

ASIA PACIFIC LAND BERHAD

(Incorporated in Malaysia)
Company No : 4069 - K

FINANCIAL REPORT *for the financial year ended 31 December 2007*

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ASIA PACIFIC LAND BERHAD

(Incorporated in Malaysia)
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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2007.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year except as disclosed in Note 6 to the financial statements.

RESULTS

	THE GROUP RM'000	THE COMPANY RM'000
(Loss)/Profit attributable to shareholders for the financial year	(15,432)	3,395

DIVIDENDS

Since the end of the previous financial year, the Company paid an interim dividend of 1% per ordinary share less 27% tax amounting to RM5,185,514 in respect of the current financial year.

The directors do not recommend the payment of further dividend for the current financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are as disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

- (a) there were no changes in the authorised and issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

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DIRECTORS' REPORT

TREASURY SHARES

During the financial year, the Company purchased its issued ordinary shares from the open market under the share buy-back programme. Details are as follow:-

DATE	PRICE PER SHARE			NUMBER OF SHARES	TOTAL CONSIDERATION RM*
	LOWEST RM	HIGHEST RM	AVERAGE RM		
September 2007	0.510	0.575	0.547	4,917,000	2,687,353
October 2007	0.545	0.590	0.572	3,265,000	1,865,981
November 2007	0.520	0.550	0.533	2,879,400	1,533,965
December 2007	0.490	0.545	0.528	939,600	496,365
AT 31 DECEMBER 2007				<u>12,001,000</u>	<u>6,583,664</u>

*Note * - includes incidental costs such as commission, clearing fee and stamp duty.*

The total share purchased under the share buy-back programme was financed by internally generated funds. The shares purchased were retained as treasury shares and are presented as a deduction from shareholders' equity.

As at 31 December 2007, the Company held as treasury shares a total of 12,001,000 of its 710,341,402 issued ordinary shares.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements 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 allowance for doubtful debts, and satisfied themselves that there are no known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for doubtful debts in the financial statements of the Group and of the Company.

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DIRECTORS' REPORT

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including 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 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 methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 43 to the financial statements. At the date of this report, there does not exist:-

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

No contingent or other liability of the Group and 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 and of the Company to meet their obligations 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.

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DIRECTORS' REPORT

ITEMS OF AN UNUSUAL NATURE

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

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, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The ESOS of Asia Pacific Land Berhad is governed by the By-Laws and approved by the Securities Commission on 26 April 2001 and the shareholders at an Extraordinary General Meeting held on 28 June 2001. The option period was for five calendar years commencing 28 February 2002 and expired on 27 February 2007. No extension was made and the ESOS expired during the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

MR. LOW GEE TAT @ GENE LOW

MR. LOW GEE TEONG

MDM. WOON SIEW CHOO

MDM. LOW SU MING

MR. WEE BENG SANG

MR. SOONG KWONG HENG (APPOINTED ON 9 MAY 2007)

DATO HJ. BADRI BIN HAJI MASRI (APPOINTED ON 9 MAY 2007)

TAN SRI DATUK SERI (DR) CHONG HON NYAN (RETIRED AT THE 46TH ANNUAL GENERAL MEETING ON 28 JUNE 2007)

TAN SRI DATO' HANAFIAH BIN HUSSAIN (RETIRED AT THE 46TH ANNUAL GENERAL MEETING ON 28 JUNE 2007)

Tan Sri Dato' Lee Kim Sai @ Lee Hoo (RETIRED AT THE 46TH ANNUAL GENERAL MEETING ON 28 JUNE 2007)

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DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in the shares of the Company during the financial year are as follows:-

	NUMBER OF ORDINARY SHARES OF RM1.00 EACH			
	AT 1.1.2007	BOUGHT	SOLD	AT 31.12.2007
<i>DIRECT INTERESTS</i>				
MDM. LOW SU MING	887,000	-	-	887,000
MDM. WOON SIEW CHOO	119,800	-	-	119,800
MR. WEE BENG SANG	45,000	-	-	45,000
<i>INDIRECT INTERESTS</i>				
MR. LOW GEE TAT @ GENE LOW	230,445,447	-	-	230,445,447
MR. LOW GEE TEONG	230,445,447	-	-	230,445,447

Mr. Low Gee Tat @ Gene Low and Mr. Low Gee Teong, by virtue of their substantial interests in shares in the Company, are also deemed interested in shares in all the Company's subsidiaries to the extent of the Company's interests in shares in these subsidiaries.

None of the other directors had any interest in the shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than any benefits which may be deemed to arise from the related party transactions/balances as disclosed in Notes 46 and 47 to the financial statements.

Neither during nor at the end of the financial year was the Company and its subsidiaries 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 DURING THE FINANCIAL YEAR

The significant events of the Group during the financial year are disclosed in Note 49 to the financial statements.

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DIRECTORS' REPORT

SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

The significant events of the Group subsequent to the balance sheet date are disclosed in Note 50 to the financial statements.

AUDITORS

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

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 25 APRIL 2008

Low Gee Tat @ Gene Low
EXECUTIVE CHAIRMAN

Low Gee Teong
MANAGING DIRECTOR

Kuala Lumpur

Date: 25 April 2008

ASIA PACIFIC LAND BERHAD

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STATEMENT BY DIRECTORS

We, Low Gee Tat @ Gene Low and Low Gee Teong, being two of the directors of Asia Pacific Land Berhad, state that, in the opinion of the directors, the financial statements are drawn up in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2007 and of their results and cash flows for the financial year ended on that date.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 25 APRIL 2008

Low Gee Tat @ Gene Low
EXECUTIVE CHAIRMAN

Low Gee Teong
MANAGING DIRECTOR

Kuala Lumpur

Date:

STATUTORY DECLARATION

I, Woon Siew Choo, I/C No. 531213-04-5134 being the director primarily responsible for the financial management of Asia Pacific Land Berhad, do solemnly and sincerely declare that the financial statements are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
Woon Siew Choo, I/C No. 531213-04-5134,
at Kuala Lumpur in the Federal Territory
on this 25 April 2008

Woon Siew Choo

Before me
Wong Ah Ying (W - 334)
Level 16, Menara Asia Life
189 Jalan Tun Razak
50400 Kuala Lumpur

Date: 25 April 2008

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF ASIA PACIFIC LAND BERHAD

(Incorporated in Malaysia)
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We have audited the financial statements of Asia Pacific Land Berhad for the financial year ended 31 December 2007. The preparation of the financial statements is the responsibility of the Company's directors.

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

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. Our audit included examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. Our audit also included 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 are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved Financial Reporting Standards in Malaysia so as to give a true and fair view of:-
 - (i) the state of affairs of the Group and of the Company as at 31 December 2007 and their results and cash flows for the financial year ended on that date; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

We have considered the financial statements and the auditors' reports thereon of the subsidiaries for which we have not acted as auditors, as indicated in Note 6 to the financial statements.

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
ASIA PACIFIC LAND BERHAD (CONT'D)**

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

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under Subsection (3) of Section 174 of the Companies Act, 1965.

Horwath
Firm No: AF 1018
Chartered Accountants

Kuala Lumpur

Date: 25 April 2008

Lee Kok Wai
Approval No: 2760/06/08 (J)
Partner

ASIA PACIFIC LAND BERHAD

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BALANCE SHEETS AS AT 31 DECEMBER 2007

	NOTE	THE GROUP		THE COMPANY	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	6	-	-	116,002	116,002
Property, plant and equipment	7	62,452	54,401	36	54
Prepaid land lease payments	8	33,810	74,873	-	-
Investment properties	9	2,450	2,500	-	-
Other investment	10	50	50	50	50
Other receivable	11	68,258	-	-	-
Land held for development	12	221,625	137,006	-	-
Deferred tax assets	13	25,165	22,843	271	1,718
		<u>413,810</u>	<u>291,673</u>	<u>116,359</u>	<u>117,824</u>
CURRENT ASSETS					
Inventories	14	59,260	41,085	-	-
Property development costs	15	134,851	149,271	-	-
Trade receivables	16	22,292	18,250	-	-
Other receivables, deposits and prepayments	17	26,625	28,735	1,191	948
Amount owing by subsidiaries	18	-	-	580,332	732,155
Tax refundable		1,905	-	1,905	-
Short-term investments	19	73,381	-	60,558	-
Deposits with financial institutions	20	64,048	16,670	60,680	16,434
Cash and bank balances	21	21,209	10,874	71	488
		<u>403,571</u>	<u>264,885</u>	<u>704,737</u>	<u>750,025</u>
Non-current assets classified as held for sale	22	-	680,000	-	-
		<u>403,571</u>	<u>944,885</u>	<u>704,737</u>	<u>750,025</u>
TOTAL ASSETS		<u>817,381</u>	<u>1,236,558</u>	<u>821,096</u>	<u>867,849</u>
EQUITY AND LIABILITIES					
EQUITY					
Share capital	23	710,341	710,341	710,341	710,341
Reserves	24	(5,124)	(35,572)	(137,118)	(128,743)
Amount recognised directly in equity relating to assets classified as held for sale		-	57,331	-	-
TOTAL EQUITY		<u>705,217</u>	<u>732,100</u>	<u>573,223</u>	<u>581,598</u>
NON-CURRENT LIABILITIES					
Deferred tax liability	25	10,055	24,531	-	-
Long-term borrowings	26	4,742	340,699	-	140,000
		<u>14,797</u>	<u>365,230</u>	<u>-</u>	<u>140,000</u>

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BALANCE SHEETS AS AT 31 DECEMBER 2007 (CONT'D)

	NOTE	THE GROUP		THE COMPANY	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
CURRENT LIABILITIES					
Trade payables	28	16,068	22,905	-	-
Other payables and accruals	29	49,658	52,586	1,051	10,412
Amount owing to subsidiaries	18	-	-	246,822	135,839
Provision for taxation		26,688	28,899	-	-
Bank overdrafts	30	-	5,000	-	-
Short-term borrowings	31	-	13,103	-	-
		<u>92,414</u>	<u>122,493</u>	<u>247,873</u>	<u>146,251</u>
Liabilities directly associated with assets classified as held for sale	22	4,953	16,735	-	-
		<u>97,367</u>	<u>139,228</u>	<u>-</u>	<u>146,251</u>
TOTAL LIABILITIES		<u>112,164</u>	<u>504,458</u>	<u>247,873</u>	<u>286,251</u>
TOTAL EQUITY AND LIABILITIES		<u>817,381</u>	<u>1,236,558</u>	<u>821,096</u>	<u>867,849</u>
NET ASSETS PER SHARE	32	<u>RM1.01</u>	<u>RM1.03</u>		

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INCOME STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

		THE GROUP		THE COMPANY	
	NOTE	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
CONTINUING OPERATIONS					
Revenue	33	32,828	9,429	8,176	257
Cost of sales	34	(24,920)	(3,990)	-	-
Gross profit		7,908	5,439	8,176	257
Other income		2,149	3,655	946	328
Selling and marketing expenses		(3,631)	(4,859)	-	-
Administrative expenses		(19,425)	(12,206)	(3,580)	(1,573)
Other expenses		(11,476)	(6,391)	(419)	(15)
Finance costs	35	(10,168)	(2,250)	-	-
(Loss)/Profit before taxation	36	(34,643)	(16,612)	5,123	(1,003)
Income tax expense	37	(349)	8,586	(1,728)	68
(Loss)/Profit for the financial year from continuing operations		(34,992)	(8,026)	3,395	(935)
DISCONTINUED OPERATIONS					
Profit/(Loss) for the financial year from discontinued operations	22	19,560	(25,510)	-	-
(Loss)/Profit attributable to shareholders for the financial year		(15,432)	(33,536)	3,395	(935)
LOSS PER SHARE					
- Basic	38	(2.2) sen	(4.7) sen		

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

THE GROUP	NOTE	NON-DISTRIBUTABLE						ACCUMULATED LOSSES RM'000	TOTAL RM'000
		SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	TREASURY SHARES RM'000	REVALUATION RESERVE RM'000	EXCHANGE FLUCTUATION RESERVE RM'000	RELATING TO ASSETS HELD FOR SALE RM'000		
Balance at 1.1.2006		710,341	62,372	-	83,773	6,242	-	(91,690)	771,038
Reversal of revaluation deficit from previously recognised surplus #		-	-	-	(5,369)	-	-	-	(5,369)
Currency exchange translation difference #		-	-	-	-	(33)	-	-	(33)
Amount recognised directly in equity relating to assets classified as held for sale #		-	-	-	(57,331)	-	57,331	-	-
Loss after taxation for the financial year		-	-	-	-	-	-	(33,536)	(33,536)
Balance at 31.12.2006/1.1.2007		710,341	62,372	-	21,073	6,209	57,331	(125,226)	732,100
Realisation of revaluation reserve #		-	-	-	(2,249)	-	(57,331)	59,580	-
Currency exchange translation difference #		-	-	-	-	319	-	-	319
Treasury shares acquired	39	-	-	(6,584)	-	-	-	-	(6,584)
Loss after taxation for the financial year		-	-	-	-	-	-	(15,432)	(15,432)
Dividend paid	40	-	-	-	-	-	-	(5,186)	(5,186)
Balance at 31.12.2007		710,341	62,372	(6,584)	18,824	6,528	-	(86,264)	705,217

Note # : represents gains/(losses) not recognised in income statements

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

THE COMPANY	NOTE	NON-DISTRIBUTABLE				ACCUMULATED LOSSES RM'000	TOTAL RM'000
		SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	TREASURY SHARES RM'000	REVALUATION RESERVE RM'000		
Balance at 1.1.2006		710,341	62,372	-	-	(190,180)	582,533
Loss after taxation for the financial year		-	-	-	-	(935)	(935)
Balance at 31.12.2006/1.1.2007		710,341	62,372	-	-	(191,115)	581,598
Treasury shares acquired	39	-	-	(6,584)	-	-	(6,584)
Profit after taxation for the financial year		-	-	-	-	3,395	3,395
Dividend paid	40	-	-	-	-	(5,186)	(5,186)
Balance at 31.12.2007		710,341	62,372	(6,584)	-	(192,906)	573,223

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CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	NOTE	THE GROUP		THE COMPANY	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES					
(Loss)/Profit before taxation from:					
- Continuing operations		(34,643)	(16,612)	5,123	(1,003)
- Discontinued operations	22	5,543	(40,016)	-	-
Adjustments for:-					
Amortisation of prepaid land lease payment		632	1,395	-	-
Amortisation of investment properties		50	-	-	-
Depreciation of property, plant and equipment		2,024	2,046	19	14
Impairment loss on property, plant and equipment		-	9,678	-	-
Impairment loss on investment property		-	23,000	-	-
Net allowance for doubtful debts		4,309	90	-	-
Net interest expense/(income)		10,517	6,704	(946)	(295)
Net gain on disposal of prepaid land lease payment		-	(455)	-	-
Net loss/(gain) on disposal of property, plant and equipment		153	670	-	(33)
Provision for loss on termination of joint venture	50(iv)	1,707	-	-	-
Provision for liabilities associated with assets classified as held for sale		4,500	16,735	-	-
Unrealised loss on foreign exchange		400	-	400	-
Dividend income		-	-	(8,000)	-
Operating (loss)/profit before working capital changes		(4,808)	3,235	(3,404)	(1,317)
(Increase) /Decrease in inventories		(18,175)	6,156	-	-
Decrease/(Increase) in property development costs		14,420	(4,283)	-	-
(Increase)/Decrease in trade and other receivables		(74,580)	10,945	(243)	(24)
(Decrease)/Increase in trade and other payables		(27,402)	(5,845)	(9,361)	3,264
CASH (FOR)/FROM OPERATIONS		(110,545)	10,208	(13,008)	1,923
Income tax paid		(7,246)	(6,467)	(26)	-
Interest paid		(12,969)	(26,732)	-	-
NET CASH (FOR)/FROM OPERATING ACTIVITIES/ BALANCE CARRIED FORWARD		(130,760)	(22,991)	(13,034)	1,923

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CASH FLOW STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007 (CONT'D)

	NOTE	THE GROUP		THE COMPANY	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
BALANCE BROUGHT FORWARD		(130,760)	(22,991)	(13,034)	1,923
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Purchase of prepaid land lease payments		(34)	(22)	-	-
Purchase of property, plant and equipment	41	(3,847)	(2,969)	(1)	(12)
Proceeds from disposal of prepaid land lease payments		-	3,655	-	-
Proceeds from disposal of property, plant and equipment		680,132	43,422	-	33
Increase in short-term investments		(73,381)	-	(60,558)	-
Payment for land held for development		(50,104)	(278)	-	-
Dividend received		-	-	5,840	-
Interest received		2,452	295	946	295
NET CASH FROM/(FOR) INVESTING ACTIVITIES		555,218	44,103	(53,773)	316
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Net advances to subsidiaries		-	-	262,406	(5,371)
Drawdown of term loans and bridging loans		-	30,084	-	20,000
Repayment to hire purchase payables		(1,513)	(519)	-	-
Repayment of term loans		(348,462)	(28,203)	(140,000)	-
Treasury shares acquired	39	(6,584)	-	(6,584)	-
Dividend paid	40	(5,186)	-	(5,186)	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(361,745)	1,362	110,636	14,629
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		62,713	22,474	43,829	16,868
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		22,544	70	16,922	54
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	42	85,257	22,544	60,751	16,922

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Malaysian Companies Act, 1965. The domicile of the Company is in Malaysia. The registered office and principal places of business are as follows:-

- Registered office : 49th Floor, Empire Tower, City Square Centre,
Jalan Tun Razak, 50400 Kuala Lumpur.
- Principal places of business : (i) 49th Floor, Empire Tower, City Square Centre,
Jalan Tun Razak, 50400 Kuala Lumpur.
- (ii) Lot 2-1-5, Marina Terrace Sports Complex,
Jalan Low Yat, 11100 Batu Ferringhi, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 25 April 2008.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year except as disclosed in Note 6 to the financial statements.

3. FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial risk management policy seeks to ensure that appropriate financial resources are available to the Group to meet its specific requirements at the most favourable terms and conditions. It also endeavours to minimise foreign currency, interest rate, market, credit, liquidity and cash flow risks at the lowest cost possible. The Group operates within defined guidelines that are approved by the Board and its policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

Exposure of overseas operating subsidiaries to transaction risk is minimised by matching local currency income against local currency costs.

Foreign currency risk is monitored closely and managed to an acceptable level.

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3. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

The Group obtains financing through bank borrowings, leasing and hire purchase facilities. Its policy is to obtain the most favourable interest rates available without restricting its business directions.

Surplus and unutilised funds are placed with licensed financial institutions at the most favourable terms.

(iii) Price Risk

The Group has investments in amounts under fund management, which are subject to market risk as the market values of these investments are affected by changes in market prices.

The Group manages disposal of its investment to optimise returns on realisation.

(b) Credit Risk

The Group's exposure to credit risks, or the risk of counterparties defaulting, arises mainly from receivables. The maximum exposure to credit risks is represented by the total carrying amount of this financial asset in the balance sheet reduced by the effects of any netting arrangements with counterparties.

The Group minimises its exposure to credit risk by investing cash assets in licensed financial institutions, and by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

The Group's concentration of credit risk relates to an amount owing by a receivable which makes up 58% of its total receivables.

(c) Liquidity and Cash Flow Risks

The Group's exposure to liquidity and cash flow risks arises mainly from general funding and business activities.

It practises prudent liquidity risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities and endeavours to match the type of funding and the tenure to the asset and the project life and the cashflow profile.

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4. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965.

During the current financial year, the Group and the Company have adopted all the new and revised Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board ("MASB"):

- (a) FRSs issued and effective for financial periods beginning on or after 1 October 2006:

FRS 117	Leases
FRS 124	Related Party Disclosures

The Group has adopted FRS 117 in the previous financial year.

- (b) FRSs issued and effective for financial periods beginning on or after 1 January 2007:

FRS 6	Exploration for and Evaluation of Mineral Resources
FRS 119 ₂₀₀₄	Amendment to FRS 119 ₂₀₀₄ Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures

The effects of adopting FRS 124 are disclosed in Notes 46 and 47 to the financial statements.

The adoption of FRS 6 and FRS 119₂₀₀₄ does not have any material financial effects on the financial statements of Company.

Framework for the Preparation and Presentation of Financial Statements has been issued and is effective immediately. This Framework sets out the concepts that underlie the preparation and presentation of financial statements for external users. It is not MASB approved accounting standard and hence, does not define standards for any particular measurement or disclosure issue. The Group and the Company have applied this Framework for the financial year ended 31 December 2007 onwards.

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4. BASIS OF PREPARATION (CONT'D)

The Group has not adopted FRS 139 - Financial Instruments: Recognition and Measurement and the consequential amendments resulting from FRS 139 as the effective date is deferred to a date to be announced by the MASB. FRS 139 establishes the principles for the recognition and measurement of financial assets and financial liabilities including circumstances under which hedge accounting is permitted. By virtue of the exemption provided under paragraph 103AB of FRS 139, the impact of applying FRS 139 on its financial statements upon first adoption of the standard as required by paragraph 30(b) of FRS 108 is not disclosed.

The following FRSs have been issued and are effective for financial periods beginning on or after 1 July 2007:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The above FRSs align the MASB's FRSs with the equivalent International Accounting Standards ("IASs"), both in terms of form and content. The adoption of these standards will only impact the form and content of disclosures presented in the financial statements. The Group will apply these FRSs from the financial year ending 31 December 2008 onwards.

FRS 134 - Interim Financial Reporting has been issued and is effective for the financial periods beginning on or after 1 July 2007. This FRS aligns the MASB's FRS with the equivalent IAS, both in terms of form and content. The adoption of this standard will only impact the form and content of disclosures presented in the quarterly financial statements. The Group will apply this FRS from the financial year ending 31 December 2008 onwards.

Amendment to FRS 121 - The Effects of Changes in Foreign Exchange Rates *Net Investment in a Foreign Operation* has been issued and is effective for financial periods beginning on or after 1 July 2007. This amendment results in exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation to be recognised in equity irrespective of the currency in which the monetary item is denominated and whether the monetary item results from a transaction with the Company or any of its subsidiaries. Previously, exchange differences arising from such transactions between the Company and its subsidiaries would be accounted for in the income statement or in equity depending on the currency of the monetary item. The Group will apply this amendment from the financial year ending 31 December 2008 onwards.

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4. BASIS OF PREPARATION (CONT'D)

IC Interpretation 1 - Changes in Existing Decommissioning, Restoration and Similar Liabilities has been issued and is effective for financial periods beginning on or after 1 July 2007. This interpretation addresses the effects of events that changes the measurement of an existing decommissioning, restoration or similar liability, namely a change in the estimated outflow of resources embodying economic benefits required to settle the obligation, a change in the current market-based discount rate as defined in paragraph 48 of FRS 137₂₀₀₄ and an increase that reflects the passage of time. This interpretation is not relevant to the Group's operations.

IC Interpretation 2 - Members' Shares in Co-operative Entities and Similar Instruments has been issued and is effective for financial periods beginning on or after 1 July 2007. This interpretation is not relevant to the Group's operations.

IC Interpretation 5 - Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds has been issued and is effective for financial periods beginning on or after 1 July 2007. This interpretation is not relevant to the Group's operations.

IC Interpretation 6 - Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment has been issued and is effective for financial periods beginning on or after 1 July 2007. This interpretation is not relevant to the Group's operations.

IC Interpretation 7 - Applying the Restatement Approach under FRS 129₂₀₀₄ Financial Reporting in Hyperinflationary Economies has been issued and is effective for financial periods beginning on or after 1 July 2007. This interpretation is not relevant to the Group's operations.

IC Interpretation 8 - Scope of FRS 2 has been issued and is effective for financial periods beginning on or after 1 July 2007. This interpretation applies to transactions in which goods or services are received, including transactions in which the entity cannot identify specifically some or all of the goods or services received. Where the fair value of the share-based payment is in excess of the identifiable goods or services received, it is presumed that additional goods or services have been or will be received. The whole fair value of the share-based payment will be charged to the income statement. This interpretation is not relevant to the Group's operations.

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5. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(i) *Depreciation of Property, Plant and Equipment*

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) *Income Taxes*

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) *Impairment of Assets*

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the Group is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(iv) *Classification between Investment Properties and Owner-Occupied Properties*

The Group determines whether a property qualifies as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group in making its assessment.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(v) *Allowance for Inventories*

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(vi) *Allowance for Doubtful Debts of Receivables*

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(vii) *Revaluation of Properties*

The Group's properties which are reported at valuation are based on valuation performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market freehold rental and other factors used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuation estimates.

(b) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group and the Company have become parties to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intend to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments recognised in the balance sheet are disclosed in the individual policy statement associated with each item.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Functional and Foreign Currency

(i) *Functional and Presentation Currency*

The functional currency of the Group is measured using the currency of the primary economic environment in which the Group operates.

The consolidated financial statements are presented in Ringgit Malaysia ("RM") which is the parent's functional and presentation currency.

(ii) *Transactions and Balances*

Transactions in foreign currency are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the balance sheet date are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are taken to the income statement.

(iii) *Foreign Operations*

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency for consolidation purposes on the following basis:-

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- (ii) income and expense for the income statement are translated at the average exchange rates for the year; and
- (iii) all resulting exchange differences are recognised as a separate component of equity, as a foreign currency translation reserve. On disposal, accumulated translation differences are recognised in the consolidated income statements as part of the gain or loss on sale.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 December 2007.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

All subsidiaries are consolidated using the purchase method. Under the purchase method, the results of the subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(e) Investments

(i) *Investments in Subsidiaries*

The investments in subsidiaries are now stated at cost in the balance sheet of the Company, and are reviewed for impairment at the end of the financial year if events or changes in circumstances indicate that their carrying values may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Investments (Cont'd)

(ii) *Other Investments*

Other investments are held on a long-term basis and are stated at cost less allowance for doubtful debts.

On the disposal of these investments, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

(f) Property, Plant and Equipment

Property, plant and equipment are stated at revaluation or cost less accumulated depreciation or amortisation and any impairment losses. Freehold land is not depreciated.

Depreciation or amortisation on property, plant and equipment is calculated under the straight-line method to write off the cost or revalued amount of these assets over their estimated useful lives.

Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual depreciation rates used are:-

Buildings	2%
Furniture, fittings, equipment, motor vehicles and other assets	5% - 33%
Golf course's building	2%

Other assets comprise tools, linen, crockery and related items.

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at each balance sheet date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Property, Plant and Equipment (Cont'd)

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the balance sheet date. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Cost of capital work-in-progress includes direct costs, related expenditure and interest cost on borrowings taken to finance the construction or acquisition of the assets to the date that the assets are completed and put into use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is included in the income statement in the year the asset is derecognised.

(g) Impairment of Assets

The carrying amounts of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at each balance sheet date for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' net selling price and its value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is charged to the income statement immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to the revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Assets under Finance Leases and Hire Purchase

Leases of plant and equipment where the benefits and risks of ownership are substantially transferred to the Group are classified as finance leases.

Plant and equipment acquired under finance lease and hire purchase are capitalised in the financial statements.

Each lease or hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding outstanding obligations due under the finance lease and hire purchase after deducting finance charges are included as liabilities in the financial statements.

Finance charges are allocated to the income statement over the period of the respective lease and hire purchase agreements.

Plant and equipment acquired under finance leases and hire purchase are depreciated over the useful lives of the assets. If there is no reasonable certainty that the ownership will be transferred to the Group, the assets are depreciated over the shorter of the lease terms and their useful lives.

(i) Prepaid Land Lease Payments

Leases of land under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases. Lease prepayment for land use rights is stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the income statement on a straight-line basis over the term of the leases ranging from 28 years to 95 years.

(j) Non-Current Assets Held for Sale and Discontinued Operations

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets or components of a disposal group are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets or disposal group are measured at the lower of their carrying amount and fair value less cost to sell.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Non-Current Assets Held for Sale and Discontinued Operations (Cont'd)

Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in income statement. Gains are not recognised in excess of any cumulative impairment loss.

Discontinued operations are a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operations had been discontinued from the start of the comparative period.

(k) Investment Properties

Investment properties are property held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and impairment losses, if any, consistent with the accounting policy for property, plant and equipment as stated in Note 5(f) to the financial statements.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

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

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Land Held For Development

Land held for development is carried at cost less any accumulated impairment losses. Where land held for property development had previously been recorded at a revalued amount, the revalued amount is retained as its surrogate cost.

Land held for property development is classified as non-current asset where no development activities are carried out or where development activities are not expected to be completed within the normal operating cycle.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Pre-acquisition costs are charged to the income statement as incurred unless such costs are directly identifiable to the consequent property development activity.

Land held for property development is transferred to current asset when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(m) Property Development Costs

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development costs that are not recognised as an expense are recognised as an asset and are carried at the lower of cost and net realisable value.

When the financial outcome of a development activity can be reliably estimated, the amount of property revenues and expenses recognised in the income statement are determined by reference to the stage of completion of development activity at the balance sheet date.

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

Where it is probable that property development costs will exceed property development revenue, any expected loss is recognised as an expense immediately, including costs to be incurred over the defects liability period.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Progress Billings/Accrued Billings

In respect of progress billings, where revenue recognised in the income statement exceeds the billings to purchasers, the balance is shown as accrued billings under current assets, and where billings to purchasers exceed the revenue recognised to the income statement, the balance is shown as progress billings under current liabilities.

(o) Revaluation Reserve

Surpluses arising from the revaluation of properties are credited to the revaluation reserve account. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are charged to the income statement.

In the year of disposal of the revalued asset, the attributable remaining revaluation surplus is transferred from the revaluation reserve account to retained profits.

(p) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

For completed unsold properties, costs include cost of land, development expenditure and interest charges relating to the financing of the land and development. Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

Where necessary, allowance is made for obsolete, slow-moving and defective inventories.

(q) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short term, highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(s) Payables

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

(t) Provision

(i) *General Provisions*

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

(ii) *Provision for Liquidated and Ascertained Damages*

Liquidated and ascertained damages are compensation for late delivery of property in accordance with the respective sale and purchase agreement. Provision for liquidated and ascertained damages are recognised in the period in which the Group becomes legally or constructively committed to payment.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Income taxes

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

Deferred taxation is provided in full, using the liability method, on all material temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Interest-bearing Borrowings

The interest-bearing borrowings are recorded at the amount of proceeds received, net of transaction costs.

Interest incurred on borrowings to finance the preparation of assets for their intended use is capitalised as part of the carrying value of the assets until they are completed and/or for sale, after which such expense is charged to the income statement. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are charged to the income statement as expenses in the period in which they are incurred.

(w) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(x) Treasury Shares

When the share capital recognised as equity is purchased and held as treasury shares, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity.

(y) Employee Benefits

(i) Short-term Benefits

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

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(y) Employee Benefits (Cont'd)

(ii) *Defined Contribution Plans*

The Group's contributions to a defined contribution plan are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plan. A foreign subsidiary of the Group makes contributions to its respective country's pension schemes. Such contributions are recognised as an expense in the income statement as incurred.

(iii) *Termination Benefits*

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits.

(z) Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party, to the extent that it prevents the other party from pursuing its own separate interests in making financial and operating decisions.

(aa) Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Company.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ab) Revenue Recognition

(i) *Property Development*

Revenue from property development is recognised from the sale of completed and uncompleted development properties.

Revenue from the sale of completed properties is recognised when the sale is contracted.

Revenue on uncompleted properties contracted for sale is recognised using the percentage of completion basis. The stage of completion is determined based on:-

- (a) the survey of work performed; or
- (b) the contract costs incurred for work performed to-date in relation to the estimated total contract costs;

whichever is applicable.

Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the development will result in a loss and are recognised immediately in the income statement.

(ii) *Property Management*

Revenue is recognised upon the completion of management and maintenance services rendered.

(iii) *Leisure and Hospitality*

Revenue from the provision of hotel rooms, food and beverage, golf operations and other related services is recognised when services are rendered.

(iv) *Rental Income*

Revenue is recognised on an accrual basis.

(v) *Dividend Income*

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

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ab) Revenue Recognition (Cont'd)

(vi) *Management Fees*

Revenue from management and project management is recognised when services are rendered.

(vii) *Sale of Goods*

Revenue is recognised upon delivery of products and customers' acceptance, net of sales tax and discounts.

(viii) *Interest Income*

Interest income is recognised on an accrual basis, based on the effective yield on the investment.

(ac) Segmental Information

Segment revenue and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of property, plant and equipment (net of accumulated depreciation, where applicable), investment properties, land held for development, prepaid land lease payments, inventories, property under development, receivables, and cash and bank balances.

Most segment assets can be directly attributed to the segments on a reasonable basis. Segment assets do not include income tax assets, whilst segment liabilities do not include income tax liabilities and borrowings from financial institutions.

Segment revenue, expenses and results include transfers between segments. The prices charged on intersegment transactions are based on normal commercial terms. These transfers are eliminated on consolidation.

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6. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2007 RM'000	2006 RM'000
Unquoted shares, at cost	181,949	181,949
Impairment loss	(65,947)	(65,947)
	<hr/>	<hr/>
	116,002	116,002
	<hr/>	<hr/>

Details of the subsidiaries are as follows:-

Name of Company	Effective Equity Interest 2007	2006	Principal Activities
<u>Incorporated in Malaysia</u>			
Affinity Villas Sdn. Bhd. ("AVSB")	100%	100%	Property investment and property development.
Aman City Hotel Sdn. Bhd. ("ACH")	100%	100%	Property development.
Ambangan Valley Sdn. Bhd. ("AmbV")	100%	100%	Property investment.
Amity Synergy Sdn. Bhd. ("ASSB")	100%	100%	Investment holding.
APL Construction Sdn. Bhd. ("ACSB")	100%	100%	Dormant.
APL Hotel Sdn. Bhd. ("AHSB")	100%	100%	Property investment and development (ceased hotel operations on 15 June 2007).
Bakti Dinamik Sdn. Bhd. ("BDSB")	100%	100%	Property development.
Buoyant Point Sdn. Bhd. ("BPSB")	100%	100%	Property maintenance services.
City Square Centre Sdn. Bhd. ("CSC")	100%	100%	Investment holding.
City Square Holdings Sdn. Bhd. ("CSH")	100%	100%	Investment holding.

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6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (Cont'd):-

Name of Company	Effective Equity Interest		Principal Activities
	2007	2006	
<u>Incorporated in Malaysia</u>			
City Square Properties Sdn. Bhd. ("CSPProp")	100%	100%	Investment holding (ceased property investment and management and car park operations on 15 June 2007).
City Square Nursery And Landscaping Sdn. Bhd. ("CSNL")	100%	100%	Dormant.
City Square Parking Sdn. Bhd. ("CSP")	100%	100%	Car park management (ceased operations on 15 June 2007)
City Square Retail Management Sdn. Bhd. ("CSRМ")	100%	100%	Dormant.
Elite Empire Sdn. Bhd. ("EESB")	100%	100%	Dormant.
Eminent Portfolio Sdn. Bhd. ("EPSB")	100%	100%	Property investment.
Empire Reach Sdn. Bhd. ("ERSB")	100%	100%	Dormant.
Empire Tower (Malaysia) Sdn. Bhd. ("ETSB")	100%	100%	Property investment and management (ceased operations on 15 June 2007).
Esprit Projects Sdn. Bhd. ("EspP")	100%	100%	Property development.
Fidelity Park Sdn. Bhd. ("FPSB")	100%	100%	Property development.
Hotel Fair Lane Holdings Sdn. Bhd. ("HFLH")	100%	100%	Property development.
Island Bay Resorts Sdn. Bhd. ("IBR")	100%	100%	Investment holding, property investment and development.
Khas Cergas Sdn. Bhd. ("KCSB")	100%	100%	Dormant.
Kinasurya Sdn. Bhd. ("KSB")	100%	100%	Dormant.

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6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (Cont'd):-

Name of Company	Effective Equity Interest		Principal Activities
	2007	2006	
<u>Incorporated in Malaysia</u>			
Marina Mirage Hotel Sdn. Bhd. ("MMH")	100%	100%	Dormant.
Mount Pleasure Property Management Services Sdn. Bhd. ("MPPMS")	100%	100%	Property management services.
Tasik Puteri Golf & Country Club Berhad ("TPGCC")	100%	100%	Golf course operations.
Platinum Landmark Sdn. Bhd. ("PLSB")	100%	100%	Dormant.
Pristine Review Sdn. Bhd. ("PRSB")	100%	100%	Property development.
Radiant Design Sdn. Bhd. ("RDSB")	100%	100%	Dormant.
Rawang Lakes Sdn. Bhd. ("RLSB")	100%	100%	Property development and building contractor.
Riviera Hectares Sdn. Bhd. ("RHSB")	100%	100%	Property development.
Riviera Steppe Sdn. Bhd. ("RSSB")	100%	100%	Property development.
Sapphire Acres Sdn. Bhd. ("SASB")	100%	100%	Property development.
Wira Azimat Sdn. Bhd. ("WASB")	100%	100%	Property investment.
Willow Land Sdn. Bhd. ("WLSB")	100%	100%	Property development.
<u>Incorporated in the Republic of Singapore</u>			
*Asian Agriculture Holdings Pte Ltd (formerly known as Mount Pleasure Investments Pte. Ltd.) ("AAH")	100%	100%	Commenced business as investment holding during the financial year.
*Pacific Agriculture Holdings Pte. Ltd. ("PAH")	100%	-	Dormant.

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6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (Cont'd):-

Name of Company	Effective 2007	Equity Interest 2006	Principal Activities
<u>Incorporated in the British Virgin Islands</u>			
*United Well Investment Ltd. ("UWI")	100%	100%	Dormant.
<u>Incorporated in Hong Kong (SAR)</u>			
*Kenson Development Limited ("KDL")	100%	100%	Commenced business as investment holding during the financial year.
<u>Incorporated in The People's Republic of China</u>			
*Changshu Platinum Landmark Limited (formerly known as Platinum Landmark (Changshu) Limited) ("CPLL")	100%	100%	Property investment and development.

* Not audited by Messrs Horwath.

7. PROPERTY, PLANT AND EQUIPMENT

	NET BOOK VALUE AT 1.1.2007 RM'000	ADDITIONS RM'000	DISPOSALS RM'000	DEPRECIATION CHARGE RM'000	NET BOOK VALUE AT 31.12.2007 RM'000
THE GROUP					
Freehold land	2,652	-	-	-	2,652
Building under construction and buildings	10,560	564	(153)	(353)	10,618
Furniture, fittings, equipment, motor vehicles and other assets	3,469	812	(132)	(1,063)	3,086
Golf course's building	37,720	8,984	-	(608)	46,096
Total	54,401	10,360	(285)	(2,024)	62,452

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

	AT COST RM'000	AT VALUATION RM'000	IMPAIRMENT LOSSES RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
At 31.12.2007					
Freehold land	-	2,652	-	-	2,652
Building under construction and buildings	2,371	10,712	-	(2,465)	10,618
Furniture, fittings, equipment, motor vehicles and other assets	19,908	-	-	(16,822)	3,086
Golf course's building	15,035	34,464	-	(3,403)	46,096
Total	37,314	47,828	-	(22,690)	62,452
At 31.12.2006					
Freehold land	-	2,652	-	-	2,652
Building under construction and buildings	1,960	10,712	-	(2,112)	10,560
Furniture, fittings, equipment, motor vehicles and other assets	52,370	-	(9,678)	(39,223)	3,469
Golf course's building	6,051	34,464	-	(2,795)	37,720
Total	60,381	47,828	(9,678)	(44,130)	54,401

Included in the golf course's building is capital work-in-progress amounting to RM14,787,000 (2006 - RM5,803,000) which are not ready for commercial use at the balance sheet date. Capital work-in-progress is stated at cost, and is depreciated accordingly when the assets are completed and ready for commercial use.

The net book value of revalued property, plant and equipment, had the assets been carried at cost less depreciation, would have been as follows:-

	2007 RM'000	2006 RM'000
Freehold land	2,652	2,652
Building under construction and buildings	3,006	3,074
Golf course's building	12,351	12,588
Total	18,009	18,314

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

Freehold land, buildings and golf course are stated at valuation at the balance sheet date were revalued in December 2005 by an independent professional valuer, Mr. Ravindra Dass, a registered valuer at Ravindra Dass Property Services Sdn. Bhd., an independent firm of valuers at open market value or realisable value based on the existing use basis/comparison methods.

Included in the carrying values at the balance sheet date are the following plant and equipment acquired under hire purchase terms:-

	THE GROUP	
	2007 RM'000	2006 RM'000
Furniture, fittings and equipment	512	141
Motor vehicles	103	728
	<hr/>	<hr/>
	615	869
	<hr/>	<hr/>

	NET BOOK VALUE AT 1.1.2007 RM'000	ADDITION RM'000	DEPRECIATION CHARGE RM'000	NET BOOK VALUE AT 31.12.2007 RM'000
THE COMPANY				
Furniture, fittings and equipment	51	1	(17)	35
Motor vehicles	3	-	(2)	1
	<hr/>			<hr/>
Total	54	1	(19)	36
	<hr/>			<hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

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

	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	TOTAL RM'000
At 31.12.2007			
Furniture, fittings and equipment	786	(751)	35
Motor vehicles	54	(53)	1
Total	840	(804)	36
At 31.12.2006			
Furniture, fittings and equipment	833	(782)	51
Motor vehicles	136	(133)	3
Total	969	(915)	54

8. PREPAID LAND LEASE PAYMENTS

	THE GROUP	
	2007 RM'000	2006 RM'000
At cost		
At 1 January	77,877	64,128
Additions	34	22
Reclassification (to)/from land held for development (Note 12)	(40,465)	16,927
Disposal	-	(3,200)
At 31 December	37,446	77,877
Accumulated amortisation	(3,636)	(3,004)
Net book value	33,810	74,873
Accumulated amortisation:-		
At 1 January	3,004	1,609
Amortisation for the financial year	632	1,395
At 31 December	3,636	3,004

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8. PREPAID LAND LEASE PAYMENTS (CONT'D)

In the previous financial year, the carrying value of the prepaid land lease payments which represented the long leasehold land was pledged as security for bank borrowings granted to the Group (Notes 27, 30 and 31 to the financial statements) was as follows:-

	THE GROUP	
	2007 RM'000	2006 RM'000
Long leasehold land	-	4,085

9. INVESTMENT PROPERTIES

	THE GROUP	
	2007 RM'000	2006 RM'000
Freehold land and buildings At 1 January	2,500	473,368
Addition	-	-
Reclassified as held for sale (Note 22)	-	(440,000)
Disposal	-	(2,500)
Revaluation deficit	-	(5,368)
Impairment loss	-	(23,000)
	-	(470,868)
Amortisation during the financial year	(50)	-
	2,450	2,500
At 31 December		
Investment properties comprise:		
- at cost	2,500	2,500

In the prior financial year, investment properties stated at valuation at the balance sheet date were revalued in June and December 2005 by an independent professional valuer, Mr. Elvin Fernandez, a registered valuer of Khong & Jaafar Sdn. Bhd. and Mr. Ravindra Dass, a registered valuer of Ravindra Dass Property Services Sdn. Bhd. using the open market value or realisable value based on the existing use basis/comparison methods.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

10. OTHER INVESTMENT

	THE GROUP/THE COMPANY	
	2007	2006
	RM'000	RM'000
Unquoted shares, at cost	50	50

11. OTHER RECEIVABLE

	THE GROUP		THE COMPANY	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Amount receivable from disposal of properties	68,258	-	-	-

The amount receivable from disposal of properties is in respect of the retention sum for the disposal of City Square Centre, as further disclosed in Note 22 to the financial statements.

The amount is receivable 24 months from the completion date.

12. LAND HELD FOR DEVELOPMENT

	THE GROUP	
	2007	2006
	RM'000	RM'000
At 1 January	137,006	167,691
Additions during the financial year	50,104	20,011
Transfer to property development costs (Note 15)	-	(19,919)
Reclassification from/(to) prepaid land lease payments (Note 8)	40,465	(16,927)
Reclassification to property, plant and equipment (Note 41)	(5,950)	-
Disposal	-	(13,850)
At 31 December	221,625	137,006

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12. LAND HELD FOR DEVELOPMENT (CONT'D)

	THE GROUP	
	2007 RM'000	2006 RM'000
Land held for development comprises:-		
Land		
- at valuation	4,141	4,141
- at cost	111,885	26,547
Development expenditure	105,599	106,318
	<u>221,625</u>	<u>137,006</u>

In the previous financial year, borrowing costs of RM19,733,000 arising from financing specifically taken for the purchase of the land held under development, were capitalised and included in addition to the land held for development.

13. DEFERRED TAX ASSETS

	THE GROUP		THE COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
At 1 January	22,843	22,080	1,718	1,650
Recognised in income statements (Note 37)	2,322	763	(1,447)	68
At 31 December	<u>25,165</u>	<u>22,843</u>	<u>271</u>	<u>1,718</u>

The deferred tax assets are in respect of the following:-

	THE GROUP		THE COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Unutilised tax losses	24,216	28,632	278	1,726
Unabsorbed capital allowances	699	666	-	-
Revaluation surplus of revalued properties	-	(6,347)	-	-
Others	250	(108)	(7)	(8)
	<u>25,165</u>	<u>22,843</u>	<u>271</u>	<u>1,718</u>

The above deferred tax assets are recognised to the extent that it is probable that future taxable profits will allow the deferred tax assets to be recovered.

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13. DEFERRED TAX ASSETS (CONT'D)

As at 31 December 2007 and 31 December 2006, the amounts of estimated deferred tax assets calculated at applicable tax rates which are not recognised in the financial statements are as follows:-

	THE GROUP	
	2007 RM'000	2006 RM'000
Unutilised tax losses	30,048	28,813
Unutilised capital allowances	3	16,196
Unutilised investment tax allowance	-	3,264
	<hr/>	<hr/>
	30,051	48,273
	<hr/>	<hr/>

The deferred tax assets have not been recognised as these arose from subsidiaries that have a history of losses and it is not probable that there will be future profits available for offset in the foreseeable future. In addition, these brought forward losses and capital allowances may not be used to offset taxable profits of other subsidiaries of the Group.

14. INVENTORIES

	THE GROUP	
	2007 RM'000	2006 RM'000
AT COST:		
Stores and consumables	42	582
Raw materials	21	-
Finished goods	-	2
Nursery inventory	295	402
Completed unsold properties	56,967	38,711
	<hr/>	<hr/>
	57,325	39,697
AT NET REALISABLE VALUE		
Completed unsold properties	1,935	1,388
	<hr/>	<hr/>
	59,260	41,085
	<hr/>	<hr/>

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15. PROPERTY DEVELOPMENT COSTS

	THE GROUP	
	2007 RM'000	2006 RM'000
Balance at the beginning of the financial year:		
- Land	44,818	24,899
- Development costs	470,173	455,074
	<hr/>	<hr/>
	514,991	479,973
Cost incurred during the year:		
- Transfer from land held for development (Note 12)	-	19,919
- Development costs	31,314	15,099
	<hr/>	<hr/>
Sub-total	546,305	514,991
Cost recognised as an expense in the income statements:		
- previous year	(365,720)	(334,602)
- current year	(24,307)	(10,816)
	<hr/>	<hr/>
Sub-total	156,278	169,573
Transfer to inventories	(21,427)	(20,302)
	<hr/>	<hr/>
Balance at 31 December	134,851	149,271

The carrying amount of land under property development pledged as security for bank borrowings (Notes 27, 30 and 31) at the balance sheet date was RM45,882,000 (2006 - RM40,196,000).

Borrowing costs of RM482,000 (2006 - Nil) as disclosed in Note 35 to the financial statements, arose from the funds borrowed specifically for a property development activity, were capitalised during the financial year and included in additions to the development costs incurred during the financial year.

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16. TRADE RECEIVABLES

	THE GROUP	
	2007 RM'000	2006 RM'000
Trade receivables	34,090	27,837
Allowance for doubtful debts:-		
At 1 January	(9,587)	(9,497)
Allowance for the financial year	(3,382)	(90)
Writeback of allowance for doubtful debts	1,171	-
At 31 December	(11,798)	(9,587)
	<u>22,292</u>	<u>18,250</u>

Included in trade receivables of the Group is an amount of RM1,181,000 (2006 – RM1,451,000) owing by related parties. The nature of the related party relationships and the details of the transactions and balances involved are disclosed in Notes 46 and 47 to the financial statements, respectively; and

The Group's range of normal trade receivable credit terms are as follows:-

- (i) Hotel : cash terms to 60 days, and 90 days for government agencies.
- (ii) Property investment : cash terms to 7 days.
- (iii) Property development : in accordance with the Housing Development Act schedule of payment.
- (iv) Others : cash terms to 60 days.

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17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Amount receivable from disposal of properties for joint development *	13,337	16,225	-	-
Deposit paid for an acquisition of a subsidiary	2,733	-	-	-
Others	12,849	12,706	1,191	948
Allowance for doubtful debts				
At 1 January	(196)	(196)	-	-
Allowance for the year	(2,098)	-	-	-
At 31 December	(2,294)	(196)	-	-
	<u>26,625</u>	<u>28,735</u>	<u>1,191</u>	<u>948</u>

* - The progress of the joint development of the properties is disclosed in Note 50 (iv) to the financial statements.

Included in other receivables, deposits and prepayments of the Group is an amount of RM847,000 (2006 - RM1,161,000) owing by related parties. The nature of the related party relationships and the details of the transactions involved are disclosed in Notes 46 and 47 to the financial statements.

The foreign currency exposure profile of other receivables, deposits and prepayments is as follows:-

	THE GROUP	
	2007 RM'000	2006 RM'000
RM equivalent of trade receivables denominated in:-		
Singapore Dollar	2,733	-
Chinese Renminbi ("RMB")	231	-
	<u>2,964</u>	<u>-</u>

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19. SHORT-TERM INVESTMENTS

	THE GROUP		THE COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
At cost:				
Quoted unit trusts in Malaysia	73,381	-	60,558	-
Market value of quoted unit trusts in Malaysia	73,381	-	60,558	-

20. DEPOSITS WITH FINANCIAL INSTITUTIONS

	THE GROUP		THE COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Deposits with financial institutions	64,048	16,670	60,680	16,434

Deposits of the Group amounting to RM3,070,000 (2006 - RM7,000) are pledged to financial institutions to secure banking facilities granted to the Group.

The effective interest rates of the deposits at the balance sheet date ranged from 3.0% to 3.5% (2006 - 2.8% to 3.2%) per annum.

The maturity periods of the deposits range from 1 month to 6 months (2006 - 1 month to 6 months).

21. CASH AND BANK BALANCES

	THE GROUP		THE COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Cash held at hand and banks	18,895	9,982	71	488
Cash held under housing development accounts	2,314	892	-	-

Cash held under housing development accounts are held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations.

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21. CASH AND BANK BALANCES (CONT'D)

The foreign currency exposure profile of cash and bank balances is as follows:-

	THE GROUP	
	2007 RM'000	2006 RM'000
Chinese Renminbi ("RMB")	1,843	-
Hong Kong Dollar ("HKD")	3,946	-
Australian Dollar ("AUD")	356	374
	<hr/>	<hr/>

22. DISCONTINUED OPERATIONS CLASSIFIED AS HELD FOR SALE

On 15 August 2006, the Group entered into a conditional Sale and Purchase Agreement ("SPA") with MGP I (Mal) Sdn. Bhd. (formerly known as Affluent Impact Sdn. Bhd.) ("MGPI") to dispose of City Square Centre comprising City Square Shopping Complex, Crown Princess Hotel Kuala Lumpur and the Empire Tower ("Disposal Properties") for an aggregate cash consideration of RM680 million ("Proposed Disposal").

The rationale for the Proposed Disposal are as follows:-

- (a) To streamline and rationalise the Group's property asset base;
- (b) To strengthen the Group's balance sheet through improvement of its liquidity and the reduction of borrowings;
- (c) To enable the Group to re-mobilise its capital into new projects and business activities with higher and more consistent returns; and
- (d) To be in line with the Group's overall objective to substantially improve shareholders' value and deliver higher returns to shareholders in the future years.

The following approvals for the Proposed Disposal have been obtained:-

- (a) The Foreign Investment Committee ("FIC") approved the proposed acquisition of the Disposal Properties by MGPI on 13 October 2006, with the following conditions:-
 - (i) MGPI is to have at least 30% bumiputra equity before 31 December 2008; and
 - (ii) MGPI is to increase its paid-up share capital to at least RM250,000 within 6 months from the date of FIC approval.

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22. DISCONTINUED OPERATIONS CLASSIFIED AS HELD FOR SALE (CONT'D)

(b) On 14 December 2006, the Group obtained the approval from the Securities Commission ("SC") subject to the following conditions:-

(i) the Group is to seek the SC's prior approval in respect of the utilisation of the disposal proceeds for future investment. On 3 April 2007, the SC had approved the utilisation of the net disposal proceeds for future investment. The net proceeds will be utilised as follows:-

	RM'000
Repayment of bank borrowings and interest of the Group	335,540
Investment in new property development and investment projects	203,360
Estimated expenses of the Proposed Disposal	34,600
Working capital	102,000
	<hr/>
	675,500

(ii) MIMB Investment Bank Berhad ("MIMB") or the Group to fully comply with the relevant requirements pertaining to the implementation of the Proposed Disposal as stipulated in the Policies and Guidelines on Issue/Offer of Securities; and

(iii) MIMB or the Group is to inform SC upon completion of the Proposed Disposal.

(c) The shareholders of the Company have approved the Proposed Disposal at an Extraordinary General Meeting of the Company held on 10 January 2007.

(d) Approval has been obtained by MGPI on 19 January 2007 from the Federal State Authorities under Section 433 (B) of the National Land Code, 1965 for the proposed acquisition of the Disposal Properties.

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22. DISCONTINUED OPERATIONS CLASSIFIED AS HELD FOR SALE (CONT'D)

On 4 April 2007, the Company announced that the vendors and the bare trustee of the Disposal Properties had executed a Supplemental Agreement to the Principal Sale and Purchase Agreement dated 15 August 2006 ("Supplemental SPA") with MGPI whereby the parties to the agreement had mutually agreed to vary certain terms and conditions of the Principal Sale and Purchase Agreement, including the time frame for the mode of payment.

The Proposed Disposal was completed under the terms of the Principal SPA and the Supplemental SPA with the payment of the First Balance Sum to the Stakeholder by MGPI on 15 June 2007.

As at 31 December 2007 and 31 December 2006, arising from the Proposed Disposal, the assets and liabilities of the subsidiaries, i.e. APL Hotel Sdn. Bhd., City Square Properties Sdn. Bhd. and Empire Tower (Malaysia) Sdn. Bhd. have been presented on the consolidated balance sheets as non-current assets held for sale to be measured at the lower of the carrying amount and the fair value less cost to be incurred for the disposal. The results of the hotel and property investment divisions are presented separately in the consolidated income statements as discontinued operations.

An analysis of the results of the discontinued operations and the results recognised on the remeasurement of assets of the discontinued operations is as follows:-

	THE GROUP	
	2007 RM'000	2006 RM'000
Revenue	25,243	58,754
Cost of sales	(3,164)	(8,033)
Gross profit	22,079	50,721
Other income	3,001	2,031
Selling and marketing expenses	(756)	(11,975)
Administrative expenses	(3,577)	(2,087)
Other expenses	(12,403)	(73,957)
Finance costs	(2,801)	(4,749)
Profit/(Loss) before taxation of discontinued operations	5,543	(40,016)
Income tax expenses (Note 37)	14,017	14,506
Profit/(Loss) for the financial year from discontinued operations	19,560	(25,510)

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22. DISCONTINUED OPERATIONS CLASSIFIED AS HELD FOR SALE (CONT'D)

The following amounts have been included in arriving at the profit/(loss) before taxation of the discontinued operations:-

	THE GROUP	
	2007	2006
	RM'000	RM'000
Audit fee:		
- for the financial year	30	45
- underprovision in previous financial year	6	-
Allowance for doubtful debts	1,086	930
Compensation costs	4,500	-
Depreciation of property, plant and equipment	290	895
Directors' fee	5	6
Impairment loss on investment property	-	23,000
Loss on disposal of property, plant and equipment	-	1,584
Rental of equipment	23	67
Rental of premises	-	49
Impairment loss on property, plant and equipment	-	9,678
Interest expense:		
- term loans	2,410	4,266
- bank overdraft	349	441
- hire purchase	42	42
Net allowance for doubtful debts	-	74
Provision for liabilities associated with assets classified as held for sale	-	17,129
Staff costs	3,794	13,679
Interest income	(822)	-
Writeback of allowance for doubtful debts	(1,171)	-

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22. DISCONTINUED OPERATIONS CLASSIFIED AS HELD FOR SALE (CONT'D)

The major classes of assets and liabilities of the Group classified as held for sale on the consolidated balance sheets are as follows:-

	←	THE GROUP	→
	Property RM'000	Investment properties RM'000	Net carrying amount RM'000
As at 31 December 2007:			
Non-current assets classified as held for sale	-	-	-
	<hr/>	<hr/>	<hr/>
Liabilities directly associated with assets classified as held for sale	4,953	-	4,953
	<hr/>	<hr/>	<hr/>
As at 31 December 2006:			
Non-current assets classified as held for sale	240,000	440,000	680,000
	<hr/>	<hr/>	<hr/>
Liabilities directly associated with assets classified as held for sale	16,735	-	16,735
	<hr/>	<hr/>	<hr/>

There were no remeasurements of assets of the discontinued operations from the commencement of the discontinued operations to the balance sheet date.

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23. SHARE CAPITAL

ORDINARY SHARES OF RM1.00 EACH:-	THE COMPANY			
	2007 NUMBER OF SHARES	2006	2007 RM'000	2006 RM'000
AUTHORISED	1,000,000,000	1,000,000,000	1,000,000	1,000,000
ISSUED AND FULLY PAID-UP	710,341,402	710,341,402	710,341	710,341

24. RESERVES

Non-distributable reserves:-	THE GROUP		THE COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Share premium *	62,372	62,372	62,372	62,372
Revaluation reserve #	18,824	21,073	-	-
Treasury shares (Note 39)	(6,584)	-	(6,584)	-
Exchange fluctuation reserve	6,528	6,209	-	-
	81,140	89,654	55,788	62,372
Accumulated losses	(86,264)	(125,226)	(192,906)	(191,115)
	(5,124)	(35,572)	(137,118)	(128,743)

* - The share premium is not distributable by way of cash dividends and may be utilised only in the manner set out in Section 60(3) of the Companies Act, 1965.

- The revaluation reserve represents the surplus arising from the revaluation of properties and is not distributable by way of cash dividends.

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25. DEFERRED TAX LIABILITY

	THE GROUP	
	2007 RM'000	2006 RM'000
At 1 January	24,531	49,681
Recognised in income statements (Note 37)	(14,476)	(25,150)
At 31 December	<u>10,055</u>	<u>24,531</u>

The deferred tax liability arose from certain subsidiaries of the Group in respect of the following temporary differences:-

	THE GROUP	
	2007 RM'000	2006 RM'000
Capital allowances in excess of depreciation	136	5,265
Unabsorbed capital allowances	(36)	234
Unutilised tax losses	(748)	(271)
Revaluation surplus of revalued properties	10,703	19,303
	<u>10,055</u>	<u>24,531</u>

26. LONG-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
SECURED				
Term loans (Note 27)	4,502	339,861	-	140,000
Hire purchase and lease payables (Note 29)	240	838	-	-
	<u>4,742</u>	<u>340,699</u>	<u>-</u>	<u>140,000</u>

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27. TERM LOANS

	THE GROUP		THE COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
SECURED				
Non-current:				
- repayable between one and two years	-	-	-	-
- repayable between two and five years	4,502	98,500	-	40,000
- repayable more than five years	-	241,361	-	100,000
Total non-current portion (Note 26)	4,502	339,861	-	140,000
	<u>4,502</u>	<u>339,861</u>	<u>-</u>	<u>140,000</u>

The long term loans bear a weighted average effective interest rate of 8.5% (2006 - 7.89%) per annum and are secured by way of legal charges over certain landed properties of the Group as disclosed in Notes 8 and 15 to the financial statements.

28. TRADE PAYABLES

Included in trade payables of the Group in the previous financial year was an amount of RM876,000 owing to related parties. The nature of the related party relationships and the details of the transactions and balances involved are disclosed in Notes 46 and 47 to the financial statements, respectively.

The normal credit terms granted to the Group range from cash terms to 90 days. Retention sums for property development contracts are payable upon the expiry of the defects liability period of the respective property development contracts. The defects liability period of the property development contracts is 18 months.

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29. OTHER PAYABLES AND ACCRUALS

	THE GROUP		THE COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Other payables and accruals	26,408	51,303	1,051	10,412
Progress billings in respect of property development costs	21,302	690		
Provision for loss on termination of joint venture*	1,707	-	-	-
Hire purchase and lease payables:				
- portion repayable within one year	241	593	-	-
	<u>49,658</u>	<u>52,586</u>	<u>1,051</u>	<u>10,412</u>

* - Provision for loss on termination of joint development was made during the year. The details are disclosed in Note 50 (iv) to the financial statements.

Included in other payables and accruals of the Group and the Company are amounts of RM2,912,000 (2006 - RM14,115,000) and RM991,000 (2006 - RM5,452,000), respectively owing to related parties. The nature of the related party relationships and the details of transactions and balances involved are disclosed in Notes 46 and 47 to the financial statements, respectively.

	THE GROUP	
	2007 RM'000	2006 RM'000
Hire purchase and lease payables are made up of:-		
Minimum hire purchase and lease payments:		
- not later than one year	261	660
- later than one year and not later than five years	265	892
	<u>526</u>	<u>1,552</u>
Future finance charges	(45)	(121)
Hire purchase and lease payables	<u>481</u>	<u>1,431</u>

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29. OTHER PAYABLES AND ACCRUALS (CONT'D)

	THE GROUP	
	2007 RM'000	2006 RM'000
The net hire purchase and lease payables are repayable as follows:-		
Current:		
- not later than one year	241	593
Non-current: (Note 26)		
- later than one year and not later than five years	240	838
	<u>481</u>	<u>1,431</u>

The effective interest rate of the hire purchase and lease payables was 6.32% (2006 - 6.41%) per annum at the balance sheet date.

The foreign currency exposure profile of other payables is as follows:-

	GROUP	
	2007 RM'000	2006 RM'000
Australian Dollar ("AUD")	<u>843</u>	<u>831</u>

30. BANK OVERDRAFTS

The bank overdrafts in respect of the previous financial year bore effective interest at rates ranging from 8.35% to 8.85% per annum and were secured in the same manner as the short term borrowings as disclosed in Note 27 and Note 31 to the financial statements.

31. SHORT-TERM BORROWINGS

	THE GROUP	
	2007 RM'000	2006 RM'000
SECURED		
Short-term loan	-	7,718
Bridging loans	-	5,385
	<u>-</u>	<u>13,103</u>

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31. SHORT-TERM BORROWINGS (CONT'D)

The short-term borrowings in respect of the previous financial year bore a weighted average effective interest rate of 8.29% per annum and were secured in the same manner as the long-term borrowings as disclosed in Note 27 to the financial statements.

The borrowings of the subsidiaries are additionally secured by corporate guarantees of the Company.

32. NET ASSETS PER SHARE

The net assets per share is calculated by dividing the net assets value at the balance sheet date of RM705,217,000 (2006 - RM732,100,000) by the number of ordinary shares in issue (excluding treasury shares) at the balance sheet date of 698,340,402 (2006 - 710,341,402).

33. REVENUE

Revenue of the Group represents the proportionate sales value of development properties, the invoiced sales value less discounts from golf operations and the invoiced value of goods sold less returns and trade discounts, whilst revenue of the Company represents management fees and dividend income.

Details of the revenue of the Group are as follows:-

	THE GROUP	
	2007 RM'000	2006 RM'000
CONTINUING OPERATIONS		
Property development and management	28,353	4,243
Leisure and hospitality	4,242	4,794
Sale of goods	233	392
	<hr/>	<hr/>
	32,828	9,429
	<hr/>	<hr/>

Details of the revenue of the Company are as follows:-

	THE COMPANY	
	2007 RM'000	2006 RM'000
Management fees	176	257
Dividend income	8,000	-
	<hr/>	<hr/>
	8,176	257
	<hr/>	<hr/>

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34. COST OF SALES

	THE GROUP	
	2007 RM'000	2006 RM'000
CONTINUING OPERATIONS		
Property development	24,484	3,425
Leisure and hospitality	381	458
Sale of goods	55	107
	<hr/>	<hr/>
	24,920	3,990
	<hr/>	<hr/>

35. FINANCE COSTS

	THE GROUP	
	2007 RM'000	2006 RM'000
CONTINUING OPERATIONS		
Total interest expense	10,650	21,983
Interest capitalised into:		
- property development costs (Note 15)	(482)	-
- land held for development (Note 12)	-	(19,733)
	<hr/>	<hr/>
	10,168	2,250
	<hr/>	<hr/>

36. (LOSS)/PROFIT BEFORE TAXATION

In addition to those disclosed in Notes 33, 34 and 35 to the financial statements, the (loss)/profit before taxation is arrived at after charging/(crediting) the following:-

	THE GROUP		THE COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
CONTINUING OPERATIONS				
Allowance for doubtful debts	4,394	-	-	-
Auditors' remuneration:				
- statutory audit:				
- for the financial year	162	149	40	38
- underprovision in the previous financial year	10	-	8	-
- other services	1	-	-	-

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36. (LOSS)/PROFIT BEFORE TAXATION (CONT'D)

In addition to those disclosed in Notes 33, 34 and 35 to the financial statements, the (loss)/profit before taxation is arrived at after charging/(crediting) the following:- (Cont'd)

	THE GROUP		THE COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
CONTINUING OPERATIONS				
Amortisation of investment properties	50	-	-	-
Depreciation of property, plant and equipment	1,734	1,151	19	14
Directors' remuneration:				
- fee	115	84	-	-
- emoluments	1,653	1,794	57	-
- allowances	12	63	-	8
- benefits-in-kind	9	14	-	-
Interest expense:				
- term loans/bridging loans	10,149	2,237	-	-
- hire purchase	19	13	-	-
Net allowance for doubtful debts	-	16	-	-
Provision for loss on termination of joint venture	1,707	-	-	-
Rental of equipment	84	55	-	2
Rental of premises	1,212	3	1,102	32
Amortisation of prepaid land lease payment	632	1,395	-	-
Staff costs	10,726	10,092	1,333	859
Gain on disposal of prepaid lease land payment	-	(455)	-	-
Interest income	(1,630)	(295)	(946)	(295)
Net loss/(gain) on disposal of property, plant and equipment	153	(914)	-	(33)
Loss on foreign exchange				
- realised	143	-	-	-
- unrealised	400	-	400	-
Dividend income	-	-	(8,000)	-
Rental income	(461)	(292)	-	-

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37. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
CONTINUING OPERATIONS				
Income tax:				
- for the financial year	1,806	(120)	(281)	-
- underprovision in the previous financial year	(685)	(6)	-	-
- real property gains tax	(40)	-	-	-
	1,081	(126)	(281)	-
Deferred taxation:				
- for the financial year	3,300	2,416	(1,419)	68
- over/(under)provision in the previous financial year	(4,730)	6,296	(28)	-
	(1,430)	8,712	(1,447)	68
Income tax expense	(349)	8,586	(1,728)	68
DISCONTINUED OPERATIONS				
Income tax:				
- for the financial year	(2,597)	(2,695)	-	-
- overprovision in the previous financial years	(1,094)	-	-	-
- real property gains tax	(520)	-	-	-
	(4,211)	(2,695)	-	-
Deferred taxation:				
- for the financial year	18,859	21,376	-	-
- underprovision in the previous financial year	(631)	(4,175)	-	-
	18,228	17,201	-	-
Income tax expense (Note 22)	14,017	14,506	-	-
Total income tax expense	13,668	23,092	(1,728)	68

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37. INCOME TAX EXPENSE (CONT'D)

Subject to agreement with the tax authorities, the unutilised tax losses and unabsorbed capital allowances at the balance sheet date available to be carried forward for offset against future taxable business income are as follows:-

	THE GROUP	
	2007 RM'000	2006 RM'000
Unutilised tax losses	111,288	108,355
Unabsorbed capital allowances	14	72,188
	<hr/>	<hr/>
	111,302	180,543

Numerical reconciliation of the statutory tax rate to the effective tax rate applicable to the (loss)/profit before taxation for continuing and discontinued operations is as follows:-

	THE GROUP		THE COMPANY	
	2007 %	2006 %	2007 %	2006 %
Statutory tax rate	(27.00)	(28.00)	27.00	(28.00)
Tax effects of:-				
Non-deductible expenses	22.29	28.72	7.12	28.93
Non-taxable income	(0.36)	(0.21)	-	(7.62)
(Over)/Underprovision in previous financial years	23.15	(40.71)	0.53	-
Utilisation of group relief	-	-	(2.09)	-
Utilisation of previously unrecognised tax benefit	(5.15)	(0.75)	-	-
Deferred tax not recognised	3.02	0.33	-	-
Realisation of deferred tax liability on revaluation of properties	(66.85)	-	-	-
Effect on reduction in tax rate	1.93	-	1.17	-
Real property gains tax	2.07	-	-	-
Others	(0.06)	(0.16)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Effective tax rate	(46.96)	(40.78)	33.73	(6.69)

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38. LOSS PER SHARE

The basic loss per share is calculated based on the Group's loss attributable to shareholders of RM15,432,000 (2006 - RM33,536,000) for the financial year divided by the weighted average number of ordinary shares in issue during the financial year (excluding treasury shares) of 707,784,487 (2006 - 710,341,402).

39. TREASURY SHARES

During the financial year, the Company purchased its issued ordinary shares from the open market under the share buy-back programme. Details are as follow:-

DATE	PRICE PER SHARE			NUMBER OF SHARES	TOTAL CONSIDERATION RM*
	LOWEST RM	HIGHEST RM	AVERAGE RM		
September 2007	0.510	0.575	0.547	4,917,000	2,687,353
October 2007	0.545	0.590	0.572	3,265,000	1,865,981
November 2007	0.520	0.550	0.533	2,879,400	1,533,965
December 2007	0.490	0.545	0.528	939,600	496,365
AT 31 DECEMBER 2007				12,001,000	6,583,664

*Note * - includes incidental costs such as commission, clearing fee and stamp duty.*

The total share purchased under the share buy-back programme was financed by internally generated funds. The shares purchased were retained as treasury shares and are presented as a deduction from shareholders' equity.

As at 31 December 2007, the number of outstanding ordinary shares in issue after the setoff against the treasury shares is 698,340,402 (2006 - 710,341,402) ordinary shares of RM1 each.

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40. DIVIDENDS

	THE GROUP/THE COMPANY	
	2007	2006
	RM'000	RM'000
Dividend paid:-		
An interim dividend of 1% (2006 - Nil) per ordinary share less 27% tax amounting to RM5,185,514 in respect of the current financial year	5,186	-

41. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	THE GROUP		THE COMPANY	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Cost of property, plant and equipment purchased	10,360	4,285	1	12
Transfer from land held for development	(5,950)	-	-	-
Amount financed through hire purchase and lease	(563)	(1,316)	-	-
Cash disbursed for purchase of property, plant and equipment	3,847	2,969	1	12

42. CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statements, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Deposits with financial institutions	64,048	16,670	60,680	16,434
Cash and bank balances	21,209	10,874	71	488
Bank overdrafts	-	(5,000)	-	-
	85,257	22,544	60,751	16,922

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43. CONTINGENT LIABILITIES

	THE GROUP		THE COMPANY	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
UNSECURED				
Guarantees given to financial institutions for facilities granted to subsidiaries	-	-	520	1,431
Guarantees given to third parties for credit facilities granted to subsidiaries	-	-	6,400	6,400
Guarantees given to a third party in relation to warranties provided on the disposal of a hotel property	-	7,700	-	-
	-	7,700	6,920	7,831
SECURED				
Guarantees given to financial institutions for facilities granted to subsidiaries	-	-	46,500	217,964
	-	7,700	53,420	225,795

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44. SEGMENTAL INFORMATION - GROUP

(i) By business segment:-

	<----- CONTINUING OPERATIONS ----->				<----- DISCONTINUED OPERATIONS ----->				TOTAL OPERATIONS 2007 RM'000
	PROPERTY DEVELOPMENT 2007 RM'000	OTHERS 2007 RM'000	ELIMINATIONS 2007 RM'000	TOTAL 2007 RM'000	HOTEL 2007 RM'000	PROPERTY INVESTMENT 2007 RM'000	ELIMINATIONS 2007 RM'000	TOTAL 2007 RM'000	
SEGMENT REVENUE									
Revenue from external customers	28,585	4,243	-	32,828	12,497	12,746	-	25,243	58,071
Inter-segment revenue	16,769	176	(16,945)	-	-	904	(904)	-	-
Total revenue	45,354	4,419	(16,945)	32,828	12,497	13,650	(904)	25,243	58,071
							CONTINUING OPERATIONS RM'000	DISCONTINUED OPERATIONS RM'000	TOTAL OPERATIONS RM'000
SEGMENT RESULTS									
Segment (loss)/profit							(24,475)	8,344	(16,131)
Interest expense							(10,168)	(2,801)	(12,969)
(Loss)/Profit before taxation							(34,643)	5,543	(29,100)
Income tax expense (Note 37)							(349)	14,017	13,668
(Loss)/Profit after taxation							(34,992)	19,560	(15,432)

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44. SEGMENTAL INFORMATION - GROUP (CONT'D)

(i) By business segment:-

	<----- CONTINUING OPERATIONS ----->				<----- DISCONTINUED OPERATIONS ----->				TOTAL OPERATIONS 2006 RM'000
	PROPERTY DEVELOPMENT 2006 RM'000	OTHERS 2006 RM'000	ELIMINATIONS 2006 RM'000	TOTAL 2006 RM'000	HOTEL 2006 RM'000	PROPERTY INVESTMENT 2006 RM'000	ELIMINATIONS 2006 RM'000	TOTAL 2006 RM'000	
SEGMENT REVENUE									
Revenue from external customers	4,635	4,794	-	9,429	32,688	26,066	-	58,754	68,183
Inter-segment revenue	9,374	257	(9,631)	-	-	2,248	(2,248)	-	-
Total revenue	14,009	5,051	(9,631)	9,429	32,688	28,314	(2,248)	58,754	68,183
							CONTINUING OPERATIONS RM'000	DISCONTINUED OPERATIONS RM'000	TOTAL OPERATIONS RM'000
SEGMENT RESULTS									
Segment loss							(14,362)	(35,267)	(49,629)
Interest expense							(2,250)	(4,749)	(6,999)
Loss before taxation							(16,612)	(40,016)	(56,628)
Income tax expense (Note 37)							8,586	14,506	23,092
Loss after taxation							(8,026)	(25,510)	(33,536)

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44. SEGMENTAL INFORMATION – GROUP (CONT'D)

(i) By business segment (cont'd):-

	< ----- CONTINUING OPERATIONS ----- >					< ----- DISCONTINUED OPERATIONS ----- >			TOTAL OPERATIONS 2007 RM'000
	HOTEL 2007 RM'000	PROPERTY DEVELOPMENT 2007 RM'000	PROPERTY INVESTMENT 2007 RM'000	OTHERS 2007 RM'000	TOTAL 2007 RM'000	HOTEL 2007 RM'000	PROPERTY INVESTMENT 2007 RM'000	TOTAL 2007 RM'000	
OTHER INFORMATION									
Segment assets	30,812	486,454	59,842	212,868	789,976	-	-	-	789,976
Unallocated assets	-	-	-	-	27,405	-	-	-	27,405
Consolidated total assets	30,812	486,454	59,842	212,868	817,381	-	-	-	817,381
Segment liabilities	3,891	60,124	3,577	2,357	69,949	2,749	2,204	4,953	74,902
Unallocated liabilities	-	-	-	-	37,262	-	-	-	37,262
Consolidated total liabilities	3,891	60,124	3,577	2,357	107,211	2,749	2,204	4,953	112,164
Capital expenditure (excluding interest capitalisation)	-	198	3	10,159	10,360	-	-	-	10,360
Amortisation and depreciation	-	672	142	1,602	2,416	147	143	290	2,706

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44. SEGMENTAL INFORMATION – GROUP (CONT'D)

(i) By business segment (cont'd):-

	< ----- CONTINUING OPERATIONS ----- >					< ----- DISCONTINUED OPERATIONS ----- >			TOTAL OPERATIONS 2006 RM'000
	HOTEL 2006 RM'000	PROPERTY DEVELOPMENT 2006 RM'000	PROPERTY INVESTMENT 2006 RM'000	OTHERS 2006 RM'000	TOTAL 2006 RM'000	HOTEL 2006 RM'000	PROPERTY INVESTMENT 2006 RM'000	TOTAL 2006 RM'000	
OTHER INFORMATION									
Segment assets	10,019	419,185	9,992	92,196	531,392	240,000	440,000	680,000	1,211,392
Unallocated assets	-	-	-	-	25,166	-	-	-	25,166
Consolidated total assets	10,019	419,185	9,992	92,196	556,558	240,000	440,000	680,000	1,236,558
Segment liabilities	6,841	35,324	20,829	11,903	74,897	6,524	10,211	16,735	91,632
Unallocated liabilities	-	-	-	-	412,826	-	-	-	412,826
Consolidated total liabilities	6,841	35,324	20,829	11,903	487,723	6,524	10,211	16,735	504,458
Capital expenditure (excluding interest capitalisation)	-	(34)	-	2,239	2,205	1,226	854	2,080	4,285
Amortisation and depreciation	-	(1,067)	-	(1,479)	(2,546)	(551)	(344)	(895)	(3,441)

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44. SEGMENTAL INFORMATION - GROUP (CONT'D)

(ii) By geographical market:-

	<----- SEGMENT REVENUE ----->					
	CONTINUING OPERATIONS		DISCONTINUED OPERATIONS		TOTAL OPERATIONS	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Malaysia	32,828	9,429	25,243	58,754	58,071	68,183
			SEGMENT ASSETS		CAPITAL EXPENDITURE	
			2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Malaysia			767,328	1,236,052	10,357	4,285
Australia			370	137	-	-
The People's Republic of China			46,950	-	3	-
The Republic of Singapore			2,733	370	-	-
			817,381	1,236,559	10,360	4,285

45. DIRECTORS' REMUNERATION

Details of remuneration to the directors of the Company are as follows:-

	No. OF DIRECTORS	SALARIES RM'000	FEES RM'000	ALLOWANCES RM'000	BENEFITS IN KIND RM'000	TOTAL RM'000
YEAR 2007						
EXECUTIVE						
- Between RM200,001 and RM250,000	1	232	18	-	-	250
- Between RM250,001 and RM300,000	1	278	18	-	-	296
- Between RM300,001 and RM350,000	2	673	-	-	-	673
- Between RM350,001 and above	1	470	-	-	9	479
	5	1,653	36	-	9	1,698
NON-EXECUTIVE						
- Less or equal to RM50,000	5	-	84	12	-	96
	10	1,653	120	12	9	1,794

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45. DIRECTORS' REMUNERATION (CONT'D)

	NO. OF DIRECTORS	SALARIES RM'000	FEES RM'000	ALLOWANCES RM'000	BENEFITS IN KIND RM'000	TOTAL RM'000
YEAR 2006						
EXECUTIVE						
- Between RM150,001 and RM200,000	2	322	-	13	5	340
- Between RM200,001 and RM250,000	1	187	-	18	-	205
- Between RM250,001 and RM300,000	2	529	-	18	-	547
- Between RM300,001 and RM350,000	1	318	-	-	-	318
- Between RM400,001 and RM450,000	1	438	-	-	9	447
	7	1,794	-	49	14	1,857
NON-EXECUTIVE						
- Less or equal to RM50,000	3	-	90	14	-	104
	10	1,794	90	63	14	1,961

46. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Identities of related parties

The Company has a controlling related party relationship with its subsidiaries, details of subsidiaries are disclosed in Note 6 to the financial statements.

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46. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) In addition to the balances detailed elsewhere in the financial statements, the Group and the Company carried out the following significant transactions with related parties during the financial year:

(i) Transactions between the Company and its subsidiaries:

	THE COMPANY	
	2007 RM'000	2006 RM'000
Dividend receivable from a subsidiary	8,000	-
Management fees from subsidiaries	176	257
Rental of premises payable to subsidiaries	16	29

(ii) Transactions between the Company and related parties:-

NAME OF RELATED PARTIES	RELATIONSHIPS	NATURE OF TRANSACTIONS	TRANSACTION VALUE THE COMPANY	
			2007 RM'000	2006 RM'000
<u>NON-RECURRENT</u>				
Low Yat Construction Company Sdn. Berhad	(a), (b), (c) (d), (f), (j)	Net repayment/(advances)	4,531	(250)
Lipis Cement Sdn. Bhd.	(b), (d), (n)	Net repayment	1	-
Federal Hotels International Sdn. Bhd.	(a), (d), (j), (q)	Net repayment	19	-
Capitol Hotel Sdn. Bhd.	(a), (c), (d), (j)	Net advances	(80)	-
Federal Hotels Sendirian Berhad	(a), (c), (f), (j)	Net repayment	10	-
Indah Jaya Development Sdn. Bhd.	(b), (c), (d), (j)	Net advances	(1)	-

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46. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(iii) Transactions between the Group and related parties:-

NAME OF RELATED PARTIES	RELATIONSHIPS	NATURE OF TRANSACTIONS	TRANSACTION VALUE - (REVENUE)/EXPENSE THE GROUP	
			2007 RM'000	2006 RM'000
<u>RECURRENT</u>				
Commune Products	(e)	Commission received	(11)	(15)
Low Yat And Sons Realty Sdn. Bhd.	(a), (b), (f), (j)	Letting of premises Nursery and landscaping Renting of equipment	(17) (6) -	(38) (22) 19
L.Y.C. Incorporation Sdn. Bhd.	(c), (d), (g)	Nursery and landscaping	-	(2)
Low Yat Construction Company Sdn. Berhad	(a), (b), (c), (d), (f), (j)	Letting of premises Nursery and landscaping	(99) 20	(239) -
Low Chuan Securities Sdn. Bhd.	(b), (c), (d), (f), (h), (j)	Nursery and landscaping	(3)	-
Malayan Coffee Sdn. Bhd.	(c), (d), (j)	Letting of premises	(58)	(170)
Indah Jaya Development Sdn. Bhd.	(b), (c), (d), (j)	Letting of premises Nursery and landscaping	(263) (214)	(661) (431)
Oriental Development Sdn. Bhd.	(c),(d), (f), (g)	Renting of premises	49	49
Sem Siong Industries Sdn. Bhd.	(a), (b), (c), (d), (f), (j)	Letting of premises Nursery and landscaping Renting of premises	(43) (8) 77	(82) (9) -
Federal Hotels Sendirian Berhad	(a), (c), (f), (j)	Nursery and landscaping	(1)	(2)

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46. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(iii) Transactions between the Group and related parties:- (cont'd)

NAME OF RELATED PARTIES	RELATIONSHIPS	NATURE OF TRANSACTIONS	TRANSACTION VALUE - (REVENUE)/EXPENSE THE GROUP	
			2007 RM'000	2006 RM'000
<u>RECURRENT</u>				
LGS Development Sdn. Bhd.	(d), (h)	Letting of premises	(8)	(35)
Hotel Fair Lane Sdn. Bhd.	(c), (d), (g)	Letting of premises	(22)	(39)
Bintang Automachinery Sdn. Bhd.	(d), (h)	Letting of premises Repair and maintenance services	(54) 412	(54) 419
Federal Hotels International Sdn. Bhd.	(a), (d), (j), (q)	Technical and hotel management services Letting of premises	326 (93)	768 (77)
<hr/>				
			TRANSACTION VALUE THE GROUP	RM'000
<u>NON-RECURRENT</u>				
Low Yat Construction Company Sdn. Berhad	(a), (b), (c), (d), (f), (j)	Net repayment/(advances)	4,526	(521)
Oriental Development Sdn. Bhd.	(c), (d), (f), (g)	Net advances	(8)	-
Orient Pacific Property Sdn. Bhd.	(c), (d), (g)	Net advances	-	(1,001)
Bintang Maintenance And Projects Services Sdn. Bhd.	(c), (d), (j)	Net repayment/(advances)	41	(15)
Indah Jaya Development Sdn. Bhd.	(b), (c), (d), (j)	Net repayment	1,321	1,045
Bintang Tower Sdn. Bhd.	(n), (d), (f)	Net advances	(3)	-

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46. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(iii) Transactions between the Group and related parties:- (cont'd)

NAME OF RELATED PARTIES	RELATIONSHIPS	NATURE OF TRANSACTIONS	TRANSACTION VALUE THE GROUP	
			2007 RM'000	2006 RM'000
<u>NON-RECURRENT</u>				
Federal Hotels Sendirian Berhad	(a), (c), (f), (j)	Net repayment/(advances)	186	(15)
Federal Hotel Singapore Pte Ltd	(b), (n)	Net advances	(7)	-
Sem Siong Industries Sdn. Bhd.	(a), (b), (c), (d), (f), (j)	Net repayment	4,740	304
Federal Hotels International Sdn. Bhd.	(a), (d), (j), (q)	Net repayment	264	-
Capitol Hotel Sdn. Bhd.	(a), (c), (d), (j)	Net (advances)/repayment	(164)	1
Malayan Coffee Sdn. Bhd.	(c), (d), (j)	Net advances	(10)	-
Mandarin Palace (Malaysia) Sdn. Bhd.	(a), (d), (j)	Net repayment	12	-
Merdeka Management Services Sdn. Bhd.	(a), (b), (j), (k)	Net repayment	374	-
Puas Murni Sdn. Bhd.	(b), (d), (p)	Net repayment	171	-
Hotel Fair Lane Sdn. Bhd.	(c), (d), (g)	Net repayment/(advances)	15	(19)
Low Yat And Sons Realty Sdn. Bhd.	(a), (b), (f), (j)	Net (advances)/repayment	(13)	5
Lipis Cement Sdn. Bhd.	(b), (d), (n)	Net repayment	1	3
Selangor Holdings Sdn. Bhd.	(b), (c), (d), (f), (j)	Net (advances)/repayment	(2)	2
Grace Hotel Singapore Pte Ltd (formerly known as LYC Pte. Ltd.)	(a), (n), (q)	Net repayment	339	-
L.Y.C. Incorporation Sdn. Bhd.	(c), (d), (g)	Net advances	-	(1)

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46. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

Notes:-

- (a) A company in which Low Gee Tat @ Gene Low is a director.
- (b) A company in which Low Gee Teong is a director.
- (c) A company in which Low Su Ming is a director.
- (d) A company in which Low Gee Soon is a director.
- (e) A sole proprietorship owned by Low Gee Tat @ Gene Low
- (f) A company in which Tan Sri Dato' Low Yow Chuan is a director.
- (g) A company in which Low Gee Tat @ Gene Low, Low Gee Teong, Low Su Ming and Low Gee Soon have substantial interests.
- (h) A company in which Low Gee Soon is a substantial shareholder.
- (i) A company in which Low Su Ming has a substantial interest.
- (j) A company in which Low Gee Tat @ Gene Low, Low Gee Teong, Low Gee Soon and Tan Sri Dato' Low Yow Chuan have substantial interests.
- (k) A company in which Woon Siew Choo is an alternate director.
- (l) A company in which Low Gee Tat @ Gene Low and Low Gee Teong have substantial interests.
- (m) A company in which Tan Hong Lean is a director. Tan Hong Lean is the mother of Low Gee Tat @ Gene Low, Low Gee Teong, Low Su Ming and Low Gee Soon.
- (n) A company in which Low Gee Tat @ Gene Low, Low Gee Teong, Low Su Ming, Low Gee Soon and Tan Sri Dato' Low Yow Chuan have substantial interests.
- (o) Tan Sri Dato' Low Yow Chuan is a deemed substantial shareholder of Asia Pacific Land Berhad and was also the former executive chairman of the Company. He is the father of Low Gee Tat @ Gene Low, Low Gee Teong, Low Su Ming and Low Gee Soon.
- (p) A company in which Low Gee Teong and Low Gee Soon have substantial interests.
- (q) A company in which Low Gee Soon is an alternate director.

Low Gee Tat @ Gene Low and Low Gee Teong are deemed substantial shareholders of the Company and are directors of the Company and certain subsidiaries of the Group. Low Gee Soon is a deemed substantial shareholder of the Company and is a director of certain subsidiaries of the Group. Low Su Ming is a director and shareholder of the Company and is a director of certain subsidiaries of the Group.

Low Gee Tat @ Gene Low is the brother of Low Gee Teong, Low Su Ming and Low Gee Soon and their father, Tan Sri Dato' Low Yow Chuan are deemed substantial shareholders of the Company.

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46. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(c) Key Management Personnel

	THE GROUP		THE COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Short-term employment benefits				
- director's remuneration (Note 45)	1,794	1,961	57	8
- others	1,117	1,047	269	109

Key management personnel comprises executive and non-executive directors and other personnel of the Group which having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly.

47. SIGNIFICANT RELATED PARTY BALANCES

NAME OF RELATED PARTIES	RELATIONSHIPS (REFER TO NOTE 46)	TRADE RECEIVABLES THE GROUP		OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS THE GROUP	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Bintang Maintenance and Projects Services Sdn. Bhd.	(c), (d), (j)	-	-	9	5
Bintang Tower Sdn. Bhd.	(n), (d), (f)	3	3	-	3
Capitol Hotel Sdn. Bhd.	(a), (c), (d), (j)	3	4	7	38
Federal Hotels International Sdn. Bhd.	(a), (d), (j), (q)	53	45	101	120
Federal Property Sdn. Bhd.	(a), (d), (l)	-	2	-	-
Federal Hotels Sendirian Berhad	(a), (c), (f) (j)	9	24	30	32
Federal Hotel Services (International) Sdn. Bhd.	(a), (d), (j)	-	-	-	7
Federal Hotel Singapore Pte Ltd	(b), (n)	-	-	-	7
Hotel Fair Lane Sdn. Bhd.	(c), (d), (g)	-	-	2	1

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47. SIGNIFICANT RELATED PARTY BALANCES (CONT'D)

NAME OF RELATED PARTIES	RELATIONSHIPS (REFER TO NOTE 46)	TRADE RECEIVABLES THE GROUP		OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS THE GROUP	
		2007	2006	2007	2006
		RM'000	RM'000	RM'000	RM'000
Indah Jaya Development Sdn. Bhd.	(b), (c), (d), (j)	864	1,112	232	160
Lipis Cement Sdn. Bhd.	(b), (d), (n)	5	4	-	-
Linkbond (Asia) Ltd.	(a), (b), (d), (f) (g), (m)	5	5	-	-
Low Yat Construction Company Sdn. Berhad	(a), (b), (c) (d), (f), (j)	5	43	6	763
Low Yat And Sons Realty Sdn. Bhd.	(a), (b), (f) (j)	17	37	(10)	-
Malayan Coffee Sdn. Bhd.	(c), (d), (j)	-	-	(3)	3
Merdeka Management Services Sdn. Bhd.	(a), (b), (j), (k)	96	96	299	14
Orient Pacific Property Sdn. Bhd.	(c), (d), (g)	1	-	-	-
Puas Murni Sdn. Bhd.	(b), (d), (p)	-	-	171	-
Sem Siong Industries Sdn. Bhd.	(a), (b), (c) (d), (f), (j)	120	76	3	8
		1,181	1,451	847	1,161

NAME OF RELATED PARTIES	RELATIONSHIPS (REFER TO NOTE 46)	TRADE PAYABLES THE GROUP		OTHER PAYABLES AND ACCRUALS THE GROUP	
		2007	2006	2007	2006
		RM'000	RM'000	RM'000	RM'000
Bintang Maintenance and Projects Services Sdn. Bhd.	(c), (d), (j)	-	-	2	42
Capitol Hotel Sdn. Bhd.	(a), (c), (d), (j)	-	-	145	18
Federal Hotels International Sdn. Bhd.	(a), (d), (j), (q)	-	-	-	297

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47. SIGNIFICANT RELATED PARTY BALANCES (CONT'D)

NAME OF RELATED PARTIES	RELATIONSHIPS (REFER TO NOTE 46)	TRADE PAYABLES THE GROUP		OTHER PAYABLES AND ACCRUALS THE GROUP	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Federal Hotels Sendirian Berhad	(a), (c), (f) (j)	-	-	26	213
Hotel Fair Lane Sdn. Bhd.	(c), (d), (g)	-	-	-	16
Indah Jaya Development Sdn. Bhd.	(b), (c), (d) (j)	-	-	225	1,860
Low Yat And Sons Realty Sdn. Bhd.	(a), (b), (f) (j)	-	-	14	14
Low Yat Construction Company Sdn. Berhad	(a), (b), (c) (d), (f), (j)	-	-	1,659	5,472
Linkbond (Asia) Ltd.	(a), (b), (d), (f), (g), (m)	-	-	-	1
Grace Hotel Singapore Pte Ltd (formerly known as LYC Pte. Ltd.)	(a), (n), (q)	-	-	-	339
Malayan Coffee Sdn. Bhd.	(c), (d), (j)	-	-	8	2
Merdeka Management Services Sdn. Bhd.	(a), (b), (j), (k)	-	876	700	1,129
Mandarin Palace (Malaysia) Sdn. Bhd.	(a), (d), (j)	-	-	-	13
Oriental Development Sdn. Bhd.	(c), (d), (f), (g)	-	-	13	4
Sem Siong Industries Sdn. Bhd.	(a), (b), (c) (d), (f), (j)	-	-	120	4,695
		-	876	2,912	14,115

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47. SIGNIFICANT RELATED PARTY BALANCES (CONT'D)

NAME OF RELATED PARTIES	RELATIONSHIPS (REFER TO NOTE 46)	OTHER RECEIVABLES THE COMPANY	
		2007 RM'000	2006 RM'000
Federal Hotels International Sdn. Bhd.	(a), (d), (j), (q)	19	-
Indah Jaya Development Sdn. Bhd.	(b), (c), (d), (j)	-	1
Lipis Cement Sdn. Bhd.	(b), (d), (n)	1	-
		<u>20</u>	<u>1</u>

NAME OF RELATED PARTIES	RELATIONSHIPS (REFER TO NOTE 46)	OTHER PAYABLES AND ACCRUALS THE COMPANY	
		2007 RM'000	2006 RM'000
Capitol Hotel Sdn. Bhd.	(a), (c), (d), (j)	80	-
Low Yat Construction Company Sdn. Berhad	(a), (b), (c), (d), (f), (j)	909	5,440
Federal Hotels Sendirian Berhad	(a), (c), (f), (j)	2	12
		<u>991</u>	<u>5,452</u>

48. COMMITMENT

	THE GROUP	
	2007 RM'000	2006 RM'000
Approved and contracted for the acquisition of subsidiaries		
- PT. Tunas Prima Sejahtera #	15,940	-
- Changshu Platinum Landmark Limited (formerly known as Platinum Landmark (Changshu) Limited) *	-	28,946
	<u>15,940</u>	<u>28,946</u>

- On 27 November 2007, the Group via its wholly-owned subsidiary, Asian Agriculture Holdings Pte Ltd (formerly known as Mount Pleasure Investments Pte Ltd) had entered into a Conditional Shares Sale & Purchase and Subscription of New Shares Agreement ("CSPA") with Halim Jawan and Rubiyanto to acquire 190 shares of Indonesian Rupiah ("Rp") 1,000,000 each or 95% equity interest in PT. Tunas Prima Sejahtera for a total cash consideration of Rp.190,000,000 and a subscription for the new shares of 47,310 shares with a total nominal value of Rp.47,310,000,000 (approximately RM18,681,000 based on the exchange rate of RM0.03933 per Rp100).

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48. COMMITMENT (CONT'D)

- * - On 26 December 2006, the Board of Directors announced that the Group has via its wholly-owned subsidiary, Platinum Landmark Sdn. Bhd. incorporated a company in Changshu, China under the name of Changshu Platinum Landmark Limited (formerly known as Platinum Landmark (Changshu) Limited) with a registered share capital of USD8.2 million on 19 December 2006. The Certificate of Registration of PLCL was received by the Company on 26 December 2006. The Group has yet to pay for the registered capital as at the date of this financial report for the financial year ended 31 December 2006.

49. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The following are the significant events during the financial year:-

- (i) The completion of the disposal of City Square Centre comprising City Square Shopping Complex, Crown Princess Hotel Kuala Lumpur and the Empire Tower in June 2007, as disclosed in Note 22 to the financial statements.
- (ii) On 9 April 2007, the Group announced that it will undertake the following transactions:-
 - (a) proposed share buy back scheme to purchase its own ordinary shares of up to 10% of the Company's issued and paid-up ordinary share capital; and
 - (b) proposed exemption to be sought by Low Yat Construction Company Sdn. Bhd. and persons acting in concert from the obligations to undertake a Mandatory General Offer for the remaining shares in the Company not already owned by them subsequent to the implementation of the Proposed Share Buy Back, under Practice Note 2.9.10 of the Malaysian Code on Takeovers and Mergers 1998 ("proposed exemption").

The above were approved by the shareholders of the Company at an Extraordinary General Meeting held on 22 August 2007.

On 30 August 2007, the Group announced that the proposed exemption under Practice Note 2.9.10 of the Malaysian Code on Takeovers and Mergers 1998 had been approved by the Securities Commission.

- (iii) The acquisition of PT. Tunas Prima Sejahtera as further disclosed in Note 48 to the financial statements.

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49. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (iv) On 5 December 2007, the Group via its wholly-owned subsidiary, Changshu Platinum Landmark Limited entered into a State Owned Land Lease Transfer Agreement with the National Land Resources Bureau of The People's Republic of China after it succeeded in a tender for a piece of land in Changshu, China measuring approximately 65,421 square metres for a total purchase consideration of RMB99,112,815 (approximately RM46 million based on the exchange rate of RM0.4641 per RMB1).
- (v) On 21 December 2007, the Group incorporated a wholly-owned subsidiary in Singapore under the name of Pacific Agriculture Holdings Pte Ltd ("PAH"). The issued and paid-up share capital of PAH is 1 ordinary share of S\$1.00 each. The intended principal activity of PAH is investment holding.

50. SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

The following are the significant events subsequent to the balance sheet date:-

- (i) On 11 January 2008, the Group via its wholly-owned subsidiary, PAH entered into a Conditional Shares Sale & Purchase and Subscription of New Shares Agreement ("CSPA") with Halim Jawan and Rubiyanto to acquire 190 shares of Rp. 1,000,000 each (or 95% equity interest) in PT. Tunas Sejati Abadi for a total cash consideration of Rp. 190,000,000 and subscription for new shares of 37,810 shares of Rp. 1,000,000 each with a total nominal value of Rp. 37,810,000,000 (approximately RM12.4 million based on the exchange rate of RM0.03282 per Rp100).
- (ii) On 11 January 2008, the Group via its wholly-owned subsidiary, Khas Cergas Sdn. Bhd. entered into a conditional Sale of Business Agreement with Dynamic Master (M) Sdn. Bhd. ("DMSB") for the purchase of a business from DMSB known as Victoria International College in Klang and Victoria International College (Kuala Lumpur) in Kuala Lumpur as a going concern including all its assets, rights, title, interest, licences and approvals in relation and/or incidental thereto for a total purchase consideration of RM2,500,000. This amount will be settled partly in cash amounting to RM1,350,000 only and the balance of RM1,150,000 by way of transfer of certain properties located at Bandar Tasik Puteri, Rawang, Selangor.

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50. SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE (CONT'D)

- (iii) On 17 March 2008, the Company entered into a Contract For Sales of Real Estate with Tancho Investments, an exempted company incorporated in the Territory of the Cayman Islands for the acquisition of a piece of land in Hokkaido, Japan measuring 3,082 square metres for a total purchase consideration of JPY579,500,000 (approximately RM18.9 million based on the exchange rate of RM3.26 per JPY100).
- (iv) On 31 March 2008, the Group via its wholly-owned subsidiary, Island Bay Resorts Sdn. Bhd. ("IBR") terminated the Joint Venture (Development) Agreement dated 23 January 2006 with IJM Properties Sdn. Bhd. for the development of IBR's land in Batu Ferringhi. The effect of the termination had been accounted for during the financial year and the effect is as follows:

	2007 RM'000	2006 RM'000
Provision for loss on termination of joint venture	<u>1,707</u>	<u>-</u>

The proposed termination as set out in (iv) is pending completion at the date of this report for the financial year ended 31 December 2007.

51. FOREIGN EXCHANGE RATES

The applicable foreign exchange rates used (expressed on the basis of one unit of foreign currency to Ringgit Malaysia equivalent) for the translation of foreign currency balances at the balance sheet date are as follows:-

	At 31.12.2007 RM	AVERAGE 2007 RM	At 31.12.2006 RM	AVERAGE 2006 RM
Australian Dollar	2.9152	2.8828	2.790	2.775
Chinese Renminbi	0.4527	0.4520	NA	NA
Hong Kong Dollar	0.4238	0.4406	NA	NA
Singapore Dollar	2.2938	2.2813	2.299	2.288

NA - non- applicable

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52. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced sale or liquidation.

The following methods and assumptions are used to estimate the fair value of each class of financial assets and financial liabilities of the Group and of the Company:-

(a) Cash and Bank Balances and Short-term Receivables

The carrying amounts approximated their fair values due to the relatively short-term maturity of these instruments.

(b) Unquoted Investment

It is not practicable to determine the fair value because of the lack of quoted market price and the inability to estimate the fair value without incurring excessive costs.

(c) Short-term Borrowings and Other Current Liabilities

The carrying amounts approximated their fair values because of the short period to maturity of these instruments.

(d) Amounts Owning By/To Subsidiaries

It is not practicable to determine the fair values of the amounts owing by/to the subsidiaries principally due to the lack of fixed repayment terms. However, the Company does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

(e) Long-term Borrowings

The carrying amounts approximated their fair values as these instruments bear interest at variable rates.

(f) Hire Purchase and Lease Payables

The fair values of hire purchase and lease payables are determined by discounting the relevant cash flows using current interest rates for similar types of instruments.

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52. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

(g) Contingent Liabilities

The nominal amount and net fair value of financial instruments not recognised in the balance sheets of the Group and of the Company are as follows:

	Note	THE GROUP		THE COMPANY	
		Nominal Amount RM'000	Net Fair Value RM'000	Nominal Amount RM'000	Net Fair Value RM'000
At 31 December 2007					
Contingent liabilities	43	-	-	53,420	**
		<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006					
Contingent liabilities	43	7,700	*	225,795	**
		<hr/>	<hr/>	<hr/>	<hr/>

* It is not practicable to estimate the fair value of contingent liabilities of the Group reliably due to uncertainties of timing, costs and eventual outcome.

** The fair value of contingent liabilities of the Company is expected to be minimal as the subsidiaries are expected to be able to repay the banking facilities.