

PETALING TIN BERHAD 324-H



ANNUAL REPORT 2007

1st Floor, No. 118, Jalan Semangat  
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Selangor Darul Ehsan  
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PETALING TIN BERHAD (124-H)  
INCORPORATED IN MALAYSIA

ANNUAL REPORT 2007

Annual Report 2007



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# Corporate INFORMATION

## Board of Directors

Tan Sri Dr Chen Lip Keong  
President & Chairman

Datuk Haji Jaafar bin Abu Bakar  
Deputy Chairman

Datuk Wan Kassim bin Ahmed

Dato' Nik Kamaruddin bin Ismail

Mr Tiang Chong Seong

Mr Lim Mun Kee

Mr Chen Yiy Hwuan

Mr Chen Yiy Fon

## Chief Executive Officer

Mr Leong Choong Wah

## Company Secretaries

Mr Lam Hoi Khong  
MIA 18848

Mdm Wong Poh Choo  
MAICSA 7013838

## Audit Committee

Datuk Haji Jaafar bin Abu Bakar  
Chairman

Datuk Wan Kassim bin Ahmed

Mr Lim Mun Kee

## Nomination Committee

Datuk Haji Jaafar bin Abu Bakar  
Chairman

Datuk Wan Kassim bin Ahmed

## Remuneration Committee

Datuk Haji Jaafar bin Abu Bakar  
Chairman

Datuk Wan Kassim bin Ahmed

Mr Lim Mun Kee

## Auditors

Moore Stephens  
8A, Jalan Sri Semantan Satu  
Damansara Heights  
50490 Kuala Lumpur

## Bankers

Malayan Banking Berhad  
Alliance Bank Malaysia Berhad  
United Overseas Bank (Malaysia) Berhad

## Solicitors

Zaid Ibrahim & Co.  
Ben & Partners  
Tan, Chua & Lawrence

## Principal Place of Business

1st Floor, No. 118, Jalan Semangat  
46300 Petaling Jaya  
Selangor Darul Ehsan  
Telephone : 603 7968 1222  
Facsimile : 603 7954 1155

## Stock Exchange Listing

Main Board of Bursa Malaysia  
Securities Berhad

## Registered Office

1st Floor, No. 118, Jalan Semangat  
46300 Petaling Jaya  
Selangor Darul Ehsan  
Telephone : 603 7968 1222  
Facsimile : 603 7954 1155

## Share Registrar

Semangat Corporate Resources Sdn Bhd  
2nd Floor, No. 118, Jalan Semangat  
46300 Petaling Jaya  
Selangor Darul Ehsan  
Telephone : 603 7968 1001  
Facsimile : 603 7958 8013

# Corporate STRUCTURE

## PETALING TIN BERHAD

- PROPERTY DEVELOPMENT
- INVESTMENT HOLDING
- MANAGEMENT SERVICES



All the above companies are wholly-owned subsidiaries of Petaling Tin Berhad except for Fandison Resources Management Ltd which is a 40% owned associated company.

# *Chairman's* **STATEMENT**



*Dear Shareholders,*

On behalf of the Board of Directors, I am pleased to present the Annual Report of Petaling Tin Berhad ("PTB") for the financial year ended 31 October 2007.



### ECONOMIC REVIEW

In the face of global uncertainties emanating from high oil prices and fallouts from the US subprime mortgages, the Malaysian economy grew by over 6% in calendar year 2007, anchored by buoyant commodity prices, strong domestic consumption growth and supportive foreign direct investments. Nevertheless, the property sector continues to lag behind the broader economy amidst cautious buying sentiments and oversupply in secondary locations.

### FINANCIAL REVIEW

The Group achieved a pre-tax profit of RM19.1 million on the back of turnover of RM21.2 million compared to previous year's pre-tax loss of RM6.0 million and turnover of RM20.1 million.

The Group's shareholders' funds increased from RM361.8 to RM378.6 million with a corresponding increase in net tangible assets backing per share from RM1.05 to RM1.10.

In the midst of a challenging business environment, the Group's results were boosted mainly by a RM22.7 million surplus on fair value adjustment on PTB's Karambunai investment property which is in compliance with adoption of FRS140 accounting policy for Investment Property. Although non-operational in nature, the surplus bodes well for our sprawling landbank in Sabah.

### OPERATIONAL REVIEW

For the financial year under review, the Group's activities were concentrated mainly on the sale of development lands in Taman Kelab Ukay and Magilds Industrial Park which accounted for over RM14.7 million in revenue. Concurrently, the Group booked in RM6.5 million revenue from the tail-end development of the completed 71 units double-storey development at Taman Kelab Ukay.

The Group via its subsidiary, PTB Horticulture Farm Sdn Bhd has on 7 December 2007, entered into a Sales and Purchase Agreement with Karambunai Corp Bhd for the acquisition of 0.82 hectares of leasehold land and building in Petaling Jaya for RM12.0M and is expected to be completed in the financial year ending 31 October 2008.

The proposed acquisition represents an attractive opportunity for the Group to develop the property into a commercial building catering to the demand for office space and growth in the rapidly prime redevelopment landscape of Section 19, Petaling Jaya.

### DIVIDEND

No dividend was paid during the year and the Board does not recommend any dividend payment for the financial year under review.

### FUTURE OUTLOOK

The Malaysian economy is expected to remain resilient with a projected GDP growth of at least 6%, sustained by government policies to promote further growth of the services sector and domestic demand. In particular, the stimulation of the property sector through incentives, tax breaks and civil service pay-rise augurs well for the growth of the industry. Hence, barring any unforeseen circumstances, the Group is cautiously optimistic of achieving satisfactory operating performance in the coming year.

### ACKNOWLEDGEMENT

On behalf of the Board of Directors, I wish to express our gratitude to our retired Chairman, Tan Sri Datuk Seri Panglima Abdul Kadir bin Sheikh Fadzir and retired Director, Mr Leow Ming Fong @ Leow Min Fong for their invaluable guidance and contribution during their tenure of service. At the same time, we are delighted to welcome the appointments of Mr. Leong Choong Wah as Chief Executive Officer, Mr Lim Mun Kee, Mr Chen Yiy Hwuan and Mr Chen Yiy Fon, who are expected to complement the Board with their skills and experiences.

Above all, we hereby record our sincere appreciation to our shareholders, customers, business associates and relevant authorities for their confidence, patience and support of the Group and to our management and staff for their unwavering commitment, diligence and dedication towards bringing the Group to a higher level.

**Tan Sri Dr Chen Lip Keong**

Chairman

6 March, 2008

# PROFILE OF DIRECTORS/ Chief Executive Officer

## TAN SRI DR CHEN LIP KEONG

President & Chairman

- Aged 60, Malaysian
- Executive & Non-independent
- Appointed to the Board on 15 April 1997
- Appointed as President and Chairman on 1 August 2007
- A major shareholder of Petaling Tin Berhad ("PTB"). His brother, Mr Chin Chee Kuang is deemed a major shareholder of PTB by virtue of his interest in Emden Investment Limited
- Graduated in medicine and surgery from University of Malaya in 1973 (M.B.B.S. Malaya)
- Has more than 30 years of corporate, managerial and business experience since 1976
- Currently, he is also the President and director of Karambunai Corp Berhad and President and Chairman of FACB Industries Incorporated Berhad which are also listed on Bursa Malaysia

## DATUK HAJI JAAFAR BIN ABU BAKAR

Deputy Chairman

- Aged 61, Malaysian
- Non-executive & Independent
- Appointed to the Board on 1 August 1997
- Appointed as Deputy Chairman on 1 March 2006
- Chairman of the Audit, Nomination and Remuneration Committees
- Graduated with a Bachelor of Arts (Honours) from University of Malaya in 1969; obtained a Masters in Public Policy and Administration from University of Wisconsin, Madison, U.S.A. in 1980 and is a Fellow member of the Economic Development Institute of the World Bank, Washington D.C.
- Started his career as a Land Administrator in FELDA before joining the Malaysian civil service in 1970; has since served in various senior positions within the Government Departments which included State Development Officer in Penang, Pahang and Kelantan, Deputy General Manager of Central Terengganu Development Authority and South Kelantan Development Authority, Director of Kelantan Land Development Board, General Manager of Kelantan State Economic Development Corporation, Deputy Secretary General of the Ministry of Domestic Trade and Consumer Affairs and Council Member of Malaysian Industrial Development Authority; opted for early retirement from the civil service in 1991; joined Koperasi Usaha Bersatu as Group General Manager of KUB Holdings Berhad ; subsequently took up a position as Executive Director of Damansara Realty Berhad and a year later, served as Managing Director; served as Executive Chairman of Cold Storage (Malaysia) Berhad from 1996 to 1998 and President / CEO of Uniphoenix Corp. Bhd until 2006

## DATUK WAN KASSIM BIN AHMED

Director

- Aged 59, Malaysian
- Non-executive & Independent
- Appointed to the Board on 2 July 2001
- A member of the Audit, Nomination and Remuneration Committees
- Graduated with a Bachelor of Economics (Honours) from University of Malaya in 1973
- Began his career with Messrs Kassim Chan, an audit firm in 1973 before joining Bank Bumiputra Malaysia Berhad; joined Shamelin Berhad for 10 years before starting his own management consultancy firm, United Kadila Sdn Bhd in 1984; served as a Councillor for the Petaling Jaya Town Council between 1987 and 1991; served as a Board member of the Malaysian Tourist Development Board from 1992 to 1996.
- Currently, he is also an independent and non-executive director of Karambunai Corp Berhad, FACB Industries Incorporated Berhad, Octagon Consolidated Berhad and Nasioncom Holdings Berhad which are also listed on Bursa Malaysia

## DATO' NIK KAMARUDDIN BIN ISMAIL

Director

- Aged 54, Malaysian
- Non Executive & Non-independent
- Appointed to the Board on 1 December 2005
- Graduated with a Bachelor of Science (Finance)
- Worked for a period of 14 years (1973-1987) in 3M Corporation. He served as a director of 3M Corporation from 1983 to 1987, being the first Malaysian appointed to its Board. He was also a director of TV3 from 1987 to 1991, an Executive Director of Karambunai Corp Bhd from November 1994 to November 2004 and a Non-Executive Director of Tebrau Teguh Berhad from December 2002 to November 2004
- Currently, he also serves on the board of trustee of Yayasan Pemadam

## Profile Of Directors/Chief Executive Officer

### MR TIANG CHONG SEONG

Executive Director

- Aged 52, Malaysian
- Executive & Non-independent
- Appointed to the Board on 28 October 2002
- Graduated with a Diploma in building technology from Tunku Abdul Rahman College in 1979
- Has served as Managing Director of the Property Division of PTB since January 2000. Prior to joining PTB, he had a total of 13 years' experience in property development and another 6 years as a manager in charge of project management services in an international management consulting firm

### MR LIM MUN KEE

Director

- Aged 41, Malaysian
- Non-executive & Independent
- Appointed to the Board on 1 August 2007
- A member of the Audit and Remuneration Committees
- A member of the Malaysian Institute of Accountants and Certified Public Accountants and the Malaysian Institute of Chartered Accountants
- He started his career as an article student in KPMG Peat Marwick in 1989 and obtained his professional qualification in 1995. He has over 15 years of experience in auditing, finance and accountancy field where he worked in several listed companies as the Accountant, Financial Controller and Head of Internal Audit
- Currently, he is also an independent and non-executive director of FACB Industries Incorporated Bhd

### MR CHEN YIY HWUAN

Executive Director

- Aged 28, Malaysian
- Executive & Non-Independent
- Appointed to the Board on 1 August 2007
- Graduated with a Bachelor of Arts (Hons) in Accounting with Business Economics from Middlesex University, United Kingdom
- He joined Petaling Tin Berhad in 2003 and subsequently moved to Alliance Merchant Bank in Kuala Lumpur in 2004 specialising in the areas of corporate finance. In 2004, he returned to Petaling Tin Berhad and has been involved in corporate finance and management of the company.
- Currently, he serves as a director for several subsidiaries of Petaling Tin Berhad Group. He is also a non-executive director of FACB Industries Incorporated Bhd and Karambunai Corp Bhd

### MR CHEN YIY FON

Executive Director

- Aged 27, Malaysian
- Executive & Non-Independent
- Appointed to the Board on 1 August 2007
- Graduated with a Bachelor of Arts (Hons) in Business Economics from University of Southern California, Los Angeles
- Previously worked in Morgan Stanley, Los Angeles, California as a Financial Advisor Assistant. Most recently, he was an Intern in Credit Suisse First Boston, Singapore
- Currently, he serves as a director for several subsidiaries of Petaling Tin Berhad Group. He is also a director of FACB Industries Incorporated Bhd and Karambunai Corp Bhd

### MR LEONG CHOONG WAH

Chief Executive Officer

- Aged 40, Malaysian
- Appointed as Chief Executive Officer on 1 August 2007
- A member of the Malaysian Institute of Certified Public Accountants ("MICPA") and the Malaysian Institute of Accountants ("MIA")
- Started his career with Price Waterhouse (now known as Price WaterhouseCoopers). Has extensive experience in management, financial and corporate planning, having worked as Chief Financial Officer of FACB Industries Incorporated Berhad, Executive Director, Group Finance of FACB Resorts Berhad (now known as Karambunai Corp Bhd) and in several other companies listed on Bursa Malaysia. Prior to his appointment as Chief Executive Officer, he was the Chief Operating Officer of Petaling Tin Berhad.
- Currently, he serves as a director for the subsidiaries of Petaling Tin Berhad Group. He does not hold any directorship in public companies

#### OTHER INFORMATION

1. Mr Chen Yiy Hwuan and Mr Chen Yiy Fon are the sons of Tan Sri Dr Chen Lip Keong.

2. Except for the following directors, the directors and chief executive officer do not have any conflict of interest with the Group:

- Tan Sri Dr Chen Lip Keong by virtue of his interests in privately owned companies and in Karambunai Corp Berhad, of which some of its subsidiaries are also involved in property development.
- Datuk Haji Jaafar Bin Abu Bakar by virtue of his interests in privately owned companies, of which some are also involved in property development.

However, the said companies are not in direct competition with the business of the Group.

3. Neither the directors nor chief executive officer have been convicted for any offences within the past 10 years other than traffic offences.

# Corporate Governance STATEMENT

## PREAMBLE

This statement sets out the commitment of the Board to ensure good corporate governance principles within Petaling Tin Berhad, the recommendations of which are set out in the Malaysian Code on Corporate Governance ("the Code"). The Company has complied with the Best Practices in Corporate Governance embodied in Part 2 of the Code and the statement below narrates how the Company has throughout the financial year ended 31 October 2007, applied the principles set out in Part 1 of the Code.

## DIRECTORS

### THE BOARD

The Company is led and managed by an experienced Board with a wide range of expertise. The Board has the overall responsibility for corporate governance, charting strategic direction and overseeing the operations of the Group. During the financial year, the Board met three (3) times and the attendance record for each director is as follows:-

Directors	Attendance
Datuk Seri Panglima Abdul Kadir bin Haji Sheikh Fadzir (Resigned on 1 August 2007)	1/2
Datuk Haji Jaafar bin Abu Bakar	3/3
Tan Sri Dr Chen Lip Keong	3/3
Datuk Wan Kassim bin Ahmed	3/3
Dato' Nik Kamaruddin bin Ismail	3/3
Mr Tiang Chong Seong	3/3
Mr Lee Wai Tuck, Philip (Resigned 3 January 2007)	1/1
Mr John Pius Shuman Chong (Resigned on 25 May 2007)	0/1
Mr Leow Min Fong (Resigned on 1 August 2007)	2/2
Mr Lim Mun Kee (Appointed on 1 August 2007)	1/1
Mr Chen Yiy Hwuan (Appointed on 1 August 2007)	1/1
Mr Chen Yiy Fon (Appointed on 1 August 2007)	1/1

## BOARD BALANCE

The Board currently has eight (8) members comprising four (4) executive directors and four (4) non-executive directors of whom three (3) are independent. Hence, the Board's composition of independent directors meets the criteria set out in the Listing Requirements of Bursa Malaysia.

Executive directors have direct responsibilities for business operations whilst non-executive directors have the necessary skill and experience to bring an independent judgement to bear on the issues relating to strategy, performance and resources. Collectively, the Board possesses a wide range of business, commercial and financial experience essential in the management and direction of the Group and the number of directors fairly reflects the investment of the shareholders in the Company. The profile of each Director is set out on pages 6 and 7 of the Annual Report.

The roles of the Chairman and the Chief Executive Officer are distinct and separate with their responsibilities clearly defined to ensure a balance of power and authority. The Chief Executive Officer is not a member of the Board.

Datuk Haji Jaafar bin Abu Bakar has been identified as the senior independent non-executive director to whom any concerns may be conveyed.

## DIRECTORS' TRAINING

The new Board members have completed the Mandatory Accreditation Programme. The Board has continued to evaluate and determine its training needs to keep abreast with the latest developments in the industry.

During the financial year, the Directors attended a seminar on the Malaysian Code on Takeovers and Mergers.

## Corporate Governance Statement

### SUPPLY OF INFORMATION

The directors have full and unrestricted access to all information pertaining to the Group's business and affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties. There are matters specially reserved for the Board's decision to ensure that the direction and control of the Group is firmly in its hands. Prior to the Board meetings, the directors are provided with the agenda together with Board papers containing reports and information relevant to the business of the meeting.

All directors have access to the advice and the services of the company secretaries and under appropriate circumstances may obtain independent professional advice at the Company's expense, in furtherance of their duties.

### APPOINTMENTS TO THE BOARD

The Board had established a Nomination Committee which is responsible for the assessment of the mix of skills and experience possessed by the Board members and the review of the Board size and composition on an ongoing basis to ensure effectiveness of the Board and the contribution of each director. The Nomination Committee is also responsible for assessing the suitability of proposed candidates for directorships and making recommendations to the Board on new appointments including Board Committees.

The Nomination Committee consists wholly of non-executive and independent directors. The composition of the Committee is as follows:-

Chairman:  
Datuk Haji Jaafar bin Abu Bakar

Member:  
Datuk Wan Kassim bin Ahmed

The Committee shall meet at least once a year. Additional meetings are held as and when required. During the financial year, the Committee met two (2) times.

### TERMS OF REFERENCE OF NOMINATION COMMITTEE

The terms of reference of the Nomination Committee are as follows:-

- To recommend to the Board, candidates for all directorships to be filled by shareholders or the Board. In making its recommendations, the Nomination Committee should consider the candidates' skills, knowledge, expertise and experience; professionalism; integrity and in the case of candidates for the position of independent non-executive directors, the Nomination Committee should evaluate the candidates' ability to discharge such responsibilities / functions as expected from independent non-executive directors.
- To consider, in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any director or shareholder.
- To recommend to the Board, directors to fill the seats on Board Committees.
- To assist the Board to implement a formal and transparent procedure for the appointment of new directors to the Board.
- To ensure that all directors submit themselves for re-election at regular intervals and at least once every 3 years.
- To ensure that any director appointed during the year holds office until the next following Annual General Meeting and is eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation.
- To ensure that the election or appointment of two or more persons as directors shall not be effected by a single resolution at a general meeting unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it.
- To assist the Board to implement a process to be carried out by the Nomination Committee annually for assessing the effectiveness of the Board as a whole, the Board committees and the contribution of each individual director, including independent non-executive directors and chief executive officer. All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions should be properly documented.

## Corporate Governance Statement

### RE-ELECTION

In accordance with the provisions of the Articles of Association of the Company, all directors are subject to retirement from office at least once in every three (3) years, but shall be eligible for re-election. The Articles also provide that any director appointed during the year is required to retire and seek re-election at the following Annual General Meeting immediately after such appointment.

### DIRECTORS' REMUNERATION

#### THE LEVEL AND MAKE-UP OF REMUNERATION

The remuneration framework for executive directors has an underlying objective of attracting and retaining directors needed to run the Company successfully. Remuneration packages of executive directors are structured to commensurate with corporate and the individual's performance. In respect of non-executive directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual concerned.

#### PROCEDURE

The Board had established a Remuneration Committee to review and recommend to the Board the remuneration package of the executive directors and the determination of remuneration packages of non-executives is a matter for consideration by the Board as a whole. The individuals concerned are required to abstain from discussions pertaining to their own remuneration packages.

The Remuneration Committee consists wholly of non-executive directors. The composition of the Committee is as follows:-

#### Chairman:

Datuk Haji Jaafar bin Abu Bakar

#### Members:

Datuk Wan Kassim bin Ahmed

Mr Leow Ming Fong @ Leow Min Fong (Resigned on 1 August 2007)

Mr Lim Mun Kee (Appointed on 1 August 2007)

The Remuneration Committee considers information available from surveys conducted by human resource consultants in reviewing the individual elements of remuneration packages and has also considered packages offered by comparable companies.

The Committee shall meet at least once a year. Additional meetings shall be scheduled if considered necessary by the Committee or Chairman. During the financial year, the Committee met once.

#### DISCLOSURE

Details of the directors' remuneration for the financial year are as follows :-

The aggregate remuneration of directors categorized into appropriate components

	Fees RM	Salaries RM	Others RM	Total RM
Executive	-	432,000.00	118,510.95	550,510.95
Non-executive	285,000.00	-	-	285,000.00
	285,000.00	432,000.00	118,510.95	835,510.95

The number of directors whose total remuneration falls within the following bands.

Range of Remuneration (RM)	Executive	Non-executive
0 - 50,000	4	3
50,001 - 100,000	-	2
101,000 - 150,000	-	1
151,000 - 200,000	1	-
201,000 - 250,000	-	-
251,000 - 300,000	-	-
301,000 - 350,000	-	-
351,000 - 400,000	1	-
	6	6

The above disclosure is in compliance with the Listing Requirements of Bursa Malaysia. Nevertheless, it represents a departure from the Principles of Corporate Governance of the Code which prescribes individual disclosure of directors' remuneration packages. The Board is of the view that the transparency and accountability aspects of corporate governance in respect of directors' remuneration have been appropriately served by the band disclosure made.

## Corporate Governance Statement

### SHAREHOLDERS

#### DIALOGUE BETWEEN COMPANY AND INVESTORS

The Company recognises the importance of keeping shareholders and investors informed of the Group's business and corporate developments. Such information is disseminated via annual reports, quarterly financial results, circulars to shareholders and the various announcements released from time to time.

#### THE ANNUAL GENERAL MEETING ("AGM")

The AGM serves as a principal forum for dialogues with shareholders where the Board presents the operations and performance of the Group. During the meeting, shareholders are given every opportunity to enquire and comment on matters relating to the Group's business and performance. The Chairman and members of the Board are available to respond to shareholders' queries during the AGM.

### ACCOUNTABILITY AND AUDIT

#### FINANCIAL REPORTING

The Board is responsible for ensuring a balanced and understandable assessment of the Group's position and prospects through the annual financial statements and quarterly announcements to shareholders. The Audit Committee assists the Board by reviewing the disclosure information to ensure completeness, accuracy and validity. A full Directors' Responsibility Statement is set out on page 12 of the Annual Report.

#### INTERNAL CONTROL

The Statement on Internal Control set out on pages 14 and 15 of this Annual Report provides an overview of the Company's approach in maintaining a sound system of internal control to safeguard shareholders' investment and the Company's assets.

#### RELATIONSHIP WITH THE AUDITORS

The Board via the establishment of an Audit Committee, maintains a formal and transparent relationship with the Company's auditors. The roles of the Audit Committee in relation to the auditors are detailed on page 17 of the Audit Committee Report in this Annual Report.

*This statement is made in accordance with a resolution of the Board passed on 19 March 2008.*

## Statement Of Directors' **RESPONSIBILITY**

This statement is made pursuant to paragraph 15.27(a) of Chapter 15 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The provisions of the Companies Act, 1965 requires the directors to be responsible in preparing the financial statements for each financial year which gives a true and fair view of the state of affairs of the Group and the Company and of the results and cash flows of the Group and of the Company for the financial year ended 31 October 2007. In complying with these requirements, the Directors are responsible for ensuring that proper accounting records are maintained and suitable accounting policies are adopted and applied consistently. In cases whereby judgement and estimates were required, the directors have ensured that these were made prudently and reasonably.

The Directors also ensured that all applicable accounting standards have been followed and confirmed that the financial statements have been prepared on a going concern basis.

In addition, the Directors are also responsible for safeguarding the assets of the Company by taking reasonable steps to prevent and detect fraud and other irregularities.

# Other INFORMATION

## MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests during the financial year.

Subsequent to the financial year end, on 7 December 2007, the Group had on even date entered into a Sale & Purchase Agreement with Karambunai Corp Bhd ("KCB") to acquire approximately 8,201.86 square metres of leasehold land in Petaling Jaya together with a four storey building with an annexed single storey warehouse and ancillary building free from all encumbrances for a cash consideration of RM12 million. The acquisition was deemed a related party transaction by virtue of Tan Sri Dr. Chen Lip Keong, Datuk Wan Kassim Bin Ahmed, Chen Yiy Hwuan and Chen Yiy Fon being directors and/or substantial shareholder in both the Company and KCB.

## SHARE BUY-BACK

During the financial year, no share buy-back was made by the Company.

As at 31 October 2007, a total of 271,700 of the Company's shares were held as treasury shares. None of the treasury shares held were resold or cancelled during the financial year.

## NON-AUDIT FEES

Non-audit fees amounting to RM4,200.00 were paid to external auditors for the financial year ended 31 October 2007 in respect of their attendance in the Company's Audit Committee Meetings and review of the Statement on Internal Control.

## RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

There were no material recurrent related party transactions of a revenue nature during the year other than those disclosed in the financial statements.

*This statement is made in accordance with a resolution of the Board passed on 19 March 2008.*

# Statement on INTERNAL CONTROL

(Pursuant to paragraph 15.27(b) of Bursa Malaysia Securities Listing Requirements)

The Malaysian Code on Corporate Governance (“the Code”) states that the Board of listed companies should maintain a sound system of internal control to safeguard shareholders’ investment and the company’s assets. The Bursa Malaysia Securities Listing Requirements require the Board of listed companies to include in its Annual Report, a statement on the state of internal controls of the Group. In making this statement on internal control, it is essential to address the Principles and Best Practices in the Code which relate to internal control.

## RESPONSIBILITY

The Board has overall stewardship responsibility for the Group’s system of internal control and for reviewing its adequacy and integrity to safeguard shareholder’s investment and the Group’s assets. However, it should be noted that such a system is designed to manage rather than to eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The associated companies have not been dealt with as part of the Group for the purpose of this statement.

## INTERNAL CONTROL SYSTEMS

The Group’s control system is designed to facilitate achievement of its business objectives. It comprises the underlying control environment, control processes, communication and monitoring systems which manifest themselves as follows:-

- Organisational structure with well defined lines of responsibility, delegation of authority, segregation of duties and information flow. The Board has delegated to Executive Management the implementation of the systems of internal control but still maintain full control and direction over appropriate strategic, financial, organizational and compliance issues. The Executive Management convenes regularly to meet its strategic business agenda thus ensuring that the Board, properly apprised, maintains effective supervision over the entire operations.
- Well documented internal operating policies and procedures have been established, periodically reviewed and kept updated in accordance with changes in the operating environment.
- Comprehensive budgeting process for major operating units with periodical monitoring of performance so that major variances are followed up and management action taken.
- Functional limits of authority for revenue and capital expenditure of all operating units. These commitment authority thresholds, working in tandem with budgeting and payment controls, serve to facilitate the approval process whilst keeping potential exposure in check.
- Detailed justification and approval process for major expenditures to ensure congruence with the Company’s strategic objectives.
- Framework for computerised information systems to streamline hardware and software regulations and guidelines for system integrity, effectiveness and efficiency.
- Independent appraisals by internal auditors to ensure ongoing compliance with policies, procedures and legislations whilst assessing the effectiveness of the Group’s system of financial, operational and compliance controls.

## Statement On Internal Control

### RISK MANAGEMENT FRAMEWORK

Besides primary ownership over effectiveness of the Group's internal control systems, the Board recognises its responsibility over the principal risks over various aspects of the Group's business. For long term viability of the Group, it is crucial to achieve a critical balance between risks incurred and potential returns.

In response to the above challenge, the Group has established an in-house structured risk management framework thereby, laying the foundation for an ongoing process for identifying, evaluating, treating, reporting and monitoring the significant risks faced by the Group.

A Risk Advisory Committee (RAC) comprising senior management personnel responsible, inter alia, for internal policy communications, acquiring risk management skills, developing skills through education and training, and ensuring adequate scale of recognition, rewards and sanctions was set up on 26 March 2002.

During the financial year, the RAC monitored the Group's significant risks and recommended appropriate treatments. The resultant RAC report is reviewed quarterly by the Audit Committee to ensure the adequacy and effectiveness of the Group's Risk Management Framework.

### INTERNAL AUDIT

An in-house Internal Audit function supports the Audit Committee, and by extension, the Board, by providing reasonable independent assurance on the effectiveness of the Group's system of internal control.

In particular, Internal Audit appraise and contribute towards improving the Group's risk management and control systems and reports to the Audit Committee on a quarterly basis. The internal audit work plan which reflects the risk profile of the Group's major business sectors is routinely reviewed and approved by the Audit Committee.

### INTERNAL CONTROL ISSUES

Management maintains an ongoing commitment to strengthen the Group's control environment and processes. During the year, there were no material losses caused by breakdown in internal control.

*This statement is made in accordance with a resolution of the Board of Directors dated 19 March 2008 and has been duly reviewed by the external auditors, pursuant to paragraph 15.24 of the Bursa Malaysia Securities Listing Requirements.*

# Audit Committee REPORT

(Pursuant to paragraph 15.16 of Bursa Malaysia Securities Listing Requirements)

## MEMBERS OF THE AUDIT COMMITTEE

Datuk Haji Jaafar bin Abu Bakar  
(Chairman & Independent Non-Executive Director)

Datuk Wan Kassim bin Ahmed  
(Independent Non-Executive Director)

Mr Lim Mun Kee  
(Independent Non-Executive Director)  
(Appointed on 1 August 2007)

Mr Leow Ming Fong @ Leow Min Fong  
(Independent Non-Executive Director)  
(Resigned on 1 August 2007)

## TERMS OF REFERENCE

### PURPOSE

The primary objective of the Audit Committee (as a standing committee of the Board) is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting and internal control.

### COMPOSITION

The Audit Committee shall be appointed by the Directors amongst their numbers, who fulfills the following requirements:-

- Comprised no fewer than 3 members.
- All members of the Audit Committee should be non-executive directors, with a majority of them being independent directors.
- At least one member have relevant qualifications and experience as specified in the Listing Requirements of Bursa Malaysia Securities Berhad.
- No alternate director is appointed as a member of the Audit Committee.

## CHAIRMAN OF THE AUDIT COMMITTEE

The members of an Audit Committee shall elect a chairman from among their number who shall be an independent director.

## REPORTING RESPONSIBILITIES

The Audit Committee will report to the Board on the nature and extent of the functions performed by it and may make such recommendations to the Board on any audit and financial reporting matters as it may think fit.

## ATTENDANCE AT MEETINGS

The heads of finance and internal audit and representative of the external auditor shall normally attend meetings.

Other directors and employees may attend any particular Audit Committee meeting only upon the invitation of the Audit Committee specific to the relevant meeting.

The company secretary shall be the secretary of the Committee.

## FREQUENCY OF MEETINGS

Audit Committee will meet as frequently as the Chairman shall decide, with due notice of issues to be discussed and should record its conclusions whilst discharging its duties and responsibilities. The Committee should meet with the external auditors without executive board members present at least twice a year.

## QUORUM

The quorum for a meeting shall be two (2) members of whom a majority shall be Independent Directors.

## AUTHORITY

The Audit Committee is authorized by the Board to investigate any activity within its term of reference. The Committee shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The Committee may, with the approval of the Board, consult legal or other professionals where they consider it necessary to discharge their duties.

## Audit Committee Report

### DUTIES

The duties of the Audit Committee include the following:-

- The Chairman of the Audit Committee to engage on a continuous basis with senior management, the head of internal audit and the external auditors in order to be kept informed of matters affecting the company.
- To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal.
- To discuss with the external auditor before the audit commences, the nature and scope of the audit.
- To review the quarterly and year end financial statements of the Company, focusing on:
  - any changes in accounting policies and practices;
  - major judgmental areas;
  - significant adjustments arising from the audit;
  - the going concern assumptions; and
  - compliance with accounting standards and other legal requirement.
- To discuss problems and reservations arising from the interim and final audits and any matter the auditor may wish to discuss (in the absence of management, where necessary).
- To review the external auditor's management letter and management's response.
- To review the adequacy of the scope, authority and resources of the internal audit function.
- To review the internal audit programmes and results ensuring that appropriate action are taken on the recommendations of the internal audit function.
- To review any appraisal or assessment of the performance of members of the internal audit function.
- To approve any appointments or termination of senior staff members of the internal audit function; and
- To take cognizance of resignation of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- To consider any related party transactions that may arise within the Company or Group.
- To consider the major findings of internal investigations and management's response.

## Audit Committee Report

### DETAILS OF MEETINGS

The Audit Committee met four times during the financial year ended 31 October 2007 and details of attendance are as follows:

Name of Audit Committee Member	Total meetings attended
Datuk Haji Jaafar bin Abu Bakar	4/4
Datuk Wan Kassim bin Ahmed	4/4
Mr Lim Mun Kee (Appointed on 1 August 2007)	1/1
Mr Leow Ming Fong @ Leow Min Fong (Appointed on 3 January 2007; Resigned on 1 August 2007)	2/2
Mr Lee Wai Tuck, Philip (Resigned on 3 January 2007)	0/1

### SUMMARY OF AUDIT COMMITTEE ACTIVITIES

In discharging its responsibilities for the financial year, the Audit Committee, in particular:

- Reviewed the quarterly and year end financial statements and made recommendations to the Board.
- Reviewed the overall coverage of internal audit.
- Deliberated over the internal audit and compliance reports, ensuring that appropriate actions are taken by management.
- Reviewed the Risk Advisory Committee report to ensure the adequacy and effectiveness of the Group's Risk Management Framework.
- Discussed and reviewed with the external auditors the results of their examination, their auditor's report and management letters in relation to the audit and accounting issues arising from the audit.
- Reviewed the Company's compliance with regards to the Bursa Malaysia Securities Listing Requirements and compliance with accounting standards issued by the Malaysian Accounting Standards Board.

## Audit Committee Report

### SUMMARY OF INTERNAL AUDIT ACTIVITIES

The Audit Committee of the Board is supported by an Internal Audit Department. As a mandatory function they report directly to the Audit Committee and are independent of the activities audited. During the financial year, the Internal Audit Department conducted, inter alia, the following activities:

- Formulated and agreed with the Audit Committee on the audit plan, strategy and scope of work.
- Reviewed compliance with internal policies and procedures, relevant external rules and regulations, as well as assessed the adequacy and effectiveness of the Group's internal control systems.
- Analysed and assessed key business systems, report findings, and made recommendations to improve effectiveness and efficiency.
- Followed up on internal audit reports to ascertain whether matters which require addressing have been rectified and corrective actions taken are effective.
- Advised on the implementation of the Malaysian Code on Corporate Governance and other regulatory requirements.
- Performed investigations as requested by the Audit Committee and Executive Management.
- Reviewed the Group's risk management framework for adequacy and effectiveness.

*This report is made in accordance with a resolution of the Board of Directors dated 19 March 2008.*

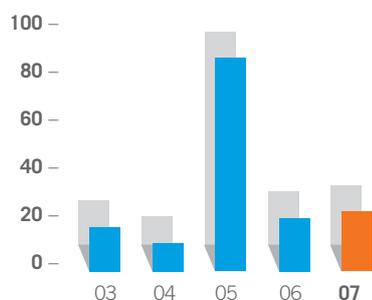
# Five Years' COMPARATIVE RESULTS

FIVE YEARS COMPARATIVE RESULTS					
	2007	2006	2005	2004	2003
Operating revenue (RM'000)	<b>21,175</b>	20,120	86,607	3,701	18,259
Profit / (Loss) before taxation (RM'000)	<b>19,132</b>	(6,041)	(17,099)	(4,982)	(4,187)
Profit / (Loss) after taxation (RM'000)	<b>16,568</b>	(6,597)	(15,107)	(5,248)	(3,521)
Shareholders' fund (RM'000)	<b>378,620</b>	361,787	368,345	383,521	388,769
Total assets employed (RM'000)	<b>462,982</b>	446,180	453,171	469,038	476,247
Net tangible assets (RM'000)	<b>378,620</b>	361,787	366,102	380,997	385,965
Gearing ratio (times)*	<b>-.**</b>	-.**	-.**	-.**	-.**
Net tangible assets per share (RM)	<b>1.10</b>	1.05	1.06	1.11	1.12
Earnings / (Loss) per share (sen)					
Basic	<b>4.8</b>	(1.9)	(4.4)	(1.5)	(1.0)
Fully Diluted	<b>-</b>	-	-	-	-

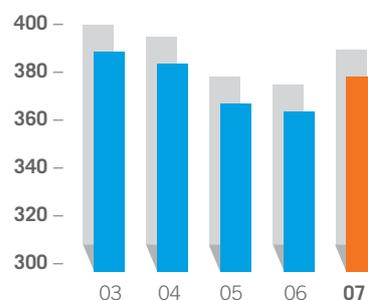
\* Calculated based on bank borrowings (excluding ICULS) over shareholders' funds

\*\* Negligible

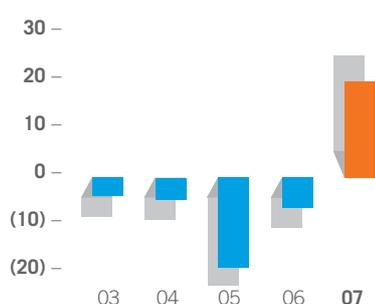
**OPERATING REVENUE**  
(RM'000)



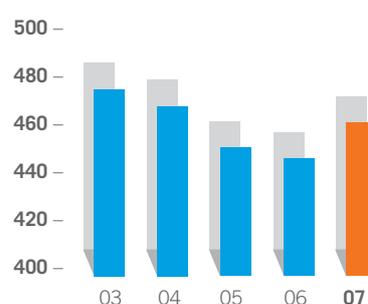
**SHAREHOLDERS' FUND**  
(RM'000)



**(LOSS)/PROFIT BEFORE TAX**  
(RM'000)



**TOTAL ASSETS EMPLOYED**  
(RM'000)



# Financial STATEMENTS



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# Directors' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 October 2007.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of property development, investment holding and providing management services. The principal activities of the subsidiary companies are disclosed in note 6 to the financial statements. There has been no significant change in the nature of these activities during the year.

## RESULTS

	Group RM	Company RM
Profit/(loss) for the year	16,568,396	(1,107,939)

## DIVIDENDS

No dividend has been paid or declared by the Company since the end of previous financial year and the Directors do not recommend any dividend payment for the current financial year.

## RESERVES AND PROVISIONS

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

## BAD AND DOUBTFUL DEBTS

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts, and have satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would require the writing off of bad debts, or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

## CURRENT ASSETS

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps to ensure that any current assets which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

## Directors' Report

### VALUATION METHODS

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.

### CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person, or
- (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

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

### CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

### ITEMS OF AN UNUSUAL NATURE

In the opinion of the Directors:-

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature 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.

### ISSUE OF SHARES

During the year, no new issue of shares was made by the Company.

### IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2000/2010 ("ICULS")

There were no ICULS converted into new ordinary shares of the Company during the financial year.

The terms of issue of the ICULS are as disclosed in note 24 to the financial statements.

## Directors' Report

### DETACHABLE WARRANTS 2000/2010 ("WARRANTS")

The Detachable Warrants 2000/2010 of the Company were issued on 2 February 2000 and are constituted by a Deed Poll dated 18 January 2000 executed by the Company. The salient features of the Warrants are as follows:-

- (a) each Warrant will entitle its registered holder to subscribe for one new ordinary share of RM1/- each in the Company at the exercise price of RM1.16 per new ordinary share by payment in cash during the exercise period;
- (b) exercise of the Warrants will be allowed at any time up to the expiry of 10 years following the date of issue; and
- (c) the new ordinary shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respect with the existing ordinary shares in the Company except that they shall not be entitled to any rights allotment or other distribution declared or distributed, the record date of which is on or before the date of exercise of the Warrants. In addition, these new shares shall not be entitled to any dividends declared in respect of a prior financial year or interim dividends the record date of which is on or before the date of exercise of the Warrants. For the purpose hereof, record date means the date as at the close of business on which shareholders must be registered as members of the Company in order to participate in any dividends, rights, allotments or any other distributions.

As at financial year end, the number of unexercised detachable warrants 2000/2010 of the Company were 40,334,824 (2006 : 40,334,824). There were no warrants exercised during the financial year.

### DIRECTORS OF THE COMPANY

The Directors in office since the date of the last report are:-

TAN SRI DR. CHEN LIP KEONG	
DATUK HAJI JAAFAR BIN ABU BAKAR	
DATUK WAN KASSIM BIN AHMED	
TIANG CHONG SEONG	
DATO' NIK KAMARUDDIN BIN ISMAIL	
JOHN PIUS SHUMAN CHONG	(Resigned on 25.5.07)
DATUK SERI PANGLIMA ABDUL KADIR BIN HAJI SHEIKH FADZIR	(Resigned on 1.8.07)
LEOW MING FONG @ LEOW MIN FONG	(Resigned on 1.8.07)
LIM MUN KEE	(Appointed on 1.8.07)
CHEN YIY HWUAN	(Appointed on 1.8.07)
CHENG YIY FON	(Appointed on 1.8.07)

### DIRECTORS' INTEREST IN SHARES AND WARRANTS

Particulars of Directors' interest in the shares and Warrants of the Company during the financial year according to the registers required to be kept under Section 134 of the Companies Act, 1965 are as follows:-

	Number of Ordinary Shares of RM1/- Each			
	At 1.11.06	Acquired	Disposed	At 31.10.07
<b>Direct Interest</b>				
Tan Sri Dr. Chen Lip Keong	88,477,443	3,300,000	-	91,777,443
Datuk Haji Jaafar bin Abu Bakar	5,000	-	-	5,000
<b>Indirect Interest Held Through Persons Connected to Directors and Corporations In Which The Directors Have Interests</b>				
Tan Sri Dr. Chen Lip Keong	29,382,179	-	(3,300,000)	26,082,179

*Directors' Report***DIRECTORS' INTEREST IN SHARES AND WARRANTS (CONT'D)**

	At 1.11.06	Number of Warrants		At 31.10.07
		Acquired	Disposed	
<b>Direct Interest</b>				
Tan Sri Dr. Chen Lip Keong	10,217,048	-	-	<b>10,217,048</b>
Datuk Haji Jaafar bin Abu Bakar	2,000	-	-	<b>2,000</b>

The Directors who have substantial interests in the shares of the Company are also deemed to have interest in the shares of the subsidiary companies to the extent that the Company has an interest.

In accordance with Article 80 of the Company's Articles of Association, Datuk Haji Jaafar bin Abu Bakar and Dato' Nik Kamaruddin bin Ismail retire from the board at the forthcoming annual general meeting and being eligible offer themselves for re-election.

In accordance with Article 82(c) of the Company's Articles of Association, Mr. Lim Mun Kee, Mr. Chen Yiy Hwuan and Mr. Chen Yiy Fon retire from the board at the forthcoming annual general meeting and being eligible offer themselves for re-election.

**DIRECTORS' BENEFITS**

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than the Directors' remuneration disclosed in note 32(a) to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

**SIGNIFICANT EVENTS**

Significant events during the financial year are disclosed in note 39 to the financial statements.

**SUBSEQUENT EVENTS**

Significant events arising subsequent to the financial year is disclosed in note 40 to the financial statements.

**AUDITORS**

The auditors, Messrs. Moore Stephens, have expressed their willingness to continue in office.

On Behalf of the Board

**DATUK HAJI JAAFAR BIN ABU BAKAR**

**TIANG CHONG SEONG**

Petaling Jaya

# Statement By **DIRECTORS**

We, the undersigned, being two of the Directors of the Company, state that in the opinion of the Directors, the accompanying financial statements as set out on pages 28 to 76, are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards for Entities Other Than Private Entities in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 October 2007 and of the results of the operations, changes in equity and cash flows of the Group and of the Company for the year ended on that date.

On Behalf of the Board

**DATUK HAJI JAAFAR BIN ABU BAKAR**

**TIANG CHONG SEONG**

Petaling Jaya

# Statutory **DECLARATION**

I, Leong Choong Wah, NRIC No.: 680519-10-6613, being the officer primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 28 to 76 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at  
Kuala Lumpur in the Federal Territory  
On 18 February 2008

**LEONG CHOONG WAH**

Before me

**S.MASOHOOD OMAR (W.354)**  
Commissioner for Oaths

# **REPORT OF THE AUDITORS**

## *To The Members Of Petaling Tin Berhad*

We have audited the financial statements set out on pages 28 to 76.

The preparation of the financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on those 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 towards any other person for the content of this report.

We conducted our audit in accordance with the approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatement. Our audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. Our audit includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:-

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards for Entities Other Than Private Entities in Malaysia so as to give a true and fair view of:-
  - (i) the matters required by Section 169 of the Companies Act, 1965, to be dealt with in the financial statements of the Group and of the Company; and
  - (ii) the state of affairs of the Group and of the Company as at 31 October 2007 and of the results of the operations, changes in equity and cash flows of the Group and of the Company for the year ended on that date;

and

- (b) the accounting and other records and the registers required by the Companies Act, 1965, to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the said Act.

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

Our auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Section 174(3) of the Companies Act, 1965.

**MOORE STEPHENS**  
Chartered Accountants  
(AF.0282)

Kuala Lumpur

**AU TAI WEE**  
1551/01/09 (J)  
Partner

# Consolidated BALANCE SHEET

As At 31 October 2007

	Note	2007 RM	2006 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	3,255,621	4,042,138
Prepaid land lease payments	5	2	2
Interest in associated companies	7	-	-
Investment properties	8	126,182,135	103,526,481
Land held for property development	9	181,647,266	162,760,031
		<b>311,085,024</b>	<b>270,328,652</b>
<b>Current assets</b>			
Property development costs	12	75,550,655	60,072,663
Inventories	13	7,318,102	9,041,127
Short term investments	14	13,008,340	1,484,826
Trade receivables	15	37,601,763	88,043,291
Other receivables, deposits and prepayments	16	13,280,100	13,590,344
Tax assets	17	13,832	25,885
Amount owing by an associated company	19	-	-
Fixed deposits with licensed banks	20	1,329,436	1,323,877
Cash and bank balances	21	3,794,305	2,269,170
		<b>151,896,533</b>	<b>175,851,183</b>
<b>TOTAL ASSETS</b>		<b>462,981,557</b>	<b>446,179,835</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	22	344,292,335	344,292,335
Reserves	23	32,227,179	15,394,783
Irredeemable Convertible Unsecured Loan Stocks	24	2,100,000	2,100,000
<b>Total Equity</b>		<b>378,619,514</b>	<b>361,787,118</b>

*Consolidated Balance Sheet*

	Note	2007 RM	2006 RM
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Hire purchase payables	25	340,315	261,116
Deferred taxation	26	32,932,344	31,397,000
		<b>33,272,659</b>	<b>31,658,116</b>
<b>Current liabilities</b>			
Trade payables	27	2,948,224	3,698,657
Provisions	28	5,626,744	5,626,744
Other payables, deposits and accruals	29	7,151,768	7,799,513
Hire purchase payables	25	69,301	39,843
Taxation		35,293,347	35,569,844
		<b>51,089,384</b>	<b>52,734,601</b>
<b>Total Liabilities</b>		<b>84,362,043</b>	<b>84,392,717</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>462,981,557</b>	<b>446,179,835</b>

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

# Consolidated INCOME STATEMENT

For The Year Ended 31 October 2007

	Note	2007 RM	2006 RM
Operating revenue	30	21,174,778	20,120,079
Direct costs	31	(14,453,476)	(17,529,008)
<b>Gross profit</b>		<b>6,721,302</b>	2,591,071
Other operating revenue		23,912,840	5,921,820
Distribution costs		(337,889)	(52,990)
Administrative costs		(7,257,618)	(6,344,025)
Other operating costs		(3,889,485)	(8,146,325)
		<b>(11,484,992)</b>	(14,543,340)
<b>Profit/(Loss) from operations</b>		<b>19,149,150</b>	(6,030,449)
Finance costs		(17,505)	(10,962)
<b>Profit/(Loss) before taxation</b>	32	<b>19,131,645</b>	(6,041,411)
Taxation	33	(2,563,249)	(555,702)
<b>Profit/(Loss) for the year</b>		<b>16,568,396</b>	(6,597,113)
Basis Earnings/(Loss) Per Share (Sen)	34	4.82	(1.92)
Diluted Earnings/(Loss) Per Share (Sen)	34	-	-

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

# Consolidated Statement Of CHANGES IN EQUITY

For The Year Ended 31 October 2007

	Share Capital RM	Share Premium RM	Reserves RM	ICULS - Equity Instrument RM	Accumulated Losses RM	Treasury Shares RM	Total Equity RM
<b>At 1.11.05</b>	344,292,335	43,664,342	9,198,446	2,100,000	(30,841,456)	(68,236)	368,345,431
Realisation of revaluation surplus on sales of development properties	-	-	(569,081)	-	569,081	-	-
(Expenses)/Income recognised directly in equity	-	-	(569,081)	-	569,081	-	-
Transfer from deferred taxation due to changes in tax rate	-	-	38,800	-	-	-	38,800
Loss for the year	-	-	-	-	(6,597,113)	-	(6,597,113)
Total expenses recognised for the year	-	-	(530,281)	-	(6,028,032)	-	(6,558,313)
<b>At 31.10.06</b>	344,292,335	43,664,342	8,668,165	2,100,000	(36,869,488)	(68,236)	361,787,118
Effect of adopting FRS 3	-	-	(212,472)	-	212,472	-	-
Realisation of revaluation surplus on sales of development properties	-	-	(3,623,243)	-	3,623,243	-	-
(Expenses)/Income recognised directly in equity	-	-	(3,835,715)	-	3,835,715	-	-
Transfer from deferred taxation due to changes in tax rate	-	-	264,000	-	-	-	264,000
Profit for the year	-	-	-	-	16,568,396	-	16,568,396
Total (expenses)/income recognised for the year	-	-	(3,571,715)	-	20,404,111	-	16,832,396
<b>At 31.10.07</b>	<b>344,292,335</b>	<b>43,664,342</b>	<b>5,096,450</b>	<b>2,100,000</b>	<b>(16,465,377)</b>	<b>(68,236)</b>	<b>378,619,514</b>

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

# Consolidated CASH FLOW STATEMENT

For The Year Ended 31 October 2007

	Note	2007 RM	2006 RM
<b>Cash Flows from Operating Activities</b>			
Profit/(Loss) before taxation		19,131,645	(6,041,411)
Adjustments for:-			
Allowance for doubtful debts		-	3,150
Waiver of debt		600,000	-
Fair value adjustment on investment properties		(22,655,654)	-
Reinstatement of loss from disposal of development property		2,546,712	-
Effect of rescission of sale of development property		664,478	(4,964,962)
Provision for infrastructure and development costs		-	46,725
Property development costs written off		453,816	4,866,860
Depreciation of property, plant and equipment		1,068,200	1,023,258
Dividend revenue		(8,632)	(19,328)
Gain on disposal of property, plant and equipment		(500,000)	(20,700)
Gain on disposal of short term investments		(235,461)	(195,792)
Amortisation of goodwill on consolidation		-	210,300
Goodwill on consolidation written off		-	2,032,900
Interest expenses		14,193	7,977
Interest revenue		(252,738)	(531,554)
Operating profit/(loss) before working capital changes		826,559	(3,582,577)
Increase in land and development expenditure		(38,030,233)	(56,071,527)
Decrease in receivables		50,151,772	59,970,397
Decrease in payables		(1,398,178)	(1,135,810)
Decrease in inventories		1,723,025	2,648,313
Cash generated from operations		13,272,945	1,828,796
Interest paid		(14,193)	(7,977)
Interest received		252,738	531,554
Income tax refund		13,316	7,522
Income tax paid		(1,040,387)	(162,018)
Net cash generated from operating activities carried down		12,484,419	2,197,877

## Consolidated Cash Flow Statement

	Note	2007 RM	2006 RM
Net cash generated from operating activities brought down		12,484,419	2,197,877
<b>Cash Flows from Investing Activities</b>			
Placement of fixed deposits		(5,559)	(58,947)
Proceeds from disposal of property, plant and equipment		500,000	20,700
Proceeds from disposal of short term investments		1,964,486	942,722
Dividend received		7,354	13,916
Purchase of short term investments		(13,252,539)	(1,787,164)
Purchase of property, plant and equipment	35	(133,183)	(141,518)
Net cash used in investing activities		(10,919,441)	(1,010,291)
<b>Cash Flows from Financing Activity</b>			
Payments to hire purchase payables		(39,843)	(19,041)
<b>Net increase in cash and bank balances</b>		<b>1,525,135</b>	<b>1,168,545</b>
Cash and bank balances at beginning of the year		2,269,170	1,100,625
<b>Cash and bank balances at end of the year</b>	21	<b>3,794,305</b>	<b>2,269,170</b>

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

# Balance SHEET

As At 31 October 2007

	Note	2007 RM	2006 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	570,356	719,112
Prepaid land lease payments	5	2	2
Investments in subsidiary companies	6	186,555,003	186,555,003
Interest in associated companies	7	-	-
		<b>187,125,361</b>	187,274,117
<b>Current assets</b>			
Property development costs	12	38,363,473	38,328,281
Short term investments	14	13,008,340	1,484,826
Other receivables, deposits and prepayments	16	2,273,050	2,069,220
Tax assets	17	13,832	25,885
Amount owing by subsidiary companies	18	97,184,695	109,069,827
Amount owing by an associated company	19	-	-
Fixed deposits with licensed banks	20	50,000	50,000
Cash and bank balances	21	426,631	43,300
		<b>151,320,021</b>	151,071,339
<b>TOTAL ASSETS</b>		<b>338,445,382</b>	338,345,456
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	22	344,292,335	344,292,335
Reserves	23	(13,576,233)	(12,468,294)
Irredeemable Convertible Unsecured Loan Stocks	24	2,100,000	2,100,000
<b>Total Equity</b>		<b>332,816,102</b>	333,924,041
<b>Liabilities</b>			
<b>Non-current liability</b>			
Hire purchase payables	25	218,924	261,116
<b>Current liabilities</b>			
Trade payables	27	5,009	5,009
Other payables, deposits and accruals	29	3,406,695	3,128,369
Amount owing to subsidiary companies	18	1,956,460	987,078
Hire purchase payables	25	42,192	39,843
		<b>5,410,356</b>	4,160,299
<b>Total Liabilities</b>		<b>5,629,280</b>	4,421,415
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>338,445,382</b>	338,345,456

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

# INCOME Statement

For The Year Ended 31 October 2007

	Note	2007 RM	2006 RM
Operating revenue	30	3,364,431	2,374,305
Other operating revenue		787,261	621,373
Administrative costs		(4,911,592)	(4,621,543)
Other operating costs		(330,518)	(5,281,998)
		(5,242,110)	(9,903,541)
<b>Loss from operations</b>		<b>(1,090,418)</b>	<b>(6,907,863)</b>
Finance costs		(17,505)	(10,962)
<b>Loss before taxation</b>	32	<b>(1,107,923)</b>	<b>(6,918,825)</b>
Taxation	33	(16)	14
<b>Loss for the year</b>		<b>(1,107,939)</b>	<b>(6,918,811)</b>

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

# Statement Of CHANGES IN EQUITY

For The Year Ended 31 October 2007

	Share Capital RM	Share Premium RM	Reserves RM	ICULS - Equity Instrument RM	Accumulated Losses RM	Treasury Shares RM	Total Equity RM
<b>At 1.11.05</b>	344,292,335	43,664,342	4,519,264	2,100,000	(53,664,853)	(68,236)	340,842,852
Loss for the year	-	-	-	-	(6,918,811)	-	(6,918,811)
<b>At 31.10.06</b>	344,292,335	43,664,342	4,519,264	2,100,000	(60,583,664)	(68,236)	333,924,041
Loss for the year	-	-	-	-	(1,107,939)	-	(1,107,939)
<b>At 31.10.07</b>	<b>344,292,335</b>	<b>43,664,342</b>	<b>4,519,264</b>	<b>2,100,000</b>	<b>(61,691,603)</b>	<b>(68,236)</b>	<b>332,816,102</b>

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

# CASH FLOW Statement

For The Year Ended 31 October 2007

	Note	2007 RM	2006 RM
<b>Cash Flows from Operating Activities</b>			
Loss before taxation		(1,107,923)	(6,918,825)
Adjustments for:-			
Allowance for doubtful debts		-	5,000,000
Depreciation of property, plant and equipment		265,346	221,570
Dividend revenue		(8,632)	(19,293)
Gain on disposal of property, plant and equipment		(500,000)	(18,600)
Gain on disposal of short term investments		(235,461)	(190,817)
Interest expenses		14,193	7,977
Interest revenue		(35,233)	(381,243)
Operating loss before working capital changes		(1,607,710)	(2,299,231)
Increase in property development costs		(35,192)	(38,328,281)
Increase in receivables		(203,830)	(576,110)
Increase/(Decrease) in payables		278,326	(231,164)
Cash used in operations		(1,568,406)	(41,434,786)
Interest paid		(14,193)	(7,977)
Interest received		35,233	381,243
Tax refund		13,315	7,522
Net cash used in operating activities		(1,534,051)	(41,053,998)
<b>Cash Flows from Investing Activities</b>			
Proceeds from disposal of property, plant and equipment		500,000	18,600
Proceeds from disposal of short term investments		1,964,486	935,766
Dividend received		7,354	13,891
Repayments from subsidiary companies		11,885,132	42,628,787
Purchase of short term investments		(13,252,539)	(1,787,164)
Purchase of property, plant and equipment	35	(116,590)	(141,518)
Net cash generated from investing activities		987,843	41,668,362
<b>Cash Flows From Financing Activities</b>			
Advances from/(Repayments to) subsidiary companies		969,382	(746,783)
Payments to hire purchase payables		(39,843)	(19,041)
Net cash generated from/(used in) financing activities		929,539	(765,824)
<b>Net increase/(decrease) in cash and bank balances</b>		<b>383,331</b>	<b>(151,460)</b>
Cash and bank balances at beginning of the year		43,300	194,760
<b>Cash and bank balances at end of the year</b>	21	<b>426,631</b>	<b>43,300</b>

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

# NOTES TO THE Financial Statements

31 October 2007

## 1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of the Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at 1<sup>st</sup> Floor, No. 118, Jalan Semangat, 46300 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The Company is principally engaged in the business of property development, investment holding and providing management services. The principal activities of the subsidiary companies are disclosed in note 6 to the financial statements.

The financial statements were authorised for issue in accordance with a resolution of the Board passed on 18 February 2008.

## 2. BASIS OF PREPARATION

The financial statements of the Group and of the Company comply with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards for Entities Other Than Private Entities issued by the Malaysian Accounting Standards Board ("MASB").

The measurement bases applied in the presentation of the financial statements of the Group and of the Company included cost, recoverable amount, realisable value, fair value and revalued amount. Estimates are used in measuring these values.

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. All financial information presented in RM has been rounded to nearest RM, unless otherwise stated.

The preparation of financial statements of the Group and of the Company requires management to make assumptions, estimates and judgements that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Assumptions and estimates are reviewed on an ongoing basis and are recognised in the period in which the assumption or estimate is revised.

Significant areas of estimation, uncertainty and critical judgements used in applying accounting principles that have significant effect on the amount recognised in the financial statements are as follows:-

- (i) Depreciation of property, plant and equipment (note 4) – The cost of property, plant and equipment is depreciated on a straight line method over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 50 years. These are common life expectancies applied generally. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation changes could be revised.
- (ii) Property development (note 12)– significant judgement is used in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and contract costs, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the recoverable variation works that are recoverable from the customers. In making the judgement, the Company relied on past experience and work of specialists.
- (iii) Revenue recognition (note 30) – The percentage-of-completion method requires the subsidiary company to estimate the proportion of property development costs incurred for work performed to-date bears to the estimated total development costs.
- (iv) Valuation of investment properties (note 8) – the measurement of the fair value for investment properties performed by management is determined with reference to current prices in an active market for similar properties in the same location and condition and subject to similar lease and other contracts.

## Notes To The Financial Statements

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### New and revised FRSs adopted

On 1 November 2006, the Group and the Company adopted the following Financial Reporting Standards ("FRS") issued by MASB which are mandatory for accounting periods beginning on or after 1 January 2006 and 1 October 2006.

FRS 2	Share-based Payment
FRS 3	Business Combination
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 117	Leases (effective on 1 October 2006)
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 124	Related Party Disclosures (effective on 1 October 2006)
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments : Disclosures and Presentation
FRS 133	Earnings per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of these FRSs does not have any material financial impact on the Group and on the Company, or any significant changes in accounting policies of the Group and of the Company except as disclosed in Note 42 to the financial statements.

#### New and revised FRSs, Amendments to FRSs and Issues Committee ("IC") Interpretations not adopted

	<b>For financial periods beginning on or after</b>
FRS 6	1 January 2007
Exploration for and Evaluation of Mineral Resource	
Amendment to FRS 121 : The effects of Changes in Foreign Exchange Rates – net investment in foreign operation	1 July 2007
FRS 107	1 July 2007
Cash Flow Statements	
FRS 111	1 July 2007
Construction Contracts	
FRS 112	1 July 2007
Income Taxes	
FRS 118	1 July 2007
Revenue	
FRS 119	1 July 2007
Employee Benefits	
FRS 120	1 July 2007
Accounting for Government Grants and Disclosure of Government Assistance	
FRS 126	1 July 2007
Accounting and Reporting by Retirement Benefit Plans	
FRS 129	1 July 2007
Financial Reporting in Hyperinflationary Economies	
FRS 134	1 July 2007
Interim Financial Reporting	
FRS 137	1 July 2007
Provision, Contingent Liabilities and Contingent Assets	

## Notes To The Financial Statements

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### New and revised FRSs, Amendments to FRSs and Issues Committee ("IC") Interpretations not adopted (cont'd)

	For financial periods beginning on or after
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 <sub>2004</sub> Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8 : Scope of FRS 2	1 July 2007
FRS 139                      Financial Instruments : Recognition and Measurement	Yet to be determined

The adoption of FRS 107, 112, 118, 119, 134, 137 and amendment to FRS 121 does not have any significant financial impact on the results and the financial position of the Company when these standards become effective to the Company.

IC Interpretation 1, 2, 5, 6, 7, 8 and FRS 6, 111, 120, 126 and 129 are not relevant to the Group's operations.

The Group and the Company have not early adopted the FRS 139 - Financial Instruments: Recognition and Measurement, for which MASB has yet to announce the effective date.

The impact of applying this standard on these financial statements upon first adoption of this standard as required by paragraph 30(b) of FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors is not required to be disclosed by virtue of exemption provided under paragraph 103AB of FRS 139.

#### (a) Basis of Consolidation

The consolidated financial statements incorporate the audited financial statements of the Company and its subsidiary companies which are disclosed in note 6 to the financial statements made up to the end of the financial year.

All intra-group balances, transactions and resulting unrealised profits and losses (unless cost cannot be recovered) are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

The results of the subsidiary companies acquired or disposed of during the financial year are included in the consolidated financial statements based on the purchase method from the effective date of acquisition or up to the effective date of disposal respectively. The assets, liabilities and the contingent liabilities assumed from a subsidiary company are measured at their fair values at the date of acquisition and these values are reflected in the consolidated balance sheet.

Any excess of the cost of the acquisition over the Group's interest in fair value of the identification assets, liabilities and contingent liabilities assumed represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities assumed over the cost of acquisition is charged in the income statement.

## Notes To The Financial Statements

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (b) Subsidiary Company

A subsidiary company is an enterprise in which the Group has the power to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Investment in subsidiary companies, which are eliminated on consolidation, are stated at cost less accumulated impairment losses, if any. Impairment loss is determined on an individual basis.

Gain or loss arising from the disposal of an investment is determined as the difference between the estimated net disposal proceeds and its carrying amount of the investment, and is recognised in the income statement.

#### (c) Associated Company

Associated companies are entities in which the Group has significant influence and that is neither a subsidiary company nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investment in associated companies are accounted for in the Group's consolidated financial statements using the equity method. The Group's investment in associated companies is recognised in the consolidated balance sheet at cost plus the Group's share of post-acquisition net results of the associated company less impairment loss, if any, determined on an individual basis. The Group's share of results of the associated company is recognised in the consolidated income statement from the date that significant influence commences until the date that significant influence ceases. Unrealised gains and losses on transactions between the Group and the associated companies are eliminated to the extent of the Group's interest in the associated company.

When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company. Consistent accounting policies are applied for transactions and events in similar circumstances.

Investments in associated companies are stated at cost, less impairment losses, if any, in the Company's financial statements.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the income statements.

#### (d) Intangible Assets

##### Goodwill

Goodwill acquired in a business combination represents the difference between purchase consideration and the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities in the subsidiary companies at the date of acquisition.

Goodwill is allocated to cash generating units and is stated at cost less accumulated impairment losses, if any. Impairment test is performed annually. Goodwill is also tested for impairment when indication of impairment exists. Impairment losses recognised are not reversed in subsequent periods.

Upon the disposal of interest in the subsidiary company, the related goodwill will be included in the computation of gain or loss on disposal of interest in the subsidiary company in the consolidated income statement.

## Notes To The Financial Statements

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (e) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost or at valuation less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that are directly attributable to the acquisition of the asset. Subsequent costs are included in the assets' carrying amount or recognised as 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 costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Leasehold land and mines' development costs are amortised on a straight line basis over the expected working lives of the mines. Dredge is depreciated on a straight line basis so as to write down its cost to its estimated net residual value by the end of its expected useful life. Since the cessation of the mining operations in 1997, these property, plant and equipment have been fully amortised, depreciated or written off to income statement.

Property, plant and equipment are depreciated to write off the cost of the property, plant and equipment over their estimated useful lives.

The principal annual rates used for this purpose are:-

Buildings	2%
Plant and equipment	10% - 33%
Motor vehicles	20%
Renovation	20%

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

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

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

#### (f) Impairment of Assets

The carrying amounts of assets other than inventories, investment property that is measured at fair value and financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less cost of sales and the value in use, which is measured by reference to the discounted future cash flows and is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for CGU to which the asset belongs to. An impairment loss is recognised whenever the carrying amount of an item of asset exceeds its recoverable amount.

An impairment loss is recognised as an expense in the income statement. However, an impairment loss on a revalued asset will be treated as a revaluation deficit to the extent that the loss does not exceed the amount held in revaluation reserve in respect of the same asset.

Any subsequent increase in recoverable amount of an asset, other than goodwill, due to a reversal of impairment loss is restricted to the carrying amount that would have been determined (net of accumulated depreciation, where applicable) had no impairment loss been recognised in prior financial years. The reversal of impairment loss is recognised as revenue in the income statement. However, the reversal of impairment loss on a revalued asset will be treated as revaluation surplus to the extent that the reversal does not exceed the amount previously held in revaluation reserve of the same asset.

## Notes To The Financial Statements

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (g) Investment Properties

Investment properties consist of land and buildings held for long term purposes for their investment potential or rental revenue or for both. Investment properties are stated at its fair value and are not depreciated. Any gain or loss arising from a change in fair value should be recognised in the income statement.

Investment properties can be measured using either the cost or fair value method. The Company and the Group has adopted the fair value method in measuring investment properties. Investment properties are measured initially at its cost, including transaction cost. Subsequent to initial recognition, all properties are measured at fair value, with any changes recognised in the income statement. When an item of property and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation reserve. If a fair value gain reverses a previously recognised impairment loss, the gain is recognised in the income statement. Upon disposal of the investment property, any surplus previously recorded in equity is transferred to retained earnings.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction. Fair values of investment properties are determined either by independent professional valuers or by management based on their judgement and estimates. Management's estimates have been made with reference to current prices in an active market for similar properties in the same location and condition and subject to similar lease and other contracts.

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or loss on the retirement or disposal of an investment property is recognised in the income statement.

#### (h) Land Held for Property Development

In certain subsidiary companies' financial statements, as provided under the Transitional Provisions of FRS 201<sub>2004</sub> : Property Development Activities, the revalued amount of land in land held for property development shall be retained as its surrogate cost.

In the consolidated financial statements, land held for property development consist of cost of land, incidental costs of acquisition and other development expenditure incurred to-date necessary to maintain properties which are currently not under active development.

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

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

#### (i) Property Development Costs

In certain subsidiary companies' financial statements, as provided under the Transitional Provisions of FRS 201<sub>2004</sub> : Property Development Activities, the revalued amount of land in property development costs shall be retained as its surrogate cost.

Adjustment to Group cost arising from acquisition of property development subsidiary companies is amortised over the period of development by reference to the percentage of completion of the development properties.

## Notes To The Financial Statements

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (i) Property Development Costs (cont'd)

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Costs consist of land and construction costs and other development expenditure including related overheads and capitalised borrowing costs.

When the financial outcome of a development activity can be reliably estimated, property development revenue and costs are recognised in the income statement by reference to the stage of completion of development activities at the balance sheet date. The stage of completion is measured by reference to the proportion of property development cost incurred for work performed to-date bears to the estimated total property development costs.

When the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project is recognised as an expense immediately.

Property development cost not recognised as an expense is recognised as an asset, which is measured at the lower of cost and net realisable value.

Accrued billings, as trade receivables, represents the excess of revenue recognised in the income statement over billings to purchasers. Progress billings, as trade payables, represents the excess of billings to purchasers over revenue recognised in the income statement.

#### (j) Inventories

Inventories of unsold completed properties are stated at the lower of cost and net realisable value. Cost of unsold completed properties is determined on specific identification basis and comprises attributable land and development expenditure incurred up to completion of the properties.

In arriving at net realisable value, due allowance has been made for all obsolete and slow-moving inventories.

#### (k) Provisions

Provisions are recognised when the Company and 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. The increase in the provision due to the passage of time is recognised as finance costs.

#### (l) Foreign Currencies

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

## Notes To The Financial Statements

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (m) Lease Payments

##### i. Finance Lease

Property, plant and equipment acquired by way of hire purchase or finance lease where the Group assumes substantially all the benefits and risks of ownership are classified as borrowings.

Finance lease are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate of interest on the remaining balance. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the income statement over the lease period.

##### ii. Operating Lease

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 the straight-line basis.

In the case of a lease of land, the minimum lease payments or the up-front payments made represents prepaid land lease payments and are recognised on a straight-line basis over the lease term.

#### (n) Taxation

Taxation in the income statement represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the year and any adjustments recognised in the year for current tax of prior financial years.

Deferred tax is recognised, using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled.

Deferred tax is recognised in equity when it relates to items recognised directly in equity. When deferred tax arises from business combination that is an acquisition, the deferred tax is included in the resulting goodwill or negative goodwill.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxation authority to offset or when it is probable that future taxable income will be available against which the assets can be utilised.

#### (o) Employee Benefits

##### i. Short Term Employee Benefits

Wages, salaries and bonuses are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and of the Company. 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 relevant social securities or state pension scheme. Such contributions are recognised as an expense in the income statement as incurred.

## Notes To The Financial Statements

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (p) Revenue Recognition

##### i. Revenue from property development

Revenue from property development is accounted for by the stage of completion method as described in note 3(i) to the financial statements.

##### ii. Revenue from sale of developed land and completed landed properties

Revenue from sale of developed land and completed landed properties is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risk and reward of ownership have been transferred to the buyer.

##### iii. Dividend revenue

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

##### iv. Interest revenue

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

##### v. Rental revenue

Revenue from rental and management fee are recognised on accrual basis.

#### (q) Treasury Shares

When issued shares of the Company are repurchased, the consideration paid, including any attributable transaction costs is presented as a change in equity. Repurchased shares that have not been cancelled are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the income statements on the sale, re-issuance or cancellation of treasury shares. When treasury shares are re-issued by resale, the difference between the sales consideration and the carrying amount of the treasury shares is shown as a movement in equity.

#### (r) Segment reporting

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

#### (s) Financial Instruments

Financial instruments are classified as assets, liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to financial instruments classified as assets or liabilities are reported as expense or revenue. 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 either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The recognised financial instruments comprise cash and bank balances, trade and other receivables, trade and other payables, short term investments, pledged fixed deposits, borrowings, Irredeemable Convertible Unsecured Loan Stocks and ordinary shares. These instruments are recognised in the financial statements when a contract or contractual arrangement has been entered into with the counter-parties.

## Notes To The Financial Statements

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (s) Financial Instruments (cont'd)

The unrecognised financial instruments comprise financial guarantees given to financial institution for a subsidiary company banking facilities. The financial guarantees would be recognised as liabilities when obligations to pay the counter-parties are assessed as being probable.

##### i. Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances, demand deposits, bank overdrafts and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

##### ii. Receivables

Receivables are stated at cost less allowance for doubtful debts, if any, which are the anticipated realisable values. Known bad debts are written off and specific allowance is made for those debts considered to be doubtful of collection. In addition, general allowances are made to cover possible losses which are not specifically identified.

##### iii. Payables

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

##### iv. Short Term Investments

Short term investments are carried at the lower of cost and market value, determined on an aggregate basis. Cost is determined on the weighted average basis while market value is determined based on quoted market values. Increases or decreases in the carrying amount of short term investments are recognised in income statement. On disposal of short term investments, the difference between net disposal proceeds and the carrying amount is recognised in income statement.

##### v. Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

As permitted under the transitional provision of FRS 132<sub>2004</sub> : Financial Instruments : Disclosure and Presentation (formerly known as MASB 24), the ICULS are classified as equity instruments in accordance with the substance of the contractual arrangement.

##### vi. Interest Bearing Borrowings

Interest bearing bank borrowings including hire purchase payables are stated at the amount of proceeds received, net of transaction costs.

##### vii. Equity Instruments

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

The transaction costs of an equity transaction, other than in the context of a business combination, are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those external costs directly attributable to the equity transaction which would otherwise have been avoided. Costs of issuing equity securities in connection with a business combination are included in the cost of acquisition.

## Notes To The Financial Statements

### 4. PROPERTY, PLANT AND EQUIPMENT

	Buildings RM	Plant & Equipment RM	Motor Vehicles RM	Renovation RM	Total RM
<b>Group</b>					
<b>Cost</b>					
At 1.11.06	6,016,192	17,621,794	553,898	402,679	24,594,563
Additions	-	99,886	165,093	16,704	281,683
Written off	-	(1,399)	-	-	(1,399)
At 31.10.07	<b>6,016,192</b>	<b>17,720,281</b>	<b>718,991</b>	<b>419,383</b>	<b>24,874,847</b>
<b>Accumulated Depreciation</b>					
At 1.11.06	1,511,211	12,305,157	191,657	157,400	14,165,425
Charge for the year	63,076	838,947	84,768	81,409	1,068,200
Written off	-	(1,399)	-	-	(1,399)
At 31.10.07	<b>1,574,287</b>	<b>13,142,705</b>	<b>276,425</b>	<b>238,809</b>	<b>15,232,226</b>
<b>Accumulated Impairment Losses</b>					
At 31.10.07	<b>1,919,000</b>	<b>4,468,000</b>	-	-	<b>6,387,000</b>
<b>Net Book Value</b>					
At 31.10.07	<b>2,522,905</b>	<b>109,576</b>	<b>442,566</b>	<b>180,574</b>	<b>3,255,621</b>
<b>Cost</b>					
At 1.11.05	6,016,192	17,744,725	163,617	386,945	24,311,479
Additions	-	35,703	410,081	15,734	461,518
Written off	-	(29,856)	-	-	(29,856)
Disposals	-	(128,778)	(19,800)	-	(148,578)
At 31.10.06	6,016,192	17,621,794	553,898	402,679	24,594,563
<b>Accumulated Depreciation</b>					
At 1.11.05	1,448,138	11,631,459	163,615	77,389	13,320,601
Charge for the year	63,073	832,332	47,842	80,011	1,023,258
Written off	-	(29,856)	-	-	(29,856)
Disposals	-	(128,778)	(19,800)	-	(148,578)
At 31.10.06	1,511,211	12,305,157	191,657	157,400	14,165,425
<b>Accumulated Impairment Losses</b>					
At 31.10.06	1,919,000	4,468,000	-	-	6,387,000
<b>Net Book Value</b>					
At 31.10.06	2,585,981	848,637	362,241	245,279	4,042,138

## Notes To The Financial Statements

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Buildings RM	Plant & Equipment RM	Motor Vehicles RM	Renovation RM	Total RM
<b>Company</b>					
<b>Cost</b>					
At 1.11.06	730,344	1,802,437	410,081	402,679	3,345,541
Additions	-	99,886	-	16,704	116,590
Written off	-	(1,399)	-	-	(1,399)
At 31.10.07	<b>730,344</b>	<b>1,900,924</b>	<b>410,081</b>	<b>419,383</b>	<b>3,460,732</b>
<b>Accumulated Depreciation</b>					
At 1.11.06	730,341	1,690,846	47,842	157,400	2,626,429
Charge for the year	-	101,921	82,016	81,409	265,346
Written off	-	(1,399)	-	-	(1,399)
At 31.10.07	<b>730,341</b>	<b>1,791,368</b>	<b>129,858</b>	<b>238,809</b>	<b>2,890,376</b>
<b>Net Book Value</b>					
At 31.10.07	<b>3</b>	<b>109,556</b>	<b>280,223</b>	<b>180,574</b>	<b>570,356</b>
<b>Cost</b>					
At 1.11.05	730,344	1,916,312	-	386,945	3,033,601
Additions	-	35,703	410,081	15,734	461,518
Written off	-	(20,800)	-	-	(20,800)
Disposals	-	(128,778)	-	-	(128,778)
At 31.10.06	730,344	1,802,437	410,081	402,679	3,345,541
<b>Accumulated Depreciation</b>					
At 1.11.05	730,341	1,746,707	-	77,389	2,554,437
Charge for the year	-	93,717	47,842	80,011	221,570
Written off	-	(20,800)	-	-	(20,800)
Disposals	-	(128,778)	-	-	(128,778)
At 31.10.06	730,341	1,690,846	47,842	157,400	2,626,429
<b>Net Book Value</b>					
At 31.10.06	3	111,591	362,239	245,279	719,112

The carrying amounts of the property, plant and equipment of a subsidiary company, PTB Clay Products Sdn. Bhd. which has discontinued its operations, are determined based on the recoverable amounts estimated by a firm of independent professional valuers based on forced sale value carried out on 11 January 2007.

## Notes To The Financial Statements

### 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Included in the above property, plant and equipment are motor vehicles acquired under hire purchase instalment plan as follows:-

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Cost	575,174	410,081	410,081	410,081
Net book value	442,564	362,239	280,223	362,239

### 5. PREPAID LAND LEASE PAYMENTS

	Group/Company	
	2007 RM	2006 RM
Long term leasehold land	2	2

Long term lease refers to lease period with unexpired periods of fifty years or more.

### 6. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2007 RM	2006 RM
Unquoted shares, at cost	188,555,002	188,555,002
Less: Accumulated impairment losses on investment PTB Clay Products Sdn. Bhd.	(1,999,999)	(1,999,999)
	186,555,003	186,555,003

The particulars of the subsidiary companies are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2007	2006	
PTB Clay Products Sdn. Bhd.	Malaysia	100%	100%	Dormant
Ukaylake Country Club Bhd.	Malaysia	100%	100%	Dormant
Golden Domain Holdings Sdn. Bhd.	Malaysia	100%	100%	Investment holding
Petalung Ventures Sdn. Bhd.	Malaysia	100%	100%	Property investment and development



## Notes To The Financial Statements

### 7. INTEREST IN ASSOCIATED COMPANIES (CONT'D)

The particulars of the associated companies are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2007	2006	
Fandison Resources Management Limited	Hong Kong	40%	40%	Investment holding
<b>Subsidiary company of Fandison Resources Management Limited</b>				
Hainan Wansing Mineral Development Limited *	People's Republic of China	34%	34%	Production of mineral sand products

\* Fandison Resources Management Limited owns 85% equity interest in Hainan Wansing Mineral Development Limited.

The share of net liabilities and share of results in associated companies not recognised are based on unaudited management financial statements.

### 8. INVESTMENT PROPERTIES

	Group	
	2007 RM	2006 RM
Long term leased land, at fair value/valuation		
At beginning of the year	93,385,500	93,385,500
Fair value adjustment	22,655,654	-
At end of the year	116,041,154	93,385,500
Transfer from capital work-in-progress (note 10)		
- Land and building, at fair value/cost	10,140,981	10,140,981
	<b>126,182,135</b>	103,526,481

The long term leased land has an unexpired lease period of more than 50 years.

The fair value adjustment represent increase in fair value of the investment properties located at Karambunai, Sabah based on market value determined by an independent professional valuer, following the adoption of the fair value model in accordance with the FRS 140.

## Notes To The Financial Statements

## 9. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2007 RM	2006 RM
Long term leasehold land, at cost		
At beginning of the year	15,500,000	-
Additions	35,602,592	-
Transfer from property development costs (note 12)	-	15,500,000
At end of the year	51,102,592	15,500,000
Long term leased land, at group cost		
	70,961,300	70,961,300
Long term leasehold land, at group cost		
At beginning of the year	56,021,689	40,372,942
Transfer to property development costs (note 12)	(78,412)	-
Rescission of sale	-	15,675,534
Disposals	(13,058,009)	(26,787)
At end of the year	42,885,268	56,021,689
Total land costs	164,949,160	142,482,989
Development costs, at cost		
At beginning of the year	20,277,042	21,629,303
Additions	213,050	80,779
Rescission of sale	-	3,286,296
Transfer from property development costs (note 12)	-	147,524
Costs written off	(453,816)	(4,866,860)
Disposals	(3,338,170)	-
At end of the year	16,698,106	20,277,042
Total land and development costs	181,647,266	162,760,031

(a) The long term leased and leasehold land have unexpired lease period of more than 50 years.

(b) The leased and leasehold land carried at the Group Cost are based on independent valuation on open market value basis carried out in 1999.

## Notes To The Financial Statements

### 10. CAPITAL WORK-IN-PROGRESS

	Group	
	2007 RM	2006 RM
At cost:		
At beginning of the year	-	10,140,981
Transfer to investment properties (note 8)	-	(10,140,981)
At end of the year	-	-

This is in respect of the construction of a club house to be operated by a subsidiary company, Ukaylake Country Club Bhd.

### 11. GOODWILL ON CONSOLIDATION

	Group	
	2007 RM	2006 RM
At cost	-	4,206,000
Less: Accumulated amortisation		
At beginning of the year	-	1,962,800
Amortisation during the year	-	210,300
At end of the year	-	(2,173,100)
Less: Written off	-	(2,032,900)
	-	-

## Notes To The Financial Statements

## 12. PROPERTY DEVELOPMENT COSTS

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Freehold land, at cost				
At beginning of the year	15,888,247	16,277,622	-	-
Rescission of sale	922,897	-	-	-
Additions	19,014,348	-	-	-
Disposals	(7,761,753)	(389,375)	-	-
At end of the year	28,063,739	15,888,247	-	-
Long term leasehold land, at cost				
At beginning of the year	38,328,281	15,500,000	38,328,281	-
Additions	4,035,192	38,328,281	35,192	38,328,281
Transfer to land held for property development (note 9)	-	(15,500,000)	-	-
At end of the year	42,363,473	38,328,281	38,363,473	38,328,281
Long term leasehold land, at group cost	3,435,945	3,435,945	-	-
Total land	73,863,157	57,652,473	38,363,473	38,328,281
Development costs, at cost				
At beginning of the year	24,014,717	11,554,196	-	-
Additions	4,890,860	12,608,045	-	-
Transfer from/(to) land held for property development (note 9)	78,412	(147,524)	-	-
Disposals	(528,218)	-	-	-
At end of the year	28,455,771	24,014,717	-	-
Total land and development costs	102,318,928	81,667,190	38,363,473	38,328,281
Less: Cost recognised as an expenses in income statement				
At beginning of the year	21,594,527	8,103,281	-	-
Current year	5,173,746	13,491,246	-	-
At end of the year	(26,768,273)	(21,594,527)	-	-
	75,550,655	60,072,663	38,363,473	38,328,281

- (a) The leasehold land carried at the Group Cost are based on independent valuation on open market value basis carried out in 1999.
- (b) The long term leasehold lands have unexpired lease period of more than 50 years.
- (c) The title to the leasehold land acquired by the Company during the year has not been transferred to the Company pending subdivision of land title.

## Notes To The Financial Statements

### 13. INVENTORIES

	Group	
	2007 RM	2006 RM
Unsold completed properties		
At cost		
At beginning of the year	8,539,229	10,945,644
Disposals	(1,473,025)	(2,406,415)
At end of the year	7,066,204	8,539,229
At net realisable value	251,898	501,898
Total	7,318,102	9,041,127

### 14. SHORT TERM INVESTMENTS

	Group/Company	
	2007 RM	2006 RM
Quoted investments in Malaysia		
At cost	548,836	287,684
Less: Allowance for diminution in value		
At beginning of the year	7,908	699,788
Disposals	(7,908)	(691,880)
At end of the year	-	(7,908)
Short-term funds (unquoted)	548,836	279,776
Total short term investments	12,459,504	1,205,050
At market value	13,008,340	1,484,826
	13,073,509	1,503,423

Short-term funds represents placements in fixed income trust fund. The short-term funds bear interest at rates ranging from 3.29% to 3.50% (2006 : 3.37% to 3.71%) per annum and have an average maturity ranging from 1 to 365 days.

## Notes To The Financial Statements

### 15. TRADE RECEIVABLES

	Group	
	2007	2006
	RM	RM
Balance outstanding	<b>37,604,913</b>	88,046,441
Less: Allowance for doubtful debts	<b>(3,150)</b>	(3,150)
	<b>37,601,763</b>	88,043,291

Included in trade receivables are: -

- (a) accrued billings in respect of property development costs of RM737,719/- (2006 : RM2,057,606/-);
- (b) trade debtors on the sales of development land pending the subdivision of land titles of RM14,113,439/- (2006 : RM75,349,622/);
- (c) the balance held by stakeholders for the disposal of land held for property development of Nil (2006 : RM2,500,000/-); and
- (d) retention sum held by stakeholders of RM1,045,648/- (2006 : RM1,098,210/-).

The Group's normal trade credit term ranges from 14 to 90 days or according to payment terms as stated in the sale and purchase agreement. Other credit terms are assessed and approved on a case-by-case basis.

### 16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Other receivables	<b>5,916,110</b>	4,518,383	<b>889,656</b>	531,838
Deposits	<b>4,559,029</b>	7,693,359	<b>153,780</b>	158,780
Prepayments	<b>2,804,961</b>	1,378,602	<b>1,229,614</b>	1,378,602
	<b>13,280,100</b>	13,590,344	<b>2,273,050</b>	2,069,220

Included in other receivables of the Group is an amount of RM4,073,076/- (2006 : RM3,365,450) being advances to a contractor on development contracts awarded.

Included in deposits of the Group is an amount of Nil (2006 : RM3,800,000) being deposit paid for the acquisition of a piece of freehold land by the subsidiary company, Majurama Developments Sdn. Bhd..

### 17. TAX ASSETS

This is in respect of tax recoverable from the Inland Revenue Board.

## Notes To The Financial Statements

### 18. AMOUNT OWING BY/(TO) SUBSIDIARY COMPANIES

	Company	
	2007 RM	2006 RM
<b>Amount owing by:-</b>		
- PTB Clay Products Sdn. Bhd.	6,644,201	6,541,528
- Golden Domain Holdings Sdn. Bhd.	2,571,837	2,562,327
- Petaling Ventures Sdn. Bhd.	6,104	5,259
- Lembah Langat Development Sdn. Bhd.	40,534,952	42,094,699
- PTB Development Sdn. Bhd.	14,224,031	14,217,852
- PTB Horticulture Farm Sdn. Bhd.	6,830,669	7,936,272
- Golden Domain Development Sdn. Bhd.	28,445,162	29,391,910
- Majurama Developments Sdn. Bhd.	2,927,739	9,291,117
- Magilds Park Sdn. Bhd.	-	2,028,863
	<b>102,184,695</b>	<b>114,069,827</b>
Less: Allowance for doubtful debts		
- PTB Horticulture Farm Sdn. Bhd.	(5,000,000)	(5,000,000)
	<b>97,184,695</b>	<b>109,069,827</b>
<b>Amount owing to:-</b>		
- Ukaylake Country Club Bhd.	986,713	987,078
- Magilds Park Sdn. Bhd.	969,747	-
	<b>1,956,460</b>	<b>987,078</b>

Included in the amount owing by subsidiary companies are amounts of RM141,370,287/- (2006 : RM141,370,287/-) being balance of total purchase consideration of RM152,735,000/- paid by the Company on behalf of Golden Domain Holdings Sdn. Bhd. and its subsidiary companies, for the acquisition of the Ulu Kelang Project, Ulu Yam Project and Bukit Ceylon Project. The purchase consideration was satisfied by the Company via the issuance of ICULS and proceeds from a rights issue of RM99,500,000/- and RM53,235,000/- respectively.

These amounts are non-trade in nature, unsecured, interest free, repayable on demand and expected to be settled in cash.

## Notes To The Financial Statements

### 19. AMOUNT OWING BY AN ASSOCIATED COMPANY

	Group/Company	
	2007	2006
	RM	RM
Amount owing by Fandison Resources Management Limited	8,004,752	8,004,752
Less: Allowance for doubtful debts	(8,004,752)	(8,004,752)
	-	-

This amount is non-trade in nature, unsecured, interest free, repayable on demand and expected to be settled in cash.

### 20. FIXED DEPOSITS WITH LICENSED BANKS

These fixed deposits are pledged as securities for bank guarantee facilities granted to the Group and the Company.

The fixed deposits of the Group and of the Company bear effective interest at rates ranging from 2.16% to 4.00% (2006 : 2.16% to 4.00%) and 2.16% to 3.15% (2006 : 2.16% to 3.15%) per annum respectively.

### 21. CASH AND BANK BALANCES

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Cash and bank balances	1,066,148	205,067	426,631	43,300
Cash held under housing development accounts	2,728,157	2,064,103	-	-
	3,794,305	2,269,170	426,631	43,300

The cash held under housing development accounts maintained pursuant to the requirements of the Housing Developers (Housing Development Account) Regulations, 1991 are not freely available for the Group's use.

### 22. SHARE CAPITAL

	Group/Company	
	2007	2006
	RM	RM
Authorised:		
500,000,000 ordinary shares of RM1/- each	500,000,000	500,000,000
Issued and fully paid:		
344,292,335 ordinary shares of RM1/- each	344,292,335	344,292,335

## Notes To The Financial Statements

### 22. SHARE CAPITAL (CONT'D)

The number of issued and fully paid ordinary shares with voting rights as at the financial year end are as follows:-

	Group/Company	
	2007 RM	2006 RM
Total number of issued and fully paid ordinary shares	344,292,335	344,292,335
Less: Ordinary shares held as treasury shares	(271,700)	(271,700)
	<b>344,020,635</b>	<b>344,020,635</b>

As at financial year end, the number of unexercised detachable warrants 2000/2010 of the Company were 40,334,824 (2006 : 40,334,824). These warrants entitle its registered holders to subscribe for one new ordinary share of RM1/- each in the Company at the exercise price of RM1.16 per new ordinary share.

### 23. RESERVES

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
<b>Non-distributable</b>				
Revaluation reserve	1,569,936	4,929,179	-	-
Reserve on consolidation	-	212,472	-	-
Share premium	43,664,342	43,664,342	43,664,342	43,664,342
	<b>45,234,278</b>	<b>48,805,993</b>	<b>43,664,342</b>	<b>43,664,342</b>
<b>Distributable</b>				
Accumulated losses	(16,465,377)	(36,869,488)	(61,691,603)	(60,583,664)
Retained profits on sales of properties held under property, plant and equipment	3,526,514	3,526,514	4,519,264	4,519,264
	<b>(12,938,863)</b>	<b>(33,342,974)</b>	<b>(57,172,339)</b>	<b>(56,064,400)</b>
Treasury shares	(68,236)	(68,236)	(68,236)	(68,236)
	<b>32,227,179</b>	<b>15,394,783</b>	<b>(13,576,233)</b>	<b>(12,468,294)</b>

#### Treasury Shares

	Group/Company			
	2007		2006	
	Number of shares	RM	Number of shares	RM
Shares repurchased and held as treasury shares	271,700	68,236	271,700	68,236

There were no resale, cancellation or distribution of treasury shares during the financial year.

## Notes To The Financial Statements

### 24. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS

	Group/Company	
	2007 RM	2006 RM
Equity Instrument		
Irredeemable convertible unsecured loan	<b>2,100,000</b>	2,100,000

The Irredeemable Convertible Unsecured Loan Stocks 2000/2010 ("ICULS") at nominal value of RM1/- each were issued on 2 February 2000 and are constituted by a Trust Deed dated 28 January 2000 made between the Company and the trustee for the holders of the ICULS. The main features of the ICULS are as follows:-

- (a) the ICULS may be convertible at a conversion price of RM1.16 nominal value of ICULS for each new ordinary share of RM1/- each in the Company on the following staggered conversion period:-

Year Of ICULS In Issue	Percentage Convertible
First	Up to maximum of 30% of their holding
Second	Up to maximum of 30% of their holding
Third	Up to maximum of 40% of their holding

- (b) the remaining ICULS shall be converted into fully paid ordinary shares of RM1/- each in the Company on the maturity date of ten years from the date of issue of the ICULS at the rate of RM1.16 nominal value of the ICULS; and
- (c) upon conversion of the ICULS into new ordinary shares, such shares should rank pari passu in all respect with the existing ordinary shares of the Company in issue at the time of conversion except that they would not be entitled to any rights allotment, dividends or other distributions declared in respect of a financial year on or before the financial year in which the ICULS are converted or any interim dividend declared on or before the date of conversion of the ICULS.

There were no ICULS converted into new ordinary share of the Company during the financial year.

### 25. HIRE PURCHASE PAYABLES

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Gross instalment payments	<b>462,170</b>	351,222	<b>297,186</b>	351,222
Less: Future finance charges	<b>(52,554)</b>	(50,263)	<b>(36,070)</b>	(50,263)
Present value of hire purchase liability	<b>409,616</b>	300,959	<b>261,116</b>	300,959

## Notes To The Financial Statements

### 25. HIRE PURCHASE PAYABLES (CONT'D)

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Payable within 1 year				
Gross instalment payments	87,036	54,036	54,036	54,036
Less: Future finance charges	(17,735)	(14,193)	(11,844)	(14,193)
Present value of hire purchase liability	69,301	39,843	42,192	39,843
Payable after 1 year but not later than 5 years				
Gross instalment payments	348,128	216,144	216,144	216,144
Less: Future finance charges	(34,476)	(33,280)	(23,883)	(33,280)
Present value of hire purchase liability	313,652	182,864	192,261	182,864
Payable after 5 years				
Gross instalment payments	27,006	81,042	27,006	81,042
Less: Future finance charges	(343)	(2,790)	(343)	(2,790)
Present value of hire purchase liability	26,663	78,252	26,663	78,252
	409,616	300,959	261,116	300,959
Present value of hire purchase liability				
- Within 1 year	69,301	39,843	42,192	39,843
- More than 1 year	340,315	261,116	218,924	261,116
	409,616	300,959	261,116	300,959

The hire purchase payable bears effective interest at a rate ranging from 4.23% to 5.57% (2006 : 4.87%) per annum.

## Notes To The Financial Statements

### 26. DEFERRED TAXATION

	Group	
	2007 RM	2006 RM
At beginning of the year	31,397,000	30,734,000
Recognised in income statement (note 33)	1,799,344	701,800
Recognised in equity	(264,000)	(38,800)
At end of the year	32,932,344	31,397,000

The above deferred tax liabilities/(assets) are in respect of:-

	Group	
	2007 RM	2006 RM
Fair value adjustment on investment properties in a subsidiary company	10,157,254	-
Revaluation surplus on revaluation of investment properties in a subsidiary company	-	4,493,340
Revaluation surplus on revaluation of development properties in the subsidiary companies to group cost	23,712,690	30,100,260
Others	(680,900)	(690,800)
Unabsorbed capital allowances	(9,400)	(26,900)
Unrelieved tax losses	(247,300)	(2,478,900)
	32,932,344	31,397,000

The estimated amount of temporary differences for which no deferred tax assets is recognised in the financial statements are as follows:-

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Unrelieved tax losses	26,542,400	26,245,700	22,885,500	22,588,800
Unabsorbed capital allowance	9,629,600	10,000,500	541,800	930,300
Impairment loss on property, plant and equipment	6,387,000	6,387,000	-	-
Others	243,600	249,600	-	-
	42,802,600	42,882,800	23,427,300	23,519,100

### 27. TRADE PAYABLES

The normal trade credit term granted to the Group and the Company is 30 to 90 days.

Included in trade payables is retention sums held from contractors of RM73,686/- (2006 : RM73,686/-).

Included in trade payables is progress billings in respect of property development costs amounting to RM357,379/- (2006 : Nil).

## Notes To The Financial Statements

### 28. PROVISIONS

	Group	
	2007 RM	2006 RM
Provision for Infrastructure and Development Costs		
At beginning of the year	5,626,744	5,580,019
Add: Additions	-	46,725
At end of the year	5,626,744	5,626,744

The provision for infrastructure and development costs is made based on the Management's best estimates in respect of development properties sold by certain subsidiary companies of which these subsidiary companies have either constructive or contractual obligation to incur the said expenses. These expenses are expected to be incurred within the normal operating cycles of the relevant development.

### 29. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Other payables	5,902,739	7,179,831	3,101,845	2,967,279
Deposits received	747,112	265,905	91,600	91,600
Accruals	501,917	353,777	213,250	69,490
	7,151,768	7,799,513	3,406,695	3,128,369

Included in the other payables and accruals are related party balances as follows:-

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Amount owing to companies in which a director, Tan Sri Dr. Chen Lip Keong, has substantial direct and indirect financial interest:-				
- FACB Industries Incorporated Berhad	68,654	68,654	68,654	68,654
Subsidiary companies of Karambunai Corp Bhd.:-				
- Karambunai Resorts Sdn. Bhd.	19,588	20,011	19,588	20,011

The above amounts are unsecured, interest free and are repayable at terms mutually agreed upon between the parties involved.

## Notes To The Financial Statements

### 30. OPERATING REVENUE

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Operating revenue comprises the following:-				
Attributable property development revenue	6,516,368	15,658,428	-	-
Revenue from sales of development properties	14,658,410	4,461,651	-	-
Management fees received and receivable	-	-	3,364,431	2,374,305
	<b>21,174,778</b>	<b>20,120,079</b>	<b>3,364,431</b>	<b>2,374,305</b>

### 31. DIRECT COSTS

Direct costs of the Group comprises the following:-

	Group	
	2007 RM	2006 RM
Attributable property development costs	5,173,746	14,013,732
Cost of development properties	9,279,730	3,044,955
Other development costs	-	423,596
Provision for infrastructure and development costs	-	46,725
	<b>14,453,476</b>	<b>17,529,008</b>

### 32. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation are arrived at after charging/(crediting):

- (a) Directors' remuneration

#### Executive Directors

Tan Sri Dr. Chen Lip Keong  
 Tiang Chong Seong  
 Lee Wai Tuck, Phillip  
 John Pius Shuman Chong  
 Chen Yiy Hwuan  
 Cheng Yiy Fon

(Resigned on 3.1.07)

(Resigned on 25.5.07)

## Notes To The Financial Statements

### 32. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

Profit/(Loss) before taxation are arrived at after charging/(crediting) (cont'd):

(a) Directors' remuneration (cont'd)

**Non-Executive Directors**

Datuk Seri Panglima Abdul Kadir bin Haji Sheikh Fadzir	(Resigned on 1.8.07)
Datuk Haji Jaafar bin Abu Bakar	
Dato' Nik Kamaruddin Bin Ismail	
Datuk Wan Kassim bin Ahmed	
Leow Ming Fong @ Leow Min Fong	(Resigned on 1.8.07)
Lim Mun Kee	

	Group	
	2007 RM	2006 RM
Directors' fees		
- Non-Executive Directors:-	285,000	262,194
Other emoluments consist of salary, bonus, employees provident fund and allowances		
- Executive Directors	550,511	722,612

(b) Other items

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Amortisation of goodwill on consolidation	-	210,300	-	-
Reinstatement of loss from disposal of development property *	2,546,712	-	-	-
Effect of rescission of sale of development property	664,478	(4,964,962)	-	-
Goodwill on consolidation written off	-	2,032,900	-	-
Allowance for doubtful debts	-	3,150	-	5,000,000
Waiver of debt	600,000	-	-	-
Auditors' remuneration	48,500	48,500	20,000	20,000
Depreciation of property, plant and equipment	1,068,200	1,023,258	265,346	221,570
Hire purchase interest	14,193	7,977	14,193	7,977
Realised loss on foreign exchange	-	45	-	45
Provision for infrastructure and development costs	-	46,725	-	-
Rental of office equipment	25,180	32,590	25,180	32,590
Rental of premises	300,000	300,000	300,000	300,000
Property development costs written off	453,816	4,866,860	-	-
Fair value adjustment on investment properties	(22,655,654)	-	-	-
Gain on disposal of short term investments	(235,461)	(195,792)	(235,461)	(190,817)
Gain on disposal of property, plant and equipment	(500,000)	(20,700)	(500,000)	(18,600)

## Notes To The Financial Statements

### 32. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

Profit/(Loss) before taxation are arrived at after charging/(crediting) (cont'd):

(b) Other items (cont'd)

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Dividend revenue	(8,632)	(19,328)	(8,632)	(19,293)
Interest revenue	(252,738)	(531,554)	(35,233)	(381,243)
Rental revenue	(247,385)	(156,720)	(7,935)	(11,420)

\* The loss from sale of the development property was reversed to income statement in the previous financial year upon the Group serving a notice of rescission for the sale and purchase agreement relating to the said development property in view of the expiry of the terms of the agreement. However during the year, a supplementary agreement was entered into with the same purchaser to extend the terms of the sale and purchase agreement and hence the profit from sale of the development property is re-instated

(c) Staff costs

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Staff costs	2,597,300	2,718,894	2,567,108	2,677,446
Included in staff costs are:				
Contributions to defined contribution plan	231,443	222,975	228,755	220,351
Social security contribution	19,199	18,118	18,811	17,604
	250,642	241,093	247,566	237,955

### 33. TAXATION

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Based on results for the year	765,300	298,500	-	-
Origination of temporary differences (note 26)	1,799,344	701,800	-	-
	2,564,644	1,000,300	-	-
(Over)/Under provision in prior year	(1,395)	(444,598)	16	(14)
	2,563,249	555,702	16	(14)

## Notes To The Financial Statements

### 33. TAXATION (CONT'D)

The reconciliations from the tax amount at statutory tax rate to the Group's and the Company's tax expense/(credit) are as follows:-

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Profit/(Loss) before taxation	<b>19,131,645</b>	(6,041,411)	<b>(1,107,923)</b>	(6,918,825)
Taxation at Malaysian statutory tax rate of 27% (2006 : 28%)	<b>5,165,500</b>	(1,691,600)	<b>(299,000)</b>	(1,937,300)
Effect of lower tax rate for Malaysian subsidiary company with issued and paid-up share capital of RM2.5 million and below	<b>(42,242)</b>	(1,120)	-	-
Tax effect of non-deductible expenses	<b>790,260</b>	2,256,120	<b>382,600</b>	1,656,900
Tax effect of non-taxable revenue	<b>(2,224,588)</b>	(5,800)	<b>(63,600)</b>	(5,200)
Deferred tax assets not recognised	-	294,900	-	285,600
Utilisation of deferred tax assets not recognised	<b>(16,200)</b>	-	<b>(20,000)</b>	-
Deferred tax recognised at different tax rates	<b>(400,286)</b>	-	-	-
Adjustments to opening deferred tax resulting from reduction in tax rate	<b>(715,800)</b>	-	-	-
Others	-	147,800	-	-
(Over)/Under provision of taxation in prior years	<b>(1,395)</b>	(444,598)	<b>16</b>	(14)
Underprovision of deferred taxation in prior year	<b>8,000</b>	-	-	-
Tax expense/(credit)	<b>2,563,249</b>	555,702	<b>16</b>	(14)

The Group and the Company have the following estimated unrelieved tax losses and unabsorbed capital allowances available for set off against future taxable profits:-

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Unrelieved tax losses	<b>27,530,400</b>	35,780,700	<b>22,885,500</b>	22,588,800
Unabsorbed capital allowances	<b>9,639,500</b>	10,027,600	<b>541,800</b>	930,300
	<b>37,169,900</b>	45,808,300	<b>23,427,300</b>	23,519,100

The Company has estimated tax credit of RM6,611,000/- (2006 : RM6,611,000/-) under Section 108 of the Income Tax Act, 1967, available to frank future payment of dividends up to approximately RM17,874,000/- (2006 : RM17,000,000/-) without incurring additional tax liability, subject to agreement by Inland Revenue Board.

The Company has approximately RM109,000/- (2006 : RM109,000/-) tax exempt income available for distribution by way of tax exempt dividend, subject to agreement by the Inland Revenue Board. The tax exempt income is in respect of chargeable income for the year ended 31 October 1999 of which income tax had been waived.

## Notes To The Financial Statements

### 34. EARNINGS/(LOSS) PER SHARE

The basic earnings/(loss) per share of the Group is calculated by dividing the Group's profit/(loss) for the financial year of RM16,568,396/- (2006 : loss of RM6,597,113/-) with the weighted average ordinary shares in issue, excluding the weighted average treasury shares held by the Company, of 344,020,635 (2006 : 344,020,635) ordinary shares of RM1/- each.

The diluted earnings/(loss) per share for the current financial year are not presented as the assumed conversion of the ICULS and exercise of Warrants are anti-dilutive.

### 35. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the year, the Group and the Company acquired property, plant and equipment with aggregate cost of RM281,683/- (2006 : RM461,518/-) and RM116,590/- (2006 : RM461,518/-) respectively, which were satisfied as follows:-

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Hire purchase financing	148,500	320,000	-	320,000
Cash payments	133,183	141,518	116,590	141,518
	<b>281,683</b>	<b>461,518</b>	<b>116,590</b>	<b>461,518</b>

### 36. SIGNIFICANT RELATED PARTY TRANSACTIONS

(i) Significant intra-group transactions are as follows:-

	Company	
	2007 RM	2006 RM
Management fees charged to subsidiary companies		
Magilds Park Sdn. Bhd.	(698,801)	(142,446)
Majurama Developments Sdn. Bhd.	(82,010)	(4,327)
Lembah Langat Development Sdn. Bhd.	(2,583,620)	(2,227,532)
	<b>(3,364,431)</b>	<b>(2,374,305)</b>

(ii) Significant transactions with a company in which a director of the Company, Tan Sri Dr. Chen Lip Keong, has substantial direct and indirect financial interest as follows:-

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Office rental paid and payable to Karambunai Corp Bhd.	300,000	300,000	300,000	300,000

## Notes To The Financial Statements

### 36. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

- (iii) Significant transactions with companies in which a director of the Company, Tan Sri Dr. Chen Lip Keong, is a director and has substantial financial interest as follows:-

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Purchase consideration paid to Terus Idaman Sdn. Bhd. for acquisition of leasehold land	-	38,000,000	-	38,000,000

- (iv) Compensation of key management personnel

Key management personnel includes personnel having authority and responsibility for planning, directing and controlling the activities of the entities, directly, including any Executive Director of the Group.

The remunerations of the key management are as follows:-

	Group/Company	
	2007 RM	2006 RM
Short term employees benefits	185,011	89,600
Post-employment benefits	22,212	9,600

### 37. SEGMENT INFORMATION - GROUP

Segment information is presented in respect of the Group's business segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets, liabilities and expenses.

Segment assets and liabilities do not include income tax assets and tax liabilities respectively. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one accounting period.

Inter-segment transactions have been entered into in the normal course of business under terms mutually agreed upon between the parties concerned.

#### Business Segments

The Group comprises the following two major business segments:-

- (i) Property development - property development.
- (ii) Other operations - investment holding, provision of management and secretarial services and others.

#### Geographical Segments

As the Group operates within one geographical segment, geographical segment analysis is not applicable.

## Notes To The Financial Statements

### 37. SEGMENT INFORMATION - GROUP (CONT'D)

#### Major Business Segments

	Property Development RM	Other Operations RM	Eliminations RM	Consolidated RM
<b>2007</b>				
<b>Revenue</b>				
External revenue	21,174,778	-	-	21,174,778
Inter-segment revenue	-	3,364,431	(3,364,431)	-
Total revenue	21,174,778	3,364,431	(3,364,431)	21,174,778
<b>Results</b>				
Segment result	24,273,169	(5,388,701)	-	18,884,468
Dividend revenue				8,632
Interest revenue				252,738
Interest expenses				(14,193)
Taxation				(2,563,249)
Profit for the year				16,568,396
<b>Other Information</b>				
Segment assets	443,408,306	154,983,331	(149,761,688)	448,629,949
Unallocated corporate assets				14,337,776
Tax assets				13,832
Consolidated total assets				462,981,557
Segment liabilities	119,770,636	50,717,790	(154,761,690)	15,726,736
Unallocated corporated liabilities	148,500	261,116	-	409,616
Taxation	35,293,347	-	-	35,293,347
Deferred taxation	32,932,344	-	-	32,932,344
Consolidated total liabilities				84,362,043
Capital expenditure	165,093	116,590	-	281,683
Depreciation of property, plant and equipment	2,839	1,065,361	-	1,068,200
Waiver of debt	600,000	-	-	600,000

## Notes To The Financial Statements

### 37. SEGMENT INFORMATION - GROUP (CONT'D)

	Property Development RM	Other Operations RM	Eliminations RM	Consolidated RM
<b>2006</b>				
<b>Revenue</b>				
External revenue	20,120,079	-	-	20,120,079
Inter-segment revenue	-	2,374,305	(2,374,305)	-
Total revenue	20,120,079	2,374,305	(2,374,305)	20,120,079
<b>Results</b>				
Segment result	(1,019,757)	(5,564,559)	-	(6,584,316)
Dividend revenue				19,328
Interest revenue				531,554
Interest expenses				(7,977)
Taxation				(555,702)
Loss for the year				(6,597,113)
<b>Other Information</b>				
Segment assets	427,028,608	132,797,754	(115,276,065)	444,550,297
Unallocated corporate assets				1,603,653
Tax assets				25,885
Consolidated total assets				446,179,835
Segment liabilities	123,619,736	13,781,245	(120,276,067)	17,124,914
Unallocated corporated liabilities	-	300,959	-	300,959
Taxation	35,569,844	-	-	35,569,844
Deferred taxation	31,397,000	-	-	31,397,000
Consolidated total liabilities				84,392,717
Capital expenditure	-	461,518	-	461,518
Amortisation of goodwill on consolidation	210,300	-	-	210,300
Depreciation of property, plant and equipment	1,612	1,021,646	-	1,023,258
Allowance for doubtful debts	-	3,150	-	3,150
Goodwill on consolidation written off	2,032,900	-	-	2,032,900
Property development costs written off	4,866,860	-	-	4,866,860

## Notes To The Financial Statements

### 38. CONTINGENT LIABILITIES - UNSECURED

#### Group

Certain purchasers have instituted legal proceedings against the subsidiary company, Magilds Park Sdn. Bhd., for the recovery of progressive payments paid to the subsidiary company amounting to RM314,503/- (2006 : RM314,503/-) and liquidated ascertained damages of RM92,395/- (2006 : RM92,395/-) of which RM300,151/- (2006 : RM300,151/-) has been accrued for in the financial statements.

No additional provision has been made as the legal proceedings are still pending.

A sub-contractor has instituted legal action against the subsidiary company, Magilds Park Sdn. Bhd., for the recovery of debts amounting to RM467,253/- (2006 : RM467,253/-) of which RM200,000/- (2006 : RM200,000/-) has been accrued in the financial statements.

The balance of claim amounting to RM267,253/- (2006 : RM267,253/-) has not been accrued in the financial statements as the outcome of this litigation is still pending.

### 39. SIGNIFICANT EVENTS

In prior year, the Group has instituted legal proceedings against a purchaser for the release of balance held by stakeholder as mentioned in note 15 to the financial statements in prior year.

During the year, the parties have signed a settlement agreement and therefore the balance has been released by stakeholder.

### 40. SUBSEQUENT EVENTS

On 7 December 2007, the Group had on even date entered into a Sale & Purchase Agreement with Karambunai Corp Bhd ("KCB") to acquire approximately 8,201.86 square metres of leasehold land in Petaling Jaya together with a four storey building with an annexed single storey warehouse and ancillary building free from all encumbrances for a cash consideration of RM12 million. The acquisition was deemed a related party transaction by virtue of Tan Sri Dr. Chen Lip Keong, Datuk Wan Kassim Bin Ahmed, Chen Yiy Hwuan and Chen Yiy Fon being directors and/or substantial shareholder in both the Company and KCB.

### 41. FINANCIAL INSTRUMENTS

#### (a) Financial Risk Management Policies

The Group's is exposed to a variety of risks in the normal cause of business. The Group's risk management seeks to minimise the potential adverse effects from these exposures.

The main risks and corresponding management policies arising from the Group and the Company's normal course of business are as follows:-

#### i. Interest Rate Risk

The Group's exposure to interest rate risk relates to interest bearing financial liabilities and financial assets. Interest bearing liability such as hire purchase payable which is minimal as this financial liability is to finance the acquisition of property, plant and equipment. Interest bearing financial assets include deposits which are short term in nature and are placed to satisfy conditions for bank facilities granted to the Group and for better yield returns than cash at banks.

## Notes To The Financial Statements

### 41. FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Financial Risk Management Policies (cont'd)

##### ii. Market Risk

The Group's principal exposure to market risk arises from the quoted investments held for short term purposes. As the amount held is short term in nature, exposure to market risk is negligible.

##### iii. Credit Risk

The Group's exposure to credit risk arises from its receivables and the maximum risk associated with recognised financial assets is the carrying amounts as presented in the balance sheet.

The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit assessments, approvals, credit limits and monitoring procedures.

The Group does not have any significant exposure to any individual customer.

##### iv. Liquidity and Cash Flow Risks

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

#### (b) Fair Values

The methods and assumptions used to estimate the fair value of the following classes of financial assets and liabilities are as follows:-

##### i. Cash and Bank Balances, Trade and Other Receivables and Payables

The carrying amounts approximate fair values due to the relatively short term maturities of these financial assets and liabilities.

##### ii. Short Term Investments

The fair values of quoted investments are determined by reference to quoted market value.

##### iii. Borrowings

The fair value of hire purchase payable is estimated using discounted cash flow analysis, based on current lending rates for similar types of borrowing arrangements.

The carrying amount of financial assets and liabilities recognised in the balance sheet approximate their fair values except for the following:-

	Group		Company	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
<b>2007</b>				
<b>Financial Asset</b>				
Short term investments	13,008,341	13,073,509	13,008,341	13,073,509
<b>Financial Liability</b>				
Hire purchase payable	414,616	396,816	266,116	255,790

## Notes To The Financial Statements

## 41. FINANCIAL INSTRUMENTS (CONT'D)

## (b) Fair Values (cont'd)

	Group		Company	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
<b>2006</b>				
<b>Financial Asset</b>				
Short term investments	1,476,918	1,503,423	1,476,918	1,503,423
<b>Financial Liability</b>				
Hire purchase payable	300,959	300,163	300,959	300,163

The notional amounts and fair values of financial liabilities not recognised in the balance sheets are as follows:-

	Notional Amount RM	Fair Value RM
<b>Group</b>		
<b>2007</b>		
Contingent liability in respect of legal claims	374,000	*-
<b>2006</b>		
Contingent liability in respect of legal claims	374,000	*-

\* It is not practical to estimate the fair value of the contingent liabilities reliable due to uncertainties of timing, costs and eventual outcome.

## Notes To The Financial Statements

### 42. CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FRSs

The adoption of the FRSs as set out in note 3 to the financial statements does not have any material financial impact on the Group and on the Company or any significant changes in accounting policies of the Group and of the Company except as follows:-

#### (a) FRS 117 : Leases

Prior to 1 November 2006, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Leases of land and buildings are classified as operating or finance leases in the same way as leases or other assets and the land and building elements of a lease of land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease and where necessary, the minimum lease payments or the up-front payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interest in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid land lease payments and are amortised on a straight-line basis over the lease term.

The Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 November 2006, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid land lease payments as allowed by the transitional provisions. The reclassification of leasehold land as prepaid land lease payments has been accounted for retrospectively and as disclosed in note 43 to the financial statements, certain comparatives have been restated.

#### (b) FRS 140 : Investment Property

Prior to 1 November 2006, investment properties were stated at valuation less accumulated impairment losses, if any. Revaluations were carried out at least once every five years and any surplus arising there from is credited to revaluation reserve. However, a surplus will be recognised as revenue to the extent that it reverses a revaluation deficit of the same asset previously recognised as an expense. A deficit will be set-off against any related revaluation surplus to the extent that the deficit does not exceed the amount held in revaluation reserve in respect of the same asset.

Upon the adoption of FRS 140, investment properties are now stated at fair value and gains and losses arising from changes in fair values are recognised in income statement in the year in which they arise.

The Group has applied FRS 140 in accordance with the transitional provision and the change in accounting policy has no impact on amounts reported for 2006 or prior periods.

### 43. COMPARATIVE FIGURES

Certain comparative figures have been restated as a result of changes in accounting policies as stated in note 42 to the financial statements and to conform with the newly adoption of FRSs as follows:-

	As Previously Stated	FRS 117	As Restated
<b>2006</b>			
<b>Group</b>			
Property, plant and equipment	4,042,140	(2)	4,042,138
Prepaid land lease payments	-	2	2
<b>Company</b>			
Property, plant and equipment	719,114	(2)	719,112
Prepaid land lease payments	-	2	2

# List Of Group PROPERTIES

As at 31 October 2007

Location	Description	Year of Expiry	Area (Hectares)	Age Of Building	Existing Use	Net Book Value (RM'000)
H.S. (M) Title No.2375, 2376 & 2377 Lot P.T. 546, 547 & 548 Mukim of Tanjong Dua Belas District of Kuala Langat Selangor Darul Ehsan	Leasehold land & building	2076	4.5	11	Factory premises	2,523
H.S. (D) Title No. 39909 Lot P.T. 19694, Mukim of Batu District of Gombak Selangor Darul Ehsan	Leasehold land	2064	56.3	-	Under development	45,433
H.S. (D) Title No. 63477 to 63670, 63734 & 63746 Lot P.T.9835 to P.T.10028, P.T. 10092 & P.T. 10104 Mukim of Ampangan, District of Seremban Negeri Sembilan Darul Khusus	Leasehold land	2088	5.0	-	Under development	17,017
Part of Master Title No. Country Lease 045091174 Mukim of Menggatal District of Tuaran, Kota Kinabalu Sabah	Leasehold land	2093	526.1	-	Development land	194,939
Parcel 28, being approved subdivision parcel of Master Title No. Country Lease 045091174, Mukim of Menggatal District of Tuaran, Kota Kinabalu Sabah	Leasehold land	2093	25.1	-	Development land	38,363
Part of Parent Lot No. 171, 202, 377, 411 & 412 Mukim of Hulu Klang, District of Gombak Selangor Darul Ehsan	Freehold land	-	3.5	-	Under development	26,236
Part of Parent Lot No. 377 & 411 Mukim of Hulu Klang, District of Gombak Selangor Darul Ehsan	Freehold land & building	-	1.1	8	Clubhouse	10,141
Lot P.T. 697, 698, 699, 700 & 701 Mukim of Ulu Yam, District of Ulu Selangor Selangor Darul Ehsan	Leasehold land	2083	47.0	-	Development land	15,648
H.S. (D) Lot No. PT 2180 & 2181 Mukim of Dengkil, District of Sepang Selangor Darul Ehsan	Leasehold land	2087	15.7	-	Development land	35,603

# Shareholdings STATISTICS

As at 25 February 2008

## ANALYSIS OF SHAREHOLDINGS

Authorised Share Capital	: RM500,000,000
Issued and Paid-up Share Capital	: RM344,292,335
Class of securities	: Ordinary Shares of RM1.00 each
Voting Rights	: Every member present in person or by proxy has one (1) vote on a show of hands and on a poll, every member present in person or by proxy has one (1) vote for each share he holds.

Holdings	No. of Holders	Total Holdings *	% *
Less than 100	36	949	**
100 to 1,000	1,180	1,148,621	0.33
1,001 to 10,000	3,186	15,602,799	4.54
10,001 to 100,000	898	28,179,997	8.19
100,001 to less than 5% of issued shares	134	105,537,474	30.68
5% and above of issued shares	3	193,550,795	56.26
<b>Total</b>	<b>5,437</b>	<b>344,020,635</b>	<b>100.00</b>

\* Excluding a total of 271,700 Petaling Tin Berhad ("PTB") shares bought back by PTB and retained as treasury shares as at 25 February 2008

\*\* Negligible

## LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Names	No. of Shares Held	% *
1.	CIMB Group Nominees (Asing) Sdn Bhd Pledged securities account for Emden Investment Ltd	107,146,552	31.14
2.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged securities account for Tan Sri Dr Chen Lip Keong	46,804,243	13.61
3.	HSBC Nominees (Tempatan) Sdn Bhd Exempt an for JPMorgan Chase Bank	39,600,000	11.51
4.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged securities account for The K.L. Regency Sdn Bhd	15,517,241	4.51
5.	CIMB Group Nominees (Asing) Sdn Bhd Pledged securities account for Fastrack Investments Limited	10,344,828	3.01
6.	CIMB Group Nominees (Asing) Sdn Bhd Pledged securities account for Profitline Worldwide Ltd	10,344,828	3.01
7.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged securities account for Quantum Symbol Sdn Bhd	7,388,000	2.15
8.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged securities account for Importex Sdn Bhd	5,913,793	1.72
9.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged securities account for Star Combination Sdn Bhd	5,581,033	1.62

## Shareholdings Statistics

### LIST OF THIRTY (30) LARGEST SHAREHOLDERS (cont'd)

No.	Names	No. of Shares Held	% *
10.	HDM Nominees (Tempatan) Sdn Bhd Pledged securities account for Win Radiant Sdn Bhd	5,000,000	1.45
11.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged securities account for Asali Developments Sdn Bhd	4,008,621	1.16
12.	Quantum Symbol Sdn Bhd	3,358,500	0.98
13.	HSBC Nominees (Asing) Sdn Bhd Exempt an for JPMorgan Chase Bank	2,738,000	0.79
14.	CIMSEC Nominees (Asing) Sdn Bhd Exempt an for CIMB-GK Securities Pte Ltd	2,209,200	0.64
15.	Tan She Hoo	1,000,000	0.29
16.	HDM Nominees (Asing) Sdn Bhd DBS Vickers Secs (S) Pte Ltd for Ong Hock Siong @ Benny Ong Hock Siong	1,000,000	0.29
17.	HSBC Nominees (Asing) Sdn Bhd HSBC-FS for Asian Emerging Countries Fund	992,700	0.29
18.	Ng Chee Peng	979,900	0.28
19.	HDM Nominees (Asing) Sdn Bhd Phillip Sec Pte Ltd for Lee Yong Heok	969,000	0.28
20.	Ong Hock Siong @ Benny Ong Hock Siong	822,000	0.24
21.	Wee Cheow Beng	800,000	0.23
22.	Tan Sri Dr Chen Lip Keong	749,700	0.22
23.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged securities account for Phoa Boon Ting	730,000	0.21
24.	Khor Kar Hor	662,900	0.19
25.	Anchor Peak Sdn Bhd	652,524	0.19
26.	Rainbow Fortune Sdn Bhd	543,103	0.16
27.	Mayban Nominees (Asing) Sdn Bhd The Straits Trading Company Limited	520,000	0.15
28.	Pek Kem Hua @ Pek Kim Cheng	500,000	0.15
29.	Ng Yun Piau	500,000	0.15
30.	Kenanga Nominees (Asing) Sdn Bhd Exempt an for Philip Sec Pte Ltd	475,000	0.14
	<b>Total</b>	<b>277,851,666</b>	<b>80.76</b>

\* Excluding a total of 271,700 Petaling Tin Berhad ("PTB") shares bought back by PTB and retained as treasury shares as at 25 February 2008

## Shareholdings Statistics

### ANALYSIS OF WARRANT HOLDINGS

No. of Warrants Issued	: 40,336,824
No. of Warrants Exercised to date	: 2,000 (No Warrant was exercised during the year)
No. of Warrants Outstanding	: 40,334,824
Class of Securities	: Warrants 2000/2010
Voting Rights	: Every Warrant holder present in person or by proxy shall be entitled on a show of hands to one (1) vote and every Warrant holder present in person or by proxy shall be entitled on a poll to one (1) vote for each share to which such holder would be entitled at the exercise price on the exercise in full of the subscription rights represented by such holder's Warrant.

Holdings	No. of Holders	Total Holdings	%
Less than 100	22	1,008	**
100 to 1,000	401	362,321	0.90
1,001 to 10,000	1,815	7,461,904	18.50
10,001 to 100,000	365	11,843,691	29.36
100,001 to less than 5% of outstanding warrants	40	6,971,900	17.29
5% and above of outstanding warrants	2	13,694,000	33.95
<b>Total</b>	<b>2,645</b>	<b>40,334,824</b>	<b>100.00</b>

\*\* Negligible

### LIST OF THIRTY (30) LARGEST WARRANT HOLDERS

No. Names	No. of Warrants Held	%
1. HSBC Nominees (Tempatan) Sdn Bhd Exempt an for JPMorgan Chase Bank	10,000,000	24.79
2. Quantum Symbol Sdn Bhd	3,694,000	9.16
3. Ngu Shang Shang	504,000	1.25
4. Ding Leh Chek @ Ting Lay Chik	457,000	1.13
5. Mayban Securities Nominees (Asing) Sdn Bhd OCBC Securities Pte Ltd for Loh Foo Keong	398,000	0.98
6. Anwar Ali Bin Saleh Mohamed	248,100	0.62
7. Tan Sri Dr Chen Lip Keong	215,048	0.53
8. Mayban Nominees (Asing) Sdn Bhd The Straits Trading Company Limited	208,000	0.52
9. Chan Mel Vyn	205,000	0.51
10. Lee Yoon Sang	200,000	0.50

## Shareholdings Statistics

### LIST OF THIRTY (30) LARGEST WARRANT HOLDERS (cont'd)

No. Names	No. of Warrants Held	%
11. Chua Chin Yap	190,000	0.47
12. Yio Kim Sim	185,000	0.46
13. Wong Teik Poh	180,000	0.45
14. Lee Kam Fook	180,000	0.45
15. Wong Yin	171,300	0.42
16. Malacca Equity Nominees (Tempatan) Sdn Bhd Pledged securities account for Gau Hing Kau @ Goh Hing Pin	170,000	0.42
17. Cheah Boon Kiat	167,000	0.41
18. Koh Cheng Kiat	165,000	0.41
19. EB Nomimees (Asing) Sdn Bhd Pledged securities account for Walter Wurtz	160,000	0.40
20. Hussain Bin Taib	160,000	0.40
21. Syarikat Senky Dredging Sdn Bhd	150,952	0.37
22. Tan Yang Ya	150,000	0.37
23. Phang Wai Kit	150,000	0.37
24. Lim Siak Kuang	145,000	0.36
25. Yap Siow Kim	142,000	0.35
26. Chong Yu Song	142,000	0.35
27. Sow Chi Ken	140,000	0.35
28. Tan Say Cheng	138,500	0.34
29. Lim Beng Yang	138,000	0.34
30. Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged securities account for Wong Khong Look	138,000	0.34
<b>Total</b>	<b>19,291,900</b>	<b>47.82</b>

## Shareholdings Statistics

### ANALYSIS OF ICULS HOLDINGS

No. of ICULS Issued	: 284,500,000
No. of ICULS Converted	: 282,400,000
No. of ICULS Outstanding	: 2,100,000
Class of Securities	: Zero Coupon Irredeemable Convertible Unsecured Loan Stocks 2000/2010 ("ICULS"). The ICULS are not listed on Bursa Malaysia Securities Berhad.
Voting Rights	: Every ICULS holder who (being an individual) is present in person or by proxy or (being a corporation) is present by its duly authorised representative or by its proxy shall have one (1) vote on a show of hands and on a poll, every ICULS holder present in person or by proxy shall have one (1) vote for every RM1.00 nominal amount of ICULS of which he is the holder.

Holdings	No. of Holders	Total Holdings	%
Less than 100	-	-	-
100 to 1,000	-	-	-
1,001 to 10,000	-	-	-
10,001 to 100,000	-	-	-
100,001 to less than 5% of outstanding ICULS	-	-	-
5% and above of outstanding ICULS	2	2,100,000	100.00
<b>Total</b>	<b>2</b>	<b>2,100,000</b>	<b>100.00</b>

### LIST OF ICULS HOLDERS

No. Names	No. of ICULS Held	%
1. Chan Peng Leong	1,470,000	70.00
2. Dato' Dr Abdul Razak bin Abdul	630,000	30.00
<b>Total</b>	<b>2,100,000</b>	<b>100.00</b>

### SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Number of Ordinary Shares of RM1.00 Each Held				Total Interest	%*
	Direct Interest	% *	Deemed Interest	%*		
Tan Sri Dr Chen Lip Keong	91,777,443 <sup>(a)</sup>	26.68	26,082,179 <sup>(b)</sup>	7.58	117,859,622	34.26
Emden Investment Limited	107,146,552 <sup>(c)</sup>	31.15	-	-	107,146,552	31.15
Chin Chee Kuang	-	-	107,146,552 <sup>(d)</sup>	31.15	107,146,552	31.15

#### Notes

- (a) Held as registered holder and through HSBC Nominees (Tempatan) Sdn Bhd and CIMB Group Nominees (Tempatan) Sdn Bhd.
- (b) Deemed interested by virtue of his interest in Asali Developments Sdn Bhd, Importex Sdn Bhd and The K.L. Regency Sdn Bhd and his deemed interest in Anchor Peak Sdn Bhd.
- (c) Held through CIMB Group Nominees (Asing) Sdn Bhd.
- (d) Deemed interested by virtue of his interest in Emden Investment Limited.
- \* Excluding a total of 271,700 Petaling Tin Berhad ("PTB") shares bought back by PTB and retained as treasury shares as at 25 February 2008.

## Shareholdings Statistics

## DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S INTERESTS IN THE COMPANY AND RELATED CORPORATIONS

## In Petaling Tin Berhad

	Number of Ordinary Shares of RM1.00 each Held					
	Direct Interest	%*	Deemed Interest	%*	Total Interest	%*
Tan Sri Dr Chen Lip Keong	91,777,443 <sup>(a)</sup>	26.68	26,082,179 <sup>(b)</sup>	7.58	117,859,622	34.26
Datuk Haji Jaafar bin Abu Bakar	5,000	**	-	-	5,000	**
Datuk Wan Kassim bin Ahmed	-	-	-	-	-	-
Dato' Nik Kamaruddin bin Ismail	-	-	-	-	-	-
Tiang Chong Seong	-	-	-	-	-	-
Lim Mun Kee	-	-	-	-	-	-
Chen Yiy Hwuan	-	-	-	-	-	-
Chen Yiy Fon	-	-	-	-	-	-
Leong Choong Wah	-	-	-	-	-	-

\* Excluding a total of 271,700 Petaling Tin Berhad ("PTB") shares bought back by PTB and retained as treasury shares as at 25 February 2008

## In Petaling Tin Berhad

	Number of Warrants Held					
	Direct Interest	%	Deemed Interest	%	Total Interest	%
Tan Sri Dr Chen Lip Keong	10,217,048	25.33	-	-	10,217,048	25.33
Datuk Haji Jaafar bin Abu Bakar	2,000	**	-	-	2,000	**
Datuk Wan Kassim bin Ahmed	-	-	-	-	-	-
Dato' Nik Kamaruddin bin Ismail	-	-	-	-	-	-
Tiang Chong Seong	-	-	-	-	-	-
Lim Mun Kee	-	-	-	-	-	-
Chen Yiy Hwuan	-	-	-	-	-	-
Chen Yiy Fon	-	-	-	-	-	-
Leong Choong Wah	-	-	-	-	-	-

## Notes

- Held as registered holder and through HSBC Nominees (Tempatan) Sdn Bhd and CIMB Group Nominees (Tempatan) Sdn Bhd.
- Deemed interested by virtue of his interest in Asali Developments Sdn Bhd, Importex Sdn Bhd and The K.L. Regency Sdn Bhd and his deemed interest in Anchor Peak Sdn Bhd.
- By virtue of his substantial interests in the Company, Tan Sri Dr Chen Lip Keong is deemed to have an interest in all shares held by the Company in its related corporations.
- Save as disclosed, none of the directors have any interests in the shares, warrants and ICULS of the Company or its related corporations as at 25 February 2008.

# Notice Of Annual GENERAL MEETING

**NOTICE IS HEREBY GIVEN that the Eighty-Second Annual General Meeting of Petaling Tin Berhad will be held at Laksamana Ballroom, Level 3, Hotel Armada, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 23 April 2008 at 10.00 a.m. for the following purposes:-**

## AGENDA

### As Ordinary Business

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 October 2007 together with the Reports of Directors and Auditors thereon.  
**Ordinary Resolution 1**
2. To approve the payment of directors' fees of RM285,000.00 for the financial year ended 31 October 2007.  
**Ordinary Resolution 2**
3. To re-elect the following Directors who are retiring pursuant to Article 80 of the Company's Articles of Association, and being eligible, offer themselves for re-election :-
  - (a) Datuk Haji Jaafar bin Abu Bakar  
**Ordinary Resolution 3**
  - (b) Dato' Nik Kamaruddin bin Ismail  
**Ordinary Resolution 4**
4. To re-elect the following Directors who are retiring pursuant to Article 82(c) of the Company's Articles of Association, and being eligible, offer themselves for re-election :-
  - (a) Mr Lim Mun Kee  
**Ordinary Resolution 5**
  - (b) Mr Chen Yiy Hwuan  
**Ordinary Resolution 6**
  - (c) Mr Chen Yiy Fon  
**Ordinary Resolution 7**

5. To re-appoint Messrs Moore Stephens as Auditors of the Company and to authorise the Directors to fix their remuneration.

### Ordinary Resolution 8

### As Special Business

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

- (a) Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965

"THAT the Directors of the Company be and are hereby authorised, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company at any time subject to Section 132D(3) and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being."

### Ordinary Resolution 9

- (b) Proposed Renewal of Authority for Share Buy-Back ("Proposal")

(The text of the above resolution together with the details of the Proposal are set out in the Statement to Shareholders dated 31 March 2008 which is enclosed together with the Annual Report.)

### Ordinary Resolution 10

- (c) Proposed Amendments to the Articles of Association of the Company

"THAT the proposed amendments to the Articles of Association ("Articles") of the Company in the manner as set out in the Appendix to the Annual Report 2007 ("Proposed Amendments") be and are hereby approved and consequence thereof the new set of Articles incorporating all appropriate amendments be adopted AND THAT the Directors and Secretaries be and are hereby authorised to sign, do and execute all relevant documents, acts and things as may be required for or in connection with and to give effect to the Proposed Amendments with full power to assent to any conditions, modifications, variations and / or amendments as may be required by the relevant authorities".

### Special Resolution

## Notice Of Annual General Meeting

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

By Order of the Board

**LAM HOI KHONG** (MIA 18848)  
**WONG POH CHOO** (MAICSA 7013838)  
 Company Secretaries

Petaling Jaya  
 31 March 2008

### Notes:-

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote, in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if such appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which the instrument is signed or a notarily certified copy of that power or authority, shall be deposited at the Share Registrar of the Company at 2nd Floor, No.118, Jalan Semangat, 46300 Petaling Jaya at least forty-eight (48) hours before the time for holding the meeting or adjourned meeting.

### Explanatory Notes on Special Business:-

1. Ordinary Resolution 9 is proposed pursuant to Section 132D of the Companies Act, 1965 and if passed, will empower the Directors to issue shares up to 10% of the issued capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next Annual General Meeting of the Company.
2. Ordinary Resolution 10, if passed, is to give authority to the Directors to purchase the Company's own shares. This authority will expire at the next Annual General Meeting of the Company unless earlier revoked or varied by an ordinary resolution of the Company at a general meeting. Further information is set out in the Statement to Shareholders which is despatched together with the Annual Report 2007.
3. The Special Resolution proposed, if passed, will bring the Company's Articles of Association in line with the recent amendments to the Listing Requirements of Bursa Malaysia Securities Berhad. The details of the proposed amendments are set out in the Appendix to the Annual Report 2007.

### Statement Accompanying Notice of Annual General Meeting

1. Name of the Directors who are standing for re-election
  - (a) Datuk Haji Jaafar bin Abu Bakar
  - (b) Dato' Nik Kamaruddin bin Ismail
  - (c) Mr Lim Mun Kee
  - (d) Mr Chen Yiy Hwuan
  - (e) Mr Chen Yiy Fon
2. Details of attendance of Directors at Board Meetings  
 The details are set out on page 8 of the Annual Report.
3. Date, Time and Venue of the Annual General Meeting  
 Wednesday, 23 April 2008 at 10.00 a.m.  
 Laksamana Ballroom, Level 3  
 Hotel Armada  
 Lorong Utara C, Section 52  
 46200 Petaling Jaya  
 Selangor Darul Ehsan
4. Further details of Directors who are standing for re-election  
 The further details of the Directors who are standing for re-election are disclosed under Profile of Directors and Chief Executive Officer on pages 6 to 7 of this Annual Report. The shareholdings of these Directors in the Company are disclosed under Analysis of Shareholdings on page 83 of this Annual Report.

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# Proxy FORM

**PETALING TIN BERHAD** (324-H)  
Incorporated in Malaysia

No. of shares : \_\_\_\_\_

CDS Account No. : \_\_\_\_\_

I/We \_\_\_\_\_  
(Full Name of Shareholder)

of \_\_\_\_\_  
(Full Address of Shareholder)

being a member of Petaling Tin Berhad, hereby appoint \_\_\_\_\_  
(Full Name of Proxy)

of \_\_\_\_\_  
(Full Address of Proxy)

or failing him/her, \_\_\_\_\_  
(Full Name of Proxy)

of \_\_\_\_\_  
(Full Address of Proxy)

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us on my/our behalf at the Eighty-Second Annual General Meeting of the Company to be held at Laksamana Ballroom, Level 3, Hotel Armada, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 23 April 2008 at 10.00 a.m. and at any adjournment thereof.

No.	Ordinary Resolutions	For	Against
1	Adoption of audited financial statements and reports.		
2	Approval of the payment of directors' fees.		
3	Re-election of Datuk Haji Jaafar bin Abu Bakar as director.		
4	Re-election of Dato' Nik Kamaruddin bin Ismail as director.		
5	Re-election of Mr Lim Mun Kee as director.		
6	Re-election of Mr Chen Yiy Hwuan as director.		
7	Re-election of Mr Chen Yiy Fon as director.		
8	Re-appointment of Messrs Moore Stephens as auditors.		
9	Authority pursuant to Section 132D of the Companies Act, 1965.		
10	Proposed Renewal of Authority for Share Buy-Back		
	<b>Special Resolution</b>	<b>For</b>	<b>Against</b>
	Proposed Amendments to the Articles of Association		

(Please indicate with an "X" in the appropriate box how you wish your vote to be cast. If this Proxy Form is returned without any indication as how the proxy shall vote, the proxy will vote or abstain from voting as he thinks fit).

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2008

Signature/Seal of Shareholder : \_\_\_\_\_

Telephone No. (during office hours) : \_\_\_\_\_

#### Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote, in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

3. The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if such appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which the instrument is signed or a notarily certified copy of that power or authority, shall be deposited at the Share Registrar of the Company at 2nd Floor, No.118, Jalan Semangat, 46300 Petaling Jaya at least forty-eight (48) hours before the time for holding the meeting or adjourned meeting.

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Affix Stamp

**The Share Registrar of Petaling Tin Berhad** (324-H)

Semangat Corporate Resources Sdn Bhd

2nd Floor, No. 118, Jalan Semangat,

46300 Petaling Jaya,

Selangor Darul Ehsan

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