



CLARITY AND INTEGRITY

ANNUAL REPORT

2007



MALAYSIAN RATING CORPORATION BERHAD

www.marc.com.my

MALAYSIAN RATING CORPORATION BERHAD (364803-V)

5th Floor, Bangunan Malaysian Re, 17, Lorong Dungun,
Damansara Heights, 50490 Kuala Lumpur, Malaysia.

TEL: (603) 2092 5398 FAX: (603) 2093 9308

COVER RATIONALE

The eye represents MARC's new era of leadership and vision. The choice of a digital eye signifies the Company's focus on innovation in the deliverance of its services. The transition from a pixelated to a sharp background communicates the thoroughness and diligence that MARC brings forth in its rating analyses. Rays of vision radiating from the center of the eye indicate the 360 degree perspective that MARC maintains to keep abreast with regional and international best practice in rating. The cross hair sight reflects MARC's focus on its vision, mission, strategy and commitment as a responsible domestic credit rating agency. At MARC, we deliver with **clarity and integrity...**



Vision Statement

A reputable provider of independent rating and research

Mission Statement

To deliver superior rating opinions

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02 NOTICE OF ANNUAL GENERAL MEETING

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NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of the shareholders of Malaysian Rating Corporation Berhad will be held at Sentral Exchange, Level 6, Hilton Kuala Lumpur Hotel, 3 Jalan Stesen Sentral, 50470 Kuala Lumpur on Thursday, 29 May 2008 at 4.30 p.m. to consider the following items of business:

AGENDA

- (1) To receive the Reports of the Directors and Auditors and the Statutory Statements of Accounts for the financial year ended 31 December 2007. *(Resolution 1)*
- (2) To approve the payment of a Final Dividend of 7.5% less tax in respect of the financial year ended 31 December 2007. *(Resolution 2)*
- (3) To re-elect the following Director who is retiring pursuant to Article 19.13 of the Company's Articles of Association and is offering himself for re-election as Director of the Company:
 - (i) Mr. Ng Lian Lu *(Resolution 3)*
- (4) To re-elect the following Director who is retiring pursuant to Article 19.10 of the Company's Articles of Association and is offering himself for re-election as Director of the Company:
 - (i) Encik Zainal Abidin bin Mohd Noor *(Resolution 4)*
- (5) To approve the fees of RM205,667 to the Non-Executive Directors for the financial year ended 31 December 2007. *(Resolution 5)*
- (6) To re-appoint Messrs Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. *(Resolution 6)*
- (7) As Special Business

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution: -

Ordinary Resolution – Authority to Issue Shares by Directors

"THAT subject always to the Companies Act, 1965, the Articles of Association of the Company and approvals from governmental/regulatory bodies where such approvals shall be necessary, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being."

(Resolution 7)

- (8) To transact any other business for which due notice shall have been given.

By Order of the Board

CYNTHIA GLORIA LOUIS (MAICSA No.: 7008306)

CHEW MEI LING (MAICSA No.: 7019175)

Company Secretaries

Kuala Lumpur
12 May 2008

**Notes:**

- (1) Any member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
- (2) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly appointed under a power of attorney. Where the instrument appointing a proxy or proxies is executed by a corporation, it shall be executed either under its Common Seal or under the hand of any officer or attorney duly appointed under a power of attorney.
- (3) The Proxy Form must be deposited at the Registered Office of the Company at 5th Floor Bangunan Malaysian Re, 17 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time fixed for the meeting or adjourned meeting as the case may be.
- (4) Explanatory Note on Special Business :-
- Resolution 7

The proposed Ordinary Resolution (Resolution 7) if passed , will empower the Directors to issue shares up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being and for such purposes as the Directors consider would be in the interests of the Company. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting.

BOARD OF DIRECTORS

Mohammad bin Abdullah
Chairman

Y. Bhg. Dato' Nordin bin Baharuddin
Ezamshah bin Ismail
Lau Yew Kong
Ng Lian Lu
Zainal Abidin bin Mohd Noor

CHIEF EXECUTIVE OFFICER

Mohd Razlan Mohamed

HEADS OF DEPARTMENTS/ HEADS OF OPERATIONS

Ratings

Senior Vice President
Milly Leong Soek Yee

Business Development

Senior Vice President
Roza Shahnaz Omar

Fixed Income Research

Senior Vice President
Adi Asri Baharom

Chief Economist

Nor Zahidi Alias

Finance, Administration & MIS

Vice President
Cheah Kin Choong

Compliance, Legal & Secretarial

Victor Arianayagam Hoole

Human Resource

Rosziana Roslan

RATING REVIEW COMMITTEE

Mohammad bin Abdullah
Chairman

YM Tengku Yunus Kamaruddin
Abdul Jabbar bin Abdul Majid
Alex Foong Soo Hah
Dr. Neoh Soon Kean
Dr. Roslan A. Ghaffar
Mohamad Ariff bin Md Yusof
Zainal Abidin bin Jamal

SYARIAH ADVISORY PANEL

Y. Bhg. Dato' Md. Hashim bin Haji Yahya
Y. Bhg. Dato' Mohd Mokhtar bin Shafii
Dr Mohd Daud bin Bakar

COMPANY SECRETARIES

Cynthia Louis (MAICSA No: 7008306)
Irene Chew (MAICSA No: 7019175)

REGISTERED OFFICE

5th Floor, Bangunan Malaysian Re
17 Lorong Dungun
Damansara Heights
50490 Kuala Lumpur
Tel : +603 2092 5398
Fax : +603 2094 9397 (Ratings)
: +603 2093 9308 (General)
Email : marc@marc.com.my
Homepage : www.marc.com.my

LEGAL FIRM

Messrs. Cheang & Ariff
39 Court @ Loke Mansion
273A, Jalan Medan Tuanku
50300 Kuala Lumpur

AUDITOR

Messrs. Ernst & Young
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur



FROM LEFT TO RIGHT:

NG LIAN LU

JAMES LAU YEW KONG

ZAINAL ABIDIN BIN MOHD NOOR

MOHAMMAD BIN ABDULLAH (CHAIRMAN)

EZAMSHAH BIN ISMAIL

Y. BHG. DATO' NORDIN BIN BAHARUDDIN



MALAYSIAN RATING CORPORATION BERHAD

MOHAMMAD BIN ABDULLAH

Mohammad Abdullah was appointed the Chairman of Malaysian Rating Corporation Berhad (MARC) since October 1995. He is also a member of its Nomination and Remuneration committees. Currently, his other appointments include being the Chairman of MIMOS Smart Computing Sdn Bhd as well as a director of Malaysian Bulk Carriers Berhad, MIMOS Berhad and Aseambankers (M) Berhad. Mohammad Abdullah is a Chartered Accountant with more than 40 years' experience both in the profession and in commerce. He is a member of the Malaysian Institute of Accountants and was its Registrar from 1986 to 2007. He is also a member of the Malaysian Institute of Certified Public Accountants. Mohammad's former appointments include being the Chairman of Coopers & Lybrand Malaysia, MNRB Holdings Berhad, Malaysian Reinsurance Berhad, Labuan Reinsurance (L) Ltd, Takaful Ikhlas Sdn Bhd, MNRB Retakaful Berhad, Negara Properties (M) Berhad and Executive Chairman of Malaysian Electronic Payment System (1997) Sdn Bhd. His other previous directorships held were Malayan Banking Berhad, Golden Hope Plantations Berhad, Maybank International (L) Ltd and a number of other private limited companies in the finance, IT and property development areas.

Y. BHG. DATO' NORDIN BIN BAHARUDDIN

Dato' Nordin holds a Bachelor of Science in Economics with Honours from The London School of Economics and Political Science. He is a Chartered Accountant with the Malaysian Institute of Accountants (MIA) and a Fellow of the Institute of Chartered Accountants in England and Wales. Dato' Nordin has more than 30 years experience in the accountancy profession when he retired as Chairman of Ernst & Young Malaysia in 2004. He is active in local professional accounting bodies through his membership in the Malaysian Institute of Certified Public Accountants where he is President and Council Member, Chairman of the Audit Committee of Council and a member of the Financial Reporting Standards Implementation Committee of MIA. He served for two terms on the Malaysian Financial Reporting Foundation and was also a member of the Working Group on Corporate Governance for the Islamic Financial Services Board. His other directorships include being Chairman of KUB Malaysia Berhad, Independent Non-Executive Director of Scomi Engineering Berhad, Sarawak Energy Berhad and Visdynamics Holding Berhad. Dato' Nordin is the Chairman of the Audit and Compliance Committee of MARC.

EZAMSHAH BIN ISMAIL

Ezamshah was an actuarial consultant with William M Mercer between the years of 1981 to 1992 including a two-year stint in New York. He was the Chief Executive Officer of AMAL Assurance Berhad which was later renamed as Commerce Life Assurance Berhad between 1992 and 2005. In July 2006, he joined the Hong Leong Group to set up Hong Leong Tokio Marine Takaful Berhad and became its CEO. Ezamshah holds several qualifications and memberships in professional organisations among which are a Masters in Actuarial Science from North Eastern University, Boston, USA, a certificate in Shariah Law from International Islamic University Malaysia (IIUM), an Associate member of the Society of Actuaries, USA, a Registered Financial Planner, Malaysia, and a member of the International Centre for Leadership in Finance. He is currently pursuing his LLM in Business Law at IIUM. Whilst being President for two terms in the Life Insurance Association of Malaysia, he was instrumental in the setting of the first Life Reinsurance Company and was its first Chairman. He was also the first President of the Malaysian Financial Planning Council and still serves as a council member. He was a Director of the Malaysian Insurance Institute and the Insurance Mediation Bureau. He currently is the Vice-President of Malaysian Takaful Association. Ezamshah is the Chairman of both the Remuneration Committee and the Nomination Committee in MARC.

JAMES LAU YEW KONG

James is the Senior Director - Equities of Kenanga Investment Bank Berhad. He received his professional and career training as a Chartered Accountant in Australia after completing his university education with a B Commerce (Hons) degree and later, an MBA degree, from the University of Western Australia. He left the accounting profession after seven years for a career in the securities industry where in 1988, he returned to Malaysia to take up a position as Head of Research in CIMB Securities. His other professional experiences include heading the implementation of the Kuala Lumpur Options and Financial Futures Exchange and managing a futures operation for CIMB Futures. Prior to joining Kenanga Investment Bank Berhad, he was the Chief Executive Officer of SBB Securities Sendirian Berhad. He had been a member of the Management Committee of the Association of Stockbroking Companies Malaysia. James is also active in community service, being a member and past president of a Rotary Club. James is a member of the Nomination Committee and the Remuneration Committee of MARC.

**NG LIAN LU**

Ng Lian Lu, is a member of MARC's Audit and Compliance Committee. He is currently the President of the Life Insurance Association of Malaysia as well as the Chief Executive Officer of AmAssurance Berhad. Ng has some 23 years of experience in the insurance industry. He joined AmAssurance Berhad as the Chief Executive Officer in 2002. Prior to AmAssurance Berhad he has worked with several multinational insurance companies including MCIS Insurance Berhad (now known as MCIS ZURICH Insurance Berhad) where he was responsible for the Finance, Actuary and Underwriting divisions. Ng is a graduate with a Bachelor of Science in Actuarial Science / Statistics from the University of Iowa, Iowa City, Iowa, USA. He is a Fellow of the Society of Actuaries, Fellow of the Life Management Institute and a member of the American Academy of Actuaries. Ng is also the Chairman of Malaysian Life Reinsurance Group Berhad and he sits on the Board of Directors of Malaysian Insurance Institute.

ZAINAL ABIDIN BIN MOHD NOOR

Zainal Abidin is a member of MARC's Audit and Compliance Committee. He is presently attached with the Asia Capital Reinsurance Group. Prior to this, he was the Chief Executive Officer of Etiqa Insurance Berhad. He served as a member of the management committee of Persatuan Insurans Am Malaysia since 2001 and was its Chairman from April 2007 until March 2008. Zainal was also a board member of the Malaysian Insurance Institute and was appointed to sit as a Council Member in the Malaysian Motor Insurers' Bureau from 1987 until 1990. Prior to heading Etiqa in September 2006, Zainal was the Chief Executive Officer of Mayban General Assurance Berhad. Zainal Abidin is a graduate of Glasgow Caledonian University, UK where he obtained his Associateship of the Chartered Insurance Institute qualification. He was made a Chartered Insurer in 1990. In 2003, Zainal attended the Advanced Management Programme at Wharton School, University of Pennsylvania.



MOHD RAZLAN MOHAMED
Chief Executive Officer

Razlan is the Chief Executive Officer of MARC. He started his career in 1990 as a Planning Engineer with ExxonMobil Production Malaysia Inc. undertaking various project economic evaluations for the company's oil & gas upstream investments. After 3 years in the oil & gas industry, he joined the corporate and investment banking sector starting with Permata Merchant Bank, followed by Bank of America and Aseambankers. Prior to joining MARC, Razlan was with MIMB Investment Bank Berhad for 4 years heading the Investment Banking Division. During his 14-year career as an investment banker, Razlan had accumulated extensive experience originating and structuring a wide peripheral of corporate debt, project finance and structured finance transactions via the loan and Islamic debt capital markets, culminating in two of his Islamic project finance bond deals being accorded with international award recognitions. A former student of the Malay College Kuala Kangsar, Razlan pursued his higher education at Duke University, USA, where he graduated with a BSE (cum laude) degree in Civil Engineering and at Rice University, USA, where he obtained an MBA in Finance.



MILLY LEONG
*Senior Vice President
Head of Ratings*

Milly is the Head of Ratings. As the Head of Ratings, Milly maintains overall responsibility for the rating operations of MARC. Milly's career in ratings began in 1992 when she was attached to Rating Agency Malaysia Berhad. She joined MARC in 1996 as a member of its pioneer analytical team. In 2002, Milly left MARC to undertake freelance consulting and pursue an MBA degree. She rejoined MARC in July 2005. Over the years, Milly has been instrumental in developing MARC's technical rating capability as well as developing analytical criteria, mostly for corporate debt ratings, project finance, government related-issuer ratings, financial institution and insurer financial strength ratings as well as country risk assessments. She is also overseeing the development and refinement of rating methodologies including that of Islamic rating products. Milly is a member of the Australian Society of CPAs and holds a Bachelor of Economics (Accounting) degree from Monash University, Clayton, Australia and an MBA degree from Deakin University, Australia.



ROZA SHAHNAZ OMAR
*Senior Vice President
Head of Business Development*

Roza is Senior Vice President, Head of Business Development of MARC. She is in charge of business development, marketing and corporate communications. She has wide experience in the area of corporate finance particularly in mergers and acquisitions, corporate restructuring, fund raising and investor relations. Prior to the current position in MARC, she was the General Manager of Corporate Finance and Advisory in DRB-HICOM Berhad where she worked for 12 years. She started her career in Ernst & Young where she was involved in corporate recovery and insolvency. Roza holds an MBA from Strathclyde University, United Kingdom and a BSc (Hons) degree in Accounting and Law from Leicester Polytechnic, United Kingdom.



ADI ASRI BAHAROM
*Senior Vice President
Head of Fixed Income Research*

Adi is Senior Vice President and Head of Fixed Income Research in MARC. He is responsible for capital markets research and analysis, industry/sectoral analysis, and quantitative credit research. He started his career in 1987 with Amanah Merchant Bank Berhad in the Treasury Department and has since held various senior positions in Perwira Affin Bank Berhad, PT (Persero) Danareksa (an Indonesian Investment Bank), Eka Mahir Sendirian Berhad (a Consulting Firm) and PT Bank Bumiputera Indonesia Tbk, in the areas of Risk Management, Investments, Treasury, Merger Integration, and Strategic Planning. Adi joined MARC in March 2006. He holds a Bachelor of Finance degree from Tennessee Technological University as well as a Master of Business Administration (Finance) from San Francisco State University.



NOR ZAHIDI ALIAS
Chief Economist

Nor Zahidi is the Chief Economist of MARC. Zahidi oversees MARC's macroeconomic research and analysis with focus on domestic fiscal and monetary policy issues and outlook as well as that of other major economies. His insights will provide sound macroeconomic perspective for MARC's credit ratings. His research experience dates back to 1988 when he joined a market research organization in Cambridge, Massachusetts, USA. In 1990, he returned to Malaysia to join New Straits Times Press (M) Berhad as Senior Analyst. His other notable appointments include that of a Special Attaché to the National Economic Action Council (NEAC) and Chief Economist, Alliance Merchant Bank Berhad. Prior to joining MARC, he was the Head of Research/Economist at MCIS-Zurich Insurance Berhad. Nor Zahidi obtained a Bachelor of Arts (cum laude) in Economics and a Master of Arts in Economics from Boston University, Massachusetts, USA.



CHEAH KIN CHOONG
*Vice President
Head of Finance, Administration & MIS*

KC Cheah is Vice President and Head of Finance, Administration and Management Information Systems Department in MARC. Prior to joining MARC in 1996, KC was attached to Bank Negara Malaysia for 9 years, serving first as an Examiner in the Bank Examination Department, followed by the Insurance Examination Department. For a short period, he was the Internal Audit Manager for Intiplus Berhad. KC holds an MBA from University of Bradford, United Kingdom, and a BBA (Hons) degree in Finance from Kent State University, Ohio, United States of America.

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ALEX FOONG SOO HAH

Alex Foong is the Director and Chief Executive Officer of Great Eastern Capital (Malaysia) Sdn Bhd. Prior to this he was the Chief Executive Officer of Great Eastern Life Assurance (Malaysia) Berhad since 1996. He had held the position of Chief Executive Officer in another major life insurance company in Malaysia from 1991 to 1996. Alex holds an honours degree in Mathematics and a Masters degree in Actuarial Science. His professional affiliations include being a Fellow of the Society of Actuaries USA, Life Management Institute USA and a member of the American Academy of Actuaries. He has been a member of the Board of Directors of the Malaysian Institute of Insurance since 1989. Previously, he had served on the Board of Directors of Kumpulan Wang Simpanan Pekerja and Malaysian Rating Corporation Berhad. Alex is also a past President of the Actuarial Society of Malaysia as well as the Life Insurance Association of Malaysia.



DR. NEOH SOON KEAN

Dr. Neoh is the Chairman of Dynaquest Sendirian Berhad, an investment consulting and publication firm. He also holds directorship in several private corporations. In addition, he serves as an Investment Adviser to several private individuals and firms including insurance companies and investment institutions. He had been a lecturer in Universiti Sains Malaysia, a member of the KLSE (now known as Bursa Malaysia) Committee, the Deputy Chairman of the Advisory Board of the Malaysian Central Depository Sdn Bhd and a member of the Panel of KLSE Compensation Fund. He served two terms as a founder member of the Malaysian Accounting Standards Board. He holds a BSc in Economics from London University, an MBA degree from Harvard University, USA and a PhD in Finance from Edinburgh University, Scotland.



MOHAMAD ARIFF BIN MD YUSOF

Mohamad Ariff is a senior partner at Messrs Cheang & Ariff. He obtained his LLB (Hons) and LLM from the London School of Economics and his Barrister-at-Law from Lincoln's Inn. Ariff entered the legal practice in 1986 before being admitted as a partner in Messrs Cheang & Ariff. He took leave from his legal practice to serve as a Director of the Market Supervision Department in the Securities Commission from 1993 to 1995. Ariff was a member of the Board of Directors of the Kuala Lumpur Options and Financial Futures Exchange Berhad from 1995 to 1997. He has also served as a Lecturer and Associate Professor at the Law Faculty in University of Malaya.

**YM TENGKU YUNUS KAMARUDDIN**

Tengku Yunus holds a Bachelor of Economics (Hons.) from University of Wales and is a Fellow of the Institute of Chartered Accountants of England & Wales. He also sits on the Boards of Directors' of public listed companies such as Computer Systems Advisers (M) Berhad, Keck Seng (Malaysia) Berhad and Aluminium Company of Malaysia Berhad. He was a partner of one of the big four international firms of accountants.

**DR. ROSLAN A. GHAFFAR**

Dr. Roslan holds a PhD from University of Kentucky, USA and a BSc from Louisiana State University, USA. He was the Deputy Chief Executive Officer of Kumpulan Wang Simpanan Pekerja (KWSP) responsible for investments. Dr Roslan's 13-year distinguished tenure at KWSP has made him instrumental in the formulation and implementation of investment strategies to meet the Fund's investment objectives. Prior to his engagement at KWSP, he was an academician in the Economics Department of University Putra Malaysia.

**ABDUL JABBAR BIN ABDUL MAJID**

Abdul Jabbar sits on the Boards of Directors of Perusahaan Otomobil Nasional Berhad, Tradewinds Corporation Berhad (formerly known as Pemas International Holding Berhad), OPCOM Holdings Berhad, and Golden Pharos Berhad and two of its subsidiaries. He had previously served as the Executive Chairman of the Malaysian Derivatives Exchange Berhad. Abdul Jabbar is a Fellow of the Institute of Chartered Accountants in Australia and a member of both the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

**ZAINAL ABIDIN JAMAL**

Zainal Abidin is the senior partner of Messrs. Zainal Abidin & Co., Advocates & Solicitors. He read law at the University of Singapore. He is a Director of Konsortium Transnasional Berhad, Park May Berhad, Lam Soon (M) Berhad, Kesas Holdings Berhad, and Island & Peninsular Berhad. He had previously served as a First Class Magistrate in the Judicial Department of Brunei and Company Secretary of Harrison Malaysian Plantations Berhad, a public listed company.

12 SYARIAH ADVISORY PANEL MEMBERS

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FROM LEFT TO RIGHT:

Y. BHG. DATO' MOHD MOKHTAR BIN SHAFII

DR. MOHD DAUD BIN BAKAR

Y. BHG. DATO' MD HASHIM BIN HAJI YAHYA



MALAYSIAN RATING CORPORATION BERHAD

Transforming Towards Meeting Challenges...

On behalf of the Board of Directors of Malaysian Rating Corporation Berhad (MARC), I am pleased to present the annual report and audited results of MARC Group for its financial year ended 31 December 2007. It is my pleasure to report to you that in 2007, MARC achieved a year of outstanding financial performance and commendable business execution.

FINANCIAL AND OPERATING PERFORMANCE

For the financial year ended 31 December 2007, Group profit before tax reached a record high of RM11.76 million (2006: RM8.61 million) on the back of a 26.0% increase in total operating revenue of RM21.22 million (2006: RM16.84 million). Group profit after tax was also higher by 37.0%, improving to RM8.345 million from RM6.092 million in the previous year.

MARC's high productivity measures were sustained in 2007 as indicated by return on equity of 25.8% from 22.1% in 2006. Revenue per employee also rose to RM378,872 in 2007 from RM290,348 in 2006. Cost efficiency improved as evidenced by the lower cost to income ratio of 49.5% in 2007 as compared to 53.9% in 2006.

DIVIDENDS

A total interim dividend of 15 sen per share less 27% tax amounting to RM2,190,000 was paid in respect of financial year 2007. This compares to an interim dividend of 15.32 sen per share less 28% tax and a tax-exempt dividend of 2.18 sen per share paid in 2006.

The Board is also recommending a final dividend of 7.5 sen per share less 26% tax for the approval of shareholders in the forthcoming Twelfth Annual General Meeting. The gross dividend per share for 2007 would amount to 22.5 sen, reflecting a 28.6% increase over the previous year's 17.5 sen.

CORPORATE GOVERNANCE AND INTERNAL CONTROLS

MARC had been recognized on 1 June 2006 as a credit rating agency for the purpose of rating bond issues pursuant to the Securities Commission's Practice Note on Credit Rating Agencies. In addition to this, MARC had also received recognition as an External Credit Assessment Institution (ECAI) under the Standardized Approach for Credit Risk in the Risk Weighted Capital Adequacy Framework from Bank Negara Malaysia on 30 March 2007.



CORPORATE GOVERNANCE AND INTERNAL CONTROLS (CONT'D)

I am pleased to report further improvements in compliance, quality and processes during the year. MARC continues to upgrade its rating methodologies, workflows and internal controls, as well as to strengthen its analytical and managerial resources and capabilities.

The company's compliance function monitors adherence to the requirements of SC's practice note while rating processes and methodologies are continuously reviewed and enhanced. Back testing and validation of our published ratings are regularly conducted with the findings made publicly available to our constituents. MARC is also committed to the observance of high standards of corporate governance and one of the initiatives in this area has been to engage KPMG in September 2007 to assist with the establishment of an enterprise risk management framework for MARC. This will provide assurance that Board and management responsibilities will be discharged in a manner that is consistent with high standards of corporate governance and fulfills MARC's obligations to its stakeholders.

CORPORATE DEVELOPMENTS

MARC is in the midst of finalizing the acquisition of a strategic stake in Islamic International Rating Agency (IIRA) which is based in Bahrain. This initiative began towards the latter part of 2007 and MARC is targeting a shareholding of at least 10% to effectively leverage on IIRA's increasing acceptance in the fast expanding global Islamic capital markets, particularly in areas such as Fiduciary Ratings and Syariah Compliance Ratings. MARC intends to actively collaborate with IIRA to further strengthen our reach beyond the Malaysian capital markets as well as to help promote Syariah ratings in the global financial markets.

MARC also began its rebranding exercise in 2007, culminating with the launch of our new logo in early January 2008 with the tagline "Clarity and Integrity". MARC's new brand identity communicates the traits of resilience and sustainability and projects greater dynamism in moving forward. The new tagline echoes MARC's commitment to assign and disseminate ratings that are relevant and reliable whilst upholding independence and integrity.

ECONOMIC AND CAPITAL MARKETS OUTLOOK 2008

Amidst signs of a faltering US economy, the International Monetary Fund is projecting slower global growth of 3.7% in 2008, down from 4.9% in 2007. MARC expects Malaysia's GDP to register 5.9% growth in 2008 with domestic demand and investment activities providing a strong buffer to an anticipated slowdown in external demand. The introduction of five economic corridors and the ongoing 9th Malaysian Plan will require substantial amounts of investments over the next few years. We expect private investment to play a pivotal role alongside public expenditure to ensure the longer term success of these initiatives.

The Malaysian bond market in 2008 is expected to remain resilient in the face of increasing uncertainty from both internal and external fronts. Domestically, expectations of rising inflation and a slowdown in external demand could result in a steepened yield curve and weaker investor sentiment. However, the weak US dollar, rising yield differentials and growth divergence with G3 economies will likely offset these concerns and increase the appeal of ringgit assets. MARC expects BNM to maintain the Overnight Policy Rate (OPR) at 3.50% for the whole of 2008 while the local currency is expected to average at RM3.10 to the US dollar.

Corporate bond issuances in 2008 should remain brisk at RM45 billion, underpinned by the services and construction sectors as more 9th Malaysian Plan projects start breaking ground. In addition, crisis sometimes begets opportunity, as G3 credit constraints due to the fallout from the US subprime mortgage bonds crisis is expected to attract foreign issuers which are eager to take advantage of our stable interest rate environment and ample liquidity conditions. These developments can help increase the depth and diversity of the issuer base while providing local rating agencies the opportunity to rate foreign entities.

**APPRECIATION**

On behalf of the Board of Directors of MARC, I wish to place on record my sincere appreciation to all our valued shareholders, clients, arrangers, financial advisors, investors, and the authorities, particularly the Securities Commission and Bank Negara Malaysia, for their support and continued faith in MARC.

I would like to thank Encik Hashim Harun, who left the Board during the year, for his contribution and service to MARC. In addition, it is my pleasure to welcome Encik Zainal Abidin Mohd Noor as a new member on MARC's Board.

A fond farewell is also in order for Mr. Michael Vitus Wong Kuan Lee, who left the Rating Review Committee (RRC) after being a member since MARC's inception in 1996. His invaluable contribution and dedication over the years have been exemplary. I also extend a warm welcome to Dr. Roslan Ghaffar who joined the RRC in 2007.

I would also like to thank my fellow Board members, the RRC and the Syariah Advisory Panel for their guidance and commitment. I wish also to commend Encik Mohd Razlan Mohamed, our CEO, for the notable progress in MARC's profiling and rating achievements under his leadership since May last year. I am confident that MARC will continue to break new ground under his leadership in the periods to come. And finally, I wish to express my appreciation to all MARC employees for the rating agency's outstanding performance for 2007 and look forward to their continued dedication and commitment for 2008 and beyond.

MOHAMMAD BIN ABDULLAH

Chairman

2 May 2008

2007 marked another year of solid growth for the Malaysian economy despite the ongoing slowdown in the external sector. Full year GDP expanded by 6.3%, driven by strong domestic demand and higher commodity prices.

In the debt capital markets, new bond issuances in 2007 reached a record RM54 billion as compared to RM36 billion in the previous year fuelled by favourable market conditions as well as several large ticket M&A deals which tapped the bond market for funding.

In 2007, international rating agencies were caught somewhat off-guard by the unprecedented sub-prime mortgage bond crisis and continue to be under the scrutiny of regulators and critics. There are valuable lessons to be learnt from the experience of the international rating agencies which should help us to avoid similar mis-steps.

Amidst the turmoil in the global financial markets, the Malaysian capital markets recorded history on 30 November 2007 following the full redemption of Aegis One Berhad's (Aegis) RM900 million senior secured bonds. Rated by MARC, Aegis was Malaysia's maiden primary Collateralised Loan Obligation (CLO) issue. The Aegis experience will undoubtedly lend confidence to the prospects of not only CLO's, but other similar structured finance products in our market.

A noteworthy positive development in 2007 was the increased acceptance of dual ratings. I believe this is truly in the interest of promoting transparency and balanced credit opinions. Corporate issuers particularly those with strong ratings stand to gain the most from dual ratings as it can increase the appeal of their issuances and widen their investor base.

MARC also welcomes the government's recent announcement on the formation of a third rating agency and the green light for international rating agencies to own up to 49% stake in a domestic rating agency. This initiative is viewed positively in the context of the integration of regional and global bond markets. The latter would dictate the need for convergence of rating standards. To this end, global rating agencies can play a more significant role to achieve the rating standardization by working closely alongside existing domestic rating agencies.

The ongoing implementation of Basel 2 for financial institutions in Malaysia will see increasing convergence of credit risk measurements and MARC views this as a good opportunity for us to play a meaningful role in the harmonization of credit evaluation approaches.

2007 also saw a 'flight to quality' with domestic investors shunning issues rated lower than single 'A'. MARC has evaluated a good number of proposed issuances that never saw the light of day due to prevailing risk averseness. With such good or strong credits in high demand, MARC applauds the government's recent announcement of a 'green lane' for AAA domestic ratings and BBB international ratings for domestic bond issuances.

RATINGS PERFORMANCE

MARC completed 72 issue credit ratings involving 32 issuers with a total rated value of RM84.93 billion in 2007. The breakdown by rating product is as follows: RM77.66 billion in Corporate Debt (28 issues, 21 issuers); RM1.135 billion in Asset Backed Securities (ABS) (13 issues, 3 issuers); RM5.888 billion in Structured Finance (30 issues, 17 issuers); and RM240 million in Project Finance (1 issue/issuer). MARC also made further inroads into ratings of financial institutions with a total of RM7.0 billion in published ratings involving 3 issuers. Companies involved in retailing (RM3.57 billion), property (RM2.74 billion), transportation (RM2.50 billion), and oil and gas services (RM1.0 billion) were also major issuers of corporate debt during the year. Out of the 3 ABS issuers, a primary CLO made up 84% (RM950 million) of the rated value while under Structured Finance, residential mortgages accounted for 77% (RM4.52 billion) of the value with the others coming from Hire Purchase Receivables (RM435 million), Property (RM375 million), Trading/Services (RM340 million) and Plantation (RM210 million).

RATINGS PERFORMANCE (CONT'D)

Islamic securities outpaced the value of conventional credit ratings published by MARC in 2007 at 58.3% compared to 37.0% in 2006. For MARC, this represented a continuation of the trend observed in the years prior to 2006. In terms of types of Islamic securities, the most popular were Murabahah Commercial Papers (15 issues) followed by Sukuk Musyarakah (8 issues) and Sukuk Ijarah (3 issues).

From a default study perspective, there were a total of 5 in 2007 from MARC's rated universe. All were downgraded to speculative grade prior to the actual default, reflecting MARC's close surveillance on its rated entities. MARC's 10-year issuer weighted average default rate as at end 2007 stands at 2.18%. Rating downgrades outpaced upgrades in 2007 by 20 to 7, bringing MARC's total downgrades to 38 issuers and upgrades to 37 issuers since inception in 1997. Approximately 72% of outstanding issuer ratings remained stable throughout the year in 2007. More than half of the downgrades in 2007 came from the automobile and property sectors while the finance and oil and gas sectors represented two thirds of the issuer upgrades for the year.

TRANSFORMING TO MEET CHALLENGES

We are conscious of the ever increasing demands of our constituents for greater rating accuracy, improved timeliness, clarity and transparency in communication. The transformation to meet challenges in 2007 and beyond reflects our strategic goal of creating long-term sustainable value by establishing a solid reputation for the independence, integrity and reliability of our ratings. To this end, much effort has been expended during 2007 to align MARC's work culture and practices to that of a high performance environment and a dynamic organisation. Retaining and developing high caliber individuals through reinforcing a pay-for-performance culture remains our practice. We believe that a concerted emphasis on skills development, expanded recruitment and retention measures, and leadership training will create strong prerequisites for success in the future. As MARC's CEO, I feel privileged to lead this agency in taking up the challenge to improve our collective skills and the level of engagement among staff.

The support of our staff and board of directors will continue to ensure the success of MARC. We are committed, we are equipped and we are continuously transforming to meet challenges...

MOHD RAZLAN MOHAMED

Chief Executive Officer

2 May 2008



18 CORPORATE EVENTS SNAPSHOTS

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MARC 11TH ANNUAL GENERAL MEETING 29 MAY 2007



MARC's Board of Director: From Left to right: Mr Ng Lian Lu, En Ezamshah Ismail, En Mohd Razlan Mohamed (CEO), En Mohammad Abdullah (Chairman), Company Secretary, Y. Bhg Dato' Nordin Baharuddin and En Hashim Harun



Press Conference following the AGM with the Chairman & CEO

CEO BREAKFAST FORUM

REITs - Assessing the Future Development and Opportunities 26 July 2007

MARC's main goal for initiating this forum is to provide participants, mainly from the property-related corporations in Malaysia, insights on the recent issues related to REITs



En Mohd Razlan Mohammed addressing his Welcome Remarks to the delegates



Among the delegates who attended the Forum on REITs

MAJLIS BERBUKA PUASA BERSAMA ANAK-ANAK YATIM 5 OCTOBER 2007

MARC made its step forward in making a difference through its first Corporate Social Responsibilities activity. The Breaking-Fast event with the orphanage from Pertubuhan Kebajikan Anak-Anak Yatim Islam, Daerah Sabak Bernam was held in the month of Ramadhan



Group photo with the orphans, MARC's Chairman and the CEO



En Mohd Razlan presenting the donations to Tuan Hj Ismail Hj Md Nor, Timbalan Yang Dipertua Pertubuhan Kebajikan Anak Anak Yatim Islam

CEO BREAKFAST FORUM**Exploring the Global Potential of Islamic Fixed Income Securities:
Shariah Requirements & Market Practice 18 December 2007**

The CEO Forum was organized to provide delegates with perspectives and insights on recent issues related to Islamic Securities. It is also designed to include as many networking opportunities as possible to enable the leading corporate captains to share their goals, challenges and experiences with speakers, panelists as well as peers.



Among the Corporate Leaders who attended the forum



CEO, the panelists for the forum as well as MARC's Chairman

MARC RE-BRANDING & CORPORATE COCKTAIL 8 JANUARY 2008

Y. Bhg Dato' Zarinah Anwar officiating the launch of MARC's new logo & tagline



Among the guests who attended the event, MARC's BODs and Chairman

MARC 2007 TOP LEAD MANAGERS' APPRECIATION DINNER 26 FEBRUARY 2008

CEO and Chairman presenting the Appreciation Trophy to Y. Bhg Tan Sri Dato' Azman Hashim, Group Managing Director, AmlInvestment Bank Berhad



CEO with the Heads of Investment Banking & Debt Capital Market Unit of the Top Lead Managers



OUR HEARTIEST APPRECIATION TO MARC'S TOP LEAD MANAGERS

In recognition of your distinctive achievement in 2007



CIMB Investment Bank Berhad

- No. 1 in Conventional Bonds Issue Value 2007
- No. 1 in Conventional Bonds Issue Count 2007
- No. 1 in Islamic Bonds Issue Value 2007
- No. 2 in Islamic Bonds Issue Count 2007



Aseambankers

Aseambankers Malaysia Berhad

- No. 1 in Islamic Bonds Issue Count 2007
- No. 3 in Islamic Bonds Issue Value 2007



HSBC Bank Malaysia Berhad

- No. 2 in Islamic Bonds Issue Value 2007
- No. 3 in Islamic Bonds Issue Count 2007



AmInvestment Group

AmInvestment Bank Berhad

- No. 2 in Conventional Bonds Issue Count 2007
- No. 3 in Conventional Bonds Issue Value 2007



Standard Chartered Bank Malaysia Berhad

- No. 2 in Conventional Bonds Issue Value 2007



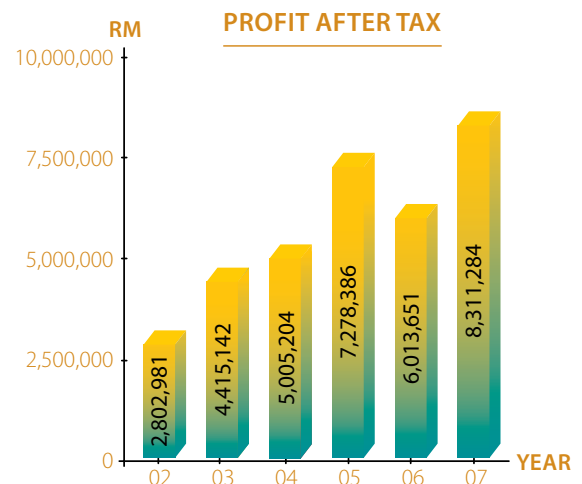
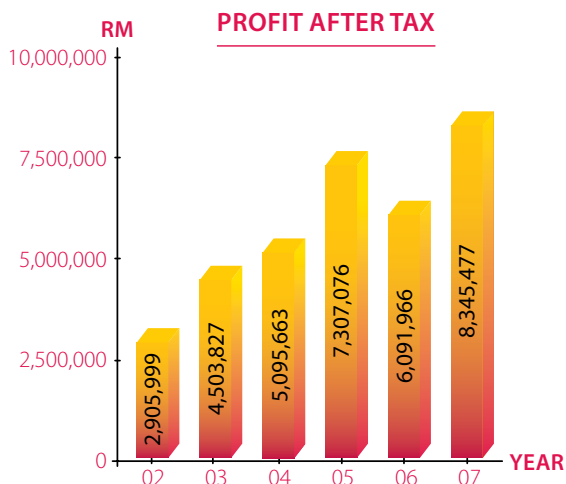
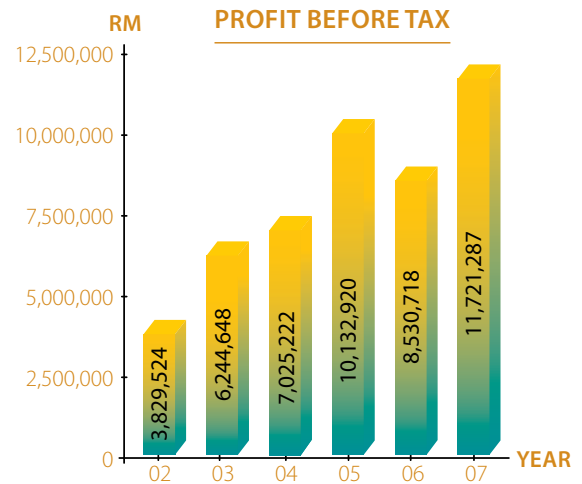
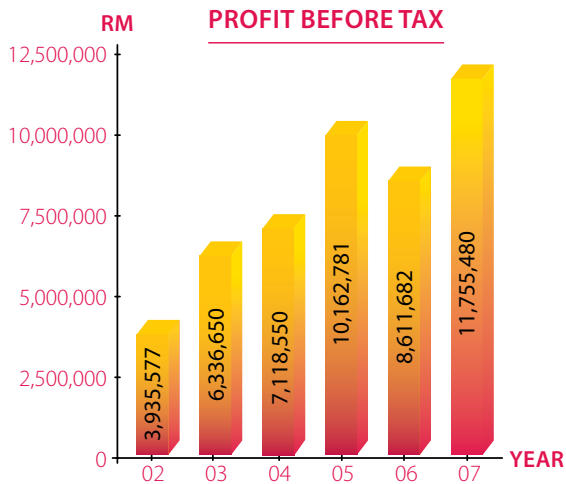
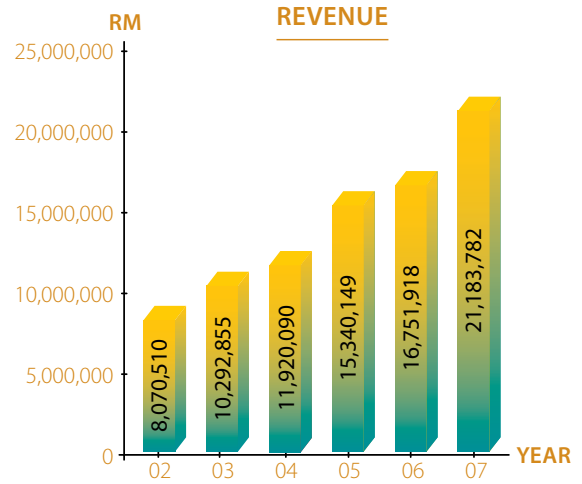
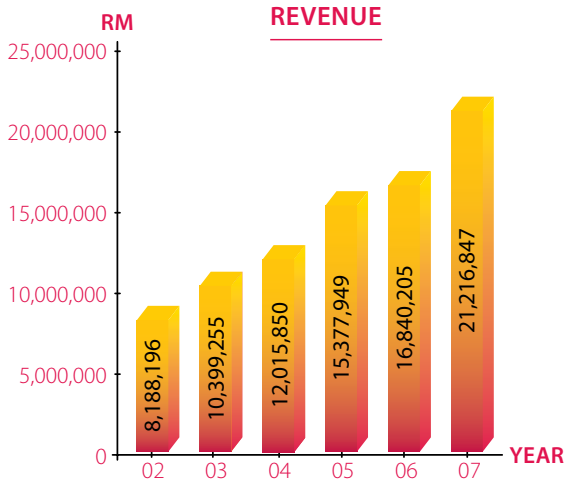
RHB Investment Bank Berhad

- No. 3 in Conventional Bonds Issue Count 2007



GROUP

COMPANY

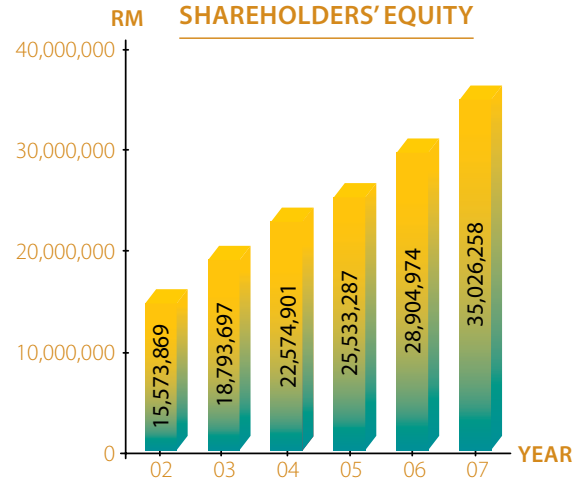
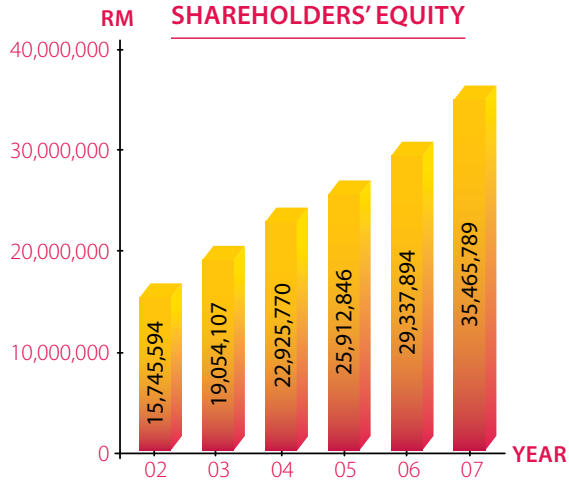
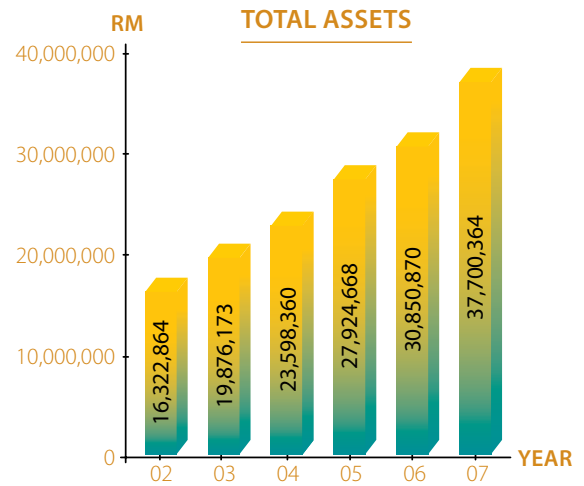
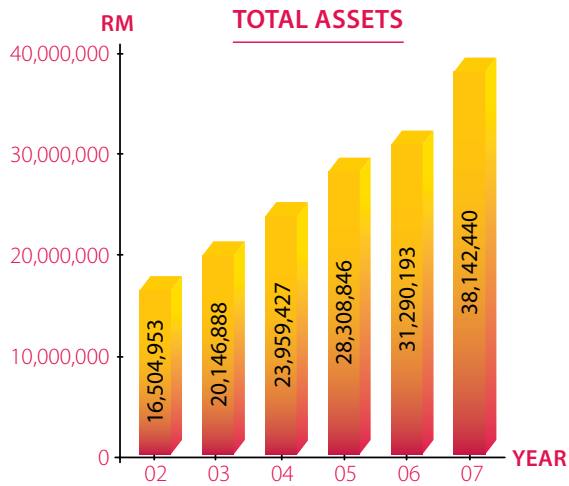


22 FINANCIAL HIGHLIGHTS

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GROUP

COMPANY





Securities Commission Practice Note on Recognition of Credit Rating Agencies by the Securities Commission for the purpose of Rating Bond Issues (“SC’s Practice Note”)

Pursuant to Malaysian Rating Corporation Berhad (“MARC”) obtaining the Securities Commission’s recognition on 1 June 2006, The Audit and Compliance Committee of MARC is pleased to confirm its compliance with SC’s Practice Note dated 25 January 2006.



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FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2007.

PRINCIPAL ACTIVITIES

The principal activities of the Company are to carry on the business of research, analysis, rating, evaluation and appraisal of the obligation, dues, debts, commitments and the like including debentures, bonds, shares, stocks and other securities issued by or on behalf of any person, including any government, government of any states in a federation of states, agency or local authority or any other office of any government or of any state in a federation of states, statutory body, corporation, body corporate or unincorporate whether within or outside Malaysia.

The principal activities of the subsidiaries are as stated in Note 8 to the financial statements.

There have been no significant changes to these principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the year	<u>8,345,477</u>	<u>8,311,284</u>

There were no material transfers to or from reserves or provisions during the financial year.

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

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2006 were as follows:

In respect of the financial year ended 31 December 2007:	RM
(i) first interim dividend of 5%, less 27% taxation, paid on 18 May 2007	730,000
(ii) second interim dividend of 10%, less 27% taxation, paid on 13 November 2007	<u>1,460,000</u>
	<u>2,190,000</u>

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2007 of 7.5% less 26% taxation on 20,000,000 ordinary shares, amounting to a dividend payable of RM1,110,000 (0.06 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2008.

DIRECTORS

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

Mohammad bin Abdullah
Dato' Nordin bin Baharuddin
Lau Yew Kong
Ezamshah Ismail
Ng Lian Lu
Zainal Abidin bin Mohd Noor
Hashim bin Harun

(Appointed on 7 June 2007)

(Resigned on 29 May 2007)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any body corporate.

According to the Register of Directors' Shareholdings, none of the Directors in office at the end of the financial year has any interest in the shares of the Company.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 4 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest.

OTHER STATUTORY INFORMATION

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

- (i) ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (ii) ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

- (i) the amount of bad debts written off or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
- (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

28 DIRECTORS' REPORT (CONT'D.)

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OTHER STATUTORY INFORMATION (CONT'D.)

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

SUBSEQUENT EVENT

Details of a subsequent event are disclosed in Note 20 to the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the Directors dated 18 March 2008.

MOHAMMAD BIN ABDULLAH

DATO' NORDIN BIN BAHARUDDIN

We, Mohammad bin Abdullah and Dato' Nordin bin Baharuddin, being two of the Directors of Malaysian Rating Corporation Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 31 to 52 are drawn up in accordance with applicable Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2007 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 18 March 2008.

MOHAMMAD BIN ABDULLAH

DATO' NORDIN BIN BAHARUDDIN

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Cheah Kin Choong, being the Officer primarily responsible for the financial management of Malaysian Rating Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 31 to 52 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Cheah Kin Choong at Kuala Lumpur
in the Federal Territory on 18 March 2008

CHEAH KIN CHOONG

Before me,

COMMISSIONER FOR OATH

**30 REPORT OF THE AUDITORS
TO THE MEMBERS OF MALAYSIAN RATING CORPORATION BERHAD
(Incorporated in Malaysia)**

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We have audited the financial statements set out on pages 31 to 52. These financial statements are the responsibility of the Company's Directors.

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

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

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Group and of the Company as at 31 December 2007 and of the results and cash flows of the Group and of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements.
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries have been properly kept in accordance with the provisions of the Act.

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

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

ERNST & YOUNG
AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia
18 March 2008

KUA CHOO KAI
No. 2030/03/08 (J)
Partner

INCOME STATEMENTS 31

FOR THE YEAR ENDED 31 DECEMBER 2007

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	NOTE	GROUP		COMPANY	
		2007 RM	2006 RM	2007 RM	2006 RM
Revenue	3	21,216,847	16,840,205	21,183,782	16,751,918
Cost of services rendered		(4,984,826)	(4,399,281)	(4,984,826)	(4,399,281)
Gross profit		16,232,021	12,440,924	16,198,956	12,352,637
Other income		1,030,421	841,906	1,013,045	829,789
Administrative expenses		(5,506,962)	(4,671,148)	(5,490,714)	(4,651,708)
Profit before tax	4	11,755,480	8,611,682	11,721,287	8,530,718
Income tax expense	5	(3,410,003)	(2,519,716)	(3,410,003)	(2,517,067)
Profit for the year		8,345,477	6,091,966	8,311,284	6,013,651

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

32 BALANCE SHEETS AS AT 31 DECEMBER 2007

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	NOTE	GROUP		COMPANY	
		2007 RM	2006 RM	2007 RM	2006 RM
ASSETS					
Non-current assets					
Plant and equipment	7	1,094,803	1,065,019	1,094,803	1,065,019
Investment in subsidiaries	8	-	-	3	3
Long term investments	9	6,832,674	6,475,684	6,832,674	6,475,684
		<u>7,927,477</u>	<u>7,540,703</u>	<u>7,927,480</u>	<u>7,540,706</u>
Current assets					
Trade receivables	10	6,467,146	7,006,069	6,467,146	7,006,069
Other receivables	11	916,389	877,537	914,303	878,232
Cash and bank balances	12	22,831,428	15,865,884	22,391,435	15,425,863
		<u>30,214,963</u>	<u>23,749,490</u>	<u>29,772,884</u>	<u>23,310,164</u>
TOTAL ASSETS		<u><u>38,142,440</u></u>	<u><u>31,290,193</u></u>	<u><u>37,700,364</u></u>	<u><u>30,850,870</u></u>
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	13	20,000,000	20,000,000	20,000,000	20,000,000
Reserves	14	15,465,789	9,337,894	15,026,258	8,904,974
Total equity		<u>35,465,789</u>	<u>29,337,894</u>	<u>35,026,258</u>	<u>28,904,974</u>
Non-current liabilities					
Deferred tax liabilities	15	42,323	26,199	42,323	26,199
Current liabilities					
Other payables	16	2,326,343	1,758,673	2,323,798	1,756,130
Current tax payable		307,985	167,427	307,985	163,567
		<u>2,634,328</u>	<u>1,926,100</u>	<u>2,631,783</u>	<u>1,919,697</u>
Total liabilities		<u>2,676,651</u>	<u>1,952,299</u>	<u>2,674,106</u>	<u>1,945,896</u>
TOTAL EQUITY AND LIABILITIES		<u><u>38,142,440</u></u>	<u><u>31,290,193</u></u>	<u><u>37,700,364</u></u>	<u><u>30,850,870</u></u>

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

STATEMENTS OF CHANGES IN EQUITY 33
FOR THE YEAR ENDED 31 DECEMBER 2007

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	NOTE	SHARE CAPITAL (NOTE 13) RM	EXCHANGE TRANSLATION RESERVE (NOTE 14(b)) RM	DISTRIBUTABLE RETAINED PROFITS (NOTE 14(a)) RM	TOTAL EQUITY RM
GROUP					
At 1 January 2006		20,000,000	-	5,912,846	25,912,846
Profit for the year		-	-	6,091,966	6,091,966
Foreign currency translation		-	(24,954)	-	(24,954)
Dividends	6	-	-	(2,641,964)	(2,641,964)
At 31 December 2006		20,000,000	(24,954)	9,362,848	29,337,894
At 1 January 2007		20,000,000	(24,954)	9,362,848	29,337,894
Profit for the year		-	-	8,345,477	8,345,477
Foreign currency translation		-	(27,582)	-	(27,582)
Dividends	6	-	-	(2,190,000)	(2,190,000)
At 31 December 2007		20,000,000	(52,536)	15,518,325	35,465,789
COMPANY					
At 1 January 2006		20,000,000	-	5,533,287	25,533,287
Profit for the year		-	-	6,013,651	6,013,651
Dividends	6	-	-	(2,641,964)	(2,641,964)
At 31 December 2006		20,000,000	-	8,904,974	28,904,974
At 1 January 2007		20,000,000	-	8,904,974	28,904,974
Profit for the year		-	-	8,311,284	8,311,284
Dividends	6	-	-	(2,190,000)	(2,190,000)
At 31 December 2007		20,000,000	-	15,026,258	35,026,258

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

34 CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

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	GROUP		COMPANY	
	2007 RM	2006 RM	2007 RM	2006 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from operations	21,431,051	14,201,430	21,397,986	14,113,143
Cash paid for operating expenses	(9,321,137)	(8,515,821)	(9,305,102)	(8,495,475)
Other cash receipts / (payments)	12,136	(114,443)	12,136	(117,129)
	<hr/>	<hr/>	<hr/>	<hr/>
Cash from operations	12,122,050	5,571,166	12,105,020	5,500,539
Taxes paid	(3,251,941)	(3,052,425)	(3,249,461)	(3,052,466)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash generated from operating activities	8,870,109	2,518,741	8,855,559	2,448,073
	<hr/>	<hr/>	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment in golf club corporate membership	(35,000)	-	(35,000)	-
Investment in trust fund	-	(1,500,000)	-	(1,500,000)
Interest received	613,359	420,671	600,573	408,554
Purchase of plant and equipment	(486,015)	(711,271)	(486,015)	(711,271)
Sale of plant and equipment	52,300	111,637	52,300	111,637
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash generated from/(used in) investing activities	144,644	(1,678,963)	131,858	(1,691,080)
	<hr/>	<hr/>	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of staff loan	164,493	258,645	164,493	258,645
Intercompany indebtedness	-	-	3,662	65,786
Dividends paid (Note 6)	(2,190,000)	(2,641,964)	(2,190,000)	(2,641,964)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash used in financing activities	(2,025,507)	(2,383,319)	(2,021,845)	(2,317,533)
	<hr/>	<hr/>	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	6,989,246	(1,543,541)	6,965,572	(1,560,540)
Effect of foreign exchange rate changes	(23,702)	(24,954)	-	-
Cash and cash equivalents at beginning of year	15,865,884	17,434,379	15,425,863	16,986,403
	<hr/>	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of year (Note 12)	22,831,428	15,865,884	22,391,435	15,425,863
	<hr/>	<hr/>	<hr/>	<hr/>

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

1 CORPORATE INFORMATION

The principal activities of the Company are to carry on the business of research, analysis, rating, evaluation and appraisal of the obligation, dues, debts, commitments and the like including debentures, bonds, shares, stocks and other securities issued by or on behalf of any person, including any government, government of any states in a federation of states, agency or local authority or any other office of any government or of any state in a federation of states, statutory body, corporation, body corporate or unincorporate whether within or outside Malaysia. The principal activities of the subsidiaries are as stated in Note 8. There have been no significant changes to these principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business is located at 5th Floor, Bangunan Malaysian Re, No. 17 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 18 March 2008.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia.

The financial statements of the Group and of the Company have also been prepared on a historical basis unless otherwise indicated.

The financial statements are presented in Ringgit Malaysia (RM).

2.2 Summary of Significant Accounting Policies

(a) Basis of Consolidation

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

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

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

(b) Investment in Subsidiaries

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

2 **SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

2.2 **Summary of Significant Accounting Policies (Cont'd.)**

(b) Investment in Subsidiaries (Cont'd.)

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

(c) Plant and Equipment and Depreciation

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

Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

	%
Furniture, fittings and office equipment	20
Motor vehicles	20
Computers	25
Renovation	20

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

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

(d) Income Tax

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

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(e) Employee Benefits

(i) Short term benefits

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

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

(f) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) Revenue from services

Revenue from services rendered is recognised net of service taxes and discounts as and when the services are performed.

(ii) Interest income

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

(iii) Dividend income

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

(g) Foreign Currencies

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(g) Foreign Currencies (Cont'd.)

(ii) Foreign currency transactions (Cont'd.)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised as profit or loss in income statement.

Where the Group has a monetary item that forms part of its net investment in a foreign operation, the exchange differences arising from such monetary items are recognised in equity in the consolidated financial statements, irrespective of the currency of the monetary item. Prior to the adoption of the amendment to FRS 121, exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation are recognised in equity in the consolidated financial statements only when that monetary item is denominated either in the functional currency of the reporting entity or the foreign operation.

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

(iii) Foreign operations

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

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

The principal rate used for every unit of foreign currency ruling at the balance sheet date is as follows:

	2007	2006
	RM	RM
United States Dollars	3.31	3.53

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(h) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

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

(i) Provisions for Liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(j) Leases

(i) Classification

All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

(ii) Operating leases - the Group as lessee

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

(k) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

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

(i) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value.

2 **SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

2.2 **Summary of Significant Accounting Policies (Cont'd.)**

(k) Financial Instruments (Cont'd.)

(ii) Other non-current investment

Non-current investment other than investment in subsidiaries are stated at cost less impairment losses, if any.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

(iii) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iv) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(v) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.3 **Adoption of Financial Reporting Standards ("FRSs") for the Year**

On 1 January 2007, the Group and the Company adopted the following revised FRSs and amendment to FRS:

FRS 6	Exploration for and Evaluation of Mineral Resources
FRS 117	Leases
Amendment to FRS 119 ²⁰⁰⁴	Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures
FRS 124	Related Party Disclosures

In addition, the Group has early adopted the Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation, for the year beginning 1 January 2007. The changes in accounting policies have been reflected in the significant accounting policies accordingly.

The adoption of the new and amendments to FRSs did not have a significant financial impact on the Group and the Company. However, the adoption of the revised FRS 124 give rise to additional disclosures but did not result in significant changes in accounting policies of the Group and the Company.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Adoption of Financial Reporting Standards ("FRSs") for the Year (Cont'd.)

At the date of authorisation of these financial statements, the following new and revised FRSs and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

FRSs and Interpretations	Effective for financial period beginning on or after
FRS 107 Cash Flow Statements	1 July 2007
FRS 111 Construction Contracts	1 July 2007
FRS 112 Income Taxes	1 July 2007
FRS 118 Revenue	1 July 2007
FRS 120 Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 134 Interim Financial Reporting	1 July 2007
FRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 July 2007
FRS 139 Financial Instruments: Recognition and Measurement	Deferred
IC Interpretation 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6 Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7 Applying the Restatement Approach under FRS 129: Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8 Scope of FRS 2	1 July 2007

The Group is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139. The revised FRSs and Interpretations are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application.

2.4 Significant Accounting Estimates and Judgements

In the process of preparing these financial statements:

- (i) there were no significant judgements made in applying the accounting policies of the Group which may have significant effects of the amounts recognised in the financial statements;
- (ii) there were no significant estimation uncertainty at the balance sheet, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year.

3 REVENUE

Revenue represents fees derived from the rating of financial institutions, assets-backed securities, corporates and corporate debt issues.

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4 PROFIT BEFORE TAX

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

	GROUP		COMPANY	
	2007 RM	2006 RM	2007 RM	2006 RM
Auditors' remuneration:				
- current	17,946	12,543	15,400	10,000
- underprovision in prior year	5,575	2,987	5,400	2,500
Depreciation of plant and equipment	367,071	338,976	367,071	338,976
Directors' remuneration:				
- fees	205,667	131,335	205,667	131,335
- benefits in kind	48,874	26,934	48,874	26,934
- meeting allowances	73,750	49,000	73,750	49,000
Rent of premises paid to a corporate shareholder	515,361	422,499	515,361	422,499
Plant and equipment written off	8,970	332	8,970	332
Allowance for doubtful debts	85,675	85,300	85,675	85,300
Staff costs:				
- salaries and other emoluments	5,440,886	4,982,692	5,439,136	4,979,121
- Employees Provident Fund	769,513	661,892	769,513	661,892
Dividend income	(321,990)	(248,682)	(321,990)	(248,682)
Loss/(Gain) on disposal of plant and equipment	27,890	(27,424)	27,890	(27,424)
Interest income	(691,963)	(546,403)	(678,919)	(534,286)

5 INCOME TAX EXPENSE

	GROUP		COMPANY	
	2007 RM	2006 RM	2007 RM	2006 RM
Malaysian income tax:				
- Current year	3,244,651	2,457,879	3,244,651	2,455,230
- Underprovision in prior year	149,228	28,859	149,228	28,859
	3,393,879	2,486,738	3,393,879	2,484,089
Deferred tax (Note 15):				
- Relating to origination and reversal of temporary differences	14,969	(10,294)	14,969	(10,294)
- Relating to changes in tax rates	(4,525)	(436)	(4,525)	(436)
- Underprovision in prior year	5,680	43,708	5,680	43,708
	16,124	32,978	16,124	32,978
	3,410,003	2,519,716	3,410,003	2,517,067

Domestic income tax is calculated at the Malaysian 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 and to 25% in subsequent years. The computation of deferred tax as at 31 December 2007 has reflected these changes.

A reconciliation of income tax expense applicable to profit 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:

	GROUP		COMPANY	
	2007 RM	2006 RM	2007 RM	2006 RM
Profit before tax	11,755,480	8,611,682	11,721,287	8,530,718
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	3,173,980	2,411,271	3,164,747	2,388,601
Effect of changes in tax rate	(4,525)	(436)	(4,525)	(436)
Effect of different tax rates in Labuan	(9,233)	(22,072)	-	-
Expenses not deductible for tax purposes	94,873	58,386	94,873	56,335
Underprovision of income tax expense in prior years	149,228	28,859	149,228	28,859
Underprovision of deferred tax in prior year	5,680	43,708	5,680	43,708
Tax expense for the year	3,410,003	2,519,716	3,410,003	2,517,067

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6 DIVIDENDS

	DIVIDENDS IN RESPECT OF YEAR			DIVIDENDS RECOGNISED IN YEAR	
	2007 RM	2006 RM	2005 RM	2007 RM	2006 RM
Recognised during the year:					
First interim dividend of 5% less 27% taxation (2006: 5% less 28% taxation)	730,000 -	- 720,000	- -	730,000 -	- 720,000
Second interim dividend of 10% less 27% taxation (2006: 10.32% less 28% taxation) (2006: tax-exempt dividend of 2.18%)	1,460,000 - -	- 1,486,377 435,587	- - -	1,460,000 - -	- 1,486,377 435,587
Special dividend of 50% less 28% taxation	-	-	3,600,000	-	-
	<u>2,190,000</u>	<u>2,641,964</u>	<u>3,600,000</u>	<u>2,190,000</u>	<u>2,641,964</u>

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2007 of 7.5% less 26% taxation on 20,000,000 ordinary shares, amounting to a dividend payable of RM1,110,000 (0.06 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2008.

7 PLANT AND EQUIPMENT

GROUP / COMPANY	FURNITURE, FITTINGS, AND OFFICE EQUIPMENT RM	MOTOR VEHICLES RM	COMPUTERS RM	RENOVATION RM	TOTAL RM
At 31 December 2007					
Cost					
At 1 January 2007	885,913	383,867	1,182,197	98,745	2,550,722
Additions	60,156	270,955	268,329	1,575	601,015
Disposals	(11,900)	(379,647)	-	-	(391,547)
Written off	(158,889)	-	(212,320)	-	(371,209)
At 31 December 2007	775,280	275,175	1,238,206	100,320	2,388,981
Accumulated Depreciation					
At 1 January 2007	610,419	166,859	704,238	4,187	1,485,703
Charge for the year	78,425	57,950	210,766	19,930	367,071
Disposals	(11,542)	(184,815)	-	-	(196,357)
Written off	(151,876)	-	(210,363)	-	(362,239)
At 31 December 2007	525,426	39,994	704,641	24,117	1,294,178
Net Carrying Amount	249,854	235,181	533,565	76,203	1,094,803
At 31 December 2006					
Cost					
At 1 January 2006	620,097	677,382	941,884	-	2,239,363
Additions	267,924	-	394,602	98,745	761,271
Disposals	-	(293,515)	(124,926)	-	(418,441)
Written off	(2,108)	-	(29,363)	-	(31,471)
At 31 December 2006	885,913	383,867	1,182,197	98,745	2,550,722
Accumulated Depreciation					
At 1 January 2006	530,611	288,103	693,380	-	1,512,094
Charge for the year	81,584	102,504	150,701	4,187	338,976
Disposals	-	(223,748)	(110,480)	-	(334,228)
Written off	(1,776)	-	(29,363)	-	(31,139)
At 31 December 2006	610,419	166,859	704,238	4,187	1,485,703
Net Carrying Amount	275,494	217,008	477,959	94,558	1,065,019

During the year, the Group acquired plant and equipment at an aggregate cost of RM601,015 (2006: RM761,271), of which RM115,000 (2006: Nil) is acquired by way of trade-in of an existing asset.

8 INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2007 RM	2006 RM
Unquoted Shares, at cost	3	3

Details of the subsidiaries are as follows:

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITY	EFFECTIVE EQUITY INTEREST	
			2007 %	2006 %
Held by the Company:				
MARC International Limited	Labuan, Malaysia	Rating agency	100	100
Held through subsidiary:				
MARC Global Consulting Ltd.	Labuan, Malaysia	Dormant	100	100

9 LONG TERM INVESTMENTS

	GROUP / COMPANY	
	2007 RM	2006 RM
At cost		
Institutional Trust Fund	6,797,674	6,475,684
Golf Club Corporate Membership	35,000	-
	<u>6,832,674</u>	<u>6,475,684</u>

The investment in institutional trust fund represents funds placed with Amanah Raya Berhad bearing a weighted average dividend yield of 5.10% (2006: 5.00%).

10 TRADE RECEIVABLES

	GROUP / COMPANY	
	2007	2006
	RM	RM
Trade receivables	6,579,621	7,136,869
Less: Allowance for doubtful debts	(112,475)	(130,800)
	6,467,146	7,006,069
	6,467,146	7,006,069

Details of movement of allowance for doubtful debts during the financial year are as follows:

At 1 January	130,800	45,500
Allowance during the year	85,675	85,300
Bad debts written off	(104,000)	-
	112,475	130,800
At 31 December	112,475	130,800

The Group's normal credit term is 30 days (2006: 30 days).

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

11 OTHER RECEIVABLES

	GROUP		COMPANY	
	2007	2006	2007	2006
	RM	RM	RM	RM
Sundry receivables	587,759	663,787	585,673	660,820
Deposits	158,655	156,525	158,655	156,525
Prepayments	169,975	57,225	169,975	57,225
Due from subsidiaries	-	-	-	3,662
	916,389	877,537	914,303	878,232
	916,389	877,537	914,303	878,232

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

The amount due from subsidiaries was unsecured, non-interest bearing and had no fixed terms of repayment.

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12 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2007 RM	2006 RM	2007 RM	2006 RM
Deposits with licensed financial institutions	22,549,564	15,371,859	22,169,055	14,979,114
Cash and bank balances	281,864	494,025	222,380	446,749
	<u>22,831,428</u>	<u>15,865,884</u>	<u>22,391,435</u>	<u>15,425,863</u>

The weighted average effective interest rates and average maturity of deposits at the balance sheet date are as follows:

	GROUP		COMPANY	
	2007	2006	2007	2006
Weighted average effective interest rates (%)	3.07	3.59	3.07	3.54
Average maturity (days)	110	90	109	91

13 SHARE CAPITAL

	ORDINARY SHARES OF RM1 EACH		AMOUNT	
	2007 No.	2006 No.	2007 RM	2006 RM
At 1 January / 31 December:				
Authorised	25,000,000	25,000,000	25,000,000	25,000,000
Issued and fully paid	20,000,000	20,000,000	20,000,000	20,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

14 RESERVES

(a) Retained profits

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

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholders as defined under the Finance Act 2007. As at 31 December 2007, the Company has sufficient credit in the 108 balance to pay franked dividends out of its entire retained profits.

(b) Exchange translation reserve

The exchange translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

15 DEFERRED TAX

	GROUP / COMPANY	
	2007	2006
	RM	RM
At 1 January	26,199	(6,779)
Recognised in the income statement (Note 5)	16,124	32,978
	42,323	26,199
	42,323	26,199

	GROUP / COMPANY	
	2007	2006
	RM	RM
Presented after appropriate offsetting as follows:		
Deferred tax liabilities	99,243	97,134
Deferred tax assets	(56,920)	(70,935)
	42,323	26,199
	42,323	26,199

15 DEFERRED TAX (CONTD.)

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 / Company:

	PLANT AND EQUIPMENT RM
At 1 January 2006	23,172
Recognised in the income statement	73,962
	<hr/>
At 31 December 2006	97,134
Recognised in the income statement	2,109
	<hr/>
At 31 December 2007	99,243
	<hr/> <hr/>

Deferred Tax Assets of the Group / Company:

	RECEIVABLES RM	OTHERS RM	TOTAL RM
At 1 January 2006	(12,740)	(17,211)	(29,951)
Recognised in the income statement	(23,884)	(17,100)	(40,984)
	<hr/>	<hr/>	<hr/>
At 31 December 2006	(36,624)	(34,311)	(70,935)
Recognised in the income statement	8,505	5,510	14,015
	<hr/>	<hr/>	<hr/>
At 31 December 2007	(28,119)	(28,801)	(56,920)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

16 OTHER PAYABLES

	GROUP		COMPANY	
	2007 RM	2006 RM	2007 RM	2006 RM
Accruals	2,185,362	1,264,401	2,182,817	1,261,858
Provision	50,000	50,000	50,000	50,000
Deferred revenue	40,000	279,044	40,000	279,044
Sundry payables	50,981	165,228	50,981	165,228
	<hr/>	<hr/>	<hr/>	<hr/>
	2,326,343	1,758,673	2,323,798	1,756,130
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Provision is in respect of the amount estimated to incur for the dismantlement of furniture and fittings and restoration of rented office spaces.

17 NON-CANCELLABLE OPERATING LEASE COMMITMENT

	GROUP / COMPANY	
	2007	2006
	RM	RM
Not later than 1 year	343,574	515,361
Later than 1 year but not later than 5 years	-	343,574
	<u>343,574</u>	<u>858,935</u>

Operating lease payments represent rental payable by the Group and the Company for use of office space.

18 RELATED PARTY DISCLOSURES

(a) Transactions with related parties:

	GROUP		COMPANY	
	2007	2006	2007	2006
	RM	RM	RM	RM
Rent of premises paid to a corporate shareholder	515,361	422,499	515,361	422,499
Transfer of funds to subsidiaries	-	-	11,117	-
Receipts on behalf of subsidiaries	-	-	(33,720)	-
Settlement of liabilities on behalf of subsidiaries	-	-	18,940	20,113
	<u>-</u>	<u>-</u>	<u>18,940</u>	<u>20,113</u>

(b) Compensation of key management personnel

The remuneration of members of key management during the year was as follows:

	GROUP		COMPANY	
	2007	2006	2007	2006
	RM	RM	RM	RM
Salaries and other emoluments	572,730	1,053,728	572,730	1,053,728
Employees Provident Fund	89,295	134,321	89,295	134,321
Benefits in kind	21,745	53,408	21,745	53,408
	<u>683,770</u>	<u>1,241,457</u>	<u>683,770</u>	<u>1,241,457</u>

19 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 reviewed by the Board and the Group's policy is not to engage in speculative transactions.

(b) Interest Rate Risk

The Group does not have any interest-bearing debt or any substantial long term interest-bearing assets as at 31 December 2007.

(c) Foreign Exchange Risk

The Group has operations in Labuan and is exposed to United States Dollar. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

(d) Liquidity Risk

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all 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 of a reasonable level.

(e) Credit Risk

Credit risks, or the risk of counterparties defaulting, is controlled by the application of credit limits and monitoring procedures. Credit risks are minimised and monitored strictly. Trade receivables are monitored on an ongoing basis via Group management reporting procedures. 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 instruments.

(f) Fair Values

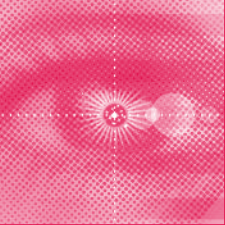
It is not practical to estimate the fair value of the Group's long term investment due to the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs. However, the Group does not anticipate the carrying amount recorded at the balance sheet date to be significantly different from the value that would eventually be received.

The carrying amounts of all other financial assets and liabilities approximate their fair values due to the relatively short term maturity of these financial instruments.

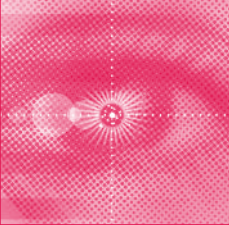
20 SUBSEQUENT EVENT

On 11 January 2008, the Company paid for subscription of 289 shares of USD1,000 each in the capital of Islamic International Rating Agency BSC(c) ("IIRA"), a company registered in the Kingdom of Bahrain at a total subscription price of USD289,000. The subscription will be completed in May 2008 upon the registration of new paid-up capital by IIRA.

- 01 ABRAR DISCOUNTS BERHAD
- 02 AFFIN INVESTMENT BANK BERHAD
- 03 AMSECURITIES HOLDING SENDIRIAN BERHAD
- 04 ASEAMBANKERS MALAYSIA BERHAD
- 05 BERJAYA SOMPO INSURANCE BERHAD
- 06 BH INSURANCE (M) BERHAD
- 07 CIMB AVIVA ASSURANCE BERHAD
- 08 ETIQA INSURANCE BERHAD
- 09 GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
- 10 HLG SECURITIES SENDIRIAN BERHAD
- 11 HONG LEONG ASSURANCE BERHAD
- 12 HWANG-DBS (MALAYSIA) BERHAD
- 13 ING INSURANCE BERHAD
- 14 INTER-PACIFIC SECURITIES SENDIRIAN BERHAD
- 15 JERNEH INSURANCE BERHAD
- 16 JF APEX SECURITIES BERHAD
- 17 KAF INVESTMENT BANK BERHAD
- 18 KENANGA INVESTMENT BANK BERHAD
- 19 KURNIA INSURANS (MALAYSIA) BERHAD
- 20 LONPAC INSURANCE BERHAD
- 21 MALAYSIAN ASSURANCE ALLIANCE BERHAD
- 22 MALAYSIAN REINSURANCE BERHAD
- 23 MANULIFE INSURANCE (MALAYSIA) BERHAD
- 24 MAYBAN GENERAL ASSURANCE BERHAD
- 25 MIDF AMANAH INVESTMENT BANK BERHAD
- 26 MITSUI SUMITOMO INSURANCE (MALAYSIA) BERHAD
- 27 OSK INVESTMENT BERHAD
- 28 PRUDENTIAL ASSURANCE MALAYSIA BERHAD
- 29 PUBLIC INVESTMENT BANK BERHAD
- 30 RASHID HUSSAIN BERHAD
- 31 TA ENTERPRISE BERHAD



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No. of Shares:

I/We _____
 being a member/members of **MALAYSIAN RATING CORPORATION BERHAD**
 hereby appoint _____
 or failing him/her _____
 of _____
 as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 29 May 2008 at the Sentral Exchange, Level 6, Hilton Kuala Lumpur Hotel, 3 Jalan Stesen Sentral, 50470 Kuala Lumpur at 4.30 p.m. and at any adjournment thereof in the manner indicated below.

My/our proxy is to vote on the Resolutions as indicated by an "X" in the appropriate spaces below. If this form is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he/she thinks fit.

RESOLUTION NO.	RESOLUTION	FOR	AGAINST
1	Receive the Directors' Report and Accounts		
2	Declaration of Final Dividend		
3	Re-election of Mr. Ng Lian Lu pursuant to Article 19.13		
4	Re-election of Encik Zainal Abidin bin Mohd Noor pursuant to Article 19.10		
5	Approval of the Non-Executive Directors' Fees		
6	Reappointment of Messrs. Ernst & Young as Auditors		
7	Authority to Issue Shares by the Directors		

Dated this _____ day of _____ 2008

Signed by the said _____

In the presence of _____

Notes:

- 1** Any member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
- 2** The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly appointed under a power of attorney. Where a corporation executes the instrument appointing a proxy or proxies, it shall be executed either under its Common Seal or under the hand of any officer or attorney duly appointed under a power of attorney.
- 3** The Proxy Form must be deposited at the Registered Office of the Company at 5th Floor Bangunan Malaysian Re, 17 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur not less than forty eight (48) hours before the time fixed for the meeting or adjourned meeting as the case may be.

STAMP

MALAYSIAN RATING CORPORATION BERHAD

5th Floor, Bangunan Malaysian Re,
17, Lorong Dungun,
Damansara Heights,
50490 Kuala Lumpur.

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Penyata Visi

*Penyelia yang bereputasi tinggi untuk
penarafan dan penyelidikan bebas*

Penyata Matlamat

Menyampaikan penarafan yang bermutu

DENGAN INI DIMAKLUMKAN bahawa Mesyuarat Agung Tahunan Pemegang-Pemegang Saham Malaysian Rating Corporation Berhad yang Ke Duabelas akan diadakan di Sentral Exchange, Tingkat 6, Hilton Kuala Lumpur Hotel, 3 Jalan Stesen Sentral, 50470 Kuala Lumpur pada hari Khamis, 29 Mei 2008, jam 4:30 petang bagi tujuan melaksanakan urusan-urusan berikut: -

AGENDA

- (1) Untuk menerima Laporan Lembaga Pengarah dan Laporan Juruaudit serta Penyata Akaun Berkanun bagi tahun kewangan berakhir 31 Disember 2007. *(Resolusi 1)*
- (2) Untuk meluluskan pembayaran dividen akhir sebanyak 7.5% ditolak cukai bagi tahun kewangan berakhir pada 31 Disember 2007. *(Resolusi 2)*
- (3) Untuk melantik semula Pengarah yang bersara menurut Artikel 19.13 Tataurusan Syarikat dan telah menawarkan diri untuk perlantikan semula sebagai Pengarah Syarikat.
 - (i) Encik Ng Lian Lu *(Resolusi 3)*
- (4) Untuk melantik semula Pengarah yang bersara menurut Artikel 19.10 Tataurusan Syarikat dan telah menawarkan diri untuk perlantikan semula sebagai Pengarah Syarikat.
 - (i) Encik Zainal Abidin bin Mohd Noor *(Resolusi 4)*
- (5) Untuk meluluskan pembayaran yuran sebanyak RM205,667 kepada Pengarah-Pengarah Bukan Eksekutif bagi tahun berakhir 31 Disember 2007. *(Resolusi 5)*
- (6) Untuk melantik semula Tetuan Ernst & Young sebagai Juruaudit Syarikat sehingga tamatnya Mesyuarat Agung Tahunan dan memberi kuasa kepada para Pengarah untuk menetapkan imbuhan mereka. *(Resolusi 6)*
- (7) Urusan Khas

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

Resolusi Biasa – Kuasa untuk Menerbitkan Saham-saham oleh Para Pengarah

“BAHAWA sentiasa tertakluk kepada Akta Syarikat 1965, Tataurusan Syarikat dan kelulusan daripada badan-badan kerajaan/pengawasan di mana kelulusan tersebut adalah perlu, para Pengarah adalah diberikan kuasa menurut Seksyen 132D Akta Syarikat, 1965, untuk menerbitkan saham Syarikat pada bila-bila masa sehingga berakhirnya Mesyuarat Agung Tahunan yang akan datang, dibawah terma-terma dan syarat-syarat berkaitan mengikut budi bicara mutlak para Pengarah dengan syarat jumlah agregat saham yang akan diterbitkan tidak melebihi 10 peratus daripada modal saham terbitan Syarikat buat masa ini.” *(Resolusi 7)*

- (8) Untuk melaksanakan lain-lain urusan yang mana notisnya telah diberi.

Dengan perintah Lembaga Pengarah

CYNTHIA GLORIA LOUIS (MAICSA No.: 7008306)

CHEW MEI LING (MAICSA No.: 7019175)

Setiausaha Syarikat

Kuala Lumpur

Tarikh: 12 Mei 2008

**Nota-nota:**

- (1) Setiap ahli yang layak menghadiri dan mengundi di mesyuarat ini layak melantik seorang proksi untuk menghadiri dan mengundi bagi pihak dirinya. Seorang proksi tidak semestinya terdiri daripada ahli Syarikat.
- (2) Suratcara untuk melantik proksi mestilah secara bertulis oleh orang yang melantik atau peguamnya yang diberi kuasa. Jika yang melantik adalah suatu perbadanan, ianya mestilah dimeterai dengan cap syarikat atau dengan ditandatangani oleh pegawai atau pemegang kuasa yang di beri kuasa.
- (3) Suratcara untuk melantik proksi dan surat kuasa atau kuasa lain [jika ada] yang digunakan untuk menandatangani suratcara, atau salinan surat kuasa tersebut yang disahkan secara notari, hendaklah diserahkan kepada Pejabat Berdaftar Syarikat di Tingkat 5, Bangunan Malaysian Re, 17 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur, tidak lewat daripada 48 jam sebelum masa yang ditetapkan untuk mengadakan mesyuarat atau mesyuarat tertangguh mengikut keadaannya.
- (4) Nota Urusan Khas
- Resolusi 7

Cadangan Resolusi Biasa (Resolusi 7) sekiranya diluluskan, akan memberi kuasa kepada para pengarah untuk menerbitkan saham-saham Syarikat, tidak melebihi 10% dari modal saham terbitan Syarikat untuk tujuan-tujuan yang difikirkan wajar oleh para pengarah sejajar dengan kepentingan Syarikat. Kuasa tersebut, kecuali dibatalkan dan dipinda di dalam Mesyuarat Agung akan tamat pada Mesyuarat Agung Tahunan Syarikat yang berikutnya.

LEMBAGA PENGARAH

Mohammad bin Abdullah
Pengerusi

Y. Bhg. Dato' Nordin bin Baharuddin
Ezamshah bin Ismail
Lau Yew Kong
Ng Lian Lu
Zainal Abidin bin Mohd Noor

KETUA PEGAWAI EKSEKUTIF

Mohd Razlan Mohamed

KETUA BAHAGIAN/ KETUA OPERASI

Penarafan
Naib Presiden Kanan
Milly Leong Soek Yee

Pembangunan Perniagaan
Naib Presiden Kanan
Roza Shahnaz Omar

Penyelidikan Pasaran Bon
Naib Presiden Kanan
Adi Asri Baharom

Ketua Pakar Ekonomi
Nor Zahidi Alias

Kewangan, Pentadbiran & MIS
Naib Presiden
Cheah Kin Choong

Pematuhan, Undang-undang dan Sekretariat
Victor Arianayagam Hoole

Sumber Manusia
Rosziana Roslan

JAWATANKUASA KAJIAN PENARAFAN

Mohammad bin Abdullah
Pengerusi

YM Tengku Yunus Kamaruddin
Abdul Jabbar bin Abdul Majid
Alex Foong Soo Hah
Dr. Neoh Soon Kean
Dr. Roslan A. Ghaffar
Mohamad Ariff bin Md Yusof
Zainal Abidin bin Jamal

PANEL PENASIHAT SYARIAH

Y. Bhg. Dato' Md. Hashim bin Haji Yahya
Y. Bhg. Dato' Mohd Mokhtar bin Shafii
Dr Mohd Daud bin Bakar

SETIAUSAHA SYARIKAT

Cynthia Louis (MAICSA No: 7008306)
Irene Chew (MAICSA No: 7019175)

PEJABAT BERDAFTAR

Tingkat 5, Bangunan Malaysian Re
17 Lorong Dungun
Damansara Heights
50490 Kuala Lumpur
Tel : +603 2092 5398
Faks : +603 2094 9397 (Penarafan)
: +603 2093 9308 (Am)
E-mel : marc@marc.com.my
Laman Web : www.marc.com.my

PEGUAM

Tetuan Cheang & Ariff
39 Court @ Loke Mansion
273A, Jalan Medan Tuanku
50300 Kuala Lumpur

JURUAUDIT

Tetuan Ernst & Young
Akautan Bertauliah
Tingkat 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur



Transformasi Menghadapi Cabaran...

Bagi pihak Lembaga Pengarah Malaysian Rating Corporation Berhad (MARC), saya dengan sukacitanya mengemukakan laporan dan keputusan audit tahunan Kumpulan MARC bagi tahun kewangan yang berakhir 31 Disember 2007. Saya berasa sukacita untuk menyampaikan bahawa dalam tahun 2007 MARC telah mengecapi prestasi kewangan cemerlang dan pelaksanaan perniagaan yang patut dipuji.

PRESTASI KEWANGAN DAN OPERASI

Bagi tahun kewangan yang berakhir 31 Disember 2007, keuntungan Kumpulan sebelum cukai mencecah rekod tinggi sebanyak RM11.76 juta (2006: RM8.61 juta) dan kenaikan 26.0% daripada hasil operasi sebanyak RM21.22 juta (2006: RM16.84 juta). Keuntungan Kumpulan selepas cukai juga lebih tinggi sebanyak 37.0%, meningkat kepada RM8.345 juta daripada RM6.092 juta pada tahun lepas.

Pengukuran produktiviti tinggi MARC kekal pada 2007 seperti yang dibayangkan oleh pemulangan ekuiti 25.8% daripada 22.1% pada 2006. Keuntungan setiap pekerja juga naik kepada RM378,872 pada 2007 daripada RM290,348 pada 2006. Kecekapan kos bertambah baik seperti yang dibuktikan oleh kos yang lebih rendah kepada nisbah pendapatan 49.5% pada 2007 jika dibandingkan dengan 53.9% pada 2006.

DIVIDEN

Jumlah dividen interim 15 sen sesaham ditolak 27% cukai berjumlah RM2,190,000, telah dibayar untuk tahun kewangan 2007. Ini berbanding dividen interim sebanyak 15.32 sen sesaham ditolak 28% cukai dan dividen bebas cukai sebanyak 2.18 sen sesaham yang dibayar pada 2006.

Lembaga juga mengesyorkan dividen akhir sebanyak 7.5 sen sesaham, ditolak 26% cukai untuk kelulusan pemegang saham pada Mesyuarat Agung Tahunan akan datang. Dividen kasar setiap saham pada 2007 akan berjumlah 22.5 sen, menunjukkan kenaikan sebanyak 28.6% berbanding 17.5 sen tahun lepas.

PENTADBIRAN KORPORAT DAN KAWALAN DALAMAN

MARC telah dikenali pada 1 Jun 2006 sebagai agensi penarafan kredit bertujuan untuk menaraf isu bon berdasarkan Nota Amalan Suruhanjaya Sekuriti bagi Agensi-agensi Penarafan Kredit. Selain itu, MARC juga telah menerima pengiktirafan sebagai Institusi Penilaian Kredit Luaran (ECAI) di bawah Pendekatan Piawai bagi Risiko Kredit dalam Rangka Kemampuan Modal Diberati Risiko daripada Bank Negara Malaysia pada 30 Mac 2007.



PENTADBIRAN KORPORAT DAN KAWALAN DALAMAN (SAMBUNGAN)

Saya bersukacita melaporkan peningkatan dalam pematuhan, kualiti dan proses sepanjang tahun. MARC meneruskan proses meningkatkan kaedah penarafan, aliran kerja dan kawalan dalaman, serta menguatkan sumber-sumber dan keupayaan pengurusan dan analitis.

Fungsi pematuhan syarikat mengawasi pegangan kepada keperluan Nota Amalan Suruhanjaya Sekuriti sementara proses dan kaedah penarafan dikaji dan diperbaiki berterusan. Ujian dan pengesahan terhadap terbitan penarafan adalah kerap dikendalikan dengan keputusan dihebahkan secara awam kepada konstituen kita. MARC juga komited terhadap pematuhan pentadbiran korporat bertaraf tinggi dan antara inisiatif dalam bidang ini adalah dengan mengupah KPMG pada September 2007 untuk membantu dengan penubuhan satu rangka kerja pengurusan risiko perusahaan untuk MARC. Ini akan memberi jaminan bahawa tanggungjawab-tanggungjawab Lembaga dan pengurusan akan dilaksanakan selaras dengan pentadbiran korporat yang bertaraf tinggi dan memenuhi tanggungjawab MARC pada pemegang-pemegang sahamnya.

PEMBANGUNAN KORPORAT

MARC di tengah-tengah menyelesaikan pengambilalihan kepentingan strategik dalam Islamic International Rating Agency (IIRA) yang bertapak di Bahrain. Inisiatif ini bermula pada akhir 2007 dan MARC bertumpu kepada sekurang-kurangnya 10% untuk umpilan berkesan terhadap penerimaan IIRA yang semakin bertambah dalam sektor pasaran modal Islam yang berkembang pesat, terutamanya dalam sektor-sektor seperti Penarafan Fidusiari dan Penarafan Pematuhan Syariah. MARC berharap dapat bekerjasama secara aktif dengan IIRA untuk menguatkan kedudukan melangkaui pasaran modal Malaysia serta membantu mempromosi penarafan Syariah di pasaran kewangan global.

MARC juga telah melaksanakan penjenamaan semula pada tahun 2007, bersimpulan dengan peralihan logo baru kami pada awal Januari 2008 dengan kata tanda "Kejelasan & Integriti". Identiti baru jenama MARC mengolah ciri-ciri ketahanan dan pengekal dan memaparkan dinamisme yang lebih besar untuk melangkah ke hadapan. Kata tanda baru menekankan komitmen MARC untuk menentukan dan menyebarkan penarafan yang relevan dan dipercayai sambil menegakkan kebebasan dan integriti.

EKONOMI DAN RAMALAN PASARAN MODAL 2008

Di tengah-tengah petanda kejatuhan ekonomi Amerika Syarikat, Dana Kewangan Antarabangsa (IMF) tengah menunjukkan pertumbuhan global yang lebih perlahan sebanyak 3.7% pada 2008, turun dari 4.9% pada 2007. MARC menjangkakan KDNK Malaysia untuk mendaftar 5.9% kenaikan pada 2008 dengan permintaan domestik dan aktiviti pelaburan menyediakan satu penimbal yang kuat jangkaan yang perlahan dalam permintaan luar. Pengenalan lima buah koridor ekonomi dan Pelan Perancangan Malaysia Ke-9 akan memerlukan amaun pelaburan yang banyak dalam beberapa tahun yang akan datang. Kita menjangka pelaburan swasta untuk memainkan satu peranan penting di samping perbelanjaan awam bagi menjamin kejayaan tempoh lebih panjang inisiatif-inisiatif ini.

Pasaran bon Malaysia pada 2008 dijangka untuk kekal teguh menempuh peningkatan ketidakpastian daripada kedua-dua pihak dalaman dan luaran. Dari segi domestik, jangkaan kenaikan inflasi dan permintaan luaran yang perlahan boleh mengakibatkan hasil keluaran yang curam dan sentimen pelabur yang lemah. Walaubagaimanapun, kelemahan dolar Amerika Syarikat, peningkatan perbezaan pengeluaran dan perbezaan pertumbuhan dengan ekonomi G3 yang besar kemungkinan akan mengimbangi kerisauan ini dan akan meningkatkan penarikan aset ringgit. MARC menganggar BNM untuk mengekalkan Kadar Dasar Semalaman (OPR) pada 3.50% untuk seluruh tahun 2008 sementara matawang tempatan dijangka berpurata pada RM3.10 kepada dolar Amerika Syarikat.



EKONOMI DAN RAMALAN PASARAN MODAL 2008 (SAMBUNGAN)

Pengeluaran bon korporat dalam 2008 patut kekal pada RM45 bilion, diperkuatkan oleh perkhidmatan-perkhidmatan dan sektor-sektor pembinaan disebabkan lebih banyak projek Pelan Perancangan Malaysia Ke-9 mula proses pecah tanah. Selain itu, krisis kadangkala mendatangkan peluang, seperti kekangan kredit G3 yang disebabkan oleh kejatuhan daripada krisis bon cagaran sub prima Amerika Syarikat yang dijangka menarik pengeluar luar negara yang berminat untuk mengambil kesempatan ke atas kestabilan kadar faedah persekitaran dan keadaan mudah tunai yang banyak. Perkembangan ini dapat membantu menambah kedalaman dan kepelbagaian pengeluar asas di samping menyediakan peluang kepada agensi penarafan tempatan untuk menaraf entiti luar negara.

PENGHARGAAN

Bagi pihak Lembaga Pengarah MARC, saya ingin menyampaikan penghargaan ikhlas saya kepada semua pemegang-pemegang saham, terutamanya Suruhanjaya Sekuriti dan Bank Negara Malaysia, untuk sokongan dan kepercayaan berterusan mereka terhadap MARC.

Saya ingin berterima kasih kepada Encik Hashim Harun untuk sumbangan dan perkhidmatannya kepada MARC sepanjang tahun. Selain itu, saya dengan sukacitanya ingin mengalu-alukan Encik Zainal Abidin Mohd Noor sebagai ahli baru Lembaga MARC.

Di sini juga ingin saya panjatkan ucapan selamat tinggal kepada Encik Michael Vitus Wong Kuan Lee, yang meninggalkan Jawatankuasa Kajian Penarafan (RRC) setelah menjadi ahli sejak penubuhan MARC dalam tahun 1996. Sumbangannya yang tidak ternilai dan dedikasinya selama bertahun-tahun di sini telah menjadi teladan. Saya juga ingin mengalu-alukan kedatangan Dr Roslan Ghaffar yang menjadi ahli RRC pada tahun 2007.

Saya ingin berterima kasih kepada ahli-ahli Lembaga, RRC dan Panel Penasihat Syariah untuk bimbingan dan komitmen mereka. Saya juga ingin memuji Encik Mohd Razlan Mohamed, ketua pegawai eksekutif kita, untuk kemajuan yang ketara dalam pemprofilan dan pencapaian penarafan MARC di bawah pimpinannya semenjak Mei tahun lalu. Saya yakin bahwa MARC akan meneroka sektor baru di bawah kepimpinannya dalam masa akan datang. Dan akhir sekali, saya ingin meluahkan penghargaan saya kepada para kakitangan MARC untuk prestasi agensi penarafan yang cemerlang bagi tahun 2007 dan mengharap mereka meneruskan dedikasi dan komitmen untuk tahun 2008 dan seterusnya.

MOHAMMAD BIN ABDULLAH

Pengerusi

2 Mei 2008



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2007 menandakan satu lagi tahun pertumbuhan teguh bagi ekonomi Malaysia walaupun mengalami keperlahanan dalam sektor luaran. KDNK setahun berkembang sebanyak 6.3% oleh permintaan domestik yang kukuh dan harga komoditi yang tinggi.

Dalam pasaran modal hutang, pengeluaran bon baru dalam tahun 2007 menjangkau rekod RM54 bilion berbanding dengan RM36 bilion pada tahun sebelumnya dimarakkan oleh keadaan pasaran yang baik serta beberapa tiket besar urus janji penggabungan dan pengambilalihan yang memasuki pasaran bon untuk pembiayaan.

Dalam 2007, agensi-agensi penarafan antarabangsa telah dikejutkan dengan cagaran bon krisis sub-prima yang tidak dijangkakan dan terus berada di bawah penelitian pengatur dan pengkritik. Terdapat pengajaran yang perlu dipelajari daripada pengalaman agensi-agensi penarafan antarabangsa yang sepatutnya membantu kita bagi mengelak daripada melakukan kesalahan yang serupa.

Di tengah-tengah gangguan pasaran kewangan global, pasaran modal rakyat Malaysia menempah sejarah pada 30 November 2007 berikutan penebusan penuh Aegis One Berhad (Aegis) RM900 juta kanan bon bercagar. Ditakraf oleh MARC, Aegis merupakan syarikat Malaysia yang pertama mengeluarkan Obligasi Pinjaman Bercagar (CLO). Pengalaman Aegis akan memberikan keyakinan bukan sahaja kepada prospek CLO, tetapi juga pada produk-produk kewangan yang berstruktur yang serupa dalam pasaran kita.

Satu perkembangan positif yang patut diberi perhatian dalam 2007 adalah penambahan penerimaan penarafan ganda. Saya percaya bahawa ini adalah bagi kepentingan mempromosikan transparensi dan pendapat kredit seimbang. Pengeluar-pengeluar korporat terutamanya pengeluar yang mempunyai penarafan yang kukuh berpeluang untuk mengaut keuntungan daripada penarafan berganda kerana ia boleh meningkatkan penarikan pengeluaran dan meluaskan asas pelabur mereka.

MARC juga mengalu-alukan pengumuman kerajaan baru ini tentang penubuhan agensi penarafan ketiga dan membenarkan agensi-agensi penarafan antarabangsa untuk memiliki sehingga 49% hak milik dalam agensi penarafan domestik. Inisiatif ini dilihat secara positif dalam konteks integrasi pasaran-pasaran bon tempatan dan global. Pasaran bon global akan menetapkan keperluan untuk penempunan piawaian penarafan. Seterusnya, agensi-agensi penarafan global boleh memainkan peranan yang lebih penting bagi mencapai piawaian penarafan dengan bekerjasama dengan agensi-agensi penarafan tempatan yang sedia ada.

Perlaksanaan Basel 2 untuk institusi-institusi kewangan di Malaysia akan melihat kenaikan penumpuan pengukuran risiko kredit dan MARC melihat ini sebagai peluang yang baik untuk kita memainkan peranan dalam pendekatan-pendekatan penyelarasan untuk penilaian kredit.

Tahun 2007 juga menunjukkan peningkatan kualiti dengan pelabur-pelabur tempatan menjauhi isu-isu penarafan yang lebih rendah dari 'A'. MARC telah menilai sebilangan jumlah pengeluaran yang telah dicadangkan yang tidak dilepaskan kerana oleh kewujudan risiko. Dengan kredit yang kukuh mempunyai permintaan yang banyak, MARC menyokong pengumuman kerajaan baru ini tentang 'lorong hijau' bagi penarafan tempatan AAA dan pengeluaran-pengeluaran bon tempatan bagi penarafan antarabangsa BBB.

PRESTASI PENARAFAN

MARC menyiapkan 72 penarafan kredit pengeluar yang melibatkan 32 pengeluar dengan jumlah penarafan RM84.93 bilion pada 2007. Pecahan mengikut produk penarafan adalah seperti berikut: RM77.66 bilion dalam Hutang Korporat (28 pengeluaran, 21 pengeluar); RM1.135 bilion dalam Sekuriti Berdasarkan Aset (ABS) (13 pengeluaran, 3 pengeluar); RM5.888 bilion dalam Kewangan Berstruktur (30 pengeluaran, 17 pengeluar); dan RM240 juta dalam Pembiayaan Projek (1 pengeluaran / pengeluar). MARC juga membuat penarafan bagi institusi kewangan dengan jumlah RM7.0 bilion dalam penarafan-penarafan yang diterbitkan yang melibatkan 3 pengeluar. Syarikat-syarikat yang terlibat dalam peruncitan (RM3.57 bilion), hartanah (RM2.74 bilion), pengangkutan (RM2.50 bilion), dan perkhidmatan minyak dan gas (RM1.0 bilion) juga merupakan pengeluar-pengeluar utama dalam hutang korporat bagi tahun tersebut. Daripada 3 pengeluar ABS, satu CLO utama telah membentuk 84%



PRESTASI PENARAFAN (SAMBUNGAN)

(RM950 juta) dari jumlah penarafan di bawah kewangan berstruktur, cagaran perumahan adalah 77% (RM4.52 billion) daripada jumlah bersama lain dari penerimaan sewa beli (RM435 juta), hartanah (RM375 juta), Perdagangan / Perkhidmatan (RM340 juta) dan perladangan (RM210 juta).

Sekuriti Islam melepasi nilai penerbitan penarafan kredit yang biasa oleh MARC dalam 2007 pada 58.3% berbanding dengan 37.0% dalam 2006. Bagi MARC, ini menunjukkan penerusan arah aliran yang diperhatikan di tahun-tahun sebelum 2006. Dari segi jenis sekuriti Islam, yang paling popular adalah Murabahah Kertas Komersil (15 pengeluaran) diikuti oleh Sukuk Musyarakah (8 pengeluaran) dan Sukuk Ijarah (3 pengeluaran).

Dari perspektif analisis kegagalan pembayaran, terdapat sejumlah 5 adalah di kalangan penarafan MARC pada tahun 2007. Semua telah diturunkan kepada taraf gred spekulatif sebelum kegagalan pembayaran yang sebenar, mencerminkan pengawasan terperinci MARC ke atas entiti penarafannya. Kadar purata wajaran pengeluar gagal bayar MARC bagi tempoh 10 tahun pada akhir 2007 adalah 2.18%. Penurunan penarafan melebihi peningkatan sebanyak 20 kepada 7 pada tahun 2007, membawa jumlah penurunan MARC kepada 38 isu dan peningkatan kepada 37 isu semenjak 1997. Lebih 72% daripada isu penarafan berkekalan teguh sepanjang tahun 2007. Lebih daripada separuh penurunan pada 2007 datang daripada sektor automobol dan perumahan sementara sektor kewangan, minyak dan gas mewakili dua daripada tiga peningkatan pada tahun itu.

PERUBAHAN UNTUK MENEMPUHI CABARAN

Kami sedar akan permintaan yang semakin meningkat daripada para konstituen untuk ketepatan penarafan yang lebih baik, ketepatan masa lebih baik, kejelasan dan transparensi dalam komunikasi. Perubahan untuk menempuhi cabaran pada 2007 dan seterusnya mencerminkan strategi kami untuk membentuk penerusan nilai pada jangka masa panjang dengan menubuhkan reputasi yang kukuh bagi kebebasan, integriti dan kebolehpercayaan penarafan kami. Setakat ini, banyak usaha telah dilakukan sepanjang 2007 sejajar dengan budaya kerja dan praktis di MARC sama seperti taraf prestasi persekitaran yang tinggi dan organisasi dinamik. Mengekal dan menghasilkan individu yang berkaliber tinggi melalui pengukuhan budaya dibayar-untuk-prestasi kekal dalam praktis kami. Kami percaya bahawa tumpuan terhadap kemahiran kemajuan, pengembangan pengukuran rekrut dan retensi, dan latihan kepimpinan akan membina prasyarat yang kukuh untuk kejayaan di masa hadapan. Sebagai ketua pegawai eksekutif MARC, saya berasa beruntung untuk memimpin agensi ini dalam menempuhi cabaran untuk meningkatkan kemahiran kolektif dan tahap ikatan dikalangan pekerja.

Sokongan pekerja-perkerja dan lembaga pengarah akan terus memastikan kejayaan MARC. Kami komited, kami bersedia, dan kami sentiasa berubah untuk menempuhi cabaran.

MOHD RAZLAN MOHAMED

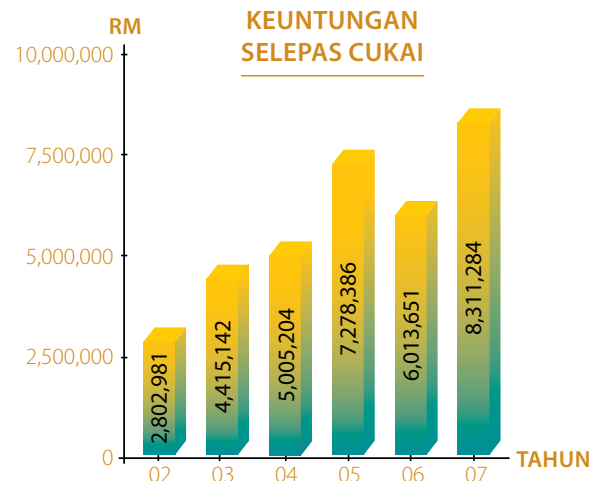
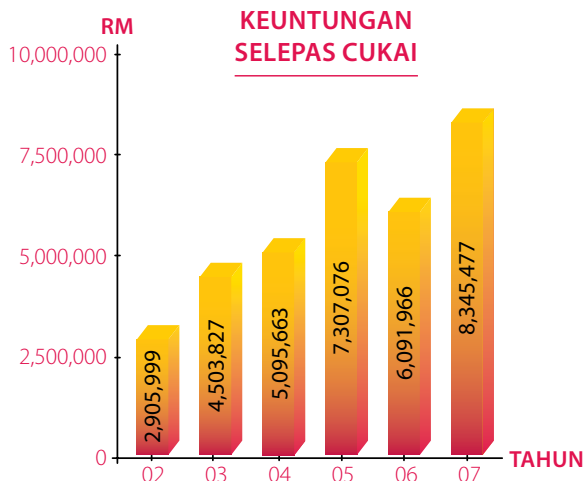
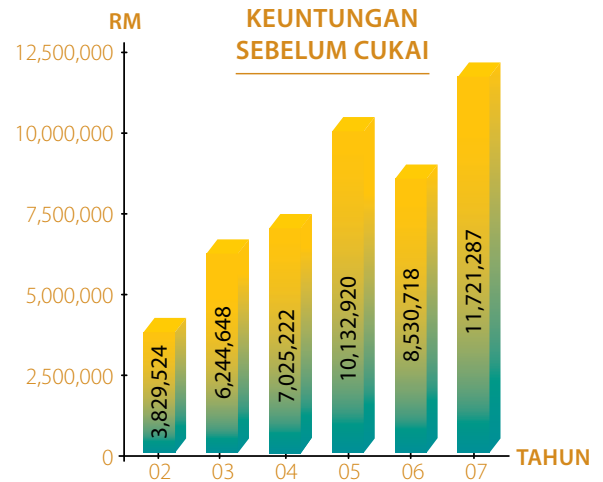
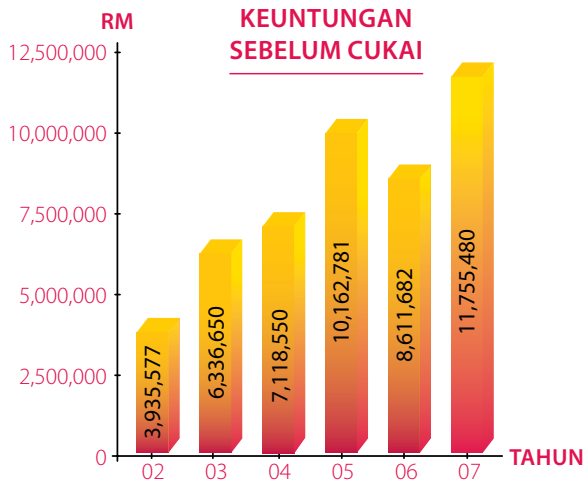
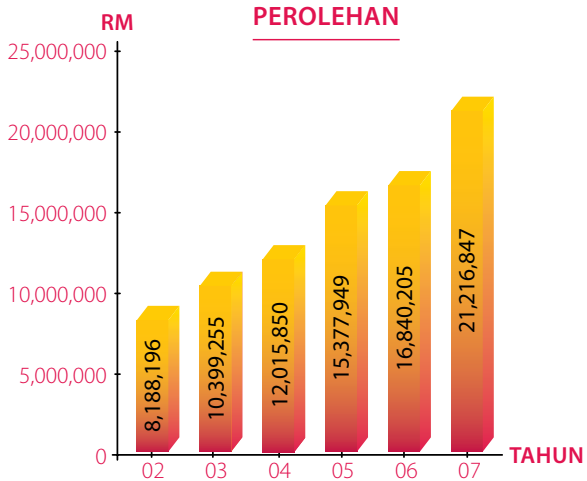
Ketua Pegawai Eksekutif

2 Mei 2008



KUMPULAN

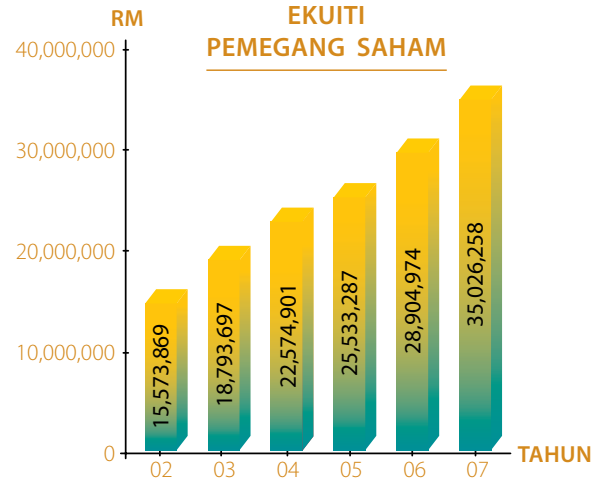
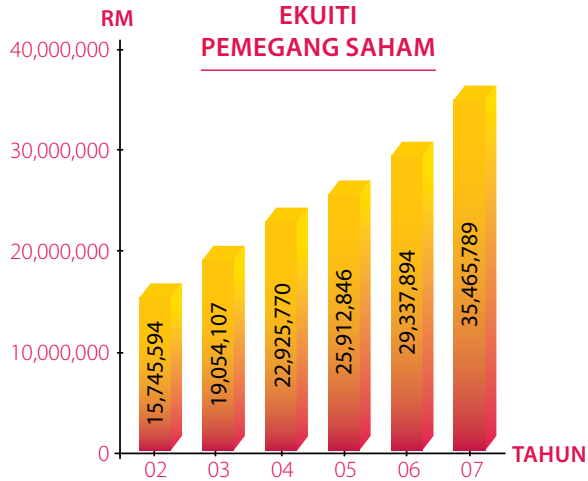
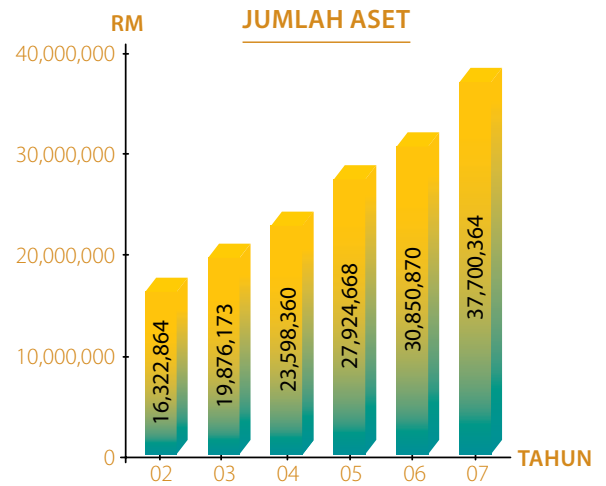
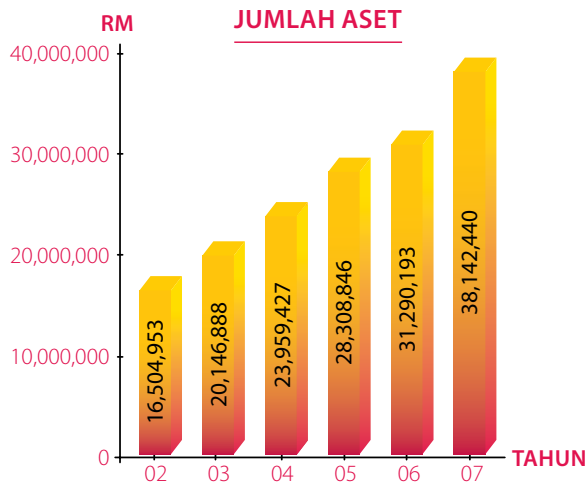
SYARIKAT





KUMPULAN

SYARIKAT





Nota Amalan Suruhanjaya Sekuriti Berkenaan Pengiktirafan Sebagai Agensi Penarafan Kredit Oleh Suruhanjaya Sekuriti Bagi Menaraf Terbitan Bon (“Nota Amalan SC”)

Selaras dengan Malaysian Rating Corporation Berhad (“MARC”) memperoleh pengiktirafan Suruhanjaya Sekuriti pada 1 Jun 2006, Jawantankuasa Audit dan Pematuhan MARC dengan sukacitanya mengesahkan pematuhannya berdasarkan Nota Amalan SC yang bertarikh 25 Januari 2006.

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LAPORAN PENGARAH

Para pengarah dengan sukacitanya membentangkan laporan mereka serta penyata kewangan Kumpulan dan Syarikat yang telah diaudit bagi tahun kewangan berakhir 31 Disember 2007.

AKTIVITI-AKTIVITI UTAMA

Aktiviti-aktiviti utama Syarikat adalah menjalankan perniagaan penyelidikan, penganalisan, penarafan, penilaian dan penaksiran ke atas tanggungjawab, tuntutan, hutang, komitmen dan yang berkaitan termasuk debentur, bon, saham, stok dan lain-lain sekuriti yang diterbitkan oleh atau bagi pihak mana-mana individu, termasuk mana-mana kerajaan atau kerajaan dari mana-mana negeri dalam Persekutuan, agensi atau pihak berkuasa tempatan ataupun mana-mana pejabat di bawah kuasa mana-mana kerajaan atau negeri dalam Persekutuan, badan berkanun, perbadanan, badan korporat atau tidak korporat sama ada di dalam atau di luar Malaysia.

Aktiviti-aktiviti utama subsidiari-subsidiari adalah seperti dinyatakan di dalam Nota 8 kepada penyata kewangan.

Tiada perubahan penting dalam aktiviti-aktiviti utama ini sepanjang tahun kewangan.

KEPUTUSAN

	Kumpulan RM	Syarikat RM
Keuntungan bagi tahun semasa	8,345,477	8,311,284

Tidak terdapat pindaan penting dari atau ke rizab atau peruntukan sepanjang tahun kewangan.

Para pengarah berpendapat bahawa keputusan operasi Kumpulan dan Syarikat sepanjang tahun kewangan tidak dipengaruhi dengan ketaranya oleh sebarang perkara, urusan niaga atau kejadian penting atau luarbiasa.

DIVIDEN

Dividen yang dibayar oleh Syarikat sejak 31 Disember 2006 adalah seperti berikut:

Untuk tahun kewangan berakhir 31 Disember 2007:	RM
(i) Dividen interim pertama 5%, ditolak 27% cukai, dibayar pada 18 Mei 2007	730,000
(ii) Dividen interim kedua 10%, ditolak 27% cukai, dibayar pada 13 November 2007	1,460,000
	<u>2,190,000</u>

Di Mesyuarat Agung Tahunan akan datang, dividen akhir berhubung tahun kewangan berakhir 31 Disember 2007, 7.5% ditolak cukai 26% ke atas 20,000,000 saham biasa, berjumlah RM1,110,000 (0.06 sen sesaham modal biasa) akan dicadangkan untuk kelulusan para pemegang saham. Penyata kewangan bagi tahun semasa tidak menggambarkan dividen yang dicadangkan ini. Dividen sedemikian bila diluluskan oleh pemegang saham akan diambil kira dalam ekuiti sebagai pembahagian perolehan terkumpul pada tahun kewangan yang akan berakhir pada 31 Disember 2008.

PARA PENGARAH

Para pengarah yang menyandang jawatan semenjak tarikh laporan yang terakhir dan pada tarikh laporan ini adalah:

Mohammad bin Abdullah
Dato' Nordin bin Baharuddin
Lau Yew Kong
Ezamshah Ismail
Ng Lian Lu
Zainal Abidin bin Mohd Noor
Hashim bin Harun

(Dilantik pada 7 Jun 2007)

(Bersara pada 29 Mei 2007)

FAEDAH-FAEDAH KEPADA PENGARAH

Mahupun di akhir tahun kewangan atau pada bila-bila masa dalam tahun tersebut, tiada terdapat keadaan yang melibatkan Syarikat di satu pihak, di mana para pengarah mungkin mendapat keuntungan dengan cara pembelian saham, atau debentur di dalam Syarikat atau sebarang badan korporat.

Menurut daftar Pegangan Saham Pengarah, tiada pengarah yang memegang jawatan pada akhir tahun kewangan mempunyai kepentingan saham dalam Syarikat.

Semenjak akhir tahun kewangan yang lalu, tiada pengarah Syarikat menerima atau layak menerima keuntungan (selain daripada keuntungan yang termasuk dalam jumlah bayaran yang telah diterima atau patut dan akan diterima oleh para pengarah atau bayaran gaji tetap bagi pekerja penuh masa Syarikat seperti ditunjukkan di Nota 4 dalam penyata kewangan) disebabkan kontrak yang dibuat oleh Syarikat atau syarikat berkenaan dengan mana-mana pengarah atau dengan firma di mana pengarah tersebut adalah salah seorang ahli atau dengan syarikat di mana pengarah tersebut mempunyai kepentingan kewangan ketara.

LAIN-LAIN MAKLUMAT BERKANUN

(a) Sebelum lembaran imbalan dan penyata pendapatan Kumpulan dan Syarikat disediakan, para pengarah telah mengambil langkah-langkah wajar untuk memastikan bahawa:

- (i) tindakan sesuai telah diambil berhubung dengan hapus kira hutang lapuk dan penyediaan peruntukan bagi hutang ragu dan telah berpuas hati bahawa semua hutang lapuk telah dihapus kira dan peruntukan yang mencukupi telah dibuat untuk hutang ragu; dan
- (ii) sebarang harta semasa yang berkemungkinan tidak memperolehi nilai yang ditunjukkan dalam rekod akaun urusan perniagaan biasa, telah diturunkan kepada nilai yang dijangkakan boleh diperolehi.

(b) Pada tarikh laporan ini, para pengarah tidak mengetahui sebarang keadaan yang boleh menyebabkan:

- (i) jumlah hutang lapuk yang dihapus kira atau jumlah hutang ragu yang diperuntukkan dalam penyata kewangan Kumpulan dan Syarikat tidak mencukupi sehingga ke tahap yang ketara; dan
- (ii) nilai harta semasa dalam penyata kewangan Kumpulan dan Syarikat mengelirukan.

(c) Pada tarikh laporan ini, para pengarah tidak mengetahui sebarang keadaan berbangkit yang boleh menyebabkan kaedah sedia ada bagi penilaian aset atau liabiliti Kumpulan dan Syarikat mengelirukan atau tidak sesuai.

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LAIN-LAIN MAKLUMAT BERKANUN (SAMBUNGAN)

- (d) Pada tarikh laporan ini, para pengarah tidak mengetahui sebarang keadaan melainkan yang dinyatakan dalam laporan ini atau penyata kewangan Kumpulan dan Syarikat yang boleh menyebabkan mana-mana jumlah yang dinyatakan dalam penyata kewangan tersebut mengelirukan.
- (e) Pada tarikh laporan ini, tidak terdapat sebarang;
- (i) cagaran ke atas aset Kumpulan dan Syarikat yang berbangkit sejak akhir tahun kewangan untuk menjamin liabiliti mana-mana pihak lain; atau
 - (ii) liabiliti luar jangkaan berkaitan Kumpulan dan Syarikat yang berbangkit sejak akhir tahun kewangan.
- (f) Pada pendapat para Pengarah:
- (i) tidak ada sebarang liabiliti luar jangka atau liabiliti lain yang telah atau berkemungkinan berkuatkuasa dalam tempoh dua belas bulan selepas penghujung tahun kewangan yang akan atau mungkin menjejaskan keupayaan Kumpulan dan Syarikat untuk menunaikan kewajipannya apabila tiba masa kelak; dan
 - (ii) tidak ada sebarang perkara, urusanniaga atau kejadian ketara dan luar biasa yang berlaku dalam tempoh di antara akhir tahun kewangan dan tarikh laporan ini yang mungkin mempengaruhi secara berkesan keputusan operasi Kumpulan dan Syarikat bagi tahun kewangan di mana laporan ini dibuat.

PERISTIWA SELEPAS AKHIR TAHUN

Butir-butir peristiwa selepas akhir tahun ditunjukkan di Nota 20 dalam penyata kewangan.

JURUAUDIT

Juruaudit, Ernst & Young, telah menyatakan kesanggupan mereka meneruskan perkhidmatan.

Ditandatangani bagi pihak Lembaga Pengarah menurut resolusi para Pengarah pada 18 Mac 2008.

MOHAMMAD BIN ABDULLAH

DATO' NORDIN BIN BAHARUDDIN

Kami, Mohammad bin Abdullah dan Dato' Nordin bin Baharuddin, dua orang daripada pengarah Malaysian Rating Corporation Berhad, dengan ini memaklumkan bahawa pada pendapat para pengarah, penyata kewangan yang dibentangkan di halaman 75 hingga 96 telah disediakan menurut Piawaian Laporan Kewangan yang berkenaan di Malaysia dan peruntukan Akta Syarikat, 1965 untuk menunjukkan keadaan yang benar dan saksama tentang kedudukan kewangan Kumpulan dan Syarikat pada 31 Disember 2007 dan keputusan dan perubahan kedudukan aliran tunai Kumpulan dan Syarikat bagi tahun berakhir yang sama.

Ditandatangani bagi pihak Lembaga Pengarah menurut resolusi para Pengarah pada 18 Mac 2008.

MOHAMMAD BIN ABDULLAH

DATO' NORDIN BIN BAHARUDDIN

PENGAKUAN BERKANUN
MENGIKUT SEKSYEN 169 (16) AKTA SYARIKAT, 1965

Saya, CHEAH KIN CHOONG, selaku pegawai utama bertanggungjawab terhadap pengurusan kewangan Malaysian Rating Corporation Berhad, dengan ini mengaku bahawa penyata kewangan yang dibentangkan di halaman 75 hingga 96 adalah pada pendapat saya benar dan saya membuat pengakuan ini dengan sesungguhnya mempercayai bahawa ianya adalah benar dan menurut peruntukan Akta Akuan Berkanun, 1960.

Ditandatangani dan diakui oleh penama di atas
Cheah Kin Choong di Kuala Lumpur di dalam
Wilayah Persekutuan pada 18 Mac 2008

CHEAH KIN CHOONG

Dihadapan saya,

PESURUHJAYA SUMPAAH

74 LAPORAN JURUAUDIT KEPADA AHLI-AHLI MALAYSIAN RATING CORPORATION BERHAD (Diperbadankan di Malaysia)

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Kami telah mengaudit penyata kewangan yang dibentangkan di halaman 75 hingga 96. Penyata kewangan ini adalah tanggungjawab para pengarah Syarikat.

Berdasarkan audit kami terhadap penyata-penyata kewangan ini, adalah menjadi tanggungjawab kami untuk memberi pendapat yang bebas dan melaporkan pendapat kami kepada tuan sebagai sebuah badan selaras dengan Seksyen 174, Akta Syarikat 1965 dan bukan untuk tujuan selainnya. Kami tidak mengambil tanggungjawab ke atas kandungan laporan ini kepada mana-mana pihak lain.

Kami telah mengendalikan audit kami mengikut Piawai-Piawai Audit berkenaan yang diluluskan di Malaysia. Piawai-piawai ini memerlukan kami merancang dan melaksanakan audit untuk mendapatkan keyakinan yang munasabah bahawa penyata kewangan tersebut bebas dari salahnyata yang ketara. Sesebuah audit meliputi pemeriksaan, berasaskan kepada ujian, bukti yang menyokong jumlah dan penyataan dalam penyata kewangan berkenaan. Sesebuah audit juga meliputi penafsiran prinsip-prinsip perakaunan yang digunakan dan anggaran-anggaran penting yang dibuat oleh pengarah-pengarah, serta penilaian pembentangan maklumat di dalam penyata kewangan secara keseluruhannya. Kami percaya bahawa audit kami memberi asas yang munasabah bagi pendapat kami.

Pada pendapat kami:

- (a) penyata kewangan telah disusun dengan teratur menurut peruntukan dalam Akta Syarikat, 1965 dan Piawaian Laporan Kewangan yang berkenaan di Malaysia supaya memberi gambaran yang benar dan saksama tentang:
 - (i) kedudukan kewangan Kumpulan dan Syarikat pada 31 Disember 2007 dan keputusan serta perubahan aliran tunai Kumpulan dan Syarikat bagi tahun berakhir yang sama; dan
 - (ii) perkara-perkara yang diperlukan oleh Seksyen 169, Akta Syarikat, 1965 diliputi dalam penyata kewangan.
- (b) rekod perakaunan dan rekod-rekod lain serta daftar yang dikehendaki oleh Akta disimpan oleh Syarikat dan syarikat-syarikat subsidiari telah disimpan dengan sempurna menurut peruntukan Akta tersebut.

Kami berpuas hati bahawa penyata kewangan syarikat-syarikat subsidiari yang telah disatukan dengan penyata kewangan Syarikat adalah dalam bentuk dan kandungan yang sesuai dan sempurna bagi tujuan penyediaan penyata kewangan yang disatukan dan telah berpuashati dengan maklumat dan penjelasan yang kami perlukan bagi tujuan berkenaan.

Laporan juruaudit ke atas penyata kewangan syarikat-syarikat subsidiari tidak tertakluk kepada apa-apa teguran yang ketara kepada penyata kewangan yang disatukan dan tidak meliputi apa-apa pandangan yang perlu dibuat di bawah Seksyen 174(3), Akta tersebut.

ERNST & YOUNG
AF: 0039
Akauntan Bertauliah

Kuala Lumpur, Malaysia
18 Mac 2008

KUA CHOO KAI
No. 2030/03/08 (J)
Rakan Kongsi

PENYATA PENDAPATAN 75
BAGI TAHUN BERAKHIR 31 DISEMBER 2007

LAPORAN
TAHUNAN
2007

	NOTA	KUMPULAN		SYARIKAT	
		2007 RM	2006 RM	2007 RM	2006 RM
Perolehan	3	21,216,847	16,840,205	21,183,782	16,751,918
Kos perkhidmatan ditawarkan		(4,984,826)	(4,399,281)	(4,984,826)	(4,399,281)
Keuntungan dasar		16,232,021	12,440,924	16,198,956	12,352,637
Pendapatan dari operasi lain		1,030,421	841,906	1,013,045	829,789
Perbelanjaan pentadbiran		(5,506,962)	(4,671,148)	(5,490,714)	(4,651,708)
Keuntungan sebelum cukai	4	11,755,480	8,611,682	11,721,287	8,530,718
Perbelanjaan cukai	5	(3,410,003)	(2,519,716)	(3,410,003)	(2,517,067)
Keuntungan bagi tahun semasa		8,345,477	6,091,966	8,311,284	6,013,651

Nota-nota berikutnya adalah sebahagian penting daripada penyata kewangan ini.

76 LEMBARAN IMBANGAN PADA 31 DISEMBER 2007

LAPORAN
TAHUNAN
2007

	NOTA	KUMPULAN		SYARIKAT	
		2007 RM	2006 RM	2007 RM	2006 RM
ASET					
Aset bukan semasa					
Loji dan perkakas	7	1,094,803	1,065,019	1,094,803	1,065,019
Pelaburan dalam syarikat subsidiari	8	-	-	3	3
Pelaburan jangka-panjang	9	6,832,674	6,475,684	6,832,674	6,475,684
		<u>7,927,477</u>	<u>7,540,703</u>	<u>7,927,480</u>	<u>7,540,706</u>
Aset semasa					
Penerimaan perdagangan	10	6,467,146	7,006,069	6,467,146	7,006,069
Penerimaan lain	11	916,389	877,537	914,303	878,232
Wang tunai dan baki di bank	12	22,831,428	15,865,884	22,391,435	15,425,863
		<u>30,214,963</u>	<u>23,749,490</u>	<u>29,772,884</u>	<u>23,310,164</u>
JUMLAH ASET		<u>38,142,440</u>	<u>31,290,193</u>	<u>37,700,364</u>	<u>30,850,870</u>
EKUITI DAN LIABILITI					
Ekuiti diagihkan kepada pemegang ekuiti Syarikat					
Modal Saham	13	20,000,000	20,000,000	20,000,000	20,000,000
Rizab	14	15,465,789	9,337,894	15,026,258	8,904,974
Jumlah ekuiti		<u>35,465,789</u>	<u>29,337,894</u>	<u>35,026,258</u>	<u>28,904,974</u>
Liabiliti bukan semasa					
Liabiliti cukai tertunda	15	42,323	26,199	42,323	26,199
Liabiliti semasa					
Pembayaran lain	16	2,326,343	1,758,673	2,323,798	1,756,130
Peruntukan cukai semasa		307,985	167,427	307,985	163,567
		<u>2,634,328</u>	<u>1,926,100</u>	<u>2,631,783</u>	<u>1,919,697</u>
Jumlah liabiliti		<u>2,676,651</u>	<u>1,952,299</u>	<u>2,674,106</u>	<u>1,945,896</u>
JUMLAH EKUITI DAN LIABILITI		<u>38,142,440</u>	<u>31,290,193</u>	<u>37,700,364</u>	<u>30,850,870</u>

Nota-nota berikutnya adalah sebahagian penting daripada penyata kewangan ini.

PENYATA PERUBAHAN DALAM EKUITI 77
BAGI TAHUN BERAKHIR 31 DISEMBER 2007

LAPORAN
TAHUNAN
2007

	NOTA	MODAL SAHAM (NOTA 13) RM	RIZAB PERTUKARAN MATAWANG ASING (NOTA 14(b)) RM	KEUNTUNGAN TERKUMPUL BOLEH DIAGIH (NOTA 14(a)) RM	JUMLAH EKUITI RM
<u>KUMPULAN</u>					
Pada 1 Januari 2006		20,000,000	-	5,912,846	25,912,846
Keuntungan bagi tahun		-	-	6,091,966	6,091,966
Pertukaran matawang asing		-	(24,954)	-	(24,954)
Dividen	6	-	-	(2,641,964)	(2,641,964)
Pada 31 Disember 2006		20,000,000	(24,954)	9,362,848	29,337,894
Pada 1 Januari 2007		20,000,000	(24,954)	9,362,848	29,337,894
Keuntungan bagi tahun		-	-	8,345,477	8,345,477
Pertukaran matawang asing		-	(27,582)	-	(27,582)
Dividen	6	-	-	(2,190,000)	(2,190,000)
Pada 31 Disember 2007		20,000,000	(52,536)	15,518,325	35,465,789
<u>SYARIKAT</u>					
Pada 1 Januari 2006		20,000,000	-	5,533,287	25,533,287
Keuntungan bagi tahun		-	-	6,013,651	6,013,651
Dividen	6	-	-	(2,641,964)	(2,641,964)
Pada 31 Disember 2006		20,000,000	-	8,904,974	28,904,974
Pada 1 Januari 2007		20,000,000	-	8,904,974	28,904,974
Keuntungan bagi tahun		-	-	8,311,284	8,311,284
Dividen	6	-	-	(2,190,000)	(2,190,000)
Pada 31 Disember 2007		20,000,000	-	15,026,258	35,026,258

Nota-nota berikutnya adalah sebahagian penting daripada penyata kewangan ini.

78 PENYATA ALIRAN TUNAI BAGI TAHUN BERAKHIR 31 DISEMBER 2007

LAPORAN
TAHUNAN
2007

	KUMPULAN		SYARIKAT	
	2007 RM	2006 RM	2007 RM	2006 RM
ALIRAN TUNAI DARIPADA AKTIVITI OPERASI				
Penerima tunai daripada operasi	21,431,051	14,201,430	21,397,986	14,113,143
Pembayaran tunai bagi perbelanjaan operasi	(9,321,137)	(8,515,821)	(9,305,102)	(8,495,475)
Penerimaan/(pembayaran) tunai lain	12,136	(114,443)	12,136	(117,129)
	<hr/>	<hr/>	<hr/>	<hr/>
Wang tunai daripada operasi	12,122,050	5,571,166	12,105,020	5,500,539
Pembayaran cukai	(3,251,941)	(3,052,425)	(3,249,461)	(3,052,466)
	<hr/>	<hr/>	<hr/>	<hr/>
Wang tunai bersih hasil daripada aktiviti operasi	8,870,109	2,518,741	8,855,559	2,448,073
	<hr/>	<hr/>	<hr/>	<hr/>
ALIRAN TUNAI DARIPADA AKTIVITI PELABURAN				
Pelaburan di dalam keahlian korporat kelab golf	(35,000)	-	(35,000)	-
Pelaburan di dalam tabung amanah	-	(1,500,000)	-	(1,500,000)
Faedah diterima	613,359	420,671	600,573	408,554
Pembelian loji dan perkakas	(486,015)	(711,271)	(486,015)	(711,271)
Penjualan loji dan perkakas	52,300	111,637	52,300	111,637
	<hr/>	<hr/>	<hr/>	<hr/>
Wang tunai bersih hasil daripada / (digunakan dalam) aktiviti pelaburan	144,644	(1,678,963)	131,858	(1,691,080)
	<hr/>	<hr/>	<hr/>	<hr/>
ALIRAN TUNAI DARIPADA AKTIVITI PEMBIAYAAN				
Pembayaran balik pinjaman kakitangan	164,493	258,645	164,493	258,645
Keberhutangan antara syarikat	-	-	3,662	65,786
Dividen dibayar (Nota 6)	(2,190,000)	(2,641,964)	(2,190,000)	(2,641,964)
	<hr/>	<hr/>	<hr/>	<hr/>
Wang tunai bersih digunakan dalam aktiviti pembiayaan	(2,025,507)	(2,383,319)	(2,021,845)	(2,317,533)
	<hr/>	<hr/>	<hr/>	<hr/>
Peningkatan/(Pengurangan) bersih wang tunai dan kesetaraan tunai	6,989,246	(1,543,541)	6,965,572	(1,560,540)
Kesan daripada perubahan kadar matawang asing Wang tunai dan kesetaraan tunai pada permulaan tahun kewangan	(23,702)	(24,954)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Wang tunai dan kesetaraan tunai pada akhir tahun kewangan (Nota 12)	15,865,884	17,434,379	15,425,863	16,986,403
	<hr/>	<hr/>	<hr/>	<hr/>
	22,831,428	15,865,884	22,391,435	15,425,863
	<hr/>	<hr/>	<hr/>	<hr/>

Nota-nota berikutnya adalah sebahagian penting daripada penyata kewangan ini.

1 MAKLUMAT KORPORAT

Aktiviti-aktiviti utama Syarikat adalah menjalankan perniagaan penyelidikan, penganalisan, penarafan, penilaian dan penaksiran ke atas tanggungjawab, tuntutan, hutang, komitmen dan yang berkaitan termasuk debentur, bon, saham, stok dan lain-lain sekuriti yang diterbitkan oleh atau bagi pihak mana-mana individu, termasuk mana-mana kerajaan atau kerajaan dari mana-mana negeri dalam Persekutuan, agensi atau pihak berkuasa tempatan ataupun mana-mana pejabat di bawah kuasa mana-mana kerajaan atau negeri dalam Persekutuan, badan berkanun, perbadanan, badan korporat atau tidak korporat sama ada di dalam atau di luar Malaysia. Aktiviti-aktiviti utama syarikat-syarikat subsidiari adalah seperti yang dinyatakan dalam Nota 8 kepada penyata kewangan. Tiada sebarang perubahan penting terhadap aktiviti utama ini sepanjang tahun kewangan.

Syarikat adalah sebuah syarikat awam dengan liabiliti terhad yang ditubuhkan dan terletak di Malaysia. Pejabat berdaftar dan tempat perniagaan utama Syarikat terletak di Tingkat 5, Bangunan Malaysian Re, 17 Lorong Dungun, Bukit Damansara, 50490 Kuala Lumpur.

Penyata kewangan telah mendapat kebenaran Lembaga Pengarah untuk diterbitkan mengikut satu resolusi para pengarah pada 18 March 2008.

2 DASAR-DASAR PERAKAUNAN PENTING

2.1 Asas Penyediaan

Penyata kewangan telah disediakan menurut peruntukan Akta Syarikat, 1965 dan Piawaian Laporan Kewangan yang berkenaan di Malaysia.

Penyata kewangan Kumpulan dan Syarikat ini juga telah disediakan menurut kelaziman kos sejarah melainkan yang dinyatakan.

Penyata Kewangan dinyatakan dalam Ringgit Malaysia (RM).

2.2 Ringkasan Dasar-dasar Perakaunan Penting

(a) Asas Penyatuan

Penyata kewangan yang disatukan meliputi penyata kewangan Syarikat dan syarikat-syarikat subsidiarinya pada tarikh lembaran imbalan. Penyata kewangan bagi syarikat-syarikat subsidiari telah disediakan mengikut tarikh laporan yang sama dengan Syarikat.

Syarikat-syarikat subsidiari telah disatukan dari tarikh pengambilalihan, iaitu tarikh di mana Kumpulan mempunyai kepentingan kawalan, dan terus disatukan sehingga Kumpulan tidak lagi mempunyai kepentingan kawalan tersebut. Dalam menyediakan penyata kewangan penyatuan, urusanniaga dalam Kumpulan, baki dan hasil laba atau kerugian yang belum terealisasi telah dihapuskan sepenuhnya. Dasar perakaunan yang seragam telah diterima pakai bagi urusanniaga dan peristiwa yang serupa dalam penyata kewangan disatukan ini.

Pengambilalihan subsidiari diambil kira menggunakan kaedah perakaunan pengambilalihan. Kaedah perakaunan pengambilalihan mengambil kira pengagihan kos pengambilalihan kepada nilai saksama aset yang diambilalih, liabiliti dan liabiliti luar jangka diambil kira pada tarikh pengambilalihan. Kos sesuatu pengambilalihan dikira pada agregat nilai saksama, pada tarikh pertukaran, bagi aset yang dinyatakan, liabiliti yang dikenakan, dan instrumen ekuiti diterbitkan, termasuk kos-kos yang menyumbang secara langsung kepada pengambilalihan tersebut.

2 DASAR-DASAR PERAKAUNAN PENTING (SAMBUNGAN)

2.2 Ringkasan Dasar-dasar Perakaunan Penting (Sambungan)

(b) Pelaburan Dalam Syarikat-syarikat Subsidiari

Syarikat-syarikat subsidiari adalah entiti di mana Kumpulan mempunyai kuasa untuk mentadbir polisi-polisi kewangan dan operasi bagi memperolehi faedah daripada aktivitinya. Kewujudan dan kesan daripada hak pengundian berpotensi yang boleh dilaksanakan kini atau berubah diambil kira semasa menilai sama ada Kumpulan mempunyai kuasa ke atas entiti lain.

Di dalam penyata kewangan Syarikat yang berasingan, pelaburan dalam syarikat-syarikat subsidiari dinyatakan pada kos ditolak kerugian pada penurunan nilai. Semasa penjualan pelaburan berkenaan, perbezaan di antara perolehan bersih daripada penjualan dan nilai dibawa akan dimasukkan ke dalam penyata pendapatan.

(c) Loji dan Perkakas dan Susutnilai

Semua loji dan perkakas dinyatakan pada kos pada permulaannya. Kos-kos seterusnya dimasukkan dalam amaun aset dibawa atau diiktiraf sebagai aset berasingan, sebagaimana bersesuaian, hanya bila terdapat kemungkinan manfaat ekonomi pada masa hadapan berkaitan dengan butiran tersebut akan mengalir kepada Kumpulan dan kos butiran tersebut dapat dikira sewajarnya. Amaun dibawa bagi mana-mana peralatan penggantian adalah tidak diiktiraf. Kesemua kos berkaitan pembaikan dan penyelenggaraan dicaj kepada penyata pendapatan dalam tempoh kewangan ianya berlaku.

Pengiktirafan loji dan perkakas dinyatakan pada kos selepas tolak susutnilai terkumpul dan sebarang kerugian kemerosotan terkumpul.

Susutnilai bagi loji dan perkakas diperuntukkan mengikut kaedah garis lurus bagi menghapuskirakan kos setiap aset kepada nilai sisa sepanjang anggaran hayat kegunaannya pada kadar tahunan berikut:

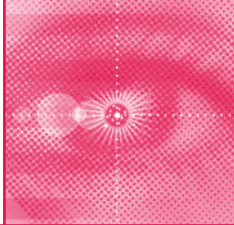
	%
Perabot, kelengkapan dan perkakas pejabat	20
Kenderaan bermotor	20
Komputer	25
Ubahsuai	20

Nilai sisa, kegunaan jangka hayat dan kaedah susutnilai dikaji pada setiap akhir tahun kewangan untuk memastikan amaun, kaedah dan tempoh susutnilai adalah konsisten dengan anggaran sebelumnya dan corak kegunaan yang akan didapati daripada manfaat ekonomi masa hadapan yang terkandung dalam butiran loji dan perkakas.

Butiran daripada loji dan perkakas tidak diiktiraf semasa pelupusan atau apabila tidak terdapat lagi manfaat ekonomi masa hadapan daripada kegunaan atau pelupusan tersebut. Perbezaan di antara terimaan bersih daripada pelupusan, sekiranya ada, dan amaun bersih dibawa diiktiraf dalam penyata pendapatan.

(d) Cukai Pendapatan

Cukai pendapatan ke atas keuntungan atau kerugian bagi tahun kewangan terdiri daripada cukai semasa dan tertunda. Cukai semasa adalah anggaran cukai yang perlu dibayar bagi keuntungan bercukai dan diukur menggunakan kadar cukai yang telah diwartakan pada tarikh lembaranimbangan.



2 DASAR-DASAR PERAKAUNAN PENTING (SAMBUNGAN)

2.2 Ringkasan Dasar-dasar Perakaunan Penting (Sambungan)

(d) Cukai Pendapatan (Sambungan)

Percukaian tertunda diperuntukkan menggunakan kaedah liabiliti di atas perbezaan sementara pada tarikh lembaran imbangan di antara dasar pencukaaian aset dan tanggungan dan jumlah yang dibawa dalam penyata kewangan. Pada dasarnya, tanggungan cukai tertunda diambilkira bagi semua perbezaan sementara yang bercukai dan aset cukai tertunda pula diiktiraf bagi semua perbezaan sementara yang boleh ditolak, kerugian cukai yang belum digunakan dan kredit cukai yang belum digunakan sehingga berkemungkinan bahawa keuntungan bercukai tersedia di mana perbezaan sementara yang boleh ditolak, kerugian cukai yang belum digunakan dan kredit cukai yang belum digunakan boleh digunakan.

Percukaian tertunda diukur pada kadar cukai yang dijangka akan digunakan dalam jangka masa aset dihasilkan atau liabiliti dibayar, berdasarkan kadar cukai yang telah diwartakan atau sebahagian besarnya telah diwartakan pada tarikh lembaran imbangan. Percukaian tertunda diambilkira dalam penyata pendapatan, kecuali apabila ia timbul daripada urusanniaga yang diambilkira terus dalam ekuiti, di mana cukai tertunda juga dikenakan atau dikreditkan terus dalam ekuiti.

(e) Faedah Pekerja

(i) Faedah jangka pendek

Upah, gaji, bonus dan caruman keselamatan sosial diambil kira sebagai perbelanjaan dalam tahun di mana perkhidmatan berkaitan dilaksanakan oleh para pekerja Kumpulan. Ketidakhadiran berbayar terkumpul jangka pendek seperti cuti tahunan berbayar diambil kira apabila perkhidmatan dilaksanakan oleh para pekerja yang meningkatkan hak mereka kepada ketidakhadiran berbayar akan datang, dan ketidakhadiran berbayar tidak terkumpul jangka pendek seperti cuti sakit diambil kira apabila ia berlaku.

(ii) Perancangan caruman ditakrif

Sebagai yang dikehendaki oleh undang-undang, syarikat-syarikat di Malaysia membuat caruman kepada skim pencen nasional, Kumpulan Wang Simpanan Pekerja ("KWSP"). Caruman tersebut diambil kira sebagai perbelanjaan di dalam penyata pendapatan apabila dikenakan.

(f) Pengiktirafan Perolehan

Perolehan diiktiraf apabila kemungkinan manfaat ekonomi berkaitan dengan transaksi berpindah kepada perusahaan dan amaun pendapatan tersebut boleh dianggarkan dengan munasabah.

(i) Pengiktirafan daripada Perkhidmatan

Pendapatan daripada perkhidmatan yang dijalankan diiktiraf sebagai hasil bersih daripada cukai perkhidmatan dan diskaun bila mana perkhidmatan telah dilaksanakan.

(ii) Pendapatan Faedah

Faedah diiktiraf pada dasar perkadaran waktu menggambarkan hasil efektif daripada aset.

(iii) Pendapatan Dividen

Pendapatan dividen diiktiraf apabila hak untuk menerima bayaran ditetapkan.

(g) Matawang asing

(i) Matawang fungsian dan pembentangan

Penyata kewangan individu bagi setiap entiti di dalam Kumpulan diukur mengikut nilai mata wang persekitaran ekonomi utama di mana setiap entiti beroperasi sebagai ("matawang fungsian"). Penyatuan penyata kewangan dipersembahkan dalam Ringgit Malaysia (RM) yang juga merupakan nilai matawang yang digunakan Syarikat.

2 **DASAR-DASAR PERAKAUNAN PENTING (SAMBUNGAN)**

2.2 **Ringkasan Dasar-dasar Perakaunan Penting (Sambungan)**

(g) Matawang Asing (Sambungan)

(ii) Urusniaga matawang asing

Dalam penyediaan penyata kewangan bagi entiti-entiti individu, urusniaga di dalam nilai matawang selain daripada matawang yang digunakan (matawang asing) direkod dalam nilai matawang yang digunakan pada tarikh urusniaga tersebut. Pada setiap tarikh lembaran imbangan, butiran kewangan yang diwakili oleh matawang asing ditukar dalam kadar pada tarikh lembaran imbangan. Butiran bukan kewangan dibawa dalam nilai saksama yang diwakili dalam nilai matawang asing ditukar pada kadar mengikut tarikh di mana nilai saksama tersebut dikesan. Butiran bukan kewangan yang diukur dari segi kos sejarah di dalam nilai matawang asing tidak ditukar.

Perbezaan pertukaran yang muncul disebabkan oleh item kewangan dan terjemahan item-item kewangan terkandung dalam keuntungan dan kerugian tempoh masa tersebut. Perbezaan pertukaran yang muncul disebabkan oleh item kewangan membentuk sebahagian daripada pelaburan bersih Kumpulan dalam aktiviti luar negara, di mana item kewangan tersebut digunakan di dalam mata wang yang berfungsi atau dalam aktiviti luar negara yang mulanya dibawa ke simpanan terjemahan mata wang asing di dalam ekuiti sehingga penyingkiran aktiviti luar negara di mana ia akan diiktiraf dalam bentuk keuntungan atau kerugian di dalam penyata pendapatan.

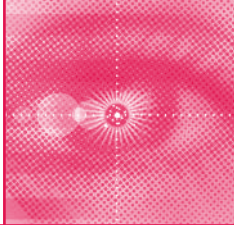
Di mana Kumpulan mempunyai item kewangan yang membentuk sebahagian daripada pelaburan bersihnya dalam aktiviti luar negara, perbezaan pertukaran yang muncul daripada item-item kewangan diiktiraf dalam ekuiti di dalam penggabungan penyata kewangan, tidak mengira mata wang item kewangan. Sebelum pindaan ke FRS 121, perbezaan pertukaran yang muncul di dalam item kewangan yang membentuk sebahagian daripada pelaburan bersih Kumpulan di dalam aktiviti luar negara diiktiraf dalam ekuiti gabungan penyata kewangan hanya bila item kewangan tersebut digunakan di dalam mata wang yang berfungsi dalam entiti laporan atau dalam aktiviti luar negara.

Perbezaan pertukaran yang bapunca daripada pertukaran semula butiran bukan kewangan dibawa dalam nilai saksama dimasukkan di dalam untung rugi bagi jangka masa tersebut kecuali perbezaan yang timbul hasil daripada pertukaran semula butiran bukan kewangan di mana sebarang pendapatan dan kerugian diiktiraf di dalam ekuiti. Perbezaan pertukaran yang timbul daripada butiran bukan kewangan tersebut juga diiktiraf di dalam ekuiti.

(iii) Operasi asing

Keputusan dan kedudukan kewangan bagi operasi-operasi dan kedudukan kewangan luar negara yang mempunyai nilai matawang yang berbeza daripada nilai matawang yang digunakan (RM) dalam penyatuan penyata kewangan yang ditukar dalam RM:

- Aset dan liabiliti pada setiap lembaran imbangan yang disediakan ditukar pada kadar penutupan mengikut tarikh lembaran imbangan;
- Pendapatan dan perbelanjaan pada setiap panyata pendapatan ditukar pada purata kadar pertukaran bagi tahun, di mana ia menganggar kadar pertukaran pada tarikh urusniaga tersebut; dan
- Semua perbezaan pertukaran dibawa ke dalam rizab pertukaran matawang asing di dalam ekuiti.



2 DASAR-DASAR PERAKAUNAN PENTING (SAMBUNGAN)

2.2 Ringkasan Dasar-dasar Perakaunan Penting (Sambungan)

(g) Matawang Asing (Sambungan)

(iii) Operasi asing (Sambungan)

Kadar tukaran utama yang digunakan untuk setiap unit tukaran matawang asing digunakan pada tarikh lembaran imbangan yang digunakan adalah seperti berikut:

	2007	2006
	RM	RM
Dolar Amerika Syarikat	3.31	3.53

(h) Penurunan Nilai Aset

Pada setiap tarikh lembaran imbangan, Kumpulan mengkaji nilai aset yang dibawanya, untuk menentukan sama ada wujudnya petunjuk penurunan nilai. Jika terdapat petunjuk sedemikian, penurunan nilai diukur dengan membandingkan nilai aset yang dibawanya dengan amaun yang boleh diperolehi semula. Amaun yang boleh diperolehi semula adalah harga jualan bersih atau nilai sedang digunakan, yang mana lebih tinggi, yang diukur dengan merujuk kepada aliran wang tunai masa hadapan yang sudah didiskaun.

Satu kerugian kerosakan diiktiraf dalam keuntungan atau kerugian dalam tempoh kemunculannya, melainkan aset itu diberi pada jumlah yang dinilai semula, dimana kes kerugian kerosakan itu dianggap sebagai pengurangan penilaian semula sehingga kerugian kerosakan itu tidak melebihi jumlah penilaian semula aset yang disimpan untuk aset yang sama.

(i) Peruntukan Liabiliti

Peruntukan liabiliti diambil kira apabila Kumpulan mempunyai kewajipan semasa yang perlu ditunai akibat daripada peristiwa yang lalu dan ini memungkinkan sumber yang banyak diperlukan untuk menunaikan kewajipan itu dengan mengadakan jumlah anggaran yang munasabah. Peruntukan tersebut disemak semula pada setiap tarikh lembaran imbangan dan diselaraskan untuk membayangkan anggaran semasa yang terbaik. Sekiranya ia melibatkan nilai masa wang yang material, jumlah peruntukan mewakili nilai perbelanjaan kini yang dijangka diperlukan untuk menyelesaikan kewajipan itu.

(j) Pajakan

(i) Pengelasan

Pajakan di mana sebahagian besar daripada risiko dan ganjaran hak milik tidak dipinda dikelaskan sebagai pajakan operasi.

(ii) Pajakan operasi - Kumpulan sebagai penyewa

Pembayaran pajakan operasi diiktiraf sebagai perbelanjaan mengikut kaedah garis lurus sepanjang jangka pajakan tersebut. Jumlah faedah ke atas insentif yang diperuntukkan oleh pemajak diiktiraf sebagai penolakan dari perbelanjaan sewa sepanjang jangka pajakan berdasarkan kaedah garis lurus.

(k) Instrumen Kewangan

Instrumen kewangan diiktiraf di dalam lembaran imbangan apabila Kumpulan telah menjadi satu pihak kepada peruntukan kontrak instrumen tersebut.

2 DASAR-DASAR PERAKAUNAN PENTING (SAMBUNGAN)

2.2 Ringkasan Dasar-dasar Perakaunan Penting (Sambungan)

(k) Instrumen Kewangan (Sambungan)

Instrumen kewangan diklasifikasikan sebagai liabiliti atau ekuiti menurut isi pengaturan kontrak. Faedah, dividen, keuntungan dan kerugian berkaitan dengan instrumen kewangan yang diklasifikasikan sebagai liabiliti dilaporkan sebagai perbelanjaan atau pendapatan. Pengagihan kepada pemegang instrumen kewangan diklasifikasikan sebagai ekuiti dikenakan terus kepada ekuiti. Instrumen kewangan diimbangkan apabila Kumpulan mempunyai hak untuk mengimbangkan yang boleh dikuatkuasakan menurut undang-undang dan bertujuan untuk menjelaskan sama ada atas dasar bersih atau merealisasikan aset tersebut dan menjelaskan tanggungan secara serentak.

(i) Tunai dan kesetaraan tunai

Bagi tujuan penyata aliran tunai, tunai dan kesetaraan tunai meliputi wang tunai dan baki di bank, deposit panggilan dan pelaburan jangka pendek yang berkecairan tinggi dengan risiko perubahan nilai yang kecil.

(ii) Pelaburan bukan semasa lain

Pelaburan bukan semasa, selain daripada pelaburan di dalam syarikat-syarikat subsidiari dinyatakan pada kos selepas ditolak kerugian pada penurunan nilai, jika ada.

Dalam pelupusan pelaburan, perbezaan antara hasil bersih penjualan dan nilai yang dibawa dikenakan atau dikreditkan dalam penyata pendapatan.

(iii) Penerimaan

Penerimaan perdagangan ditentukan berdasarkan nilai yang boleh diperolehi. Hutang lapuk dilupuskan apabila dikenal pasti. Anggaran dibuat untuk hutang ragu berdasarkan kajian ke atas kesemua baki tertunggak yang ada pada tarikh lembaran imbalan dibuat.

(iv) Pembayaran

Pembayaran perdagangan dinyatakan pada kos iaitu nilai saksamanya diambil kira untuk dibayar pada masa hadapan bagi barangan dan perkhidmatan yang diterima.

(v) Instrumen ekuiti

Saham biasa diklasifikasikan sebagai ekuiti. Dividen ke atas saham biasa diiktiraf sebagai pendapatan dalam tempoh ianya diisytiharkan.

2.3 Terima Pakai Piawaian Laporan Kewangan ("FRSs") bagi tahun semasa

Pada 1 Januari 2007, Kumpulan dan Syarikat telah menerima pakai FRSs yang dipinda dan diubah berikut:

FRS 6	Exploration for and Evaluation of Mineral Resources
FRS 117	Leases
Pindaan pada FRS 119 ²⁰⁰⁴	Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures
FRS 124	Related Party Disclosures

Selain itu, Kumpulan telah menerima pakai pindaan pada FRS 121: The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation, bagi tahun bermula dari 1 Januari 2007. Perubahan-perubahan pada dasar-dasar perakaunan telah dinyatakan di dalam dasar-dasar perakaunan penting.

2 DASAR-DASAR PERAKAUNAN PENTING (SAMBUNGAN)

2.3 Terima Pakai Piawaian Laporan Kewangan ("FRSs") bagi tahun semasa (Sambungan)

Penerimaan pakai FRSs baru dan dipinda tidak mempunyai kesan kewangan yang ketara pada Kumpulan dan Syarikat. Namun demikian, penerimaan pakai FRS 124 dipinda menghasilkan pendedahan tambahan tetapi ia tidak mengakibatkan perubahan ketara terhadap dasar-dasar perakaunan Kumpulan dan Syarikat.

Pada tarikh kelulusan penyata kewangan ini, FRSs baru dan dipinda serta Tafsiran berikut telah diterbitkan tetapi masih belum berkuatkuasa dan tidak diterima pakai oleh Kumpulan dan Syarikat.

FRSs and Tafsiran	Berkuatkuasa bagi tempoh kewangan pada atau selepas
FRS 107 Cash Flow Statements	1 Julai 2007
FRS 111 Construction Contracts	1 Julai 2007
FRS 112 Income Taxes	1 Julai 2007
FRS 118 Revenue	1 Julai 2007
FRS 120 Accounting for Government Grants and Disclosure of Government Assistance	1 Julai 2007
FRS 134 Interim Financial Reporting	1 Julai 2007
FRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 Julai 2007
FRS 139 Financial Instruments: Recognition and Measurement	Ditangguhkan
Tafsiran IC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 Julai 2007
Tafsiran IC 2 Members' Shares in Co-operative Entities and Similar Instruments	1 Julai 2007
Tafsiran IC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 Julai 2007
Tafsiran IC 6 Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	1 Julai 2007
Tafsiran IC 7 Applying the Restatement Approach under FRS 129: Financial Reporting in Hyperinflationary Economies	1 Julai 2007
Tafsiran IC 8 Scope of FRS 2	1 Julai 2007

Kumpulan adalah dikecualikan dari mendedah kesan yang berkemungkinan, jika ada, terhadap penyata kewangan apabila menerima pakai FRS 139. FRSs dipinda dan Tafsiran tersebut dijangka tidak mempunyai kesan yang ketara ke atas penyata kewangan Kumpulan dan Syarikat apabila menerima pakainya.

2.4 Anggaran dan Tanggapan Perakaunan Penting

Dalam proses penyediaan penyata kewangan ini:

- (i) tiada tanggapan penting dibuat dalam penggunaan polisi-polisi perakaunan Kumpulan di mana ia boleh mendatangkan kesan yang ketara terhadap amaun yang diiktiraf di dalam penyata kewangan;
- (ii) juga tiada anggaran penting di dalam lembaranimbangan yang mungkin mempunyai risiko penting yang boleh menyebabkan sebarang perubahan material terhadap amaun aset dan liabiliti yang dibawa dalam tahun hadapan.

3 PEROLEHAN

Perolehan merupakan yuran penarafan institusi kewangan, sekuriti hutang bersandarkan aset, korporat dan terbitan hutang korporat.

4 KEUNTUNGAN SEBELUM CUKAI

Berikut adalah jumlah yang dimasukkan dalam menentukan keuntungan sebelum cukai:

	KUMPULAN		SYARIKAT	
	2007 RM	2006 RM	2007 RM	2006 RM
Ganjaran Juruaudit:				
- semasa	17,946	12,543	15,400	10,000
- kurang peruntukan tahun terdahulu	5,575	2,987	5,400	2,500
Susut nilai loji dan perkakas	367,071	338,976	367,071	338,976
Ganjaran Pengarah:				
- yuran	205,667	131,335	205,667	131,335
- nilai manfaat	48,874	26,934	48,874	26,934
- elaun mesyuarat pengarah	73,750	49,000	73,750	49,000
Sewa premis dibayar kepada pemegang saham korporat	515,361	422,499	515,361	422,499
Loji dan perkakas dihapuskirakan	8,970	332	8,970	332
Peruntukan untuk hutang ragu	85,675	85,300	85,675	85,300
Kos Kakitangan:				
- gaji dan ganjaran lain	5,440,886	4,982,692	5,439,136	4,979,121
- Kumpulan Wang Simpanan Pekerja	769,513	661,892	769,513	661,892
Pendapatan dividen	(321,990)	(248,682)	(321,990)	(248,682)
(Rugi)/Hasil atas pelupusan loji dan perkakas	27,890	(27,424)	27,890	(27,424)
Pendapatan faedah	(691,963)	(546,403)	(678,919)	(534,286)

5 CUKAI

	KUMPULAN		SYARIKAT	
	2007 RM	2006 RM	2007 RM	2006 RM
Cukai Pendapatan Malaysia				
- Tahun semasa	3,244,651	2,457,879	3,244,651	2,455,230
- Kurang peruntukan tahun terdahulu	149,228	28,859	149,228	28,859
	<u>3,393,879</u>	<u>2,486,738</u>	<u>3,393,879</u>	<u>2,484,089</u>
Cukai tertunda (Nota 15):				
- Berhubung dengan perbezaan sementara asal dan dibalik semula	14,969	(10,294)	14,969	(10,294)
- Berhubung dengan perubahan dalam kadar cukai	(4,525)	(436)	(4,525)	(436)
- Kurang peruntukan tahun terdahulu	5,680	43,708	5,680	43,708
	<u>16,124</u>	<u>32,978</u>	<u>16,124</u>	<u>32,978</u>
	<u>3,410,003</u>	<u>2,519,716</u>	<u>3,410,003</u>	<u>2,517,067</u>

Cukai pendapatan dikira mengikut kadar cukai berkanun di Malaysia pada 27% (2006: 28%) daripada anggaran pendapatan bercukai untuk tahun semasa. Kadar cukai berkanun akan dikurangkan kepada 26% daripada kadar tahun semasa 27%, berkuatkuasa pada tahun taksiran 2008 dan kepada 25% dalam tahun-tahun berikutnya. Pengiraan cukai tertunda pada 31 Disember 2007 telah mengambil kira perubahan ini.

Penyesuaian bagi perbelanjaan cukai pendapatan yang digunakan ke atas keuntungan sebelum cukai pada kadar cukai pendapatan berkanun kepada perbelanjaan cukai pendapatan pada kadar cukai pendapatan efektif bagi Kumpulan dan Syarikat adalah seperti berikut:

	KUMPULAN		SYARIKAT	
	2007 RM	2006 RM	2007 RM	2006 RM
Keuntungan sebelum cukai	<u>11,755,480</u>	<u>8,611,682</u>	<u>11,721,287</u>	<u>8,530,718</u>
Cukai pada kadar cukai berkanun Malaysia sebanyak 27% (2006: 28%)	3,173,980	2,411,271	3,164,747	2,388,601
Kesan daripada perubahan dalam kadar cukai	(4,525)	(436)	(4,525)	(436)
Kesan daripada perbezaan kadar cukai di Labuan	(9,233)	(22,072)	-	-
Perbelanjaan tidak boleh ditolak bagi tujuan cukai	94,873	58,386	94,873	56,335
Kurang peruntukan perbelanjaan cukai pendapatan tahun sebelumnya	149,228	28,859	149,228	28,859
Lebih peruntukan bagi cukai tertunda tahun sebelumnya	5,680	43,708	5,680	43,708
Perbelanjaan cukai bagi tahun	<u>3,410,003</u>	<u>2,519,716</u>	<u>3,410,003</u>	<u>2,517,067</u>

6 DIVIDEN

	DIVIDEN BAGI TAHUN			DIVIDEN YANG DIIKTIRAF DALAM TAHUN	
	2007 RM	2006 RM	2005 RM	2007 RM	2006 RM
Diiktiraf dalam tahun semasa:					
Dividen interim pertama 5% ditolak 27% cukai (2006: 5% ditolak 28% cukai)	730,000 -	- 720,000	- -	730,000 -	- 720,000
Dividen interim kedua 10% ditolak 27% cukai (2006: 10.32% ditolak 28% cukai) (2006: dividen dikecualikan cukai 2.18%)	1,460,000 - -	- 1,486,377 435,587	- - -	1,460,000 - -	- 1,486,377 435,587
Dividen khas 50% ditolak 28% cukai	-	-	3,600,000	-	-
	<u>2,190,000</u>	<u>2,641,964</u>	<u>3,600,000</u>	<u>2,190,000</u>	<u>2,641,964</u>

Di Mesyuarat Agung Tahunan akan datang, dividen akhir berhubung tahun kewangan berakhir 31 Disember 2007, 7.5% ditolak cukai 26% ke atas 20,000,000 saham biasa, berjumlah RM1,110,000 (0.06 sen sesaham modal biasa) akan dicadangkan untuk kelulusan para pemegang saham. Penyata kewangan bagi tahun semasa tidak menggambarkan dividen yang dicadangkan ini. Dividen sedemikian bila diluluskan oleh pemegang saham akan diambil kira dalam ekuiti sebagai pembahagian perolehan terkumpul pada tahun kewangan yang akan berakhir pada 31 Disember 2008.

7 LOJI DAN PERKAKAS

KUMPULAN/ SYARIKAT	PERABOT, KELENGKAPAN, DAN PERKAKAS PEJABAT RM	KENDERAAN BERMOTOR RM	KOMPUTER RM	UBAH SUAI RM	JUMLAH RM
Pada 31 Disember 2007					
Kos					
Pada 1 Januari 2007	885,913	383,867	1,182,197	98,745	2,550,722
Penambahan	60,156	270,955	268,329	1,575	601,015
Dijual	(11,900)	(379,647)	-	-	(391,547)
Dihapuskira	(158,889)	-	(212,320)	-	(371,209)
Pada 31 Disember 2007	775,280	275,175	1,238,206	100,320	2,388,981
Susut Nilai Berkumpul					
Pada 1 Januari 2007	610,419	166,859	704,238	4,187	1,485,703
Caj pada tahun	78,425	57,950	210,766	19,930	367,071
Dijual	(11,542)	(184,815)	-	-	(196,357)
Dihapuskira	(151,876)	-	(210,363)	-	(362,239)
Pada 31 Disember 2007	525,426	39,994	704,641	24,117	1,294,178
Nilai Buku Bersih	249,854	235,181	533,565	76,203	1,094,803
Pada 31 Disember 2006					
Kos					
Pada 1 Januari 2006	620,097	677,382	941,884	-	2,239,363
Penambahan	267,924	-	394,602	98,745	761,271
Dijual	-	(293,515)	(124,926)	-	(418,441)
Dihapuskira	(2,108)	-	(29,363)	-	(31,471)
Pada 31 Disember 2006	885,913	383,867	1,182,197	98,745	2,550,722
Susut Nilai Berkumpul					
Pada 1 Januari 2006	530,611	288,103	693,380	-	1,512,094
Caj pada tahun	81,584	102,504	150,701	4,187	338,976
Dijual	-	(223,748)	(110,480)	-	(334,228)
Dihapuskira	(1,776)	-	(29,363)	-	(31,139)
Pada 31 Disember 2006	610,419	166,859	704,238	4,187	1,485,703
Nilai Buku Bersih	275,494	217,008	477,959	94,558	1,065,019

Pada tahun semasa, Kumpulan membeli loji dan perkakas pada kos agregat RM601,015 (2006: RM761,271), yang mana sebanyak RM115,000 (2006: Tiada) adalah dibiayai secara tukar beli dengan aset yang sedia ada.

8 PELABURAN DALAM SYARIKAT SUBSIDIARI

	SYARIKAT	
	2007 RM	2006 RM
Pada kos, saham tidak disebut harga	3	3

Butir-butir bagi syarikat-syarikat subsidiari adalah seperti berikut:

NAMA SYARIKAT SUBSIDIARI	NEGARA DIPERBADANKAN	ACTIVITI UTAMA	KEPENTINGAN EKUITI EFEKTIF	
			2007 %	2006 %
Dipegang oleh Syarikat:				
MARC International Limited	Labuan, Malaysia	Agensi Penarafan	100	100
Dipegang menerusi Syarikat Subsidiari:				
MARC Global Consulting Ltd.	Labuan, Malaysia	Tidak Aktif	100	100

9 PELABURAN JANGKA PANJANG

	KUMPULAN/ SYARIKAT	
	2007 RM	2006 RM
Pada kos		
Dana Amanah Berinstitusi	6,797,674	6,475,684
Keahlian Korporat Kelab Golf	35,000	-
	6,832,674	6,475,684

Pelaburan di dalam dana amanah berinstitusi mewakili wang yang ditabung dengan Amanah Raya Berhad yang menghasilkan kadar purata dividen sebanyak 5.10% (2006: 5.00%).

10 PENERIMAAN PERDAGANGAN

	KUMPULAN / SYARIKAT	
	2007	2006
	RM	RM
Penerimaan perdagangan	6,579,621	7,136,869
Tolak: peruntukan bagi hutang ragu	(112,475)	(130,800)
	6,467,146	7,006,069
	6,467,146	7,006,069

Butir-butir perubahan peruntukan hutang ragu sepanjang tahun kewangan adalah seperti berikut:

Pada 1 Januari	130,800	45,500
Peruntukan tambahan sepanjang tahun	85,675	85,300
Hutang lapuk dilupuskan	(104,000)	-
	112,475	130,800
Pada 31 Disember	112,475	130,800

Tempoh kredit normal bagi Kumpulan adalah 30 hari (2006: 30 hari).

Kumpulan tidak mempunyai konsentrasi risiko kredit yang ketara yang mungkin berbangkit daripada pendedahan kepada satu penghutang atau kepada kumpulan-kumpulan penghutang.

11 PENERIMAAN LAIN

	KUMPULAN		SYARIKAT	
	2007	2006	2007	2006
	RM	RM	RM	RM
Penerimaan lain	587,759	663,787	585,673	660,820
Deposit	158,655	156,525	158,655	156,525
Pembayaran terdahulu	169,975	57,225	169,975	57,225
Amaun dihutang daripada syarikat subsidiari	-	-	-	3,662
	916,389	877,537	914,303	878,232
	916,389	877,537	914,303	878,232

Kumpulan tidak mempunyai konsentrasi risiko kredit yang ketara yang mungkin berbangkit daripada pendedahan kepada satu penghutang atau kepada kumpulan-kumpulan penghutang.

Amaun dihutang daripada syarikat subsidiari adalah tidak dilindungi, tiada tanggungan faedah dan tiada tempoh pembayaran balik yang ditetapkan.

92 NOTA-NOTA KEPADA PENYATA KEWANGAN (SAMBUNGAN)
31 DISEMBER 2007

LAPORAN
 TAHUNAN
 2007

12 TUNAI DAN KESETARAAN TUNAI

	KUMPULAN		SYARIKAT	
	2007	2006	2007	2006
	RM	RM	RM	RM
Deposit dengan institusi-institusi kewangan berlesen	22,549,564	15,371,859	22,169,055	14,979,114
Wang tunai dan baki di bank	281,864	494,025	222,380	446,749
	<u>22,831,428</u>	<u>15,865,884</u>	<u>22,391,435</u>	<u>15,425,863</u>

Purata wajaran kadar faedah efektif dan purata tempoh matang deposit pada tarikh lembaranimbangan adalah seperti berikut:

	KUMPULAN		SYARIKAT	
	2007	2006	2007	2006
Purata wajaran kadar faedah efektif (%)	3.07	3.59	3.07	3.54
Purata tempoh matang (hari)	110	90	109	91

13 MODAL SAHAM

	SAHAM BIASA BERNILAI RM1 SESAHAM		AMAUN	
	2007 No.	2006 No.	2007 RM	2006 RM
Pada 1 Januari / 31 Disember:				
Dibenarkan	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>
Diterbitkan dan dibayar penuh	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>

Pemegang-pemegang saham biasa layak menerima dividen-dividen yang diisytiharkan dari masa ke semasa dan layak untuk satu undi sesaham dalam mesyuarat syarikat. Kesemua saham biasa teratur setara dengan baki aset-aset Syarikat.

14 RIZAB

(a) Keuntungan terkumpul

Sebelum tahun taksiran 2008, syarikat-syarikat di Malaysia menggunakan sistem imputasi penuh. Menurut Akta Kewangan 2007 yang diwartakan pada 28 Disember 2007, syarikat-syarikat tidak perlu memotong cukai ke atas dividen yang dibayar, dikredit atau diagih kepada pemegang sahamnya, dan dividen ini akan dikecualikan cukai daripada pemegang saham ("sistem setingkat"). Walau bagaimanapun, syarikat-syarikat diberi tempoh peralihan selama enam tahun yang mana tamat pada 31 Disember 2013, untuk membenarkan pembayaran dividen kepada pemegang saham di dalam keadaan tertentu. Syarikat-syarikat juga mempunyai pilihan, yang tidak boleh ditarik balik, untuk mengabaikan baki Sekysen 108 dan memilih untuk membayar dividen di bawah sistem setingkat. Perubahan dalam perundangan cukai juga membenarkan baki Sekysen 108 berada dalam keadaan tertutup pada 31 Disember 2007 menurut Seksyen 39 Akta Kewangan 2007.

Syarikat memilih untuk menggunakan baki Sekysen 108. Maka, ketika tempoh peralihan, Syarikat boleh menggunakan baki kredit Sekysen 108 yang terdapat pada 31 Disember 2007 untuk mengagihkan bayaran dividen secara tunai kepada pemegang saham biasa, seperti yang termaktub di bawah Akta Kewangan 2007. Pada 31 Disember 2007, Syarikat mempunyai baki kredit Sekysen 108 yang mencukupi untuk membayar dividen daripada keseluruhan keuntungan terkumpulnya.

(b) Rizab Pertukaran Matawang

Rizab pertukaran matawang digunakan untuk merekod perbezaan pertukaran yang timbul hasil daripada pertukaran penyata kewangan daripada operasi-operasi luar negara di mana nilai matawang yang digunakan berbeza dengan nilai mata yang digunakan oleh Syarikat. Ia juga digunakan untuk merekod perbezaan pertukaran daripada item-item kewangan yang membentuk sebahagian daripada pelaburan bersih Syarikat dalam operasi-operasi luar negara, di mana item kewangan diwakili oleh sama ada nilai matawang yang digunakan dalam laporan entiti atau operasi luar negara.

15 CUKAI TERTUNDA

	KUMPULAN / SYARIKAT	
	2007	2006
	RM	RM
Pada 1 Januari	26,199	(6,779)
Diambil kira dalam penyata pendapatan (Nota 5)	16,124	32,978
	<hr/>	<hr/>
Pada 31 Disember	42,323	26,199
	<hr/> <hr/>	<hr/> <hr/>

	KUMPULAN / SYARIKAT	
	2007	2006
	RM	RM
Selepas pengimbangan yang berpatutan:		
Liabiliti cukai tertunda	99,243	97,134
Aset cukai tertunda	(56,920)	(70,935)
	<hr/>	<hr/>
	42,323	26,199
	<hr/> <hr/>	<hr/> <hr/>

15 CUKAI TERTUNDA (SAMBUNGAN)

Komponen dan pergerakan cukai tertunda liabiliti dan aset sepanjang tahun kewangan sebelum pengimbangan adalah seperti berikut:

Liabiliti Cukai Tertunda bagi Kumpulan / Syarikat:

	LOJI DAN PERKAKAS RM
Pada 1 Januari 2006	23,172
Diambil kira dalam penyata pendapatan	73,962
	<hr/>
Pada 31 Disember 2006	97,134
Diambil kira dalam penyata pendapatan	2,109
	<hr/>
Pada 31 Disember 2007	99,243
	<hr/> <hr/>

Aset Cukai Tertunda bagi Kumpulan / Syarikat:

	PENERIMAAN RM	LAIN-LAIN RM	JUMLAH RM
Pada 1 Januari 2006	(12,740)	(17,211)	(29,951)
Diambil kira dalam penyata pendapatan	(23,884)	(17,100)	(40,984)
	<hr/>	<hr/>	<hr/>
Pada 31 Disember 2006	(36,624)	(34,311)	(70,935)
Diambil kira dalam penyata pendapatan	8,505	5,510	14,015
	<hr/>	<hr/>	<hr/>
Pada 31 Disember 2007	(28,119)	(28,801)	(56,920)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

16 PEMBAYARAN LAIN

	KUMPULAN		SYARIKAT	
	2007 RM	2006 RM	2007 RM	2006 RM
Akruan	2,185,362	1,264,401	2,182,817	1,261,858
Peruntukan	50,000	50,000	50,000	50,000
Hasil tertunda	40,000	279,044	40,000	279,044
Pembayaran lain	50,981	165,228	50,981	165,228
	<hr/>	<hr/>	<hr/>	<hr/>
	2,326,343	1,758,673	2,323,798	1,756,130
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Peruntukan merupakan amaun anggaran yang akan dibelanjakan untuk penurunan perabot dan kelengkapan dan pemulihan ruang pejabat yang disewa.

17 KOMITMEN SEWA OPERASI TIDAK BOLEH BATAL

	KUMPULAN / SYARIKAT	
	2007 RM	2006 RM
Tidak melebihi 1 tahun	343,574	515,361
Melebihi 1 tahun tetapi tidak melebihi 5 tahun	-	343,574
	<u>343,574</u>	<u>858,935</u>

Pembayaran sewa operasi adalah sewa yang perlu dibayar oleh Kumpulan dan Syarikat untuk penggunaan ruang pejabat.

18 PENDEDAHAN PIHAK BERKAITAN

(a) Transaksi-transaksi dengan pihak-pihak berkaitan:

	KUMPULAN		SYARIKAT	
	2007 RM	2006 RM	2007 RM	2006 RM
Sewa premis bayar kepada pemegang saham koporat	515,361	422,499	515,361	422,499
Pemindahan wang kepada syarikat-syarikat subsidiari	-	-	11,117	-
Penerimaan bagi pihak syarikat-syarikat subsidiari	-	-	(33,720)	-
Penyelesaian tanggungan bagi pihak syarikat-syarikat subsidiari	-	-	18,940	20,113
	<u>515,361</u>	<u>422,499</u>	<u>500,688</u>	<u>442,612</u>

(b) Pampasan kakitangan pengurusan utama

Imbuan ahli-ahli pengurusan utama pada tahun tersebut adalah seperti berikut:

	KUMPULAN		SYARIKAT	
	2007 RM	2006 RM	2007 RM	2006 RM
Gaji dan imbuan lain	572,730	1,053,728	572,730	1,053,728
Kumpulan Wang Simpanan Pekerja	89,295	134,321	89,295	134,321
Nilai manfaat	21,745	53,408	21,745	53,408
	<u>683,770</u>	<u>1,241,457</u>	<u>683,770</u>	<u>1,241,457</u>

19 INSTRUMEN KEWANGAN

(a) Objektif dan Polisi Pengurusan Risiko Kewangan

Polisi pengurusan risiko kewangan Kumpulan berusaha bagi memastikan adanya sumber kewangan yang mencukupi untuk menjalankan perniagaan Syarikat sambil menguruskan risiko kadar faedah, kadar pertukaran wang asing, kecairan dan kredit. Kumpulan beroperasi mengikut panduan ditakrif dengan jelas yang telah disemak semula oleh Lembaga Pengarah dan polisi Kumpulan tidak terlibat di dalam transaksi-transaksi yang dispekulasi.

(b) Risiko Kadar Faedah

Kumpulan tidak mempunyai sebarang hutang yang mempunyai tanggungan faedah atau aset-aset yang mempunyai tanggungan faedah jangka panjang yang besar pada 31 Disember 2007.

(c) Risiko Pertukaran Asing

Kumpulan beroperasi di Labuan dan terdedah kepada Dolar Amerika Syarikat. Aset dan liabiliti mata wang asing berserta aliran tunai yang dijangkakan daripada pembelian dan penjualan yang berkemungkinan tinggi menimbulkan pendedahan pertukaran asing. Pendedahan pertukaran asing di dalam matawang urusniaga, selain daripada matawang berfungsi entiti yang beroperasi, dikekalkan pada tahap yang boleh diterima.

(d) Risiko Kecairan

Kumpulan menguruskan aliran tunai operasinya secara aktif dan adanya dana untuk memastikan semua keperluan pembayaran balik dan dana ditepati. Sebagai sebahagian daripada keseluruhan pengurusan kecairan yang berhemat, Kumpulan mengekalkan tahap wang tunai yang mencukupi untuk menepati keperluan modal pusingannya. Selain itu, Kumpulan berazam untuk mengekalkan kemudahan perbankan ditahap yang munasabah.

(e) Risiko Kredit

Risiko kredit atau risiko hutang tertunggak pihak lain dikawal dengan menggunakan had kredit dan prosedur pengawasan. Risiko kredit dikurangkan ke tahap minima dan diawasi secara ketat. Penghutang diawasi secara berterusan melalui prosedur laporan pengurusan Kumpulan. Kumpulan tidak mempunyai sebarang pendedahan yang ketara kepada mana-mana penghutang atau pihak lain yang tidak mempunyai mana-mana konsentrasi kredit yang ketara berkaitan dengan mana-mana instrumen kewangan.

(f) Nilai Saksama

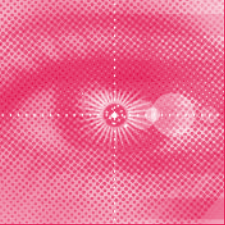
Adalah tidak praktikal untuk menganggarkan nilai saksama pelaburan jangka panjang Kumpulan kerana kekurangan sebutharga pasaran dan ketidakupayaan untuk menganggarkan nilai saksama tanpa melibatkan kos berlebihan. Bagaimanapun, Kumpulan tidak menjangka jumlah dibawa yang dicatatkan pada tarikh lembaranimbangan berbeza dengan ketara daripada nilai yang akan diterima akhirnya.

Amaun yang dibawa bagi aset dan liabiliti kewangan yang lain dianggarkan mengikut nilai saksama oleh kerana tempoh matang jangka pendek instrumen kewangan tersebut.

20 PERISTIWA SELEPAS AKHIR TAHUN

Pada 11 Januari 2008, Syarikat melanggan sebanyak 289 saham bernilai USD1,000 sesaham dalam modal Islamic International Rating Agency BSC(c) ("IIRA"), sebuah syarikat yang didaftarkan di Bahrain pada harga langganan sebanyak USD289,000. Langganan tersebut dijangka selesai apabila modal saham berbayar penuh baru didaftarkan oleh IIRA pada bulan Mei 2008.

- 01 ABRAR DISCOUNTS BERHAD
- 02 AFFIN INVESTMENT BANK BERHAD
- 03 AMSECURITIES HOLDING SENDIRIAN BERHAD
- 04 ASEAMBANKERS MALAYSIA BERHAD
- 05 BERJAYA SOMPO INSURANCE BERHAD
- 06 BH INSURANCE (M) BERHAD
- 07 CIMB AVIVA ASSURANCE BERHAD
- 08 ETIQA INSURANCE BERHAD
- 09 GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
- 10 HLG SECURITIES SENDIRIAN BERHAD
- 11 HONG LEONG ASSURANCE BERHAD
- 12 HWANG-DBS (MALAYSIA) BERHAD
- 13 ING INSURANCE BERHAD
- 14 INTER-PACIFIC SECURITIES SENDIRIAN BERHAD
- 15 JERNEH INSURANCE BERHAD
- 16 JF APEX SECURITIES BERHAD
- 17 KAF INVESTMENT BANK BERHAD
- 18 KENANGA INVESTMENT BANK BERHAD
- 19 KURNIA INSURANS (MALAYSIA) BERHAD
- 20 LONPAC INSURANCE BERHAD
- 21 MALAYSIAN ASSURANCE ALLIANCE BERHAD
- 22 MALAYSIAN REINSURANCE BERHAD
- 23 MANULIFE INSURANCE (MALAYSIA) BERHAD
- 24 MAYBAN GENERAL ASSURANCE BERHAD
- 25 MIDF AMANAH INVESTMENT BANK BERHAD
- 26 MITSUI SUMITOMO INSURANCE (MALAYSIA) BERHAD
- 27 OSK INVESTMENT BERHAD
- 28 PRUDENTIAL ASSURANCE MALAYSIA BERHAD
- 29 PUBLIC INVESTMENT BANK BERHAD
- 30 RASHID HUSSAIN BERHAD
- 31 TA ENTERPRISE BERHAD



Muka surat ini sengaja dibiarkan kosong.

Jumlah Saham:

Saya/Kami _____
sebagai ahli/ahli-ahli **MALYSIAN RATING CORPORATION BERHAD**
dengan ini melantik _____
atau penggantinya _____
dari _____

sebagai proksi saya/kami untuk mengundi bagi pihak saya/kami di Mesyuarat Agung Tahunan Syarikat yang akan diadakan pada hari Khamis, 29 Mei 2008 di Sentral Exchange, Tingkat 6, Hilton Kuala Lumpur Hotel, 3 Jalan Stesen Sentral, 50470 Kuala Lumpur jam 4.30 petang dan pada sebarang penangguhannya seperti yang tertera di bawah.

Proksi saya/kami hendaklah mengundi bagi resolusi-resolusi yang telah ditentukan dengan tanda "X" di ruang berkenaan. Sekiranya borang ini dikembalikan tanpa apa-apa arahan pengundian, proksi akan mengambil tindakan untuk mengundi atau tidak.

NO. RESOLUSI	RESOLUSI	MENYOKONG	MENENTANG
1	Menerima Laporan dan Akaun		
2	Pengisytiharan Dividen Akhir		
3	Perlantikan semula Encik Ng Lian Lu selaras dengan Artikel 19.13		
4	Perlantikan semula Encik Zainal Abidin bin Mohd Noor selaras dengan Artikel 19.10		
5	Kelulusan pembayaran yuran bagi Pengarah-Pengarah Bukan Eksekutif		
6	Perlantikan semula Tetuan Ernst & Young sebagai Juruaudit		
7	Kuasa untuk menerbitkan saham-saham oleh para Pengarah		

Bertarikh _____ haribulan _____ 2008

Ditandatangani oleh _____

di hadapan _____

Nota:

- 1 Setiap ahli yang berhak menghadiri dan mengundi di mesyuarat ini berhak melantik seorang proksi untuk mewakilinya dan mengundi bagi pihaknya. Proksi itu tidak semestinya seorang ahli syarikat.
- 2 Perlantikan proksi mestilah dibuat secara bertulis oleh ahli yang melantik atau wakil yang dilantik melalui surat kuasa wakil. Sekiranya perlantikan proksi atau proksi-proksi disempurnakan oleh sebuah syarikat, ianya mestilah mempunyai Cop Mohor Syarikat atau tandatangan pegawai atau wakil yang dilantik melalui surat kuasa wakil.
- 3 Borang Proksi mestilah diserahkan ke Pejabat Berdaftar Syarikat di Tingkat 5, Bangunan Malaysian Re, 17 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur, tidak lewat daripada 48 jam sebelum waktu yang ditetapkan bagi mesyuarat tersebut atau mesyuarat tertangguh mengikut keadaannya.

SETEM

MALAYSIAN RATING CORPORATION BERHAD

Tingkat 5, Bangunan Malaysian Re,
17, Lorong Dungun,
Damansara Heights,
50490 Kuala Lumpur.