EP MANUFACTURING BHD
Company No. 390116-T

'06
Annual Report

EP MANUFACTURING BHD Company No. 390116-T

Annual report 2006

EP MANUFACTURING BHD
Company No. 390116-T

No. 8 & 10, Jalan Jurutera U1/23, Seksyen U1
Kawasan Perindustrian Hicom Glenmarie, 40150 Shah Alam
Selangor Darul Ehsan, Malaysia
T 03 7803 6663 **F** 03 7804 9761

www.epmb.com.my

EPMB - AUTOMOTIVE SYSTEMS SUPPLIER

Incorporated in 1996, EP Manufacturing Bhd ("EPMB") is an automotive systems supplier listed on the Main Board of Bursa Malaysia Securities Berhad.

Our key products comprise of metal; modular assemblies, suspension, body and engine and of plastic and lamp assemblies.

EPMB is maturing as one of Malaysia's leading automotive suppliers. Our close partnerships and technical agreements with BOSCH and Koito allow us to offer full automotive systems solutions with world class leading edge technology to car maker.

Leveraging on our economies of scale, technology portfolio and our unique business partnerships, we are constantly opening new opportunities to evolve our product offerings and services.

VISION

EPMB strives to be benched marked amongst the world's best global companies. With key focus on technology, human resource, and product quality & methodology, infrastructure and business services.

Our service vision is to provide swift & efficient solution throughout our business functions from design and development to mass production, delivery and quality.

Every effort towards our vision will push our business into new territories and long term opportunities. These opportunities will be met with ready hands and value will be created for our partners & shareholders.

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh (11th) Annual General Meeting of EP Manufacturing Bhd will be held at Topas Room, The Saujana Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Tuesday, 19 June 2007 at 10.00 a.m. for the following purposes:

AGENDA

1) To receive the Company's Audited Financial Statements for the financial year ended 31 December 2006 together with the Directors' and Auditors' Reports thereon. **(Resolution 1)**

2) To approve the payment of Directors' fees for the financial year ended 31 December 2006. **(Resolution 2)**

3) To re-elect Mr Hew Voon Foo who retires in accordance with Article 105 of the Company's Articles of Association. **(Resolution 3)**

4) To re-appoint Dato' Ibrahim Hussein @ Ibrahim Bin Nyar Hussin who is over seventy (70) years of age as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company in accordance with Section 129(6) of the Companies Act, 1965. **(Resolution 4)**

5) To re-appoint Messrs KPMG as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **(Resolution 5)**

6) As Special Business
To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"THAT subject always to the Companies Act, 1965, Articles of Association of the Company and approvals from the Bursa Malaysia Securities Berhad and other governmental/regulatory bodies where such approvals shall be necessary, full authority be and is hereby given to the Directors pursuant to Section 132D of the Companies Act, 1965 from time to time to allot and issue ordinary shares from the unissued capital of the Company upon such terms and conditions and for such purposes as the Directors may , in their absolute discretion, deem fit, provided always that the aggregate number of shares to be issued pursuant to this Resolution shall not exceed 10 percent of the issued capital for the time being of the Company". **(Resolution 6)**

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

By Order of the Board

Tay Li Li
Secretary

Selangor
28 May 2007

NOTES:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one (1) or more proxies to attend and vote in his stead. Where a member appoints two (2) or more proxies to attend the same meeting, a member shall specify the proportions of his shareholdings to be represented by each proxy.

2. A Proxy may but need not be a member of the Company. A member shall not be entitled to appoint a person who is not a member unless that person is an advocate, an approved auditor or a person approved by the Companies Commission of Malaysia.

3. Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

4. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or his attorney duly authorized in writing, and in the case of a corporation, shall be either given under the corporation's seal or under the hand of an officer or attorney of the corporation duly authorized.

5. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at No. 8 & 10 , Jalan Jurutera U1/23, Seksyen U1, Kawasan Perindustrian Hicom Glenmarie, 40150 Shah Alam, Selangor Darul Ehsan not less than 48 hours before the time set for holding the Meeting or at any adjournment thereof.

6. Explanatory Note on Special Business:-

   Ordinary Resolution 6

   The Ordinary Resolution proposed under item 6, if passed, will give the Directors of the Company, from the date of the abovementioned Meeting, authority to allot and issue ordinary shares up to an amount not exceeding 10% of the issued share capital of the Company at any time and for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company in General Meeting, will expire at the next Annual General Meeting.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad

1. The Directors standing for re-election at the 11th Annual General Meeting of the Company are Mr Hew Voon Foo and Dato' Ibrahim Hussein @ Ibrahim Bin Nyar Hussin. Further details of these Directors are set out in Directors' Profile and Analysis of Shareholdings - Directors' Shareholdings.

2. There were four (4) Directors' meetings held during the financial year ended 31 December 2006. Details of attendance of the Directors are set out in the Statement on Corporate Governance of this Annual Report.

3. The Eleventh (11th) Annual General Meeting of the Company will be held at Topas Room, The Saujana Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Tuesday, 19 June 2007 at 10.00 a.m.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Hamidon Bin Abdullah • *Executive Chairman*
Shaari Bin Haron • *Independent Non-Executive Director*
Dato' Ibrahim Hussein @ Ibrahim Bin Nyar Hussin • *Independent Non-Executive Director*
Dr Linden Hamidon Nee Fong • *Non-Independent Non-Executive Director*
Hew Voon Foo • *Non-Independent Non-Executive Director*

AUDIT COMMITTEE

Shaari Bin Haron • *Chairman*
Dato' Ibrahim Hussein
@ Ibrahim Bin Nyar Hussin • *Member*
Hew Voon Foo • *Member*

COMPANY SECRETARY

Tay Li Li • *MAICSA 7007996*

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

No. 8 & 10, Jalan Jurutera U1/23
Seksyen U1, Kawasan Perindustrian
Hicom Glenmarie
40150 Shah Alam
Selangor Darul Ehsan, Malaysia
Tel • *603-78036663*
Fax • *603-78049761*

SHARE REGISTRAR

Mega Corporate Services Sdn Bhd
Level 15-2, Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel • *603-26924271*
Fax • *603-27325388*

STOCK EXCHANGE LISTING

Main Board, Bursa Malaysia Securities Berhad
Stock Name • *EPMB*
Stock Code • *7773*

AUDITORS

KPMG Malaysia
Chartered Accountants
Wisma KPMG, Jalan Dungun
Damansara Heights
50490 Kuala Lumpur
Tel • *603-20953388*
Fax • *603-20950971*

PRINCIPAL BANKERS

CIMB Bank Berhad
Bank Muamalat Malaysia Berhad
Bangkok Bank Berhad
HSBC Bank Malaysia Berhad

LAWYERS

Zul Rafique & Partners
Wee Choo Keong & Faaiz

GROUP STRUCTURE

EPMB

EP MANUFACTURING BHD
Company No. 390116-T

INVESTMENT HOLDING

EP POLYMERS (M) SDN BHD – 100%
Manufacture, fabrication, production and sales in engineering plastic components

WIRACASH HOLDINGS SDN BHD – 100%
Manufacture of automotive lamps and allied products

ADVANCED PRODUCT SYSTEMS SDN BHD – 100%
Manufacture, assemble and sales of automotive parts

EPMB (AUSTRALIA) PTY LTD – 100%
(Incorporated in Australia)
Engineering design, development and modelling

PEPS-JV (M) SDN BHD – 89.5%
Manufacture and sales of automotive modular components

EP MOULDS & DIES (M) SDN BHD – 100%
Manufacture, production and sales of moulds and dies

FUNDWIN SDN BHD – 100%
Manufacture, assemble and sales of automotive parts, bicycles and bicycle components

DIRECTORS' PROFILE

HAMIDON BIN ABDULLAH
Executive Chairman

SHAARI BIN HARON
Independent Non-Executive Director

DATO' IBRAHIM HUSSEIN @ IBRAHIM BIN NYAR HUSSIN
Independent Non-Executive Director

DR LINDEN HAMIDON NEE FONG
Non-Independent Non-Executive Director

HEW VOON FOO
Non-Independent Non-Executive Director

HAMIDON BIN ABDULLAH • Executive Chairman

Hamidon bin Abdullah, Malaysian, aged 54, is the Executive Chairman of the Company. He was appointed to the Board on 20 January 1997. Encik Hamidon obtained his degree in Applied Mathematics & Computer Science in 1974 and Master in Urban Planning in 1975 from the University of Adelaide, Australia. Encik Hamidon is the founding member of the EPMB Group which he started in 1988. He also sits on the Board of Atis Corporation Berhad.

He has no family relationship with any other director or major shareholder of EPMB except for Dr Linden Hamidon Nee Fong who is his spouse and has no conflict of interest with EPMB. He has not been convicted for any offences within the past 10 years.

SHAARI BIN HARON • Independent Non-Executive Director

Shaari bin Haron, Malaysian, aged 56, is an Independent Non-Executive Director of the Company and the Chairman of the Audit Committee. He was appointed to the Board on 20 January 1997. Encik Shaari obtained his Bachelor of Law (Honours) degree from the International Islamic University in 1991. He started his career as an Inspector with the Royal Malaysian Police Force and was promoted to the rank of Assistant Superintendent of Police in 1981. In 1992, he opted for early retirement from the Police Force to read in the Chambers of Messrs Majid & Chen and was admitted to the Malaysian Bar in 1993. Thereafter he joined Messrs Majid & Chen as an associate partner and in 1995, he became a full partner in charge of the office in Kuala Lumpur. In early 2003, he left Messrs Majid & Chen and joined Messrs Abu Bakar & Yong as a Partner.

Encik Shaari is also a member of the Nomination Committee and Remuneration Committee.

He has no family relationship with any other director or major shareholder of EPMB and has no conflict of interest with EPMB. He has not been convicted for any offences within the past 10 years.

DATO' IBRAHIM HUSSEIN @ IBRAHIM BIN NYAR HUSSIN • Independent Non-Executive Director

Dato' Ibrahim Hussein @ Ibrahim bin Nyar Hussin, Malaysian, aged 71, is an Independent Non-Executive Director of the Company and a member of the Audit Committee. He was appointed to the Board on 20 January 1997. Dato' Ibrahim is an artist by profession. He set up the Ibrahim Hussein Museum and Cultural Foundation on 18 September 1991, of which he is the Life Chairman and a member of the Board of Trustees.

Dato' Ibrahim is a member of the Nomination Committee and Remuneration Committee.

He has no family relationship with any other director or major shareholder of EPMB and has no conflict of interest with EPMB. He has not been convicted for any offences within the past 10 years.

DR LINDEN HAMIDON NEE FONG • Non-Independent Non-Executive Director

Dr Linden Hamidon Nee Fong, Australian/Malaysian PR, aged 53, is a Non-Executive Director of the Company. She was appointed to the Board on 20 January 1997. Dr Linden holds a Bachelor of Dental Surgery from the University of Adelaide, Australia, which she obtained in 1978. She is also a practicing Dentist since 1980.

She has no family relationship with any other director or major shareholder of EPMB except for Encik Hamidon Bin Abdullah who is her spouse and has no conflict of interest with EPMB. She has not been convicted for any offences within the past 10 years.

HEW VOON FOO • Non-Independent Non-Executive Director

Hew Voon Foo, Malaysian, aged 46, is a Non-Independent Non-Executive Director of the Company and a member of the Audit Committee. He was appointed to the Board on 17 April 2002. He is a member of the Chartered Institute of Management Accountants ("CIMA") and the Malaysian Institute of Accountants ("MIA").

He has more than 20 years experience in the accounting profession and is currently a Financial Controller of a local manufacturing company.

Mr Hew is also a member of the Nomination Committee and Remuneration Committee.

He has no family relationship with any other director or major shareholder of EPMB and has no conflict of interest with EPMB. He has not been convicted for any offences within the past 10 years.

OUR PRODUCTS

1	Cross-Member	5	Door Inner Front	9	Rear Corner Module
2	Rear Combination Lamp	6	Trailing Arm	10	Dash Panel
3	Sub-Frame	7	Bumper	11	Rear Spoiler
4	Head Lamp	8	Fuel Tank		

AUTOMOTIVE COMPONENTS

MODULAR

FUEL TANK
CORNER MODULE
PARKING BRAKE ASSY
DUPLEX ACTUATION SYSTEM
REAR COMBINATION LAMP
HEAD LAMP

METAL/SUSPENSION PART

CHASSIS & BODY PARTS
SUB-FRAME
FRONT DECK
CROSS-MEMBER
DOOR INNER FRONT
DASH PANEL
TRAILING ARM
MUFFLER

PLASTIC

LAMP
BUMPER
FUEL RAIL
SWITCHES
PANEL CLUSTER
REAR SPOILER

CHAIRMAN'S STATEMENT

"On behalf of the Board of Directors of EP Manufacturing Bhd ("EPMB"), it is my pleasure to present to you the annual report and audited financial statements of the EPMB Group and the Company for the financial year ended 31 December 2006.

2006 was a challenging year for the automotive industry, which experienced an overall decrease in sales volume. This in turn affected automotive parts manufacturers, including EPMB. However, the Directors expect performance of the Group to improve in 2007 in view of an anticipated recovery in the industry.

FINANCIAL PERFORMANCE

The Group recorded total revenue of RM228.5 million for the financial year ended 31 December 2006 compared to RM300.1 million achieved in the previous financial year, a decrease of 23.8%. The Group's profit before taxation closed for the year at RM6.4 million (FY05: RM27.7 million).

Basic and diluted earnings per share for the year is 1.19 sen.

chairman's statement

MALAYSIAN ECONOMY & AUTOMOBILE INDUSTRY

2006 was another year of growth for the Malaysian economy. GDP grew by 5.9% as compared to 5.2% in 2005. The manufacturing sector continued to be a key contributor to the economy, comprising 32% of total GDP, representing an expansion of 7% over the previous year.

It was a challenging year for the automotive industry. The release of the National Automotive Policy in March had a lingering effect on market, with consumers differing their purchases in hopes of lower excise taxes and import duties on foreign models. Other factors dampening the industry include lower trade-in values and sluggish second-hand market (post-NAP implementation), bank's tightening credit, hire-purchase rates offered and a wait-and-see attitude for new releases from the two national automakers.

Overall automotive sales fell by 12% from the previous year, registering total industry volume of approximately 490,000 vehicles. The passenger car market contributed 75% of this, with Proton taking 32% of the market share, while Perodua grasped 42% share of the passenger vehicle market.

REVIEW OF OPERATIONS

EPMB's automotive division was largely affected by the general slowdown in the industry, resulting in lower sales to the local automotive manufacturers, leading to the dip in revenue and profitability. Additionally, sales overseas marginally retracted due to delayed launching of new models.

One of our exciting accomplishments during the year was the completion of the development and testing stages of our Integrated Air Fuel Module. This integral part of the car's powertrain, which is a product of our collaboration with our technology partner, Bosch, will enhance Proton's Campro engines by enabling it to deliver better response and smoother power.

CORPORATE DEVELOPMENT

Our wholly-owned subsidiary, EP Polymers (M) Sdn Bhd ("EPP"), has on 9 May 2007 signed a Shareholder's Agreement to form a joint-venture with Teck See Plastic Sdn Bhd. The joint-venture will represent a collaborated effort by both parties to develop expertise as a modular system supplier.

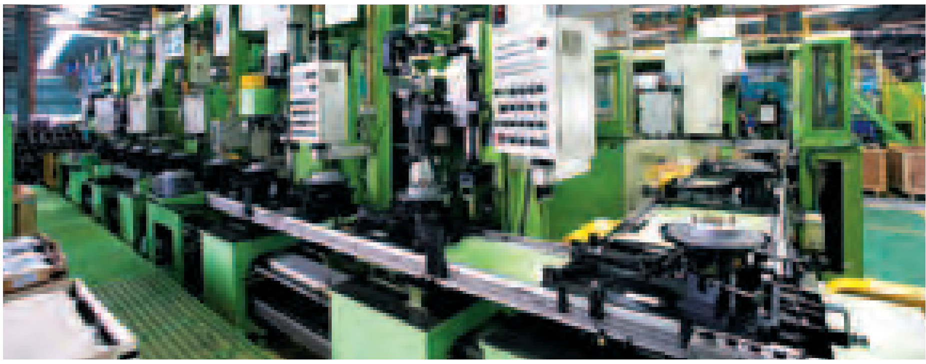
We envision that this partnership will allow EPMB to secure new automotive businesses in both domestic and overseas markets, in addition to further strengthening our position in the industry.

EPMB has also on 27 April 2007 signed a Sale and Purchase of Shares Agreement to acquire a 100% stake of Circle Ring Network Sdn Bhd ("CRN"), a company involved in the manufacture and assembly of electronic water meters in Malaysia. CRN is the Malaysian manufacturing partner of Severn Trent Metering Services Ltd ("STMS"), a unit of Severn Trent PLC ("Severn Trent"), which is the leading water Group in the United Kingdom. This acquisition provides EPMB the opportunity to expand into the local and regional water sector, as well as using Severn Trent's global network to sell the electronic water meters into the world market.

We expect strong contribution from CRN export sales and to successfully secure a large slice of the local market with our network and expertise. Going forward, EPMB will have two core divisions - a automotive division and a water division, that will be dedicated to each of the respective industries.

DIVIDENDS

It is our intention to reward our shareholders via dividends whenever circumstances so permit. However, after considering the Group's financial and cash flow positions for the financial year ended 31 December 2006, the Board has collectively decided to conserve cash reserves for future investments. As such, the Board has not recommended any dividends for the financial year under review.



PROSPECTS

The Board of Directors is of the view that the industry will remain challenging. However, with a series of new models as well as replacement models expected this year, including those from Proton and Perodua, we are encouraged that 2007 will be a better year for EPMB. The Malaysian Automotive Association estimates that vehicle volume in 2007 will improve by 2% (to 500,000 units). We also expect that sales overseas will pick-up pace. Overall, the Board is upbeat that the Group will be able to achieve better performance in view of our established R&D and our maturing infrastructure. We also believe that our association with Bosch will continue to provide further rewarding opportunities in the future.

APPRECIATION

On behalf of the Board, I would like to express my sincere appreciation to our management, employees, and suppliers for their support and perseverance in a demanding environment. To our clients, we would like to thank you for your continued confidence in us. To our shareholders, our gratitude for your understanding and we look forward to your continued support as we embrace the challenges of the future. To my fellow Board members, my gratitude for your indispensable advice and time.

HAMIDON BIN ABDULLAH
Executive Chairman

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors is committed to ensuring and maintaining a high standard of corporate governance in conducting the business and affairs of the Group with integrity, transparency and professionalism. This is fundamental in discharging its responsibilities to protect and enhance the shareholders' value and the interests of stakeholders.

Sets out below is the manner in which the Company has applied the principles and practices of the Malaysian Code on Corporate Governance within the Group.

1. BOARD OF DIRECTORS

1.1 Composition of the Board

EP Manufacturing Bhd is led and managed by a Board with mixed experience in business, commercial, finance and legal matters. The Board is principally responsible for strategic planning and ensuring proper conduct of operations and affairs of the Group. A brief write-up on each Director is set out under the Directors' Profile.

Presently, the Board has five (5) members comprising an Executive Chairman and four Non-Executive Directors, two of whom are independent.

The Executive Chairman is responsible for the orderly conduct and working of the Board. The Independent Directors are independent of management. They have the necessary skills and experience to make independent judgements on corporate issues pertaining to strategy, performance and resources including key appointments and standards of conduct. They provide independent views and judgements and safeguard the interest of parties such as minority shareholders. No individual or group of individuals dominate the Board's decision making. The number of directors appointed fairly reflect the investments of the shareholders.

Dato' Ibrahim Hussein @ Ibrahim Bin Nyar Hussin was nominated as the Senior Independent Non-Executive Director of whom concerns may be conveyed.

In accordance with the Company's Articles of Association, all Directors retire from office at least once in every three years and offer themselves for re-election.

1.2 Board Meetings

Board meetings are generally held quarterly, with additional meetings convened as and when necessary. During the financial year ended 31 December 2006, four (4) meetings were held and the record of Directors' attendance is as follows:-

Directors	Meetings attended by the Directors/ Total number of meetings held during the financial year ended 31 December 2006	% of attendance
Executive Director		
Hamidon Bin Abdullah	4/4	100
Non-Executive Directors		
Dr Linden Hamidon Nee Fong	4/4	100
Shaari Bin Haron	4/4	100
Dato' Ibrahim Hussein @ Ibrahim Bin Nyar Hussin	3/4	75
Hew Voon Foo	4/4	100

1. BOARD OF DIRECTORS (cont'd)

1.3 Responsibilities and Supply of Information

The Board had the overall responsibility of reviewing and adopting a strategic plan for the Group, overseeing the conduct of the Group's business, identifying principal risks and ensuring the implementation of appropriate systems to manage these risks, succession planning of senior management, developing and implementing an investor relations programme or shareholder communications policy for the Group and reviewing the adequacy and integrity of the Group's internal control and management information systems.

The Board reserved to itself a schedule of matters for decision including strategic and policy issues, major capital investment, financial decision, approval of corporate plans and changes in major activities of the Group.

Prior to Board meetings, board members are furnished with the agenda of the meeting and relevant board papers to facilitate decision making and sound judgement during the meeting.

All Directors have full access to information pertaining to all matters for the purpose of discharging their duties. All Directors may obtained independent professional advise in furtherance of their duties and have access to the advise and services of the Company Secretary and the senior management staff of the Group.

1.4 Directors' Remuneration

1.4.1 Remuneration Procedure

The remuneration of each Director are determined by the Board as a whole. The Directors do not participate in the discussion and decision of their own remuneration.

1.4.2 Remuneration Package

All Directors are provided with Directors' fees, which are approved by the shareholders at the Annual General Meeting, based on the recommendation of the Board. The details of the remuneration of the Directors of the company for the financial year ended 31 December 2006 are as follows:-

	Salary RM	Fees RM	Bonus RM	Benefits-in-kind & others RM	Total RM
Executive	576,132	30,000	38,011	36,336	680,470
Non-Executive Directors	-	120,000	1,250	35,523	156,773

The number of Directors whose remuneration falls into the following bands are as follows:

	Executive	Non-Executive
RM50,000 and below	-	3
RM50,001 - RM100,000	-	1
RM100,001 - RM150,000	-	-
RM150,001 - RM200,000	-	-
RM200,001 - RM250,000	-	-
RM250,001 - RM300,000	-	-
RM300,001 - RM350,000	-	-
RM350,001 - RM400,000	-	-
RM400,001 - RM450,000	-	-
RM450,001 - RM500,000	-	-
RM500,001 - RM550,000	-	-
RM550,001 - RM600,000	-	-
RM600,001 - RM650,000	-	-
RM650,001 - RM700,000	1	-

1. **BOARD OF DIRECTORS (cont'd)**

1.5 Directors' Training

All Directors have attended the Mandatory Accreditation Programme (MAP) as prescribed by Bursa Malaysia Securities Berhad and have completed the CEP programmes during the financial year ended 31 December 2005.

During the financial year, the Directors attended in-house briefing and training on various aspects of business operation and development as a continuing updating programme in particular for the non-executive directors. The respective Directors have also attended seminars covering areas related to updates on financial reporting and presentation, budget highlights, Islamic banking and business forum on automotive industry. The Directors will continue to undergo relevant training programmes on a continuous basis to enhance their skill and knowledge.

The Board is regularly updated by the Company Secretary on the latest updates of the Listing Requirements and other regulatory requirements relating to the discharge of their duties.

2. **THE BOARD COMMITTEES**

The following committees are established to assist the Board to discharge its duties and responsibilities. The Board has delegated certain powers and duties to these committees, which operate within the defined terms of reference.

2.1 Audit Committee

The details are set out in the Audit Committee Report of this Annual Report.

2.2 Nomination Committee

The Nomination Committee was established on 29 August 2001. Its primary function is to propose new nominees to the Board and assess the effectiveness of the board on an on-going basis. The actual decision as to who shall be appointed is the responsibility of the full Board after considering the recommendations of the Nomination Committee. The Nomination Committee also has the authority to review the required mix of skills and experience of the directors and examine a particular issue and reports back to the Board its recommendations.

Composition

The present members of the Nomination Committee of the Company are:-

Member

Shaari Bin Haron (Chairman)
Dato' Ibrahim Hussein @ Ibrahim Bin Nyar Hussin
Hew Voon Foo

The Chairman of the Nomination Committee is an Independent Non-Executive Director. The Chairman shall attend all meetings of the committee other than when matters concerning himself are discussed.

The Company Secretary is the secretary of the Nomination Committee. The Secretary shall maintain minutes of the proceedings of the Committee and circulate such minutes to all members of the Board.

Meetings

Meetings of the Nomination Committee will be held from time to time as determined by the members of the Committee. Written notice of the meeting together with an agenda will be given to the members of the Committee.

2. THE BOARD COMMITTEES (cont'd)

2.3 Remuneration Committee

The Remuneration Committee was established on 29 August 2001. Its primary function is to set the policy framework and recommend to the Board on the remuneration packages of the Executive Directors in all its forms, drawing from outside advise as necessary. Executive Directors shall play no part in decisions on their own remuneration. The determination of the remuneration package for Non-Executive Directors shall be a matter for the Board as a whole. The Director concerned shall abstain from deliberations and voting on decisions in respect of his individual remuneration package.

The Remuneration Committee also has the authority to examine a particular issue and reports back to the Board its recommendations.

Composition

The present members of the Remuneration Committee of the Company are as follows:-

Member

Dato' Ibrahim Hussein @ Ibrahim Bin Nyar Hussin (Chairman)
Shaari Bin Haron
Hew Voon Foo

The Chairman of the Remuneration Committee is elected amongst Non-Executive Directors. The Chairman shall attend all meetings of the committee other than when matters concerning himself are discussed.

The Company Secretary is the secretary of the Remuneration Committee. The Secretary shall maintain minutes of the proceedings of the Committee and circulate such minutes to all members of the Board.

Meetings

Meetings of the Remuneration Committee shall be held from time to time as determined by the members of the Committee. Written notice of the meeting together with an agenda shall be given to the members of the Committee.

Remuneration Policy

The Remuneration Committee shall aim to ensure the remuneration is sufficient to attract and retain the Directors needed to run the Company successfully.

The remuneration package comprises of a number of separate elements such as basic salary, allowance, fee, bonus and other non-cash benefits.

In the case of Executive Directors, the component parts of remuneration shall be structured so as to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration shall be linked to their experience and the level of responsibilities undertaken.

3. RELATIONSHIP WITH SHAREHOLDERS

The Company recognizes the importance of effective communications and timely dissemination of information to its shareholders, stakeholders and public at large. The Company maintains an effective communication policy which interprets the operations of the Group to the shareholders and accommodates feedback from shareholders, which are factored into the Group's business decision.

Annual Report, financial statements, circular to shareholders and announcements are some of the modes of reporting to the shareholders, stakeholders and the public on the business activities, financial performance and major development of the Group to enable the shareholders to have an overview of the Group's performance and operations.

3. RELATIONSHIP WITH SHAREHOLDERS (cont'd)

General Meetings provides an opportunity for shareholders to access their Board for clarification of issues relevant to the Company. Shareholders are encouraged to participate and communicate at the general meetings and to vote on all resolutions.

The Company maintains a website at www.epmb.com.my for which the shareholders can access to information of the Group.

4. ACCOUNTABILITY AND AUDIT

4.1 Financial Reporting

In presenting the annual report and quarterly financial statements to shareholders, the Board aims to provide a balanced and comprehensive assessment of the Group's financial performance and prospect.

The Directors are also responsible for ensuring the annual financial statements are prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.

4.2 Internal Control

The Board acknowledges their responsibility for the maintenance of a sound system of internal control, including risk assessment and reviewing its effectiveness to safeguard shareholders' investment and Group assets. As with any such system, controls can only provide reasonable but not absolute assurance against material misstatement or loss. The Group is continuously looking into the adequacy and integrity of its system of internal controls.

A statement on Internal Control of the Group is set out in this Annual Report.

4.3 Relationship with Auditors

The company has always maintained a formal and transparent relationship with the Auditors, both internal and external, in seeking professional advice and ensuring compliance in matters pertaining to risk management and internal control and accounting standards.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the results and cash flows of the Company and the Group for the financial year, in accordance with the Companies Act, 1965, applicable approved accounting standard in Malaysia and the Listing Requirements of Bursa Malaysia Securities Berhad.

In ensuring the preparation of these financial statements, the Directors have:-

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured that applicable approved accounting standards have been complied with; and
- ensured that proper accounting and other records which disclose with reasonable accuracy the financial position of the Company and the Group are kept.

This Statement is made in accordance with the resolution of the Board of Directors dated 30 April 2007.

ADDITIONAL INFORMATION

1. **Share Buyback**

The Company commenced its share buy-back in February 2006. During the financial year, the Company bought back a total of 2,837,800 ordinary shares from the open market and all the shares purchased were retained as treasury shares in accordance with Section 67A of the Companies Act, 1965. None of the treasury shares were resold or cancelled during the financial year. The details of the share buy-back carried out by the Company during the financial year are as follows:-

Month (2006)	No of shares purchased	Minimum price (RM)	Maximum price (RM)	Average price (RM)	Total Consideration (RM)
February	64,100	0.67	0.68	0.675	43,733
September	463,000	0.65	0.66	0.655	302,237
November	2,196,600	0.62	0.65	0.624	1,370,678
December	114,100	0.57	0.61	0.60	68,460

2. **Options, Warrants or Convertible Securities**

During the financial year, the following securities were converted into Ordinary Shares:-

(a) 3,133,426 17.5% Irredeemable Convertible Unsecured Preference Shares ("ICUPS") were converted into 1,566,713 Ordinary shares.

(b) 405,960 17.5% Redeemable Convertible Secured Preference Shares ("RCSPS") were converted into 202,980 Ordinary shares.

3. **American Depository Receipt (ADR) or Global Depository Receipt (GDR)**

The Company did not sponsor any ADR or GDR programme during the financial year.

4. **Non-audit fees**

The non-audit fees paid or payable to the external auditors by the Group for the financial year ended 31 December 2006 amounted to RM50,000.

5. **Imposition of Sanctions and/or Penalties**

There were no sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year.

6. **Profit Estimates, Forecast or Projections**

The Company did not issue any profit estimates, forecasts or projections for the financial year.

7. **Profit Guarantee**

The Company did not received any profit guarantee during the financial year.

8. **Material Contracts**

There were no material contracts entered into by the Company and/or its subsidiaries, involving Directors and Major Shareholders interest during the financial year.

STATEMENT OF INTERNAL CONTROL

INTRODUCTION

The Board of Directors is pleased to present the Statement of Internal Control of the Group during the year in accordance with paragraph 15.27 (b) of the Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements.

The Board recognizes and acknowledges the importance of sound internal controls and risk management practices to good corporate governance. The Board has an overall responsibility for the Group's internal control system and its effectiveness as well as reviewing its adequacy. The Board relied on an adequate system of internal controls which is designed to manage and mitigate risks and to improve the corporate governance of the Group while not hindering the Group in achieving its business objectives. The system, by its nature, can only provide reasonable but not absolute assurance against any material misstatement or loss occurrence.

INTERNAL CONTROL AND RISK ASSESSMENT

In pursuing this objective, the management's role is to ensure the implementation and compliance of these internal controls in its day-to-day operations. The system of internal control includes the establishment of an appropriate and effective control environment to cover risk management, financial, operational and legal aspects as well as reviewing mechanism for its adequacy and integrity. The Board recognizes that the evaluation and implementation of any internal control system would serve to manage, rather than to eliminate the risk of failure to achieve corporate objectives.

The Board asserts that a sound system of internal control is critical to good corporate governance and regards risk management as an integral part of business operations. There is an ongoing process for identifying, evaluating and managing significant risks faced by the Group via quarterly review meetings. During the meetings the existing risks are reviewed and new risks associated to the change of internal and external environment are identified.

The management has provided the Board with appropriate assurance regarding the adequacy and effectiveness of risk management, internal control and governance systems for compliance with applicable laws, regulations, directives and guidelines. The Group in its efforts to provide adequate and effective internal control system had appointed an independent consulting firm to undertake its internal audit functions. The independent consulting firm acts as internal auditor and reports directly to the Audit Committee. Their scope of work is to undertake an objective, independent and systematic review of the system of internal control so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively.

REVIEWING AND MONITORING

The Board of Directors has appraised the effectiveness, adequacy and integrity of the system of internal control operating during the financial year through the processes set out above. There were neither material internal control failure nor significant problems that had arisen during the financial year. The Board is aware that any system of internal control, no matter how well designed, implemented and monitored, does not eliminate the possibility of human error, collusion or the deliberate circumvention of control procedures. The Board is of the opinion that the present system of internal control throughout the Group is satisfactory and effective.

The statement is made in accordance with the resolution of the Board of Directors dated 30 April 2007.

AUDIT COMMITTEE REPORT

MEMBERSHIP

The present members of the Audit Committee are as follows:-

Chairman

Shaari Bin Haron
(Independent Non-Executive Director)

Members

Dato' Ibrahim Hussein @ Ibrahim Bin Nyar Hussin
(Senior Independent Non-Executive Director)

Hew Voon Foo
(Non-Independent Non-Executive Director)

TERMS OF REFERENCE

Composition

The Audit Committee shall be appointed by the Board of Directors from amongst their number and shall comprise of not less than three (3) members of whom a majority shall be independent directors.

At least one member of the Committee must be:-

i) a member of the Malaysian Institute of Accountants (MIA); or

ii) have at least 3 years' working experience and have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967 or a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or

iii) holds a degree/masters/doctorate in accounting or finance with at least 3 years' post qualification experience in accounting or finance; or

iv) have at least 7 years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.

In the event of any vacancy in the Audit Committee resulting in the non-compliance with Paragraph 15.10 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board shall appoint a new member within three (3) months.

The Board of Directors shall review the term of office and the performance of an Audit Committee and each of its members at least once in every three (3) years.

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

MEETINGS AND REPORTING PROCEDURES

The Audit Committee shall meet at least four (4) times a year and the quorum shall be at least three (3) persons with majority being Independent Directors. The details of attendance of the Audit Committee members are as follows:-

Members	Meetings attended by the Members/ Total number of meetings held during the financial year ended 31 December 2006	% of attendance
Shaari Bin Haron	4/4	100
Dato' Ibrahim Hussein @ Ibrahim Bin Nyar Hussin	4/4	100
Hew Voon Foo	4/4	100

The Audit Committee may require the attendance of management staff from any department of the Group deemed necessary and representatives from the external auditors.

The Audit Committee shall meet with the external auditors without executive Board members present at least once a year. Upon the request of the external auditor, the Chairman of the Audit Committee shall convene a meeting of the committee to consider any matter the external auditors may brought to the attention of the Directors or shareholders.

Notice of the proposed agenda for each meeting is distributed in a timely manner to the members of the Audit Committee. The Company Secretary shall act as secretary of the Audit Committee and shall keep the minutes of each Audit Committee meeting.

DUTIES AND FUNCTIONS

The functions and duties of the Audit Committee include the following:-

(i) To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal;

(ii) To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;

(iii) To discuss with the external auditor on the evaluation of the system of internal controls and the assistance given by the employees to the external auditors;

(iv) To review and report to the Board if there is reason (supported by grounds) to believe that the external auditor is not suitable for reappointment;

(v) To review the quarterly and annual financial statements of the Company, focusing particularly on:
- any changes in the accounting policies and practices;
- significant adjustments arising from the audit;
- the going concern assumption; and
- compliance with accounting standards and other legal requirements;

(vi) To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of the management where necessary);

DUTIES AND FUNCTIONS (cont'd)

(vii) To review the external auditor's management letter and the management's response;

(viii) To do the following where there is an internal audit function:-

- review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- review the internal audit programme and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;
- review any appraisal or assessment of the performance of members of the internal audit function;
- approve any appointment or termination of internal auditors or outsourced internal auditors; and
- inform itself of resignations of internal auditors and provide the resigning internal auditors an opportunity to submit his reasons for resigning;

(ix) To consider any related party transactions that may arise within the Company or the Group.

(x) To consider the major findings of internal investigations and the management's response; and

(xi) To consider other topics as defined by the Board.

AUTHORITY

The Committee is authorised by the Board to:-

(i) have authority to investigate any matter within its terms of reference;

(ii) have the resources and unrestricted access to information which are required to perform its duties;

(iii) have direct communication channels with the external auditors and persons carrying out the internal audit function;

(iv) be able to obtain independent professional or other advice; and

(v) be able to convene meetings with the external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary.

SUMMARY OF ACTIVITIES

During the financial year, the Audit Committee carried out the following activities in accordance with its terms of reference:-

- Reviewed the quarterly audited reports and annual financial statements before recommended to the Board for approval.
- Reviewed scope and approach of audit plan under audit planning memorandum prepared by the external auditors.
- Reviewed adequacy of functions of external and internal auditors and assess their performance.
- Reviewed with the external auditors, the results of the annual audit, audit report, areas of concern and management letter.

SUMMARY OF ACTIVITIES (cont'd)

- Reviewed internal audit report, which highlighted the audit issues, recommendations with regards to risk management, internal control and management's response thereto.

- Reviewed internal control statement and audit committee report for inclusion in the Annual Report.

- Reviewed recurrent related party transactions to ensure adherence of review procedures for recurrent related party transactions.

INTERNAL AUDIT

The internal auditors adopt a risk-based internal audit approach, focusing its work mainly on key processes and principal risk areas of the operating units. The internal auditors carry out regular and systematic reviews so as to provide assurance that the systems of internal controls continue to operate satisfactorily and effectively.

During the financial year, the internal auditors reviewed and evaluated the control environment within the Group and carried out special reviews requested by the management.

FINANCIAL STATEMENTS

DIRECTORS' REPORT
for the year ended 31 December 2006

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2006.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in Note 4 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Net profit for the year	2,876	2,566

RESERVES AND PROVISIONS

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

DIVIDENDS

Since the end of the previous financial year, the Company paid:

i) a third interim tax exempt dividend of 1.5% totalling RM1,842,824 in respect of the year ended 31 December 2005 on 19 May 2006; and

ii) a final tax exempt dividend of 1.5% totalling RM1,863,477 on 30 August 2006 in respect of the year ended 31 December 2005.

The Directors do not recommend any final dividend to be paid for the period ended 31 December 2006.

DIRECTORS OF THE COMPANY

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

Hamidon bin Abdullah
Y.B. Dato' Ibrahim Hussein @ Ibrahim bin Nyar Hussin
Shaari bin Haron
Dr. Linden Hamidon Nee Fong
Hew Voon Foo

DIRECTORS OF THE COMPANY (cont'd)

The holdings and deemed holdings in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM1 each or shares to be issued arising from the exercise of EPMB ICUPS, EPMB RCSPS and EPMB warrants			
	At 1.1.2006	**Bought/ Converted**	**Sold/ Converted**	**At 31.12.2006**
Shareholdings in which Directors have direct interest				
Interest in EP Manufacturing Bhd. ("EPMB"): Ordinary shares				
Hamidon bin Abdullah	7,047,133	1,400,000	-	8,447,133
Dr. Linden Hamidon Nee Fong	1,236,967	-	-	1,236,967
Y.B. Dato' Ibrahim Hussein @ Ibrahim bin Nyar Hussin	50,000	-	-	50,000
Shaari bin Haron	20,000	-	-	20,000
Shareholdings in which Directors have deemed interest				
Hamidon bin Abdullah				
- deemed interest*	29,801,967	-	-	29,801,967
- deemed interest**	1,236,967	-	-	1,236,967
Dr. Linden Hamidon Nee Fong				
- deemed interest**	36,849,100	1,400,000	-	38,249,100
Irredeemable Convertible Unsecured Preference Shares ("EPMB ICUPS")				
Hamidon bin Abdullah				
- deemed interest**	73,934	-	-	73,934
- deemed interest***	35,416,866	-	-	35,416,866
Dr. Linden Hamidon Nee Fong				
- direct interest	73,934	-	-	73,934
- deemed interest**	35,416,866	-	-	35,416,866
Redeemable Convertible Secured Preference Shares ("EPMB RCSPS")				
Hamidon bin Abdullah				
- deemed interest**	18,484	-	-	18,484
Dr. Linden Hamidon Nee Fong				
- direct interest	18,484	-	-	18,484

DIRECTORS OF THE COMPANY (cont'd)

	Number of ordinary shares of RM1 each or shares to be issued arising from the exercise of EPMB ICUPS, EPMB RCSPS and EPMB warrants			
	At 1.1.2006	Bought/ Converted	Sold/ Converted	At 31.12.2006
EPMB Warrants				
Hamidon bin Abdullah				
- direct interest	4,979,000	-	-	4,979,000
- deemed interest**	18,484	-	-	18,484
Dr. Linden Hamidon Nee Fong				
- direct interest	18,484	-	-	18,484
- deemed interest**	4,979,000	-	-	4,979,000
Y.B. Dato' Ibrahim Hussein @ Ibrahim bin Nyar Hussin	25,000	-	-	25,000
Shaari bin Haron	10,000	-	-	10,000

* Deemed interested by virtue of his substantial shareholdings in EP Properties (M) Sdn. Bhd. and Mutual Concept Sdn. Bhd., the registered owner of the shares in the Company.

** Deemed interest in each others' shareholdings by virtue of their spousal relationship.

*** Deemed interested by virtue of his substantial shareholdings in Mutual Concept Sdn. Bhd.

By virtue of their interests in the shares of the Company, Hamidon bin Abdullah, Dr. Linden Hamidon Nee Fong, Y.B. Dato' Ibrahim Hussein @ Ibrahim bin Nyar Hussin and Shaari bin Haron are also deemed interested in the shares of the subsidiaries during the financial year to the extent that EPMB has an interest.

The other Director holding office at 31 December 2006 had no interest in the ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the related companies) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 25 to the financial statements.

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, 3,133,426 EPMB ICUPS of RM0.10 each and 405,960 EPMB RCSPS of RM0.10 each were converted into 1,566,713 and 202,980 ordinary shares respectively.

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

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the outstanding warrants (as disclosed below), EPMB ICUPS and EPMB RCSPS.

The warrants are in registered form and constituted by a Deed Poll and entitle the registered holders to subscribe for One (1) new ordinary share of RM1.00 in the Company at a price of RM1.00 per ordinary share for every warrant held at any time during the five (5) year subscription period expiring on 3 September 2008. At the end of the financial year, 20,730,000 warrants remained unexercised.

At the end of the financial year, 80,912,000 EPMB ICUPS and 2,331,207 EPMB RCSPS remained unexercised.

The EPMB ICUPS, EPMB RCSPS and warrants holders are not entitled to participate in any share issue of any other company.

At an Extraordinary General Meeting held in June 2002, the Company's shareholders approved the establishment of an employees' share option scheme ("ESOS") of not more than 10% of the issued share capital of the Company at the date of offer, to eligible Directors and employees of the Group. At the date of this report, no options have been granted to any person pursuant to the ESOS. The ESOS will expire on 16 December 2007.

The salient features of the ESOS are as follows:

i) Eligible employees are those who have been confirmed in writing as employees of the Group at the date of the offer and have attained the age of eighteen (18) years.

ii) The option is personal to the grantee and is non-assignable.

iii) The option price shall be determined by the weighted average market price of the Company's ordinary shares as shown in the daily official list of Bursa Malaysia Securities Berhad for the five market days immediately preceding the respective dates of the offer with an allowance for a discount of not more than ten per centum (10%) at the Option Committee's discretion or at the par value of the Company's ordinary shares, whichever is higher.

iv) The options granted may be exercised at any time within a period of five (5) years from the date of offer of the option or such shorter period as may be specifically stated in the offer upon giving notice in writing.

v) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of 1,000 shares.

vi) The persons 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.

OTHER STATUTORY INFORMATION

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

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) all current assets have been stated at the lower of cost and net realisable value.

OTHER STATUTORY INFORMATION

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

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, except for the effects arising from the change in accounting policies arising from the adoption of FRS 123, borrowings costs as disclosed in Note 30, the results of the operations of the Group and of the Company for the financial year ended 31 December 2006 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

SIGNIFICANT EVENTS DURING THE YEAR

a) On 4 January 2006, EPMB entered into a Sale and Purchase Agreement to acquire 2,000,000 ordinary shares of RM1.00 each representing 10% of the equity interest in PEPS-JV (M) Sdn. Bhd. ("PEPS-JV") for a total cash consideration of RM13,590,000 from Esanda Limited. Subsequently, EPMB owned 89.5% equity interest of PEPS-JV.

b) On 31 May 2006, EPMB via EP Polymers (M) Sdn. Bhd., a wholly owned subsidiary of EPMB, signed a Memorandum of Understanding ("MoU") with Teck See Plastic Sdn. Bhd., to form a separate business entity ("Newco") that will provide the parties with a platform for future growth in the automotive industry. Newco has not been incorporated as at 31 December 2006.

c) On 2 October 2006, EPMB acquired the entire equity interest of Advance Product Systems Sdn. Bhd. from its wholly owned subsidiary, Fundwin Sdn. Bhd. for a purchase consideration of RM4,626,000.

SUBSEQUENT EVENTS

From 19 January 2007 to 9 February 2007, 34,000 EPMB ICUPS of RM0.10 each at an issue price of RM0.50 per EPMB ICUPS and 21,000 EPMB RCSPS of RM0.10 each at an issue price of RM0.50 per EPMB RCSPS were converted into 17,000 and 10,500 ordinary shares of RM1.00 each respectively.

On 27 April 2007, the Company announced that it had entered into a sale and purchase agreement ("SPA") with Hamidon bin Abdullah (being a related party), Ahmad Kamaruzaman bin Mohamed Baria and Anthony Buxton Dix for the acquisition of the entire issued and paid up share capital of Circle Ring Network Sdn. Bhd. representing 1,250,000 ordinary shares of RM1.00 each for a total cash consideration of RM38,500,000.

AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:

Hamidon bin Abdullah

Hew Voon Foo

Kuala Lumpur,
Date: 30 April 2007

STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the financial statements set out on pages 32 to 78 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2006 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:

Hamidon bin Abdullah

Hew Voon Foo

Kuala Lumpur,
Date: 30 April 2007

STATUTORY DECLARATION

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

I, **Hew Voon Foo**, the Director primarily responsible for the financial management of EP Manufacturing Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 32 to 78 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 30 April 2007.

Hew Voon Foo

Before me:
Raman Kunyapu (W476)
Commissioner for Oaths

REPORT OF THE AUDITORS

to the members of EP Manufacturing Bhd.

We have audited the financial statements set out on pages 32 to 78. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

In our opinion:

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

   i) the state of affairs of the Group and of the Company at 31 December 2006 and the results of their operations and cash flows for the year ended on that date; and

   ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and

(b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiaries in respect of which we have not acted as auditors are identified in Note 4 to the financial statements and we have considered their financial statements and the auditors' reports thereon.

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

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

KPMG
Firm Number: AF 0758
Chartered Accountants

Siew Chin Kiang @ Seow Chin Kiang
Partner
Approval Number: 2012/11/08(J)

Kuala Lumpur,
Date: 30 April 2007

BALANCE SHEETS
as at 31 December 2006

	Note	Group 2006 RM'000	Group 2005 RM'000 Restated	Company 2006 RM'000	Company 2005 RM'000
Assets					
Property, plant and equipment	3	304,354	215,341	36,386	42,624
Investments in subsidiaries	4	-	-	185,673	167,458
Other investments	5	13	13	-	-
Intangible assets	6	91,277	88,224	-	-
Deferred tax assets	7	3,665	3,665	-	-
Advances to subsidiaries	8	-	-	140,215	106,568
Total non-current assets		399,309	307,243	362,274	316,650
Receivables, deposits and prepayments	8	77,801	97,459	28,035	16,339
Inventories	9	27,686	27,502	-	-
Current tax assets		725	966	42	19
Cash and cash equivalents	10	30,164	33,084	2,071	1,307
Total current assets		136,376	159,011	30,148	17,665
Total assets		535,685	466,254	392,422	334,315
Equity					
Share capital	11	131,528	130,065	131,528	130,065
Reserves	11	70,663	75,644	45,439	50,504
Total equity attributable to shareholders of the Company		202,191	205,709	176,967	180,569
Minority interest	12	10,015	18,531	-	-
Total equity		212,206	224,240	176,967	180,569
Liabilities					
Borrowings	13	175,014	114,067	147,668	113,909
Deferred tax liabilities	7	4,176	2,541	1,332	1,197
Total non-current liabilities		179,190	116,608	149,000	115,106
Payables and accruals	14	47,019	65,187	44,838	27,177
Borrowings	13	96,016	57,377	21,000	9,000
Current tax liabilities		318	105	-	-
Provision for warranties	15	319	274	-	-
Dividend payable		617	2,463	617	2,463
Total current liabilities		144,289	125,406	66,455	38,640
Total liabilities		323,479	242,014	215,455	153,746
Total equity and liabilities		535,685	466,254	392,422	334,315

The notes on pages 40 to 78 are an integral part of these financial statements.

INCOME STATEMENTS

for the year ended 31 December 2006

	Note	Group 2006 RM'000	Group 2005 RM'000 Restated	Company 2006 RM'000	Company 2005 RM'000
Revenue					
- manufacturing		228,223	299,488	-	-
- services rendered		-	655	-	-
- dividend income		-	-	4,232	7,100
- rental income		285	-	1,545	2,424
		228,508	300,143	5,777	9,524
Other operating income		3,574	4,615	1,051	-
Changes in inventories		(2,309)	916	-	-
Raw materials and consumables used		(145,377)	(187,732)	-	-
Staff costs		(22,297)	(29,282)	(443)	(218)
Depreciation and amortisation		(15,927)	(15,966)	(596)	(617)
Operating expenses		(34,537)	(41,793)	(2,815)	(1,393)
Operating profit	16	11,635	30,901	2,974	7,296
Finance costs	18	(5,471)	(3,382)	(206)	(217)
Interest income		233	152	33	35
Profit before tax		6,397	27,671	2,801	7,114
Tax expense	19	(1,835)	(1,411)	(235)	(16)
Profit for the year		4,562	26,260	2,566	7,098
Attributable to:					
Shareholders of the Company		2,876	21,188	2,566	7,098
Minority interests		1,686	5,072	-	-
Profit for the year		4,562	26,260	2,566	7,098
Basic earnings per ordinary share (sen)	20	1.19	12.26		
Diluted earnings per ordinary share (sen)	20	1.19	12.16		

The notes on pages 40 to 78 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2006

		Attributable to shareholders of the Company									
		Share capital		Non distributable				Distributable			
Group	Note	Ordinary shares RM'000	Financial instruments* RM'000	Share premium RM'000	Capital reserve RM'000	Exchange translation reserve RM'000	Treasury share RM'000	Retained profits RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
At 1 January 2005											
- As previously reported		120,760	5,995	38,050	4,146	(2,415)	-	7,416	173,952	13,459	187,411
- Effect of adopting FRS 123		-	-	-	-	-	-	1,239	1,239	-	1,239
At 1 January 2005, restated		120,760	5,995	38,050	4,146	(2,415)	-	8,655	175,191	13,459	188,650
Issuance of EPMB ICUPS	11	-	1,814	7,255	-	-	-	-	9,069	-	9,069
Conversion to ordinary shares											
- EPMB ICUPS	11	1,232	(213)	(851)	-	-	-	-	168	-	168
- EPMB RCSPS	11	577	(100)	(399)	-	-	-	-	78	-	78
Net gains recognised directly in equity		-	-	-	-	1,311	-	-	1,311	-	1,311
Profit for the year		-	-	-	-	-	-	19,188	19,188	5,072	24,260
Total recognised income and expense for the year		-	-	-	-	1,311	-	19,188	20,499	5,072	25,571
Effect of adopting FRS 123		-	-	-	-	-	-	2,000	2,000	-	2,000
Profit for the year, restated		-	-	-	-	-	-	21,188	22,499	5,072	27,571
Preference dividends											
- EPMB ICUPS		-	-	-	-	-	-	(1,024)	(1,024)	-	(1,024)
- EPMB RCSPS		-	-	-	-	-	-	(30)	(30)	-	(30)
Ordinary dividends											
- 2004 final	21	-	-	-	-	-	-	(4,277)	(4,277)	-	(4,277)
- 2005 interim	21	-	-	-	-	-	-	(3,675)	(3,675)	-	(3,675)
At 31 December 2005, restated		122,569	7,496	44,055	4,146	(1,104)	-	20,837	197,999	18,531	216,530

Note 11

consolidated statement of changes in equity

for the year ended 31 December 2006

		Attributable to shareholders of the Company									
		Share capital		*Non distributable*				*Distributable*			
Group	Note	Ordinary shares RM'000	Financial instruments* RM'000	Share premium RM'000	Capital reserve RM'000	Exchange translation reserve RM'000	Treasury share RM'000	Retained profits RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
At 31 December 2005 restated but before opening balance adjustment		122,569	7,496	44,055	4,146	(1,104)	-	20,837	197,999	18,531	216,530
- effect of adopting FRS3	30	-	-	-	-	-	-	7,710	7,710	-	7,710
At 31 December/1 January 2006, restated		122,569	7,496	44,055	4,146	(1,104)	-	28,547	205,709	18,531	224,240
Conversion to ordinary shares											
- EPMB ICUPS	11	1,566	(270)	(1,082)	-	-	-	-	214	-	214
- EPMB RCSPS	11	202	(35)	(140)	-	-	-	-	27	-	27
Net loss recognised directly in equity		-	-	-	-	(57)	-	-	(57)	-	(57)
Profit for the year		-	-	-	-	-	-	2,876	2,876	1,686	4,562
Total recognised income and expense for the year		-	-	-	-	(57)	-	2,876	2,819	1,686	4,505
Treasury shares acquired		-	-	-	-	-	(1,783)	-	(1,783)	-	(1,783)
Acquisition of minority interest	26	-	-	-	-	-	-	-	-	(10,202)	(10,202)
Preference dividends											
- EPMB ICUPS		-	-	-	-	-	-	(896)	(896)	-	(896)
- EPMB RCSPS		-	-	-	-	-	-	(25)	(25)	-	(25)
Ordinary dividends											
- 2005 final	21	-	-	-	-	-	-	(1,863)	(1,863)	-	(1,863)
- 2006 interim		-	-	-	-	-	-	(2,011)	(2,011)	-	(2,011)
At 31 December 2006		124,337	7,191	42,833	4,146	(1,161)	(1,783)	26,628	202,191	10,015	212,206
		Note 11									

* Par value of the equity components of EPMB ICUPS and EPMB RCSPS.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2006

Company	Note	Share capital: Ordinary shares RM'000	Share capital: Financial instruments* RM'000	Non distributable: Share premium RM'000	Non distributable: Capital reserve RM'000	Distributable: Retained profits RM'000	Total equity RM'000
At 1 January 2005		120,760	5,995	38,050	4,146	4,211	173,162
Issuance of EPMB ICUPS	11	-	1,814	7,255	-	-	9,069
Conversion to ordinary shares							
- EPMB ICUPS	11	1,232	(213)	(851)	-	-	168
- EPMB RCSPS	11	577	(100)	(399)	-	-	78
Net profit for the year		-	-	-	-	7,098	7,098
Preference dividends							
- EPMB ICUPS		-	-	-	-	(1,024)	(1,024)
- EPMB RCSPS		-	-	-	-	(30)	(30)
Ordinary dividends							
- 2005 final	21	-	-	-	-	(4,277)	(4,277)
- 2006 interim	21	-	-	-	-	(3,675)	(3,675)
At 31 December 2005		122,569	7,496	44,055	4,146	2,303	180,569
		Note 11					

Company	Note	Share capital: Ordinary shares RM'000	Share capital: Financial instruments* RM'000	Non distributable: Share premium RM'000	Non distributable: Capital reserve RM'000	Non distributable: Treasury shares RM'000	Distributable: Retained profits RM'000	Total RM'000
At 1 January 2006		122,569	7,496	44,055	4,146	-	2,303	180,569
Conversion to ordinary shares								
- EPMB ICUPS	11	1,566	(270)	(1,082)	-	-	-	214
- EPMB RCSPS	11	202	(35)	(140)	-	-	-	27
Net profit for the year		-	-	-	-	-	2,566	2,566
Treasury shares acquired		-	-	-	-	(1,783)	-	(1,783)
Preference dividends								
- EPMB ICUPS		-	-	-	-	-	(896)	(896)
- EPMB RCSPS		-	-	-	-	-	(25)	(25)
Ordinary dividends								
- 2005 final	21	-	-	-	-	-	(1,863)	(1,863)
- 2005 interim	21	-	-	-	-	-	(1,842)	(1,842)
At 31 December 2006		124,337	7,191	42,833	4,146	(1,783)	243	176,967
		Note 11						

* Par value of the equity components of EPMB ICUPS and EPMB RCSPS.

The notes on pages 40 to 78 are an integral part of these financial statements.

CASH FLOW STATEMENTS
for the year ended 31 December 2006

	Group		Company	
	2006 RM'000	2005 RM'000 Restated	2006 RM'000	2005 RM'000
Cash flows from operating activities				
Profit before taxation	6,397	27,671	2,801	7,114
Adjustments for:				
Bad debts written off	507	157	-	-
Depreciation	15,673	15,584	596	617
Development costs				
- amortisation	254	382	-	-
- written off	81	-	-	-
Dividend income	-	(1)	(4,232)	(7,100)
Net gain on disposal of property, plant and equipment	(1,325)	(161)	(1,033)	-
Finance costs	5,471	3,382	206	217
Interest income	(233)	(152)	(33)	(35)
Property, plant and equipment written off	73	88	-	-
Net unrealised foreign exchange (gain)/loss	131	388	(17)	-
Operating profit before working capital changes	27,029	47,338	(1,712)	813
Change in inventories	(184)	3,824	-	-
Change in receivables, deposits and prepayments	19,020	(25,958)	(45,326)	57
Change in payables and accruals	(18,168)	10,027	19,793	5,179
Change in provision for warranties	45	(85)	-	-
Cash generated from/(used in) operations	27,742	35,146	(27,245)	6,049
Income taxes refund / paid	254	(1,392)	(123)	(226)
Net cash generated from/(used in) operating activities	27,996	33,754	(27,368)	5,823
Cash flows from investing activities				
Dividends received	-	1	2,100	2,100
Increase in investments in subsidiaries	-	-	(18,215)	-
Intangible cost capitalised	-	(278)	-	-
Interest received	233	152	33	35
Release / (pledged) of deposits with licensed banks	9,692	151	(167)	-
Proceeds from disposal of property, plant and equipment	7,117	295	6,675	-
Purchase of property, plant and equipment (ii)	(78,362)	(41,147)	-	-
Additional shares acquired from minority interest	(13,590)	-	-	-
Net cash (used in)/generated from investing activities	(74,910)	(40,826)	(9,574)	2,135
Cash flows from financing activities				
Ordinary dividends paid to shareholders of the company	(5,756)	(6,113)	(5,526)	(6,757)
Preference dividend paid to EPMB ICUPS and EPMB RCSPS holders	(946)	(1,054)	(946)	(1,104)
Finance costs paid	(5,471)	(3,382)	(206)	(217)
Net repayment in hire purchase	(354)	-	-	-
Net proceeds of borrowings	68,074	16,035	46,000	-
Purchase of treasury shares	(1,783)	-	(1,783)	-
Net cash from/(used in) financing activities	53,764	5,486	37,539	(8,078)

		Group		Company	
		2006	2005	2006	2005
		RM'000	RM'000	RM'000	RM'000
Net increase/(decrease) in cash and cash equivalents		6,850	(1,586)	597	(120)
Cash and cash equivalents at beginning of year	(i)	20,409	22,000	307	427
Foreign exchange differences on opening balances		2	(5)	-	-
Cash and cash equivalents at end of year	(i)	27,261	20,409	904	307

(i) Cash and cash equivalents

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

	Group		Company	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Deposits (excluding deposits pledged)	16,967	2,796	-	135
Cash and bank balances	10,294	17,693	904	172
Bank overdrafts	-	(80)	-	-
	27,261	20,409	904	307

(ii) Purchase of property, plant and equipment

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM110,549,000 (2005 - RM41,147,000), of which RM32,187,000 (2005 - nil) were acquired by means of hire purchase.

The notes on pages 40 to 78 are an integral part of these financial statements.

NOTES
TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2006

EP Manufacturing Bhd. is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of Bursa Malaysia Securities Berhad. The addresses of its registered office and principal place of business are as follows:

Registered office/Principal place of business
No. 8 & 10 Jalan Jurutera U1/23
Seksyen U1
Kawasan Perindustrian Hicom Glenmarie
40150 Shah Alam
Selangor Darul Ehsan

The consolidated financial statements as at and for the year ended 31 December 2006 comprise the Company and its subsidiaries (together referred to as the Group). The financial statements of the Company as at and for the year ended 31 December 2006 do not include other entities.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in Note 4 to the financial statements.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board ("MASB"), accounting principles generally accepted in Malaysia and the provisions of the Companies Act, 1965. These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The MASB has issued a number of new and revised Financial Reporting Standards (FRSs) that are effective for accounting periods beginning after 1 January 2006 or available for early adoption. In this set of financial statements, the Group has chosen to early adopt FRS 117, *Leases* and FRS 124, *Related Party Disclosures* which are effective for annual periods beginning on or after 1 October 2006.

The MASB has also issued FRS 139, *Financial Instruments: Recognition and Measurement* but for which the MASB has yet to announce the effective date of this standard. The Group has not adopted FRS 139 and by virtue of the exemption in paragraph 103AB of FRS 139, the impact of applying FRS 139 on its financial statements upon first adoption of this standard as required by paragraph 30(b) of FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* is not disclosed.

The Group has also chosen not to early adopt Amendments to FRS 119_{2004}, *Employee Benefits: Actuarial Gains and Losses, Group Plans and Disclosures*, which is effective for annual periods beginning on or after 1 January 2007. As there is no effect upon adoption of this Amendment, no disclosure is warranted.

On 15 August 2006, the MASB issued FRS 6, *Exploration for and Evaluation of Mineral Resources*, which will be effective for annual periods beginning on or after 1 January 2007 and for which is not applicable to the Group. Hence, no further disclosure is warranted.

1. **BASIS OF PREPARATION (cont'd)**

(a) Statement of compliance

On 15 February 2007, the MASB issued the following amendments to FRS and interpretations for entities other than private entities:

(i) Amendments to FRS 121, *The Effect of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation;*
(ii) IC Interpretation 1, *Changes in Existing Decommissioning, Restoration and Similar Liabilities;*
(iii) IC Interpretation 2, *Members' Share in Co-operative Entities and Similar Instruments;*
(iv) IC Interpretation 5, *Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds;*
(v) IC Interpretation 6, *Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment;*
(vi) IC Interpretation 7, *Applying the Restatement Approach under FRS 129_{2004} Financial Reporting in Hyperinflationary Economies;* and
(vii) IC Interpretation 8, *Scope of FRS 2 Share-based Payment.*

The above MASB's amendments to FRS121 and interpretations are effective for annual period beginning on or after 1 July 2007. The initial implication of the said amendments to FRS 121 and interpretations are not expected to have any material impact on the financial statements of the Group and of the Company.

There are no material effects upon adoption of the new/revised FRSs in 2006.

The financial statements were approved by the Board of Directors on 30 April 2007.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 6 -measurement of the recoverable amounts of cash-generating units.

2. SIGNIFICANT ACCOUNTING POLICIES

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

The comparative financial statements have been restated to take into account the effect of adopting FRS 3, *Business Combinations*, FRS 123, *Borrowing Costs*, FRS 101, *Presentation of Financial Statements*, and FRS 127, *Consolidated and Separate Financial Statements* (see Note 30).

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases.

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(ii) Changes in Group composition

Where a subsidiary issues new equity shares to minority interest for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the income statement.

Where a group purchases a subsidiary's equity shares from minority interests for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iii) Minority interests

Minority interests at the balance sheet date, being the portion of the net identifiable assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the period between minority interests and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation

(iv) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Affiliated companies

Affiliated companies are companies in which certain Directors have interest or are also directors.

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statement.

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

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

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

(iii) Net investment in foreign operations

Exchange differences arising from monetary items that in substance form part of the Company's net investment in foreign operations, are recognised in the Company's income statement. Deferred exchange differences are released to the income statement upon disposal of the investment.

(d) Property, plant and equipment

(i) Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

2. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

(d) **Property, plant and equipment (cont'd)**

(i) **Recognition and measurement (cont'd)**

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

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

(ii) **Subsequent costs**

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

(iii) **Depreciation**

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

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

Renovation	15%
Plant and machineries	5% - 40%
Equipment, furniture and fittings	8% - 33.3%
Motor vehicles	16%

The depreciable amount is determined after deducting the residual value.

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

(e) **Leased assets**

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures.

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

With the adoption of FRS 3 beginning 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill is measured at cost and is no longer amortised but tested for impairment at least annually or more frequently when there is objective evidence of impairment. When the excess is negative (negative goodwill), it is recognized immediately in the income statement. With the adoption of FRS 3, the carrying amount of negative goodwill at 1 January 2006 is derecognized with a corresponding adjustment to the opening balance of retained earnings.

Goodwill is allocated to cash-generating units and is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired.

Acquisition of minority interest

Goodwill arising on the acquisition of a minority interest in a subsidiary represents the excess of the cost of the additional investment over the carrying amount of the net assets acquired at the date of exchange.

(ii) Research and development cost

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

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

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

(iii) Subsequent expenditure

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

(iv) Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill is tested for impairment annually and whenever there is an indication that they may be impaired. Other intangible assets are amortised from the date that they are available for use. The estimated useful life of capitalised development costs ranges from 3 to 5 years.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Investments

Investments in equity securities are recognised initially at cost plus attributable transaction costs.

Subsequent to initial recognition:

* Investments in non-current equity securities other than investments in subsidiaries are stated at cost less allowance for diminution in value,
* All current investments are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investments.

Where in the opinion of the Directors, there is a decline other than temporary in the value of non-current equity securities other than investment in subsidiaries, the allowance for diminution in value is recognised as an expense in the financial year in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

All investments in equity securities are accounted for using settlement date accounting. Settlement date accounting refers to:

(a) the recognition of an asset on the day it is received by the entity, and

(b) the derecognition on an asset and recognition of any gain or loss on disposal on the date it is delivered.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The fair value of inventory acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventory.

(i) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

2. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

(k) Impairment of assets

The carrying amounts of assets except for financial assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or the cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, 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.

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

(l) Share capital

(i) Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and presented as a deduction from total equity.

(ii) Preference share capital

Financial instruments that contain both a liability and an equity element are classified according to the instrument's component parts, as a liability or as equity, in accordance with the substance of the definitions of a financial liability and an equity instrument.

Preference share capital is classified as equity if it is non-redeemable or is redeemable but only at the company's option, and dividends are discretionary. Dividends thereon are recognised as distributions within equity. Preference share capital is classified as liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognised in the income statement as interest expense.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Compound financial instrument

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instruments is measured at amortised cost using the effective interest method. The equity component of a compound financial instruments is not remeasured subsequent to initial recognition.

(n) Loans and borrowings

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

(o) Employee benefits

Short term employee benefits

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

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

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

(p) Provisions

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

Warranties

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

Contingent liabilities

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Provisions (cont'd)

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

(q) Payables

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

(r) Revenue

(i) Goods sold

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management within the goods.

(ii) Services

Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to survey of works performed. Where the outcome of the transaction cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

(iii) Rental income

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

(iv) Dividend income

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

(s) Lease payments

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Interest income and borrowing costs

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

All borrowing costs are recognised in the income statement using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(u) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(v) Earnings per share

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

(w) Segment reporting

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

3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings and renovation RM'000	Equipment, furniture and fittings RM'000	Plant and machineries RM'000	Motor vehicles RM'000	Capital work-in -progress RM'000	Total RM'000
Cost								
At 1 January 2005	22,471	4,452	65,620	13,534	99,158	3,143	51,957	260,335
Effect of adopting FRS 123	-	-	-	-	-	-	1,239	1,239
At 1 January 2005, restated	22,471	4,452	65,620	13,534	99,158	3,143	53,196	261,574
Additions	-	-	375	310	3,661	259	35,672	40,277
Reclassifications	-	-	-	(5)	(730)	(395)	-	(1,130)
Disposals	-	-	-	(154)	(104)	(438)	-	(696)
Write off	-	-	-	(92)	(285)	-	-	(377)
Exchange differences	-	-	-	(5)	(18)	-	-	(23)
Transfer	-	-	-	-	18,062	-	(18,062)	-
At 31 December 2005 restated but before opening balance adjustment	22,471	4,452	65,995	13,588	119,744	2,569	70,806	299,625
Effect of adopting FRS 123	-	-	-	-	-	-	2,000	2,000
At 1 January 2006, restated	22,471	4,452	65,995	13,588	119,744	2,569	72,806	301,625
Additions	-	-	653	458	4,543	487	104,408	110,549
Disposals	-	(4,452)	(2,079)	(86)	(912)	(208)	-	(7,737)
Write off	-	-	(342)	(136)	(51)	-	-	(529)
Exchange differences	-	-	-	1	2	-	-	3
Transfer	-	-	11,934	-	32,115	-	(44,049)	-
At 31 December 2006	22,471	-	76,161	13,825	155,441	2,848	133,165	403,911

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings and renovation RM'000	Equipment, furniture and fittings RM'000	Plant and machineries RM'000	Motor vehicles RM'000	Capital work-in -progress RM'000	Total RM'000
Accumulated depreciation								
At 1 January 2005	-	397	6,798	10,074	52,223	2,069	-	71,561
Depreciation for the year	-	49	1,416	1,184	12,866	69	-	15,584
Disposals	-	-	-	(154)	(63)	(345)	-	(562)
Write off	-	-	-	(80)	(209)	-	-	(289)
Exchange differences	-	-	-	(3)	(7)	-	-	(10)
At 31 December 2005/1 January 2006	-	446	8,214	11,021	64,810	1,793	-	86,284
Depreciation for the year	-	38	1,426	821	13,132	256	-	15,673
Disposals	-	(484)	(405)	(78)	(880)	(98)	-	(1,945)
Write off	-	-	(269)	(142)	(45)	-	-	(456)
Exchange differences	-	-	-	-	1	-	-	1
At 31 December 2006	-	-	8,966	11,622	77,018	1,951	-	99,557
Carrying amounts								
At 1 January 2005, restated	22,471	4,055	58,822	3,460	46,935	1,074	53,196	190,013
At 31 December 2005/1 January 2006, restated	22,471	4,006	57,781	2,567	54,934	776	72,806	215,341
At 31 December 2006	22,471	-	67,195	2,203	78,423	897	133,165	304,354

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Total RM'000
Cost				
At 1 January / 31 December 2005 /1 January 2006	15,299	4,452	28,371	48,122
Disposals	-	(4,452)	(2,079)	(6,531)
At 31 December 2006	15,299	-	26,292	41,591
Accumulated depreciation				
At 1 January 2005	-	397	4,484	4,881
Depreciation for the year	-	49	568	617
At 31 December 2005/1 January 2006	-	446	5,052	5,498
Depreciation for the year	-	38	558	596
Disposal	-	(484)	(405)	(889)
At 31 December 2006	-	-	5,205	5,205
Carrying amounts				
At 1 January 2005	15,299	4,055	23,887	43,241
At 31 December 2005/1 January 2006	15,299	4,006	23,319	42,624
At 31 December 2006	15,299	-	21,087	36,386

Included in the Group's property, plant and equipment are certain assets acquired under hire purchase with net book value of RM32,400,000 (2005 - RM636,000).

The Group's and Company's freehold land, long term leasehold land and buildings, plant and machinery with net book value of RM89,300,000 (2005 - RM101,622,000) and RM36,386,000 (2005 - RM42,642,000) respectively, have been pledged for banking facilities granted to the Group (see Note 13).

Included in property, plant and equipment under capital work-in progress of the Group is interest capitalized at a rate of 4.8% per annum (2005 - 2.6% per annum) for the year of RM4,090,000 (2005 - RM2,000,000).

4. INVESTMENTS IN SUBSIDIARIES

	Company 2006 RM'000	Company 2005 RM'000
Unquoted shares, at cost		
- In Malaysia	185,671	167,456
- Outside Malaysia	1,791	1,791
	187,462	169,247
Less: Accumulated impairment losses	(1,789)	(1,789)
	185,673	167,458

4. INVESTMENTS IN SUBSIDIARIES (cont'd)

The subsidiary companies are:

Name of subsidiary	Country of incorporation	Effective equity interest 2006	Effective equity interest 2005	Principal activities
EP Polymers (M) Sdn Bhd	Malaysia	100%	100%	Manufacture, fabrication, production, and sales in engineering plastic components
EP Moulds & Dies (M) Sdn Bhd	Malaysia	100%	100%	Manufacture, production and sales of moulds and dies
Wiracash Holdings Sdn Bhd	Malaysia	100%	100%	Manufacture of automotive lamps and allied products
Fundwin Sdn Bhd	Malaysia	100%	100%	Manufacture, assemble and sales of automotive parts, bicycles and bicycles components
PEPS - JV (M) Sdn Bhd	Malaysia	89.5%	79.5%	Manufacture and sales of automotive modular components
Advance Product Systems Sdn Bhd	Malaysia	100%	100%	Manufacture, assemble and sales of automotive parts
EPMB (Australia) Pte Ltd (1)	Australia	100%	100%	Engineering design, development and modelling

(1) Subsidiary company not audited by KPMG Malaysia

During the financial year, the Company had undertaken the following:

a) Acquisition of additional 2,000,000 ordinary shares of RM1.00 each representing 10% of the equity interest in PEPS-JV (M) Sdn. Bhd. ("PEPS-JV") for a total cash consideration of RM13,590,000 from Esanda Limited. Subsequently, the Company owned 89.5% equity interest of PEPS-JV.

b) Acquisition of 2,000,000 ordinary shares of RM1.00 each representing the entire equity interest in Advance Product Systems Sdn. Bhd. ("APS") for a total purchase consideration of RM4,626,000 from its wholly owned subsidiary, Fundwin Sdn. Bhd.

Included in the investment in subsidiaries of the Company is RM1,000 and RM8,490,000 (2005 - RM1,000 and RM8,490,000) representing the purchase cost of 1,000 Ordinary Shares and an Irredeemable Convertible Preference Share ("ICPS") invested in a wholly owned subsidiary, Fundwin Sdn Bhd ("Fundwin").

5. OTHER INVESTMENTS

	Group 2006 RM'000	Group 2005 RM'000
Shares quoted in Malaysia, at cost	38	38
Less: Allowance for diminution in value	(25)	(25)
	13	13
Market value of quoted shares in Malaysia	11	14

The quoted shares have been charged to secure banking facilities granted to a subsidiary (see Note 13).

6. INTANGIBLE ASSETS

Group	Goodwill on consolidation RM'000	Development costs RM'000	Total RM'000
Cost			
At 1 January 2005	77,272	12,156	89,428
Additions	10,500	272	10,772
Effect of movement in exchange rates	-	(100)	(100)
At 31 December 2005/1 January 2006	87,772	12,328	100,100
Additions	3,388	-	3,388
Write off	-	(81)	(81)
Effect of movement in exchange rates	-	15	15
At 31 December 2006	91,160	12,262	103,422
Amortisation			
At 1 January 2005	-	11,592	11,592
Amortisation charge for the year	-	382	382
Effect of movement in exchange rates	-	(98)	(98)
At 31 December 2005/1 January 2006	-	11,876	11,876
Amortisation charge for the year	-	254	254
Effect of movement in exchange rates	-	15	15
At 31 December 2006	-	12,145	12,145
Carrying amounts			
At 1 January 2005	77,272	564	77,836
At 31 December 2005/1 January 2006	87,772	452	88,224
At 31 December 2006	91,160	117	91,277

Impairment testing for cash-generating units containing goodwill

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

The aggregate carrying amounts of goodwill are allocated as follows:

	Group 2006 RM'000	Group 2005 RM'000
Manufacture, assembly and sale of automotive parts	91,160	87,772

Manufacture, assembly and sale of automotive parts

The recoverable amount of automotive unit has been determined based on business plan projections endorsed by the Board of Directors which includes new models replacements as well as project collaboration with third parties. Such business projections is based on award of contracts to manufacture several components for the new automotive models as well as letter of intent to develop and to supply certain modules to help increase the performance of the present range of Campro engines.

7. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
Group	**2006 RM'000**	**2005 RM'000**	**2006 RM'000**	**2005 RM'000**	**2006 RM'000**	**2005 RM'000**
Property, plant and equipment	-	-	(4,176)	(2,541)	(4,176)	(2,541)
Unutilised reinvestment allowances	3,665	3,665	-	-	3,665	3,665
Net tax (assets)/liabilities	3,665	3,665	(4,176)	(2,541)	(511)	1,124
Company						
Property, plant and equipment	-	-	(1,332)	(1,197)	(1,332)	(1,197)

The deferred tax assets arose mainly from the recognition of unutilised reinvestment allowance of PEPS-JV (M) Sdn Bhd ("PEPS-JV") at acquisition date.

Unrecognised deferred tax assets

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

	Group	
	2006 RM'000	**2005 RM'000**
Deductible temporary differences	(5,152)	(1,137)
Unabsorbed capital allowances	5,628	3,235
Unutilised tax losses	16,860	2,858
	17,336	4,956

The unabsorbed capital allowances and unutilised tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the companies in the Group can utilise the benefits. Unutilised tax loss carry-forwards and unutilised capital allowance carry-forwards amounting to RM15,296,000 and RM5,628,000 respectively will not be available to the Group if there is a substantial change in shareholders (more than 50%).

Subject to the agreement of the Inland Revenue Board, the Group also has unutilised reinvestment allowances carried forward of approximately RM33,078,000 (2005 - RM34,829,000) of which approximately RM13,089,000 (2005 - RM13,089,000) is the remaining unutilised amount of reinvestment allowance which was recognised as an identifiable asset from the acquisition of PEPS-JV.

8. RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Group		Company	
		2006	2005	2006	2005
		RM'000	RM'000	RM'000	RM'000
Non-current:					
Advances to subsidiaries	a	-	-	140,215	106,568
Current:					
Trade					
Trade receivables		39,468	61,144	-	-
Less: Allowance for doubtful debts		(631)	(1,609)	-	-
	b	38,837	59,535	-	-
Affiliated companies	c	8,810	8,169	-	-
		47,647	67,704	-	-
Non-trade					
Subsidiaries	c	-	-	20,979	13,068
Affiliated companies	c	3,756	1,950	754	602
Other receivables, deposits and prepayments	d	26,398	27,805	6,302	2,669
		30,154	29,755	28,035	16,339
		77,801	97,459	28,035	16,339

Note a

The non-current portion of the advances to subsidiaries is unsecured, not repayable within the next twelve (12) months and bears interest between 5.5% to 7.5% (2005 - 3.3% to 3.6%). Advances to subsidiaries are the allocation of proceeds from the drawdown of Murabahah Underwritten Notes Issuance Facility (see Note 13).

Note b

Debts amounting to RM950,000 (2005 - RM1,970,000) were written off against the allowance for doubtful debts. Trade receivables denominated in currencies other than the functional currency comprise RM1,047,000 (2005 - RM5,540,000) of trade receivables denominated in U.S. Dollar, RM31,000 (2005 - RM41,000) of trade receivables denominated in Australian Dollar, RM50,000 (2005 - RM290,000) of trade receivables denominated in Japanese Yen, RM22,000 (2005 - RM14,000) of trade receivables denominated in Thailand Baht and RM nil (2005 - RM305,000) of trade receivables denominated in EURO.

Note c

The current portion of the amount due from subsidiaries and affiliated companies are unsecured, interest free and have no fixed terms of repayment. Amount due from affiliated companies denominated in currencies other than the functional currency comprise RM930,000 (2005 - RM2,520,000) of amount due from affiliated companies denominated in U.S. Dollar.

Note d

Included in other receivables, deposits and prepayments of the Group are prepayment for certain capital expenditure of approximately RM8,519,000 (2005 - RM18,587,000) and amount receivable for the sales of leasehold land and building in the current year of approximately RM6,100,000 (2005 - nil).

9. INVENTORIES

	Group	
	2006	2005
	RM'000	RM'000
At cost		
Raw materials	20,062	16,400
Work-in-progress	3,410	3,159
Manufactured inventories	4,068	4,226
Goods in transit	-	3,129
	27,540	26,914
At net realisable value		
Raw materials	87	354
Manufactured inventories	59	234
	146	588
	27,686	27,502

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks	19,870	15,391	1,167	1,135
Cash and bank balances	10,294	17,693	904	172
	30,164	33,084	2,071	1,307

Included in the Group's and Company's deposits placed with licensed banks are RM2,903,000 (2005 - RM12,595,000) and RM1,167,000 (2005 - RM1,000,000) respectively, pledged for certain banking facilities granted to the Group (see Note 13).

11. CAPITAL AND RESERVES

Share capital

	Group and Company	
	2006	2005
	RM'000	RM'000
Authorised		
Ordinary shares of RM1.00 each		
At 1 January / 31 December	470,000	470,000
EPMB ICUPS of RM0.10 each	20,000	20,000
EPMB RCSPS of RM0.10 each	10,000	10,000
	500,000	500,000

11. CAPITAL AND RESERVES (cont'd)

Share capital (cont'd)

	Group and Company 2006 RM'000	2005 RM'000
Issued and fully paid:		
Ordinary shares		
At 1 January	122,569	120,760
Conversion of EPMB ICUPS to new ordinary shares of RM1.00 each during the year	1,566	1,232
Conversion of EPMB RCSPS to new ordinary shares of RM1.00 each during the year	202	577
At 31 December	124,337	122,569
EPMB ICUPS		
At 1 January	7,260	5,659
Par value issued during the year	-	1,814
Conversion of EPMB ICUPS to new ordinary shares of RM1.00 each during the year	(270)	(213)
At 31 December	6,990	7,260
EPMB RCSPS		
At 1 January	236	336
Conversion of EPMB RCSPS to new ordinary shares of RM1.00 each during the year	(35)	(100)
At 31 December	201	236
	131,528	130,065

The details of the EPMB ICUPS and EPMB RCSPS are as follows:

	Equity component Share capital RM'000	Share premium RM'000	Liability component RM'000	Total RM'000
EPMB ICUPS				
At 1 January 2005	5,659	22,635	4,459	32,753
Issued during the year	1,814	7,255	1,431	10,500
Conversion to ordinary shares	(213)	(851)	(167)	(1,231)
At 31 December 2005/1 January 2006	7,260	29,039	5,723	42,022
Conversion to ordinary shares	(270)	(1,082)	(214)	(1,566)
At 31 December 2006	6,990	27,957	5,509	40,456
EPMB RCSPS				
At 1 January 2005	336	1,346	265	1,947
Conversion to ordinary shares	(100)	(399)	(79)	(578)
At 31 December 2005/1 January 2006	236	947	186	1,369
Conversion to ordinary shares	(35)	(140)	(27)	(202)
At 31 December 2006	201	807	159	1,167
Total	7,191	28,764	5,668	41,623

11. CAPITAL AND RESERVES (cont'd)

The salient terms of the EPMB ICUPS are as follows:

(i) The registered holders of the EPMB ICUPS have the option at any time from issue date on 23 June 2003 till 22 June 2008 to convert the EPMB ICUPS into new ordinary shares in the Company ("EPMB Shares") by tendering Two (2) EPMB ICUPS for One (1) EPMB Share valued at RM1.00 and the ordinary shares resulting from such conversion shall rank pari passu in all respect with the existing ordinary shares of the Company.

(ii) Any outstanding EPMB ICUPS will be automatically converted into new EPMB Shares by the Company on 22 June 2008 at the conversion mode stated in (i).

(iii) The registered holders of the EPMB ICUPS shall be entitled to receive notice of and attend all general meetings and be heard but have no right to vote except on resolutions for reducing capital, or winding up, or sanctioning a sales of the principal undertaking of the Company, or where the proposition to be submitted to the meeting directly affects the rights of the holders of the EPMB ICUPS.

(iv) The registered holders of the EPMB ICUPS shall rank pari passu with the EPMB RCSPS but shall rank in priority to the ordinary shares of the Company in the event of the winding up/liquidation of the Company.

(v) A cumulative dividend rate of 17.5% of the nominal value will be payable annually on the EPMB ICUPS.

The salient terms of the EPMB RCSPS are as follows:

(i) The registered holders of the EPMB RCSPS have the option at any time from issue date on 23 June 2003 till 22 June 2008 to convert the EPMB RCSPS into EPMB Shares by tendering Two (2) EPMB RCSPS for One (1) EPMB Share valued at RM1.00 and the ordinary shares resulting from such conversion shall rank pari passu in all respect with the existing ordinary shares of the Company.

(ii) The unconverted EPMB RCSPS is redeemable at par at the discretion of EPMB on 22 June 2008. Any EPMB RCSPS that are not converted within the five (5) year period and not redeemed on 22 June 2008, will be automatically converted into new EPMB Shares by the Company on that date at the conversion mode stated in (i).

(iii) The registered holders of the EPMB RCSPS shall be entitled to receive notice of and attend all general meetings and be heard but have no right to vote except on resolutions for reducing capital, or winding up, or sanctioning a sales of the principal undertaking of the Company, or where the proposition to be submitted to the meeting directly affects the rights of the holders of the EPMB RCSPS.

(iv) The registered holders of the EPMB RCSPS shall rank pari passu with the EPMB ICUPS but shall rank in priority to the ordinary shares of the Company in the event of the winding up/liquidation of the Company.

(v) A cumulative dividend rate of 17.5% of the nominal value will be payable annually on the EPMB RCSPS.

In 2003, the Company issued 20,730,000 warrants to its shareholders. The warrants are in registered form and entitle the registered holders to subscribe for One (1) new ordinary share of RM1.00 in the Company at a subscription price of RM1.00 per ordinary share for every warrant held. The warrants are exercisable into ordinary shares at any time during the five (5) year subscription period expiring on 3 September 2008 and the ordinary shares resulting from such conversion shall rank pari passu in all respect with the existing ordinary shares of the Company. At the end of the financial year, 20,730,000 warrants remained unexercised.

11. CAPITAL AND RESERVES (cont'd)

Share premium

	Group and Company	
	2006	**2005**
	RM'000	**RM'000**
At 1 January	44,055	38,050
EPMB ICUPS of RM0.10 each	-	7,255
EPMB RCSPS of RM0.10 each	(1,222)	(1,250)
	42,833	44,055

Capital reserve

Capital reserve represents proceeds received from the rights issue of 20,730,000 new warrants in the Company at RM0.20 per warrant which was issued in 2003.

Translation reserve

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

Treasury shares

The shareholders of the Company, by a special resolution passed in an extraordinary general meeting held on 29 June 2005, approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 2,837,800 (2005-nil) of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.63 per share. The repurchased transactions were financed by internally generated funds. The shares repurchased were retained as treasury shares.

At 31 December 2006, the Group held 2,837,800 (2005 - Nil) of the Company's shares of RM1 each for a total consideration of RM1,783,639.

Details of the shares buy back during the financial year were as follows:

2006	**Average re-purchase price RM**	**Highest re-purchase RM**	**Lowest re-purchase RM**	**Number of treasury shares re-purchased**	**Total consideration RM'000**
February	0.68	0.68	0.67	64,100	43
September	0.65	0.66	0.65	463,000	301
November	0.62	0.65	0.62	2,196,600	1,371
December	0.60	0.61	0.57	114,100	68
				2,837,800	1,783

Section 108 tax credit

Subject to the agreement of the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income under the Income Tax Act, 1967 to frank the payment of dividends out of its entire retained profits as at 31 December 2006.

12. MINORITY SHAREHOLDERS' INTERESTS

This consists of the minority shareholders' proportion of share capital and reserves of subsidiary, net of their share of subsidiary's goodwill on consolidation and amortisation of goodwill charged to the minority shareholders.

13. LOANS AND BORROWINGS

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Current:				
Overdrafts - secured	-	80	-	-
Bankers' acceptances and trust receipts - secured	70,134	48,060	-	-
Hire purchase liabilities	4,882	237	-	-
MUNIF/IMTN - secured	21,000	9,000	21,000	9,000
	96,016	57,377	21,000	9,000
Non-current:				
Hire purchase liabilities	27,346	158	-	-
EPMB ICUPS				
- liability component (Note 11)	5,509	5,723	5,509	5,723
EPMB RCSPS				
- liability component (Note 11)	159	186	159	186
MUNIF/IMTN - secured	142,000	108,000	142,000	108,000
	175,014	114,067	147,668	113,909
Total	271,030	171,444	168,668	122,909

In the current financial year, the Company issued:

i RM117,000,000 and RM6,000,000 under the RM150,000,000 Murabahah Underwritten Notes Issuance Facility / Islamic Medium Term Notes Facility ("MUNIF/IMTN") at discount with a profit rate ranging between 5.5% to 6.5% (2005 - 3.3% to 3.6%) per annum. The MUNIF/IMTN has a seven (7) years tenor from the date of first issue.

ii RM40,000,000 under a new RM120,000,000 Murabahah Underwritten Notes Issuance Facility/Islamic Medium Term Notes Facility ("MUNIF/IMTN") at discount with a profit rate of 7.5% per annum. The IMTN has a five (5) years tenor from the date of first issue.

Security

Overdrafts, bankers' acceptances and MUNIF/IMTN of the Group are secured by way of:

a) fixed and floating charges over the subsidiary companies' present and future assets (see Note 3);
b) pledge of fixed deposits (see Note 10);
c) pledge of quoted shares (see Note 5);
d) jointly and severally guaranteed by certain Directors of the subsidiaries and holding company;
e) corporate guarantees issued by the Company;
f) charge on the Group's property, plant and equipment (see Note 3);
g) an assignment of proceeds from Proton Holdings Berhad and Perodua Manufacturing Sdn. Bhd. into the Designated Accounts; and
h) a first rank charge over all Designated Accounts.

13. LOANS AND BORROWINGS (cont'd)

Term and debt repayment schedule

The overdrafts bear interest at 8.5% (2005 - 7.8%) per annum. Bankers' acceptances and hire purchase bear interest varying between 4.9% and 5.2% (2005 - 3.2% and 5.2%) per annum and fixed interest rate varying between 2.5% to 6.2% (2005 - 3.6% to 5.0%) per annum, respectively. MUNIF/IMTN is at profit rate varying between 5.5% to 7.5% (2005 - 3.3% to 3.6%) per annum.

Group **2006**	Year of maturity	Carrying amount RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
Bankers acceptances and trust receipts	2007	70,134	70,134	-	-	-
Hire purchase liabilities	2011	32,228	4,882	15,852	11,494	-
EPMB ICUPS	2008	5,509	-	5,509	-	-
EPMB RCSPS	2008	159	-	159	-	-
MUNIF/IMTN	2011	163,000	21,000	25,000	117,000	-
		271,030	96,016	46,520	128,494	-
2005						
Overdrafts		80	80	-	-	-
Bankers acceptances and trust receipts	2006	48,060	48,060	-	-	-
Hire purchase liabilities	2007	395	237	158	-	-
EPMB ICUPS	2008	5,723	-	214	5,509	-
EPMB RCSPS	2008	186	-	27	159	-
MUNIF/IMTN	2010	117,000	9,000	21,000	87,000	-
		171,444	57,377	21,399	92,668	-

Company **2006**	Year of maturity	Carrying amount RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
EPMB ICUPS	2008	5,509	-	5,509	-	-
EPMB RCSPS	2008	159	-	159	-	-
MUNIF/IMTN	2011	163,000	21,000	25,000	117,000	-
		168,668	21,000	30,668	117,000	-
2005						
EPMB ICUPS	2008	5,723	-	214	5,509	-
EPMB RCSPS	2008	186	-	27	159	-
MUNIF/IMTN	2010	117,000	9,000	21,000	87,000	-
		122,909	9,000	21,241	92,668	-

13. LOANS AND BORROWINGS (cont'd)

Hire purchase liabilities

Hire purchase liabilities are payable as follows:

Group	Minimum lease payments 2006 RM'000	Interest 2006 RM'000	Principal 2006 RM'000	Minimum lease payments 2005 RM'000	Interest 2005 RM'000	Principal 2005 RM'000
Less than one year	7,027	(2,145)	4,882	275	(38)	237
Between one and five years	31,391	(4,045)	27,346	171	(13)	158
	38,418	(6,190)	32,228	446	(51)	395

14. PAYABLES AND ACCRUALS

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Trade				
Trade payables	33,433	39,811	-	-
Affiliated companies	2,140	3,923	-	-
	35,573	43,734	-	-
Non-trade				
Other payables and accrued expenses	10,465	19,888	594	278
Affiliated companies	572	966	-	-
Subsidiaries	-	-	44,154	26,809
Amount owing to Directors	409	599	90	90
	11,446	21,453	44,838	27,177
	47,019	65,187	44,838	27,177

The amounts due to subsidiaries, affiliated companies and Directors are unsecured, interest free and have no fixed terms of repayment.

Payables denominated in currencies other than the functional currency comprise RM3,116,000 (2005: RM5,308,000) of trade payables denominated in U.S. Dollar, RM743,000 (2005: RM979,000) of trade payables denominated in Thailand Baht, RM97,000 (2005: RM nil) of trade payables denominated in British Pound and RM nil (2005: RM102,000) of trade payables denominated in Australian Dollar.

15. PROVISION FOR WARRANTIES

	Group 2006 RM'000	Group 2005 RM'000
At 1 January	274	359
Additional provision during the year	1,924	921
Utilisation of provision during the year	(1,879)	(1,006)
At 31 December	319	274

The Group gives warranties on certain automotive parts sold and undertakes to repair or replace items that fail to perform satisfactorily or meet the specification required. A provision for warranty is recognised for products under warranty at the balance sheet date based on past experience on the levels of repairs and returns. The Group expects to incur most of the liability over the next year.

16. OPERATING PROFIT

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Operating profit is arrived at after crediting:				
Dividend income from subsidiaries	-	-	4,232	7,100
Dividend income - others	-	1	-	-
Doubtful debts provision written back	28	-	-	-
Gain on foreign exchange				
- realised	53	955	-	-
- unrealised	111	-	17	-
Gain on disposal of property, plant and equipment	1,325	161	1,033	-
Rental income	300	51	1,545	2,424
and after charging:				
Allowance for doubtful debts	-	1,080	-	-
Auditors' remuneration				
- holding company auditors	228	198	63	55
- other auditors	9	7	-	-
- non-audit fees - holding company auditors	50	60	50	22
Bad debts written off				
- others	507	157	-	-
Depreciation	15,673	15,584	596	617
Development cost				
- amortisation	254	382	-	-
- written off	81	-	-	-
Inventories written down	68	332	-	-
Personnel expenses (including key management personnel)				
- Contribution to Employee Provident Fund	1,874	2,242	32	3
- Wages, salaries and others	20,243	27,040	411	215

16. OPERATING PROFIT (cont'd)

	Group		Company	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Loss on foreign exchange				
- realised	219	517	-	-
- unrealised	242	388	-	-
Loss on dissolution of subsidiaries	-	1,450	-	-
Property, plant and equipment written off	73	88	-	-
Provision for warranties	1,924	1,087	-	-
Rental				
- premises	414	553	-	-
- machinery and equipment	332	256	-	-

The estimated monetary value of Directors' benefits-in-kind is RM42,000 (2005 - RM42,000).

17. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations is as follows:

	Group		Company	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Directors				
Remuneration	779	755	-	-
Fees	150	223	150	190
EPF contribution	90	91	-	-
	1,019	1,069	150	190
Other key management personnel				
Wages, salaries and others	123	106	-	-
EPF contribution	15	16	-	-
	138	122	-	-

18. FINANCE COSTS

	Group		Company	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
		Restated		
Bank overdrafts	15	22	-	-
Bankers' acceptance and trust receipts	804	677	-	-
Hire purchase	41	40	-	-
Term loans	731	303	-	-
MUNIF Notes	3,655	2,095	61	51
Preference dividends for ICUPS and RCSPS - liability component	145	166	145	166
Others	80	79	-	-
	5,471	3,382	206	217

19. TAX EXPENSE

	Group		Company	
	2006 RM'000	2005 RM'000 Restated	2006 RM'000	2005 RM'000
Current tax expense:				
Malaysian - current	378	971	100	177
- overprovision in prior year	(178)	(1,033)	-	(310)
	200	(62)	100	(133)
Deferred tax expense:				
Origination and reversal of temporary differences	1,635	1,473	135	149
	1,835	1,411	235	16
Reconciliation of effective tax expense				
Profit before taxation	6,397	27,671	2,801	7,114
Income tax using Malaysian tax rate (28%)	1,791	7,748	784	1,992
Effect of different tax rates in foreign jurisdictions	-	(232)	-	-
Non-deductible expenses	3,070	5,269	636	246
Tax incentives	(2,913)	(3,969)	-	-
Tax exempt income	(744)	(12)	(1,185)	(1,988)
Tax incentives utilised during pioneer period	(2,657)	(3,683)	-	-
Effect of unrecognised deferred tax assets	3,466	(2,994)	-	-
Under provision of deferred tax in prior year	-	76	-	76
Other items	-	241	-	-
	2,013	2,444	235	326
Over provision in prior years	(178)	(1,033)	-	(310)
Tax expense	1,835	1,411	235	16

20. EARNINGS PER ORDINARY SHARE - GROUP

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share is based on the net profit for the year after preference shares dividend of RM1,955,000 (2005 - RM20,134,000) and the weighted average number of ordinary shares outstanding during the year of 121,646,000 (2005 - 122,175,000).

Weighted average number of ordinary shares

	2006 RM'000	2005 RM'000 Restated
Issued ordinary shares at beginning of the year	122,569	120,760
Effect of treasury shares held	(410)	-
Effect of shares issued during the year	855	1,415
Effect of EPMB ICUPS	40,456	42,023
Weighted average number of ordinary shares	163,470	164,198

20. EARNINGS PER ORDINARY SHARE - GROUP (cont'd)

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share at 31 December 2006 was based on the net profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares calculated as follows:

Net profit attributable to ordinary shareholders (diluted)

	2006 RM'000	2005 RM'000 Restated
Net profit after preference shares dividend attributable to ordinary shares	1,955	20,134
After tax effect of notional interest savings	5	4
Net profit attributable to ordinary shareholders (diluted)	1,960	20,138

Weighted average number of ordinary shares (diluted)

	2006	2005
Weighted average number of ordinary shares	163,470	164,198
Effect of EPMB RCSPS	1,166	1,368
Weighted average number of ordinary shares (diluted)	164,636	165,566

21. DIVIDENDS

Dividends recognised in the current year by the Company are:

2006	Total amount RM'000	Date of payment
Interim 2005 ordinary	1,842	19 May 2006
Final 2005 ordinary	1,863	30 August 2006
Total amount	3,705	
2005		
Second interim 2005 ordinary	1,839	22 February 2006
First interim 2005 ordinary	1,836	28 November 2005
Final 2004 ordinary	4,277	27 September 2005
Total amount	7,952	

22. SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly interest-earning assets and revenue, interest-bearing loans, borrowings and related expenses, corporate assets and expenses and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

Inter-segment pricing is determined based on an arm's length basis.

Business segments

The Group comprises the following main business segments:

Automotive The manufacture, assembly and sale of automotive parts

Composite The manufacture, assembly and sale of "EP-X" carbon composite bicycles and bicycles components

Geographical segments

The automotive and composite segments operate in Malaysia. Research and development activities for the automotive segment are currently located in Australia.

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

	Automotive		Composite		Consolidated	
	2006 RM'000	2005 RM'000 Restated	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000 Restated
Business segments						
Revenue from external customers	228,420	299,550	88	593	228,508	300,143
Segment result	15,015	35,776	(662)	(2,530)	14,353	33,246
Unallocated expenses					(2,485)	(2,193)
Results from operating activities					11,868	31,053
Finance costs					(5,471)	(3,382)
Tax expense					(1,835)	(1,411)
Minority interests					(1,686)	(5,072)
Net profit for the year					2,876	21,188
Segment assets	528,253	456,232	3,767	6,357	532,020	462,589
Unallocated assets					3,665	3,665
Total assets					535,685	466,254
Segment liabilities	316,438	238,157	2,865	1,316	319,303	239,473
Unallocated liabilities					4,176	2,541
Total liabilities					323,479	242,014

22. SEGMENTAL INFORMATION (cont'd)

	Automotive		Composite		Consolidated	
	2006 RM'000	2005 RM'000 Restated	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000 Restated
Capital expenditure	78,353	41,147	9	-	78,362	41,147
Depreciation and amortisation	15,879	15,904	48	62	15,927	15,966
Non-cash expenses other than depreciation and amortisation	2,572	1,707	-	87	2,572	1,794

	Malaysia		Australia		Consolidated	
	2006 RM'000	2005 RM'000 Restated	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000 Restated
Geographical segments						
Revenue from external customers	228,227	299,917	281	226	228,508	300,143
Segment assets	531,214	462,269	806	320	532,020	462,589
Unallocated assets					3,665	3,665
					535,685	466,254
Capital expenditure	78,353	41,139	9	8	78,362	41,147

23. CONTINGENCIES

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

	Company	
	2006	2005
Unsecured	**RM'000**	**RM'000**
Guarantees and contingencies relating to borrowings of subsidiaries	133,365	32,421

Litigation

Group

A claim of approximately RM490,000 was made against a subsidiary company following the termination of transport services provided by a third party. The Directors, based on legal opinion received, are of the view that there is no merit to the claim made by the claimant and is likely to be decided in the subsidiary company's favour. As such, no provision has been made in the financial statements.

24. COMMITMENTS

	Group 2006 RM'000	Group 2005 RM'000
Capital expenditure commitments		
Property, plant and equipment		
Contracted but not provided for and payable:		
Within one year	7,224	626
Approved but not provided for:		
Within one year	15,000	77,000
One year or later and no later than five years	15,000	-

25. RELATED PARTIES

Identity of related parties

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

The Group has a related party relationship with its subsidiaries (see note 4), affiliated companies, Directors and key management personnel.

Transactions during the year ended 31 December

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
With subsidiaries				
Rental income receivable	-	-	1,545	2,424
Dividend income	-	-	4,232	7,100
With affiliated companies in which the controlling shareholder and Directors of the Group, Hamidon bin Abdullah and/or Dr. Linden Hamidon Nee Fong, have interests:				
Purchases	(19,966)	(26,147)	-	-
Rental payable	(389)	(374)	-	-
Rental receivable	237	96	-	-
Repair and maintenance services	(42)	(7)	-	-
Sales	2,311	12,382	-	-
With affiliated companies in which Kamludin Bin Abu, a Director of a subsidiary, has interest:				
Purchases	(10,075)	(13,530)	-	-

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

26. ACQUISITION OF MINORITY INTEREST

In January 2006, the group acquired an additional 10 percent interest in PEPS-JV (M) Sdn. Bhd. for RM13,590,000 in cash, increasing its ownership from 79.5% to 89.5%. The carrying amount of PEPS-JV net assets in the consolidated financial statements on the date of the acquisition was RM102,021,000. The Group recognised a decrease in minority interest of RM10,202,000 and goodwill of RM3,388,000.

In November 2006, the group acquired the entire equity interest of Advance Product Systems Sdn Bhd from Fundwin Sdn Bhd, a wholly-owned subsidiary, at a purchase consideration of RM4,625,517.

27. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

Exposure to credit, interest rate, foreign currency and liquidity risk arises in the normal course of the Group's business. The Board of Directors consider and evaluate risk management periodically.

Credit risk

Management has a credit procedure in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of these financial assets.

Credit risk of the Group refers principally to the risk that customers may default on their obligations to repay the amounts owing to the Group. At balance sheet date, approximately 74% (2005 - 67%) of the trade receivables of the Group are concentrated on two customers in the automotive industry. The maximum exposure to credit risk for the Group and for the Company are represented by the carrying amount of each financial asset.

Interest rate risk

The Group's investment in fixed-rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's investments in variable-rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

27. FINANCIAL INSTRUMENTS (cont'd)

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods, in which they reprice or mature, whichever is earlier.

Group 2006	Average effective interest rate %	Total RM'000	Less than 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 -4 years RM'000	4 -5 years RM'000	More than 5 years RM'000
Fixed rate instrument								
EPMB ICUPS	3.5	(5,509)	-	(5,509)	-	-	-	-
EPMB RCSPS	3.5	(159)	-	(159)	-	-	-	-
		(5,668)	-	(5,668)	-	-	-	-
Floating rate instrument								
Deposits with licensed banks	3.1	19,870	19,870	-	-	-	-	-
Secured bankers' acceptances	5.0	(70,134)	(70,134)	-	-	-	-	-
MUNIF/IMTN		(163,000)	(21,000)	(25,000)	(34,000)	(35,000)	(48,000)	-
		(213,264)	(71,264)	(25,000)	(34,000)	(35,000)	(48,000)	-
2005								
Fixed rate instrument								
EPMB ICUPS	3.5	(5,723)	-	(214)	(5,509)	-	-	-
EPMB RCSPS	3.5	(186)	-	(27)	(159)	-	-	-
		(5,909)	-	(241)	(5,668)	-	-	-
Floating rate instrument								
Deposits with licensed banks	3.0	15,391	15,391	-	-	-	-	-
Secured overdrafts	7.8	(80)	(80)	-	-	-	-	-
Secured bankers' acceptances	3.7	(48,060)	(48,060)	-	-	-	-	-
MUNIF/IMTN		(117,000)	(9,000)	(21,000)	(25,000)	(34,000)	(28,000)	-
		(149,749)	(41,749)	(21,000)	(25,000)	(34,000)	(28,000)	-

27. FINANCIAL INSTRUMENTS (cont'd)

Company

2006	Average effective interest rate %	Total RM'000	Less than 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 -4 years RM'000	4 -5 years RM'000	More than 5 years RM'000
Fixed rate instrument								
EPMB ICUPS	3.5	(5,509)	-	(5,509)	-	-	-	-
EPMB RCSPS	3.5	(159)	-	(159)	-	-	-	-
		(5,668)	-	(5,668)	-	-	-	-
Floating rate instrument								
Deposits with licensed banks	3.0	1,167	1,167	-	-	-	-	-
Advances to subsidiaries	6.0	140,215	17,110	20,369	102,736	-	-	-
MUNIF/IMTN		(163,000)	(21,000)	(25,000)	(34,000)	(35,000)	(48,000)	-
		(21,618)	(2,723)	(4,631)	68,736	(35,000)	(48,000)	-
2005								
Fixed rate instrument								
EPMB ICUPS	3.5	(5,723)	-	(214)	(5,509)	-	-	-
EPMB RCSPS	3.5	(186)	-	(27)	(159)	-	-	-
		(5,909)	-	(241)	(5,668)	-	-	-
Floating rate instrument								
Deposits with licensed banks	2.9	1,135	1,135	-	-	-	-	-
Advances to subsidiaries	3.3	106,568	8,198	19,127	79,243	-	-	-
MUNIF/IMTN		(117,000)	(9,000)	(21,000)	(25,000)	(34,000)	(28,000)	-
		(9,297)	333	(1,873)	54,243	(34,000)	(28,000)	-

27. FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the group entities. The currencies giving rise to this risk are primarily Australian Dollars, U.S. Dollars, Pound Sterling, Japanese Yen, EURO and Thai Baht. The Group and the Company do not transact in any derivative instruments or hedge their currency exposure. However, the Board of Directors keeps this policy under review and ongoing monitoring.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents and facilities deemed adequate by management to finance the Group's operation and to mitigate the effects of fluctuations in cash flows.

Fair values

Recognised financial instruments

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

The carrying amount of the term loans, MUNIF/IMTN and amounts due from subsidiary companies at balance sheet date approximate their fair value as these are variable rate financial instruments.

The fair values of other financial assets together with the carrying amounts shown in the balance sheets are as follows:

Group	2006 Carrying amount RM'000	2006 Fair value RM'000	2005 Carrying amount RM'000	2005 Fair value RM'000
Financial assets				
Quoted shares - long term	13	11	13	14
Group and Company				
Financial liabilities				
EPMB ICUPS				
- liability component	5,509	#	5,723	#
EPMB RCSPS				
- liability component	159	#	186	#
	5,668		5,909	

The fair value of quoted shares is based on quoted market prices at the balance sheet date without any deduction for transactions costs.

\# It is not practicable to estimate the fair value of these financial liabilities. These financial liabilities are carried at its original cost as stated above in the balance sheet. The principal terms of the EPMB ICUPS and RCSPS are disclosed in Note 11 to the financial statements.

28. SIGNIFICANT EVENTS DURING THE YEAR

i On 4 January 2006, EPMB entered into a Sale and Purchase Agreement to acquire 2,000,000 ordinary shares of RM1.00 each representing 10% of the equity interest in PEPS-JV (M) Sdn. Bhd. ("PEPS-JV") for a total cash consideration of RM13,590,000 from Esanda Limited. Subsequently, EPMB owned 89.5% equity interest of PEPS-JV.

ii On 31 May 2006, EPMB via EP Polymers (M) Sdn. Bhd., a wholly owned subsidiary of EPMB, signed a Memorandum of Understanding ("MoU") with Teck See Plastic Sdn. Bhd., to form a separate business entity ("Newco") that will provide the parties with a platform for future growth in the automotive industry. Newco has not been incorporated as at 31 December 2006.

iii On 2 October 2006, EPMB acquired the entire equity interest of Advance Product Systems Sdn. Bhd. from its wholly owned subsidiary, Fundwin Sdn. Bhd. for a purchase consideration of RM4,626,000.

29. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

From 19 January 2007 to 9 February 2007, 34,000 EPMB ICUPS of RM0.10 each at an issue price RM0.50 per EPMB ICUPS and 21,000 EPMB RCSPS of RM0.10 each at an issue price of RM0.50 per EPMB RCSPS were converted into 17,000 and 10,500 ordinary shares of RM1.00 each respectively.

On 27 April 2007, the Company announced that it had entered into a sale and purchase agreement ("SPA") with Hamidon bin Abdullah (being a related party), Ahmad Kamaruzaman bin Mohamed Baria and Anthony Buxton Dix for the acquisition of the entire issued and paid up share capital of Circle Ring Network Sdn. Bhd. representing 1,250,000 ordinary shares of RM1.00 each for a total cash consideration of RM38,500,000.

30. CHANGES IN ACCOUNTING POLICIES

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 December 2006.

The changes in accounting policies arising from the adoption of Amendment to FRS 3, *Business Combination*, FRS 123, *Borrowing Costs*, FRS 101, *Presentation of Financial Statements* and FRS 127, *Consolidated and Separate Financial Statements* are summarised below:

FRS 3, *Business Combinations*

The adoption of FRS 3 has resulted in a change in the accounting policy for goodwill. The change in accounting policy is made in accordance with their transitional provisions.

Goodwill is stated at cost less accumulated impairment losses and is no longer amortised. Instead, goodwill impairment is tested annually, or when circumstances change indicating that goodwill might be impaired. Negative goodwill is recognised immediately in income statement. This has resulted in the derecognition of negative goodwill and an increase in retained earnings for the Group as at 1 January 2006 by RM7,710,000.

This change in accounting policy has no material impact on earnings per share.

FRS 123, *Borrowing Costs*

In prior periods, all interest incurred in connection with borrowings were expensed off in the income statement.

30. CHANGES IN ACCOUNTING POLICIES (cont'd)

FRS 123, *Borrowing Costs* (cont'd)

With effect from 1 January 2006, in accordance with FRS 123, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, are capitalised as part of the cost of that asset. This treatment is applied consistently for all borrowing costs that are directly attributable to the acquisition, construction or producing of all qualifying assets of the Group.

The policy of capitalising borrowing costs has been applied retrospectively under FRS 108, *Accounting Policies, Changes* in *Accounting Estimates and Errors*. As a result, comparative amounts have been restated, giving rise to an increase in the Group's reserves by RM3,239,000.

This change in accounting policy had the following impact on these consolidated financial statements:

	Group	
	2006	**2005**
	RM'000	**RM'000**
		Restated
Income statement for the year ended 31 December		
Increase in profit for the year	4,090	2,000
Balance sheet as at 31 December		
Cumulative increase in retained earnings	7,329	3,239

The adjustment to retained earnings at 1 January 2005 was an increase of RM1,239,000.

	Group	
	2006	**2005**
In sen		**Restated**
Earnings per share		
Increase in basic earnings per share	2.5	1.2
Increase in diluted earnings per share	2.5	1.2

FRS 101, *Presentation of Financial Statements* and FRS 127, *Consolidated and Separate Financial Statements*

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets. Minority interests in the results of the Group for the year were also separately presented in the income statement as a deduction before arriving at the profit attributable to shareholders.

With effect from 1 January 2006, in order to comply with FRS 101 and FRS 127, minority interests as at the balance sheet date are presented in the consolidated balance sheet within equity, separately from the equity attributable to the equity holders of the parent, and minority interests in the results of the Group for the period are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the period between the minority interests and the equity holders of the parent.

The presentation of minority interest in the consolidated balance sheet, income statement and statement of changes in equity for the comparative period has been restated accordingly.

This change in accounting policy has no material impact on earnings per share.

31. COMPARATIVE FIGURES

Certain comparative figures have been reclassified as a result of changes in accounting policies as stated in Note 30 and to conform with the presentation requirements of FRS 101.

	Group	
	As restated RM'000	As previously stated RM'000
Balance sheet		
Non-current assets		
Property, plant and equipment	215,341	212,102
Equity		
Reserves	75,644	64,695
Non-current liabilities		
Negative goodwill	-	7,710
Income statements		
Interest expense	(3,382)	(5,382)
Profit before tax	27,671	25,671
Profit for the year	26,260	24,260
Cash flow statements		
Adjustments for:		
Interest expense	(3,382)	(5,382)
Cash flows from investing activities		
Purchase of property, plant and equipment	(41,147)	(39,147)
Net cash used in investing activities	(40,826)	(38,826)
Interest paid	(3,382)	(5,382)

ANALYSIS OF SHAREHOLDINGS
as at 17 May 2007

ORDINARY SHARES

Authorised Share Capital	:	RM470,000,000
Issued & Paid-up Capital	:	RM124,373,297 (Inclusive of 4,300,900 treasury shares)
Class of Shares	:	Ordinary shares of RM1.00 each
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF HOLDINGS	NO. OF HOLDERS	% OF HOLDERS	NO. OF SHARES HELD	% OF SHARES HELD
Less than 100 shares	7	0.22	365	0.00
100 to 1,000 shares	997	31.34	972,150	0.78
1,001 to 10,000 shares	1,664	52.31	7,632,100	6.14
10,001 to 100,000 shares	442	13.90	13,159,017	10.58
100,001 to less than 5% of issued shares	68	2.14	72,740,265	58.48
5% and above of issued shares	3	0.09	29,869,400	24.02
TOTAL	3,181	100.00	124,373,297	100.00

THIRTY LARGEST SHAREHOLDERS

NO.	NAMES	NO. OF SHARES	% OF SHARES
1	MUTUAL CONCEPT SDN BHD	15,990,000	13.32
2	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR MUTUAL CONCEPT SDN BHD	7,650,000	6.37
3	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR THE HWANG-DBS SELECT OPPORTUNITY FUND	6,229,400	5.19
4	ECM LIBRA AVENUE NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD NIZAM BIN MOHAMED	5,520,100	4.59
5	SYMPHONY VISTA SDN BHD	5,517,800	4.59
6	YAP SIEW YOONG	4,705,400	3.92
7	MICHELLE CHEAH MIN TZE	4,505,600	3.75
8	MAYBAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HAMIDON BIN ABDULLAH	4,200,000	3.50
9	CHEW SOO TON	4,199,200	3.50
10	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR HAMIDON BIN ABDULLAH	4,110,000	3.42
11	ECM LIBRA AVENUE NOMINEES (TEMPATAN) SDN BHD SHAHRUL AZHAN BIN SAMSUDIN @ SHAMSUDDIN	3,692,200	3.07
12	EP PROPERTIES (M) SDN BHD	3,465,000	2.88
13	MUTUAL CONCEPT SDN BHD	2,596,967	2.16
14	SHAHRUL AZHAN BIN SAMSUDIN @ SHAMSUDDIN	2,302,600	1.92
15	HSBC NOMINEES (ASING) SDN BHD TNTC FOR DBS MALAYSIA EQUITY FUND	1,900,000	1.58
16	ECM LIBRA AVENUE NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH BEE YONG	1,500,000	1.25

THIRTY LARGEST SHAREHOLDERS (cont'd)

NO.	NAMES	NO. OF SHARES	% OF SHARES
17	LINDEN HAMIDON NEE FONG	1,200,000	1.00
18	LEE CHIN WATT @ LEE LIP GIAP	1,059,500	0.88
19	LEE CHEE BENG	1,046,500	0.87
20	MAYBAN NOMINEES (TEMPATAN) SDN BHD HWANG-DBS INVESTMENT MANAGEMENT BHD FOR HWANG-DBS (MALAYSIA) BERHAD	1,014,850	0.85
21	MALAYSIA NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	1,000,000	0.83
22	MAYBAN NOMINEES (TEMPATAN) SDN BHD HWANG-DBS INVESTMENT MANAGEMENT BHD FOR EMPLOYEES PROVIDENT FUND	1,000,000	0.83
23	MALAYSIA NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 2)	966,000	0.80
24	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD	930,200	0.77
25	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MICHELLE CHEAH MIN TZE	818,700	0.68
26	MALAYSIA NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DR)	616,100	0.51
27	MALAYSIA NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	615,400	0.51
28	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HON MENG HENG	574,000	0.48
29	YEAH KEAN HUA	550,000	0.46
30	MOHD NIZAM BIN MOHAMED	476,500	0.39
	TOTAL	89,952,017	74.87

SUBSTANTIAL SHAREHOLDERS

(In accordance with the register kept pursuant to Section 69L of the Companies Act, 1965)

NAME	DIRECT NO. OF SHARES HELD	%	INDIRECT NO. OF SHARES HELD	%
HAMIDON BIN ABDULLAH	8,447,133	7.04	29,801,967*	24.82
MUTUAL CONCEPT SDN BHD	26,336,967	21.93	-	-
HSBC HOLDINGS PLC	6,474,300	5.39	-	-

Note : * Deemed interest by virtue of his shareholdings in Mutual Concept Sdn Bhd and EP Properties (M) Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

DIRECTORS' SHAREHOLDINGS

NAME	DIRECT NO. OF SHARES HELD	%	INDIRECT NO. OF SHARES HELD	%
HAMIDON BIN ABDULLAH	8,447,133	7.04	29,801,967*	24.82
SHAARI BIN HARON	20,000	0.02	-	-
DATO' IBRAHIM HUSSEIN @ IBRAHIM BIN NYAR HUSSIN	50,000	0.04	-	-
DR LINDEN HAMIDON NEE FONG	1,236,967	1.03	-	-
HEW VOON FOO	-	-	-	-

Note : * Deemed interest by virtue of his shareholdings in Mutual Concept Sdn Bhd and EP Properties (M) Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

analysis of shareholdings
as at 17 May 2007

IRREDEEMABLE CONVERTIBLE UNSECURED PREFERENCE SHARES ("ICUPS")

Authorised Share Capital	:	RM20,000,000
Issued & Paid-up Capital	:	RM8,086,700
Class of Shares	:	17.5% ICUPS 2003/2008 of RM0.10 each
Voting Rights	:	The registered holders of EPMB ICUPS would not have the right to vote at any general meeting unless meeting is convened for purpose of reducing the capital, or winding up or sanctioning a sale of the principal undertaking of EPMB, or where the proposition to be submitted to the meeting directly affects the rights of the holders of EPMB ICUPS.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF HOLDINGS	NO. OF HOLDERS	% OF HOLDERS	NO. OF ICUPS HELD	% OF ICUPS HELD
Less than 100 ICUPS	0	0.00	0	0.00
100 to 1,000 ICUPS	13	6.28	10,700	0.01
1,001 to 10,000 ICUPS	145	70.05	740,200	0.92
10,001 to 100,000 ICUPS	41	19.81	963,000	1.19
100,001 to less than 5% of issued ICUPS	7	3.38	8,319,368	10.29
5% and above of issued ICUPS	1	0.48	70,833,732	87.59
TOTAL	207	100.00	80,867,000	100.00

THIRTY LARGEST SHAREHOLDERS

NO.	NAMES	NO. OF ICUPS	% OF ICUPS
1	MUTUAL CONCEPT SDN BHD	70,833,732	87.59
2	MOHAMED BIN HASHIM	3,000,000	3.71
3	MOHD NIZAM BIN MOHAMED	3,000,000	3.71
4	YONG CHEAU CHIN	900,000	1.11
5	TAN TAI KOOI	600,000	0.74
6	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (MALAYSIA) TRUSTEE BERHAD FOR AMANAH SAHAM SARAWAK	567,500	0.70
7	LINDEN HAMIDON NEE FONG	147,868	0.18
8	TAN AH KOW @ TAN CHEE LIN	104,000	0.13
9	EU MUI @ EE SOO MEI	93,000	0.12
10	PHAN AH KOW	60,000	0.07
11	LAU SER CHAI	44,000	0.05
12	MD KARIM BIN ABU HASSAN	40,000	0.05
13	LEE JEAN HOE	40,000	0.05
14	DORIS CHUAH SIEW KEE	34,000	0.04
15	LIM CHE CHAI	32,000	0.04
16	LEE HOON CHENG	32,000	0.04
17	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG CHEN CHAI	32,000	0.04

THIRTY LARGEST SHAREHOLDERS (cont'd)

NO.	NAMES	NO. OF ICUPS	% OF ICUPS
18	NG TIAN CHAI	32,000	0.04
19	TANG CHOK LOI	30,000	0.04
20	YEOH CHIN ENG	28,000	0.03
21	HLG NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOO TEN SAM	28,000	0.03
22	SOUTHERN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHEW YIT LEN	24,000	0.03
23	TEH KEE HUAT	24,000	0.03
24	TAN PENG LIM	24,000	0.03
25	GAN KHOON EE	20,000	0.02
26	MAYBAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG LAI YONG	20,000	0.02
27	OSK NOMINEES (ASING) SDN BHD DMG & PARTNERS SECURITIES PTE LTD FOR CHEW LAN KEAK MELISSA	20,000	0.02
28	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WAN AZAINI BIN WAN AHMAD	20,000	0.02
29	CH'NG BAN SENG	20,000	0.02
30	TANG CHOK LOI	20,000	0.02
	TOTAL	79,870,100	98.72

DIRECTORS' SHAREHOLDINGS

NAME	DIRECT NO. OF ICUPS HELD	%	INDIRECT NO. OF ICUPS HELD	%
HAMIDON BIN ABDULLAH	-	-	70,833,732*	87.59
DR LINDEN HAMIDON NEE FONG	147,868	0.18	-	-
SHAARI BIN HARON	-	-	-	-
DATO' IBRAHIM HUSSEIN @ IBRAHIM BIN NYAR HUSSIN	-	-	-	-
HEW VOON FOO	-	-	-	-

Note : * Deemed interest by virtue of his shareholdings in Mutual Concept Sdn Bhd.

analysis of shareholdings
as at 17 May 2007

REDEEMABLE CONVERTIBLE SECURED PREFERENCE SHARES ("RCSPS")

Authorised Share Capital	:	RM10,000,000
Issued & Paid-up Capital	:	RM230,640.70
Class of Shares	:	17.5% RCSPS 2003/2008 of RM0.10 each
Voting Rights	:	The registered holders of EPMB RCSPS would not have the right to vote at any general meeting unless meeting is convened for purpose of reducing the capital, or winding up or sanctioning a sale of the principal undertaking of EPMB, or where the proposition to be submitted to the meeting directly affects the rights of the holders of EPMB RCSPS.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF HOLDINGS	NO. OF HOLDERS	% OF HOLDERS	NO. OF RCSPS HELD	% OF RCSPS HELD
Less than 100 RCSPS	1	0.44	40	0.00
100 to 1,000 RCSPS	90	40.00	85,100	3.69
1,001 to 10,000 RCSPS	114	50.67	423,200	18.35
10,001 to 100,000 RCSPS	17	7.56	372,067	16.13
100,001 to less than 5% of issued RCSPS	0	0.00	0	0
5% and above of issued RCSPS	3	1.33	1,426,000	61.83
TOTAL	225	100.00	2,306,407	100.00

THIRTY LARGEST SHAREHOLDERS

NO.	NAMES	NO. OF RCSPS	% OF RCSPS
1	MALAYSIA NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 2)	883,000	38.28
2	EU MUI @ EE SOO MEI	342,000	14.83
3	TAN AH KOW @ TAN CHEE LIN	201,000	8.71
4	ONG HOOI SIAN	50,000	2.17
5	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM BENG GUAN	46,100	2.00
6	BEH ENG PAR	40,000	1.73
7	LINDEN HAMIDON NEE FONG	36,967	1.60
8	LEE CHEE BENG	25,000	1.08
9	MAYBAN SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE EE @ LEE KIM LOONG	22,000	0.95
10	WONG GEK KEONG	19,000	0.82
11	TEH AH AU @ TEH AH AUN	16,000	0.69
12	FOO MING HEE	15,000	0.65
13	TENG SIN CHEANG	15,000	0.65
14	LIM CHE CHAI	14,000	0.61
15	ECM LIBRA AVENUE NOMINEES (TEMPATAN) SDN BHD TAN KIM KHUAT	14,000	0.61
16	TAN YOON CHONG	12,000	0.52

THIRTY LARGEST SHAREHOLDERS (cont'd)

NO.	NAMES	NO. OF RCSPS	% OF RCSPS
17	HAH KEE LOON	12,000	0.52
18	DORIS CHUAH SIEW KEE	12,000	0.52
19	HOR LENG CHOY	12,000	0.52
20	LAU SER CHAI	11,000	0.48
21	ANG BOON KIAT	10,000	0.43
22	MD KARIM BIN ABU HASSAN	10,000	0.43
23	ONG CHAI LUN	10,000	0.43
24	LEE JEAN HOE	10,000	0.43
25	LIEW KIM THIAM	10,000	0.43
26	PHAN AH KOW	10,000	0.43
27	LEE HOON CHENG	8,000	0.35
28	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG CHEN CHAI	8,000	0.35
29	LEE SER WOR	8,000	0.35
30	YIP KAM YOKE	8,000	0.35
	TOTAL	1,890,067	81.92

DIRECTORS' SHAREHOLDINGS

NAME	DIRECT NO. OF RCSPS HELD	%	INDIRECT NO. OF RCSPS HELD	%
HAMIDON BIN ABDULLAH	-	-	-	-
DR LINDEN HAMIDON NEE FONG	36,967	1.60	-	-
SHAARI BIN HARON	-	-	-	-
DATO' IBRAHIM HUSSEIN @ IBRAHIM BIN NYAR HUSSIN	-	-	-	-
HEW VOON FOO	-	-	-	-

ANALYSIS
OF WARRANT HOLDINGS
as at 17 May 2007

WARRANTS

No of Warrants issued	:	20,730,000
No of Warrants Unexercised	:	20,730,000
Exercise Period	:	From 4 September 2003 to 3 September 2008
Exercise Rights	:	Each warrant entitles the holder to subscribe for one (1) new ordinary share of RM1.00 each in the Company at a price of RM1.00 per share at any time during the Exercise Period

DISTRIBUTION OF WARRANT HOLDINGS

SIZE OF HOLDINGS	NO. OF HOLDERS	% OF HOLDERS	NO. OF WARRANTS HELD	% OF WARRANTS HELD
Less than 100 warrants	0	0	0	0
100 to 1,000 warrants	162	26.30	131,500	0.64
1,001 to 10,000 warrants	281	45.62	1,256,300	6.06
10,001 to 100,000 warrants	142	23.05	4,880,334	23.54
100,001 to less than 5% of issued warrants	29	4.71	8,275,266	39.92
5% and above of issued warrants	2	0.32	6,186,600	29.84
TOTAL	616	100.00	20,730,000	100.00

THIRTY LARGEST WARRANT HOLDERS

NO.	NAMES	NO. OF WARRANTS	% OF WARRANTS
1	HAMIDON BIN ABDULLAH	4,979,000	24.02
2	CIMSEC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CIMB-GK SECURITIES PTE LTD	1,207,600	5.83
3	ECM LIBRA AVENUE NOMINEES (TEMPATAN) SDN BHD SHAHRUL AZHAN BIN SAMSUDIN @ SHAMSUDDIN	759,500	3.66
4	MAYBAN SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOOI LEE YEE	690,000	3.33
5	MAYBAN NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM AI LING	490,000	2.36
6	MOHAMED BIN HASHIM	488,000	2.35
7	CHONG SOO CHAN	480,000	2.32
8	LOW LAY PING	439,400	2.12
9	CHONG YEE TING	434,500	2.10
10	YONG NG GAH @ YONG WEE SING	425,000	2.05
11	MICHELLE CHEAH MIN TZE	370,300	1.79
12	HON MENG HENG	315,000	1.52
13	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM BENG GUAN	284,900	1.37
14	LIM BENG GUAN	235,466	1.14
15	LEE CHEE BENG	209,000	1.01
16	MOHD NIZAM BIN MOHAMED	200,500	0.97

THIRTY LARGEST WARRANT HOLDERS (cont'd)

NO.	NAMES	NO. OF WARRANTS	% OF WARRANTS
17	CHEW SOO TON	200,000	0.96
18	YEOH LIANG CHAI	200,000	0.96
19	MAYBAN NOMINEES (TEMPATAN) SDN BHD LIM TONG KWEE @ LIM TONG PENG	190,000	0.92
20	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG LAIN CHOO @ CHONG LIAN CHOO	190,000	0.92
21	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEONG YEW MUN	190,000	0.92
22	TEH SWEE HENG	182,600	0.88
23	KHOO SENG MIAU	175,000	0.84
24	TAN HVI PING	170,000	0.82
25	SESHAN LIM TEE HENG	165,000	0.80
26	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIOW KHIEN MENG	165,000	0.80
27	LEOW HONG YEN	150,000	0.72
28	LEE CHIN WATT @ LEE LIP GIAP	123,800	0.60
29	NG BOON KEAN @ NG BEH KIAN	122,300	0.59
30	BEH ENG PAR	120,000	0.58
	TOTAL	14,351,866	69.25

DIRECTORS' WARRANT HOLDINGS

NAME	DIRECT NO. OF WARRANTS HELD	%	INDIRECT NO. OF WARRANTS HELD	%
HAMIDON BIN ABDULLAH	4,979,000	24.02	-	-
DR LINDEN HAMIDON NEE FONG	18,484	0.09	-	-
SHAARI BIN HARON	10,000	0.05	-	-
DATO' IBRAHIM HUSSEIN @ IBRAHIM BIN NYAR HUSSIN	25,000	0.12	-	-
HEW VOON FOO	-	-	-	-

RECURRENT
RELATED PARTY TRANSACTIONS

In accordance with Paragraph 4.1.5 of Practice Note No. 12/2001 of the Listing Requirement of Bursa Malaysia Securities Berhad, the details of recurrent related party transactions conducted by the Group during the financial year ended 31 December 2006 with the related parties pursuant to the shareholders' mandate obtained at the Extraordinary General Meeting held on 1 June 2006 are as follows:-

Related Parties	EP Manufacturing Bhd and/or its subsidiaries	Nature of transactions with related parties	Aggregate value of transactions (RM'000)
Companies in which the substantial shareholder and Directors of EP Manufacturing Bhd Group, Hamidon Bin Abdullah and/or Dr Linden Hamidon Nee Fong are deemed to have interests:-			
1) EP Properties (M) Sdn Bhd	Peps-JV (M) Sdn Bhd ("Peps-JV") EP Polymers (M) Sdn Bhd ("EP Polymers")	Rental of properties	389
2) KB Teknik Sdn Bhd	EP Polymers Fundwin Sdn Bhd ("Fundwin") EP Moulds & Dies (M) Sdn Bhd ("EP Moulds & Dies")	Purchases of automotive parts Sales of automotive parts and moulds	4,206 316
3) Pesaka Nuri (M) Sdn Bhd	EP Polymers Fundwin Peps-JV EP Moulds & Dies	Purchases of automotive parts Sales of automotive parts and moulds Repair and maintenance services	14,218 363 96
4) PN Engineering Sdn Bhd	EP Polymers Peps-JV EP Moulds and Dies Fundwin	Purchases of automotive parts and moulds Repair and maintenance services Rental of properties	1,319 138 62
5) Felio Group (M) Sdn Bhd	Fundwin	Sales of automotive parts	1,630
6) KVC Industrial Supplies Sdn Bhd (f.k.a. KVC Electric (M) Sdn Bhd)	Fundwin	Sales of automotive parts	2
7) TSA Industries Sdn Bhd	EP Polymers Peps-JV	Purchases of automotive parts	223
8) Circle Ring Network Sdn Bhd	EP Manufacturing Bhd	Rental of properties	175
Company in which Kamludin Bin Abu, a director of Peps-JV, is deemed to have an interest:-			
1) Inteledge Manufacturing Sdn Bhd	Peps-JV	Purchases of automotive parts	10,075

LIST OF PROPERTIES

as at 31 December 2006

TITLE / LOCATION	DESCRIPTION	TENURE	LAND AREA	GROSS FLOOR AREA	NET BOOK VALUE AS AT 31.12.2006	AGE OF BUILDING	DATE OF ACQUISITION
1 Plot No. 72 & 73 Hicom-Glenmarie Industrial Park Phase 2A Mukim of Damansara Daerah Kelang Selangor Darul Ehsan	Land with factory, stores and office	Freehold	13,858 sq.m.	15,480 sq.m.	29,877,551	12 years	20/1/1997
2 G.M. No 4776 Lot No. 1401 Mukim of Ulu Yam District of Ulu Selangor Selangor Darul Ehsan	Agricultural land (vacant)	Freehold	10,116 sq.m.	-	2,149,905	-	10/6/1997
3 Lot No. 1410 E.M.R. No. 3019 Lot No. 1412 Lot No. 3027 Mukim of Ulu Yam	Industrial land with factory, stores and office	Freehold	13,782 sq.m.	5,808 sq.m.	30,143,566	3 years	5/6/1997
District of Ulu Selangor Selangor Darul Ehsan	Industrial land (vacant)	Freehold	13,402 sq.m.	-	1,284,377	-	5/6/1997
4 GM No 4974 Lot 1403 Batu 29, Jalan Ipoh 44300 Batang Kali Selangor Darul Ehsan	Industrial land (vacant)	Freehold	8,979 sq.m.	-	1,196,470	-	28/10/1995
5 GM No 4973, GM4956 Lot 1406, Lot 1409	Industrial land with factory,	Freehold	24,780 sq.m.	7,834 sq.m.	13,943,022	9.75 years	28/10/1995
Batu 29, Jalan Ipoh 44300 Batang Kali Selangor Darul Ehsan	stores, office and guardhouse			3,506 sq.m.	7,801,794	3 years	28/10/1995
6 GM 5073 Lot 1404 Mukim of Ulu Yam District of Hulu Selangor Selangor Darul Ehsan	Agricultural land (vacant)	Freehold	9,485 sq.m.	-	1,209,511	-	16/2/1996
7 GM 5072 Lot 1407 Mukim of Ulu Yam District of Hulu Selangor Selangor Darul Ehsan	Agricultural land (vacant)	Freehold	11,510 sq.m.	-	1,470,102	-	16/2/1996

Note: There is no revaluation carried out on the above properties.

NOTES

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EP MANUFACTURING BHD 390116-T
(INCORPORATED IN MALAYSIA)

PROXY FORM

No of Ordinary Shares held	

I/We ____
(full name in block letters)

NRIC No./Co. No./CDS A/C no. ______________________________

of ____

____
(full address in block letters)

being a member/members of EP Manufacturing Bhd hereby appoint the following person(s):

Name of Proxy, NRIC No. & Address	No. of Ordinary Shares represented by proxy
1 ______________________	______________________
2 ______________________	______________________

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Eleventh (11th) Annual General Meeting of the Company to be held at Topas Room, The Saujana Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Tuesday, 19 June 2007 at 10.00 am or at any adjournment thereof as indicated below:

RESOLUTION		FIRST PROXY		SECOND PROXY	
		For	Against	For	Against
1	To receive Audited Financial Statements for the year ended 31 December 2006 and the Reports thereon				
2	Approval of Directors' fees				
3	Re-election of Mr Hew Voon Foo				
4	Re-appointment of Dato' Ibrahim Hussein @ Ibrahim Bin Nyar Hussin				
5	Re-appointment of Auditors				
6	Approval for Directors to allot and issue shares				

(Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.)

Dated this __________ day of ____________ 2007

____
Signature/ Common Seal of Shareholders

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one (1) or more proxies to attend and vote in his stead. Where a member appoints two (2) or more proxies to attend the same meeting, a member shall specify the proportions of his shareholdings to be represented by each proxy.
2. A Proxy may but need not be a member of the Company. A member shall not be entitled to appoint a person who is not a member unless that person is an advocate, an approved auditor or a person approved by the Companies Commission of Malaysia.
3. Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or his attorney duly authorized in writing, and in the case of a corporation, shall be either given under the corporation's seal or under the hand of an officer or attorney of the corporation duly authorized.
5. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at No. 8 & 10, Jalan Jurutera U1/23, Seksyen U1, Kawasan Perindustrian Hicom Glenmarie, 40150 Shah Alam, Selangor Darul Ehsan not less than 48 hours before the time set for holding the Meeting or at any adjournment thereof.

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Stamp

THE COMPANY SECRETARY
EP MANUFACTURING BHD 390116-T
No 8 & 10, Jalan Jurutera U1/23, Seksyen U1
Kawasan Perindustrian Hicom Glenmarie
40150 Shah Alam, Selangor Darul Ehsan

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