

PETALING TIN BERHAD (324-H)

INCORPORATED IN MALAYSIA

ANNUAL REPORT 2002



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corporate information

BOARD OF DIRECTORS

Datuk Haji Jaafar Bin Abu Bakar
Chairman

Tan Sri Dr Chen Lip Keong
Chief Executive Officer

Datuk Wan Kassim Bin Ahmed

Mr Lai Gin Nyap

Mr Tiang Chong Seong

PRINCIPAL PLACE OF BUSINESS

Level 18, Menara PanGlobal
No. 8, Lorong P. Ramlee
50250 Kuala Lumpur

tel + (603) 2026 4491

fax + (603) 2026 3106

STOCK EXCHANGE LISTINGS

Kuala Lumpur Stock Exchange,
Main Board

London Stock Exchange
(Delisted effective 14 February 2003)

REGISTERED OFFICE

Level 19, Menara PanGlobal
No. 8, Lorong P. Ramlee
50250 Kuala Lumpur

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SHARE REGISTRAR

Lipkland Management And
Consultancy Sdn Bhd
Level 19, Menara PanGlobal
No. 8, Lorong P. Ramlee
50250 Kuala Lumpur

tel + (603) 2031 2377

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BRANCH REGISTRAR

Smith & Williamson
Prospect House
2 Athenaeum Road
London, N20 9YU

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COMPANY SECRETARIES

Ms Lorraine Khoo Bee Kim
MAICSA 7008856

Ms Chen Sai Liung
MAICSA 7034273

AUDITORS

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

BANKERS

Malayan Banking Berhad
Alliance Finance Berhad
Alliance Bank Malaysia Berhad
Bumiputra-Commerce Bank Berhad

SOLICITORS

Zaid Ibrahim & Co.
Zul Rafique & Partners
KH Tan & Chua
Megat Najmuddin Leong & Co.



chairman's statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Petaling Tin Berhad ("PTB" or "the Company" or "the Group") for the financial year ended 31 October 2002.

FINANCIAL RESULTS

The Group recorded an increased operating revenue of RM84.8 million as compared to the previous year's result of RM23.8 million and Group profit before taxation of RM25.1 million as compared to RM2.5 million in the previous year.

The commendable performance in the Group's financial results is mainly attributed to the sales of development properties of Desa Bukit Magilds in Sungai Buloh, Selangor and Bandar Domain in Karambunai, Sabah.

DIVIDEND

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

CORPORATE DEVELOPMENTS

During the financial year under review, the following corporate events have taken place in the Group:

- a) On 2 September 2002, RM112,600,000 nominal value of 10-year zero coupon Irredeemable Convertible Unsecured Loan Stocks (2000/2010) ("ICULS") were converted into 97,068,965 fully paid ordinary shares of RM1.00 each of the Company at a conversion price of RM1.16 each. The new shares rank pari passu with the existing shares of the Company.

Resulting from the above conversion of ICULS, the issued and fully paid share capital of the Company increased from RM247,223,370 to RM344,292,335 on 2 September 2002.

- b) On 26 September 2002, the Company subscribed for 999,998 ordinary shares of RM1.00 each allotted by a subsidiary company, Ukaylake Country Club Sdn Bhd, for a cash consideration of RM999,998.

SUBSEQUENT EVENT

On 14 January 2003, the Board announced that the Company has decided to apply to the United Kingdom Listing Authority to discontinue its secondary listing from the London Stock Exchange ("LSE"). The Company was delisted from the LSE with effect from 14 February 2003.

The delisting exercise was carried out as the extremely low volume of trading does not justify the high maintenance costs. Furthermore, PTB does not have any plans in the near future to raise further funds or capital in the United Kingdom. The delisting from the LSE has no material financial effect on PTB.

FUTURE OUTLOOK

Although the country's economy has achieved a remarkable GDP growth of 4.2% for the year 2002, financial year 2003 is expected to remain challenging in view of current world political and economic uncertainties, which have a direct impact to our country's economic growth.

With this outlook in mind, coupled with the expected consolidation of the property sector, the Group continues to seek out and adopt competitive measures to rationalise its property business. Barring any unforeseen circumstances, the Board is cautiously optimistic that the Group will achieve satisfactory performance in the coming financial year.

ACKNOWLEDGEMENT

On behalf of the Board and the Group, I wish to record our appreciation to our Directors, namely Mr Chong Kok Kong and Mr Chin Yit Kong for their invaluable contributions during their tenure of service. I would also like to take this opportunity to welcome Mr Tiang Chong Seong to the Board. I am confident that his experience and knowledge in the property industry will contribute towards the success of the Group.

The Board of Directors also wishes to extend its heartfelt appreciation to the management and staff of the Group for their dedication and commitment towards achieving the objectives of the Group.

Last but not least, we would also like to express our gratitude to all our shareholders, valued customers, business associates and various Government authorities for their continued support and confidence in the Group.

Datuk Haji Jaafar Bin Abu Bakar
Chairman
10 March 2003





chief executive officer's statement

Dear Shareholders,

It gives me great pleasure to report on the Group's performance and operations for the financial year ended 31 October 2002.

FINANCIAL REVIEW

Supported by stronger growth in Malaysia's GDP of 4.2% in 2002 compared to the previous year's 0.4%, the Group's overall financial results for the year under review had improved correspondingly.

The Group registered an operating revenue of RM84.8 million, a three-fold improvement as compared to the previous year's results of RM23.8 million. In addition, the Group's profit before taxation improved to RM25.1 million as compared to the preceding year's result of RM2.5 million.

Shareholders' funds as at year-end increased by RM127.9 million to RM385.0 million, backed by the conversion of the Company's ICULS during the financial year. The increase in shareholders' funds has resulted in an improved net tangible assets backing per share from RM1.04 to RM1.12.

OPERATIONAL REVIEW

As reported in our last annual report, the strong take-up rate recorded for 116 units medium-cost double storey link houses launched in Desa Bukit Magilds, Sungai Buloh, Selangor raked in a total sales value of RM15.3 million in 2001. In responding to continued strong demand for medium-cost residential properties in choice locations, the Group had embarked on launching Desa Bukit Magilds' second phase of medium-cost double storey link houses in March 2002. With a total number of 137 units priced at an average of RM165,000 per unit, the response was overwhelming and generated a total sales value of RM21.0 million.

During the year under review, the Group has also recorded total sales value of RM52.3 million from its Bandar Domain Project in Karambunai, Sabah. The resort sanctuary theme township spans 1,500 acres and is located approximately 26 kilometres from the city of Kota Kinabalu.

PROSPECTS IN 2003

High on the Group's priorities is its commitment towards meeting its social responsibility to provide affordable housing including products for lower income groups. As such, the Group is planning to launch 200 units low cost double storey terrace houses in Desa Bukit Magilds in the year 2003. During the financial year under review, earthworks for the said development have commenced.

With weak demand in the commercial property segments, there was no new launch in the Senawang Town Centre Project in Negeri Sembilan during the year under review. However, the Group managed to secure sales of shopoffice lots and commercial complex land to some targeted key tenants which the Group expects will lead a surge of activities in Senawang Town Centre. Capitalising on this, the Group will now focus on marketing the completed commercial shopoffice units in this project.

In line with growing demand for guarded residential properties equipped with smart-home features, in the coming year 2003, the Group plans to launch its upscale townhouses and double storey link houses in the established neighbourhood of Taman Kelab Ukay in Ulu Kelang, Selangor. A total of 237 residential units priced between RM250,000 to RM350,000 per unit are planned for launch.

CONCLUSION

On behalf of the Board, I express sincere appreciation and gratitude to our management and staff for their loyalty and dedication, and to our shareholders, customers and business associates for their confidence and support to the Group.

Dr Chen Lip Keong
Chief Executive Officer
10 March 2003





board of directors

Datuk Haji Jaafar Bin Abu Bakar
Chairman

Tan Sri Dr Chen Lip Keong
Chief Executive Officer

Datuk Wan Kassim Bin Ahmed
Director

Mr Lai Gin Nyap
Chief Operating Officer &
Chief Financial Officer

Mr Tiang Chong Seong
Executive Director

directors' profiles

as at 28 February 2003

Datuk Haji Jaafar Bin Abu Bakar

Chairman

- Aged 56, Malaysian
- Non-executive & Independent
- Appointed to the Board on 1 August 1997
- Appointed as Chairman on 25 September 2001
- Chairman of the Audit, Nomination and Remuneration Committees
- Graduated with a Bachelor of Arts (Honours) from University of Malaya in 1969; holds a Masters in Public Policy and Administration from University of Wisconsin, Madison, U.S.A. in 1980 and a Fellow 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
- Currently, he is also the President, Chief Executive Officer and director of Uniphoenix Corporation Berhad which is also listed on the Kuala Lumpur Stock Exchange and a director of FELCRA Berhad

Tan Sri Dr Chen Lip Keong

Chief Executive Officer

- Aged 55, Malaysian
- Executive & Non-independent
- Appointed to the Board as Chief Executive Officer on 15 April 1997
- 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 25 years of corporate, managerial and business experience since 1976
- Currently, he is also the President, Chief Executive Officer and director of FACB Resorts Berhad and FACB Industries Incorporated Berhad which are also listed on the Kuala Lumpur Stock Exchange

Datuk Wan Kassim Bin Ahmed

Director

- Aged 54, 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 1991 to 1995; served as an Executive Chairman of Inter-Fresh (Malaysia) Sdn Bhd between 1988 to 2001; worked as a Consultant and Advisor for several companies due to his experience

in financial, marketing, management and wide business contacts and served as Chairman of Kawalan Warisan Rantau Sdn Bhd from 1993 to 2001

- Currently, he is also an independent and non-executive director of FACB Resorts Berhad, FACB Industries Incorporated Berhad and Octagon Consolidated Berhad which are also listed on the Kuala Lumpur Stock Exchange

Mr Lai Gin Nyap

*Chief Operating Officer
& Chief Financial Officer*

- Aged 35, Malaysian
- Executive & Non-independent
- Appointed to the Board on 15 May 1997
- A member of the Audit and Remuneration Committees
- Graduated with a Bachelor of Accounting (Honours) from University of Malaya in 1992
- Has served as Chief Operating Officer and Chief Financial Officer of PTB since January 2000. Prior to joining PTB in year 2000, he had several years' experience in the areas of finance and corporate finance
- Does not hold any other directorship in a public company

Mr Tiang Chong Seong

Executive Director

- Aged 47, 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
- Does not hold any other directorship in a public company

Other Information

1. *Saved as disclosed, none of the directors have any family relationship with any director and/or major shareholder.*
2. *Except for the following directors, none of the directors 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 FACB Resorts 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 and in Uniphoenix Corporation Berhad, of which some of its subsidiaries are also involved in property development.**However, the said companies are not in direct competition with the business of the Group.*
3. *None of the directors have been convicted for offences within the past 10 years other than traffic offences.*



statement on corporate governance

PREAMBLE

This statement sets out the commitment of the Board to introduce and adopt 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 2002 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 is primarily responsible for charting the strategic direction of the Group. The Board meets at least four (4) times a year with additional meetings convened as and when necessary. Five (5) Board meetings were held during the financial year ended 31 October 2002. The record of attendance for the directors who held office during the said financial year is set out below:-

<i>Directors</i>	<i>Attendance</i>
Datuk Haji Jaafar Bin Abu Bakar	5/5
Tan Sri Dr Chen Lip Keong	4/5
Datuk Wan Kassim Bin Ahmed	5/5
Mr Lai Gin Nyap	4/5
Mr Chin Yit Kong (<i>resigned on 02.10.2002</i>)	4/4
Mr Chong Kok Kong (<i>resigned on 28.10.2002</i>)	3/5
Mr Tiang Chong Seong (<i>appointed on 28.10.2002</i>)	Not applicable

All directors have attended the Mandatory Accreditation Programme prescribed by the Kuala Lumpur Stock Exchange ("KLSE"). The directors will continue to attend continuous education programmes to further enhance their skills and knowledge where relevant.

Board Balance

The Board currently consists of five (5) members comprising three (3) executive directors and two (2) independent non-executive directors. Hence, the Board's composition meets the Listing Requirements of the KLSE of having at least one third (1/3) of the membership of the Board comprising independent directors.

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. 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 reflect the investment of the shareholders in the Company. The profiles of the directors are presented on pages 8 and 9 of the Annual Report.

The roles of the Chairman and the Chief Executive Officer are distinct and separate with their responsibilities clearly defined to maintain a balance of power and authority. The Chairman of the Board, Datuk Haji Jaafar Bin Abu Bakar, has also been identified as the senior independent non-executive director to whom concerns may be conveyed.

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, all directors receive the agenda together with a full set of Board papers containing 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 assessing the suitability of proposed candidates for directorships and making recommendations to the Board on new appointments including Board Committees. The Nomination Committee 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 composes exclusively of non-executive and independent directors. The Committee is chaired by Datuk Haji Jaafar Bin Abu Bakar and the other member is Datuk Wan Kassim Bin Ahmed. The Committee met twice during the financial year.

Re-election

In accordance with the Company's Articles of Association, all directors are subject to retirement from office at least once 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 ("AGM") 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 comprising mainly non-executive directors is chaired by Datuk Haji Jaafar Bin Abu Bakar. The other members include Datuk Wan Kassim Bin Ahmed and Mr Lai Gin Nyap. The Committee met twice during the financial year.

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

Disclosure

Details of the directors' remuneration for the financial year ended 31 October 2002 are as follows:

The aggregate remuneration of directors categorized into appropriate components.

	<i>Fees</i>	<i>Salaries</i>	<i>Others</i>	<i>Total</i>
	RM	RM	RM	RM
Executive	–	604,380	72,526	676,906
Non-executive	180,000	–	–	180,000
	<u>180,000</u>	<u>604,380</u>	<u>72,526</u>	<u>856,906</u>

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

Range of Remuneration (RM)	Executive	Non-executive
0 - 50,000	1	1
50,001 - 100,000	1	1
101,000 - 150,000	-	1
151,000 - 200,000	-	-
201,000 - 250,000	-	-
251,000 - 300,000	1	-
301,000 - 350,000	1	-
	<hr/>	<hr/>
	4	3

Note: Inclusive of directors who resigned during the financial year ended 31 October 2002.

The above disclosure is in compliance with the Listing Requirements of KLSE. 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 to directors' remuneration have been appropriately served by the band disclosure presented.

SHAREHOLDERS

Dialogue between the 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 is the principal forum for dialogue 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 13 of the Annual Report.

Internal Control

The Statement on Internal Control set out on pages 14 and 15 of the Annual Report provides an overview of the Group's approach in maintaining a sound system of internal control to safeguard shareholders' investment and the Group'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 pages 16 and 17 of the Audit Committee Report in the Annual Report.

This statement is made in accordance with a resolution of the Board passed on 24 February 2003.

statement of directors' responsibility

This statement is made pursuant to paragraph 15.27(a) of Chapter 15 of the Listing Requirements of the Kuala Lumpur Stock Exchange.

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 2002. 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.

This statement is made in accordance with a resolution of the Board passed on 24 February 2003.

statement on internal control

PREAMBLE

Pursuant to paragraph 15.27(b) of the KLSE Listing Requirements, the Board is required to include in its Annual Report, a statement on the state of internal control of the Group. The Malaysian Code on Corporate Governance states that the Board of listed companies should maintain a sound system of internal control to safeguard shareholders' investment and the Company's assets. In making this Statement on Internal Control, it is essential to address the Principles and Best Practices in the Malaysian Code on Corporate Governance which relate to internal control.

RESPONSIBILITY

The Board has overall stewardship responsibility for the Company's system of internal control and for reviewing its adequacy and integrity to safeguard shareholders' investment and the Company's assets. However, it should be noted that in any system of internal control, it is designed to manage rather than eliminate the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss. The associated company has not been dealt with as part of the Group for the purpose of this statement.

INTERNAL CONTROL SYSTEM

The embedded control system is designed to facilitate achievement of the Group's corporate objectives. It comprises the underlying control environment, control processes, communication and monitoring system which manifest themselves as follows:

- Organisation structure with formally defined lines of responsibility, delegation of authority, segregation of duties and information flow. The Board has delegated to Executive Management the implementation of the system of internal control but still maintain full control and direction over appropriate strategic, financial, organisational and compliance issues. The Executive Management convenes meetings regularly to discuss its strategic business agenda while ensuring that the Board is properly apprised in order to maintain 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 control, serves 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 system spearheaded by an IT Steering Committee 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 legislation whilst assessing the effectiveness of the Group's system of financial, compliance and operational control.



RISK MANAGEMENT FRAMEWORK

Besides primary ownership over effectiveness of the Group's internal control system, the Board recognises its responsibility over the principal risk of 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, during the year under review, initiated 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.

Taking cognisance of the control and cultural environment, the Group has adopted an approach which involves the creation of an adequately mandated Risk Advisory Committee to drive the process whilst focusing on the critical business agenda on the Board's behalf. The Risk Advisory Committee (chaired by the Head of Finance) 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.

In order to facilitate risk analysis, a Risk Management Workshop was conducted on 22 April 2002 by the Internal Audit Department for all operations and services heads. With constant shareholder communication and consultation, the Risk Advisory Committee commenced formal establishment of the key business units' objectives supporting the Group's strategic mission. Underscoring the Board's commitment to risk management many brainstorming sessions were held to assess the risks affecting the said objectives. In particular, key business risks have been categorised to highlight its source, event and consequences and in due course, scored, to reflect both, the likelihood of its occurrence and the magnitude of its impact.

Based on this risk register, appropriate treatments with designated ownership would then be instituted. The Board is also establishing a review process to continuously monitor the Group's significant risks and by extension, instilling a risk management culture within the Group.

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 appraises and contributes towards improving the Group's risk management and control system 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 passed on 24 February 2003.

audit committee report

COMPOSITION

Members of the Audit Committee, their respective designations and directorships are as follows:

Datuk Haji Jaafar Bin Abu Bakar (*Chairman, Independent Non-Executive*)

Datuk Wan Kassim Bin Ahmed (*Member, Independent Non-Executive*)

Mr Lai Gin Nyap (*Member, Executive*)

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, timely and accurate financial reporting and development of sound internal control.

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 Head of Finance, Head of Internal Audit and a representative of the External Audit shall normally attend meetings.

The Company Secretary shall be the secretary of the Audit Committee. Other officers may be invited to brief the Committee on issues that are incorporated into the agenda.

Frequency Of Meetings

The Audit Committee shall meet at least four (4) times in a financial year with due notice of issues to be discussed and shall record its conclusions whilst discharging its duties and responsibilities.

During the financial year ended 31 October 2002, the Audit Committee held a total of five (5) meetings. The details of attendance of the Committee members were as follows:

<i>Committee Members</i>	<i>Attendance</i>
Datuk Haji Jaafar Bin Abu Bakar	5/5
Datuk Wan Kassim Bin Ahmed	5/5
Mr Lai Gin Nyap	4/5

Quorum

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

Authority

The Audit Committee is authorised by the Board to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any employee for the purpose of discharging its functions and responsibilities.

The Audit Committee may, with the approval of the Board, obtain legal or other advice from independent professionals and to appoint external parties with relevant experience and expertise to assist the Committee if it considers this necessary.

Duties

The duties of the Audit Committee shall be:

- to consider the appointment of the external auditors, the audit fees and any questions of resignation or dismissal
- to review the nature and scope of the audit by the external auditors before commencement

- to review the quarterly and year end financial statements before submission to the Board, focusing on:
 - any changes in accounting policies and practices
 - major judgmental areas
 - significant audit adjustments from the external auditors
 - the going concern assumption
 - compliance with accounting standards and regulatory requirements
- to discuss problems and reservations arising from the interim and final audits and any matter the auditors may wish to discuss (in the absence of management, where necessary)
- to review the external auditors' management letters and management's response
- to review the adequacy of the scope, functions and resources of the internal audit function
- to review the internal audit programmes and results ensuring that appropriate action is taken on recommendations of the internal audit function
- to review the appraisal or assessment of the performance of the staff of the internal audit function
- to approve any appointment or termination of senior staff of the internal audit function
- to review any related party transactions that may arise within the Company or Group
- to consider the major findings of internal investigations and management's response
- to consider other related matters, as defined by the Board

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
- deliberated over the internal audit and compliance reports
- reviewed and assisted in the development and implementation of sound and effective internal control and business system within the Group
- discussed and reviewed with the external auditors the results of their examination, their auditors' 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 Revamped Listing Requirements of the KLSE and compliance with updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board

INTERNAL AUDIT FUNCTION

The Audit Committee is supported by an Internal Audit Department, which reports functionally to the Committee and is independent of the activities they audit.

During the financial year, the Internal Audit Department carried out, 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, procedures and standards, relevant external rules and regulations, as well as assessed the adequacy and effectiveness of the Group's internal control system
- analysed and assessed certain key business processes, report findings, and made recommendations to improve their effectiveness and efficiency
- assisted the Board and management on the implementation of the Malaysian Code of Corporate Governance
- other on going assurance and advisory work to the Board and management

This statement is made in accordance with a resolution of the Board passed on 24 February 2003.

other information

MATERIAL CONTRACTS

Material contract entered into by the Company and its subsidiaries involving directors' and major shareholders' interests still subsisting at the end of the financial year ended 31 October 2002 is made pursuant to the acquisition of the Golden Domain Group by the Company during the financial year ended 1999. Golden Domain Group comprises Golden Domain Holdings Sdn Bhd, Golden Domain Development Sdn Bhd ("GDDSB"), Magilds Park Sdn Bhd, Majurama Developments Sdn Bhd and GDDSB's acquired projects.

Pursuant to the said agreement dated 15 September 1999, the vendors, namely Tan Sri Dr Chen Lip Keong and Mr Chin Chee Kuang, had granted a profit guarantee ("Profit Guarantee") totalling RM51.637 million for the cumulative three (3) financial years from 31 October 2000 to 31 October 2002 ("the Profit Guarantee Period"). The Profit Guarantee is secured in the form of securities deposited with a stakeholder. Any shortfall in aggregate actual profits as compared to the Profit Guarantee at the end of the Profit Guarantee Period shall be recovered via realisation of the said securities.

Tan Sri Dr Chen Lip Keong is a director and currently a major shareholder of the Company and Mr Chin Chee Kuang, a brother of Tan Sri Dr Chen Lip Keong, is deemed a major shareholder of the Company by virtue of his interest in Emden Investment Limited.

PROFIT GUARANTEE

There is no shortfall in aggregate actual profits achieved as compared to the Profit Guarantee granted by vendors of the Golden Domain Group for the cumulative three (3) financial years ended 31 October 2002.

SHARE BUY-BACK

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

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

On 2 September 2002, RM112,600,000 nominal value of Irredeemable Convertible Unsecured Loan Stocks (2000/2010) were converted into 97,068,965 fully paid ordinary shares of RM1.00 each of the Company at a conversion price of RM1.16 each. During the financial year, the Company did not issue any options, warrants or convertible securities.

NON-AUDIT FEES

Non-audit fees amounting to RM2,150 were paid to external auditors for the financial year ended 31 October 2002 in respect of their attendance in the Company's Audit Committee meetings.

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.



corporate structure

as at 28 February 2003



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.

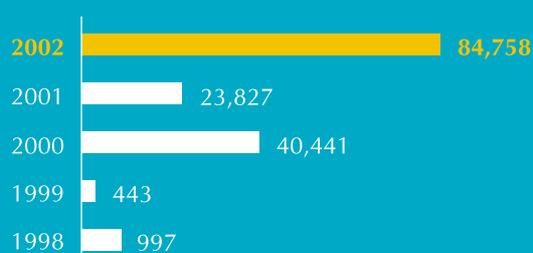
five years' comparative results

	2002	2001	2000	1999	1998
Operating revenue (RM'000)	84,758	23,827	40,441	443	997
Profit / (Loss) before taxation (RM'000)	25,104	2,506	7,311	(3,749)	(15,827)
Profit / (Loss) after taxation (RM'000)	15,319	589	4,331	(3,757)	(15,870)
Shareholders' funds (RM'000)	385,010	257,091	86,702	8,154	11,911
Total assets employed (RM'000)	473,755	449,791	476,242	292,231	25,331
Net tangible assets (RM'000)	385,010	257,091	86,702	8,134	11,899
Gearing ratio (times)*	- **	- **	0.04	1.76	0.89
Net tangible assets per share (RM)	1.12	1.04	0.86	0.40	0.59
Earnings / (Loss) per share (sen)					
Basic	5.8	0.4	5.3	(10.7)	(78.7)
Fully diluted	4.4	0.2	1.9	-	-

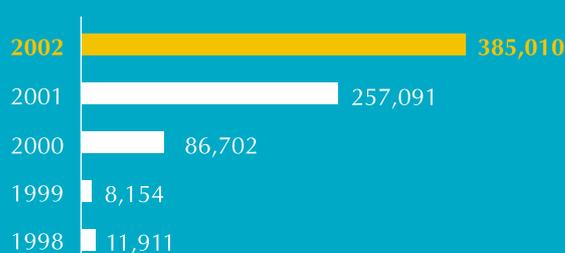
* calculated based on bank borrowings (excluding ICULS) over shareholders' funds

** negligible

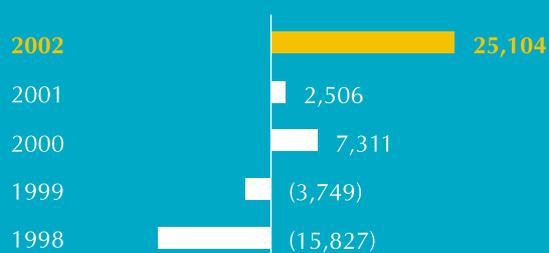
Operating Revenue (RM'000)



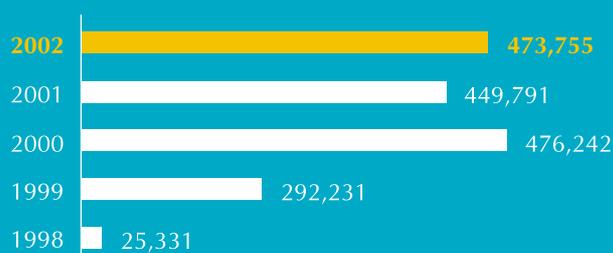
Shareholders' Funds (RM'000)



Profit / (Loss) Before Taxation (RM'000)



Total Assets Employed (RM'000)



22	Directors' Report
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33	Cash Flow Statements
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financial statements

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 2002.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services. The principal activities of the subsidiary companies are disclosed in note 3 to the financial statements. There have been no significant changes in the nature of these activities during the year.

RESULTS

	GROUP RM	COMPANY RM
Net profit/(loss) after taxation	15,319,160	(20,696,466)

DIVIDENDS

No dividend has been paid, declared or proposed since the end of the previous 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 all known bad debts had been written off 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 render the amount written off for bad debts, or the amount of the 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.

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 except as disclosed in note 27(a)(i) to the financial statements.
- 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, the following issue of shares was made by the Company:-

Date of Issue	Class	Number	Terms and Purpose of Issue
02.09.2002	Ordinary RM1.00	97,068,965	Conversion of Irredeemable Convertible Unsecured Loan Stocks 2000/2010

directors' report (cont'd)

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

On 2 September 2002, RM112,600,000 nominal value of ICULS were converted into 97,068,965 fully paid new ordinary shares of RM1.00 each of the Company at a conversion price of RM1.16 per new ordinary share.

The terms of issue of the ICULS are as disclosed in note 23 to the financial statements.

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 RM1.00 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.

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:-

Datuk Haji Jaafar Bin Abu Bakar

Tan Sri Dr. Chen Lip Keong

Lai Gin Nyap

Chin Yit Kong *(Resigned on 02.10.2002)*

Datuk Wan Kassim Bin Ahmed

Chong Kok Kong *(Resigned on 28.10.2002)*

Tiang Chong Seong *(Appointed on 28.10.2002)*

DIRECTORS' INTEREST IN SHARES, ICULS AND WARRANTS

Particulars of Directors' interest in the shares, ICULS 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 RM1.00 Each			
	At 01.11.2001	Acquired	Disposed	At 31.10.2002
Direct Interest				
Datuk Haji Jaafar Bin Abu Bakar	5,000	-	-	5,000
Tan Sri Dr. Chen Lip Keong	68,797,164	*32,241,379	-	101,038,543
Lai Gin Nyap	5,000	-	-	5,000
Indirect Interest Held Through Corporations In Which The Directors Have Interests				
Tan Sri Dr. Chen Lip Keong	27,157,869	*3,379,310	-	30,537,179

* Conversion of ICULS

	Amount of ICULS at Nominal Value of RM1.00 Each			
	At 01.11.2001	Acquired/ (Disposed)	Converted	At 31.10.2002
Direct Interest				
Tan Sri Dr. Chen Lip Keong	37,399,999	1	(37,400,000)	-
Indirect Interest Held Through Corporations In Which The Directors Have Interests				
Tan Sri Dr. Chen Lip Keong	34,120,001	(30,200,001)	(3,920,000)	-

	Number of Warrants			
	At 01.11.2001	Allotted	Disposed	At 31.10.2002
Direct Interest				
Datuk Haji Jaafar Bin Abu Bakar	2,000	-	-	2,000
Tan Sri Dr. Chen Lip Keong	10,217,048	-	-	10,217,048
Lai Gin Nyap	2,000	-	-	2,000

The conversion price of ICULS and the exercise price of Warrants have been determined at RM1.16 for each new ordinary shares of RM1.00 of the Company.

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.

directors' report (cont'd)

In accordance with the Articles 80 and 82(c) of the Company's Articles of Association, Datuk Haji Jaafar Bin Abu Bakar and Mr. Tiang Chong Seong 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 27 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 arising during the year are disclosed in note 35 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
Director

Lai Gin Nyap
Director

Kuala Lumpur
24 February 2003

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 29 to 63, are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards 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 2002 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

Director

Lai Gin Nyap

Director

Kuala Lumpur

24 February 2003

STATUTORY DECLARATION

I, Lai Gin Nyap, NRIC No.: 680731-08-5493, being the Director primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 29 to 63 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.

Lai Gin Nyap

Director

Subscribed and solemnly declared at
Kuala Lumpur in the Federal Territory
this 24th day of February 2003

Before me

Nordin Bin Hassan

No: W321

Commissioner for Oaths

report of the auditors to the members

We have audited the financial statements set out on pages 29 to 63.

The preparation of the financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

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 approved accounting standards 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 2002 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)

Chong Kwong Chin
707/04/04 (J/PH)
Partner

Kuala Lumpur
24 February 2003

balance sheets

as at 31 October 2002

	NOTE	GROUP		COMPANY	
		2002 RM	2001 RM	2002 RM	2001 RM
NON-CURRENT ASSETS					
Property, plant and equipment	2	6,756,674	14,259,520	225,043	410,384
Investments in subsidiary companies	3	–	–	186,555,003	187,555,004
Interest in associated companies	4	–	–	–	–
Investment properties	5	87,638,700	87,638,700	–	–
Deferred land and development expenditure	6	151,404,373	161,564,689	–	–
Capital work-in-progress	7	10,140,292	10,122,258	–	–
		255,940,039	273,585,167	186,780,046	187,965,388
CURRENT ASSETS					
Land and development expenditure	6	107,935,604	127,697,868	–	–
Inventories	8	17,744,978	5,535,994	–	–
Short term investments	9	447,672	372,982	445,691	371,001
Trade receivables	10	87,143,840	38,668,957	–	–
Other receivables, deposits and prepayments	11	1,279,441	1,110,557	225,021	163,041
Amount owing by subsidiary companies	12	–	–	165,528,335	184,050,661
Amount owing by an associated company	13	–	–	–	–
Fixed deposits with licensed banks	14	530,850	484,500	50,000	50,000
Cash and bank balances	15	2,732,763	2,335,165	406,510	319,238
		217,815,148	176,206,023	166,655,557	184,953,941

balance sheets as at 31 October 2002 (cont'd)

	NOTE	GROUP		COMPANY	
		2002 RM	2001 RM	2002 RM	2001 RM
CURRENT LIABILITIES					
Trade payables	16	6,536,492	7,675,094	7,091	7,091
Provisions	17	7,720,173	6,572,148	-	-
Other payables and accruals	18	11,890,616	11,718,420	4,342,314	4,107,274
Amount owing to subsidiary company	12	-	-	991,319	-
Hire purchase payables	19	15,437	63,630	15,437	13,619
Bank borrowings - secured	20	-	1,032,206	-	-
Taxation		27,964,981	10,614,352	-	-
		54,127,699	37,675,850	5,356,161	4,127,984
NET CURRENT ASSETS					
		163,687,449	138,530,173	161,299,396	180,825,957
		419,627,488	412,115,340	348,079,442	368,791,345
CAPITAL AND RESERVES					
Share capital	21	344,292,335	247,223,370	344,292,335	247,223,370
Reserves	22	40,717,484	9,867,289	1,633,499	6,798,930
		385,009,819	257,090,659	345,925,834	254,022,300
SHAREHOLDERS' EQUITY					
		385,009,819	257,090,659	345,925,834	254,022,300
NON-CURRENT LIABILITIES					
Hire purchase payable	19	53,608	69,045	53,608	69,045
Irredeemable Convertible Unsecured Loan Stocks	23	2,100,000	114,700,000	2,100,000	114,700,000
Deferred taxation	24	32,464,061	40,255,636	-	-
		34,617,669	155,024,681	2,153,608	114,769,045
		419,627,488	412,115,340	348,079,442	368,791,345

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

income statements

for the year ended 31 October 2002

	NOTE	GROUP		COMPANY	
		2002 RM	2001 RM	2002 RM	2001 RM
OPERATING REVENUE	25	84,757,754	23,826,851	2,190,495	1,349,536
COST OF SALES	26	(48,546,366)	(12,947,842)	–	–
GROSS PROFIT		36,211,388	10,879,009	2,190,495	1,349,536
OTHER OPERATING REVENUE		1,535,128	1,212,596	1,355,965	709,772
DISTRIBUTION COSTS		(131,709)	(82,717)	(56,020)	(21,883)
ADMINISTRATIVE COSTS		(6,168,134)	(5,636,521)	(4,104,875)	(3,506,261)
OTHER OPERATING COSTS		(6,328,850)	(3,820,401)	(20,011,291)	(2,534,916)
		(12,628,693)	(9,539,639)	(24,172,186)	(6,063,060)
PROFIT/(LOSS) FROM OPERATIONS		25,117,823	2,551,966	(20,625,726)	(4,003,752)
FINANCE COSTS		(13,700)	(46,091)	(11,133)	(16,356)
PROFIT/(LOSS) BEFORE TAXATION	27	25,104,123	2,505,875	(20,636,859)	(4,020,108)
TAXATION	28	(9,784,963)	(1,917,214)	(59,607)	–
NET PROFIT/(LOSS) FOR THE YEAR		15,319,160	588,661	(20,696,466)	(4,020,108)
EARNINGS PER SHARE (SEN)	29				
- Basic		5.82	0.36		
- Fully diluted		4.43	0.17		

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

statements of changes in equity

for the year ended 31 October 2002

	Share Capital RM	Share Premium RM	Reserves RM	Accumulated Losses RM	Total Shareholders' Equity RM
GROUP					
At 01.11.2000	100,844,060	4,712,617	2,583,709	(21,438,388)	86,701,998
Conversion of Irredeemable Convertible Unsecured Loan Stocks	146,379,310	23,420,690	-	-	169,800,000
Net profit for the year	-	-	-	588,661	588,661
At 31.10.2001	247,223,370	28,133,307	2,583,709	(20,849,727)	257,090,659
Conversion of Irredeemable Convertible Unsecured Loan Stocks	97,068,965	15,531,035	-	-	112,600,000
Net profit for the year	-	-	1,155,277	14,163,883	15,319,160
At 31.10.2002	344,292,335	43,664,342	3,738,986	(6,685,844)	385,009,819
COMPANY					
At 01.11.2000	100,844,060	4,712,617	3,363,987	(20,678,256)	88,242,408
Conversion of Irredeemable Convertible Unsecured Loan Stocks	146,379,310	23,420,690	-	-	169,800,000
Net loss for the year	-	-	-	(4,020,108)	(4,020,108)
At 31.10.2001	247,223,370	28,133,307	3,363,987	(24,698,364)	254,022,300
Conversion of Irredeemable Convertible Unsecured Loan Stocks	97,068,965	15,531,035	-	-	112,600,000
Net profit/(loss) for the year	-	-	1,155,277	(21,851,743)	(20,696,466)
At 31.10.2002	344,292,335	43,664,342	4,519,264	(46,550,107)	345,925,834

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

cash flow statements

for the year ended 31 October 2002

NOTE	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) Before Taxation	25,104,123	2,505,875	(20,636,859)	(4,020,108)
Adjustments for:-				
Bad receivables written off	250	-	18,000,250	-
Depreciation of property, plant and equipment	1,862,214	1,878,172	132,919	143,527
Dividend revenue	(19,488)	(19,786)	(19,453)	(19,520)
Gain on disposal of freehold land	(1,214,884)	-	(1,214,884)	-
(Gain)/Loss on disposal of property, plant and equipment	(33,834)	(66,807)	166	(66,807)
Impairment loss on investment in a subsidiary company	-	-	1,999,999	-
Impairment loss on property, plant and equipment	5,587,000	800,000	-	-
Impairment loss on quoted investments no longer required	(74,690)	-	(74,690)	-
Interest expenses	119,332	43,181	7,801	13,446
Interest revenue	(137,090)	(664,955)	(1,600)	(457,958)
Property, plant and equipment written off	1,210	-	-	-
Provision for infrastructure costs and development charges	2,661,952	440,391	-	-
Write down inventories to net realisable value	278,098	93,973	-	-
Allowance for doubtful receivables	-	141,325	-	56,873
Allowance for doubtful receivables no longer required	(26,258)	-	-	-
Operating Profit/(Loss) Before Working Capital Changes	34,107,935	5,151,369	(1,806,351)	(4,350,547)
(Increase)/Decrease in inventories	(12,487,082)	2,472,867	-	-
Decrease/(Increase) in land and development expenditure	29,963,716	(8,237,882)	-	-
(Increase)/Decrease in receivables	(48,617,759)	(6,443,562)	(56,805)	1,069,999
(Decrease)/Increase in payables	(2,515,940)	(26,163,355)	199,433	(660,557)
Cash Generated From/(Used In) Operations Carried Down	450,870	(33,220,563)	(1,663,723)	(3,941,105)

cash flow statements for the year ended 31 October 2002 (cont'd)

	NOTE	GROUP		COMPANY	
		2002 RM	2001 RM	2002 RM	2001 RM
Cash Generated From/(Used In) Operations Brought Down		450,870	(33,220,563)	(1,663,723)	(3,941,105)
Interest paid		(160,468)	(214,995)	(7,801)	(13,446)
Interest received		137,090	664,955	1,600	457,958
Income tax (paid)/refunded		(166,302)	(147,783)	(5,425)	5,038
Real Property Gain Tax paid		(24,000)	-	(24,000)	-
Net Cash Generated From/ (Used In) Operating Activities		237,190	(32,918,386)	(1,699,349)	(3,491,555)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of subsidiary company, net of cash acquired	30	-	-	-	-
Dividend received		19,488	19,786	19,453	19,520
Proceeds from disposal of freehold land		1,350,000	-	1,350,000	-
Capital work-in-progress incurred		(18,034)	-	-	-
Proceeds from disposal of property, plant and equipment		34,400	90,250	400	90,250
Incidental costs incurred on disposal of freehold land		(39,998)	-	(39,998)	-
Purchase of property, plant and equipment	31	(43,262)	(246,859)	(43,262)	(246,859)
Placement of fixed deposits		(46,350)	(434,500)	-	-
Purchase of investment in subsidiary company		-	-	-	(2)
Subscription for share allotment by a subsidiary company		-	-	(999,998)	-
Net Cash Generated From/ (Used In) Investing Activities		1,256,244	(571,323)	286,595	(137,091)
Balance Carried Down		1,493,434	(33,489,709)	(1,412,754)	(3,628,646)

	NOTE	GROUP		COMPANY	
		2002 RM	2001 RM	2002 RM	2001 RM
Balance Brought Down		1,493,434	(33,489,709)	(1,412,754)	(3,628,646)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net repayment/(advances) from/(to) subsidiary companies		-	-	1,513,645	(30,258,610)
Payment to hire purchase payables		(63,630)	(76,661)	(13,619)	(39,892)
Term loan repayment		(1,032,206)	(2,630,000)	-	-
Net Cash (Used In)/Generated from Financing Activities		(1,095,836)	(2,706,661)	1,500,026	(30,298,502)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		397,598	(36,196,370)	87,272	(33,927,148)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		2,335,165	38,531,535	319,238	34,246,386
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	15	2,732,763	2,335,165	406,510	319,238

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 2002

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

1. ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies. Certain development and investment properties of the subsidiary companies are stated in the consolidated financial statements at values reflecting the effective acquisition costs to the Group (Group Cost) of these assets.

b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies made up to the end of the financial year.

Intragroup balances, transactions and resulting unrealised profits and losses (unless cost cannot be recovered) are eliminated on consolidation.

The financial statements of subsidiary companies acquired or disposed of during the year are included in the consolidated financial statements based on the acquisition method from the effective date of acquisition or up to the effective date of disposal respectively.

c) 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. Investments in subsidiary companies, which are eliminated on consolidation, are stated at cost less impairment losses, if any, in the Company's financial statements. Impairment loss is made when there is a permanent impairment in the value of the investment determined on individual basis.

d) Associated Company

An associated company is an enterprise, neither a subsidiary company nor a joint venture entity, in which the Group exercises significant influence over its financial and operating policy decisions but has no control over these policies.

Investments in associated companies are stated at cost less impairment losses in the Company's financial statements. Impairment loss is made when there is a permanent impairment in the value of the investment determined on individual basis.

The Group's interest in associated companies is stated at cost plus adjustments for post-acquisition changes in the Group's share of net assets of the associated companies using the equity method of accounting in the consolidated financial statements.

The Group's share of post-acquisition losses is restricted to the carrying value of the investment in that associated company. Should the associated company subsequently reports profits, the Group will only resume to recognise its share of profits after its share of cumulative profits equals to its share of cumulative losses previously not recognised.

Where audited financial statements of the associated companies are not co-terminous with those of the Group, the share of results is based on the unaudited management financial statements made up to the financial year end of the Group.

e) Goodwill or Reserve On Consolidation or Acquisition

Goodwill or reserve on consolidation or acquisition represents the difference between the purchase consideration and the fair value of the Group's share of net assets of subsidiary companies or associated companies at the date of their acquisition.

Goodwill or reserve on consolidation or acquisition is not amortised. The carrying amount of goodwill is reviewed at each balance sheet date and will be written down when there is a permanent impairment in the value.

f) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss except for freehold land which is not amortised. Short term 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 assets have been fully amortised or depreciated to the income statement.

All other property, plant and equipment are depreciated on the straight line method to write off the cost of the assets over their estimated useful lives.

The principal annual rates used for this purpose are:-

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

Fully depreciated property, plant and equipment are retained in the financial statements at a nominal value of RM1.00 each until they are no longer in use and no further charge for depreciation is made in respect of these assets.

The carrying amounts of property, plant and equipment 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. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount.

An impairment loss is recognised as an expense in the income statement. Any subsequent reversal of impairment loss due to increase in recoverable amount of impaired property, plant and equipment is restricted to the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised in prior years. The reversal of impairment loss will be recognised as revenue in the income statement.

g) Investment Properties

Investment properties comprise properties which are held for investment potential. In the subsidiary company's financial statements, these investment properties are stated at valuation and addition subsequent to the date of last valuation will be stated at cost. In the consolidated financial statements, these properties are initially stated at the Group Cost and would be revalued subsequently in accordance with the Group's revaluation policy in respect of investment properties. It is the Group's policy to maintain these properties in a high standard and condition. As such, these properties maintain their residual value of not less than their respective book value such that depreciation would be negligible. In view of this, no depreciation is provided for these properties. The related maintenance expenditure is dealt with in the income statement.

It is the Group's policy to appraise the investment properties at least once in every five years by independent professional valuation based on open market values. A surplus arising therefrom will be 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 arising therefrom will be recognised as an expense. However, 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.

On disposal of these properties, any surplus in revaluation reserve relating to these assets will be transferred to retained earnings.

h) Deferred Land and Development Expenditure

In the consolidated financial statements, deferred land and development expenditure consist of cost or Group 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.

In certain subsidiary companies' financial statements, the leased and leasehold land are stated at their market value based on valuation carried out by independent professional valuers since the last valuation exercises of that subsidiary companies. The valuations of the revalued assets in these subsidiary companies have not been updated and they continue to be stated at their last revalued amounts as allowed under the transitional provision issued by the Malaysian Accounting Standards Board in respect of the Malaysian Accounting Standard No. 7 on Accounting For Property Development Activities.

These assets will be transferred to land and development expenditure when significant development work is ready to be undertaken and is expected to be completed within the normal operating cycles.

i) Land and Development Expenditure

In the consolidated financial statements, land and development expenditure consists of cost or Group Cost of land or properties which are currently under active development and are expected to be completed within the normal operating cycles, development expenditure incurred to date and a proportion of estimated profit attributable to development work performed to date, less progress billings and allowance for foreseeable losses, if any.

Development expenditure includes direct material, labour, sub-contract costs, attributable development overheads and borrowing costs. In certain subsidiary companies' financial statements, the leasehold land are stated at their market value based on valuation carried out by independent professional valuers since the last valuation exercises of that subsidiary companies. The valuations of the revalued assets in these subsidiary companies have not been updated and they continue to be stated at their last revalued amounts as allowed under the transitional provision issued by the Malaysian Accounting Standards Board in respect of the Malaysian Accounting Standard No. 7 on Accounting For Property Development Activities.

Adjustment on 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.

Where foreseeable losses on development projects are anticipated, full allowance for these losses is made in the financial statements.

j) Capital Work-In-Progress

Capital work-in-progress consists of expenditure stated at cost, including borrowing costs incurred on construction of property, plant and equipment which take a substantial period of time to be ready for their intended uses.

Depreciation is not provided and upon completion of construction, the cost will be transferred to property, plant and equipment.

k) Inventories

Inventories of completed unsold properties are stated at the lower of cost or net realisable value. Cost 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.

l) Short Term Investments

Short term quoted investments are stated at lower of cost or market value on an aggregate basis.

m) Receivables

Trade and other receivables are stated at nominal value as reduced by the appropriate allowance for doubtful and irrecoverable receivables.

Known bad receivables are written off and specific allowance is made for those receivables considered to be doubtful of collection.

n) Provisions

Liabilities of uncertain timing and amount arising from present legal or constructive obligations of the Group as a result of past events are recognised as provisions in the financial statements when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and when a reliable estimate of the amount of these liabilities can be made.

o) Hire Purchase

Hire purchase instalment plans are agreements whereby the lender conveys to the hirer, in return for a series of instalment payments, the rights to use the assets involved with an option for hirer to purchase the assets upon full settlement of the instalment payments.

Cost of property, plant and equipment acquired under the hire purchase instalment plans are capitalised as property, plant and equipment and depreciated in accordance with the Group's policy on depreciation of property, plant and equipment. The related finance charges are allocated to the income statement over the period of the instalment plans based on the sum-of-digit method. The total outstanding instalment payments after deducting the unexpired finance charge are included in hire purchase payables.

p) Transactions In Foreign Currencies

Transactions in foreign currencies are translated into Ringgit Malaysia at the rates of exchange ruling at the dates of the transactions and where settlement had not taken place by 31 October 2002, at the approximate rates ruling as at that date. All gains and losses on exchange are included in the income statement.

The principal exchange rate (denominated in unit of Ringgit Malaysia per foreign currency) used in translating unsettled foreign currency amounts at the financial year end is as follows:-

	2002	2001
	RM	RM
U.S. Dollar	3.80	3.80

q) Deferred Taxation

Provision is made by using the liability method for deferred taxation in respect of all material timing differences except where it is thought reasonable that the tax effects of such deferrals will continue in the foreseeable future. Deferred tax benefits are only recognised when there is a reasonable expectation of realisation in the near future.

r) Capitalisation of Borrowing Costs

Interest incurred on borrowings related to qualifying assets is capitalised during the period when activities to plan, develop and construct these assets are in progress. Capitalisation of borrowing costs ceases when these assets are ready for their intended uses or sales.

s) Revenue Recognition

Revenue from sales of development properties is recognised in the income statement based on the percentage of completion method where the outcome of the development can be reliably estimated. Percentage of completion is determined based on the proportion of which total expenditure incurred for development work performed to date bears to the total estimated expenditure of the development projects.

Sales of goods are recognised when goods are delivered.

Dividend revenue from short term investments is recognised on the receipt basis.

Revenue from interest, rental and management fee are recognised on receivable basis.

t) Exceptional Items

Exceptional items relate to items of revenue and expense within profit or loss from ordinary activities which are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group or of the Company for the year.

u) Cash and Cash Equivalents

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

2. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land RM	Short Term Leasehold Land RM	Mine's Development Costs & Dredge RM	Buildings RM	Plant & Equipment RM	Motor Vehicles RM	Total RM
GROUP							
COST							
At 01.11.2001	95,118	3,431,398	26,481,516	6,889,909	19,907,519	377,352	57,182,812
Additions	-	-	-	-	39,632	3,630	43,262
Disposals	(95,118)	-	-	-	-	(93,735)	(188,853)
Written off	-	-	-	(873,717)	(2,478,726)	-	(3,352,443)
At 31.10.2002	-	3,431,398	26,481,516	6,016,192	17,468,425	287,247	53,684,778
ACCUMULATED DEPRECIATION							
At 01.11.2001	-	3,431,396	26,481,516	2,026,921	9,964,238	219,221	42,123,292
Charge for the year	-	-	-	105,715	1,688,634	67,865	1,862,214
Disposals	-	-	-	-	-	(93,169)	(93,169)
Written off	-	-	-	(873,717)	(2,477,516)	-	(3,351,233)
At 31.10.2002	-	3,431,396	26,481,516	1,258,919	9,175,356	193,917	40,541,104
ACCUMULATED IMPAIRMENT LOSSES							
At 01.11.2001	-	-	-	600,000	200,000	-	800,000
Impairment loss for the year	-	-	-	1,319,000	4,268,000	-	5,587,000
At 31.10.2002	-	-	-	1,919,000	4,468,000	-	6,387,000
NET CARRYING VALUE AT							
31.10.2002	-	2	-	2,838,273	3,825,069	93,330	6,756,674
31.10.2001	95,118	2	-	4,262,988	9,743,281	158,131	14,259,520
Depreciation charge for the year ended 31.10.2001	-	-	-	105,715	1,696,118	76,339	1,878,172
Impairment loss for the year ended 31.10.2001	-	-	-	600,000	200,000	-	800,000

notes to the financial statements 31 October 2002 (cont'd)

	Freehold Land RM	Short Term Leasehold Land RM	Mine's Development Costs & Dredge RM	Buildings RM	Plant & Equipment RM	Motor Vehicles RM	Total RM
COMPANY							
COST							
At 01.11.2001	95,118	3,431,398	26,481,516	1,604,061	4,036,057	121,200	35,769,350
Additions	-	-	-	-	39,632	3,630	43,262
Disposals	(95,118)	-	-	-	-	(1,200)	(96,318)
Written off	-	-	-	(873,717)	(2,435,677)	-	(3,309,394)
At 31.10.2002	-	3,431,398	26,481,516	730,344	1,640,012	123,630	32,406,900
ACCUMULATED DEPRECIATION							
At 01.11.2001	-	3,431,396	26,481,516	1,604,058	3,835,596	6,400	35,358,966
Charge for the year	-	-	-	-	108,383	24,536	132,919
Disposals	-	-	-	-	-	(634)	(634)
Written off	-	-	-	(873,717)	(2,435,677)	-	(3,309,394)
At 31.10.2002	-	3,431,396	26,481,516	730,341	1,508,302	30,302	32,181,857
NET BOOK VALUE							
At 31.10.2002	-	2	-	3	131,710	93,328	225,043
At 31.10.2001	95,118	2	-	3	200,461	114,800	410,384
Depreciation charge for the year ended 31.10.2001	-	-	-	-	114,460	29,067	143,527

The lease period of the short term leasehold land of the Group and of the Company will be expired in year 2004.

The impairment losses on the property, plant and equipment of a subsidiary company, PTB Clay Products Sdn. Bhd. which has discontinued its operations, are determined based on the difference between the carrying amounts of its property, plant and equipment and recoverable amounts estimated by independent professional valuers based on forced sale value carried out on 27 December 2002.

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

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Cost	120,000	356,352	120,000	120,000
Net book value	90,000	157,331	90,000	114,000

3. INVESTMENTS IN SUBSIDIARY COMPANIES

	COMPANY	
	2002 RM	2001 RM
Unquoted shares, at cost:-		
At beginning of the year	187,555,004	188,013,209
Add: Subscription during the year	999,998	-
Less: Impairment loss for the year (note 27(a)(i))	(1,999,999)	-
Less: Reduction in stamp duty on acquisition of subsidiary companies	-	(458,205)
	186,555,003	187,555,004

The reduction in stamp duty in previous year was granted by the Stamp Duty Office after an appeal by the Company.

The particulars of the subsidiary companies are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2002	2001	
PTB Clay Products Sdn. Bhd.	Malaysia	100%	100%	Ceased operations
Ukaylake Country Club Sdn. Bhd.	Malaysia	100%	100%	Dormant
Golden Domain Holdings Sdn. Bhd.	Malaysia	100%	100%	Investment holding
Petaling Ventures Sdn. Bhd.	Malaysia	100%	100%	Dormant
<u>Interest Held Through Golden Domain Holdings Sdn. Bhd.</u>				
Lembah Langat Development Sdn. Bhd.	Malaysia	100%	100%	Property investment and development
PTB Development Sdn. Bhd.	Malaysia	100%	100%	Property development
PTB Horticulture Farm Sdn. Bhd.	Malaysia	100%	100%	Property investment and development
Golden Domain Development Sdn. Bhd.	Malaysia	100%	100%	Investment holding, property investment and development

notes to the financial statements 31 October 2002 (cont'd)

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2002	2001	
<u>Interest Held Through Golden Domain Development Sdn. Bhd.</u>				
Majurama Developments Sdn. Bhd.	Malaysia	100%	100%	Property development
Magilds Park Sdn. Bhd. (formerly known as Magilds Industrial Park Sdn. Bhd.)	Malaysia	100%	100%	Property development

4. INTEREST IN ASSOCIATED COMPANIES

	GROUP/COMPANY	
	2002 RM	2001 RM
Unquoted shares, at cost	114	114
Less: Impairment losses	(114)	(114)
	-	-

	GROUP	
	2002 RM	2001 RM
Represented By:-		
Share of net liabilities of associated companies	3,771,739	3,649,766
Share of cumulative losses not recognised	(3,051,640)	(2,929,713)
Share of exchange fluctuation reserve not recognised	(720,099)	(720,053)
	-	-

The Group's share of cumulative losses and exchange losses in the associated companies totalling RM3,771,739 (2001: RM3,649,766) are not recognised as the share of post-acquisition losses in the associated companies are limited to the carrying value of the investments.

The particulars of the associated companies are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2002	2001	
Fandison Resources Management Limited	Hong Kong	40%	40%	Investment holding
<u>Subsidiary company of Fandison Resources Management Limited</u>				
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 financial statements of these associated companies are not audited by the Company's auditors. The share of net liabilities and share of results in associated companies not recognised are based on unaudited management financial statements.

5. INVESTMENT PROPERTIES

	GROUP	
	2002 RM	2001 RM
Long term leased land, at Group Cost	87,638,700	87,638,700

The long term leased land has an unexpired lease period of more than 50 years and is stated at Group Cost based on independent valuation on open market value basis carried out in 1999.

6. LAND AND DEVELOPMENT EXPENDITURE

	GROUP	
	2002 RM	2001 RM
Freehold land, at cost	77,138,031	77,648,756
Long term leased land, at Group Cost	70,961,300	95,361,300
Long term leasehold land, at cost	15,500,000	15,500,000
Long term leasehold land, at Group Cost	65,919,141	78,675,370
Add: Adjustment on Group Cost	-	(458,205)
	65,919,141	78,217,165
Total land cost	229,518,472	266,727,221
Development expenditure, at cost	33,730,885	47,499,820
Total land and development expenditure	263,249,357	314,227,041
Less: Long term portion (disclosed as deferred land and development expenditure)		
- land	145,398,572	160,525,501
- development expenditure	6,005,801	1,039,188
	(151,404,373)	(161,564,689)
	111,844,984	152,662,352
Add: Portion of profits attributable to development work performed to date	5,858,306	10,406,409
	117,703,290	163,068,761
Less: Progress billings to-date	(9,767,686)	(35,370,893)
	107,935,604	127,697,868

notes to the financial statements 31 October 2002 (cont'd)

- 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.
- c) The adjustment on Group Cost in previous year was due to the reduction in stamp duty granted by the Stamp Duty Office after an appeal made by the Company.
- d) Included in development expenditure is interest on borrowings incurred during the year amounting to RM41,136 (2001 : RM171,814).
- e) Land and development expenditure amounting to RM67,168,303 (2001 : RM46,225,088) are pledged as securities for the banking facilities of the subsidiary companies as disclosed in note 20 to the financial statements.

7. CAPITAL WORK-IN-PROGRESS

	GROUP	
	2002 RM	2001 RM
At beginning of the year	10,122,258	10,122,258
Additions	18,034	–
At end of the year	<u>10,140,292</u>	<u>10,122,258</u>

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

8. INVENTORIES

	GROUP	
	2002 RM	2001 RM
Completed unsold properties:-		
At cost	13,971,419	–
At net realisable value	3,773,559	5,535,994
	<u>17,744,978</u>	<u>5,535,994</u>

Inventories include unsold properties amounting to RM6,904,509 (2001 : Nil) which have been pledged as securities for banking facilities granted to a subsidiary company, Magilds Park Sdn. Bhd., as disclosed in note 20 to the financial statements.

9. SHORT TERM INVESTMENTS

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Quoted investments in Malaysia, at cost	1,152,400	1,152,400	1,150,419	1,150,419
Less: Accumulated impairment losses				
At beginning of the year	779,418	779,418	779,418	779,418
Less: Impairment loss no longer required	(74,690)	-	(74,690)	-
At end of the year	(704,728)	(779,418)	(704,728)	(779,418)
	447,672	372,982	445,691	371,001
Market value of quoted investments	455,350	389,801	447,510	382,241

10. TRADE RECEIVABLES

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Total outstanding	87,153,340	38,762,909	9,500	9,500
Less: Allowance for doubtful receivables	(9,500)	(93,952)	(9,500)	(9,500)
	87,143,840	38,668,957	-	-

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Other receivables, deposits and prepayments	1,321,539	1,158,080	267,119	210,564
Less: Allowance for doubtful receivables	(56,873)	(56,873)	(56,873)	(56,873)
	1,264,666	1,101,207	210,246	153,691
Income tax recoverable	14,775	9,350	14,775	9,350
	1,279,441	1,110,557	225,021	163,041

notes to the financial statements 31 October 2002 (cont'd)

12. AMOUNT OWING BY/(TO) SUBSIDIARY COMPANIES

	COMPANY	
	2002 RM	2001 RM
Amount owing by:-		
PTB Clay Products Sdn. Bhd.	24,236,466	24,083,635
Golden Domain Holdings Sdn. Bhd.	2,513,773	2,512,112
Ukaylake Country Club Sdn. Bhd.	-	4,478
Petaling Ventures Sdn. Bhd.	1,964	1,798
Lembah Langat Development Sdn. Bhd.	45,765,488	46,057,646
PTB Development Sdn. Bhd.	14,197,475	14,189,627
PTB Horticulture Farm Sdn. Bhd.	60,150,572	60,142,366
Golden Domain Development Sdn. Bhd.	27,618,958	27,613,355
Majurama Developments Sdn. Bhd.	6,816,517	6,911,661
Magilds Park Sdn. Bhd.	2,227,122	2,533,983
	183,528,335	184,050,661
Less: Amount owing by PTB Clay Products Sdn. Bhd. written off (note 27(a)(i))	(18,000,000)	-
	165,528,335	184,050,661
Amount owing to:-		
Ukaylake Country Club Sdn. Bhd.	991,319	-

Included in the amount owing by subsidiary companies are amounts totalling RM152,735,000 (2001: RM152,735,000) representing the purchase consideration paid by the Company on behalf of Golden Domain Holdings Sdn. Bhd., a wholly owned subsidiary company, for the acquisition of the Ulu Kelang Project, Ulu Yam Project, Bukit Ceylon Project and all of the preference shares in Golden Domain Development Sdn. Bhd., Magilds Park Sdn. Bhd. and Majurama Developments Sdn. Bhd.. The purchase consideration was satisfied by the Company via the issuance of ICULS and rights issue of RM99,500,000 and RM53,235,000 respectively.

These amounts are non-trade in nature, unsecured, interest free and have no fixed term of repayment.

13. AMOUNT OWING BY AN ASSOCIATED COMPANY

	GROUP/COMPANY	
	2002 RM	2001 RM
Amount owing by:-		
Fandison Resources Management Limited	8,004,752	8,004,752
Less: Allowance for doubtful receivable	(8,004,752)	(8,004,752)
	-	-

This amount is non-trade in nature, unsecured, interest free and has no fixed term of repayment.

14. FIXED DEPOSITS WITH LICENSED BANKS

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

15. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Cash and bank balances	2,012,152	1,343,364	406,510	319,238
Cash held under housing development accounts	720,611	991,801	-	-
	2,732,763	2,335,165	406,510	319,238

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.

16. TRADE PAYABLES

Included in trade payables are:-

	GROUP	
	2002 RM	2001 RM
Amount owing to companies in which a Director of the Company, Tan Sri Dr. Chen Lip Keong, has substantial indirect financial interest as stated in note 33(ii) to the financial statements:-		
<u>Subsidiary companies of FACB Resorts Berhad</u>		
Arosa Builders Sdn. Bhd.	581,103	974,973
FACB Construction Sdn. Bhd.	147,071	147,071
	728,174	1,122,044

These amounts are unsecured, interest free and are repayable based on the commercial terms mutually agreed upon between the parties involved.

17. PROVISIONS

	GROUP	
	2002 RM	2001 RM
Provision for Infrastructure Costs and Development Charges:-		
At beginning of the year	6,572,148	6,803,298
Add: Additions	2,661,952	440,391
Less: Incurred	(1,513,927)	(671,541)
At end of the year	7,720,173	6,572,148

The provision for infrastructure costs and development charges 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.

notes to the financial statements 31 October 2002 (cont'd)

18. OTHER PAYABLES AND ACCRUALS

Included in the other payables and accruals are:-

i) Related party balances as follows:-

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Amount owing to companies in which a Director, Tan Sri Dr. Chen Lip Keong, has substantial direct and indirect financial interest:-				
FACB Resorts Berhad	319,451	29,148	318,434	28,131
<u>Subsidiary companies of FACB Resorts Berhad:-</u>				
Bukit Unggul Country Club Berhad	–	4,330	–	4,330
FACB Industries Sdn. Bhd.	68,654	68,654	68,654	68,654
First Travel And Tours (M) Sdn. Bhd.	3,789	1,702	3,789	1,702
Bukit Unggul Golf and Country Resort Sdn. Bhd.	93	93	–	–
Karambunai Resorts Sdn. Bhd.	341,201	239,169	–	–
	733,188	343,096	390,877	102,817

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

ii) Real Property Gain Tax payable amounting to RM87,857 (2001 : RM52,250) for the Group and the Company respectively.

19. HIRE PURCHASE PAYABLES

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Minimum instalment payments	82,110	156,108	82,110	103,530
Less: Future finance charges	(13,065)	(23,433)	(13,065)	(20,866)
Present value of hire purchase liabilities	69,045	132,675	69,045	82,664
 Payable within 1 year				
Minimum instalment payments	21,420	73,998	21,420	21,420
Less: Future finance charges	(5,983)	(10,368)	(5,983)	(7,801)
Present value of hire purchase liabilities	15,437	63,630	15,437	13,619
 Payable after 1 year but not later than 5 years				
Minimum instalment payments	60,690	82,110	60,690	82,110
Less: Future finance charges	(7,082)	(13,065)	(7,082)	(13,065)
Present value of hire purchase liabilities	53,608	69,045	53,608	69,045
	69,045	132,675	69,045	82,664

20. BANK BORROWINGS - SECURED

	GROUP	
	2002 RM	2001 RM
Term loan - repayable within 1 year	-	1,032,206

The above term loan which was granted to a subsidiary company, Majurama Developments Sdn. Bhd., borne interest at rate of 8.05% (2001 : 7% to 8.05%) per annum and was repayable as follows:-

- payments totalling RM600,000 is to be made through redemption of 12 units of development properties at RM50,000 each;
- first 12 monthly instalments of RM250,000 commencing on 31 May 2000;
- second 5 monthly instalments of RM360,000; and
- a final instalment of RM362,206.

The term loan was secured on the following:-

- a debenture over the assets of this subsidiary company including a first legal charge over the development land;
- assignment of sales proceeds from a phase of the development project undertaken by the subsidiary company; and
- a corporate guarantee from the Company.

This term loan has been fully repaid during the year and the security is in the process of being discharged and released.

On 25 February 2002, a licensed financial institution has granted one of the subsidiary companies, Magilds Park Sdn. Bhd., term loan and bridging loan facilities with approved limits of RM1,000,000 and RM9,000,000 respectively.

The term loan and the bridging loan facilities are repayable by way of redemption of development properties sold. These facilities, which bear interest rate at 2% per annum above the prevailing base lending rate, are secured and supported as follows:-

- first and second legal charges over the inventories, deferred land and development expenditure and land and development expenditure of the subsidiary company; and
- corporate guarantee and indemnity provided by the Company.

During the year, this subsidiary company has utilised part of the bridging loan facility and settled the said amount by way of redemption of development properties sold.

The subsidiary company does not have any outstanding bank borrowings as at the financial year end (2001 : Nil). The applicable interest rate is 9.45% (2001 : Nil) per annum.

notes to the financial statements 31 October 2002 (cont'd)

21. SHARE CAPITAL

	GROUP/COMPANY	
	2002	2001
	RM	RM
Ordinary shares of RM1.00 each		
Authorised:		
500,000,000 ordinary shares	500,000,000	500,000,000
Issued and fully paid:		
At beginning of the year	247,223,370	100,844,060
Conversion of Irredeemable Convertible Unsecured Loan Stocks 2000/2010 ("ICULS")	97,068,965	146,379,310
At end of the year	344,292,335	247,223,370

During the financial year, RM112,600,000 (2001 : RM169,800,000) nominal value of ICULS (see note 23) was converted into 97,068,965 (2001 : 146,379,310) fully paid new ordinary shares of RM1.00 each of the Company at a conversion price of RM1.16 per share. These new shares rank pari passu in all respect with the existing ordinary shares of the Company.

As at year end, the number of unexercised detachable warrants 2000/2010 of the Company was 40,334,824 (2001 : 40,334,824). These warrants entitle its registered holders to subscribe for one new ordinary share of RM1.00 each in the Company at the exercise price of RM1.16 per new ordinary share.

22. RESERVES

	GROUP		COMPANY	
	2002	2001	2002	2001
	RM	RM	RM	RM
NON-DISTRIBUTABLE				
Reserve on consolidation	212,472	212,472	-	-
Share premium	43,664,342	28,133,307	43,664,342	28,133,307
	43,876,814	28,345,779	43,664,342	28,133,307
DISTRIBUTABLE				
Accumulated losses *	(6,685,844)	(20,849,727)	(46,550,107)	(24,698,364)
Retained profits on sales of properties held under property, plant and equipment	3,526,514	2,371,237	4,519,264	3,363,987
	(3,159,330)	(18,478,490)	(42,030,843)	(21,334,377)
	40,717,484	9,867,289	1,633,499	6,798,930

	GROUP	
	2002	2001
	RM	RM
*Accumulated By:-		
The Company	(46,550,107)	(24,698,364)
Subsidiary companies	39,864,263	3,848,637
	(6,685,844)	(20,849,727)

23. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS

	GROUP/COMPANY	
	2002	2001
	RM	RM
At beginning of the year	114,700,000	284,500,000
Converted during the year	(112,600,000)	(169,800,000)
At end of the year	2,100,000	114,700,000

The Irredeemable Convertible Unsecured Loan Stocks 2000/2010 ("ICULS") at nominal value of RM1.00 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 feature 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 RM1.00 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 RM1.00 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.

During the financial year, RM112,600,000 (2001 : RM169,800,000) nominal value of ICULS has been converted into 97,068,965 (2001 : 146,379,310) fully paid ordinary shares of RM1.00 each of the Company at a conversion price of RM1.16 nominal value of the ICULS.

24. DEFERRED TAXATION

	GROUP	
	2002 RM	2001 RM
At beginning of the year	40,255,636	40,883,899
Transfer to income statements (note 28)	(7,791,575)	(628,263)
At end of the year	32,464,061	40,255,636

The above deferred tax liabilities are in respect of:-

	GROUP	
	2002 RM	2001 RM
Deferred tax liability on timing differences arising from revaluation surplus as a result of revaluation of development properties in the subsidiary companies	33,415,961	41,207,536
Others	(951,900)	(951,900)
	32,464,061	40,255,636

The estimated deferred tax liabilities/(benefits) arising from timing differences not provided in the financial statements are as follows:-

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Capital allowances claimed in excess of depreciation charge	-	600,000	(9,000)	(10,000)
Revaluation surplus as a result of revaluation of investment properties in Golden Domain Development Sdn. Bhd. to arrive at Group Cost *	4,206,000	4,206,000	-	-
Unrelieved tax losses	(5,837,000)	(5,633,000)	(4,521,000)	(4,098,000)
Unabsorbed capital allowance	(3,218,000)	(2,708,000)	(184,000)	(146,000)
Others	(530,000)	(653,000)	-	-
	(5,379,000)	(4,188,000)	(4,714,000)	(4,254,000)

* No provision has been made in respect of timing differences arising from revaluation surplus on leased land held under investment properties of the subsidiary company as it is not the intention of the Group to dispose these properties in the foreseeable future.

The estimated unrelieved tax losses and unabsorbed capital allowances are subject to agreement by the Inland Revenue Board and are not available for set-off within the Group.

25. OPERATING REVENUE

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Operating revenue comprises the following:-				
Revenue from sales of completed and uncompleted development properties including leased land, commercial and residential lots	84,757,754	23,826,851	-	-
Management fee received and receivable	-	-	2,190,495	1,349,536
	84,757,754	23,826,851	2,190,495	1,349,536

26. COST OF SALES

	GROUP	
	2002 RM	2001 RM
Cost of sales of the Group comprises the following:-		
Attributable land and development expenditure	44,400,077	7,798,741
Cost of completed properties	1,484,337	4,708,710
Provision for infrastructure costs and development charges	2,661,952	440,391
	48,546,366	12,947,842

27. PROFIT/(LOSS) BEFORE TAXATION

a) Profit/(Loss) before taxation is arrived at after charging/(crediting):-

i) Exceptional items

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Amount owing by a subsidiary company written off (note 12)	-	-	18,000,000	-
Impairment loss on investment in a subsidiary company (note 3)	-	-	1,999,999	-
Impairment loss on property, plant and equipment based on forced sale value (note 2)	5,587,000	-	-	-

notes to the financial statements 31 October 2002 (cont'd)

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Gain on disposal of freehold land				
Sales consideration	1,350,000	–	1,350,000	–
Less: Land cost	(95,118)	–	(95,118)	–
Other incidental costs	(39,998)	–	(39,998)	–
	(1,214,884)	–	(1,214,884)	–

The above impairment loss on investment and amount written off are in respect of a subsidiary company namely PTB Clay Products Sdn. Bhd., which has discontinued its operations and is in a substantial capital deficiency position.

ii) Directors' remuneration

	GROUP/COMPANY	
	2002 RM	2001 RM
Executive Directors:-		
Tan Sri Dr. Chen Lip Keong		
Lai Gin Nyap		
Chin Yit Kong (<i>Resigned on 02.10.2002</i>)		
Tiang Chong Seong (<i>Appointed on 28.10.2002</i>)		
- Other emoluments	676,906	529,312
Non-Executive Directors:-		
Datuk Haji Jaafar Bin Abu Bakar		
Datuk Wan Kassim Bin Ahmed		
- Directors' fees	180,000	118,472

iii) Other items

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Allowance for doubtful receivables	–	141,325	–	56,873
Auditors' remuneration				
- current year	48,500	47,000	20,000	20,000
- underprovision in prior year	–	3,000	–	–
Receivables written off	250	–	250	–
Depreciation of property, plant and equipment	1,862,214	1,878,172	132,919	143,527
Hire purchase interest	10,368	43,181	7,801	13,446
Late delivery interest expenses	108,964	–	–	–
Impairment loss on property, plant and equipment	–	800,000	–	–
Professional fees incurred on corporate exercise	–	2,298,451	–	2,298,451

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Property, plant and equipment written off	1,210	–	–	–
Rental of premises	261,360	261,360	261,360	261,360
Write down of inventories to net realisable value	278,098	93,973	–	–
(Gain)/Loss on disposal of property, plant and equipment	(33,834)	(66,807)	166	(66,807)
Allowance of doubtful receivables no longer required	(26,258)	–	–	–
Dividend revenue	(19,488)	(19,786)	(19,453)	(19,520)
Interest revenue	(137,090)	(664,955)	(1,600)	(457,958)
Impairment loss on quoted investments no longer required	(74,690)	–	(74,690)	–
Rental revenue	(34,095)	(125,632)	(28,095)	(125,632)

b) Employees Information

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Staff costs	2,941,139	2,381,527	2,892,731	2,332,868

The number of employees of the Group and of the Company as at financial year end were 52 (2001 : 49) and 50 (2001 : 48) respectively.

28. TAXATION

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Based on results for the year	17,872,596	3,381,270	–	–
Transfer from deferred taxation (note 24)	(7,791,575)	(628,263)	–	–
	10,081,021	2,753,007	–	–
Overprovision in prior year	(355,665)	(835,793)	–	–
Real Property Gain Tax	59,607	–	59,607	–
	9,784,963	1,917,214	59,607	–

The effective tax rate of the Group is higher than the standard tax rate as there is no group relief for losses suffered by the Company and certain subsidiary companies and certain expenses were disallowed for tax purposes.

The above Real Property Gain Tax is attributable to disposal of freehold land by the Company during the year.

notes to the financial statements 31 October 2002 (cont'd)

The Group and the Company have the following estimated unrelieved tax losses and unabsorbed capital allowances available for set off against future taxable profits, subject to agreement by the Inland Revenue Board:-

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Unrelieved tax losses	20,845,000	20,119,000	16,147,000	14,638,000
Unabsorbed capital allowances	11,494,000	9,673,000	658,000	521,000
	32,339,000	29,792,000	16,805,000	15,159,000

The Company has estimated tax credits of RM6,440,000 (2001 : RM6,440,000) under Section 108 of the Income Tax Act, 1967, available to frank future payment of dividends up to approximately RM16,560,000 (2001: RM16,560,000) without incurring additional tax liability, subject to agreement by Inland Revenue Board.

The Company has approximately RM109,000 (2001 : 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.

29. EARNINGS PER SHARE

The basic earnings per share of the Group is calculated by dividing the Group's profit for the year of RM15,319,160 (2001 : RM588,661) by the weighted average number of ordinary shares in issue during the year of 263,401,531 (2001 : 162,029,405) ordinary shares of RM1.00 each.

The fully diluted earnings per ordinary share for the year has been calculated based on the net profit for the year of RM15,319,160 (2001 : RM588,661) and on the adjusted weighted average number of ordinary shares issued and issuable of 346,102,681 (2001 : 346,102,681) shares. The adjusted weighted average number of ordinary shares issued and issuable has been arrived at based on the assumption that all the ICULS issued are converted into ordinary shares at the respective conversion date. The fully diluted earnings per ordinary shares of the Group has not accounted for the conversion of unexercised warrants of the Company as the average fair value of the Company's shares is lower than the exercise price for conversion of the Warrants. The effect of this would be anti-dilutive to the earnings per ordinary shares.

30. ACQUISITION OF SUBSIDIARY COMPANY

For The Year Ended 31 October 2001

The Company had acquired 2 ordinary shares of RM1.00 each comprising the entire equity interest in Petaling Ventures Sdn. Bhd. for a purchase consideration of RM2.00 effective from 30 October 2001.

i) Effect On Consolidated Balance Sheet

The effect of the acquisition on the consolidated financial position of the Group as at year end was as follows:-

	RM
Inter-company balance	(1,798)
Decrease in Group's net assets	(1,798)

ii) Effect On Consolidated Income Statement

The effect of the acquisition on the consolidated financial results of the Group for the year from the effective date of acquisition was as follows:-

	RM
Administrative costs	(1,798)
Loss before taxation	<u>(1,798)</u>

iii) Effect On Consolidated Cash Flow Statement

The fair value of assets acquired at the effective date of acquisition is as follows:-

	RM
Cash deposits and bank balances	2
Total Purchase Consideration	2
Less: Cash acquired	<u>(2)</u>
Cash Flow On Acquisition, Net of Cash Acquired	<u>-</u>

31. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the year, the Group and the Company acquired property, plant and equipment with aggregate costs of RM43,262 (2001 : RM330,859) and RM43,262 (2001 : RM330,859) respectively which are satisfied by the following:-

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Hire purchase	-	84,000	-	84,000
Cash payments	43,262	246,859	43,262	246,859
	43,262	330,859	43,262	330,859

32. CONTINGENT LIABILITIES - UNSECURED

	COMPANY	
	2002 RM	2001 RM
In respect of corporate guarantee for term loan facility granted to a subsidiary company, Majurama Developments Sdn. Bhd., as stated in note 20 to the financial statements	-	1,032,206

notes to the financial statements 31 October 2002 (cont'd)

33. SIGNIFICANT RELATED PARTIES TRANSACTIONS

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

	COMPANY	
	2002 RM	2001 RM
Management fee charged to subsidiary companies:-		
Magilds Park Sdn. Bhd.	(1,687,441)	(668,562)
Majurama Developments Sdn. Bhd.	(319,996)	(299,288)
Lembah Langat Development Sdn. Bhd.	(183,058)	(381,686)
	(2,190,495)	(1,349,536)
Subscription of 999,998 ordinary shares of RM1.00 each in Ukaylake Country Club Sdn. Bhd. by the Company	999,998	-
Writing off of amount owing by PTB Clay Products Sdn. Bhd.	18,000,000	-
Impairment loss on investment in PTB Clay Products Sdn. Bhd.	1,999,999	-

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

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Office rental paid and payable to FACB Resorts Berhad.	261,360	261,360	261,360	261,360
Contract costs paid and payable to Arosa Builders Sdn. Bhd., a subsidiary company of FACB Resorts Berhad, for a contract awarded on 21 August 1997	31,130	1,382,843	-	-
Travelling expenses paid to First Travel and Tours Sdn. Bhd., a subsidiary company of FACB Resorts Berhad.	-	58,900	-	-
Contract costs paid and payable to FACB Construction Sdn. Bhd., a subsidiary company of FACB Resorts Berhad., for a contract awarded on 18 November 2000	-	617,321	-	-

The above transactions have been entered in the normal course of business under terms mutually agreed upon between the parties concerned.

34. SEGMENT ANALYSIS

SEGMENTAL INFORMATION - BY ACTIVITY

	Operating Revenue RM	(Loss)/Profit Before Taxation RM	Total Assets Employed RM
2002			
Investment holding	–	(641,355)	1,352,265
Manufacturing	–	(7,418,769)	6,606,812
Property development	84,757,754	33,164,247	465,796,110
	84,757,754	25,104,123	473,755,187
2001			
Investment holding	–	(5,429,931)	1,313,666
Manufacturing	–	(2,691,065)	13,888,301
Property development	23,826,851	10,626,871	434,589,223
	23,826,851	2,505,875	449,791,190

There is no inter-segment transactions.

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

35. SIGNIFICANT EVENTS

- a) On 2 September 2002, RM112,600,000 nominal value of ICULS were converted into 97,068,965 fully paid ordinary shares of RM1.00 each of the Company at a conversion price of RM1.16 each. The new shares rank pari passu with the existing shares.

As a result of the conversion, the issued and fully paid share capital of the Company was increased from 247,223,370 to 344,292,335 as at 2 September 2002.

- b) On 26 September 2002, the Company subscribed for 999,998 ordinary shares of RM1.00 each allotted by a subsidiary company, Ukaylake Country Club Sdn. Bhd., for a cash consideration of RM999,998.

36. COMPARATIVE FIGURES

- a) Certain comparative figures have been reclassified as follows:-

	As Reclassified RM	As Previously Reported RM
GROUP		
Balance Sheet		
Capital work-in-progress	10,122,258	–
Inventories	5,535,994	15,658,252
Trade payables	7,675,094	8,112,231
Provisions	6,572,148	–
Other payables and accruals	11,718,420	17,853,431

notes to the financial statements 31 October 2002 (cont'd)

	As Reclassified RM	As Previously Reported RM
GROUP		
Cash Flow Statement		
Cash flows from operating activities:-		
Adjustment for:-		
- Provision for infrastructure costs	440,391	-
Decrease in payables	(26,163,355)	(25,722,964)

The above reclassifications are to conform with:-

- i) the requirements of MASB Standard No. 20 on Provisions, Contingent Liabilities and Contingent Assets issued by the Malaysian Accounting Standards Board ("MASB"); and
 - ii) the current year's presentation of the construction cost of a club house which was transferred from inventories to capital work-in-progress as the Group currently intends to operate the club house instead of selling it.
- b) The following comparative figures have been reclassified to better reflect the nature of transactions with the subsidiary companies.

	As Reclassified RM	As Previously Reported RM
COMPANY		
Cash Flow Statement		
Cash flows from operating activities:-		
Decrease in amount with subsidiary companies	-	(30,258,610)
Cash flows from financing activities:-		
Net advances to subsidiary companies	(30,258,610)	-

37. GENERAL INFORMATION

The Company is a public listed company, incorporated and domiciled in Malaysia, and listed on the Main Board of the Kuala Lumpur Stock Exchange.

The Company had made an application to the United Kingdom Listing Authority to delist the Company from the London Stock Exchange. Following which, the Company was delisted on 14 February 2003.

The registered office of the Company is located at Level 19, Menara PanGlobal, No. 8, Lorong P. Ramlee, 50250 Kuala Lumpur.

The principal place of business of the Company is located at Level 18, Menara PanGlobal, No. 8, Lorong P. Ramlee, 50250 Kuala Lumpur.

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 24 February 2003.

list of group properties

as at 31 October 2002

LOCATION	DESCRIPTION	DATE OF EXPIRY	AREA (HECTARES)
MC 5, Lot No. 3980 Mukim of Tanjong Dua Belas District of Kuala Langat, Selangor Darul Ehsan	Mining lease	19.07.2004	268.4
MC 6, P.T.1136 Mukim of Tanjong Dua Belas District of Kuala Langat, Selangor Darul Ehsan	Mining lease	05.10.2004	281.7
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	23.09.2076	4.5
H.S. (D) Title No. 37590 Lot No. 19694, Mukim of Batu District of Gombak, Selangor Darul Ehsan	Leasehold land	08.03.2064	64.3
H.S. (D) Title No. 63199 to 63312, 63314 to 63670 and 63734 to 63750 Lot Nos. 9557 to 9670, 9672 to 10028 and 10092 to 10108 Mukim of Ampangan, District of Seremban Negeri Sembilan Darul Khusus	Leasehold land	04.12.2088	24.9
Part of Parent Title No. C.L. 045091174 Lot No. 2878, Mukim of Menggatal District of Tuaran, Kota Kinabalu, Sabah	Leasehold land	05.04.2093	607.0
Part of Parent Lot No. 171, 202, 377, 411 & 412 Mukim of Hulu Klang, District of Gombak Selangor Darul Ehsan	Freehold land	-	10.6
Lot P.T. 697, 698, 699, 700 & 701 Mukim of Ulu Yam, District of Ulu Selangor Selangor Darul Ehsan	Leasehold land	12.03.2083	47.0
H.S. (D) Title No. 102891 Lot P.T. 65, Section 57 Kuala Lumpur Wilayah Persekutuan	Freehold land	-	1.1

AGE OF BUILDING	EXISTING USE	NET BOOK VALUE (RM'000)	DATE OF ACQUISITION / REVALUATION*
-	-	-	20.07.1983
-	-	-	06.10.1983
6	Factory premises	2,838	27.12.2002*
-	Under development	49,724	02.02.2000
-	Under development	39,161	02.02.2000
-	Under development	163,471	02.02.2000
-	Under development	18,263	17.02.2000
-	Development land	15,578	02.02.2000
-	Development land	60,782	02.02.2000

shareholdings statistics

as at 28 February 2003

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 1,000	87	20,524	*
1,000 to 10,000	6,649	24,526,736	7.12
10,001 to 100,000	928	23,400,420	6.80
100,001 to less than 5% of issued shares	54	90,304,560	26.23
5% and above of issued shares	4	206,040,095	59.85
Total	7,722	344,292,335	100.00

* Negligible

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Names	No. of Shares Held	%
1.	Bumiputra-Commerce Nominees (Asing) Sdn Bhd <i>Pledged securities account for Emden Investment Ltd</i>	107,146,552	31.12
2.	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tan Sri Dr Chen Lip Keong</i>	47,738,543	13.87
3.	UOBM Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tan Sri Dr Chen Lip Keong</i>	31,000,000	9.00
4.	HSBC Nominees (Tempatan) Sdn Bhd <i>BCV for Tan Sri Dr Chen Lip Keong</i>	20,155,000	5.85
5.	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for The K.L. Regency Sdn Bhd</i>	15,517,241	4.51
6.	Fastrack Investments Limited	10,344,828	3.00
7.	Profitline Worldwide Ltd	10,344,828	3.00
8.	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Quantum Symbol Sdn Bhd</i>	7,388,000	2.15
9.	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Importex Sdn Bhd</i>	5,913,793	1.72
10.	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Star Combination Sdn Bhd</i>	5,581,033	1.62
11.	HDM Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Win Radiant Sdn Bhd</i>	5,086,000	1.48

No.	Names	No. of Shares Held	%
12.	SFB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tan Sri Dr Chen Lip Keong</i>	4,600,000	1.34
13.	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Asali Developments Sdn Bhd</i>	4,008,621	1.16
14.	Star Combination Sdn Bhd	3,212,070	0.93
15.	DB (Malaysia) Nominee (Asing) Sdn Bhd <i>UBS AG Singapore for Rubilton Holdings Inc</i>	2,738,000	0.80
16.	SFB Nominees (Asing) Sdn Bhd <i>Pledged securities account for Cayuga Investments Corp</i>	2,000,000	0.58
17.	Thong & Kay Hian Nominees (Asing) Sdn Bhd <i>UOB Kay Hian Pte Ltd for Net Results Ltd</i>	1,717,000	0.50
18.	HDM Nominees (Asing) Sdn Bhd <i>GS Asian Countries Fund</i>	1,384,000	0.40
19.	HSBC Nominees (Asing) Sdn Bhd <i>BCV for Blue Velvet Property Inc</i>	1,085,000	0.32
20.	Malaysia Nominees (Tempatan) Sendirian Berhad <i>Great Eastern Life Assurance (Malaysia) Berhad</i>	790,000	0.23
21.	Anchor Peak Sdn Bhd	652,524	0.19
22.	Rainbow Fortune Sdn Bhd	543,103	0.16
23.	Malaysia Nominees (Asing) Sendirian Berhad <i>Oversea-Chinese Bank Nominees Pte Ltd for The Straits Trading Co Ltd</i>	505,000	0.15
24.	Asia Life (M) Berhad <i>As Beneficial Owner (M'sia Life Fund)</i>	500,000	0.15
25.	Citicorp Nominees (Asing) Sdn Bhd <i>TNTC for The Overseas Assurance Corp Ltd</i>	473,000	0.14
26.	UOBM Nominees (Asing) Sdn Bhd <i>DMG & Partners Securities Pte Ltd for GS Asian Countries Fund</i>	463,000	0.13
27.	Chan Peng Leong	356,000	0.10
28.	TCL Nominees (Asing) Sdn Bhd <i>OCBC Securities Private Limited for Lee Boon Siong</i>	324,500	0.09
29.	Syarikat Senky Dredging Sdn Bhd	277,380	0.08
30.	Malaysia Nominees (Tempatan) Sendirian Berhad <i>Lee Foundation, States of Malaya (00-00197-000)</i>	264,562	0.08
Total		292,109,578	84.85

shareholdings statistics as at 28 February 2003 (cont'd)

ANALYSIS OF WARRANT HOLDINGS

No. of Warrants Issued	: 40,336,824
No. of Warrants Exercised to date	: 2,000 (<i>No Warrant was exercised during the year</i>)
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 1,000	105	49,540	0.12
1,000 to 10,000	3,190	11,358,190	28.16
10,001 to 100,000	372	9,689,294	24.02
100,001 to less than 5% of outstanding Warrants	20	5,328,752	13.21
5% and above of outstanding Warrants	2	13,909,048	34.49
Total	3,689	40,334,824	100.00

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS

No.	Names	No. of Warrants Held	%
1.	Tan Sri Dr Chen Lip Keong	10,215,048	25.33
2.	Quantum Symbol Sdn Bhd	3,694,000	9.16
3.	HDM Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Win Radiant Sdn Bhd</i>	2,008,000	4.98
4.	HSBC Nominees (Asing) Sdn Bhd <i>BCV for Blue Velvet Property Inc</i>	434,000	1.08
5.	Malaysia Nominees (Tempatan) Sendirian Berhad <i>Great Eastern Life Assurance (Malaysia) Berhad</i>	316,000	0.78
6.	Hong Leong Finance Berhad <i>Pledged securities account for Lee Ang Ee</i>	250,000	0.62
7.	Asia Life (M) Berhad <i>As Beneficial Owner (M'sia Life Fund)</i>	220,000	0.55
8.	Malaysia Nominees (Asing) Sendirian Berhad <i>Oversea-Chinese Bank Nominees Pte Ltd for The Straits Trading Co Ltd</i>	202,000	0.50
9.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Pek Kiam Kek</i>	199,000	0.49
10.	Lee Kam Fook	180,000	0.45

No.	Names	No. of Warrants Held	%
11.	Syarikat Senky Dredging Sdn Bhd	150,952	0.37
12.	Cheah Boon Kiat	150,000	0.37
13.	Foo Sin Chok	136,000	0.34
14.	Mayban Securities Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Chaw Kam Yeng @ Chow Kum Yim</i>	135,000	0.33
15.	TCL Nominees (Asing) Sdn Bhd <i>OCBC Securities Private Limited for Lee Boon Siong</i>	129,800	0.32
16.	Ooi Khee Seng	128,000	0.32
17.	Yio Kim Sim	124,000	0.31
18.	Tan Sai Lan	120,000	0.30
19.	Mayban Securities Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tin Siew Wah</i>	118,000	0.29
20.	Lim Siong Kooi	115,000	0.29
21.	Pua Soo Siang	110,000	0.27
22.	Alliance Group Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Sii Lik Kung</i>	103,000	0.26
23.	Ang Sun Kuan	100,000	0.25
24.	BIMB Securities Sdn Bhd <i>IVT (DOI) for Dato' Dr Abdul Halim Ismail (IVT2)</i>	100,000	0.25
25.	Tee Thong Heng	89,000	0.22
26.	Yong Ah Kau @ Yong How Siong	87,000	0.22
27.	Kim Poh Holdings Sdn Bhd	80,000	0.20
28.	Yong Yau Loon	80,000	0.20
29.	Tan Boh Tee @ Tan How Hock	78,000	0.19
30.	Eu Mui @ Ee Soo Mei	75,572	0.19
Total		19,927,372	49.43

shareholdings statistics as at 28 February 2003 (cont'd)

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 the Kuala Lumpur Stock Exchange.
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 1,000	–	–	–
1,000 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
Total	2	2,100,000	100.00

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
Total		2,100,000	100.00

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Number of Ordinary Shares of RM1.00 Each Held					
	Direct Interest	%	Deemed Interest	%	Total Interest	%
Tan Sri Dr Chen Lip Keong	101,038,543 ^(a)	29.35	30,537,179 ^(b)	8.87	131,575,722	38.22
Emden Investment Limited	107,146,552 ^(c)	31.12	–	–	107,146,552	31.12
Chin Chee Kuang	–	–	107,146,552 ^(d)	31.12	107,146,552	31.12

Notes:-

(a) Held through Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd, HSBC Nominees (Tempatan) Sdn Bhd, SFB Nominees (Tempatan) Sdn Bhd and UOBM 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 Bumiputra-Commerce Nominees (Asing) Sdn Bhd.

(d) Deemed interested by virtue of his interest in Emden Investment Limited.

DIRECTORS' INTERESTS IN THE COMPANY AND RELATED CORPORATIONS

In Petaling Tin Berhad

Name	Number of Ordinary Shares of RM1.00 Each Held					
	Direct Interest	%	Deemed Interest	%	Total Interest	%
Datuk Haji Jaafar Bin Abu Bakar	5,000	*	–	–	5,000	*
Tan Sri Dr Chen Lip Keong	101,038,543 ^(a)	29.35	30,537,179 ^(b)	8.87	131,575,722	38.22
Datuk Wan Kassim Bin Ahmed	–	–	–	–	–	–
Lai Gin Nyap	5,000	*	–	–	5,000	*
Tiang Chong Seong	–	–	–	–	–	–

In Petaling Tin Berhad

Name	Number of Warrants Held					
	Direct Interest	%	Deemed Interest	%	Total Interest	%
Datuk Haji Jaafar Bin Abu Bakar	2,000	*	–	–	2,000	*
Tan Sri Dr Chen Lip Keong	10,217,048	25.33	–	–	10,217,048	25.33
Datuk Wan Kassim Bin Ahmed	–	–	–	–	–	–
Lai Gin Nyap	2,000	*	–	–	2,000	*
Tiang Chong Seong	–	–	–	–	–	–

Notes:-

- (a) Held through Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd, HSBC Nominees (Tempatan) Sdn Bhd, SFB Nominees (Tempatan) Sdn Bhd and UOBM 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) 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.
- (d) 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 28 February 2003.

* Negligible

notice of annual general meeting

NOTICE IS HEREBY GIVEN that the Seventy-Seventh Annual General Meeting of Petaling Tin Berhad will be held at Anggerik Room, 4th Floor, Hotel Equatorial Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur on Thursday, 24 April 2003 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 year ended 31 October 2002 together with the Reports of Directors and Auditors thereon. **Resolution 1**
2. To approve the payment of Directors' fees of RM180,000 for the year ended 31 October 2002. **Resolution 2**
3. To re-elect Datuk Haji Jaafar Bin Abu Bakar who is retiring pursuant to Article 80 of the Company's Articles of Association. **Resolution 3**
4. To re-elect Mr Tiang Chong Seong who is retiring pursuant to Article 82(c) of the Company's Articles of Association. **Resolution 4**
5. To re-appoint Messrs Moore Stephens as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

As Special Business

6. To consider and, if thought fit, to pass the following as Ordinary Resolutions:-
 - a. Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965 **Resolution 6**

"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 the resolution does not exceed 10% of the issued capital of the Company for the time being."
 - b. Renewal of Share Buy - Back Authority **Resolution 7**

"THAT, subject always to the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company, the requirements of the Kuala Lumpur Stock Exchange ("KLSE") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the extent permitted by law, to buy-back and/or hold such amount of ordinary shares of RM1.00 each in the Company as may be determined by the Directors of the Company from time to time through the KLSE upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

 - i) the aggregate number of shares bought-back and/or held does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company as quoted on the KLSE;
 - ii) the amount allotted shall not exceed the retained profits and/or share premium account of the Company based on its latest audited financial statements available up to the date of the transaction pursuant to the Proposed Share Buy-Back. Based on the audited financial statements of the Company as at 31 October 2002, its share premium stood at RM43.7 million; and

- iii) the shares purchased are to be treated in either of the following manner:-
- (a) cancel the purchased ordinary shares; or
 - (b) retain the purchased ordinary shares as treasury shares held by the Company; or
 - (c) retain part of the purchased ordinary shares as treasury shares and cancel the remainder.

The treasury shares may be distributed as dividends to the shareholders and/or resold on the KLSE and/or subsequently cancelled.

AND THAT the authority conferred by this resolution shall commence upon the passing and lodgement of this resolution with the Companies Commission of Malaysia until the conclusion of the next Annual General Meeting of the Company (unless earlier revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting) but shall not prejudice the completion of the buy-back(s) by the Company or any person before that aforesaid expiry date and in any event, in accordance with the provisions of the Listing Requirements or any other relevant authorities.

AND THAT authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid buy-back with full powers to assent to any condition, modification, revaluations, variation and/or amendments (if any) as may be imposed by the relevant authorities and with the full power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the shares bought-back) in accordance with the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company and the requirements and/or guidelines of the KLSE and all other relevant governmental and/or regulatory authorities.”

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

By Order of the Board

Lorraine Khoo Bee Kim, MAICSA 7008856
Chen Sai Liung, MAICSA 7034273
Company Secretaries

Kuala Lumpur
2 April 2003

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.*

notice of annual general meeting (cont'd)

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 Registered Office of the Company at Level 19, Menara PanGlobal, No. 8, Lorong P. Ramlee, 50250 Kuala Lumpur at least forty-eight (48) hours before the time for holding the meeting or adjourned meeting.*
5. *Particulars of the Directors (together with their attendance in Board Meetings and their shareholdings in the Company) standing for re-election or re-appointment as Directors of the Company for Resolutions 3 and 4 are shown on pages 8, 9, 10 & 71 of the Company's Annual Report 2002 .*
6. *Resolution 6 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.*
7. *Resolution 7, 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 Circular to Shareholders which is despatched together with the Company's Annual Report 2002 .*

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 Seventy-Seventh Annual General Meeting of the Company to be held at Anggerik Room, 4th Floor, Hotel Equatorial Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur on Thursday, 24 April 2003 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 Mr Tiang Chong Seong as director.		
5	Re-appointment of Messrs Moore Stephens as auditors.		
6	Authority pursuant to Section 132D of the Companies Act, 1965.		
7	Renewal of Share Buy - Back Authority.		

(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, 2003

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 notarially certified copy of that power or authority, shall be deposited at the Registered Office of the Company at Level 19, Menara PanGlobal, No. 8, Lorong P. Ramlee, 50250 Kuala Lumpur at least forty-eight (48) hours before the time for holding the meeting or adjourned meeting.

Fold this flap for sealing

Affix
Stamp

The Company Secretary
Petaling Tin Berhad (324-H)
c/o Lipkland Management And Consultancy Sdn Bhd
Level 19, Menara PanGlobal
No. 8, Lorong P. Ramlee
50250 Kuala Lumpur

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2nd fold here



PETALING TIN BERHAD (324-H)

Level 18, Menara PanGlobal, No. 8, Lorong P. Ramlee, 50250 Kuala Lumpur, Malaysia
Phone: +(603) 2026 4491 Fax: +(603) 2026 3106