

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2007

2.5 Significant Accounting Estimates and Judgements

(a) Key Sources of Estimation Uncertainty

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

Depreciation of plant and machinery

The cost of plant and machinery is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and machinery to be 30 years. These are common life expectancies applied for the assets owned by the Group. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

3. REVENUE

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Sales of flour and related products	87,676,195	73,824,753	81,560,459	71,458,951
Transport income	1,708,060	1,298,144	670,516	-
Income from disposal of marketable securities	155,677	666,414	-	-
	89,539,932	75,789,311	82,230,975	71,458,951

4. COST OF SALES

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Cost of inventories sold	78,588,736	70,546,355	74,442,671	69,357,211
Cost of services rendered	1,185,269	953,651	596,465	-
Cost of marketable securities	479,006	628,436	-	-
	80,253,011	72,128,442	75,039,136	69,357,211

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5. FINANCE COSTS

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Interest expense on:				
Hire purchase	84,177	52,143	54,881	43,487
Term loans	898,861	-	898,861	-
Overdrafts	11,857	9,568	-	-
Bankers' acceptances	465,114	863,829	465,114	863,829
Others	9,038	6,704	9,038	6,704
	<u>1,469,047</u>	<u>932,244</u>	<u>1,427,894</u>	<u>914,020</u>

6. (LOSS)/PROFIT BEFORE TAX

The following amounts have been included in arriving at (loss)/profit before tax:

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Depreciation of property, plant and equipment (Note 11)	1,315,230	2,802,551	1,202,780	2,684,206
Auditors' remuneration	45,000	39,000	40,000	30,000
Provision for doubtful debts	2,309,297	191,736	1,072,272	1,011,590
Provision for diminution in value of investments	-	463,992	-	738,584
Employee benefits expense (Note 7)	4,962,681	4,928,544	3,285,266	3,720,368
Directors' fees (Note 8)	108,000	102,000	108,000	102,000
Property, plant and equipment written off	22,806	11,640	1	11,640
Rental of land and buildings	394,620	458,948	394,620	458,948
Insurance compensation	(29,000)	-	(29,000)	-
Provision for doubtful debts no longer required	(46,932)	(245,331)	(46,932)	(245,331)
Bad debts written off	66,333	-	58,192	-
Loss/(Gain) on disposal of marketable securities	323,329	(37,978)	-	-
Realised (gain)/loss on foreign exchange	(270,693)	14,146	(237,758)	36,069
Unrealised foreign exchange loss	9,634	-	-	-
Interest income	(199)	(9,589)	(199)	(9,589)
Gain on disposal of property, plant and equipment	(56,254)	(22,998)	(56,254)	(5,999)

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7. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Salaries and wages	4,122,672	4,027,729	2,730,341	3,002,130
Social security costs	53,664	51,821	32,069	35,938
Short-term accumulating compensated absences	(1,804)	13,799	-	-
Pension costs - defined contribution plan	458,628	441,032	289,945	316,757
Other staff related expenses	329,521	394,163	232,911	365,543
	<u>4,962,681</u>	<u>4,928,544</u>	<u>3,285,266</u>	<u>3,720,368</u>

Included in staff costs of the Group and of the Company are executive directors' remuneration amounting to RM391,994 (2006: RM396,402) and RM287,110 (2006: RM314,866) respectively as further disclosed in Note 8.

8. DIRECTORS' REMUNERATION

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Directors of the Company				
Executive:				
Salaries and other emoluments	348,110	345,506	255,910	272,706
Fees	-	-	-	-
Pension costs - defined contribution plan	43,884	50,896	31,200	42,160
	<u>391,994</u>	<u>396,402</u>	<u>287,110</u>	<u>314,866</u>
Non-Executive:				
Fees	108,000	102,000	108,000	102,000
	<u>499,994</u>	<u>498,402</u>	<u>395,110</u>	<u>416,866</u>

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

	Number of Directors	
	2007	2006
Executive directors:		
Below RM50,000	-	1
RM50,001 - RM100,000	-	-
RM100,001 - RM150,000	-	2
RM150,001 - RM200,000	2	-
Non-executive directors:		
Below RM50,000	3	3

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8. DIRECTORS' REMUNERATION (CONT'D.)

Executive directors of the Company have been granted the following number of options under the Employee Share Options Scheme ("ESOS"):

	Group and Company	
	2007	2006
	RM	RM
At beginning of year	-	175,000
Exercised	-	-
Lapsed	-	(175,000)
At end of year	-	-

9. INCOME TAX

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Income tax:				
Malaysian income tax	54	5,577	54	-
Under provision in prior years	2,685	-	2,685	-
	2,739	5,577	2,739	-
Deferred tax (Note 14):				
Relating to origination and reversal of temporary differences	497,349	(179,776)	-	-
Over provision in prior years	-	(4,913)	-	-
	497,349	(184,689)	-	-
	500,088	(179,112)	2,739	-

With effect from year of assessment 2004, the corporate tax rates for companies with paid up capital of RM2.5 million and below at the beginning of the basis period for the year of assessment are as follows:

Chargeable income	Rate
First RM500,000	20%
Amount exceeding RM500,000	27%

Domestic current income tax is calculated at the statutory tax rate of 27% (2006: 28%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 26% from the current year's rate of 27%, effective year of assessment 2008.

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

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9. INCOME TAX (CONT'D.)

	2007 RM	2006 RM
Group		
Loss before tax	(759,165)	(4,324,015)
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	(204,975)	(1,210,724)
Effect of income subject to tax rate of 20%	-	(2,231)
Effect of income not subject to tax	-	(307)
Effect of expenses not deductible for tax purposes	524,187	342,034
Effect of utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(1,377,162)	(83,138)
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	1,058,004	780,167
Reversal of deferred tax assets recognised on unabsorbed capital allowances and unrecognised tax losses	497,349	-
Over provision of deferred tax in prior year	-	(4,913)
Under provision of tax expense in prior years	2,685	-
Income tax for the year	500,088	(179,112)
Company		
Profit/(Loss) before tax	1,837,576	(4,606,432)
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	496,146	(1,289,801)
Effect of expenses not deductible for tax purposes	131,908	631,467
Effect of utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(1,365,456)	(71,950)
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	737,456	730,284
Under provision of income tax expense in prior years	2,685	-
Tax expense for the year	2,739	-

10. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the net loss for the year by the weighted average number of ordinary shares in issue during the financial year.

	2007	2006
Loss for the year (RM)	(1,259,253)	(4,144,903)
Weighted average number of ordinary shares in issue (unit)	45,053,000	45,053,000
Basic loss per share (sen)	(2.80)	(9.20)

(b) Diluted

Fully diluted loss per share has not been presented as the effect is anti-dilutive.

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II. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold Land RM	Buildings, Factory and Civil Works RM	Plant and Machinery RM	Equipment and Fixtures RM	Motor Vehicles RM	Building Under Construction RM	Total RM
At 31 March 2007							
Cost							
At 1 April 2006	11,700	9,711,958	36,951,462	4,309,232	8,299,883	11,374	59,295,609
Additions	-	10,300	64,294	332,277	1,324,047	82,731	1,813,649
Disposals	-	-	-	-	(525,594)	(11,374)	(536,968)
Write off	-	-	-	(1,310)	(167,570)	-	(168,880)
Adjustments	-	-	(20)	(142)	458	-	296
At 31 March 2007	11,700	9,722,258	37,015,736	4,640,057	8,931,224	82,731	60,403,706
Accumulated Depreciation							
At 1 April 2006	-	3,877,972	22,079,417	3,053,693	7,142,891	-	36,153,973
Depreciation charge for the year	-	250,569	709,369	263,658	91,634	-	1,315,230
Disposals	-	-	-	-	(274,759)	-	(274,759)
Write off	-	-	-	(712)	(145,362)	-	(146,074)
Adjustments	-	-	75	(86)	(238)	-	(249)
At 31 March 2007	-	4,128,541	22,788,861	3,316,553	6,814,166	-	37,048,121
Net carrying amount							
At 31 March 2007	11,700	5,593,717	14,226,875	1,323,504	2,117,058	82,731	23,355,585
At 31 March 2006							
Cost							
At 1 April 2005	11,700	9,716,158	36,925,175	3,743,147	8,154,520	70	58,550,770
Additions	-	7,670	41,416	566,015	600,877	11,304	1,227,282
Disposals	-	-	-	-	(152,978)	-	(152,978)
Write off	-	-	(26,600)	-	(302,417)	-	(329,017)
Reclassification	-	(11,870)	11,870	-	-	-	-
Adjustments	-	-	(399)	70	(119)	-	(448)
At 31 March 2006	11,700	9,711,958	36,951,462	4,309,232	8,299,883	11,374	59,295,609
Accumulated Depreciation							
At 1 April 2005	-	3,623,312	20,155,360	2,870,406	7,173,145	-	33,822,223
Depreciation charge for the year	-	254,660	1,939,418	183,217	425,256	-	2,802,551
Disposals	-	-	-	-	(152,976)	-	(152,976)
Write off	-	-	(14,962)	-	(302,415)	-	(317,377)
Adjustments	-	-	(399)	70	(119)	-	(448)
At 31 March 2006	-	3,877,972	22,079,417	3,053,693	7,142,891	-	36,153,973
Net carrying amount							
At 31 March 2006	11,700	5,833,986	14,872,045	1,255,539	1,156,992	11,374	23,141,636

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II. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Freehold Land RM	Buildings, Factory and Civil Works RM	Plant and Machinery RM	Equipment and Fixtures RM	Motor Vehicles RM	Building Under Construction RM	Total RM
COMPANY							
At 31 March 2007							
Cost							
At 1 April 2006	11,700	9,592,329	36,614,038	3,930,139	5,910,085	11,374	56,069,665
Additions	-	10,300	64,294	170,845	781,987	82,731	1,110,157
Disposals	-	-	-	-	(525,594)	(11,374)	(536,968)
Write off	-	-	-	-	(111,170)	-	(111,170)
Adjustments	-	-	(20)	(142)	458	-	296
At 31 March 2007	11,700	9,602,629	36,678,312	4,100,842	6,055,766	82,731	56,531,980
Accumulated Depreciation							
At 1 April 2006	-	3,802,360	21,866,474	2,950,321	4,880,466	-	33,499,621
Depreciation charge for the year	-	244,588	692,497	219,716	45,979	-	1,202,780
Disposals	-	-	-	-	(274,759)	-	(274,759)
Write off	-	-	-	-	(111,169)	-	(111,169)
Adjustments	-	-	75	(86)	(238)	-	(249)
At 31 March 2007	-	4,046,948	22,559,046	3,169,951	4,540,279	-	34,316,224
Net carrying amount							
At 31 March 2007	11,700	5,555,681	14,119,266	930,891	1,515,487	82,731	22,215,756
At 31 March 2006							
Cost							
At 1 April 2005	11,700	9,596,529	36,587,751	3,615,077	5,666,632	70	55,477,759
Additions	-	7,670	41,416	314,992	579,717	11,304	955,099
Disposals	-	-	-	-	(33,728)	-	(33,728)
Write off	-	-	(26,600)	-	(302,417)	-	(329,017)
Reclassification	-	(11,870)	11,870	-	-	-	-
Adjustments	-	-	(399)	70	(119)	-	(448)
At 31 March 2006	11,700	9,592,329	36,614,038	3,930,139	5,910,085	11,374	56,069,665
Accumulated Depreciation							
At 1 April 2005	-	3,553,681	19,959,289	2,776,216	4,877,781	-	31,166,967
Depreciation charge for the year	-	248,679	1,922,546	174,035	338,946	-	2,684,206
Disposals	-	-	-	-	(33,727)	-	(33,727)
Write off	-	-	(14,962)	-	(302,415)	-	(317,377)
Adjustments	-	-	(399)	70	(119)	-	(448)
At 31 March 2006	-	3,802,360	21,866,474	2,950,321	4,880,466	-	33,499,621
Net carrying amount							
At 31 March 2006	11,700	5,789,969	14,747,564	979,818	1,029,619	11,374	22,570,044

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11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

- (a) The factory is a flour mill constructed on a land leased by Novation Agreement between Kuantan Port Authority, Kuantan Port Consortium Sdn. Bhd. and the Company. The total rental commitment payable under the lease as at year-end are as follows:

	Group and Company	
	2007	2006
	RM	RM
Not later than 1 year	378,958	83,775
Later than 1 year and not later than 5 years	1,530,673	595,446
Later than 5 years	5,291,197	260,508
	<u>7,200,828</u>	<u>939,729</u>

- (b) During the financial year, the Group and the Company acquired property, plant and equipment at aggregate costs of RM1,813,649 (2006: RM1,227,282) and RM1,110,157 (2006: RM955,099) respectively of which RM1,137,250 (2006: RM505,100) and RM615,250 (2006: RM505,100) respectively were acquired by means of hire purchase arrangements. Net carrying amount of property, plant and equipment held under hire purchase arrangements is as follows:

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Motor vehicles	1,589,361	885,701	1,126,302	843,180

12. INVESTMENTS IN SUBSIDIARIES

	Company	
	2007	2006
	RM	RM
Unquoted shares at cost	1,911,006	1,911,006
Less: Accumulated impairment loss	(1,910,998)	(1,910,998)
	<u>8</u>	<u>8</u>

Details of the subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Equity Interest Held (%)		Principal activities
		2007	2006	
KFM Transport Sdn. Bhd.	Malaysia	100	100	Transportation
KFM Marketing Sdn. Bhd.	Malaysia	95	95	Sales of premix flour and its related products
KFM Ventures Sdn. Bhd.	Malaysia	100	100	Dormant
KFM Trading Sdn. Bhd.	Malaysia	100	100	Dormant
KFM Biotechnology Sdn. Bhd. (Formerly known as KFM Technology Sdn. Bhd.)	Malaysia	100	100	Dormant
KFM Industries Sdn. Bhd.	Malaysia	100	100	Dormant
KFM-Bunge Flour Mixes Sdn. Bhd.	Malaysia	60	60	Dormant

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13. OTHER INVESTMENTS

	Group and Company	
	2007	2006
	RM	RM
Unquoted shares, at cost	1,735,500	1,735,500
Less: Accumulated impairment losses	(276,584)	(276,584)
	<u>1,458,916</u>	<u>1,458,916</u>

14. DEFERRED TAX

	Group	
	2007	2006
	RM	RM
At beginning of year	(497,349)	(312,660)
Recognised in income statement (Note 9)	497,349	(184,689)
At end of year	<u>-</u>	<u>(497,349)</u>
Presented after appropriate offsetting as follows:		
Deferred tax assets	-	(499,149)
Deferred tax liabilities	-	1,800
	<u>-</u>	<u>(497,349)</u>

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

Deferred Tax Liabilities of the Group:

	Property, Plant and Equipment RM
At 1 April 2006	1,800
Recognised in income statement	(1,800)
At 31 March 2007	<u>-</u>
At 1 April 2005	1,800
Recognised in income statement	-
At 31 March 2006	<u>1,800</u>

Deferred Tax Assets of the Group:

	Other Payables RM	Tax Losses and Unabsorbed Capital Allowances RM	Total RM
At 1 April 2006	(5,594)	(493,555)	(499,149)
Recognised in income statement	5,594	493,555	499,149
At 31 March 2007	<u>-</u>	<u>-</u>	<u>-</u>
At 1 April 2005	(1,730)	(310,930)	(312,660)
Recognised in income statement	(3,864)	(182,625)	(186,489)
At 31 March 2006	<u>(5,594)</u>	<u>(493,555)</u>	<u>(499,149)</u>

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14. DEFERRED TAX (CONT'D.)

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

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Unused tax losses	18,957,000	15,963,000	14,764,000	14,584,000
Unabsorbed capital allowances	1,834,000	1,743,000	-	-
Unutilised reinvestment allowances	7,716,000	-	7,716,000	-
	<u>28,507,000</u>	<u>17,706,000</u>	<u>22,480,000</u>	<u>14,584,000</u>

The availability of the unused tax losses, unabsorbed capital allowances and unutilised reinvestment allowances for offsetting against future taxable profits of the Company and its respective subsidiaries are subject to no substantial changes in shareholdings of the Company and its subsidiaries under Section 44(5A) and 5(B) of Income Tax Act, 1967.

15. INVENTORIES

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Cost				
Raw materials	6,294,779	7,433,372	6,294,779	7,433,372
Finished goods	1,960,131	2,371,768	514,059	728,200
By-products	11,542	747	11,542	747
Work-in-progress	309,367	297,260	309,367	297,260
Consumables	1,205,112	1,382,359	1,205,112	1,382,359
	<u>9,780,931</u>	<u>11,485,506</u>	<u>8,334,859</u>	<u>9,841,938</u>

16. TRADE RECEIVABLES

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Trade receivables	22,613,419	26,251,613	4,017,828	3,968,778
Less: Provision for doubtful debts	(4,013,154)	(2,735,748)	(2,755,091)	(2,714,710)
	<u>18,600,265</u>	<u>23,515,865</u>	<u>1,262,737</u>	<u>1,254,068</u>

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally between 14 to 90 days. Each customer has a maximum credit limit. The Group's trade receivables relate to a large number of diversified customers, hence, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

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17. OTHER RECEIVABLES

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

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Deposits	3,863,524	820,143	3,743,121	757,990
Prepayments	160,390	269,846	117,913	217,935
Tax recoverable	121,932	121,932	88,218	88,218
Other receivables	4,121,327	4,669,541	766,353	958,377
	<u>8,267,173</u>	<u>5,881,462</u>	<u>4,715,605</u>	<u>2,022,520</u>
Less: Provision for doubtful debts	(3,859,999)	(3,359,999)	(500,000)	-
	<u>4,407,174</u>	<u>2,521,463</u>	<u>4,215,605</u>	<u>2,022,520</u>

18. DUE FROM SUBSIDIARIES

	Company	
	2007 RM	2006 RM
Due from subsidiaries	25,642,222	28,295,573
Less: Provision for doubtful debts	(4,216,557)	(4,216,557)
	<u>21,425,665</u>	<u>24,079,016</u>

The amounts due from subsidiaries are non-interest bearing and are repayable on demand. These amounts are unsecured and are to be settled in cash.

19. MARKETABLE SECURITIES

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Shares quoted in Malaysia, at cost	16,677	683,091	16,677	16,677
Less: Provision for diminution in value	-	(187,408)	-	-
Carrying amount	<u>16,677</u>	<u>495,683</u>	<u>16,677</u>	<u>16,677</u>
Market value of quoted shares	<u>53,334</u>	<u>489,006</u>	<u>53,334</u>	<u>10,000</u>

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20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Cash on hand and at banks	1,861,595	1,490,842	334,029	631,153
Deposits with licensed banks	626,467	551,467	626,467	551,467
Cash and bank balances	<u>2,488,062</u>	<u>2,042,309</u>	<u>960,496</u>	<u>1,182,620</u>

Deposits with licensed banks of the Group and of the Company amounting to RM626,467 (2006: RM551,467) are pledged to bank as security for bank guarantee purposes.

Other information on financial risks of cash and cash equivalents are disclosed in Note 28.

For the purpose of the cash flow statements, cash and cash equivalents comprise the following as at the balance sheet date:

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Cash and bank balances	2,488,062	2,042,309	960,496	1,182,620
Bank overdrafts (Note 21)	(109,458)	(151,149)	-	-
Total cash and cash equivalents	<u>2,378,604</u>	<u>1,891,160</u>	<u>960,496</u>	<u>1,182,620</u>

21. BORROWINGS

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Short Term Borrowings				
Secured:				
Bank overdrafts	109,458	151,149	-	-
Bankers' acceptances	-	22,679,939	-	22,679,939
Term loans	13,666,639	-	13,666,639	-
Hire purchase payables (Note 22)	407,929	310,791	285,865	281,991
	<u>14,184,026</u>	<u>23,141,879</u>	<u>13,952,504</u>	<u>22,961,930</u>
Long Term Borrowings				
Secured:				
Term loans	5,985,516	-	5,985,516	-
Hire purchase payables (Note 22)	898,308	477,857	541,904	475,958
	<u>6,883,824</u>	<u>477,857</u>	<u>6,527,420</u>	<u>475,958</u>
Total Borrowings				
Bank overdrafts (Note 20)	109,458	151,149	-	-
Bankers' acceptances	-	22,679,939	-	22,679,939
Hire purchase payables (Note 22)	1,306,237	788,648	827,769	757,949
Term loans	19,652,155	-	19,652,155	-
	<u>21,067,850</u>	<u>23,619,736</u>	<u>20,479,924</u>	<u>23,437,888</u>

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2007

21. BORROWINGS (CONT'D.)

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Maturity of borrowings: (excluding hire purchase payables):				
Within one year	5,561,006	22,831,088	5,451,548	22,679,939
More than 1 year and less than 2 years	5,281,548	-	5,281,548	-
More than 2 years and less than 5 years	8,919,059	-	8,919,059	-
	19,761,613	22,831,088	19,652,155	22,679,939

The bank overdrafts, term loans and bankers' acceptances of the Group and of the Company are secured by corporate guarantee of the Company and a negative pledge on the assets of the Company.

Other information on financial risks of borrowings are disclosed in Note 28.

22. HIRE PURCHASE PAYABLES

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Minimum payments:				
Not later than 1 year	474,480	351,418	323,848	322,618
Later than 1 year and not later than 2 years	379,923	195,287	254,883	185,095
Later than 2 years and not later than 5 years	564,316	295,556	314,236	295,556
Later than 5 years	84,843	46,365	48,248	46,365
	1,503,562	888,626	941,215	849,634
Less: Future finance charges	(197,325)	(99,978)	(113,446)	(91,685)
Present value of hire purchase liabilities	1,306,237	788,648	827,769	757,949
Present value of hire purchase liabilities:				
Not later than 1 year	392,937	310,791	270,873	281,991
Later than 1 year and not later than 2 years	324,096	165,570	221,799	163,671
Later than 2 years and not later than 5 years	517,169	268,428	288,711	268,428
Later than 5 years	72,035	43,859	46,386	43,859
	1,306,237	788,648	827,769	757,949
Analysed as:				
Due within 12 months(Note 21)	407,929	310,791	285,865	281,991
Due after 12 months(Note 21)	898,308	477,857	541,904	475,958
	1,306,237	788,648	827,769	757,949

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2007

23. TRADE PAYABLES

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days.

24. OTHER PAYABLES

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Deposits	91,265	91,265	91,265	91,265
Accruals	809,471	1,116,145	559,535	800,480
Other payables	1,614,242	1,469,790	1,173,313	1,058,961
	2,514,978	2,677,200	1,824,113	1,950,706

25. SHARE CAPITAL

	Number of Ordinary Shares of RM1 Each		2007 RM	2006 RM
	2007 RM	2006 RM		
Authorised				
At 1 April/ 31 March	50,000,000	50,000,000	50,000,000	50,000,000
Issued and fully paid				
At 1 April/ 31 March	45,053,000	45,053,000	45,053,000	45,053,000

Employee Share Option Scheme ("ESOS")

The Company implemented an Employee Share Option Scheme ("ESOS") which was approved by the shareholders on 21 November 2000.

The salient features of the ESOS are as follows:

- (i) In aggregate, the maximum number of new shares which may be allotted pursuant to the exercise option granted under this scheme shall not exceed 10% of the issued and paid up shares of the Company at any point of time during the existence of this scheme.
- (ii) The option price under the ESOS shall be higher of the five days weighted average market price of the shares as shown in the Daily Official List issued by the Bursa Malaysia Securities Berhad preceding the date of offer set at a discount of not more than 10% or the par value of the shares.
- (iii) The Options granted may be exercised at any time before the expiry of the ESOS on 15 April 2006.
- (iv) 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.

The terms of share options outstanding as at the end of the financial year are as follows:

Number of share options vested:

	2007 RM	2006 RM
At beginning of year	899	1,447
At end of year	-	899

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2007

25. SHARE CAPITAL (CONT'D.)

Grant Date	Expiry Date	Exercise Price RM	← Number of Share →				At 31 March '000
			At 1 April '000	Granted '000	Exercised '000	Lapsed '000	
2007							
16 Apr 2001	15 Apr 2006	1.15	30	-	-	(30)	-
19 Dec 2002	15 Apr 2006	1.15	8	-	-	(8)	-
16 Jul 2003	15 Apr 2006	1.92	861	-	-	(861)	-
			899	-	-	(899)	-
2006							
16 Apr 2001	15 Apr 2006	1.15	86	-	-	(56)	30
19 Dec 2002	15 Apr 2006	1.15	21	-	-	(13)	8
16 Jul 2003	15 Apr 2006	1.92	1,340	-	-	(479)	861
			1,447	-	-	(548)	899

26. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Company	
	2007 RM	2006 RM
Sales of flour and premix to a subsidiary, KFM Marketing Sdn. Bhd.	72,047,013	50,736,885
Purchase of premix flour and flour ingredients from a subsidiary, KFM Marketing Sdn. Bhd.	(397,567)	(57,723)
Transportation services provided by a subsidiary, KFM Transport Sdn. Bhd.	(30,933)	(1,010,819)
Transportation services provided to a subsidiary, KFM Marketing Sdn. Bhd.	569,246	-

27. CAPITAL COMMITMENT

	Group and Company	
	2007 RM	2006 RM
Capital expenditure Approved and contracted for: Property, plant and equipment	438,000	-

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2007

28. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange, liquidity and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

(b) Interest Rate Risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing debts and assets. The investments in financial assets are mainly short term in nature and have been mostly placed in fixed deposits or marketable securities.

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

	Note	WAEIR %	Within 1 Year RM	1-2 Years RM	2-5 Years RM	More Than 5 Years RM	Total RM
At 31 March 2007							
Group							
Fixed rate							
Term loans	21	9.025	(5,451,548)	(5,281,548)	(8,919,059)	-	(19,652,155)
Hire purchase payables	22	13.34	(392,937)	(324,096)	(517,169)	(72,035)	(1,306,237)
Floating rate							
Cash and bank balances	20	3.43	2,488,062	-	-	-	2,488,062
Bank overdrafts	21	8.75	(109,458)	-	-	-	(109,458)
Company							
Fixed rate							
Term loans	21	9.025	(5,451,548)	(5,281,548)	(8,919,059)	-	(19,652,155)
Hire purchase payables	22	13.34	(270,873)	(221,799)	(288,711)	(46,386)	(827,769)
Floating rate							
Cash and bank balances	20	3.43	960,496	-	-	-	960,496

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2007

28. FINANCIAL INSTRUMENTS (CONT'D)

(b) Interest Rate Risk (Cont'd)

	Note	WAEIR %	Within 1 Year RM	1-2 Years RM	2-5 Years RM	More Than 5 Years RM	Total RM
At 31 March 2006							
Group							
Fixed rate							
Hire purchase payables	22	7.79	(310,791)	(165,570)	(268,428)	(43,859)	(788,648)
Floating rate							
Cash and bank balances	20	3.70	2,042,309	-	-	-	2,042,309
Bankers' acceptances	21	3.20	(22,679,939)	-	-	-	(22,679,939)
Bank overdrafts	21	8.75	(151,149)	-	-	-	(151,149)
Company							
Fixed rate							
Hire purchase payables	22	7.79	(281,991)	(163,671)	(268,428)	(43,859)	(757,949)
Floating rate							
Cash and bank balances	20	3.70	1,182,620	-	-	-	1,182,620
Bankers' acceptances	21	3.20	(22,679,939)	-	-	-	(22,679,939)

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 6 months except for term loans and floating rate loans which are priced annually. Interest on financial instruments at fixed rates are fixed until the maturity of the instrument. The other financial instruments of the Group and of the Company that are not included in the above tables are not subject to interest rate risks.

(c) Foreign Exchange Risk

The Group operates internationally and is exposed to Singapore Dollars and United States Dollars. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

(d) Liquidity Risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2007

28. FINANCIAL INSTRUMENTS (CONT'D.)

(e) Credit Risk (Cont'd.)

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. However, the Group is still exposed to doubtful debts as a result of default in payments by certain debtors. Tighter credit control procedures are being implemented to minimise such exposure. The Group does not offer credit terms without specific approval. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, marketable securities and non-current investments, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets.

(f) Fair Values

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values except for the following:

	Note	Group		Company	
		Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Assets					
At 31 March 2007:					
Non-current unquoted shares	13	1,458,916	*	1,458,916	*
Marketable securities	19	16,677	53,334	16,677	53,334
At 31 March 2006:					
Non-current unquoted shares	13	1,458,916	*	1,458,916	*
Marketable securities	19	495,683	489,006	16,677	10,000
Financial Liabilities					
At 31 March 2007:					
Term loans	21	19,652,155	16,839,752	19,652,155	16,839,752
Hire purchase payables	22	1,306,237	1,305,824	827,769	826,826
At 31 March 2006:					
Hire purchase payables	21	788,648	799,238	757,949	764,940

* It is not practical to estimate the fair value of the Group's and Company's non-current unquoted shares because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2007

28. FINANCIAL INSTRUMENTS (CONT'D.)

(f) Fair Values (Cont'd.)

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Marketable Securities

The fair value of quoted shares is determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date.

(ii) Borrowings

The fair value of borrowings is estimated by discounting the expected future cash flows using the current interest rates for liabilities with similar risk profiles.

29. SIGNIFICANT EVENT

Effective October 2006, KFM Transport Sdn. Bhd. has transferred its bulk tanker transport business to the holding company, Kuantan Flour Mills Berhad in order to streamline the Group's operations.

30. SUBSEQUENT EVENTS

- (a) Effective April 2007, KFM Transport Sdn. Bhd. and KFM Marketing Sdn. Bhd., have transferred all of their operating activities to the holding company, Kuantan Flour Mills Berhad and have become dormant.
- (b) On 18 April 2007, KFM Technology Sdn. Bhd., a wholly-owned subsidiary of Kuantan Flour Mills Berhad has changed its name to KFM Biotechnology Sdn. Bhd..
- (c) Effective April 2007, KFM Transport Sdn. Bhd. has transferred all of its motor vehicles to its holding company, Kuantan Flour Mills Berhad.

31. SEGMENT INFORMATION

No segmental analysis by geographical location or by industrial segment had been prepared as the operations are principally flour milling and are carried out within Malaysia. The other activities are insignificant to the Group.

STATISTIC ON SHAREHOLDINGS

as at 14th August 2007

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Authorised Share Capital : RM50,000,000 of 50,000,000 ordinary shares of RM1.00 each

Issued and fully paid : RM45,053,000 comprising 45,053,000 ordinary shares of RM1.00 each

Class of share : Ordinary shares of RM1.00 each

Voting Rights

- On show of hands : 1 vote
- On a poll : 1 vote for each share held

Name of Substantial Shareholder	Direct Interest	No. of Shares	
		%	Deemed Interest %
HSBC NOMINEES (ASING) SDN BHD BENEFICIARY: COOK OVERSEAS INVESTMENTS LTD	4,116,700	9.14	-

Size Of Holdings	No. Of Holders		No. Of Shares		%	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less Than 100	81	0	1,532	0	0.00	0.00
100 - 1000	1,512	15	1,463,100	13,900	3.25	0.03
1001 - 10000	2,655	52	10,874,508	236,600	24.14	0.53
10001 - 100000	483	18	13,314,060	480,400	29.55	1.07
100001 and below 5%	34	4	10,013,300	4,538,900	22.23	10.07
5% and above	0	1	0	4,116,700	0.00	9.14
Directors	0	0	0	0	0.00	0.00
	4,765	90	35,666,500	9,386,500	79.17	20.83

DIRECTOR'S INTEREST IN THE COMPANY AND ITS RELATED CORPORATIONS

The Company – Kuantan Flour Mills Berhad

	Direct Interest	No. of Shares	
		%	Deemed Interest %
Dato' Abdul Halim bin Dato' Haji Abdul Rauf	-	-	-
Dato' Krishna Kumar a/l Sivasubramaniam	-	-	-
Dato' Dr. Shanmughanathan a/l Vellanthurai	-	-	-
Ng Kay Eng	-	-	-
Jeyaraj a/l V. Ratnaswamy	-	-	-

All the Directors, by virtue of their interests in the shares of the Company, are also deemed to have interests in the shares of the Company's subsidiaries to the extent that the Company has an interest

STATISTIC ON SHAREHOLDINGS

as at 14th August 2007

THIRTY LARGEST SHAREHOLDERS

No.	Name Of Shareholdings	No. Of Shares	%
1	HSBC NOMINEES (ASING) SDN BHD (COOK OVERSEAS INVESTMENTS LTD)	4,116,700	9.14
2	DB (MALAYSIA) NOMINEE (ASING) SDN BHD (EXEMPT AN FOR DEUTSCHE BANK AG SINGAPORE (PWM ASING))	1,912,000	4.24
3	CITIGROUP NOMINEES (ASING) SDN BHD (PERSHING LLC FOR PHD INVESTMENTS LTD)	1,300,000	2.89
4	KWONG YOU LAM	951,200	2.11
5	AMSEC NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES FOR TAN BOON KIAT)	879,900	1.95
6	WONG SIEW FAI	763,000	1.69
7	WONG CHEE LEONG	746,700	1.66
8	HSBC NOMINEES (ASING) SDN BHD (BNP PARIBAS ARBITRAGE (HONG KONG) LIMITED)	687,000	1.52
9	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD (PLEDGED SECURITIES ACCOUNT FOR ONG KING KOK (SFC))	649,000	1.44
10	F.I.T NOMINEES (ASING) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR NUEVIZ INVESTMENT PRIVATE LIMITED (MG0031-199))	639,900	1.42
11	LEE FONG KUAN	455,300	1.01
12	MAYBAN NOMINEES (TEMPATAN) SDN BHD (AMANAHRAYA-JMF ASSET MANAGEMENT SDN BHD FOR LIM LAI CHOY @ LIM AUN NEE (C411-260157))	440,000	0.98
13	CHIK KIN YEUN	417,100	0.93
14	GAN LAM SEONG	364,000	0.81
15	TA NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR LOH YIM QUIN)	295,000	0.65

STATISTIC ON SHAREHOLDINGS

as at 14th August 2007

Thirty Largest Shareholders (Cont'd.)

No.	Name Of Shareholdings	No. Of Shares	%
16	KENANGA NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR IDRIS BIN ABDULLAH @ DAS MURTHY)	263,000	0.58
17	SHER KOK CHYE	250,000	0.55
18	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD 5M (PLEDGED SECURITIES ACCOUNT FOR NEO KIM HOCK)	249,700	0.55
19	FEW PAK YIN @ HEW PAK YIN	235,000	0.52
20	TAN CHEE HWA	227,600	0.51
21	LIEW KIM LOONG	222,300	0.49
22	LIM LAM ENG	213,000	0.47
23	MAYBAN SECURITIES NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR WONG YOKE FOONG (REM 167-MARGIN))	203,100	0.45
24	OSK NOMINEES (TEMPATAN) SDN BERHAD (PLEDGED SECURITIES ACCOUNT FOR CHONG LEE FONG)	200,000	0.44
25	ROHAYA BINTI HASHIM	190,000	0.42
26	TOI AH LEK	185,000	0.41
27	MAYBAN SECURITIES NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR TEE KIM HEW)	168,200	0.37
28	TEH KONG SIEW	165,000	0.37
29	TA NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR TEE KIM HEW)	159,400	0.35
30	LOW LEE SENG	135,000	0.30
		17,683,100	39.22

LIST OF PROPERTIES HELD BY THE GROUP

as at 31 March 2007

A summary of KFM-owned properties is set out as below:

Location	Tenure	Date of Revaluation/ Date of Acquisition	Area	Description	Age of Building	Net Book Value RM'000
Pajakan Negeri 550 Lot 1863 Mukim Sungai Karang, Kuantan, Pahang.	21 years and 3.5 months lease expiring on 30 December 2027	15-Sep-85	25,425 sq. metres	Office and Factory	21 years and 14 years	1,895 2,749
Pajakan Negeri 550 Lot 1863 Mukim Sungai Karang, Kuantan, Pahang.	21 year lease expiring on 31 December 2011 with option to renew for a further 21 years	27-Feb-91	22,589 sq. metres	Vacant land held for future development	n/a	n/a
HS(M) 13839 Lot. No. 23617 Mukim Kuala Kuantan, Kuantan, Pahang	Freehold	14-Dec-90	446 sq. metres	Double storey detached house	16 years	67

NOTICE OF TWENTY THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Third Annual General Meeting of the Company will be held at the Vistana Hotel, Kuantan, Jalan Teluk Sisek, 25000 Kuantan, Pahang on Tuesday, 25 September, 2007 at 2.30 p.m. for the following purposes: -

AGENDA

1. To receive and adopt the Audited Financial Statements for the year ended 31 March 2007 together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**
2. To approve the payment of Directors' fees for the financial year ended 31 March 2007. **(Resolution 2)**
3. To pass a vote of thanks to Director, Dato' Dr. Shanmughanathan a/l Vellanthurai, who is retiring in accordance with Article 63 of the Company's Articles of Association, and have indicated that he does not wish to seek for re-election.
4. To re-elect as Director, Mr. Jeyaraj a/l V. Ratnaswamy, who retires in accordance with Article 68 of the Company's Articles of Association and, being eligible, offers himself for re-election. **(Resolution 3)**
5. To re-appoint Messrs. Ernst & Young as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 4)**

As Special Business :

To consider and, if thought fit, to pass the following Ordinary Resolutions: -

6. **Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965** **(Resolution 5)**
"That pursuant to Section 132D of the Companies Act, 1965 and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."
7. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD,

Tan Yoke May
(LS 0004299)
Secretary

Kuala Lumpur
28 August 2007

NOTICE OF TWENTY THIRD ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. A member shall not be entitled to appoint more than two (2) proxies to attend and vote instead of the member. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
3. Where a member is an authorised 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 by his attorney duly authorised and in the case of a corporation, the instrument appointing a proxy must be under seal or under the hand of an officer or attorney duly authorised. In the case of joint holders, all holders must sign the Proxy Form.
5. The instrument appointing a proxy must be deposited at the registered office of the Company at Kawasan Lembaga Pelabuhan Kuantan, KM25, Jalan Kuantan/Kemaman, P. O. Box 387, Tanjung Gelang, 25740 Kuantan, Pahang not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.

Explanatory Notes on Special Business

6. Ordinary Resolution No. 5, if passed, will give the Directors of the Company, from the date of the Annual General Meeting, authority to allot and issue ordinary shares from the un-issued share capital of the Company up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being as and when business opportunities arise which the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.



KUANTAN FLOUR MILLS BERHAD

Company No. 119598-P
(Incorporated in Malaysia)

PROXY FORM

I/We, _____

of _____

Being a member/members of **KUANTAN FLOUR MILLS BERHAD** (Company No. 119598-P)

hereby appoint _____

of _____

or failing him/her _____

of _____

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 Twenty Third Annual General Meeting of the Company to be held on Tuesday, 25 September, 2007 and at any adjournment thereof. My/Our proxy is to vote as indicated below: -

RESOLUTIONS		FOR	AGAINST
1	Adoption of the Audited Financial Statements and Directors' and Auditors' Reports		
2	Approval of Directors' fees for the year ended 31st March 2007		
3	Re-election of Director, Mr. Jeyaraj a/l V. Ratnaswamy		
4	Re-appointment of Messrs. Ernst & Young as Auditors and Authorize the Directors to fix their remuneration		
	Special Business		
5	Authorise the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965		

(Please indicate with an "X" in the appropriate box against the resolutions on how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion.)

The proportion of my/our holding to be represented by my/our proxy/proxies is as follows: -

First Named Proxy	%
Second Named Proxy	%
	<u>100 %</u>

In case of a vote taken by show of hands, the first proxy shall vote on my/our behalf.

Signed this _____ Day of _____, 2007.

Signature of Shareholder

No. of shares held :	
----------------------	--

Notes:

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. A member shall not be entitled to appoint more than two (2) proxies to attend and vote instead of the member. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
3. Where a member is an authorised 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 by his attorney duly authorised and in the case of a corporation, the instrument appointing a proxy must be under seal or under the hand of an officer or attorney duly authorised. In the case of joint holders, all holders must sign the Proxy Form.
5. The instrument appointing a proxy must be deposited at the registered office of the Company at Kawasan Lembaga Pelabuhan Kuantan, KM25, Jalan Kuantan/Kemaman, P. O. Box 387, Tanjung Gelang, 25740 Kuantan, Pahang not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.

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The Company Secretary
Kuantan Flour Mills Berhad (119598-P)
Kawasan Lembaga Pelabuhan Kuantan
Km 25, Jalan Kuantan/Kemaman
Tanjung Gelang
25740 Kuantan
Pahang

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