (referred to as "calculation date") will be sold to CCAPC subject to term of the related receivable purchase agreement. The collections from the Securitised Trade Receivables received by DCS in trust for CCAPC, between two settlement dates (9th calendar day of two consecutive months) will be utilised as follows:

- (i) a percentage ranging from 10.0% to 16.5% of the collections will be placed in a designated trust account in CCAPC and will be used by CCAPC to meet the financing costs, administrative expenses and other costs incurred pursuant to the arrangements of the DCS Program. Any excess will be paid by CCAPC to DCS on the next settlement date; and
- (ii) the balance of the collections (known as "principal collections") will be placed in a designated trust account in CCAPC and will be advanced by CCAPC to DCS on a daily basis for the purchase of new eligible trade receivables at the next calculation date.

The funding from investors in relation to Securitised Trade Receivables are disclosed as investor Certificates in Note 28.

Notes to the Financial Statements

31 January 2008
cont'd

20. TRADE RECEIVABLES *cont'd*

New Zealand

On 1 October 2005, Diners Club NZ Limited ("DCNZ"), the Group's New Zealand-incorporated subsidiary, renewed its asset securitisation program (the "DCNZ Program") with Perpetual Trust Limited, in its capacity as Trustees of Kowhai Trust No. 1 ("KT") a special purpose entity set up for this purpose and a private institutional lender to raise funds of up to New Zealand dollar \$49 million over a three and a half year period. The program expires on 13 May 2009.

KT has two beneficiaries: DCNZ is the Income Beneficiary of a trust set up for the purposes of the DCNZ Program ("the Trust") and ABN AMRO Nominees DCNZ Ltd is the Capital Beneficiary of the Trust. As Income Beneficiary, DCNZ is entitled to receive distributions from the Trust as per a related trust deed. The Capital Beneficiary has the right to receive only any residual sums remaining in the Trust at its termination and after effecting certain distributions. The securitised card receivables continue to be recognised in DCNZ as DCNZ retains substantially all of the risk and rewards over the securitised card receivables sold.

During the period of the DCNZ Program, eligible trade receivables outstanding as at the last working day of the end of the month (referred to as "calculation date") will be sold to KT subject to the related receivable purchase agreement. Between two consecutive transaction dates, the collections from securitised trade receivables will be utilised as follows:

- (i) 7% to 9% of the collections will be used by KT to meet the financing costs, administrative expenses and audit fees incurred relating to the DCNZ Program. Any excess will be paid back by KT to DCNZ on the 13th calendar day of the following month or the next working day where the 13th is a non-working day; and
- (ii) balances of the collections are held by KT on Trust to acquire new eligible trade receivables sold by DCNZ under the receivable purchase agreement.

The funding from investors in relation to Securitised Trade Receivables are disclosed as Investor Certificates in Note 28.

Malaysia

On 9 January 2004, Diners Club (Malaysia) Sendirian Berhad ("DCM"), a subsidiary in Malaysia entered into agreements for an asset securitisation program (the "DCM Program") to raise funds of up to RM132 million over a 3.5 year period with Domayne Assets Corporation Berhad ("DACB"), a special purpose entity set up for this purpose and private institution lenders through the securitisation of DCM's charge card receivables ("eligible trade receivables"). During the financial year, the DCM Program has been renewed for a further 3 years, expiring on 10 July 2010.

In DACB, a trust is declared over the eligible trade receivables sold ("Securitised Trade Receivables") and all the assets of the DACB. The ownership of the trust assets is held through two certificates of beneficial interest, namely Senior Certificates issued to private institution investors and Subordinated Certificates, the latter certificate being retained by DCM. Neither DCM nor DACB is obliged to support any losses suffered by the investors.

During the period of the DCM Program, eligible trade receivables outstanding as at the 5th business day before the end of each month (referred to as "calculation date") will be sold to DACB subject to the related receivables purchase agreement. Between two settlement dates (10th calendar day of two consecutive months), the collections from the Securitised Trade Receivables received by DCM in trust for DACB will be utilised as follows:

- (i) 7% of the collections will be placed in a designated trust account in DACB and will be used by DACB to meet financing costs, administrative expenses and other costs incurred pursuant to terms of arrangements of the DCM Program. Any excess will be paid by DACB to DCM on the next settlement date; and
- (ii) 93% of the collections will be placed in a designated trust account in DACB and balances of these collections on each day will be advanced by DACB to DCM on a daily basis for the purchase of new eligible trade receivables at the next calculation date.

The funding from investors in relation to Securitised Trade Receivables are disclosed as Senior Certificates in Note 28.

Notes to the Financial Statements

31 January 2008

cont'd

20. TRADE RECEIVABLES cont'd

The Securitised Trade Receivables in the Group have not been derecognised in the Group as the Group retains certain rights and obligations relating to the Securitised Trade Receivables sold to the special purpose entities.

Pursuant to the terms of the respective Programs, agreed percentages of the Investor Certificates and Senior Certificates disclosed in Note 28 will be retained in designated trust accounts in the related special purpose entities and will be returned to DCS, DCNZ and DCM respectively upon termination of the respective Programs, less financing charges, administrative expenses and other related costs.

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

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

21. OTHER RECEIVABLES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Other receivables	84,645	83,151	156	156
Tax credits	605	605	605	605
	85,250	83,756	761	761
Less: Allowance for doubtful receivables	(65,118)	(64,358)	-	-
	20,132	19,398	761	761

Other receivables denominated in foreign currencies as at 31 January 2008 are as follows:

Singapore dollar	2,610	3,186	-	-
New Zealand dollar	490	232	-	-

Included in other receivables is a net amount owing from a foreign debtor of RM7,518,000 (2007: RM5,068,000), after the allowance for doubtful receivables of RM65,031,000 (2007: RM64,031,000). The recoverability of the amount is dependent on the favourable outcome of a legal claim initiated by the foreign debtor against a third party. Based on the documents available, the Directors are of the opinion that this debt is recoverable.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

Notes to the Financial Statements

31 January 2008
cont'd

22. CASH AND BANK BALANCES

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Deposits with:				
Licensed banks	8,682	8,234	-	-
Cash on hand and at banks	80,817	76,754	34	174
	89,499	84,988	34	174

Fixed deposits amounting to RM2,991,000 (2007: RM2,824,000) are pledged with financial institutions for banking facilities extended to the subsidiaries as disclosed in Note 30.

Included in deposits with licensed banks and cash and bank balances of the Group are amounts held in the designated trust accounts of the special purpose entities aggregating RM37,765,000 (2007: RM39,284,000) pursuant to the terms of the respective Programs as disclosed in Note 20 to the financial statements. These amounts are restricted for use for the purposes disclosed in Note 20 to the financial statements.

Cash and bank balances denominated in foreign currencies as at 31 January 2008 are as follows:

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Australia dollar	5,189	3,228	-	-
United States dollar	-	372	-	-
Singapore dollar	55,144	39,925	-	-
New Zealand dollar	24,206	24,920	-	-

The effective interest rates and maturities of deposits as at the end of the financial year were as follows:

	Effective interest rates (%)	Maturities days (days)
Licensed banks	0.60 - 7.39	31-365
Licensed finance companies	3.70	365

Notes to the Financial Statements

31 January 2008

*cont'd***22. CASH AND BANK BALANCES** *cont'd*

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following as at 31 January:

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	89,499	84,988	34	174
Bank overdrafts	(35,935)	(24,831)	-	-
Total cash and cash equivalents	53,564	60,157	34	174

23. EMPLOYEE BENEFITS**Employee Share Options Scheme ("ESOS")**

On 31 October 2003, the Company implemented an Employee Share Options Scheme ("ESOS") which is governed by the by-laws and was approved by the shareholders at an Extraordinary General Meeting held on 19 June 2003.

The main features of the ESOS are as follows:

- (i) The ESOS shall be in force for a period of five (5) years from 31 October 2003;
- (ii) Eligible persons are employees of the Group (including executive directors) who have been confirmed in the employment of the Group and have served for at least two (2) years before the date of the offer. The eligibility for participation in the ESOS shall be at the discretion of the ESOS Committee appointed by the Board of Directors;
- (iii) The total number of shares to be offered shall not exceed in aggregate 10% of the issued share capital of the Company at any point of time during the tenure of the ESOS;
- (iv) The option price for each share shall be the weighted average of the mean market quotation of the shares of the Company in the daily official list issued by the Bursa Malaysia Securities Berhad for the five (5) trading days preceding the date of offer, or the par value of the shares of the Company of RM0.50, whichever is higher;
- (v) No option shall be granted for less than 1,000 shares nor more than 500,000 shares to any eligible employee;
- (vi) An option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company commencing from the date of the offer but before the expiry of five (5) years from the 31 October 2003;
- (vii) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respect with the existing ordinary shares of the Company; and
- (viii) The person to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

Notes to the Financial Statements

31 January 2008

cont'd

23. EMPLOYEE BENEFITS cont'd**Employee Share Options Scheme ("ESOS")** cont'd

The number of share options granted and vested under the ESOS on 31 October 2003 are 3,147,000 shares with the exercise price of RM0.50 per share. The share options outstanding as at the end of the year are as follows:

	Exercise	Number of Share Options		
	Price	1.2.2007	Lapsed	31.1.2008
	RM	'000	'000	'000
Exercise period				
31 October 2003 to 30 October 2008	0.50	1,817	(57)	1,760

24. TRADE PAYABLES

The normal credit terms granted to the Group range from 15 days to 120 days.

Trade payables denominated in foreign currencies as at 31 January 2008 are as follows:

	Group	
	2008	2007
	RM'000	RM'000
Australia dollars	944	1,594
US dollars	5,552	1,537
Singapore dollars	45,279	36,667
New Zealand dollars	8,258	7,827

25. OTHER PAYABLES

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Other payables and accruals	52,731	44,641	7,820	2,530

Other payables denominated in foreign currencies as at 31 January 2008 are as follows:

Singapore dollars	16,135	17,135	-	-
New Zealand dollars	5,367	4,888	-	-

Notes to the Financial Statements

31 January 2008

cont'd

26. AMOUNT OWING TO SUBSIDIARIES

The amounts owing to the subsidiaries are unsecured, interest free and are repayable on demand.

27. PROVISION FOR REWARD POINTS

The provision for Reward Points pertain to the amounts awarded to card members based on the spending on their credit cards that could be redeemed for services and merchandises at a later date. There is no expiry date attached to these Reward Points. The provision for Reward Points represent costs which are expected to be incurred. The movement in this provision is as below:

	Group	
	2008	2007
	RM'000	RM'000
	(Restated)	
At 1 February 2007/2006	16,244	17,774
Charge to income statement	6,576	6,715
Amount utilised during the year	(7,601)	(7,848)
Foreign currency transaction adjustments	178	(397)
At 31 January 2008/2007	15,397	16,244

28. INVESTOR AND SENIOR CERTIFICATES

The investor certificates relate to the funding for Securitised Trade Receivables of DCS and DCNZ as disclosed in Note 20. Interest rates payable on the investors certificates ranged from 4.66% to 8.69% (2007: 5.27% to 8.69%) respectively.

The senior certificates relate to the funding for Securitised Trade Receivables of DCM as disclosed in Note 20. The interest rate payable on senior certificates is 8.75% (2007: 8.5%)

29. HIRE PURCHASE AND FINANCE LEASE OBLIGATIONS

The Group has hire purchase and finance lease obligations in respect of furniture, equipment and vehicles. Future minimum payments under hire purchase payables together with the present value of the net minimum payments are as follows:

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Amount outstanding	2,382	1,730	97	62
Less: Repayable within one year	(768)	(389)	(41)	(28)
Repayable after one year	1,614	1,341	56	34

Notes to the Financial Statements

31 January 2008
cont'd

29. HIRE PURCHASE AND FINANCE LEASE OBLIGATIONS *cont'd*

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Minimum lease payments:				
- not later than one year	861	491	48	32
- later than one year and not later than five years	1,966	1,501	54	40
- later than five years	31	-	15	-
	2,858	1,992	117	72
Future finance charges	(476)	(262)	(20)	(10)
Present value of finance lease liabilities	2,382	1,730	97	62
Present value of finance lease liabilities:				
- not later than one year	768	389	41	28
- later than one year and not later than five years	1,584	1,341	44	34
- later than five years	30	-	12	-
	2,382	1,730	97	62

Other information on financial risks of hire purchase and finance lease liabilities are disclosed in Note 40.

30. BORROWINGS

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Short term borrowings				
Secured:				
Bank overdrafts	34,257	19,241	-	-
Revolving credits and short term loans	13,680	-	-	-
Trust receipts and bankers' acceptance	11,736	12,484	-	-
Term loans	79,423	65,674	-	-
	139,096	97,399	-	-
Unsecured:				
Bank overdrafts	1,678	5,590	-	-
Revolving credits and short term loans	2,275	13,680	-	-
	3,953	19,270	-	-
Total short term borrowings	143,049	116,669	-	-

Notes to the Financial Statements

31 January 2008

cont'd

30. BORROWINGS *cont'd*

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Long term borrowings				
Secured:				
Term loans	29,713	66,438	-	-
Total borrowings				
Bank overdrafts	35,935	24,831	-	-
Revolving credits and short term loans	15,955	13,680	-	-
Trust receipts and bankers' acceptance	11,736	12,484	-	-
Term loans	109,136	132,112	-	-
	172,762	183,107	-	-

The secured term loans of the Group are secured by charges over certain freehold, leasehold and development expenditure, quoted and unquoted shares and fixed deposits as disclosed in Note 12(b), Note 13, Note 18 and Note 22 respectively.

Other information on financial risks of borrowings are disclosed in Note 40.

31. DEFERRED TAX

	Group	
	2008 RM'000	2007 RM'000
At 1 February 2007/2006	(9,448)	(7,462)
Recognised in income statement	(687)	(2,066)
Recognised in equity	(994)	-
Exchange differences	241	80
At 31 January 2008/2007	(10,888)	(9,448)

Presented after appropriate offsetting as follows:

Deferred tax assets	(11,805)	(11,270)
Deferred tax liabilities	917	1,822
	(10,888)	(9,448)

Notes to the Financial Statements

31 January 2008
cont'd

31. DEFERRED TAX *cont'd*

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Property, Plant and Equipment RM'000	Revaluation of Freehold and Leasehold Lands RM'000	Others RM'000	Total RM'000
At 1 February 2007	335	2,443	(956)	1,822
Recognised in income statement	92	37	(70)	59
Recognised in equity	-	(994)	-	(994)
Exchange differences	(16)	-	46	30
At 31 January 2008	<u>411</u>	<u>1,486</u>	<u>(980)</u>	<u>917</u>
At 1 February 2006	1,305	1,561	1,192	4,058
Reclassification	(702)	2,304	(1,602)	-
Recognised in income statement	(262)	(1,396)	(561)	(2,219)
Exchange differences	(6)	(26)	15	(17)
At 31 January 2007	<u>335</u>	<u>2,443</u>	<u>(956)</u>	<u>1,822</u>

Deferred tax assets of the Group:

	Tax Losses and Unabsorbed Capital Allowances RM'000	Provision for Liabilities RM'000	Receivables RM'000	Total RM'000
At 1 February 2007	(6,751)	(3,036)	(1,483)	(11,270)
Recognised in income statement	(1,500)	718	36	(746)
Exchange differences	-	236	(25)	211
At 31 January 2008	<u>(8,251)</u>	<u>(2,082)</u>	<u>(1,472)</u>	<u>(11,805)</u>
At 1 February 2006	(6,780)	(3,163)	(1,577)	(11,520)
Recognised in income statement	37	42	74	153
Exchange differences	(8)	85	20	97
At 31 January 2007	<u>(6,751)</u>	<u>(3,036)</u>	<u>(1,483)</u>	<u>(11,270)</u>

Subject to agreement of the tax authorities, the Group has unabsorbed reinvestment allowances of RM36.9 million (2007: RM36.9 million) available for utilisation against future taxable profits.

Notes to the Financial Statements

31 January 2008

cont'd

31. DEFERRED TAX *cont'd*

Deferred tax assets have not been recognised as follows:

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Unabsorbed tax losses	49,227	78,635	4,749	3,071
Unabsorbed capital allowances	5,017	15,028	529	593
	54,244	93,663	5,278	3,664

The unabsorbed capital allowances and unabsorbed tax losses of the Group and the Company are available for offsetting against future taxable profits subject to no substantial change in shareholdings under the Income Tax Act, 1967 and guidelines issued by the tax authority.

32. SHARE CAPITAL

	Group/Company			
	Number of Ordinary Shares of RM0.50 each		Amount	
	2008	2007	2008	2007
	'000	'000	RM'000	RM'000
Authorised:				
At 1 February/31 January	1,000,000	1,000,000	500,000	500,000
Issued and fully paid:				
At 1 February/31 January	508,901	508,901	254,451	254,451

33. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS

	Group/Company			
	Number of ICULS with nominal value of RM0.50 each		Amount	
	2008	2007	2008	2007
	'000	'000	RM'000	RM'000
At 1 February/31 January	114,047	114,047	57,024	57,024

Notes to the Financial Statements

31 January 2008

*cont'd***33. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS** *cont'd*

On 30 September 2003, the Company issued 114,047,164 units of 10-year Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at a nominal value of RM0.50 each. The ICULS were issued pursuant to the Debt Restructuring Agreement implemented by the Company. The terms of the ICULS are as follows:

(a) Tenure

The ICULS have a tenure of 10 years.

(b) Conversion Rights

The registered holders of the ICULS have the option to convert the ICULS at the conversion rate into new ordinary shares of RM0.50 each in the Company.

(c) Conversion Rate

On the basis of one (1) ICULS for one (1) new ordinary share of RM0.50 each in the Company.

(d) Conversion Period

Commencing from the 30 September 2008 and thereafter on 31 October and 30 April of each year.

All outstanding ICULS will be mandatorily and automatically converted into fully paid-up ordinary shares in the Company on 30 September 2013.

(e) Interest

The ICULS are non-interest bearing instrument.

(f) Optional Purchase and Cancellation

The Company has the right at any time during the tenure to purchase the ICULS in the open market or otherwise, at a price, not less than the prevailing market price.

The ICULS so purchased shall be cancelled forthwith.

34. RETAINED EARNINGS

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholders as defined under the Finance Act 2007. As at 31 January 2008, the Company has sufficient credit in the 108 balance to pay franked dividends up to RM50,381,000.

Notes to the Financial Statements

31 January 2008

cont'd

35. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE RESTATEMENTS

- (a) The prior year adjustments are principally due to the recognition of membership fees. In prior years, membership fees were recognised upon receipt which is consistent with industry practice. With effect from current financial year, the membership fees are recognised on a time proportionate basis which better reflects the economic reality.

	Previously Stated RM'000	Adjustments RM'000	Restated RM'000
Group			
Balance Sheet			
Current			
Other payables	41,285	3,356	44,641
Provision for reward points	15,145	1,099	16,244
Statement of changes in equity			
Accumulated losses at beginning of the year	(273,178)	(4,836)	(278,014)
Exchange differences at beginning of the year	7,266	382	7,648
Income Statement			
Revenue	522,114	480	522,594
Administrative expenses	(102,034)	182	(101,852)
Profit before tax	11,216	662	11,878
Profit after tax	10,753	662	11,415

- (b) Certain prior year comparative figures have been reclassified to conform with current year's presentation.

	Previously Stated RM'000	Reclassified RM'000	Restated RM'000
Company			
Balance Sheet			
Non-current assets			
Amounts owing by subsidiaries	176,819	(176,819)	-
Current assets			
Amounts owing by subsidiaries	-	176,819	176,819
Balance Sheet			
Non-current liabilities			
Amounts owing by subsidiaries	45,279	(45,279)	-
Balance Sheet			
Current liabilities			
Amounts owing by subsidiaries	-	45,279	45,279

Notes to the Financial Statements

31 January 2008

cont'd

36. RELATED PARTY DISCLOSURES

An entity or individual is considered a related party of the group for the purposes of the financial statements if : i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the group or vice-versa; or ii) it is subject to common control or common significant influence.

(a) Sales and Purchase of Goods and Services

The following significant transactions between the Group and the related parties who are not members of the Group took place during the year at terms agreed between the parties.

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Transactions with subsidiaries				
- dividend income	-	-	3,240	4,222
- management fee	-	-	2,150	1,686
Transactions with corporations in which the Directors, Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee are deemed interested through their interest in George Kent (Malaysia) Berhad:				
- Sales of air tickets	341	528	-	-
- Recovery of share registration charges	191	145	-	-
- Purchase of goods	18	415	-	-
- Rental expenses	67	76	-	-

The Directors of the Company are of the opinion that the above transactions were in the normal course of business and have been established under terms that are no less favourable than those arranged with independent parties.

(b) Compensation of Key Management Personnel

	Group	
	2008 RM'000	2007 RM'000
Directors' fees		
- Directors of the Company	100	100
- Directors of the subsidiary companies	80	76
Short-term employee benefits	5,570	5,408
Pension benefits	388	387
Total compensation paid to key management personnel	6,138	5,971
Comprise amounts paid to:		
Directors of the Company	1,813	1,655
Directors of the subsidiary companies	1,896	1,895
Other key management personnel	2,429	2,421
	6,138	5,971

Notes to the Financial Statements

31 January 2008

cont'd

37. OPERATING LEASE COMMITMENTS

Future minimum lease payments payable under the non-cancellable operating leases entered into by the Group as of 31 January are as follows:

	Group	
	2008	2007
	RM'000	RM'000
Lease rental payable in:		
- not later than one year	8,336	10,363
- later than one year and not later than five years	4,529	5,278
- later than five years	617	2,453
	13,482	18,094

38. MATERIAL LITIGATIONS (UNSECURED)

- (a) Johan Properties Sdn. Bhd. ("JPSB"), a subsidiary of the Company filed a claim against the Defendants for specific performance of an agreement in relation to the purchase of a property or, in lieu thereof for damages and the return of the deposit paid being the sum of RM1.7 million. The Defendants filed their defence and counterclaimed for general damages. The full trial was heard in March 2003 and the judgement was delivered on 2 June 2003. The judge dismissed both JPSB's claim and the Defendants' counterclaim. JPSB has filed an appeal to the Court of Appeal against the decision of the judge. On 2 August 2003, the record of appeal was filed. The appeal is still pending. As at to date, no date for hearing of JPSB's appeal has been fixed. The Directors based on documents available are of the view that JPSB stands a reasonable chance of success at the Appeal.
- (b) Lumut Marine Resort Bhd. ("LMRB"), a subsidiary of the Company is engaged in a legal dispute with the Plaintiff in relation to an alleged contract for management by the Plaintiff of certain facilities offered by LMRB. LMRB denied that there was such a contract and further denied the claim for damages. The judgement on the issue of liability has been delivered on 23 January 2002 and the High Court has ruled in favour of the Plaintiff. The amount of damages payable shall be assessed at a later date by the court. On 27 February 2003, LMRB has filed an appeal to the Court of Appeal against the judgement of the High Court on the issue of liability. The appeal is awaiting hearing by the Court, no date for hearing have been fixed. The Directors based on documents available are of the view that LMRB stands a reasonable chance of success at the Appeal.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivative financial instruments, comprise bank loans and overdraft, irredeemable convertible unsecured loan stocks, finance leases, and hire purchase contracts, and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

Notes to the Financial Statements

31 January 2008

cont'd

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

The main risks arising from the Group's financial instruments are interest rate risks, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Interest Rate Risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's investment portfolio and debt obligations. The Group does not use derivative financial instruments to hedge its investment portfolio.

The Group's policy is to manage its exposure to interest cost for the securitisation of its trade receivables by using a mix of fixed and variable rate debt. At 31 January 2008, RM161,000,000 (2007: RM161,000,000) of the Group's borrowings were at a fixed rate of interest and the balance at the market rates.

(b) Foreign Currency Risk

As a result of significant investment operations in the Singapore, Australia, New Zealand, Netherlands, British Virgin Islands, Republic of Liberia, the Group's balance sheet can be affected significantly by movements in the Singapore dollar, Australia dollar, New Zealand dollar, United States dollar/Malaysian Ringgit exchange rates.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

(c) Credit Risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transaction that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without specific approval of the Management.

With respect to credit risk arising from other financial asset of the Group, which comprise cash and cash equivalents, other receivables, investment securities and certain derivative financial instruments, the group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Concentrations of credit risk exist when changes in economic, industry or geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. As the Group transacts with a diversity of counterparties, the Group does not have any significant exposure to any individual customers.

(d) Liquidity Risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures and finance leases.

40. FINANCIAL INSTRUMENTS**(a) Fair values**

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Notes to the Financial Statements

31 January 2008

cont'd

40. FINANCIAL INSTRUMENTS cont'd**(a) Fair values** cont'd**(i) Financial Instruments Whose Carrying Amount Approximate Fair Value**

Management has determined that the carrying amounts of cash and short term deposits, current trade and other receivables, bank overdrafts, current trade and other payables and current bank loans, based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are repriced frequently.

(ii) Financial Instruments Not Carried at Fair Value

Set out below is a comparison by category of carrying amounts and fair values of all the Group and the Company's financial instruments that are not carried at their fair value and whose carrying amounts are not reasonable approximate of fair values are as follows:

	31 January 2008		31 January 2007	
	Carrying amount	Fair value	Carrying amount	Fair value
	RM'000	RM'000	RM'000	RM'000
Group				
Financial liabilities				
Term loan, secured	1,124	1,156	1,191	1,023
Finance lease obligations	2,382	2,239	1,730	1,745

Unquoted shares stated at cost have no market prices and the fair value cannot be reliably measured using valuation techniques.

(iii) Methods and Assumptions Used to Determine Fair Value

The methods and assumptions used by management to determine fair values of financial instruments other than those whose carrying amounts reasonably approximate fair value as mentioned earlier, are as follows:

Financial Assets and Liabilities

- Investment securities
- Other receivables (non-current)
- Bank borrowings
- Other payables (non-current)

Methods and Assumptions

Fair value has been determined by reference to published market prices or broker quotes at the balance sheet date without factoring in transaction costs.

Fair value has been determined using discounted estimated cash flows. Where repayment terms are not fixed, future cash flows are projected based on management's best estimates. The discount rates used are the current market incremental lending rates for similar types of lending, borrowing and leasing arrangements.

Notes to the Financial Statements

31 January 2008
cont'd

40. FINANCIAL INSTRUMENTS *cont'd*

(b) Interest Rate Risk

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at the balance sheet date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk.

	WAEIR	Within 1	1-2	2-3	3-4	4-5	More than	Total
	%	Year	Years	Years	Years	Years	5 Years	RM'000
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2008								
Group								
Fixed rate								
Senior certificates	8.75	-	-	29,000	-	-	-	29,000
Hire purchase	4.00	769	626	381	369	209	28	2,382
Floating rate								
Deposit with licensed banks	3.80	11,928	-	-	-	-	-	11,928
Cash and bank balances	3.00	77,570	-	-	-	-	-	77,570
Bank overdrafts	8.00	35,935	-	-	-	-	-	35,935
Revolving credits and short term loans	4.14	15,955	-	-	-	-	-	15,955
Trust receipts and bankers' acceptance	4.50	11,736	-	-	-	-	-	11,736
Term loans	8.80	79,423	28,619	32	32	34	996	109,136
Investors certificates	7.20	383,183	-	-	-	-	-	383,183
2007								
Group								
Fixed rate								
Senior certificates	8.50	-	-	-	27,000	-	-	27,000
Hire purchase	3.90	389	715	350	231	32	13	1,730
Floating rate								
Deposit with licensed banks	3.40	8,234	-	-	-	-	-	8,234
Cash and bank balances	3.00	76,754	-	-	-	-	-	76,754
Bank overdrafts	6.75	24,831	-	-	-	-	-	24,831
Revolving credits and short term loans	4.14	13,680	-	-	-	-	-	13,680
Trust receipts and bankers' acceptance	4.50	12,484	-	-	-	-	-	12,484
Term loans	8.75	65,674	36,021	6,980	4,783	15,332	3,322	132,112
Investors certificates	6.92	360,842	-	-	-	-	-	360,842

Notes to the Financial Statements

31 January 2008

cont'd

40. FINANCIAL INSTRUMENTS cont'd

(b) Interest Rate Risk

	WAEIR	Within 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	More than 5 Years	Total
	%	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2008								
Company								
Fixed rate								
Hire purchase	3.88	41	20	12	6	6	12	97
2007								
Company								
Fixed rate								
Hire purchase	3.45	28	34	-	-	-	-	62

The revolving term loans and term loans are on floating rates and interest on other financial instruments is contractually repriced at intervals of between one to six months.

41. SEGMENTAL INFORMATION

(a) Analysis by Activities

	Engineering & building materials	General trading	Property	Provision of charge card services & hospitality	Investment holding & secretarial services	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2008							
Revenue and Expenses							
Revenue							
- External	73,759	50,039	-	342,062	143	-	466,003
- Internal	-	14,334	-	-	157	(14,491)	-
Total revenue	73,759	64,373	-	342,062	300	(14,491)	466,003

Notes to the Financial Statements
31 January 2008
cont'd

41. SEGMENTAL INFORMATION cont'd

(a) Analysis by Activities cont'd

	Engineering & building materials RM'000	General trading RM'000	Property RM'000	Provision of charge card services & hospitality RM'000	Investment holding & secretarial services RM'000	Elimination RM'000	Total RM'000
2008							
Results							
- Segment results	6,308	6,267	9,486	31,797	8,847	(6,478)	56,227
- Finance cost	(2,927)	(520)	(728)	(28,590)	(4,741)	-	(37,506)
Profit/(loss) before tax	3,381	5,747	8,758	3,207	4,106	(6,478)	18,721
Income tax credit							1,966
Profit for the year							20,687
Assets and Liabilities							
Consolidated total assets	156,797	52,389	82,035	670,307	(21,541)	(39,896)	900,091
Consolidated total liabilities	81,395	3,341	1,447	584,942	69,608	(2,492)	738,241
Other information							
Capital expenditure	1,941	779	-	2,066	76	-	4,862
Depreciation	4,607	832	-	3,039	82	-	8,560
Amortisation	-	-	-	491	-	-	491
Non-cash expenses other than depreciation and amortisation	-	-	-	13,913	-	-	13,913

Notes to the Financial Statements

31 January 2008

cont'd

41. SEGMENTAL INFORMATION cont'd

(a) Analysis by Activities cont'd

	Engineering & building materials RM'000	General trading RM'000	Property RM'000	Provision of charge card services & hospitality RM'000	Investment holding & secretarial services RM'000	Elimination RM'000	Total RM'000
2007							
Revenue and Expenses							
Revenue							
- External	93,684	46,587	-	382,196	127	-	522,594
- Internal	3,012	-	-	-	4,491	(7,503)	-
Total revenue	96,696	46,587	-	382,196	4,618	(7,503)	522,594
Results							
- Segment results	7,099	4,253	(2,786)	34,409	3,989	(5,876)	41,088
- Finance cost	(3,052)	(639)	(1,475)	(27,586)	3,542	-	(29,210)
Profit/(loss) before tax	4,047	3,614	(4,261)	6,823	7,531	(5,876)	11,878
Income tax expense							(463)
Profit for the year							11,415
Assets and Liabilities							
Consolidated total assets	157,243	51,675	77,486	634,690	(25,399)	(39,920)	855,775
Consolidated total liabilities	92,984	3,797	21,705	539,883	52,712	2,653	713,734
Other information							
Capital expenditure	981	874	-	1,158	1	-	3,014
Depreciation	5,237	791	-	2,905	100	-	9,033
Amortisation	-	-	-	98	-	-	98
Non-cash expenses other than depreciation and amortisation	-	-	-	16,929	-	-	16,929

Notes to the Financial Statements

31 January 2008

cont'd

41. SEGMENTAL INFORMATION *cont'd***(b) Analysis by Geographical Segment**

The four major business segments of the Group operate in five principal geographical areas are as follows:

Malaysia	:	Engineering & building materials, general trading, property, provision of charge card services & hospitality and investment holding & secretarial services
Singapore	:	Engineering & building materials, general trading, provision for charge card and credit card services & hospitality and investment holding
Australia	:	Engineering & building material
New Zealand	:	Provision of charge card services

	Malaysia	Singapore	Australia	New Zealand	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
2008					
Total revenue from external customers	139,829	281,105	16,250	28,819	466,003
Segment assets	334,272	525,827	10,465	29,527	900,091
Capital expenditure	1,859	1,716	408	879	4,862
2007					
Total revenue from external customers	160,009	305,683	25,726	31,176	522,594
Segment assets	327,496	489,430	9,088	29,761	855,775
Capital expenditure	1,179	1,741	85	9	3,014

Notes to the Financial Statements

31 January 2008

cont'd

42. PRINCIPAL SUBSIDIARIES

Subsidiaries	Principal Activities	Effective Equity Interest	
		2008 %	2007 %
Incorporated in Malaysia			
Johan Management Services Sdn. Bhd.	Provision of secretarial and management services	100.00	100.00
Johan Land Sdn. Bhd.	Property development and investment holding	100.00	100.00
Johan Properties Sdn. Bhd.	Property holding and investment	100.00	100.00
Johan Heights Sdn. Bhd.	Property investment holding	100.00	100.00
Johan Pasifik Sdn. Bhd.	Investment holding	100.00	100.00
Johan Capital Sdn. Bhd.	Investment holding and management services	100.00	100.00
Johan Equities Sdn. Bhd.	Investment trading	100.00	100.00
Diners Club (Malaysia) Sdn. Bhd.	Provision of charge card services under Diners Club Franchise	100.00	100.00
Diners World Travel (Malaysia) Sdn. Bhd.	In-bound and out-bound tour and ticketing agent	100.00	100.00
Prestige Ceramics Sdn. Bhd.	Manufacturing and marketing of ceramic tiles	100.00	100.00
William Jacks & Company (Malaysia) Sendirian Berhad	Investment holding and trading of engineering and building material	100.00	100.00
Nature's Farm (Health Foods) Sdn. Bhd.	Trading in health foods and supplements	100.00	100.00
Vitamin World Sdn. Bhd.	Trading in health foods and supplements	100.00	100.00
Wismer Automation Sdn. Bhd.	Inactive	96.68	96.68
Lumut Marine Resort Berhad	Operation and management of marine club	70.00	70.00
Mustika Resort Sdn. Bhd.	Operation of hotel and resort related business	85.00	85.00
Lumut Park Resort Sdn. Bhd.	Operation of hotel and resort related business	80.00	80.00

Notes to the Financial Statements

31 January 2008
cont'd

42. PRINCIPAL SUBSIDIARIES cont'd

Subsidiaries	Principal Activities	Effective Equity Interest	
		2008 %	2007 %
Incorporated in Malaysia			
JCC Equities Sdn. Bhd.	Inactive	100.00	100.00
Jacks Edar Sdn. Bhd.	Inactive	100.00	100.00
William Jacks & Co. (Sabah) Sdn. Bhd.	Inactive	100.00	100.00
William Jacks & Co. (Sarawak) Sdn. Bhd.	Inactive	100.00	100.00
Oil & Mineral Services Sdn. Bhd.	Inactive	100.00	100.00
Johan Capital & Commerce Sdn. Bhd.	Inactive	100.00	100.00
Johan Leasing Sdn. Bhd.	Inactive	100.00	100.00
Johan Nominees (Tempatan) Sdn. Bhd.	Inactive	100.00	100.00
Johan Air Services Sdn. Bhd.	Inactive	100.00	100.00
Johan Industries (Malaysia) Sdn. Bhd.	Inactive	100.00	100.00
Affinity Square Sdn. Bhd.	Inactive	100.00	100.00
Strategic Usage Sdn. Bhd.	Investment holding	100.00	100.00
^{^^} Domayne Assets Corporation Berhad	Provision of financing agreement between Diners Club (Malaysia) Sdn. Bhd. and institutional lenders	-	-

Notes to the Financial Statements

31 January 2008

cont'd

42. PRINCIPAL SUBSIDIARIES cont'd

Subsidiaries	Principal Activities	Effective Equity Interest	
		2008 %	2007 %
Incorporated in Singapore			
Johan Investment Private Limited	Investment holding	100.00	100.00
Diners Club (Singapore) Private Limited	Provision of charge card and credit card services under Diners Club franchise	100.00	100.00
Johan Air Services Pte. Ltd.	Inactive	100.00	100.00
Diners World Travel Pte. Ltd.	In-bound and out bound tour and ticketing agent	100.00	100.00
Diners World Holdings Pte. Ltd.	Investment holding	100.00	100.00
Diners Publishing Private Limited	Inactive	100.00	100.00
Lifestyle Collection (S) Pte. Ltd.	Merchandiser	100.00	100.00
George Kent (Singapore) Pte. Limited	Trading in engineering products	100.00	100.00
# Jacks International Limited	Investment holding	86.75	86.75
William Jacks & Co. (Singapore) Pte. Ltd.	Trading in health foods and supplements	86.75	86.75
Nature's Farm Pte. Ltd.	Trading in health foods and supplements	86.75	86.75
Kent Precision Engineering Pte. Ltd	Inactive	100.00	100.00
Nutra-Source Pte. Ltd.	Trading in health foods and supplements	86.75	86.75
Wismer Automation (Singapore) Pte. Ltd.	Inactive	77.90	77.90
^^ Card Centre Asset Purchase Company Pte. Ltd.	Provision of financing agreement between Diners Club (Singapore) Private Limited and institutional lenders	-	-

Notes to the Financial Statements

31 January 2008
cont'd

42. PRINCIPAL SUBSIDIARIES cont'd

Subsidiaries	Principal Activities	Effective Equity Interest	
		2008 %	2007 %
Incorporated in Hong Kong			
+ AIH Holdings Limited	Investment holding and management	100.00	100.00
+ Johan International Limited	Investment holding	100.00	100.00
+ Myrrich Investment Limited	Investment holding	100.00	100.00
+ Worldwide Victory Limited	Investment holding	100.00	100.00
⊗ D C Management Limited	Inactive	-	100.00
⊗ Oil & Mineral Services Limited	Inactive	-	86.75
⊗ Seatronics Limited	Inactive	-	86.75
Incorporated in the Netherlands			
* Abacus Pacific N.V.	Investment holding	100.00	100.00
* Fidelity Capital B.V.	Investment holding	100.00	100.00
Incorporated in Australia			
William Jacks (Australia) Pty. Ltd.	Property and investment holding	86.75	86.75
Skinner Engineering Pty. Ltd.	Engineering	86.75	86.75
Skinner Installation Pty. Ltd.	Inactive	86.75	86.75
Skinner Services Pty. Limited	Inactive	86.75	86.75
William Jacks Holdings Pty. Ltd.	Inactive	86.75	86.75
Incorporated in Isle of Man			
* Crayford Limited	Investment holding	100.00	-

Notes to the Financial Statements

31 January 2008

cont'd

42. PRINCIPAL SUBSIDIARIES cont'd

Subsidiaries	Principal Activities	Effective Equity Interest	
		2008 %	2007 %
Incorporated in Bahamas			
Jacks Overseas Limited	Investment holding and management	86.75	86.75
Incorporated in Republic of Liberia			
* Sudlow Services Inc.	Management	100.00	100.00
Incorporated in British Virgin Islands			
* Asian Village Antigua Limited	Property investment	100.00	100.00
Incorporated in Brunei			
William Jacks & Co. (Borneo) Sdn. Bhd.	Inactive	86.75	86.75
Incorporated in New Zealand			
+ DCNZ Holdings Limited	Investment holding	100.00	100.00
+ Diners Club (New Zealand) Ltd.	Provision of charge card services under Diners Club franchise	100.00	100.00
^^ Trustees of Kowhai Trust No.1	Provision of financing agreement between Diners Club NZ Limited and institutional lenders	-	-

Quoted on the Singapore Exchange Securities Trading Limited

+ Subsidiaries not audited by members of Ernst & Young Global

* Not required to present audited financial statements under the laws of its country of incorporation

@ Deregistered during the financial year

^^ Although the Group does not hold shares in these companies, they are considered as subsidiaries as the activities of the special purpose entities ("SPE") are being conducted on behalf of the Group according to its specific business needs and that the Group retain the majority of the residual or ownership risk related to these companies on their assets. The Group's consolidated financial statements include the results, assets and liabilities of these companies.

Notes to the Financial Statements

31 January 2008

*cont'd***43. OTHER SIGNIFICANT EVENTS**

- a) The Company had on 2 October 2007 announced that following the arbitration proceeding in the United Kingdom between its wholly owned subsidiary, Asian Village Antigua Ltd. ("AVAL") and the Government of Antigua & Barbuda ("GAB") pertaining to AVAL's land ownership dispute in Antigua & Barbuda, the Tribunal delivered its award as follows:-
- (i) AVAL continues lawfully to hold the AVAL land;
 - (ii) GAB is liable to pay AVAL a total of RM912,000 (US\$268,137.54 equivalent); and
 - (iii) AVAL to pay to the GAB the balance purchase consideration of RM13,600,000 (US\$4,000,000 equivalent) less the said sum of RM912,000 (US\$268,137.54 equivalent) awarded to AVAL in (ii) above i.e. net sum of RM12,688,000 (US\$3,731,862.46 equivalent) for the AVAL land.

AVAL had on 8 January 2008 settled the net sum of RM12,688,000 (US\$3,731,862.46 equivalent) with GAB.

- b) In October 2007, Diners Club NZ Limited ("DCNZ"), the Group's New Zealand incorporated subsidiary reached a settlement with the New Zealand Commission in relation to its disclosure of foreign currency conversion fees on card account transactions. Under the settlement agreement with the New Zealand Commerce Commission, the DCNZ has agreed to pay a fine of RM169,000 to the court, RM50,000 costs to Commerce Commission and compensation of RM354,000 to be distributed to the affected card members.

Shareholders' Information

SHARE CAPITAL AS AT 12 JUNE 2008

Authorised Share Capital	:	RM500,000,000
Issued and Fully Paid-up Capital	:	RM254,450,681.50
Class of Securities	:	Ordinary Shares of 50 sen each
Voting Rights	:	One (1) vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS AS AT 12 JUNE 2008

No. of Holders	%	Size of Holdings	Total Holdings	%
86	0.78	Less than 100 shares	2,682	0.00
3,138	28.35	100 to 1,000 shares	3,040,615	0.60
6,346	57.34	1,001 to 10,000 shares	28,026,549	5.51
1,350	12.20	10,001 to 100,000 shares	39,417,746	7.75
144	1.30	100,001 to less than 5% of issued shares	238,789,654	46.92
4	0.03	5% and above of issued shares	199,624,117	39.22
11,068	100.00	Total	508,901,363	100.00

LIST OF THIRTY LARGEST REGISTERED SHAREHOLDERS AS AT 12 JUNE 2008

(as shown in the Record of Depositors)

No.	Name of Shareholders	No. of Shares Held	%
1	HDM Nominees (Tempatan) Sdn. Bhd. - Malaysian Assurance Alliance Berhad For Makmur Setiajaya Sdn. Bhd.	95,405,000	18.75
2	Star Wealth Investment Limited	47,306,117	9.30
3	Delight Consolidated Sdn. Bhd.	30,200,000	5.93
4	TA Nominees (Asing) Sdn. Bhd. - Pledged Securities Account For Tan Swee Bee	26,713,000	5.25
5	HSBC Nominees (Asing) Sdn. Bhd. - Exempt AN For RBS Coutts Bank Ltd. (HK Branch)	23,599,018	4.64
6	OSK Nominees (Asing) Sdn. Bhd. - Pledged Securities Account For Kin Fai International Limited	19,623,000	3.86
7	HDM Nominees (Asing) Sdn. Bhd. - Pledged Securities Account For Hectomic Limited	15,499,300	3.05
8	HDM Nominees (Asing) Sdn. Bhd. - Pledged Securities Account For Kwok Heng Holdings Limited	15,144,000	2.98
9	HSBC Nominees (Asing) Sdn. Bhd. - For Tan Swee Bee	14,771,000	2.90
10	Norris Pie Limited	12,052,000	2.37
11	CIMB Group Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Tan Kay Hock	11,355,000	2.23
12	Hectomic Limited	9,200,000	1.81
13	Mikonwadi Sdn. Bhd.	8,651,000	1.70
14	Cimsec Nominees (Tempatan) Sdn. Bhd. - CIMB Bank For Tan Kay Hock	8,421,000	1.65
15	Cimsec Nominees (Asing) Sdn. Bhd. - CIMB Bank For Tan Swee Bee	7,600,000	1.49
16	A.A. Anthony Nominees (Asing) Sdn. Bhd. - EON Bank Berhad For Tan Swee Bee	7,081,000	1.39
17	A.A. Anthony Nominees (Tempatan) Sdn. Bhd. - EON Bank Berhad For Tan Kay Hock	6,496,000	1.27

Shareholders' Information

cont'd

LIST OF THIRTY LARGEST REGISTERED SHAREHOLDERS AS AT 12 JUNE 2008 cont'd

(as shown in the Record of Depositors)

No.	Name of Shareholders	No. of Shares Held	%
18	HDM Nominees (Asing) Sdn. Bhd. - Pledged Securities Account For Promoto Company Limited	5,679,400	1.11
19	CIMB Group Nominees (Tempatan) Sdn. Bhd. - Tan Kay Hock For Tan Swee Bee	3,670,000	0.72
20	CIMB Group Nominees (Tempatan) Sdn. Bhd. - Tan Kay Hock For Kayland Holdings Sdn. Bhd .	3,000,000	0.59
21	Promoto Company Limited	2,900,000	0.57
22	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Wira Pintar Sdn. Bhd.	2,623,000	0.51
23	Bekalsama Silkscreening & Services Sdn. Bhd .	2,483,700	0.48
24	Amsec Nominees (Tempatan) Sdn. Bhd. - AmBank (M) Berhad	2,415,603	0.47
25	Tan Swee Bee	2,283,467	0.45
26	HLG Nominee (Asing) Sdn. Bhd. - Exempt AN For UOB Kay Hian Pte. Ltd.	2,225,000	0.44
27	ECML Nominees (Asing) Sdn. Bhd. - DMG & Partners Securities Pte. Ltd. For Keen Capital Investment Ltd.	2,152,400	0.42
28	PM Nominees (Asing) Sdn. Bhd. - For Star Wealth Investment Limited	2,100,000	0.41
29	Cimsec Nominees (Asing) Sdn. Bhd. - Exempt AN For CIMB-GK Securities Pte. Ltd.	1,865,052	0.37
30	Norella Binti Talib	1,593,000	0.31
TOTAL		394,107,057	77.42

SUBSTANTIAL SHAREHOLDERS (EXCLUDING BARE TRUSTEES) AS AT 12 JUNE 2008

(as per Register of Substantial Shareholders)

Name of Substantial Shareholder	No. of Shares Held			
	Direct Interest	%	Deemed Interest	%
Star Wealth Investment Limited	49,406,117	9.71	-	-
Makmur Setiajaya Sdn. Bhd.	95,405,000	18.75	-	-
Tan Sri Dato' Tan Kay Hock	26,372,000	5.18	249,036,584 ⁽¹⁾	48.94
Puan Sri Datin Tan Swee Bee	63,494,467	12.48	211,914,117 ⁽¹⁾	41.64
Delight Consolidated Sdn. Bhd.	30,200,000	5.93	-	-
Pan Malaysia Corporation Berhad	-	-	38,851,000 ⁽²⁾	7.63
Malayan United Industries Berhad	-	-	38,851,000 ⁽³⁾	7.63

Notes:-

⁽¹⁾ Deemed interested by virtue of their equity interest in various companies, shares beneficially held under various nominee companies and shares held in each other's name including call options granted over all existing JHB shares held by Star Wealth Investment Limited as well as options over unissued shares granted pursuant to the Employee Share Option Scheme.

⁽²⁾ Deemed interested by virtue of Delight Consolidated Sdn. Bhd. and Mikonwadi Sdn. Bhd. which holds the balance of 8,651,000 shares being its wholly owned subsidiaries.

⁽³⁾ Deemed interested by virtue of shareholding exceeding 15% of the issued and paid up capital of Pan Malaysia Corporation Berhad.

ICULS Holders' Information

IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCK AS AT 12 JUNE 2008

Class of Securities	:	10-Year Zero Coupon Irredeemable Convertible Unsecured Loan Stock ("ICULS") of nominal value RM0.50 each
No. of ICULS issued	:	114,047,164
Exercise Price	:	Nil
Exercise Period	:	30 September 2008 to 29 September 2013
Exercise Rights	:	Each ICULS entitles the holder to convert into one (1) new ordinary share of RM0.50 each in the Company on 30 September 2008 (fifth anniversary of issue) and thereafter, on 31 October and 30 April of each subsequent year during the Exercise Period.

DISTRIBUTION OF ICULS HOLDINGS AS AT 12 JUNE 2008

No. of Holders	%	Size of Holdings	Total Holdings	%
4	1.89	Less than 100 shares	181	0.00
98	46.22	100 to 1,000 shares	12,000	0.01
31	14.62	1,001 to 10,000 shares	214,237	0.19
46	21.70	10,001 to 100,000 shares	1,785,000	1.57
28	13.21	100,001 to less than 5% of issued shares	29,488,035	25.85
5	2.36	5% and above of issued shares	82,547,711	72.38
212	100.00	Total	114,047,164	100.00

LIST OF THIRTY LARGEST REGISTERED ICULS HOLDERS AS AT 12 JUNE 2008

(as shown in the Record of Depositors)

No.	Name of ICULS Holders	No. of ICULS Held	%
1	Hectomic Limited	21,312,900	18.69
2	HSBC Bank Malaysia Berhad	20,547,438	18.02
3	Amsec Nominees (Tempatan) Sdn. Bhd. - <i>Ambank (M) Berhad</i>	18,356,175	16.09
4	HSBC Nominees (Asing) Sdn. Bhd. - <i>Exempt AN For RBS Coutts Bank Ltd. (HK Branch)</i>	11,721,000	10.28
5	UOBM Nominees (Tempatan) Sdn. Bhd. - <i>United Overseas Bank (Malaysia) Berhad</i>	10,610,198	9.30
6	Norris Pie Limited	4,940,200	4.33
7	CIMB Group Nominees (Tempatan) Sdn. Bhd. - <i>CIMB Bank Berhad</i>	4,000,830	3.51
8	HDM Nominees (Asing) Sdn. Bhd. - <i>Pledged Securities Account For Hectomic Limited</i>	2,570,200	2.25
9	JF Apex Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account For Teo Kwee Hock</i>	2,550,000	2.24
10	JF Apex Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account For Teo Siew Lai</i>	2,000,000	1.75
11	Cheah See Han	1,680,600	1.47
12	Southern Investment Bank Berhad	1,529,730	1.34
13	Lee Teck Hao	1,400,000	1.23
14	Promoto Company Limited	1,339,500	1.17

ICULS Holders' Information

cont'd

LIST OF THIRTY LARGEST REGISTERED ICULS HOLDERS AS AT 12 JUNE 2008 cont'd

(as shown in the Record of Depositors)

No.	Name of ICULS Holders	No. Of ICULS Held	%
15	ABB Nominee (Tempatan) Sdn. Bhd. - Affin Bank Berhad (Loan Recovery)	1,149,775	1.01
16	Lim Yau Chong	765,700	0.67
17	Pek Kiam Kek	600,000	0.53
18	Lee Yoke Ling	510,000	0.45
19	Cimsec Nominees (Tempatan) Sdn. Bhd. - CIMB Bank For Pek Kiam Kek	500,000	0.44
20	Lim Yaw Yeu	480,100	0.42
21	Tee Chew Eng	480,000	0.42
22	Chin Kian Fong	400,000	0.35
23	Kuan Mee Hock	346,800	0.30
24	Indar Kaur A/P Dan Singh	316,900	0.28
25	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Chin Kiam Hsung	300,000	0.26
26	Norama Binti Mohammad Salleh	287,600	0.25
27	Lim Siew Heong	227,000	0.20
28	HDM Nominees (Asing) Sdn. Bhd. - Pledged Securities Account For Norris Pie Ltd.	213,100	0.19
29	Tan Kay Cheng	200,000	0.17
30	Kariar Singh A/L Pall Singh	200,000	0.17
TOTAL		111,535,746	97.79

Additional Information

Utilisation of Proceeds Raised from any Corporate Proposal

The Company did not implement any fund raising corporate exercise during the financial year ended 31 January 2008.

Share Buybacks

The Company does not have a scheme to buy back its own shares.

Options, Warrants or Convertible Securities Exercised

There were no other exercise of options, warrants or convertible securities during the financial year ended 31 January 2008.

American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")

The Company did not sponsor any ADR or GDR programme during the financial year ended 31 January 2008.

Sanctions and/or Penalties Imposed

No sanctions and/or penalties were imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year ended 31 January 2008.

Non-Audit Fees

No non-audit fees was paid and payable by the Group to its external auditors during the financial year ended 31 January 2008.(2007: NIL)

Variation in Results for the Financial Year

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

Profit Guarantee

The Company has not given any profit guarantee in respect of any corporate exercise to-date.

Material Contracts and Contracts Relating to Loan

There are no material contracts including contracts relating to any loan entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests.

Revaluation Policy on Landed Properties

The Group does not have a revaluation policy on landed properties.

Statement on Directors' Interests in the Company and Related Corporation

as at 12 June 2008

DIRECTORS' INTEREST IN SHARES AS AT 12 JUNE 2008

(as shown in the Register of Directors' Holdings)

Name of Director	No. of Ordinary Shares of RM0.50 each			
	Direct		Deemed	
	Interest	%	Interest	%
Tan Sri Dato' Tan Kay Hock	26,272,000	5.16	248,936,584*	48.92
Puan Sri Datin Tan Swee Bee	63,394,467	12.46	211,814,117*	41.62
Tan Sri Dato' Seri Dr Ting Chew Peh	-	-	-	-
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	-	-	-	-

* Deemed interested by virtue of their equity interest in various companies, shares beneficially held under various nominee companies and shares held in each other's name including call option granted over all existing Johan shares held by Star Wealth Investment Limited.

Name of Director	Options over Ordinary Shares of RM0.50 each			
	Direct		Deemed	
	Interest	%	Interest	%
Tan Sri Dato' Tan Kay Hock	100,000 [#]	0.02	-	-
Puan Sri Datin Tan Swee Bee	100,000 [#]	0.02	-	-
Tan Sri Dato' Seri Dr Ting Chew Peh	-	-	-	-
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	-	-	-	-

[#] Options granted pursuant to the Employee Share Option Scheme ("ESOS")

List of Properties Held

as at 31 January 2008

Location	Description	Area Sq. metre	Tenure	Net Book Value RM'000	Age of Building (Years)	Year of Revaluation	Year of Acquisition
1) MALAYSIA							
Lot 1115 Geran 28493 Mukim Dengkil Daerah Sepang Selangor Darul Ehsan	Offices, factory and warehouse	112,390	Freehold	48,178	12	2000	1996
Lot 4182 Jalan Titi Panjang 32200 Lumut, Perak	Marine Club	12,141	Leasehold - Expiring 29.4.2093	1,265	12	2003	1996
PT 4106 Mukim Lumut Daerah Manjung Perak Darul Ridzuan	Hotel	16,137	Leasehold - Expiring 14.1.2092	23,182	16	1997	1992
No. S1-22 1 st Floor, Wisma Abad Century Garden Johor Bharu	Office lot	22	Freehold	41	19	-	1989
2) SINGAPORE							
7500E Beach Road #02-201, #03-301, #04-201, The Plaza	Offices	1,435	Leasehold - Expiring 2.9.2067	38,061	30	1996	1978
18 Kaki Bukit Road 3 #05-16 Entrepreneur Business Centre Singapore	Office	395	Leasehold- Expiring 8.1.2055	1,477	13	-	2004

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eighty-third Annual General Meeting of the Company will be held at the Registered Office of the Company, George Kent Technology Centre, Lot 1115, Batu 15 Jalan Dengkil 47100 Puchong, Selangor Darul Ehsan on Thursday, 24th July 2008 at 11:00 a.m. for the following purposes:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31 January 2008 and the Directors' and Auditors' Reports thereon. (Please refer to Note A.)
2. To re-elect Puan Sri Datin Tan Swee Bee who retires by rotation as a Director pursuant to Article 83 of the Articles of Association and being eligible, offers herself for re-election.
3. To approve the payment of Directors' fees.
4. To re-appoint Auditors and to authorise the Directors to fix their remuneration.

Resolution 1
Resolution 2
Resolution 3

SPECIAL BUSINESS

5. To consider and if thought fit, pass with or without modifications the following as Ordinary Resolutions:-

- 5.1 Proposed Extension of the Duration of the Employees Share Option Scheme of Johan Holdings Berhad ("JOHAN ESOS") for an Extended Period of Five (5) years from 1 November 2008 to 31 October 2013.

Resolution 4

"THAT the duration of the JOHAN ESOS be and is hereby extended for another five (5) years to 31 October 2013 as provided under the Bye-Laws ("Proposed ESOS Extension") AND THAT the Directors be and are hereby authorised to issue and allot such number of new ordinary shares of RM0.50 each in Johan pursuant to the exercise of options under the JOHAN ESOS provided that the aggregate number of such shares issued and allotted shall not exceed such maximum percentage of the issued and paid-up share capital of Johan at any point of time as specified in the Bye-Laws of JOHAN ESOS;

AND THAT such new Johan shares to be allotted upon any exercise of options under JOHAN ESOS will upon issue and allotment, rank pari-passu in all respects with the then existing Johan shares except that the new Johan shares so allotted shall not be entitled to any dividends, rights, allotment and/or other distributions declared, the entitlement date of which precedes the date of allotment of the said Johan shares;

AND THAT the Directors be and are hereby authorised to act and to take all steps and do all things as they may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed ESOS Extension."

- 5.2 Authority To Allot And Issue Shares In General Pursuant To Section 132D Of The Companies Act, 1965.

Resolution 5

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

6. To consider and if thought fit, pass with or without modifications the following as Special Resolution:-

Proposed Amendments to the Company's Articles of Association

Resolution 6

"THAT the alterations, modification, additions and/or deletions to the Articles of Association of the Company as set out in Appendix I on page 97 and 98 of the Annual Report be and are hereby approved."

7. To transact any other business of which due notice shall have been given.

By Order Of The Board.

Teh Yong Fah
Group Secretary (MACS 00400)

KUALA LUMPUR
2 July 2008

Notice of Annual General Meeting

cont'd

Notes:-

- A. *This Agenda item is meant for discussion only. The provisions of Section 169 of the Companies Act, 1965 and the Articles of Association of the Company require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting. As such this Agenda item is not a business which requires a resolution to be put to the vote by shareholders.*
1. *A member entitled to attend and vote at the meeting of the Company is entitled to appoint not more than two proxies (who need not be members of the Company) to attend and vote instead of the member. Where a member appoints two proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.*
2. *The instrument appointing a proxy or proxies must be deposited with the Secretary at Suite 4.2, Level 4, Block C, Plaza Damansara, 45 Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting.*

Explanatory Notes on Special Business

1. **Proposed Extension of the Duration of the Employee Share Option Scheme of Johan Holdings Berhad ("Johan ESOS") for an Extended Period of Five (5) years from 1 November 2008 to 31 October 2013**
The Proposed Extension of the Duration of the JOHAN ESOS is to enable Eligible Employees of the Group to continue to be rewarded in recognition of their contributions which are considered vital to the operations and continued growth of the Group. The objective of the ESOS has been and still is to retain and motivate Eligible Employees of the Group towards better productivity through greater dedication and loyalty.
2. **Authority To Allot And Issue Shares In General Pursuant To Section 132D Of The Companies Act, 1965**
The proposed Ordinary Resolution if passed will empower the Directors to issue shares of the Company up to 10% of the issued capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delays and costs in convening a general meeting to specifically approve such an issue of shares. This authority unless revoked or varied by the Company in general meeting will expire at the next Annual General Meeting of the Company.
3. **Proposed Amendments to the Company's Articles of Association**
The Proposed Amendments is to be in consistent with the new provisions under Chapter 7 of the Listing Requirements.

Statement Accompanying the Notice of Annual General Meeting

1. Director standing for Re-election

Pursuant to Paragraph 8.28(2) of the Bursa Securities Listing Requirements, the Director who is standing for re-election at the Eighty-third Annual General Meeting of the Company is as follows:-

Puan Sri Datin Tan Swee Bee - Article 83 of the Articles of Association

Details of Puan Sri Datin Tan Swee Bee and her attendance at Board Meetings are set out in this Annual Report on Page 7 and 11 respectively.

2. Date, Time and Venue of Annual General Meeting

The Eighty-third Annual General Meeting of the Company will be held at the Registered Office of the Company, George Kent Technology Centre, Lot 1115, Batu 15 Jalan Dengkil 47100 Puchong, Selangor Darul Ehsan on Thursday, 24 July 2008 at 11:00 a.m.

Appendix I

Referred to in the Notice of AGM

PROPOSED AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION

The amendments which are proposed to be made to the Articles of Association ("Articles") are set out below:

Articles No.	Existing Provisions	Amended Provisions
2	<p>Central Depository <u>Malaysian Central Depository Sdn. Bhd. (165570-W)</u></p> <p>Depositor A holder of securities account as <u>defined in the Central Depositories Act.</u></p> <p>Exchange <u>Kuala Lumpur Stock Exchange ("KLSE")</u></p> <p>Listing Requirements the Listing Requirements of <u>Kuala Lumpur Stock Exchange</u> including any amendments thereto that may be made from time to time.</p> <p>Market Day <u>Any day between Mondays and Fridays which is not a market holiday of the stock Exchange or a public holiday.</u></p> <p>Member Any person for the time being holding shares in the Company whose name appears in the Register (except the Central Depository or its nominee company in whose name the Deposited Securities is registered) including a Depositor <u>whose name appears on the Record of Depositors.</u></p>	<p>Central Depository Bursa Malaysia Depository Sdn. Bhd. (165570-W)</p> <p>Depositor A holder of securities account established by Central Depository.</p> <p>Exchange Bursa Malaysia Securities Berhad (30632-P)</p> <p>Listing Requirements the Listing Requirements of Bursa Malaysia Securities Berhad including any amendments thereto that may be made from time to time.</p> <p>Market Day A day on which the stock market of the Exchange is open for trading in securities.</p> <p>Member Any person for the time being holding shares in the Company whose name appears in the Register (except the Central Depository or its nominee company in whose name the Deposited Securities is registered) including a Depositor who shall be treated as if he were a member pursuant to section 35 of the Securities Industry (Central Depositories) Act, 1991 but excludes the Depository in its capacity as a bare trustee.</p>
5(iv)	<p>No Director shall participate in an issue of shares to employees of the company unless:-</p> <p>(a) the members in general meeting have approved of the specific allotment to be made to such Directors; and</p> <p>(b) <u>he holds office in the Company in an executive capacity.</u></p>	<p>No Director shall participate in a share scheme for employees unless the members in general meeting have approved of the specific allotment to be made to such director.</p>
6	<p>Subject to the Act, any preference shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed <u>but the total nominal value of the issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time and</u> the Company shall not issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall also have the rights to vote a any meeting convened for the purpose of reducing the capital or on a proposal to wind up the company or during the winding up of the Company or sanctioning a sale of the whole of the Company's property, business and undertaking or where the proposition to be submitted to the meeting directly affect their rights and privileges or when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months. <u>Preference shareholders shall be entitled to a return of capital in preference to holders ordinary shares when the Company is wound up.</u></p>	<p>Subject to the Act, any preference shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed. The Company shall not issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall also have the rights to vote a any meeting convened for the purpose of reducing the capital or on a proposal to wind up the company or during the winding up of the Company or sanctioning a sale of the whole of the Company's property, business and undertaking or where the proposition to be submitted to the meeting directly affect their rights and privileges or when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months.</p>

Appendix I

Referred to in the Notice of AGM
cont'd

Articles No.	Existing Provisions	Amended Provisions
31	The registration of transfers may be suspended at such times and for such periods as the Directors may, subject to the requirements of the Act, from time to time determine provided that such registration shall not be suspended for more than thirty (30) days in the aggregate in any calendar year. <i>Eighteen (18) market days' or such other minimum period</i> as may be prescribed by the Exchange, notice of intention to close the said register shall be published in a daily newspaper circulating in Malaysia and notice in writing shall be also given to the Exchange, The said notice shall state the purpose or purposes for which the register is being closed. The Company shall give notice in accordance with the Rules to the Central Depository to prepare the appropriate Record of Depositors.	The registration of transfers may be suspended at such times and for such periods as the Directors may, subject to the requirements of the Act, from time to time determine provided that such registration shall not be suspended for more than thirty (30) days in the aggregate in any calendar year. At least 10 Market Days or such other period as may be prescribed by the Exchange, notice of intention to close the said register shall be published in a daily newspaper circulating in Malaysia and notice in writing shall be also given to the Exchange, The said notice shall state the purpose or purposes for which the register is being closed. The Company shall give notice in accordance with the Rules to the Central Depository to prepare the appropriate Record of Depositors.
72	A holder may appoint not more than two proxies to attend at the same meeting. Where a holder appoints two proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.	A holder may appoint not more than two proxies to attend at the same meeting. Where a holder appoints two proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. Where a holder of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
94	The office of Director shall become vacant if the Director:- (a) has a Receiving Order in bankruptcy made against him or makes any arrangement or composition with his creditors generally; (b) becomes prohibited from being a Director by reason of any order made under the Act or contravenes Section 130 of the Act; (c) becomes unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder; (d) resign his office by notice in writing to the Company; (e) is removed from his office of Director by ordinary resolution of the Company in general meeting of which special notice has been given; (f) ceases to be qualified for any reasons to act as a Director; (g) <i>is absent for more than fifty (50) per centum of the total Board meetings held during a financial year, attendance by his Alternate Director (if any) shall not be counted in the computation of attendance of a Director.</i>	The office of Director shall become vacant if the Director:- (a) has a Receiving Order in bankruptcy made against him or makes any arrangement or composition with his creditors generally during his terms of office; (b) becomes prohibited from being a Director by reason of any order made under the Act or contravenes Section 130 of the Act; (c) becomes unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder during his terms of office; (d) resign his office by notice in writing to the Company; (e) is removed from his office of Director by ordinary resolution of the Company in general meeting of which special notice has been given; (f) ceases to be qualified for any reasons to act as a Director.
131	The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in General Meeting such income statements, balance sheet and reports as are referred to in the Section. The interval between the close of the financial year of the Company and the issue of the annual audited financial statements and the Directors' and Auditors' reports shall not exceed four (4) months. A copy of each such document shall not less than twenty-one (21) days before the date of the meeting be sent to every member and to every holder of debentures of the Company under the provisions of the Act or of this Article. The requisite number of copies of each such document as may be required by the Exchange shall at the same time be likewise sent to any person of whose address the Company is not aware but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the office.	The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in General Meeting such income statements, balance sheet and reports as are referred to in the Section. The interval between the close of the financial year of the Company and the issue of the annual audited financial statements and the Directors' and Auditors' reports shall not exceed four (4) months. A copy of each such document whether printed or in CD-ROM form or such other form of electronic media shall not less than twenty-one (21) days before the date of the meeting be sent to every member and to every holder of debentures of the Company under the provisions of the Act or of this Article. The requisite number of copies of each such document as may be required by the Exchange shall at the same time be likewise sent to any person of whose address the Company is not aware but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the office.



Johan Holdings Berhad

(Company No. 314-K)

FORM OF PROXY

(Before completing the form, please refer to notes below)

No. of Shares held

I/We, _____ (Company / NRIC / Passport No. _____)
of _____
_____ being a member/members of JOHAN HOLDINGS BERHAD hereby appoint:-

Name	Address	NRIC/Passport No.	Proportion of Shareholding (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholding (%)

as my/our proxy/proxies to vote for me/us on my/our behalf at the Eighty-third Annual General Meeting of the Company, to be held at the Registered Office of the Company, George Kent Technology Centre, Lot 1115, Batu 15 Jalan Dengkil 47100 Puchong, Selangor Darul Ehsan on Thursday, 24 July 2008 at 11:00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the meeting as hereunder indicated.

AGENDA 2 - 6		For	Against
2.	To re-elect Puan Sri Datin Tan Swee Bee as a Director		
3.	To approve payment of Directors' fees		
4.	Re-appointment of Auditors and authority for Directors to fix their remuneration		
5.	5.1 Proposed Extension of the Duration of the Employees Share Option Scheme of Johan Holdings Berhad		
	5.2 Authority to Directors to allot shares		
6.	Proposed Amendments to the Company's Articles of Association		

(Please indicate with a cross ("X") in the appropriate box against each Resolution how you wish your proxy/proxies to vote. If this proxy form is returned without any indication as to how the proxy/proxies shall vote, the proxy/proxies will vote or abstain as he/their think fit.)

Dated this _____ day of July, 2008

Signature/Common Seal

Fold This Flap For Sealing

Then Fold Here

AFFIX
STAMP

The Company Secretary
JOHAN HOLDINGS BERHAD,
Suite 4.2, Level 4, Block C, Plaza Damansara,
45 Jalan Medan Setia 1, Bukit Damansara,
50490 Kuala Lumpur.

1st Fold Here

Notes:-

1. *Vote may be given personally or by proxy/proxies (not more than two proxies) or in the case of a corporation by a representative duly authorised. Where a member appoints two proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. The instrument appointing proxy/proxies shall be in writing under the hand of the appointor or his attorney or if such an appointor is a corporation under its Common Seal or the hands of its attorney. Proxy/proxies need not be a member of the Company.*
2. *The instrument appointing proxy/proxies and the power of attorney (if any) under which it is signed or a notarially certified copy of the power or authority, shall be deposited with the Secretary at Suite 4.2, Level 4, Block C, Plaza Damansara, 45 Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting (as the case may be) at which the person named in such instrument propose to vote but no instrument (other than power of attorney under seal) appointing proxy/proxies shall be valid after the expiration of twelve months from the date of its execution.*

Group Corporate Directory

Principal Companies

MALAYSIA

Johan Holdings Berhad

Suite 4.2, Level 4, Block C

Plaza Damansara

45 Jalan Medan Setia 1

Bukit Damansara

50490 Kuala Lumpur

Tel : 603 2092 1858

Fax : 603 2092 2812

E-mail : jhb@johanholdings.com.my

Website : www.johanholdings.com

Prestige Ceramics Sdn. Bhd.

Lot 1115, Batu 15

Jalan Puchong

47100 Puchong

Selangor Darul Ehsan

Tel : 603 8062 5388

Fax : 603 8062 1418

E-mail : prestig@po.jaring.my

Nature's Farm (Health Foods) Sdn. Bhd.

Suite 4.2, Level 4, Block C

Plaza Damansara

45 Jalan Medan Setia 1

Bukit Damansara

50490 Kuala Lumpur

Tel : 603 2092 1858

Fax : 603 2092 2812

Diners Club (Malaysia) Sdn. Bhd.

15th Floor

Menara Tan & Tan

207 Jalan Tun Razak

P.O. Box 11095

50990 Kuala Lumpur

Tel : 603 2161 1322

Fax : 603 2161 1518

Website : www.dinersclub.com.my

Diners World Travel (Malaysia) Sdn. Bhd.

15th Floor,

Menara Tan & Tan

207 Jalan Tun Razak

50400 Kuala Lumpur

Tel : 603 2164 0068

Fax : 603 2162 4577

The Orient Star Resort, Lumut

(owned by Lumut Park Resort Sdn. Bhd.)

Lot 203 & 366

Jalan Iskandar Shah

32200 Lumut

Perak Darul Ridzuan

Tel : 605 683 4199

Fax : 605 683 4223

Lumut International Yacht Club

(owned by Lumut Marine Resort Berhad)

Lot 4182

Jalan Titi Panjang

32200 Lumut

Perak Darul Ridzuan

Tel : 605 683 5191

Fax : 605 683 7700

AUSTRALIA

Skinner Engineering Pty. Ltd.

89 Miller Street

Epping, Victoria 3076

Australia

Tel : 613 94088711

Fax : 613 94013565

NEW ZEALAND

Diners Club (New Zealand) Ltd.

Merck Sharp and Dohme Building

Level 1, 109 Carlton Gore Road

Newmarket

New Zealand

Tel : 09 359 7796

Fax : 09 259 7800

E-mail : info@dinersclub.co.nz

Website : www.dinersclub.co.nz

SINGAPORE

Jacks International Limited

7500-E, Beach Road

#03-201, The Plaza

Singapore 199595

Tel : 65 6416 0870

Fax : 65 6296 5981

Diners Club (Singapore) Pte. Ltd.

7500-E, Beach Road

#02-201, The Plaza

Singapore 199595

Tel : 65 6166 0800

Fax : 65 6294 0534

E-mail : csd@dinersclub.com.sg

Website : www.dinersclub.com.sg

Diners World Travel Pte. Ltd.

7500-E, Beach Road

#02-201, The Plaza

Singapore 199595

Tel : 65 6298 8988

Fax : 65 6295 1485

E-mail : enquiries@dinerstravel.com.sg

Website : www.dinerstravel.com.sg

Nature's Farm Pte. Ltd.

18, Kaki Bukit Road 3

#05-16 Entrepreneur Business Centre

Singapore 415978

Tel : 65 6748 9818

Fax : 65 6748 8135

Website : www.naturesfarm.com

George Kent (Singapore) Pte. Ltd.

19 Woodlands Industrial Park E1

Unit # 03-03

Singapore 757719

Tel : 65 6746 8232

Fax : 65 6746 9389

E-mail : gkentsin@singnet.com.sg