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annual report 2006



Asia Pacific Land Berhad  
(Co. no. 4069-K)

**AP LAND** is an established and progressive conglomerate with interests in Property Development, Property Investment & Management and Hospitality & Leisure Business

**CORPORATE VISION** To be a premier property conglomerate

**CORPORATE MISSION** We are committed to providing quality lifestyles and services to our customers and optimising investment returns to our shareholders

**CORPORATE OBJECTIVES**

- To maintain a strong and healthy balance sheet
- To ensure a progressive growth in profits and earnings
- To ensure that customers are satisfied with our products and quality of services
- To ensure stable returns to shareholders
- To provide motivating and rewarding careers to employees
- To practice a high standard of professionalism, corporate governance and business ethics and integrity
- To be a responsible corporate citizen through economic and social contributions to the nation and practice sound environmental management

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## Cover Rationale

Annual Report 2006 depicts the Group's 'ROCK SOLID' foundation and pioneering spirit built by many years of innovative management and delivery of unique products. AP Land Group's depth of experience and knowledge in the business environment it operates in will strengthen its position as a reputable and quality developer and will propel the Group to sustainable GROWTH & PROFITABILITY.

## BOARD OF DIRECTORS

Executive Chairman  
**Low Gee Tat**  
B.Soc, Sci.(Hons), UK (Law & Politics)

## JOINT MANAGING DIRECTORS

**Low Gee Teong**  
MA Econs. & Mgmt. Sc., UK  
**Low Su Ming**  
B.Sci (Architecture) NSW Australia

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Tan Sri Datuk Seri (Dr) Chong Hon Nyan**  
PSM, DGSM, JMN, KMN, AMN  
RCD(S'pore), MA(Law Tripos) Cambridge  
**Tan Sri Dato' Hanafiah Hussain**  
PSM, DSDK, AMN, SDK  
BA(Com), FCA  
**Tan Sri Dato' Lee Kim Sai @ Lee Hoo**  
PSM, DSSA, PPN  
**Dato' Hj Badri Bin Haji Masri**  
B. Arts (Malay Literature), MA (Political Science)  
**Soong Kwong Heng**  
B. Econs. (Accounting)

## EXECUTIVE DIRECTORS

**Woon Siew Choo**  
ACA, CA(M)  
**Wee Beng Sang**  
B. Architecture (UTM)

## GROUP ADVISER

**Tan Sri Dato' Low Yow Chuan**  
PSM, DJI(Sel), SMS

## AUDIT COMMITTEE

**Tan Sri Datuk Seri (Dr) Chong Hon Nyan** (Chairman)  
**Tan Sri Dato' Hanafiah Hussain**  
**Tan Sri Dato' Lee Kim Sai @ Lee Hoo**  
**Woon Siew Choo**

## REMUNERATION AND NOMINATION COMMITTEE

**Tan Sri Datuk Seri (Dr) Chong Hon Nyan** (Chairman)  
**Tan Sri Dato' Hanafiah Hussain**

## EXECUTIVE COMMITTEE

**Low Gee Tat** (Chairman)  
**Low Gee Teong** (Joint Deputy Chairman)  
**Low Su Ming** (Joint Deputy Chairman)  
**Low Gee Soon**  
**Woon Siew Choo**  
**Wee Beng Sang**

## COMPANY SECRETARIES

**Chan Kam Lye**  
ACIS (MAICSA No. 7009907)  
**Tan Bee Lian**  
ACIS (MAICSA No. 7009512)

## REGISTERED OFFICE

Suites 704 & 705, 7th Floor,  
No.11, Lorong Kinta,  
10400 Penang.  
Tel : (604) 227 0363  
Fax : (604) 227 2011, 227 8011

## REGISTRAR

**PFA Registration Services Sdn Bhd**  
Level 13, Uptown 1,  
No. 1, Jalan SS21/58,  
Damansara Uptown,  
47400 Petaling Jaya,  
Selangor.  
Tel : (603) 7725 4888, 7725 8046  
Fax : (603) 7722 2311  
E-mail : regn@pfa.com.my

## PRINCIPAL BANKERS

Malayan Banking Berhad  
EON Bank Berhad

## AUDITORS

**Horwath**  
Level 16, Tower C,  
Megan Avenue II,  
12, Jalan Yap Kwan Seng,  
50450 Kuala Lumpur.  
Tel : (603) 2166 0000  
Fax : (603) 2166 1000

## STOCK EXCHANGE LISTING

Main Board, Bursa Malaysia Securities Berhad

## WEBSITE ADDRESS

[www.apland.com.my](http://www.apland.com.my)

## AUTHORISED SHARE CAPITAL

RM1,000,000,000.00

## ISSUED AND PAID-UP SHARE CAPITAL

RM710,341,402.00

## FORMER NAMES

Mount Pleasure Holdings Berhad,  
Public Corporation Berhad,  
Public Textile Berhad,  
Min Ngai Knitting Factory (Malaya) Berhad,  
Min Ngai Knitting Factory (Malaya) Sdn Bhd

## DATE OF INCORPORATION

19 January 1961

# Notice Of The 46th Annual General Meeting

## NOTICE IS HEREBY GIVEN

**THAT** the 46th Annual General Meeting of Asia Pacific Land Berhad will be held at the Miami Hall, Hydro Majestic Hotel, Jalan Low Yat, 11100 Batu Ferringhi, Penang on Thursday, 28 June 2007 at 11.00 a.m. to transact the following business:

1. To receive the Audited Accounts for the year ended 31 December 2006 and the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' fees to Independent Non-Executive Directors.
3. To re-elect Mr Low Gee Tat @ Gene Low who retires pursuant to Article 80 of the Company's Articles of Association and being eligible, offers himself for re-election.
4. To re-elect Mr Low Gee Teong who retires pursuant to Article 80 of the Company's Articles of Association and being eligible, offers himself for re-election.
5. To re-elect Dato' Hj Badri Bin Haji Masri who retires pursuant to Article 87 of the Company's Articles of Association and being eligible, offers himself for re-election.
6. To re-elect Mr Soong Kwong Heng who retires pursuant to Article 87 of the Company's Articles of Association and being eligible, offers himself for re-election.
7. To re-appoint Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration.
8. To transact any other business of which due notice shall have been received.

**Resolution 1**

**Resolution 2**

**Resolution 3**

**Resolution 4**

**Resolution 5**

**Resolution 6**

**Resolution 7**

By Order of the Board

**CHAN KAM LYE** (MAICSA No. 7009907)  
**TAN BEE LIAN** (MAICSA No. 7009512)

Company Secretaries  
6 June 2007

### NOTES:

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 ("the Act") shall not apply to the Company.
2. To be valid, the proxy form must be duly completed and deposited at the Registered Office of the Company at Suites 704 & 705, 7th Floor, No. 11, Lorong Kinta, 10400 Penang not later than 11.00 a.m. on 26 June 2007.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Act are complied with.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
6. If the appointor is a corporation the proxy form must be executed either under its common seal or under the hand of an officer or attorney duly authorised.

### EXPLANATORY NOTES ACCOMPANYING NOTICE OF MEETING

Under Section 129 of the Act, a director of a public company who is of or over the age of 70 is not eligible to be re-appointed as a director upon the expiry of his term of office unless his re-appointment is approved by a majority of not less than three-fourths of such members being entitled to vote at the annual general meeting in which his term of office expires.

Tan Sri Datuk Seri (Dr) Chong Hon Nyan, aged 83, Tan Sri Dato' Hanafiah Hussain, aged 80 and Tan Sri Dato' Lee Kim Sai @ Lee Hoo, aged 70 who are retiring pursuant to Section 129 of the Act will not be standing for re-appointment to the Board of AP Land at the forthcoming Annual General Meeting.

# Statement Accompanying the Notice Of The 46th Annual General Meeting

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The Directors who are standing for re-election at the 46th Annual General Meeting to be held at the Miami Hall, Hydro Majestic Hotel, Jalan Low Yat, 11100 Batu Ferringhi, Penang on Thursday, 28 June 2007 at 11.00 a.m. are as follows:

- i) Directors standing for re-election pursuant to Article 80 of the Company's Articles of Association:

**Mr Low Gee Tat @ Gene Low**  
**Mr Low Gee Teong**

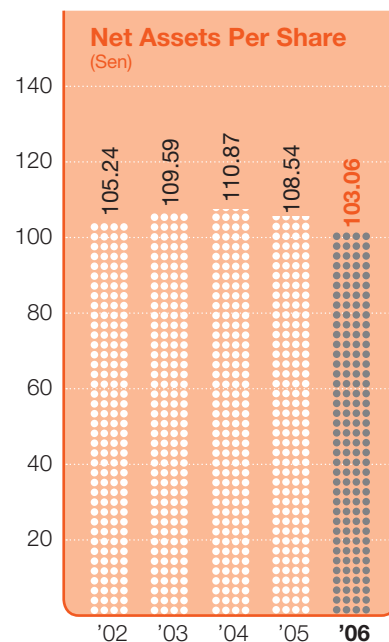
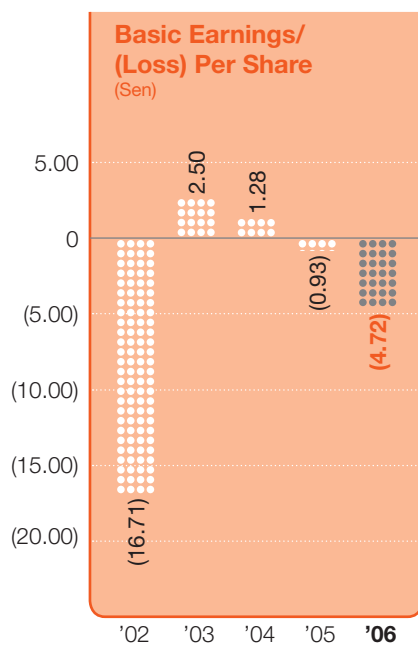
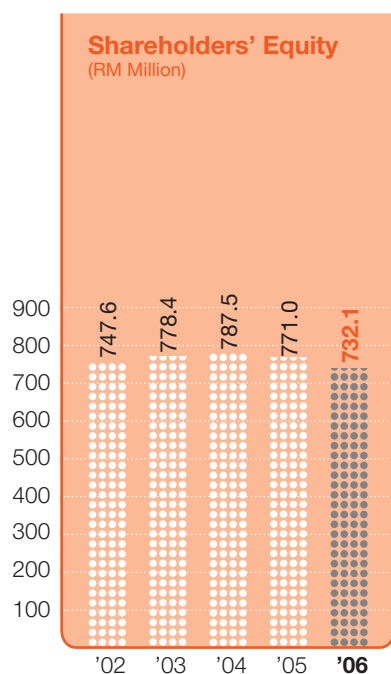
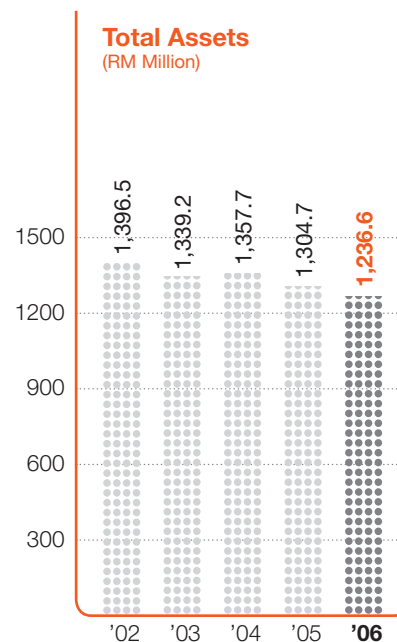
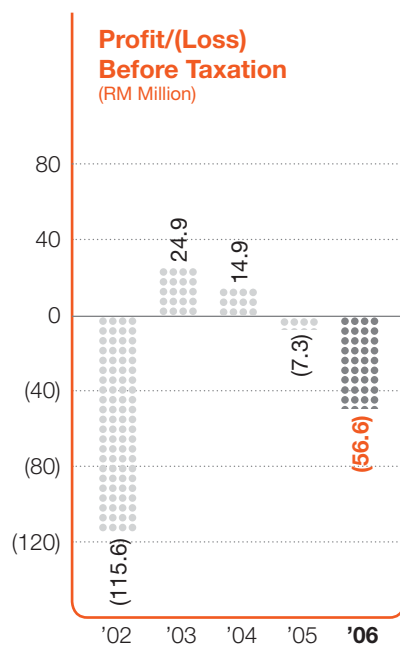
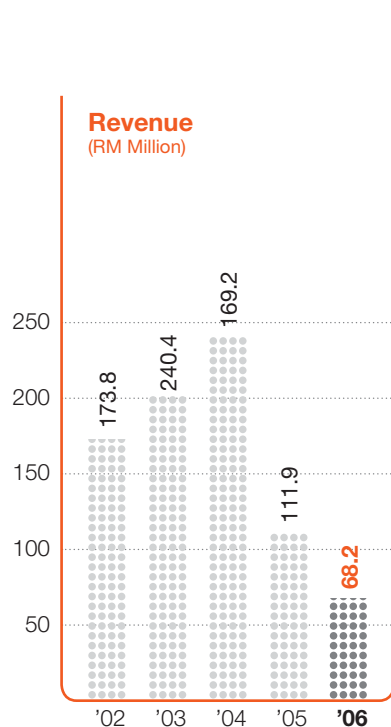
Further information on the profile of the abovementioned retiring directors are set out on page 10 of this Annual Report.

Details of their attendance at the Board Meetings of the Company held during the financial year ended 31 December 2006 are set out on page 23 of this Annual Report.

- ii) Newly appointed Directors standing for re-election pursuant to Article 87 of the Company's Articles of Association :

**Dato' Hj Badri Bin Haji Masri**  
**Mr Soong Kwong Heng**

Further information on the profile of the abovementioned retiring directors are set out on pages 12 to 13 of this Annual Report.





# 5 Years' Financial Highlights & Share Market Information

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	2006 RM'000	2005 RM'000	2004 RM'000	2003 RM'000	2002 RM'000
<b>RESULTS</b>					
Revenue	68,183	111,858	169,216	240,355	173,820
Profit/(Loss) before taxation	(56,628)	(7,254)	14,863	24,940	(115,590)
Taxation	23,092	643	(5,803)	(7,158)	(3,125)
Profit/(Loss) after taxation	(33,536)	(6,611)	9,060	17,782	(118,715)
<b>BALANCE SHEETS</b>					
Property, plant & equipment	54,401	348,363	468,627	465,954	556,888
Land held for development	137,006	167,691	149,406	139,194	138,708
Investment properties	2,500	473,368	473,356	473,356	473,100
Prepaid land lease payments	74,873	62,519	-	-	-
Other investment	50	50	50	50	50
Available for sale financial assets	680,000	-	-	-	-
Deferred tax assets	22,843	22,080	18,579	20,382	24,502
Currents assets	264,885	230,668	247,691	240,236	203,268
Total assets	1,236,558	1,304,739	1,357,709	1,339,172	1,396,516
Current liabilities	(139,228)	(184,688)	(202,447)	(204,108)	(215,270)
	1,097,330	1,120,051	1,155,262	1,135,064	1,181,246
<b>FINANCED BY</b>					
Share capital	710,341	710,341	710,341	710,341	710,341
Reserves	21,759	60,697	77,189	68,089	37,211
Shareholders' equity	732,100	771,038	787,530	778,430	747,552
Deferred taxation	24,531	49,681	50,133	50,089	50,465
Long term liabilities	340,699	299,332	317,599	306,545	383,229
	1,097,330	1,120,051	1,155,262	1,135,064	1,181,246
<b>FINANCIAL RATIOS</b>					
Basic earnings/(loss) per share (sen)	(4.721)	(0.93)	1.28	2.50	(16.71)
Net assets per share (sen)	103.063	108.54	110.87	109.59	105.24
Return on equity ( % )	(4.581)	(0.85)	1.16	2.33	(14.86)
Return on total assets ( % )	(2.712)	(0.51)	0.67	1.33	(8.50)
Debt/equity ( % )	48.896	45.55	49.06	49.43	59.76
<b>SHARE MARKET INFORMATION</b>					
*Share price - High (RM)	0.505	0.270	0.340	0.350	0.440
- Low (RM)	0.140	0.135	0.225	0.200	0.245
*Last transacted price (RM)	0.390	0.145	0.260	0.275	0.255
Market capitalisation (RM'mil)	277.03	102.99	184.69	195.34	181.14
Net price earnings ratio (times)	n/a	n/a	20.31	11.00	n/a
*Volume traded during the financial year ('000)	1,022,430	85,226	148,041	279,845	89,427

\* Source: Bloomberg

Quarterly Results Of The Group  
For Year 2006

	Year 2006			
	Quarter 1 RM'000	Quarter 2 RM'000	Quarter 3 RM'000	Quarter 4 RM'000
<b>Continuing Operations</b>				
<b>Revenue</b>				
Hotel	-	-	-	-
Property Development	5,591	(991)	285	(250)
Property Investment	5,637	(5,637)	-	-
Others	1,389	1,287	1,192	926
	12,617	(5,341)	1,477	676
<b>Profit/(loss) before taxation</b>				
Hotel	(1)	-	-	-
Property Development	(1,245)	(8,350)	(8,072)	1,755
Property Investment	161	160	200	165
Others	(98)	(410)	(167)	(711)
	(1,183)	(8,600)	(8,039)	1,209
<b>Profit/(loss) after taxation</b>	(620)	(8,600)	(7,891)	9,085
<b>Discontinued Operations</b>				
<b>Revenue</b>				
Hotel	8,180	7,655	8,182	8,670
Property Investment	504	12,485	6,408	6,671
	8,684	20,140	14,590	15,341
<b>Profit/(loss) before taxation</b>				
Hotel	(121)	(2,692)	1,051	(12,810)
Property Investment	2,233	(19,677)	2,424	(10,424)
	2,112	(22,369)	3,475	(23,234)
<b>Profit/(loss) after taxation</b>	(421)	(56)	(16,954)	(8,079)
<b>BALANCE SHEETS</b>				
Property, plant & equipment	322,024	277,665	37,029	54,401
Land held for development	145,186	146,620	148,455	137,006
Investment properties	471,166	442,500	2,500	2,500
Prepaid land lease payments	85,112	84,668	84,642	74,873
Other investments	50	50	50	50
Available for sale financial assets	-	-	680,000	680,000
Deferred tax assets	21,647	22,709	22,912	22,843
Currents assets	254,776	290,576	272,582	264,885
Total assets	1,299,961	1,264,788	1,248,170	1,236,558
Current liabilities	(179,547)	(180,040)	(150,338)	(139,228)
	1,120,414	1,084,748	1,097,832	1,097,330
<b>FINANCED BY</b>				
Share capital	710,341	710,341	710,341	710,341
Reserves	62,235	24,955	20,749	21,759
Shareholders' equity	772,576	735,296	731,090	732,100
Deferred taxation	48,575	49,584	49,582	24,531
Long term liabilities	299,263	299,868	317,160	340,699
	1,120,414	1,084,748	1,097,832	1,097,330
Borrowings	351,704	353,106	355,902	357,964
<b>FINANCIAL RATIOS</b>				
Basic earnings/(loss) per share (sen)	(0.087)	(1.211)	(1.111)	1.279
Net assets per share (sen)	108.761	103.513	102.921	103.063
Return on equity ( % )	(0.080)	(1.170)	(1.079)	1.241
Return on total assets ( % )	(0.048)	(0.680)	(0.632)	0.735
Debt/equity ( % )	45.524	48.022	48.681	48.896



**ASIA PACIFIC LAND BERHAD or AP LAND** was incorporated in Malaysia on 19 January 1961 as a private limited company under the name of Min Ngai Knitting Factory (Malaya) Sdn. Bhd.

The Company was converted into a public limited company on 9 May 1969 and its shares were listed on the Kuala Lumpur Stock Exchange (KLSE) (now known as Bursa Malaysia Securities Berhad) and the Stock Exchange of Singapore Ltd. on 3 July 1969.

In compliance with the policy of the Malaysian Government and the requirements of the Stock Exchange that was then known as the KLSE, the Board of Directors of AP Land resolved on 1 December 1989 to delist the Company from the Official List of the Stock Exchange of Singapore Ltd. with effect from 1 January 1990.

The Company was initially involved in textile business and on 18 December 1973, the Company changed its name to Public Textile Bhd. Since 1981, it has diversified into property development and subsequently changed its name to Public Corporation Bhd. on 12 November 1982. In 1983, the Company acquired several properties from Makok Development Sdn. Bhd. and the entire issued and paid-up share capital in Mount Pleasure Corporation Sdn. Bhd. (now known as Island Bay Resorts Sdn Bhd). To reflect the acquisition of Mount Pleasure Corporation Sdn. Bhd., the Company's name was changed to Mount Pleasure Holdings Berhad on 14 May 1984.

The Company completed the development of its first hotel, the 350-room Ferringhi Beach Hotel Penang in 1988 and was the developer of Mount Pleasure Resort, Batu Ferringhi, Penang, comprising luxurious upmarket condominiums.

The Company became a major property investor in 1990 when it embarked on the acquisition of the following properties at City Square Centre, the first fully integrated commercial development in Malaysia, which is strategically located within the vicinity of the Embassy belt of Kuala Lumpur:

- the City Square Shopping Centre, an 11-storey building comprising three levels of basement car-parking and eight levels of shopping/commercial and car-parking space in 1990;
- the Crown Princess Kuala Lumpur, a 571-room 5-star deluxe hotel which is sited atop City Square Shopping Centre, in 1990;
- the Empire Tower, a 50-level Grade-A high-rise office building - then the tallest office building in Kuala Lumpur, which sits on the podium of City Square Centre and two levels of car-parking space, in 1994.

The Company assumed its present name, Asia Pacific Land Berhad on 1 August 1990.

AP Land was honoured by the International Real Estate Federation (FIABCI), Malaysia Chapter, with the Commercial Development Award 1994 for City Square Centre and Property Man of the Year Award 1994 for its former Chairman, Tan Sri Dato' Low Yow Chuan.

In 1993, AP Land ventured into property investment and development in Sydney, Australia by acquiring a commercial property in the exclusive eastern suburb of Rushcutters Bay, Sydney for redevelopment into prime residential apartments and a hotel. Several adjoining properties were subsequently acquired from 1996 to 1997 for the extension to the hotel project. The resultant developments, the Marina One apartments which comprise 78 units of luxurious upmarket apartments and the Rushcutters Harbourside Hotel Sydney ("RHHS"), a 260-room 4-star, boutique hotel were completed in 1999. The Group disposed of the RHHS in 2003.

In 1994, AP Land further expanded its property development division with the acquisition of 2,670 acres of plantation land in Rawang, Selangor for the development of an integrated Urban Regional Centre, Bandar Tasik Puteri ("BTP"). BTP is currently being developed in phases and when completed will have residential homes and a commercial town centre complete with business institutions, entertainment and recreational amenities to serve the North Klang Valley's population.

In 1996, AP Land went on further to acquire the Hotel Fairlane Kuala Lumpur, a 258-room 4-star, boutique hotel located in the vicinity of Jalan Bukit Bintang, a popular shopping and entertainment destination. It was subsequently disposed of in 2001.

In 1997, the Group ventured into oil palm plantations in Sabah, and owned 9,700 acres of oil palm plantation in Sabah. AP Land disposed of all its unquoted investments in its two wholly-owned subsidiaries, APL Plantations Sdn. Bhd. and APL Resources Sdn. Bhd. which owned the oil palm plantations land in Sabah in 2002.

In 1999, AP Land acquired the 59th, 60th and 61st floors together with the rooftop helipad of Empire Tower, thus completing its acquisition and ownership of the entire Empire Tower building at the City Square Centre.

Between 1999 and 2000, the Group acquired 4 adjoining parcels of land measuring approximately 1.4 acres located adjacent to City Square Centre. In 2005, the Group ventured into city residential development with the launching of the Group's maiden high-end development of 300 units of exclusive apartments on the land.

In 2005 and 2006, the Group disposed of properties in Penang comprising three pieces of lands known as Lot No. 129 and Lot Nos. 748 & 749, located at Jalan Sultan Ahmad Shah, 10050 Pulau Pinang and the 350-room Ferringhi Beach Hotel, Jalan Low Yat, Penang.

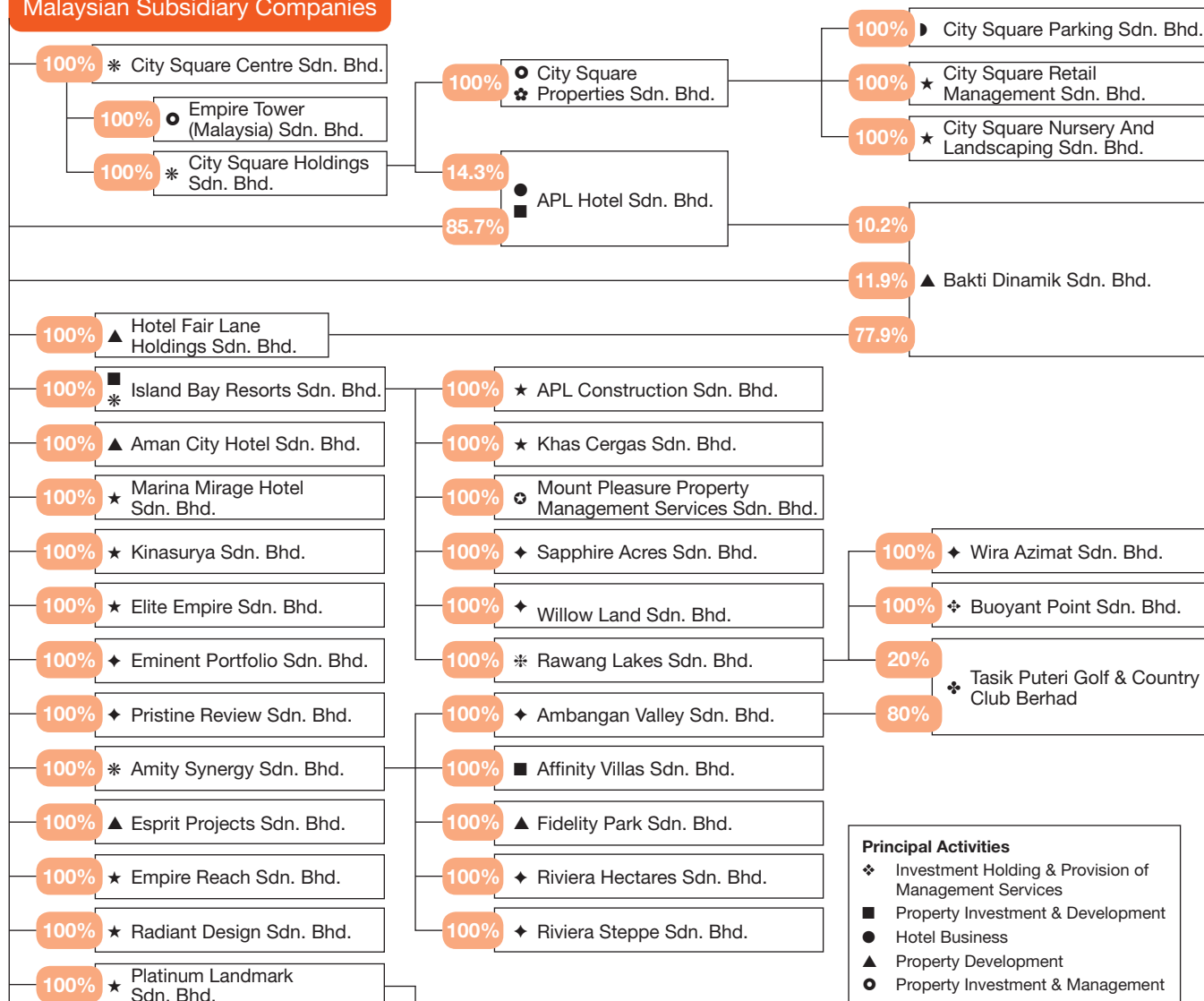
In 2006, the AP Land Group entered into a Joint-Venture with IJM Properties Sdn. Bhd. as the Developer for a mixed development on a 50:50 joint-venture basis on the Group's existing development landbank and the adjacent land known as UOB Land located at Mount Pleasure Resort, Batu Ferringhi, Penang. In the same year, the Group entered into a Sale and Purchase Agreement with MGP I (MAL) Sdn Bhd ("MGP I") for disposal to MGP I of the City Square Centre comprising the City Square Shopping Complex, Empire Tower and Crown Princess Hotel.



**AP LAND**

Asia Pacific Land Berhad ♦  
(Co. no. 4069-K)

### Malaysian Subsidiary Companies



### Overseas Subsidiary Companies



### Principal Activities

- ♦ Investment Holding & Provision of Management Services
- Property Investment & Development
- Hotel Business
- ▲ Property Development
- Property Investment & Management
- \* Investment Holding
- ⊕ Property Management
- ◆ Property Investment
- ✦ Golf Course Operation
- ▶ Car Park Management
- ☆ Car Park Operation
- ✧ Property Maintenance Services
- ✧ Property Development and Building Contractor
- ★ Dormant

# Organisation Structure

as at 21 May 2007

Asia Pacific Land Berhad (4069-K)  
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## Board of Directors

**Executive Chairman**  
Low Gee Tat

**Joint Managing Directors**  
Low Gee Teong  
Low Su Ming

**Independent Non-Executive Directors**  
Tan Sri Datuk Seri (Dr) Chong Hon Nyan  
Tan Sri Dato' Hanafiah Hussain  
Tan Sri Dato' Lee Kim Sai @ Lee Hoo  
Dato' Hj. Badri Bin Haji Masri  
Soong Kwong Heng

**Executive Directors**  
Woon Siew Choo  
Wee Beng Sang

## Group Adviser

Tan Sri Dato' Low Yow Chuan

## Remuneration & Nomination Committee

Tan Sri Datuk Seri (Dr)  
Chong Hon Nyan  
(Chairman)

Tan Sri Dato'  
Hanafiah Hussain

## Executive Committee

Low Gee Tat  
(Chairman)

Low Gee Teong  
(Joint Deputy Chairman)

Low Su Ming  
(Joint Deputy Chairman)

Low Gee Soon  
(Senior Executive Director)

Woon Siew Choo

Wee Beng Sang

## Audit Committee

Tan Sri Datuk Seri (Dr)  
Chong Hon Nyan  
(Chairman)

Tan Sri Dato'  
Hanafiah Hussain

Tan Sri Dato' Lee Kim Sai  
@ Lee Hoo

Woon Siew Choo

## Divisional Heads

**Corporate Services, Legal, Administration & Secretarial**  
Low Gee Soon - Senior Executive Director

**Corporate Planning / Finance, Accounts & Taxation**  
Woon Siew Choo - Executive Director

**Architectural, Planning & Property Services**  
Wee Beng Sang - Executive Director

**Property/ Building Management Services & Business Development**  
Loke Mun Kit - Director

**Project / Construction Management**  
Lee Kok Wah - Director

**Hotel Marketing & Operations**  
Steven Chong Lim Yoke - Director, Group Sales & Marketing

# Profile Of Directors, Company Secretaries & Management Team

as at 21 May 2007

## Mr Low Gee Tat Executive Chairman

Mr Low Gee Tat, aged 44, a Malaysian, is the Executive Chairman of AP Land. He holds a Bachelor of Social Science & Law and Politics degree from the University of Keele, United Kingdom. He has been an Executive Director on the Board of AP Land since 22 April 1991. He is the Chairman of the Executive Committee of AP Land.

He is responsible for the Board's overall conduct and effectiveness as well as providing general strategic corporate/business direction to the Management, in addition to his specific portfolio for the executive management, planning, administration, and operations of the Group's hotel, the Crown Princess Kuala Lumpur. Further, he has also been entrusted with the task of spearheading certain development projects in the Group. He is the Trustee of the National Children Welfare Foundation and the President of the Malaysian Association of Hotel Owners (MAHO).

He is the brother of Mr Low Gee Teong, Mdm Low Su Ming and Mr Low Gee Soon. Mr Low Gee Tat, Mr Low Gee Teong and Mr Low Gee Soon and their father, Tan Sri Dato' Low Yow Chuan are deemed substantial shareholders of AP Land.

He is also an executive director and/or substantial shareholder of several private limited companies in the Low Yat Group which have similar principal activities with the Group such as property development, property investment & management and hotel business. He is also a director of the hotel management company which is providing hotel management services to the hotel in the Group.

Mr Low Gee Tat is deemed to be interested in the related party transactions disclosed on pages 28 to 29 and 94 to 99 of the Annual Report.

He has no \*convictions for offences over the past 10 years.

He attended all the Board Meetings of AP Land held during the financial year ended 31 December 2006.

His indirect interest in the shares of AP Land is disclosed on pages 43 and 45 of the Annual Report.

## Mr Low Gee Teong Joint Managing Director

Mr Low Gee Teong, aged 43, a Malaysian, possesses a Master's Degree in Economics from the University of Keele, United Kingdom. He has been an Executive Director of AP Land since 22 April 1991. Mr Low Gee Teong was appointed as Joint Managing Director of AP Land on 1 April 2006. He is also the Joint Deputy Chairman of the Executive Committee of AP Land.

He is primarily responsible for the executive management, planning and operations of the Group's Property Development arm, which include Bandar Tasik Puteri and its golf and country club, as well as Business Development portfolios majoring in areas of marketing, sales, business performance and new business ventures/opportunities.

As Joint Managing Directors, he is jointly responsible with Mdm Low Su Ming for managing the day-to-day affairs and all the business operations of the Group and for making operational decisions and implementing strategic directions and policies of the Group as well as for the Group's General Management (Finance & Administration policies).

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

He is also an executive director and/or substantial shareholder of several private limited companies in the Low Yat Group which have similar principal activities with the Group such as property development, property investment & management and hotel business.

Mr Low Gee Teong is deemed to be interested in the related party transactions disclosed on pages 28 to 29 and 94 to 99 of the Annual Report.

He has no \*convictions for offences over the past 10 years.

He attended all the Board Meetings of AP Land held during the financial year ended 31 December 2006.

His indirect interest in the shares of AP Land is disclosed on pages 43 and 45 of the Annual Report.

\* Convictions other than traffic offences

# Profile Of Directors, Company Secretaries & Management Team

as at 21 May 2007 (cont'd)

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## **Mdm Low Su Ming** **Joint Managing Director**

Mdm Low Su Ming, aged 41, a Malaysian, graduated with a Bachelor's Degree in Science (Architecture) from the University of New South Wales, Australia. She has been a director of several subsidiaries in the AP Land Group since 22 April 1991 and was appointed as an Executive Director of AP Land on 1 March 2006. Mdm Low Su Ming was appointed as Joint Managing Director on 1 April 2006. She is also the Joint Deputy Chairman of the Executive Committee of AP Land.

She is directly responsible for the executive management, planning, administration and operations of the Group's Property Investment Division. In addition, she is primarily responsible for the Planning/Architectural, Project Management and Property Management Services that serve all business divisions in the Group.

As Joint Managing Directors, she is jointly responsible with Mr Low Gee Teong for managing the day-to-day affairs and all the business operations of the Group and for making operational decisions and implementing strategic directions and policies of the Group, as well as for the Group's General Management (Finance & Administration policies).

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

She is also an executive director and/or substantial shareholder of several private limited companies in the Low Yat Group which are principally involved in property development, property investment and management and hotel business.

Mdm Low Su Ming is deemed to be interested in the related party transactions disclosed on pages 28 to 29 and 94 to 99 of the Annual Report.

She has no \*convictions for offences over the past 10 years.

She attended 3 out of 4 Board Meetings of AP Land held during the financial year ended 31 December 2006.

The direct interest of Mdm Low in AP Land is disclosed on page 43 of the Annual Report.

## **Tan Sri Datuk Seri (Dr) Chong Hon Nyan** **Independent Non-Executive Director**

Tan Sri Datuk Seri (Dr) Chong Hon Nyan, aged 83, a Malaysian, has been an Independent Non-Executive Director of AP Land since 1 December 1992. Tan Sri Chong is the Chairman of the Audit Committee and Remuneration & Nomination Committee of AP Land.

He is holder of a Singapore Raffles College Diploma First Class (English) and a Master of Arts (Law Tripos) from Cambridge University, England and had been a Federal Government Scholar. He has previously held the posts of Secretary General, Ministry of Finance from 1971 to 1974, Deputy Finance Minister from 1974 to 1976, Minister in the Prime Minister's Department in 1977, Minister of Health from 1978 to 1983 and Minister of Transport from 1983 to 1984 in the Government. Tan Sri Chong was conferred an Honorary Degree of Doctor of Science by the International Medical University in 2003.

During his service with the Government, Tan Sri Chong has attended meetings of the World Bank, International Monetary Fund, Asian Development Bank, Colombo Plan, World Health Organisation, Commonwealth Finance Ministers and Economic and Social Commission for Asia and the Pacific region (ESCAP) and has often led the Malaysian delegations to such international conferences.

He is a Patron of the Boys' Brigade Malaysia, a member of the National Economic Consultative Council, the honorary Chairman of the Tan Sri Lee Yan Lian Charitable Foundation and the Pro Chancellor of the International Medical University. He is also an Independent Non-Executive Director and Audit Committee member of J.P. Morgan Chase Bank Berhad.

Tan Sri Chong does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

He does not have any conflict of interest nor any personal interest in any business arrangement involving the Company.

He has no \*convictions for offences over the past 10 years.

Tan Sri Chong attended all the Board Meetings of AP Land held during the financial year ended 31 December 2006.

The indirect interest of Tan Sri Chong in AP Land is disclosed on page 43 of the Annual Report.

\* Convictions other than traffic offences

# Profile Of Directors, Company Secretaries & Management Team

as at 21 May 2007 (cont'd)

## Tan Sri Dato' Hanafiah Hussain Independent Non-Executive Director

Tan Sri Dato' Hanafiah Hussain, aged 80, a Malaysian, was appointed as an Independent Non-Executive Director of AP Land on 1 October 1993. He is a member of the Audit Committee and Remuneration & Nomination Committee of AP Land.

He holds a Bachelor of Arts (Commerce) degree from the University of Manchester, England and is a Fellow of The Institute of Chartered Accountants in England and Wales. He has extensive experience in auditing, finance and banking. Tan Sri Hanafiah was formerly the Executive Chairman of Bank Bumiputra Malaysia Berhad from 1990 to 1993, Chairman of South East Asia Bank Ltd. Mauritius from 1990 to 1993, and President of the Associated Malay Chambers of Commerce of Malaysia from 1966 to 1970. He was a founder partner of the firm of chartered accountants,

Hanafiah Raslan and Mohamed. He sits on the Board of several private limited companies.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

He does not have any conflict of interest nor any personal interest in any business arrangement involving the Company.

He has no \*convictions for offences over the past 10 years.

He attended all the Board Meetings of AP Land held during the financial year ended 31 December 2006.

Tan Sri Dato' Hanafiah does not hold any shares in AP Land.

## Tan Sri Dato' Lee Kim Sai @ Lee Hoo Independent Non-Executive Director

Tan Sri Dato' Lee Kim Sai @ Lee Hoo, aged 70, a Malaysian, was appointed as an independent non-executive director of Rawang Lakes Sdn Bhd, a wholly-owned subsidiary of AP Land on 1 October 1995. He was appointed as an Independent Non-Executive Director to the Board of AP Land on 15 March 2000. He is a member of the Audit Committee of AP Land.

He was elected as a Selangor State assemblyman in 1974. During his appointment, he was also made State Executive Councillor in charge of housing. In 1982, he was elected as a Member of Parliament. He was appointed Deputy Minister in the Prime Minister's Department in June 1983. Subsequently, in 1985, he was appointed Minister of Labour and in 1987 he was appointed Minister of Housing and Local Government. He later served as Minister of Health from 1988 until he retired from the cabinet in May 1995.

Tan Sri Dato' Lee is the Independent Non-Executive Chairman of Metro Kajang Holdings Berhad, a public

listed company which is principally involved in project and building management, investment holding and property development and is a director of several private limited companies.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

He does not have any conflict of interest nor any personal interest in any business arrangement involving the Company.

He has no \*convictions for offences over the past 10 years.

He attended 4 out of 5 Board Meetings of AP Land held during the financial year ended 31 December 2006.

Tan Sri Dato' Lee does not hold any shares in AP Land.

## Dato' Hj Badri Bin Haji Masri Independent Non-Executive Director

Dato' Hj Badri Bin Haji Masri, Malaysian, aged 63, joined the Board of AP Land on 9 May 2007 as an Independent Non-Executive Director.

Dato' Hj Badri graduated with a Bachelor of Arts in Malay Literature from the University of Malaya and a Master of Arts in Political Science from King's College University, London. He was awarded the Heinz Fellowship from the University of Pittsburgh. He served in various government ministry posts from 1968 to 1996, including that of Director General of Tourist Development Corporation of Malaysia and Director of the Budget Management Division of the Ministry of Finance of Malaysia.

He has held various posts in the private sector including Business Development Advisor of Sriwani Holdings Bhd. He was formerly the Chairman of several public listed

companies. He is currently the Chairman and Non-Executive Director of ASTRO All Asia Networks plc and a director of several private limited companies.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

He does not have any conflict of interest or any personal interest in any business arrangement involving the Company.

He has no \*convictions for offences over the past 10 years.

Dato' Hj Badri Bin Haji Masri does not hold any shares in AP Land.

\* Convictions other than traffic offences



# Profile Of Directors, Company Secretaries & Management Team

as at 21 May 2007 (cont'd)

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## Mr Soong Kwong Heng Independent Non-Executive Director

Mr Soong Kwong Heng, aged 58, a Malaysian, joined the Board on 9 May 2007 as an Independent Non-Executive Director.

He graduated with a Bachelor of Economics (Accounting) from University of Malaya in 1972. Mr Soong has more than thirty (30) years experience in tax related issues. After his graduation, he began his career in the Department of Inland Revenue Malaysia for three (3) years. In 1975, he joined Chan King Sang & Co. as its Tax Manager for ten (10) years. Since 1985, he served as a Tax Principal for K.S. Taxation Services Sdn. Bhd.

He is also a director of several private limited companies which are principally involved in property and equity investments. He is currently the Independent Non-Executive Director of Atrium REIT Managers Sdn Bhd, the Manager of Atrium REIT.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

He does not have any conflict of interest or any personal interest in any business arrangement involving the Company.

He has no \*convictions for offences over the past 10 years.

Mr Soong does not hold any shares in AP Land.

## Ar. Wee Beng Sang Executive Director

Ar. Wee Beng Sang, aged 46, a Malaysian, graduated as an Architect from the Universiti Teknologi Malaysia (UTM) and is a corporate member of the Board of Architects Malaysia (LAM), the Malaysian Institute of Architects (PAM) and the Malaysian Institute of Interior Designers (IPDM). He is also a past member of PAM's Practice and Housing Committees. He was appointed as an Executive Director of AP Land on 1 March 2006. He is also a member of the Executive Committee of AP Land.

He has been holding the position as a Director, Architectural, Planning & Property Services of AP Land Group since 1994. Prior to joining AP Land Group on 1 April 1994, he served as the Director of Architecture for Low Yat Group. He is at present responsible for the Architectural, Planning, Design/Product Development, Property and Interior Services, servicing all Business Divisions in the Group. His scope includes liaison/coordination with all relevant governmental/quasi-governmental authorities on the Group's project planning and development approvals. He is also responsible for the implementation of quality assurance and quality control (QAQC) processes/procedures.

Overall, he has in excess of 20 years of related working experience in commercial, industrial, residential and township developments.

He does not have any conflict of interest nor any personal interest in any business arrangement involving the Company.

He has no \*convictions for offences over the past 10 years.

He attended 3 out of 4 Board Meetings of AP Land held during the financial year ended 31 December 2006.

The direct interest of Mr Wee in AP Land is disclosed on page 43 of the Annual Report.

## Mdm Woon Siew Choo Executive Director

Mdm Woon Siew Choo, aged 53, a Malaysian, is an associate member of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants. She is primarily responsible for the Group's Corporate Planning/Finance Accounting, Taxation functions as well as for business performance monitoring and coordination to enhance revenue/income/cash flow generation and yield management. In addition, she also plays a key role in the assessment of the Group's major business deals as well as new investments and businesses. She is also a member of the Executive Committee and Audit Committee of AP Land.

She was the Divisional Director heading the Group's Corporate Finance, Accounts & Tax Divisions from 1 April 1994 to 31 December 2002 before she was appointed to her additional role as Executive Director on 1 January 2003. Mdm Woon was formerly attached to an

international accounting firm in United Kingdom and the Federal Hotels Group prior to joining the AP Land Group.

She does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

She does not have any conflict of interest nor any personal interest in any business arrangement involving the Company.

She has no \*convictions for offences over the past 10 years.

She attended all the Board Meetings of AP Land held during the financial year ended 31 December 2006.

The direct interest of Mdm Woon in AP Land is disclosed on page 43 of the Annual Report.

\* Convictions other than traffic offences

# Profile Of Directors, Company Secretaries & Management Team

as at 21 May 2007 (cont'd)

## Mr Low Gee Soon Senior Executive Director

Mr Low Gee Soon, aged 38, a Malaysian, graduated in 1988 with a Diploma in Business and Management Accounting from the University of Technology, Sydney. He was appointed as an Executive Director of the subsidiary companies of AP Land Group on 25 June 1992.

He is primarily responsible for the executive management and operations of the Group's Property Development arm, majoring in the areas of Finance, Project/Construction Management, Contracts Administration, Procurement, Property/ Building Management Services as well as for General Administrative functions including the Human Resources portfolio of the Group.

He is also a member of the Executive Committee of AP Land. Mr Low Gee Soon is also an executive director and/or substantial shareholder of several private limited companies in the Low Yat Group which are principally involved in property development, property investment and management and hotel business.

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

## Mr Steven Chong Lim Yoke Director Group Sales & Marketing (Hotel Marketing & Operations)

Mr Steven Chong Lim Yoke, aged 46, a Malaysian, graduated in 1987 in Hotel Management from Stamford College & Hotel Consult-Switzerland. Prior to his present appointment on 9 July 2001, he held positions as general manager of The Federal Kuala Lumpur, Hotel Fairlane Kuala Lumpur and Crown Princess Kuala Lumpur.

He is at present primarily responsible for the Marketing and Business Development functions as well as overseeing the Operational aspects in an acting capacity for the Group's Hotel Division.

He has 24 years of related working experience in all aspects of hotel operations, with particular strength in Sales and Marketing.

## Mr Lee Kok Wah Director Project / Construction Management

Mr Lee Kok Wah, aged 54, a Malaysian, graduated with a Bachelor of Science (Housing, Building and Planning) Honours Degree from the Universiti Sains Malaysia (USM) and is a member of the Malaysian Institute of Arbitrators.

Mr Lee joined AP Land Group on 2 May 2002 and is at present directly responsible for the project and construction management of the Group's flagship development, Bandar Tasik Puteri township in Rawang and 'myHabitat' Serviced Residences Project. He has in excess of 29 years of related working experience in the field of property development and construction management, having completed a variety of projects, ranging from commercial, industrial, resort to residential, both locally and overseas.

Prior to his present position, Mr Lee has also worked with several public listed companies. He was the senior general manager of the property division for a listed company in Malaysia, the Vice President (projects) overall responsible for project management and construction activities of developments undertaken by a Malaysian listed company in Philippines and Senior Manager (projects) for a company incorporated in the Philippines responsible for the planning and construction of an integrated development comprising hotels, casinos, office and holiday resort.

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**Mr Loke Mun Kit**  
**Director**  
**Property/Building Management**  
**Services & Business Development**

Mr Loke Mun Kit, aged 50, a Malaysian, graduated from a local College with a Diploma in Building Technology and also possesses a post-graduate Master's Degree in Business Administration from the International Commercial Management Institute, United Kingdom. He is a Chartered Builder by profession and is a member of the Chartered Institute of Building, the Commercial Management Institute and the Institute of Professional Managers and Administrators, United Kingdom.

Mr Loke joined AP Land Group on 1 November 1999 and at present is directly responsible for all aspects of Property & Building Management Services in respect of the Group's Investment Assets (Retail/Office Complex & Hotel) and the Mount Pleasure Resort as well as general properties in Penang. In addition, he is entrusted with the Project and Construction Management of the Group's Property Development projects in Penang. Besides this, he also spearheads the Business Development Department.

Prior to his present appointment, Mr Loke has held positions such as Vice President (Construction Division) for a local public listed company, Managing Director of a private project management and development company and was also a former Council Member of The Chartered Institute of Building Malaysia.

**Mdm Chan Kam Lye**  
**Joint Company Secretary**

Mdm Chan Kam Lye, aged 45, a Malaysian, is an Associate Member of the Malaysian Institute of Chartered Secretaries And Administrators (MAICSA). She is responsible for the company secretarial functions of the Group. She joined the Group in 1988 as a Company Secretary and was later appointed as a Joint Company Secretary of AP Land in 1992. Prior to joining the Group, she was attached to a firm providing share registration services.

**Ms Tan Bee Lian**  
**Joint Company Secretary**

Ms Tan Bee Lian, aged 39, a Malaysian, is an Associate Member of the Malaysian Institute of Chartered Secretaries And Administrators (MAICSA). She was appointed as a Joint Company Secretary of AP Land Group on 9 May 2007. She joined the Group in 1998 as a Company Secretarial Officer. Prior to joining the Group, she was attached to a firm providing company secretarial services. She has held the post of Company Secretary of several private limited companies in the Low Yat Group from year 2000 to 2007.

On behalf of the Board of Directors of Asia Pacific Land Bhd, I am pleased to present to you the Annual Report of the Group for the financial year ended 31 December 2006.

Dear Shareholders,

2006 will stand out in the Group's history as an eventful transition year as we undertook one of the industry's largest property transaction, where we proposed to unlock the value of one of the Group's investment properties, the City Square Centre, for RM680.0 million. This divestment was deliberated at length by the Board and we are of the opinion that this sale is in the best interest of the Group and believe that the decision to do so is appropriate and necessary in order to take the Group forward.

The proceeds will enable the Group to pare down its borrowings and remobilize its capital into other projects and corporate exercises that will improve shareholders return in the longer term and place the Group on a stronger financial position in the coming years.

#### FY2006 FINANCIAL RESULTS REVIEW

2006 was again a challenging year for AP Land Group in general. Although the Malaysian GDP continued to grow at a moderate pace of 5.9% in 2006, prospects in the property sector, especially in the affordable low to medium segment continued to be competitive. Overall consumer sentiment in 2006 was tempered by increases in daily living expenses such as petrol prices, toll road rates, water and electricity tariffs, dampening sentiment for big ticket items such as properties and cars.

The Group recorded 2006 revenues of RM68.2 million, a 39% decline from RM111.9 million in 2005. Group profitability remained in the red, at a net loss of RM33.5 million compared to a net loss of RM6.6 million in the previous year.

The lower turnover was mainly due to lower contribution from our Bandar Tasik Puteri project while the higher losses registered by the Group were contributed mainly by impairment loss, revaluation deficits and costs associated with the divestment of City Square Centre.

The Group's net borrowing as at 31 December 2006 stood at approximately RM358.0 million (before the divestment of City Square Centre) but is expected to swing to a positive cash position post the transaction.

With the divestment of City Square Centre, I am pleased to report that we are on track to put the Group's balance sheet on a much stronger financial footing.

#### CORPORATE DIRECTION

On a broader perspective, the recent developments in the Malaysian Economy, in particular the Property Sector, points to a better 2007 for AP Land. The Government's abolishment of Real Property Gains Tax and relaxed ruling on foreign ownership of properties in Malaysia are very timely and reflects the Government's efforts in further encouraging home ownership and investments.

The announcement of the Iskandar Development Region in Johor and quicker approvals on property projects are also examples of the Government's effort to kick-start property development projects and also to attract investments. We understand that similar initiatives in other parts of the country are also in the planning stage.



A show unit (dining room) at the show gallery of 'myHabitat' Serviced Residences.



Artist's impression of 'myHabitat' Serviced Residences Drop-Off Lobby.





Mr Low Gee Soon, the Senior Executive Director of AP Land Group presenting a token of appreciation to YBhg Tuan Zainal Abidin, Yang Dipertua Majlis Perbandaran Selayang at the official launch of first phase of the Puteri Central Park at the Pesta Gemilang 2007 held at Bandar Tasik Puteri on 22 April 2007.

The early part of 2007 also saw a robust equity market not only in Malaysia but also in the region. A strong equity market reflects the confidence of both local and foreign investors in our economy. We believe this positive sentiment will spread from the equity markets to the other segments of the economy, including the property sector.

With the conclusion of this major asset rationalization exercise, the Group is now poised to take advantage of opportunities that exist both in Malaysia as well as overseas. Cash and capital that has been unlocked through this divestment will be re-channeled and re-mobilized into new projects and ventures, to enhance shareholder returns.

In the immediate term, post the rationalization exercise, the Group will continue to focus on its existing developments. One of the Group's core projects is our flagship project Bandar Tasik Puteri (BTP), of which we remain committed and focused on the untapped opportunities within this sprawling township. We are in the midst of planning and implementing several infrastructure and facility upgrades to further enhance the attraction of BTP as a growing urban catchment area north of the Klang Valley.

In 2006, in collaboration with Jaring a wireless broadband service was introduced within the township to further enhance its appeal to the younger tech savvy part of the population. Recently, in April 2007, we opened and launched a Central Park to further promote and encourage healthy living. Since the launch, the park has received an overwhelming response from the residents of BTP. Upgrades and renovations to the clubhouse of the Tasik Puteri Golf and Country Club is also underway upon the completion of the third 9 hole course. Some of the other new investments in infrastructure planned include a mosque, a college and better road accessibility into the township.

These new investments within the township underpins our commitment to BTP and underlines our confidence on the untapped earnings potential of BTP to the AP Land Group. Since BTP was first launched 11 years ago, there remains approximately another 1,500 acres of undeveloped land area with an estimated Gross Development Value of RM3.0 billion to be developed.

Apart from BTP, the other project presently ongoing is the upmarket development of premier service residences located adjacent to the City Square Centre. We are formulating an innovative marketing strategy to position MyHabitat advantageously amongst the several developments coming up in and around the KLCC location.



Children having fun at the new attraction at Puteri Central Park, a community gathering place at BTP.

The Group will remain focused on its core strength of property development and leverage on its long history and reputation as an innovative and value for money developer, delivering unique products.

## ACKNOWLEDGEMENT

On behalf of the Board of Directors and senior management, I would like to express our gratitude to the contribution of the Independent Non-Executive Directors and to our Group Adviser, Tan Sri Dato' Low Yow Chuan for their tireless contribution, advice and input to the Board during the year.

On another note, I am sad to announce that the three long serving Independent Non-Executive Directors, Tan Sri Datuk Seri (Dr) Chong Hon Nyan, Tan Sri Dato' Hanafiah Hussain and Tan Sri Dato' Lee Kim Sai, will not be standing for re-appointment at the forthcoming Annual General Meeting. I would like to record my sincere appreciation and recognition for their many years of service on the Board. Their decision has been accepted with deep regret.

The Board of Directors of AP Land and I would also like to thank Mdm Oh Leen May who retired from her position as Executive Director and Group Company Secretary effective from 14 December 2006. Mdm Oh has been part of the AP Land Group for many years and the Group has benefited much from her countless contribution over the years. We wish her all the best for the future.

I would like to welcome Dato' Haji Badri Bin Haji Masri and Mr Soong Kwong Heng who have joined the Board as Independent Non-Executive Directors of AP Land on 9 May 2007.

Lastly, I would like to extend a word of thanks and appreciation to my fellow Board Members, the Group's Management and Staff for their hard work and contribution during a challenging 2006. I would also like to record my appreciation for the support that has been shown by our shareholders, business associates, clients and customers.

## LOW GEE TAT

Executive Chairman  
21 May 2007

The Group's financial performance in 2006 reflected the demanding and continued challenging environment faced in almost all the Group's operating divisions. Although the Malaysian economy grew at an average GDP rate of 5.9%, consumer sentiment in 2006 was dragged by the various increases in basic daily expenses such as petrol prices, highway toll rates and other utility rates. This was a major factor which lead to home buyers adopting a wait and see attitude and the deferment of major purchase decisions such as house buying. With the exception of developments in choice locations, generally, sales for the property segment were uninspiring.

### Asia Pacific Land Berhad Group Performance

Division	Revenue		Profit/(Loss) Before Tax	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Property Development	<b>4,635</b>	43,559	<b>(15,912)</b>	(13,574)
Hotel	<b>32,688</b>	36,080	<b>1,559</b>	6,377
Property Investment	<b>26,066</b>	27,608	<b>11,584</b>	12,840
Golf Club & Others	<b>4,794</b>	4,611	<b>(1,384)</b>	(2,994)
	<b>68,183</b>	111,858		
Profit/(loss) before tax from operations			<b>(4,153)</b>	2,649
Less:				
Impairment loss & revaluation deficit			<b>(23,000)</b>	(9,903)
Incidental costs of disposal of hotels & investment properties			<b>(18,130)</b>	-
Loss on disposal of property, plant & equipment			<b>(11,345)</b>	-
Loss before tax			<b>(56,628)</b>	(7,254)
Taxation			<b>23,092</b>	643
Loss after tax			<b>(33,536)</b>	(6,611)

### PROPERTY DEVELOPMENT DIVISION

This division recorded lower revenues of RM4.6 million compared to RM43.6 million in 2005 and recorded a pre-tax loss of RM15.9 million compared to a pretax loss of RM13.6 million in 2005. Weak sales at our Bandar Tasik Puteri (BTP) Development in Rawang were the main factor in the poor showing for the Property Development Division. Contributions from the Kuala Lumpur city project, "MyHabitat" was minimal as construction work commenced in the second half of 2006.

Soft market conditions for affordable housing in 2005 continued into 2006 and competition was further intensified with new launches in neighbouring developments. However, the increased development activity in and around the vicinity is a further catalyst to the overall development of the Northern Corridor and will most certainly contribute to the longer term prospects of BTP.

#### Bandar Tasik Puteri, Rawang

BTP is a 20 year development project which started in 1995 and so far less than 50% of the available landbank of 2,670 acres has been developed. There is an estimated Gross Development Value of RM3.0 billion to be developed on the balance of the Group's landbank at BTP.

Today, BTP is home to a sizeable catchment of 45,000 population and 9,000 households. It is a bustling and growing community boasting of quality infrastructure like schools, retail shops, post office, community library, a golf course and the various amenities usually present in a matured township. The management is confident of the future development potential of BTP and remains committed in the continued development of BTP and have set out plans to invest further in the infrastructure and facilities to enhance the attraction of BTP as a focal point for community and healthy suburban living.



# Management Review

(cont'd)

*Signing Ceremony between AP Land & MGP I (Mal) Sdn Bhd in relation to the disposal of City Square Centre on 15 August 2006.*

*From left to right:  
Mdm Low Su Ming, Mr Low Gee Tat, Mr Andrew Wood, Chief Operating Officer of MGP Asia Fund II and Mr Simon Treacy, Managing Director of MGP Asia Fund II.*



As part of our ongoing infrastructure improvement within the township, we are upgrading and widening several entry and exit points to improve accessibility. The Group, in April 2007, has also launched the first phase of Puteri Central Park, a fully equipped recreational park in the heart of Bandar Tasik Puteri to further enhance the township's green lung and promote social gatherings and leisure activities. The Group has also tied up with Jaring to offer a wireless broadband (WIFI) service to residents in the township as we believe there is a need for the community to be "connected" to the internet and realize the nation's ICT aspirations. Presently, some of the amenities under construction and to be completed soon include a mosque, a college, a third national type school and public central park. As more acreage are being developed, more entry and exit points are needed for better accessibility. In this respect, we are pleased to report that the Majlis Perbandaran Selayang (Selayang Municipal Council) has approved the widening of an existing trunk road from Rawang town leading to the BTP township, thus improving accessibility and ease of travel to and from the township.

## MyHabitat Serviced Apartments, Kuala Lumpur

In mid 2005, we launched Tower 1 of 'MyHabitat', a twin block of 300 premier quality serviced residences strategically located adjacent to the City Square Centre and is a short walk away from Kuala Lumpur City Centre (KLCC). MyHabitat is a RM250 million GDV development and showcases the Group's presence in the high-end segment of the property market within the heart of Kuala Lumpur.

Todate more than 84 units or 50% percent of Tower 1 has been taken up with prices currently averaging RM750 psf as compared to RM550 psf at the time of launch. Plans are on track for the launch of the 2nd tower in 2007 and we are also putting in place initiatives to introduce new and innovative value added services in 'MyHabitat' which will stand it apart from the other similar high-end properties in this same vicinity thus drawing further interest from buyers.

## Mount Pleasure Resort, Batu Ferringhi, Penang

The proposed mixed development project in this joint venture with IJM Properties Sdn Bhd is pending approvals from the local planning authorities in Penang.

## PROPERTY INVESTMENT DIVISION

In August 2006, the Group announced the proposed divestment of City Square Centre (comprising Empire Tower, City Square Shopping Complex and the Crown Princess Kuala Lumpur) for an aggregate cash consideration of RM680 million and this transaction is expected to be completed in the second quarter of 2007. Upon the completion of this divestment, this division will no longer contribute to the Group's earnings. However, the Group's borrowings will be significantly pared down by RM335.54 million and will result in significant interest savings to the Group going forward.

The Property Investment Division recorded revenues of RM26.1 million in 2006 compared to RM27.6 million a year ago. While profits at the operational level declined marginally when compared to 2005, this division recorded a loss at pre-tax level due to impairment losses, cost associated to the divestment exercise as well as fixed assets written off.

Empire Tower continued to account for the bulk of revenues for this division. It achieved a higher average rental yield although occupancy was down to an average of 68% compared to 80% in 2005. The rental yield per square foot in 2006 was about 10% higher compared to that achieved in 2005.

Similar to Empire Tower, average rental yield at City Square Shopping Complex was higher in 2006 compared to 2005 due to the ability of the Group to raise rental rates of some of the tenancies which were up for renewal while average occupancy was 66% compared to 75% a year ago. Retail properties remain competitive due to demands set by retailers in areas of branding and repositioning which calls for more sophisticated marketing campaigns and promotions for retail centres.



*Tasik Puteri Golf & Country Club*



### HOTEL DIVISION

Revenue contribution from the Hotel Division which comprised the Crown Princess Kuala Lumpur and the Ferringhi Beach Hotel in 2006 was RM32.7 million compared to RM36.1 million in 2005. Revenues from this division showed a decline due to partial contribution from Ferringhi Beach Hotel in 2006 as the sale of the hotel was completed in the 2nd quarter 2006.

The Crown Princess Kuala Lumpur performed better in 2006 despite registering average occupancy of 57%, down from 59% in 2005. Higher room rates helped pushed revenue contribution from the Crown Princess higher than the previous year. Tourists arrivals in 2006 were more stable and consistent compared to 2005, post the Asian tsunami. Our marketing strategies to attract the higher yield corporate sector continue to bear fruits as evidenced by the higher average room rates achieved. We were successful in attracting this segment of guests due to ongoing marketing efforts as well as the innovative and competitive pricing of our business packages.

Competition remained acute in this sector with several newer international backed hotels attracting the higher end of tourist arrivals and business travellers.

Upon the completion of the divestment of the City Square Centre, the hotel division will cease to contribute to the Group's bottom line as both hotels have been sold off.

### TASIK PUTERI GOLF AND COUNTRY CLUB

As a strategic feature of the BTP township, the Tasik Puteri Golf & Country Club (TPGCC) registered revenues of RM4.8 million compared to RM4.6 million in 2005. This in turn led to a commendable improvement in profitability whereby

pretax profits came in at RM1.7 million against RM1.4 million in 2005. The Management of the golf club is successfully building up a following amongst the golfing fraternity in Malaysia as well as overseas and will continue to remain focused in maintaining its niche.

Due to the continued successful establishment of TPGCC within the golfing circuit, the decision was timely to expand the current 18 hole course to 27 holes, scheduled for completion in the 3rd quarter 2007 and to further improve the club house facilities to attract more international golf tournaments.

### PROSPECTS

Upon completion of the City Square Centre divestment by the 2nd quarter of 2007, the Group will be in a better position to seize opportunities both locally and abroad to broaden its earnings base. The proceeds of this divestment will be utilized as follows:

- Reduce group borrowings
- Commit resources to further enhance and further unlock value from its existing ongoing development projects,
- Identify and acquire suitable development landbank for future projects
- Embark on diversification and corporate growth program to identify projects both locally and overseas to ensure the long term growth of AP Land.
- Re-mobilise the Group's capital into new projects and business activities with higher and more consistent returns

The Group will continue to focus on its core business of property development and its ongoing development projects, namely Bandar Tasik Puteri in Rawang, 'myHabitat' and the Mount Pleasure Resort project in Penang.

Recent positive changes to the operating environment in Malaysia also bode well for the property industry. It is encouraging that the present government has taken proactive measures to help boost the general economy as well as to make doing business in Malaysia easier. For the property sector in particular, we are confident such measures, once implemented successfully would certainly boost the industry and therefore the economy as a whole. These changes include the one-stop centre for approvals for the housing industry and relaxation of rules governing ownership of properties above RM250,000 by foreigners. The most important rule change which was only announced in April 2007 was the waiver of Real Property Gains Tax (RPGT) on property transactions. This is very positive for the industry and it will spur more buyers and investors to take a closer look at buying and selling of properties.

Part of the proceeds from the divestment of City Square Centre will be utilized to improve the infrastructure and facilities at BTP. Whilst the existing infrastructure is already quite expansive, the Group is still improving on this to further enhance the attractiveness of this township.

With all the ongoing facilities and infrastructure upgrading activities, we believe our sales at the Bandar Tasik Puteri will improve as buyers begin to recognize all the amenities available that this integrated and self contained township has to offer. Combining our strength as a pioneer and experienced property developer, we are confident that plans which are underway will enhance our position as a reputable and quality developer. The Group looks forward to a new strategic corporate direction, being selective towards projects with higher yields, and identifying sustainable growth in the medium and long term whilst remaining bottom line driven.

Ultimately, our Board is committed to the overall objective to substantially improve shareholder's value and deliver improved returns in the coming years.

**LOW GEE TEONG**  
**LOW SU MING**  
Joint Managing Directors  
21 May 2007



*Mr Low Gee Soon, the Senior Executive Director of AP Land Group presenting a donation to Mother Mangalam of Pure Life Society, a home for orphans and underprivileged children in the presence of the Deputy Minister of Domestic Trade And Consumer Affairs, Dato' Veerasingam in conjunction with Bandar Tasik Puteri's "Deepavali @ My New Home Campaign" on 8 September 2006.*



*Medan Puteri Commercial Centre at Bandar Tasik Puteri.*



*Pangsapuri Sandalwood Court at Bandar Tasik Puteri.*



# Statement On Corporate Governance

## A. THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

On March 2000, the Finance Committee on Corporate Governance issued the Malaysian Code on Corporate Governance ("The Code on CG"). The Code on CG sets out principles and best practices on structures and processes that companies may use in their operations towards achieving the optimal governance framework. The Board of Directors of AP Land recognises the importance of the Code on CG and is continually evaluating the corporate governance practices adopted by the Group and taking the necessary steps in enhancing its management practices and systems to be in line with the underlying principles and the best practices of the Code on CG.

The Board of Directors of AP Land is pleased to report on the manner the Company has applied the principles of the Code on CG and compliance with the best practices provisions.

The Board has complied with the best practices set out in the Code on CG except for matters specifically identified.

## B. BOARD OF DIRECTORS

### 1. BOARD COMPOSITION, DUTIES AND RESPONSIBILITIES

The Board of the Company consisted of 9 members comprising the Executive Chairman, two Joint Managing Directors, three Independent Non-Executive Directors and three Executive Directors from 1 January 2006 to 14 December 2006. One of the Executive Director has retired from the Board on 14 December 2006 and 2 new Independent Non-Executive Directors were appointed on 9 May 2007, bringing the total number of Board members to 10. The Directors bring to the Board a range of business and financial experience, skills and knowledge for it to discharge its duties effectively. The background of the existing Board of Directors are set out on pages 10 to 13 of this Annual Report.

The composition of the Board complies with the Listing Requirements of Bursa Malaysia Securities Berhad ("the Listing Requirements") which requires at least one third of the Board to consist of independent directors. The Board is of the view that the current number of independent directors fairly reflect the interests in the Company by the minority shareholders.

The Board has the overall responsibility for corporate governance, strategic direction, formulation of policies and overseeing the resources, investments and businesses of the Group.

The following are specific areas of responsibilities of the Board:

- Strategic plans of the Group
- Monitoring the conduct and management of the Group's business

- Identification of risks and ensuring appropriate systems for risk management
- Succession planning for senior management
- Investor relations programme and shareholder communications policy
- Internal control system

The Board is headed by the Executive Chairman, Mr Low Gee Tat. The former executive chairman, Tan Sri Dato' Low Yow Chuan is the Group Adviser in respect of all matters pertaining to the property development, property investment and management and hotel business of the Group. The Board is assisted by the Executive Committee comprising the management team made up of the Executive Chairman, the Joint Managing Directors and Executive Directors from relevant backgrounds with the necessary skills, knowledge, business and financial experience to manage the Group's business operation. The roles of the Executive Chairman and Joint Managing Directors are separate and each has a clearly accepted division of responsibilities. The Executive Chairman is responsible for ensuring the effectiveness and conduct of the Board and the Executive Committee besides providing general corporate/strategic business directions to the Executive Committee. The Executive Chairman, Mr Low Gee Tat is also responsible for the executive management of the business operations of the Hotel Division. The Joint Managing Directors are primarily responsible for managing the day-to-day affairs and all the business operations of the Group as well as for making operational decisions and implementing strategic directions and policies of the Group and also the Group's General Management (Finance and Administration Policies).

The Independent Non-Executive Directors are persons of calibre, credibility, seniority and with vast exposure and experience and play a supporting role in providing a broader view, independent and balanced assessment and opinions of proposals from the Executive Directors. All the Independent Directors are considered by the Board to be independent of Management and are acceptably free from any significant business or other relationship that would materially interfere with the exercise of their independent assessment.

The Board has identified the Independent Non-Executive Directors as the directors to whom concerns of the management and directors may be conveyed.

### 2. BOARD MEETINGS AND SUPPLY OF INFORMATION

The Board meets at least 5 times a year. Additional meetings are held as and when required. The Board also resolves additional matters which requires the Board's approval during the intervals between scheduled Board Meetings through circulation of Directors' resolutions as and when necessary.

# Statement On Corporate Governance

(cont'd)

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The Executive Chairman is responsible for organising the Agenda for Board Meetings and providing the necessary information to the Board on a timely basis.

The members of the Board are provided in advance of the Board meeting with a Board Agenda and a set of papers comprising reports and other relevant information to enable the Board to discharge its responsibilities.

During the financial year ended 31 December 2006, 5 Board Meetings were held on 27 February 2006, 24 April 2006, 29 May 2006, 28 August 2006 and 27 November 2006. The following is a record of the attendance of the Board Meetings by the Board of Directors:

Name of Directors	Attendance at Board Meetings held in year 2006
Mr Low Gee Tat	5/5
Tan Sri Datuk Seri (Dr) Chong Hon Nyan	5/5
Tan Sri Dato' Hanafiah Hussain	5/5
Tan Sri Dato' Lee Kim Sai	4/5
Mr Low Gee Teong	5/5
Mdm Woon Siew Choo	5/5
Mdm Low Su Ming (Appointed on 1 March 2006)	3/4
Mr Wee Beng Sang (Appointed on 1 March 2006)	3/4
Mdm Oh Leen May (Retired on 14 December 2006)	4/5
Dato' Jeffrey Ng Tiong Lip (Retired on 31 March 2006)	1/1

The Board papers included amongst others, the Group's strategic plans, financial results, minutes and recommendations of the Audit Committee meetings, review of the operations and performance of the various business divisions of the Group, the Group's annual budget and business plans, joint-ventures, acquisition and disposal of properties of substantial values and corporate plans and proposals.

The Directors have access to all information within the Group and the advice and services of the senior managers as well as the joint Company Secretaries in carrying out their duties. The Company Secretaries are responsible for ensuring that the Board Meetings are properly convened, conducted and applicable rules and regulations pertaining thereto are complied with.

Where necessary, the Directors may obtain independent professional advice in furtherance of their duties, at the Company's expense.

### 3. APPOINTMENT AND RE-ELECTION

The Company's Articles of Association provides that at least one third of the Board of Directors shall retire from office provided always that all directors shall retire from office at least once in every three years. A director who is retiring by rotation is eligible for re-election. Directors over the age of 70 years are required to submit themselves for re-appointment annually in accordance with Section 129 of the Companies Act, 1965. All new directors who are appointed by the Board are subject to re-election by the shareholders at the next Annual General Meeting subsequent to their appointment.

At the 45th Annual General Meeting held on 28 June 2006, Mdm Woon Siew Choo, Mdm Oh Leen May, Mdm Low Su Ming and Mr Wee Beng Sang who retired pursuant to the Articles of Association of the Company and offered themselves for re-election were re-elected to the Board. Tan Sri Datuk Seri (Dr) Chong Hon Nyan and Tan Sri Dato' Hanafiah Hussain who are over the age of 70, retired pursuant to Section 129 of the Companies Act, 1965 and offered themselves for re-appointment, were re-appointed to the Board.

Mdm Oh Leen May retired from the Board on 14 December 2006.

Dato' Hj Badri Bin Haji Masri and Mr Soong Kwong Heng were appointed as Independent Non-Executive Directors of the Board on 9 May 2007. The Independent Directors, Tan Sri Datuk Seri (Dr) Chong Hon Nyan, Tan Sri Dato' Hanafiah Hussain and Tan Sri Dato' Lee Kim Sai will not be standing for re-appointment at the forthcoming 46th Annual General Meeting.

### 4. BOARD COMMITTEES

**The Executive Committee** comprises the Executive Chairman, the two Joint Managing Directors, 2 Executive Directors of the Company and 1 Executive Director of subsidiary companies of the Group. The Executive Committee is responsible for overseeing the day-to-day operations and affairs of the Group and all the businesses of the Group as well as for making operational decisions. It also assists the Board in implementing the strategic plans and policies of the Group, identifying business risks, monitoring performance results and budgets, financial decisions, major capital expenditure, major investments or divestment or any other significant operational processes affecting the Group, formulating the broad framework of key policies and procedures, management controls and structures, approval authority limits and key performance indicators for the Board's approval. The Committee also reviews the terms and conditions of service and policies affecting employees of the Group, or relating to the engagement of consultants, contractors and legal or professional advisers. It reports to the Board the significant activities undertaken by the Committee and when necessary, will make appropriate recommendations for the Board's approval.

# Statement On Corporate Governance (cont'd)

The members of the Executive Committee (EC) are as follows:

Mr Low Gee Tat, *Chairman of EC*  
Mr Low Gee Teong, *Joint Deputy Chairman of EC*  
Mdm Low Su Ming, *Joint Deputy Chairman of EC*  
Mr Low Gee Soon\*, *Senior Executive Director of EC*  
Mdm Woon Siew Choo, *Executive Director of EC*  
Mr Wee Beng Sang, *Executive Director of EC*

\* Executive Director of subsidiary companies of the Group.

The Chairman of the EC is responsible for organizing the Agenda for the Executive Committee and providing the necessary reports and information to the Executive Committee on a timely basis.

**The Audit Committee** was established on 23 May 1994 to assist the Board in fulfilling its responsibilities relating to financial reporting and internal audit functions. Further details on the composition, terms of reference and the report of the activities of the Audit Committee are as set out in pages 31 to 33 of the Annual Report.

**The Remuneration and Nomination Committee** ("R&N Committee") was established on 26 November 2001. The Committee comprises wholly Independent Non-Executive Directors. Under the terms of reference of the R&N Committee, its functions include recommending candidates for appointment to the Board and for Directors to fill up the seats on Board Committees, assisting the Board in annually reviewing the effectiveness of the Board as a whole, the Committees of the Board, and the contribution of each individual director and annually reviewing the required mix of skills and experience and other qualities which Directors should bring to the Board and also recommending to the Board on the remuneration package to be extended to Executive Directors.

The actual decision as to who shall be appointed to the Board shall be the responsibility of the full Board after considering the recommendation of the R&N Committee.

The members of the R&N Committee ("R&N") are as follows:

Tan Sri Datuk Seri (Dr) Chong Hon Nyan, *Chairman of R&N*  
Tan Sri Dato' Hanafiah Hussain, *member of R&N*

**The ESOS Committee** was established on 26 November 2001. The Committee comprises of two Independent Non-Executive Directors, and two Executive Directors. The Committee is primarily responsible for administering the Employees Share Option Scheme ("ESOS") in such manner as it shall deem fit in accordance to the terms and conditions of the ESOS Bye-Laws.

The members of the ESOS Committee ("ES") are as follows:

Tan Sri Datuk Seri (Dr) Chong Hon Nyan, *Chairman of ES*  
Tan Sri Dato' Hanafiah Hussain, *member of ES*  
Mr Low Gee Teong, *member of ES*  
Mr Low Gee Soon, *member of ES*

*The ESOS expired on 27 February 2007 and the ESOS Committee ceased on the same date.*

## 5. DIRECTORS' TRAINING AND ORIENTATION OF NEW DIRECTORS

7 out of 8 of the Directors who attended the Continuing Education Programme ("CEP") courses conducted by CEP trainers accredited by the Bursa Securities have accumulated the requisite CEP points by the end of 2005. One of the Directors, Tan Sri Dato' Hanafiah Hussain fulfilled the CEP requirements by December 2006. The Directors and Senior Management of the Group attended one in-house seminar organised for Year 2006.

The Directors are also encouraged to attend any other relevant training programme to further enhance their knowledge in the latest developments relevant to the Group particularly in the areas of corporate governance and regulatory development to enable them to discharge their responsibilities more effectively.

As part of the Board policy, it is the responsibility of the Chairman of the Board to ensure that newly appointed directors are provided with the appropriate orientation involving briefing the new director on the corporate structure and business of the Group and introduction to the other directors and senior management staff.



4 November 2006  
*In-house seminar on 'Understanding Recent Developments in Malaysian Financial Accounting Standards'.*



# Statement On Corporate Governance (cont'd)

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## 6. DIRECTORS' REMUNERATION

The Group's policy on Directors' remuneration is to ensure that the Directors are adequately remunerated for the services they render in light of their performance and experience.

The broad framework of the remuneration policy encompasses the following key elements:

- Executive Directors are provided with a remuneration package which includes a fixed salary and benefit-in-kind in accordance with the Executive Directors' remuneration policy. The component parts of the Executive Directors' remuneration scheme are linked to individual performance, seniority in service, experience and scope of responsibility. Performance shall be measured against performance targets set out in the Company's annual budget plans. The remuneration package of the Executive Directors shall be recommended by the R&N Committee to the Board for its approval.
- Non-Executive Directors are paid Directors' fees and attendance/meeting allowance for attendance of Board and Audit Committee Meetings. The level of Directors' fees for the Non-Executive Directors reflects the experience and level of responsibilities undertaken by the particular Non-Executive Director. The determination of the Directors' fees of Non-Executive Directors shall be decided by the Board as a whole. The independent non-executive director's fees are approved by shareholders at the Annual General Meeting.
- Directors involved shall not participate in decisions by the Board on their own Directors' fees or remuneration package.

In line with the Listing Requirements, a summary of the aggregate remuneration of the Executive Directors and Non-Executive Directors in the form of remuneration, fees and meeting allowances and benefits-in-kind respectively for the financial year ended 31 December 2006, received from the Company and/or subsidiary companies distinguishing between Executive and Non-Executive Directors are set out below:

Directors	Emolument RM	Benefits-in-kind RM	Directors' fees & meeting allowances RM	Total RM
Executive Directors	1,843,381.68	13,620	-	1,857,001.68
Non-Executive Directors	-	-	104,200	104,200
<b>Total</b>	<b>1,843,381.68</b>	<b>13,620</b>	<b>104,200</b>	<b>1,961,201.68</b>

The number of Directors whose total remuneration falls within the following bands are as follows:

Remuneration bands	Number of Directors	
	Executive	Non-Executive
Less or equal to RM50,000	-	3
RM150,001 to RM200,000	2	-
RM200,001 to RM250,000	1	-
RM250,001 to RM300,000	2	-
RM300,001 to RM350,000	1	-
RM400,001 to RM450,000	1	-

## C. ACCOUNTABILITY AND AUDIT

### 1. FINANCIAL REPORTING

The Board acknowledges its responsibility for providing a balanced and understandable assessment of the Group's financial position and prospects. This assessment is primarily provided through the financial statements, the Chairman's Statement and Management's Review on the results of the operations of the Group.

### 2. DIRECTORS' RESPONSIBILITY STATEMENT

The Companies Act, 1965 requires Directors to prepare financial statements, which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cashflow of the Group and of the Company for the financial year. In preparing the annual audited financial statements for the financial year ended 31 December 2006, the Directors are also responsible for the adoption of suitable accounting policies and their consistent use in the financial statements, supported where necessary by reasonable and prudent judgements.

The Directors are satisfied that suitable accounting policies have been consistently applied in respect of the preparation of the annual financial statements.

The Directors are also satisfied that the Company is maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the Group and the Company has taken reasonable steps in the prevention and detection of fraud and other irregularities.

The Directors' Responsibility Statement in relation to preparing annual audited financial statements and the Statement by Directors pursuant to Section 169 of the Companies Act, 1965 are set out on pages 33 and 52 of the Annual Report respectively.

# Statement On Corporate Governance (cont'd)

## 3. INTERNAL CONTROL

The Directors acknowledge their overall responsibility to maintain an adequate system of internal controls covering not only financial controls but also operational and compliance controls as well as risk management and reviewing its effectiveness throughout the Group. However, such a system is designed to manage risk rather than eliminate risks of failure to achieve business objectives and provide only reasonable assurance, but not absolute assurance against material misstatement or loss.

The Statement of Internal Control is set out on page 30 of this Annual Report.

## 4. AUDIT COMMITTEE

The Audit Committee comprising three Independent Non-Executive Directors and an Executive Director, has been established under approved terms of reference. The composition and terms of reference of the Audit Committee and the Report of the Audit Committee are set out on pages 31 to 33 of the Annual Report. The recommendations of the Audit Committee are formally tabled to the Board for its approval for further action to be taken, where applicable.

## 5. RELATIONSHIP WITH EXTERNAL AUDITORS

Through the Audit Committee, the Board has established a formal, transparent and appropriate relationship with the External Auditors in seeking professional advice and ensuring compliance with applicable accounting standards in Malaysia. The Audit Committee meets with the External Auditors at least once a year or upon request to facilitate an exchange of views on issues requiring attention.

The Group's independent External Auditors fill in an essential role for the shareholders by enhancing the reliability of the Group's financial statement and giving assurance of that reliability to users of these financial statements. The External Auditors have an obligation to bring any significant defects discovered in the course of their audit of the Group's system of internal control and compliance to the attention of Management, the Audit Committee and the Board.

## D. RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

The Company is committed to ongoing communication with its shareholders and this is achieved principally through the Annual and Quarterly Reports, Annual General Meetings and announcements on significant company developments, events or transactions. The Annual General Meeting ("AGM") is the principal forum for dialogue and interaction with individual shareholders providing for an opportunity for the Board and the shareholders to communicate directly to one another. At least 21 days prior to the AGM, the Annual Reports of the Company shall be mailed to the shareholders to inform them of the financial performance of the Company and other corporate information relating to the Group. The shareholders at the AGM and general meetings of the Company are given an opportunity to seek clarification in relation to the resolutions proposed, the annual audited financial statements of the Group, the business and performance of the Group and to exchange views with the Board members in attendance. Where applicable, the Board may consider the suggestions given by the shareholders during the meeting. The Company also issues quarterly unaudited financial results, audited financial statements, circulars and announcements on significant transactions and events for release to its investors via the Bursa Securities.

A press conference will be held, if necessary, after the AGM to brief the members of the Press on the performance of the Group for the benefit of potential investors as well as shareholders who are unable to attend the meetings. The corporate, financial and market information of the Company are accessible from the Bursa Securities website at <http://www.bursamalaysia.com>. The Company has established its corporate website at <http://www.apland.com.my> for investors and shareholders to access corporate information on the Company and the Group.

The Company shall hold an open dialogue with its institutional shareholders upon request or when the need arises. The Company will be mindful in ensuring that information to be disseminated during such dialogue sessions comply with the Listing Requirements.

Any queries or concerns regarding the Company may be conveyed in writing to the following :

**The Joint Managing Directors**  
**Asia Pacific Land Berhad**  
 49th Floor, Empire Tower,  
 City Square Centre,  
 Jalan Tun Razak,  
 50400 Kuala Lumpur.

# Additional Information

In Respect Of The Financial Year Ended 31 December 2006

## 1. UTILISATION OF PROCEEDS RAISED FROM THE CORPORATE PROPOSALS ANNOUNCED TO BURSA SECURITIES

### a) Disposal of The Ferringhi Beach Hotel Penang

The net proceeds from the disposal of The Ferringhi Beach Hotel Penang located at Batu Ferringhi, Daerah Timor Laut, Negeri Pulau Pinang in respect of the financial year ended 31 December 2006 is RM40.85 million. Out of the net proceeds, RM25.39 million has been utilised for working capital and the balance of RM15.46 million will be utilised for working capital.

### b) Joint Venture Development

On 23 January 2006, Island Bay Resorts Sdn Bhd ("IBR"), a wholly-owned subsidiary of AP Land entered into a Joint Venture (Development) Agreement with IJM Properties Sdn Bhd ("IJMPSB").

IJMPSB's contribution to IBR in relation to the landbank provided by IBR for the joint venture project in respect of the financial year ended 31 December 2006 is RM4.667 million and has been utilised for the Group working capital.

## 2. SHARE BUY BACK

The Company has not purchased any of its shares during the financial year.

## 3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no Employees' Share Option Scheme ("ESOS") share options granted to Eligible Employees or exercised during the financial year.

The Company did not issue any warrants or convertible securities during the financial year.

Further information on the ESOS is set out on pages 48 to 49 of the Annual Report.

## 4. AMERICAN DEPOSITORY RECEIPT ("ADR") / GLOBAL DEPOSITORY RECEIPT

During the financial year, the Company did not sponsor any ADR or GDR programme.

## 5. SANCTIONS AND/OR PENALTIES

There were no major sanctions and/or penalties imposed on the Company and/or its subsidiaries, Directors or Management by the relevant regulatory bodies so as to disrupt the business of the Company and/or its subsidiaries during the financial year.

## 6. NON-AUDIT FEES

The non-audit fees paid to External Auditors for the financial year was as follows:-

Auditors	Description Of Work Done	Fees Paid (RM)
Horwath	Reporting Accountant in connection with the Proposed Disposal of City Square Centre	25,000

## 7. VARIATION IN RESULTS, PROFIT ESTIMATE, FORECAST OR PROJECTION

AP Land has not made any profit estimate, forecast or projection in respect of the abovementioned financial year.

There is no material variance between the results reported for the financial year and the unaudited results previously announced.

## 8. PROFIT GUARANTEE

No profit guarantee was given by the Company and/or its subsidiaries in respect of the financial year.

## 9. REVALUATION POLICY

During the financial year ended 31 December 2006, the Board has adopted the cost model of recognition of the Group's Property, Plant & Equipment and Investment Properties.

The carrying amounts of these assets are reviewed at each balance sheet date for impairment when there is an indication that the assets might be impaired.

## 10. MATERIAL CONTRACTS

The material contracts of AP Land and its subsidiaries involving Directors' and major shareholders' interests either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year are as follows:

(a) On 15 August 2006, the Company (as Trustee for City Square Properties Sdn Bhd) and its wholly-owned subsidiaries, City Square Properties Sdn Bhd ("CSP"), APL Hotel Sdn Bhd ("APLH") and Empire Tower (Malaysia) Sdn Bhd ("ETM") ("the Vendors") and Low Yat Construction Company Sdn Berhad ("LYC"), as registered proprietor and bare trustee of the City Square Centre comprising the Empire Tower, City Square Shopping Complex and the Crown Princess Hotel had entered into a conditional Sale and Purchase Agreement ("SPA") with MGP I (Mal) Sdn Bhd (formerly known as Affluent Impact Sdn Bhd) ("the Purchaser") for the disposal of City Square Centre to the Purchaser for a total cash consideration of RM680 million. As requested by the Purchaser, the completion for the sale and purchase of City Square Centre shall be inter-alia, conditional upon the simultaneous completion of the Purchaser's acquisition of Plaza Ampang from Capitol Hotel Sdn Bhd ("CHSB"), a company related to the Directors of the Company in accordance with the Sale and Purchase Agreement of Plaza Ampang made between CHSB and the Purchaser. The SPA was supplemented by the Supplemental SPA dated 4 April 2007.

(b) The significant recurrent and non-recurrent related party transactions and related party balances and advances in respect of the year ended 31 December 2006 are disclosed on pages 94 to 99 of the Annual Report.

## 11. CONFLICT OF INTEREST

During the financial year, the Directors of AP Land, Mr Low Gee Tat, Mr Low Gee Teong and Mdm Low Su Ming and the directors of the subsidiary companies, Mr Low Gee Soon and the deemed substantial shareholder of AP Land, Tan Sri Dato' Low Yow Chuan are directors and/or substantial shareholders of several private limited companies including the companies in the Low Yat Group which are also involved in property development, property investment and management and/or hotel business that are similar to the core businesses of the Company and/or its subsidiaries.

Mr Low Gee Tat is the brother of Mr Low Gee Teong, Mdm Low Su Ming and Mr Low Gee Soon. Mr Low Gee Tat, Mr Low Gee Teong and Mr Low Gee Soon are also deemed substantial shareholders of AP Land. Tan Sri Dato' Low Yow Chuan who is a deemed substantial shareholder of the Company is the father of Mr Low Gee Tat, Mr Low Gee Teong, Mdm Low Su Ming and Mr Low Gee Soon.

## 12. DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE IN RESPECT OF YEAR 2006

Details of significant recurrent related party transactions of a revenue or trading nature involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the Company and/or its subsidiary companies ("Related Parties") for the year ended 31 December 2006 are disclosed as follows: -

Recurrent Related Party Transactions ("RRPT")	Subsidiaries of AP Land Group involved in RRPT	Related Party with whom the RRPT are entered into	Aggregate Value of Transactions (RM'000)	Interested Directors, major shareholders and persons connected with them
1. Letting of business premises, office space, storage space, properties, facilities and equipment to related parties	City Square Properties Sdn Bhd ("CSP")  Empire Tower (Malaysia) Sdn Bhd ("ETM")	LYCC* <sup>1</sup> , LYSR* <sup>2</sup> , IJD* <sup>3</sup> , MCSB* <sup>4</sup> , SSI* <sup>5</sup> , LGDSDB* <sup>6</sup> , HFLSB* <sup>7</sup>  FHI* <sup>8</sup>	1246  77	TSDLYC* <sup>15</sup> , LGTat* <sup>16</sup> , LGTeong* <sup>17</sup> , LSMing* <sup>18</sup> , LGSoon* <sup>19</sup>
2. Renting of storage space from a related party	APL Hotel Sdn Bhd ("APLH")	ODSB* <sup>9</sup>	49	TSDLYC* <sup>15</sup> , LGTat* <sup>16</sup> , LGTeong* <sup>17</sup> , LSMing* <sup>18</sup> , LGSoon* <sup>19</sup>
3. Renting of equipment from a related party	CSP	LYSR* <sup>2</sup>	19	TSDLYC* <sup>15</sup> , LGTat* <sup>16</sup> , LGTeong* <sup>17</sup> , LSMing* <sup>18</sup> , LGSoon* <sup>19</sup>
4. Procurement of hotel management and related ancillary services from a related party	APLH and Island Bay Resorts Sdn Bhd	FHI* <sup>8</sup>	768	TSDLYC* <sup>15</sup> , LGTat* <sup>16</sup> , LGTeong* <sup>17</sup> , LSMing* <sup>18</sup> , LGSoon* <sup>19</sup>
5. Supply of nursery products and landscaping to related parties	Rawang Lakes Sdn Bhd ("RLSB")	IJD* <sup>3</sup> , LYSR* <sup>2</sup> , SSI* <sup>5</sup> , LYCI* <sup>11</sup> , FHSB* <sup>10</sup>	466	TSDLYC* <sup>15</sup> , LGTat* <sup>16</sup> , LGTeong* <sup>17</sup> , LSMing* <sup>18</sup> , LGSoon* <sup>19</sup>
6. Purchase of products and supplies for the operations of the hotels such as wine from a related party	APLH and Island Bay Resorts Sdn Bhd ("IBR")	The Cellarium* <sup>14</sup>	15	Martha Yang* <sup>14</sup> , Ng Chiew Ping* <sup>14</sup> , Ng Tiong Yee* <sup>14</sup> and DJNTL* <sup>14</sup>
7. Purchase of merchandise such as perfume and scented candles on consignment basis from a related party	APLH	Commune Products* <sup>13</sup>	15	LGTat* <sup>16</sup>
8. Letting of workshop building at Bandar Tasik Puteri, Rawang, Selangor to a related party	RLSB	BASB* <sup>12</sup>	54	TSDLYC* <sup>15</sup> , LGTat* <sup>16</sup> , LGTeong* <sup>17</sup> , LSMing* <sup>18</sup> , LGSoon* <sup>19</sup>
9. Procurement of servicing, repair and maintenance services for the AP Land Group's motor vehicle, plant & machinery from a related party	AP Land Group	BASB* <sup>12</sup>	419	TSDLYC* <sup>15</sup> , LGTat* <sup>16</sup> , LGTeong* <sup>17</sup> , LSMing* <sup>18</sup> , LGSoon* <sup>19</sup>
10. Letting of business premises located at Bandar Tasik Puteri to a related party	Bakti Dinamik Sdn Bhd ("BDSB")	LGDSDB* <sup>6</sup>	18	TSDLYC* <sup>15</sup> , LGTat* <sup>16</sup> , LGTeong* <sup>17</sup> , LSMing* <sup>18</sup> , LGSoon* <sup>19</sup>
11. Sale of property trading stocks such as houses, bungalow lots, apartments, condominium, and/or commercial shoplots to related parties	BDSB, RLSB, IBR, APLH, Hotel Fair Lane Holdings Sdn Bhd and Aman City Hotel Sdn Bhd	All classes of related parties	-	TSDLYC* <sup>15</sup> , LGTat* <sup>16</sup> , LGTeong* <sup>17</sup> , LSMing* <sup>18</sup> , LGSoon* <sup>19</sup>



# Additional Information

In Respect Of The Financial Year Ended 31 December 2006 (cont'd)

Notes: - The interests of the directors of AP Land Group holding office at the end of the financial year namely, LGTat, LGTeong, LGSoon, LSMing and the major shareholders of AP Land, TSDLYC, LGTat, LGTeong, LGSoon, LYCC, LYSR, SSI, Selangor Holdings Sdn Bhd ("SHSB"), Low Chuan Holdings Sdn Bhd ("LCH") and Low Chuan Securities Sdn Bhd ("LCS") and the persons connected with them namely MCSB, IJD, ODSB, LGSDSB, BASB, Commune Products, FHI, HFLSB, FHSB, LYCI and persons connected with the former Managing Director, Dato' Jeffrey Ng Tiong Lip (who retired on 31 March 2006), Martha Yang, Ng Chiew Ping and Ng Tiong Yee in the RRPT are as follow:-

- \*1 Low Yat Construction Company Sdn Bhd ("LYCC") is a major shareholder of AP Land.  
Tan Sri Dato' Low Yow Chuan, Low Gee Tat, Low Gee Teong, Low Gee Soon, LYSR, LCS, LCH and SSI are deemed to have substantial interest in the shares of LYCC by virtue of Section 6A of the Companies Act, 1965 ("the Act").  
The directors of LYCC are Tan Sri Dato' Low Yow Chuan, Low Gee Tat, Low Gee Teong, Low Su Ming and Low Gee Soon.  
The immediate holding company of LYCC is SHSB.
- \*2 Low Yat And Sons Realty Sdn Bhd ("LYSR") is a deemed major shareholder of AP Land.  
LYSR is regarded as the holding company of SSI, SHSB, LCS, LYCC IJD, MCSB, FHI, FHSB and LYCI.  
Tan Sri Dato' Low Yow Chuan, Low Gee Tat, Low Gee Teong, Low Gee Soon, LCS and SHSB are deemed to have substantial interest in the shares of LYSR by virtue of Section 6A of the Act.  
The directors of LYSR are Tan Sri Dato' Low Yow Chuan, Low Gee Tat and Low Gee Teong.  
The immediate holding company of LYSR is LCH.
- \*3 Indah Jaya Development Sdn Bhd ("IJD") is a subsidiary of LYSR.  
Tan Sri Dato' Low Yow Chuan, Low Gee Tat, Low Gee Teong and Low Gee Soon are deemed to have substantial interest in the shares of IJD by virtue of Section 6A of the Act.  
The directors of IJD are Low Gee Teong, Low Su Ming and Low Gee Soon.
- \*4 Malayan Coffee Sdn Bhd ("MCSB") is a subsidiary of LYSR.  
Tan Sri Dato' Low Yow Chuan, Low Gee Tat, Low Gee Teong and Low Gee Soon are deemed to have substantial interest in the shares of MCSB by virtue of Section 6A of the Act.  
The directors of MCSB are Low Su Ming and Low Gee Soon.
- \*5 Sem Siong Industries Sdn Bhd ("SSI") is a deemed major shareholder of AP Land. SSI has a substantial interest in the shares of LYCC by virtue of Section 6A of the Act.  
Tan Sri Dato' Low Yow Chuan, Low Gee Tat, Low Gee Teong, Low Gee Soon, LYSR, LCH and SHSB are deemed to have substantial interest in the shares of SSI by virtue of Section 6A of the Act.  
The directors of SSI are Tan Sri Dato' Low Yow Chuan, Low Gee Tat, Low Gee Teong, Low Su Ming and Low Gee Soon.  
The immediate holding company of SSI is LCS.
- \*6 LGS Development Sdn Bhd ("LGSDSB") is a company in which Low Gee Soon is a director and major shareholder.
- \*7 Hotel Fair Lane Sdn Bhd ("HFLSB") is a company in which Low Su Ming and Low Gee Soon are directors.  
Low Gee Tat, Low Gee Teong, Low Su Ming and Low Gee Soon are major shareholders of HFLSB.
- \*8 Federal Hotels International Sdn Bhd ("FHI") is a subsidiary of LYSR.  
Tan Sri Dato' Low Yow Chuan, Low Gee Tat, Low Gee Teong, Low Gee Soon and FHSB are deemed to have substantial interest in the shares of FHI by virtue of Section 6A of the Act.  
Datuk Abdul Kudus Alias, Low Gee Tat and Low Gee Soon are the directors of FHI.
- \*9 Oriental Development Sdn Bhd ("ODSB") is a company in which Tan Sri Dato' Low Yow Chuan, Low Su Ming and Low Gee Soon are directors.  
Low Gee Tat, Low Gee Teong, Low Su Ming and Low Gee Soon are major shareholders of ODSB.
- \*10 Federal Hotels Sdn Bhd ("FHSB") is a subsidiary of LYSR.  
Tan Sri Dato' Low Yow Chuan, Low Gee Tat, Low Gee Teong and Low Gee Soon are deemed to have substantial interest in the shares of FHSB by virtue of Section 6A of the Act.
- Tan Sri Dato' Low Yow Chuan, Low Gee Tat and Low Su Ming are the directors of FHSB.
- \*11 L.Y.C . Incorporation Sdn Bhd ("LYCI") is a company in which Low Su Ming and Low Gee Soon are directors.  
Low Gee Tat, Low Gee Teong, Low Su Ming and Low Gee Soon are major shareholders of LYCI.
- \*12 Bintang Automachinery Sdn Bhd ("BASB") is a company in which Low Gee Soon is a director and major shareholder.
- \*13 Commune Products, a sole proprietorship owned by Low Gee Tat.
- \*14 The Cellarium Sdn Bhd is a company in which the former Managing Director of AP Land, Dato' Jeffrey Ng Tiong Lip's wife, Martha Yang, his sister, Ng Chiew Ping and his brother, Ng Tiong Yee are major shareholders. Martha Yang and Ng Chiew Ping are also the directors of the company. Dato' Jeffrey Ng Tiong Lip is the cousin of Low Gee Tat, Low Gee Teong, Low Su Ming and Low Gee Soon and nephew of Tan Sri Dato' Low Yow Chuan. He has retired from the Group on 31 March 2006.
- \*15 Tan Sri Dato' Low Yow Chuan ("TSDLYC") is the Group Adviser and deemed major shareholder of AP Land.  
TSDLYC is deemed to have substantial interest in the shares of LYCC, LYSR, MCSB, IJD, SSI, FHI, ODSB, LCH, LCS, SHSB and FHSB by virtue of Section 6A of the Act.  
TSDLYC is a director of LYSR, LYCC, SSI, ODSB, LCH, LCS, SHSB and FHSB.  
TSDLYC is the father of Low Gee Tat, Low Gee Teong, Low Su Ming and Low Gee Soon.
- \*16 Low Gee Tat ("LGTat") is the Executive Chairman and deemed major shareholder of AP Land.  
LGTat is deemed to have substantial interest in the shares of LYCC, LYSR, LCS, LCH, SHSB, MCSB, IJD, SSI, FHI and FHSB by virtue of Section 6A of the Act.  
LGTat is a major shareholder of ODSB, HFLSB, LCH and LYCI and a director of LYSR, LYCC LCH, FHSB, FHI and SSI.  
LGTat is the sole proprietor of Commune Products.  
LGTat is the brother of Low Gee Teong, Low Su Ming and Low Gee Soon and the son of Tan Sri Dato' Low Yow Chuan.
- \*17 Low Gee Teong ("LGTeong") is the Joint Managing Director and deemed major shareholder of AP Land.  
LGTeong is deemed to have substantial interest in the shares of LYCC, LYSR, LCH, LCS, SHSB, FHSB, MCSB, FHI, IJD and SSI by virtue of Section 6A of the Act.  
LGTeong is a major shareholder of SHSB, LYCC, ODSB, HFLSB and LYCI and a director of IJD, LYSR, LYCC, SSI, SHSB and LCS.  
LGTeong is the brother of Low Gee Tat, Low Su Ming and Low Gee Soon and the son of Tan Sri Dato' Low Yow Chuan .
- \*18 Low Su Ming ("LSMing") is the Joint Managing Director and a shareholder of AP Land.  
LSMing is a major shareholder of ODSB, LYCI and HFLSB and a director of IJD, LYCC, MCSB, ODSB, SSI, HFLSB, FHSB, LYCI, SHSB, LCS and LCH.  
LSMing is the sister of Low Gee Tat, Low Gee Teong and Low Gee Soon and the daughter of Tan Sri Dato' Low Yow Chuan.
- \*19 Low Gee Soon ("LGSoon") is a deemed major shareholder of AP Land and he is a director of certain subsidiary companies in AP Land Group.  
LGSoon is deemed to have substantial interest in the shares of LYCC, LYSR, MCSB, IJD, SSI, FHI, LCH, LCS, SHSB and FHSB by virtue of Section 6A of the Act.  
LGSoon is a major shareholder of LCS, ODSB, LGSDSB, BASB, HFLSB and LYCI and a director of BASB, IJD, LGSDSB, LYCC, MCSB, ODSB, SSI, HFLSB, FHI, LYCI, LCS, LCH and SHSB.  
LGSoon is the brother of Low Gee Tat, Low Gee Teong and Low Su Ming and the son of Tan Sri Dato' Low Yow Chuan.

## RESPONSIBILITY

The Board of Directors recognises the importance of sound internal control and risk management practices to good corporate governance. The Board affirms its overall responsibility to maintain an adequate system of internal control and risk management and reviewing its effectiveness throughout the Group. However, such a system is designed to manage risk rather than eliminate risk of failure to achieve business objectives and provide only reasonable assurance, but not absolute assurance against material misstatement or loss.

The Board exercises control through an organisational structure with clearly defined levels of responsibility, authority and appropriate reporting procedures. The Group has in place an on-going process of identifying, evaluating, monitoring and managing significant risks affecting the achievement of its business objectives. The Audit Committee performs regular reviews of this process through independent internal audit reports and reports and explanations from the Managing Director and senior management staff.

## RISK MANAGEMENT FRAMEWORK

The system of internal control not only covers financial controls but also operational and compliance controls and risk management. It involves each business and its key management, including the Board and is designed to meet the Group's particular needs, manage the risks they are exposed to and ensure compliance with applicable laws and regulations.

The Board has reviewed the key commercial and financial risks facing the Group's business together with more general risks such as those relating to compliance with laws and regulations. The monitoring, reviewing and reporting process have been put in place to give reasonable assurance that the structure of controls and operations is appropriate to the Group's operations situation and that there is an acceptable level of risk throughout the Group's business.

The management is responsible for continually promoting the culture of risk awareness and building the necessary knowledge and improving the process of risk management in identifying, mitigating and monitoring risks.

## KEY ELEMENTS TO THE GROUP'S INTERNAL CONTROL SYSTEM

The key elements and processes in place are as follows :

1. Clearly defined delegation of responsibilities to committees of the Board namely, Executive Committee, Audit Committee and Remuneration and Nomination Committee and to operating units, including authorisation levels for all aspect of the business.
2. Documented internal control procedures set out in operation manuals, guidelines and directives are issued and updated from time to time. A uniform and comprehensive manual in respect of all core businesses and functional divisions within the Group has been reviewed by the Executive Committee. This manual serves as a reference point and guide for all employees of the Group, irrespective of level or seniority.
3. Internal audit function adopts a risk-based approach towards the planning and execution of the audit process. The annual audit plan is approved by the Audit Committee and the progress of audits carried out as planned as well as special and ad-hoc assignments carried out when necessary are reported at each Audit Committee meeting.

Detailed audit reports are deliberated and follow-up action monitored by the Working Group on a regular monthly basis and additionally on other audit issues. This process closely monitors compliance with policies and procedures and assess the integrity of financial information.

4. Detailed budgetary process involving preparation by the operating units are reviewed by the Executive Committee and approved by the Board. This process ensures a clear direction for all operating units to work cohesively towards meeting the business objectives of the Group, having assessed the inherent risks and the planning of necessary action plans thereof.
5. Regular and comprehensive financial and management information is provided to management covering actual performance against budgets or plans, financial forecast and projections and key business indicators to constantly keep track of directions in which the Group is heading and the decisive actions to be taken thereof.

Financial and treasury matters are also reported to the Board in conjunction to the presentation and approval of quarterly results and the briefing on action plans taken.

6. Executive Board and senior management regularly visit operating units besides requiring prompt reporting from these units on a daily, weekly and monthly basis. The management of operating units at various levels are also required to report on a monthly basis at meetings held at the Headquarters.



# Audit Committee Report

Asia Pacific Land Berhad (4069-K)  
annual report 2006

The Audit Committee of Asia Pacific Land Berhad is pleased to present its report for the year ended 31 December 2006.

## COMPOSITION

The Audit Committee was established by the Board of Directors of AP Land on 23 May 1994. The Audit Committee comprises 4 Directors, a majority of whom are independent.

Members Of The Committee:

1. **Tan Sri Datuk Seri (Dr) Chong Hon Nyan**  
Chairman, Independent Non-Executive Director
2. **Tan Sri Dato' Hanafiah Hussain**  
Member, Independent Non-Executive Director
3. **Tan Sri Dato' Lee Kim Sai @ Lee Hoo**  
Member, Independent Non-Executive Director
4. **Mdm Woon Siew Choo**  
Member, Executive Director

## TERMS OF REFERENCE

The terms of reference of the Audit Committee are as follows:

### 1. Objectives Of The Committee

- Assist the Board of Directors in discharging its fiduciary responsibilities relating to corporate accounting, system of internal controls and management and financial reporting practices of the Group;
- Evaluate the scope and quality of the audits conducted by the Internal and External Auditors;
- Provide assurance that the financial information presented by management is relevant, reliable and timely;
- Oversee compliance with laws and regulations and observance of a proper code of conduct;
- Determine the adequacy of the Company's control environment;
- Provide assurance that the assets, liabilities, revenue, expenses and cash flow of the Group are properly managed.

### 2. Size And Composition

The Board shall by resolution appoint members to the Audit Committee, which shall comprise at least three directors, the majority of whom shall be independent non-executive directors. At least one member of the Committee must be a member of Malaysian Institute of Accountants or has such other qualifications and working experience as stipulated in the Listing Requirements of Bursa Malaysia Securities Berhad ("the Listing Requirements"). No alternate directors shall be appointed as a member of the Committee. The members of the Audit Committee shall select a Chairman from amongst their number who shall be an Independent Director.

### 3. Term Of Membership

Members of the Committee shall be appointed for an initial term of 3 years after which they will be reappointed on such terms as may be determined by the Board of Directors.

Any vacancy in the office of an Audit Committee resulting in the size of the Audit Committee falling below the minimum required shall be filled within 3 months from the date the vacancy occurs. The term of office and the performance of each of its members shall be reviewed at least once every three years by the Board of Directors.

### 4. Meetings

The Committee shall hold at least five regular meetings per year and such additional meetings as the Chairman shall decide in order to fulfill its duties or if requested to do so by any committee member, the management or the Internal or External Auditors. The Committee may invite any director, employee or any other person to be in attendance to assist it in its deliberations. The Committee shall meet with the External Auditors without any Executive Director present at least once a year.

Unless otherwise determined by the Audit Committee from time to time, notice of all Audit Committee's meetings shall be given to all the members at least 3 days before the meeting either personally or by electronic or facsimile transmission.

A quorum shall consist of a majority of Independent Non-Executive Directors and shall not be less than two.

The Chairman of the Audit Committee shall preside as a Chairman at every Audit Committee meeting of the Company or if the Chairman is absent from the meeting, the members present shall elect a Chairman from amongst the Independent Directors.

The Company Secretary or any person appointed by the Committee for this purpose shall act as secretary of the Committee.

Any questions arising at any meeting shall be decided by a majority of votes and a determination by a majority of members shall be for all purposes a determination of the Committee. Minutes of the Meeting shall be kept and circulated to each member. The Chairman of the Committee shall report on each meeting to the Board.

### 5. Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

### 6. Resources And Access

The Committee shall be entitled to such resources as may be adequately provided by the Board of Directors for the performance of the Committee's duties.

The Committee shall have full and unrestricted access to all information and documents pertaining to the Group that are relevant to its activities and direct communication channels with the Internal and External Auditors and to the senior management of the Group. The Committee is also authorised to take such independent professional, legal or other advice as it considers necessary.

#### 7. Delegation Of Duties

The Audit Committee shall have the power to delegate to a sub-committee any of the duties of the Committee.

#### 8. Scope And Functions

The scope and functions of the Audit Committee shall be:

- a) To discuss with the External Auditors, where necessary the nature and scope of the audit, the audit plan and ensure co-ordination where more than one audit firm is involved;
- b) To review with the External Auditor:
  - his evaluation of the system of the internal controls;
  - the assistance given by the Group's employees to the External Auditors;
- c) To discuss problems and reservations arising from the interim and final audit findings and any matters reported by the External Auditors;
- d) To review the audit reports prepared by the External Auditors and the major findings and management's responses thereto;
- e) To review the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:
  - i) Changes in or implementation of major accounting policies and practices;
  - ii) Significant and unusual events;
  - iii) Significant adjustment arising from the audit;
  - iv) Compliance with accounting standards and other regulatory requirements; and
  - v) The going concern assumption.
- f) To consider the appointment and any questions of resignation or dismissal of the External Auditors;
- g) In relation to internal audit functions:
  - i) To review the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
  - ii) To review and consider the scope and results of the internal audit plans and procedures;
  - iii) To consider any significant audit findings reported by the internal auditor and management's response thereto and to ensure appropriate actions are taken on their recommendation;

- iv) To approve any appointment or termination of senior internal audit staff;
- v) To review any appraisal or assessment of the performance of senior internal audit staff and provide the resigning staff an opportunity to submit his/her reason for resignation.

- h) To review recurrent related party transaction of a revenue or trading nature entered into by the Group, to prescribe guidelines and review procedures in respect of such transactions and to ascertain that such transactions are in compliance with the prescribed guidelines and review procedures;
- i) To review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- j) To prepare the Audit Committee Report in accordance with the Listing Requirements for publication in the Annual Report;
- k) To carry out such other responsibilities, functions or assignments as may be agreed to by the Committee and the Board;
- l) To report regularly to the Board its activities, significant results and findings.

#### INTERNAL AUDIT FUNCTION

The Group has established an Internal Audit Department ("IAD") which reports to the Audit Committee and assists the Committee in discharging its duties and responsibilities. The role of the IAD is to undertake independent and regular reviews of the system of internal controls so as to provide reasonable assurance that the system continues to operate satisfactorily and effectively.

The IAD presented the Internal Audit Plan for year 2007 at the end of year 2006 to the Audit Committee for its approval. The Audit Plan is developed through a risk-based methodology to cover key operational and financial activities that are significant to the overall performance of the Group.

The IAD regularly submits the reports on their audit activities and the internal audit findings together with management's responses are tabled at the scheduled Audit Committee's meetings. Follow-up audits are then carried out to determine whether management has taken the recommended corrective actions. The Head of IAD attends the Audit Committee meetings to present the internal audit findings and make appropriate recommendations on any areas of concern within the Group for the Audit Committee's deliberation.

The IAD also executes audits on an ad-hoc basis based on specific directions made either by the Audit Committee or management. Additionally, the IAD works closely with the External Auditors to resolve any control issues raised by them and to assist in ensuring appropriate corrective actions are taken.

# Audit Committee Report

(cont'd)

Asia Pacific Land Berhad (4069-K)  
annual report 2006

## REPORT OF THE ACTIVITIES OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2006

During the year, five Audit Committee meetings were held on 27 February 2006, 24 April 2006, 29 May 2006, 28 August 2006 and 27 November 2006. The details of the attendance of the Audit Committee by the members of the Committee in 2006 are as follows:

Name of Directors	Attendance at Audit Committee Meetings held in year 2006
Tan Sri Datuk Seri (Dr) Chong Hon Nyan	5/5
Tan Sri Dato' Hanafiah Hussain	5/5
Tan Sri Dato' Lee Kim Sai @ Lee Hoo	4/5
Mdm Woon Siew Choo ( <i>appointed with effect from 10 April 2006</i> )	4/4
Dato' Jeffrey Ng Tiong Lip ( <i>retired with effect from 10 April 2006</i> )	1/1

During the financial year ended 31 December 2006, the activities undertaken by the Audit Committee included the following:

The Audit Committee members reviewed the Quarterly Report of AP Land Group for the financial quarters ended 31 December 2005, the Audited Accounts of the Group for the year ended 31 December 2005, the Quarterly Reports of the Group for the financial quarters ended 31 March 2006, 30 June 2006 and 30 September 2006. The Audit Committee recommended to the Board to approve the financial statements for release to Bursa Securities.

The Committee had met the External Auditor of AP Land twice in year 2006. The Agenda for the meeting with the Auditors included the scope of their audit, their respective Auditors' Audit Planning Memorandum, the results of their examination, the External Auditors' evaluation of the internal controls of the Group, issues highlighted by the External Auditors in the course of their audit, co-ordination of the subsidiaries' External Auditors with the holding Company's External Auditor and the External Auditor's management letter to the Company and management's response. The Audit Committee reviewed together with the holding Company's Auditors, the audited financial statement of the Company in respect of the financial year ended 31 December 2006. The Audit Committee also considered and recommended for the re-appointment of the External Auditors and their audit fees for the Board's approval.

The Audit Committee reviewed and approved the Internal Audit Plan for 2007. They reviewed the internal audit reports together with the Internal Auditor and considered the major findings of internal audit in the Group's operating units and management's responses thereto. The Audit Committee assisted the Board in reviewing the Statement on Internal Control of the Company.

Related party transactions between the Group and its directors and any persons connected with the directors of the Group were reviewed by the Audit Committee in accordance with the review procedures established by the Group.

In carrying out the scope of their duties, the Audit Committee has reported to the Board its activities and made the appropriate recommendations to the Board for the necessary actions to be taken, where appropriate.

## Statement Of Directors' Responsibility For Preparing Annual Audited Financial Statements

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and Company at the end of the financial year, and of the results and cash flows of the Group and Company for the financial year.

In preparing the financial statements, the Directors have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured that all applicable accounting standards have been followed; and

- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and Company, and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.



## Development Properties



# Bandar Tasik Puteri

An Urban Regional Centre (URC), in the Mukim of Rawang, Selangor.

Bandar Tasik Puteri (BTP) is the major development project in the property development division. With an area of 2,670 acres, BTP is a massive integrated Urban Regional Centre (URC) in North Klang Valley, Selangor, planned with complete modern facilities to cater to a vibrant 21st Century community. Located just 34 km out of Kuala Lumpur, BTP is being developed into 5 distinct corridors; Value Corridor, Quality Corridor, Business Corridor, Recreation Corridor and Premier Corridor.

### VALUE CORRIDOR

Comprising apartments, double storey and single storey terrace houses, the Value Corridor offers value for money and affordable housing. The prices range from RM42,000 for low cost apartments to RM150,000 for medium cost terrace houses.

### QUALITY CORRIDOR

Comprising terrace houses, cluster houses, semi-detached houses and bungalows, the Quality Corridor homes are marketed at prices between RM180,000 and RM500,000 per unit. Quality Corridor homes are differentiated from Value Corridor homes in terms of their larger built-ups, larger land area, better finishes, more generous detailing and landscaping, location at higher terrain with better views and ambience with lower density.

### BUSINESS CORRIDOR

As an URC, BTP is planned to have one-stop facilities for retailing, wholesaling, food, leisure, entertainment and a host of business services.

The Business Corridor will be developed with a range of properties comprising 3 to 4 storey shop-office-apartments, commercial buildings, shopping complexes, hotels, hypermarkets, piazza shoppes, and more to serve not only the residents of BTP but also the surrounding population.

Medan Puteri, a neighbourhood commercial centre that serves a catchment of households within its vicinity has opened for business.

### RECREATION CORRIDOR

Tasik Puteri Golf & Country Club, a popular golf course and country club, presently comprising 18 hole, will soon be expanded to 27 holes in the end-year of 2007 together with a 33-acre Puteri Central Park with phase 1 of the Puteri Central Park officially launched on 22 April 2007, form the main recreational attraction in BTP. Apart from these, there are also neighbourhood parks and children's playgrounds to provide ample opportunities for sports and healthy recreational living.

### PREMIER CORRIDOR

The Premier Corridor will feature exclusive housing for the top-end market. It is currently under planning.

## Community facilities in BTP

- 8 Primary Schools and 5 Secondary Schools of which 2 are already operating, i.e. Sekolah Rendah Kebangsaan Bandar Tasik Puteri and Sekolah Menengah Kebangsaan Bandar Tasik Puteri with another Primary School under construction.
- BTP's commercial hub located in the Business Corridor, when completed, will be one of the largest of its kind in North Klang Valley and will ultimately be the focal point for businesses not only for BTP but also the surrounding locality.
- 27-hole Tasik Puteri Golf & Country Club of which 18-hole are already in operation and another 9 holes expected to be ready by end 2007.
- Jaring Wireless Broadband services are available for subscription by BTP residents.
- Puteri Central Park, a modern living interactive park with dedicated features and facilities for inter-communal activities. It is divided into various development phases. Launched on 22 April 2007, phase 1 of the park features a car park, a 500 meter long jogging trek, a fully equipped recreational park, a children's playground and a gazebo overlooking the township.
- Night and Agricultural Market.
- A college to be set up soon at BTP.
- Community Library is expected to be opened in the 3rd Quarter of 2007.

### Under planning :-

- Bus Station
- Hypermarket
- Food Court
- Wholesale market
- Wet Market
- Police Station
- Petrol station
- Medical Centre/Polyclinic
- Mosque
- Post Office

Currently, BTP is accessible by the North Klang Valley Expressway ("NKVE") and Shah Alam-Kuang Expressway and in future it can be accessed from Lebuhraya Asam Jawa-Taman Rimba Templer (LATAR) and West Coast Highway. Presently, residents have a choice of using the public transportation that ply the route through BTP and community bus back and forth BTP and Kuala Lumpur. The expansion of Rawang-Batu Arang Road (the main trunk road linking BTP to the NKVE) is expected to start work by the last quarter of 2007.

A Customer Communication and Public Relation Department backed by event management personnel provides customer support services and event management for the community in BTP.

## [myHabitat]

### Premier Serviced Residences

The Group's high-end development in the heart of Kuala Lumpur, [myHabitat] serviced residences is developed by AP Land's subsidiary company, Aman City Hotel Sdn Bhd. The project consists of twin blocks of 38 storeys (150 units per block) premier serviced residences.

[myHabitat] is strategically located at Jalan Aman on a 1.4 acres prime freehold land adjacent to the FIABCI award-winning City Square Centre comprising Empire Tower, Crown Princess Kuala Lumpur and City Square Shopping Centre.

[myHabitat] is designed by internationally-known architectural company, RSP Architects Ltd, who is well respected and experienced with a list of reputed developments to its credit.

Apart from its functional, spacious and aesthetic architecture, all units will have maximum air-flow, cross ventilation and natural lighting. Each unit is designed to take advantage of the panoramic views of the city skyline and the surrounding hills.

[myHabitat] serviced residences offers excellent building facilities and conveniences which include, amongst others :-

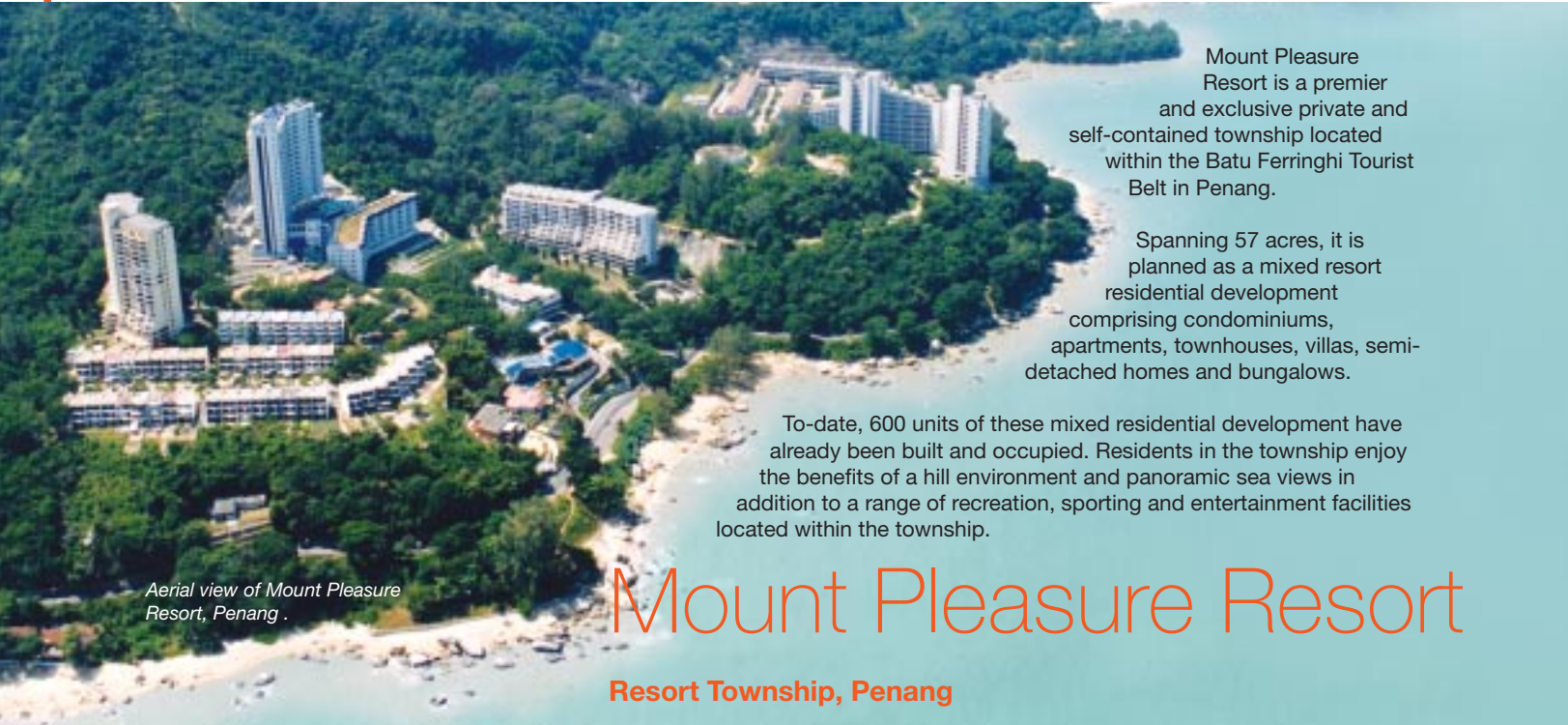
- 45-metre lap and plunge swimming pool
- Children's pool
- Children's playground
- Multi-purpose hall
- Sun and pool deck
- Squash court
- Gymnasium
- Kitchenette
- Poolside terrace
- Retail area
- Laundry and housekeeping service (optional)
- Vertical landscaped garden & bistro cafeteria
- Private lift lobby and personalised lift access system
- Covered car park
- 24-hour security with state-of-the-art 'i-button' electronic access system and CCTV



Artist's impression of [myHabitat] serviced residences.



## Development Properties (cont'd)



Mount Pleasure Resort is a premier and exclusive private and self-contained township located within the Batu Ferringhi Tourist Belt in Penang.

Spanning 57 acres, it is planned as a mixed resort residential development comprising condominiums, apartments, townhouses, villas, semi-detached homes and bungalows.

To-date, 600 units of these mixed residential development have already been built and occupied. Residents in the township enjoy the benefits of a hill environment and panoramic sea views in addition to a range of recreation, sporting and entertainment facilities located within the township.

*Aerial view of Mount Pleasure Resort, Penang .*

# Mount Pleasure Resort

**Resort Township, Penang**

Tasik Puteri Golf & Country Club located in Bandar Tasik Puteri Kundang, Rawang comprises a friendly 18-hole golf course which offers an interesting course layout with a few signature holes and a resort styled clubhouse.

The clubhouse features a 24-bay driving range, a golfers' terrace, changing rooms, bar, a multi-purpose room, a pro-shop and a swimming/wading pool. A restaurant serving local delicacies, Chinese and Japanese cuisine and light snacks ideal for corporate and family enjoyment, is also available. The club is currently being expanded to become a 27-hole course with additional club facilities to be provided for patrons in the future.



## Golf Club

**Tasik Puteri Golf & Country Club**

# Investment Properties/ Hotel

as at 21 May 2007

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## City Square Centre

### 3-in 1 Integrated Commercial Development

City Square Centre is a 3-in-1 integrated commercial development which is strategically located within the vicinity of the embassy belt of Kuala Lumpur comprising:-

### City Square Shopping Centre

#### KL's Speciality Lifestyle Centre

City Square Shopping Centre consists of 6 levels of shopping podiums, 2 levels of commercial / office space and 3 levels of basement car parks. It is located within the integrated 3-in-1 City Square Centre. City Square Shopping Centre is a prime shopping centre that houses some of the most established and renowned brands in home furnishing, homewares and decoration, art work and art pieces, audio visual products and lifestyle services.

The City Square Shopping Centre accommodates retail specialty shops that cater to all age groups and races and interests in addition to having a food court at its Lower Ground Floor.

### Crown Princess Kuala Lumpur

This 5-star hotel is strategically located within the prestigious Embassy Belt of Kuala Lumpur and is a short walk from the Kuala Lumpur City Centre (KLCC) and the Central Business District.

The 571-room Crown Princess Kuala Lumpur offers everything a guest could possibly desire from a premier 5-star international standard hotel - from luxuriously designed rooms, restaurants and bar facilities to a fitness & recreational centre; meeting rooms, ballrooms, business and secretarial services, helicopter and limousine airport transfer and the City Square Shopping Centre with its exclusive speciality shops.

### Empire Tower

#### Grade-A Office Building, Kuala Lumpur

The Empire Tower Kuala Lumpur is a premier Grade-A office building which forms part of the award-winning City Square Centre, the first integrated 3-in-1 development in Malaysia. This landmark building is strategically located within the Embassy Belt, Kuala Lumpur City's Central Business District (CBD) and Golden Triangle of Kuala Lumpur. Standing 62 storeys high, the Empire Tower has a superb panoramic view of Kuala Lumpur City.



*The Group had on 15 August 2006 entered into a Sale and Purchase Agreement with MGP I (Mal) Sdn Bhd ("MGP I") for disposal to MGP I of City Square Centre comprising Empire Tower, City Square Shopping Centre and Crown Princess Kuala Lumpur.*

List Of  
Properties

Held By the Company &amp; Its Subsidiaries as at 31 December 2006

Location	Description/ Existing Use	Land Area (Sq. Metres)	Gross Build Up Area (Sq. Metres)	Tenure	Approximate Age of Building (Years)	Net Book Value 31.12.2006 (RM million)	Year of Acquisition/ Revaluation
<b>INVESTMENT PROPERTIES</b>							
Marina Terrace Sports Complex Jalan Low Yat 11100 Batu Ferringhi Penang	Sports Complex	1,538	-	Freehold	16	2.5	2005*
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>							
Lots 0585 Jalan Low Yat 11100 Batu Ferringhi Penang	Land held for investment	1,230	-	Freehold	-	2.7	2005*
Tasik Puteri Golf & Country Club Kundang Mukim of Rawang 48020 Selangor	Golf Course & Building	679,871	-	Leasehold expiring 11.7.2060	8	41.3	2005*
17-2-19 the Palladium Jalan Gurney 2 54000 Kuala Lumpur	Apartment	-	87	Freehold	14	0.2	2005*
17-5-16 the Palladium Jalan Gurney 2 54000 Kuala Lumpur	Apartment	-	87	Freehold	14	0.2	2005*
17-4-18 the Palladium Jalan Gurney 2 54000 Kuala Lumpur	Apartment	-	87	Freehold	14	0.2	2005*
17-3-15 the Palladium Jalan Gurney 2 54000 Kuala Lumpur	Apartment	-	87	Freehold	14	0.2	2005*
<b>LAND HELD FOR DEVELOPMENT</b>							
Mount Pleasure Resort Jalan Low Yat 11100 Batu Ferringhi Penang	Land held for development	55,802	-	Freehold	-	13.8	1984* 2002*
Bandar Tasik Puteri Kundang Mukim of Rawang 48020 Selangor	Land held for development	2,681,905	-	Leasehold expiring 11.7.2060	-	123.2	1995

# List Of Properties

Held By the Company & Its Subsidiaries as at 31 December 2006 (cont'd)

Location	Description/ Existing Use	Land Area (Sq. Metres)	Gross Build Up Area (Sq. Metres)	Tenure	Approximate Age of Building (Years)	Net Book Value 31.12.2006 (RM million)	Year of Acquisition/ Revaluation
<b>PROPERTY UNDER DEVELOPMENT</b>							
Bandar Tasik Puteri Kundang Mukim of Rawang 48020 Selangor	Residential properties under development	963,973	-	Leasehold expiring 11.7.2060	-	116.6	1995
Lot 123, 124 and PT50 Jalan Aman 55000 Kuala Lumpur	Land held for investment & development	5,065	-	Freehold	-	32.7	2002*
<b>PREPAID LAND LEASE PAYMENTS</b>							
Bandar Tasik Puteri Kundang Mukim of Rawang 48020 Selangor	Land held for investment & development including buildings for office, staff accommodations and workshops	1,941,925	-	Leasehold expiring 11.7.2060	-	47.9	1995
Tasik Puteri Golf & Country Club Kundang Mukim of Rawang 48020 Selangor	Golf Resort	679,871	-	Leasehold expiring 11.7.2060	8	22.7	2005*
HS(D) 52622 Lot No: PT 28081 Mukim of Rawang Gombak, Selangor	Agricultural land	202,339	-	Leasehold expiring 7.10.2103	-	3.4	2004
Lot No. PTTL/PP/PM/66 Section 2 Bukit Bendera Penang	Land held for investment	12,140	-	Leasehold expiring 26.8.2036	-	0.9	2005*

\* Year of revaluation.



### January

- 23 • Execution of a Joint Venture (Development) Agreement with IJM Properties Sdn. Bhd.
- 26 • Disposal of Ferringhi Beach Hotel Penang located at Bandar Batu Ferringhi, Daerah Timor Laut, Pulau Pinang by AP Land Group to Mister Phoenix (M) Sdn Bhd for a total cash consideration of RM43,000,002.00.

### February

- 14 • Clarification on newspaper article entitled "AP Land price surges 40% on heavy volume".
- 28 • Clarification on article entitled "AP Land plans to consolidate assets".
- Revaluation of AP Land Group's Properties.
- Quarterly Report on consolidated results for the financial period ended 31 December 2005.

### March

- 01 • Appointment of Mdm Low Su Ming and Mr Wee Beng Sang as Executive Directors of AP Land with effect from 1 March 2006 respectively.
- 14 • Notification of Changes in Director's Interest pursuant to Section 135 of the Companies Act, 1965 of Mdm Low Su Ming and Mr Wee Beng Sang.
- 31 • Appointment of Mr Low Gee Teong and Mdm Low Su Ming as Joint Managing Directors.
- Retirement of Dato' Jeffrey Ng Tiong Lip as Managing Director.

### April

- 10 • Notification of appointment of Mdm Woon Siew Choo as Audit Committee Member and retirement of Dato' Jeffrey Ng Tiong Lip as Audit Committee Member with effect from 10 April 2006 respectively.
- 28 • Proposed Disposal of three (3) pieces of lands known as Lot No. 129 ("the Freehold Property") and Lot Nos. 748 and 749 ("the Leasehold Property") all located at Jalan Sultan Ahmad Shah, 10050 Pulau Pinang to a related party, Bintang Holdings Sdn Bhd for a total cash consideration of RM14.25 Million.

### May

- 18 • Proposed Share Buy Back and Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature.
- 31 • Quarterly Report on consolidated results for the financial period ended 31 March 2006.

### June

- 05 • Notice of the 45th Annual General Meeting and Extraordinary General Meeting of AP Land dated 6 June 2006.
- 09 • Disposal of Ferringhi Beach Hotel Penang located at Bandar Batu Ferringhi, Daerah Timor Laut, Pulau Pinang by AP Land Group to Mister Phoenix (M) Sdn Bhd for a total cash consideration of RM43,000,002.00.
- Completion of sale of Hotel.
- 28 • 45th Annual General Meeting
- Extraordinary General Meeting
- 30 • Clarification on Article entitled "AP Land mulls sale of Crown Princess Hotel".

### August

- 14 • Suspension of Trading.
- 15 • Proposed disposal of City Square Shopping Complex, Crown Princess Hotel Kuala Lumpur and Empire Tower ("City Square Centre" or the "Property") to Affluent Impact Sdn Bhd for an aggregate cash consideration of RM680 Million ("Proposed Disposal" or the "Proposal").
- 16 • Resumption of Trading.
- 28 • Quarterly Report on consolidated results for the financial period ended 30 June 2006.

### October

- 18 • Proposed Disposal of City Square Shopping Complex, Empire Tower and Crown Princess Hotel (collectively known as "City Square Centre") to MGP I (Mal) Sdn Bhd (formerly known as Affluent Impact Sdn Bhd) for a total cash consideration of RM680 million ("Proposed Disposal").
- Foreign Investment Committee's approval granted to MGP I (Mal) Sdn Bhd.

### November

- 27 • Quarterly Report on consolidated results for the financial period ended 30 September 2006.

### December

- 01 • Acquisition of Kenson Development Limited, a Company incorporated in Hong Kong.
- 14 • Retirement of Mdm Oh Leen May as Executive Director and Group Company Secretary effective from 14 December 2006.
- 15 • Proposed disposal of City Square Shopping Complex, Empire Tower and Crown Princess Hotel (collectively referred to as City Square Centre) to MGP I (Mal) Sdn Bhd (formerly known as Affluent Impact Sdn Bhd) for a total cash consideration of RM680 Million ("Proposed Disposal").
- Securities Commission's conditional approval.
- 22 • Notice of the Extraordinary General Meeting of AP Land dated 23 December 2006.
- 26 • Incorporation of a wholly-owned subsidiary in Changshu, China.



# Group Activities, Community & Promotional Events

For 2006

[myHabitat]

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24 Jun

SMART Hong Kong



myHabitat sales staff attended to interested buyers at the Sales Campaign in Hong Kong.

15 - 16 Jul

Malaysia My Second Home (MM2H)  
Campaign at The Regent Hotel, Singapore



Seminar participants seeking more information on myHabitat Serviced Residences.

21 Jul

myHabitat Show Gallery,  
Level 59, Empire Tower



Japanese visitors at one of the show unit at myHabitat Show Gallery on level 59, Empire Tower.

18 - 20 Aug

KLCC HomeBuyer at  
KLCC Convention Centre



Deputy Minister of Housing & Local Government, YB Dato' Hajah Azizah Binti Datuk S.P. Haji Mohd Dun visited myHabitat booth at KLCC HomeBuyer roadshow.

9 - 10 Sept

Malaysia My Second Home (MM2H)  
Seminar at The Westin, Kuala Lumpur



A large turnout of interested investors for the 2 days MM2H event.

4 - 8 Oct

Suria KLCC Booth on  
Ground Floor



myHabitat's booth at Suria KLCC attracted both local and foreign businessmen & professionals.

Bandar Tasik Puteri

Kundang, Rawang

8 Sep

Deepavali @ My New Home Campaign



Deepavali @ My New Home Campaign was launched at Bandar Tasik Puteri. Visitors looking at the master plan of Bandar Tasik Puteri.

26 Nov

Launch of the Wireless  
Broadband Service (WiFi)



Deputy Minister of Housing and Local Government Y.B Dato Hajah Azizah marks the launch of Bandar Tasik Puteri's achievements for being the First Township and only Integrated Township in the Northern Region of the Klang Valley with Wireless Broadband Service (WiFi) by a ribbon cutting ceremony.

## Group Activities, Community & Promotional Events

For 2006 (cont'd)

**29 Jan**

Chinese New Year Lion Dance Performance



Chinese New Year Lion Dance performance at the Crown Princess Kuala Lumpur.

**23 Jun**

Fund Raising Charity Dinner Show  
"An Evening of Savouring Gestures"



Crown Princess Kuala Lumpur hosted a Charity Dinner Show themed An Evening of Savouring Gestures at the hotel's multi award winning The Taj restaurant in aid of earthquake victims in Yogyakarta.

**28 Mar**

Solo Art Exhibition by Raja Azhar Idris "The Wet Series - Tribute to The Pink Lady"



City Square Management co-organised and sponsored the solo Art Exhibition at City Square Shopping Centre which was launched by the Minister of Education, Dato' Hishamuddin Tun Hussein Onn.

**27 Jun**

"Parallel Universe" - Art Exhibition



City Square Management co-organised and sponsored the "Parallel Universe" Art Exhibition at City Square Shopping Centre which was launched by YB Dato' Azalina Othman, Minister of Youth & Sports.

**5 Apr**

Visit to Paediatrics  
Intensive Care Unit



Mr Darren Teh, the F & B Manager of Crown Princess Kuala Lumpur presenting a gift to a patient in the Paediatrics Intensive Care Unit of University Malaya Medical Centre.

**25 Dec**

Christmas Celebration



Christmas celebration at the Crown Princess Kuala Lumpur.

**Crown Princess  
Kuala Lumpur**

**14 Apr**

Secretaries' Week Event



Secretaries from AP Land Group were treated to an enjoyable Tribute Show to Rock & Roll Queen Tina Turner by Luisa Marshall at Crown Princess Kuala Lumpur's Ballroom.

**City Square Shopping  
Centre / Empire Tower**

**12 May**

Mother's Day Celebration 2006



City Square Management celebrated Mother's Day at City Square Shopping Centre.

**21 Jun**

Blood & Organ Donation Drive Campaign 2006



Crown Princess Kuala Lumpur, Empire Tower Management and Ranhill Group of Companies, a tenant of Empire Tower jointly organised a Blood Donation Drive at the Crown Princess Hotel.

**3 Sept**

"Tribute to Kak Endon"  
- Art Exhibition



City Square Management co-organised the "Tribute to Kak Endon" art exhibition with Raja Azhar Idris at City Square Shopping Complex.

**5 Nov**

Kids Bric a Brac Charity  
X'mas Bazaar



City Square Management co-organised and sponsored a Kids Bric a Brac Charity X'mas and Bazaar at City Square Shopping Centre.

# Analysis Of Shareholdings

As At 30 April 2007

Asia Pacific Land Berhad (4069-K)  
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Authorised Share Capital	- RM1,000,000,000
Issued & Fully Paid-up Capital	- RM710,341,402
Class of Shares	- Ordinary Shares of RM1.00 each
Voting Rights	- 1 vote per share

## DISTRIBUTION OF SHAREHOLDINGS AS PER REGISTER OF MEMBERS AND RECORD OF DEPOSITORS AS AT 30 APRIL 2007

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares held	% of Issued Capital
Less than 100	867	2.13	39,100	0.01
100 to 1,000	10,539	25.88	7,477,978	1.05
1,001 to 10,000	24,510	60.19	93,678,883	13.19
10,001 to 100,000	4,491	11.03	115,605,359	16.27
100,001 to less than 5% of issued shares	313	0.76	421,156,635	59.29
5% and above of issued shares	1	0.01	72,383,447	10.19
	<b>40,721</b>	<b>100.00</b>	<b>710,341,402</b>	<b>100.00</b>

## DISTRIBUTION TABLE ACCORDING TO CATEGORY OF SHAREHOLDERS BASED ON THE REGISTER OF MEMBERS AND RECORD OF DEPOSITORS AS AT 30 APRIL 2007

Category of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares held	% of Issued Capital
INDIVIDUAL	32,974	80.98	224,215,398	31.56
BODY CORPORATE				
a) Banks / Finance Companies	42	0.10	5,365,103	0.76
b) Investment Trusts / Foundation / Charities	7	0.02	2,181,500	0.31
c) Industrial and Commercial Companies	208	0.51	176,239,419	24.81
GOVERNMENT AGENCIES / INSTITUTIONS	8	0.02	9,611,141	1.35
NOMINEES	7,482	18.37	292,728,841	41.21
<b>Total</b>	<b>40,721</b>	<b>100.00</b>	<b>710,341,402</b>	<b>100.00</b>

## THE NUMBERS OF SHARES HELD BY THE DIRECTORS BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 30 APRIL 2007

Name of Directors	No. of Ordinary Shares of RM1.00 each held			
	Direct	%	Indirect	%
Low Gee Tat	-	-	230,445,447	32.44
Tan Sri Datuk Seri (Dr) Chong Hon Nyan	-	-	5,500	Negligible
Tan Sri Dato' Hanafiah Hussain	-	-	-	-
Tan Sri Dato' Lee Kim Sai @ Lee Hoo	-	-	-	-
Low Gee Teong	-	-	230,445,447	32.44
Woon Siew Choo	119,800	0.02	-	-
Low Su Ming	887,000	0.13	-	-
Wee Beng Sang	45,000	0.01	-	-



**30 Largest Shareholders As Per Register Of Members And Record Of Depositors As At 30 April 2007**  
(Without aggregating the securities from different securities accounts belonging to the same Depositor)

Name of Shareholders	No. of Shares held	% of Issued Capital
1. LOW YAT CONSTRUCTION COMPANY SDN BERHAD	72,383,447	10.19
2. DB (MALAYSIA) NOMINEE (ASING) SDN BHD Deutsche Bank AG London For QVT Fund LP	32,557,600	4.58
3. EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD Pledged Securities Account For Low Yat Construction Company Sdn Berhad	31,000,000	4.37
4. LOW YAT CONSTRUCTION COMPANY SDN BERHAD	21,153,000	2.98
5. LOW YAT CONSTRUCTION COMPANY SDN BERHAD	20,866,000	2.94
6. MAYBAN NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account For Low Yat And Sons Realty Sdn Bhd	17,000,000	2.39
7. LOW YAT CONSTRUCTION COMPANY SDN BERHAD	15,260,000	2.15
8. CIMB GROUP NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account For Low Yat Construction Company Sdn. Berhad	15,000,000	2.11
9. LOW YAT CONSTRUCTION COMPANY SDN BERHAD	13,883,000	1.95
10. LOW YAT CONSTRUCTION COMPANY SDN BERHAD	12,320,000	1.73
11. ECM LIBRA AVENUE NOMINEES (ASING) SDN.BHD. DBS Vickers (Hong Kong) Limited For CIM Global Property Fund Limited	11,922,000	1.68
12. CARTABAN NOMINEES (ASING) SDN BHD Credit Suisse Securities (Europe) Limited	11,390,400	1.60
13. DB (MALAYSIA) NOMINEE (ASING) SDN BHD Deutsche Bank AG London For Alexandra Global Master Fund Ltd.	10,831,400	1.53
14. CHEA NGAK OUR	10,266,400	1.45
15. CHEONG WING HONG	8,428,800	1.19
16. DB (MALAYSIA) NOMINEE (ASING) SDN BHD Deutsche Bank AG London	8,000,000	1.13
17. TAY LEE JOO	7,727,200	1.09
18. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB Bank Berhad	7,689,800	1.08
19. CIMSEC NOMINEES (ASING) SDN BHD Exempt AN For CIMB-GK Securities Pte Ltd	6,814,232	0.96
20. HSBC NOMINEES (ASING) SDN BHD Morgan Stanley & Co. International PLC	6,571,800	0.93
21. CITIGROUP NOMINEES (ASING) SDN BHD Merrill Lynch International	6,000,000	0.84
22. SERENA MAY-IN YEE	5,820,000	0.82
23. CITIGROUP NOMINEES (ASING) SDN BHD CBNY For DFA Emerging Markets Fund	5,644,300	0.79
24. LOW YAT AND SONS REALTY SDN BERHAD	5,500,000	0.78
25. AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD Skim Amanah Saham Bumiputera	5,000,000	0.70
26. NORA EE SIONG CHEE	5,000,000	0.70
27. LEMBAGA TABUNG ANGKATAN TENTERA	4,970,000	0.70
28. PEH HOON TIEN @ PEH TIONG KHENG	4,431,300	0.62
29. MENTERI KEWANGAN MALAYSIA Section 29 (SICDA)	4,207,021	0.59
30. PERMODALAN NASIONAL BERHAD	4,171,000	0.59
	<b>391,808,700</b>	<b>55.16</b>

# Analysis Of Shareholdings

As At 30 April 2007 (cont'd)

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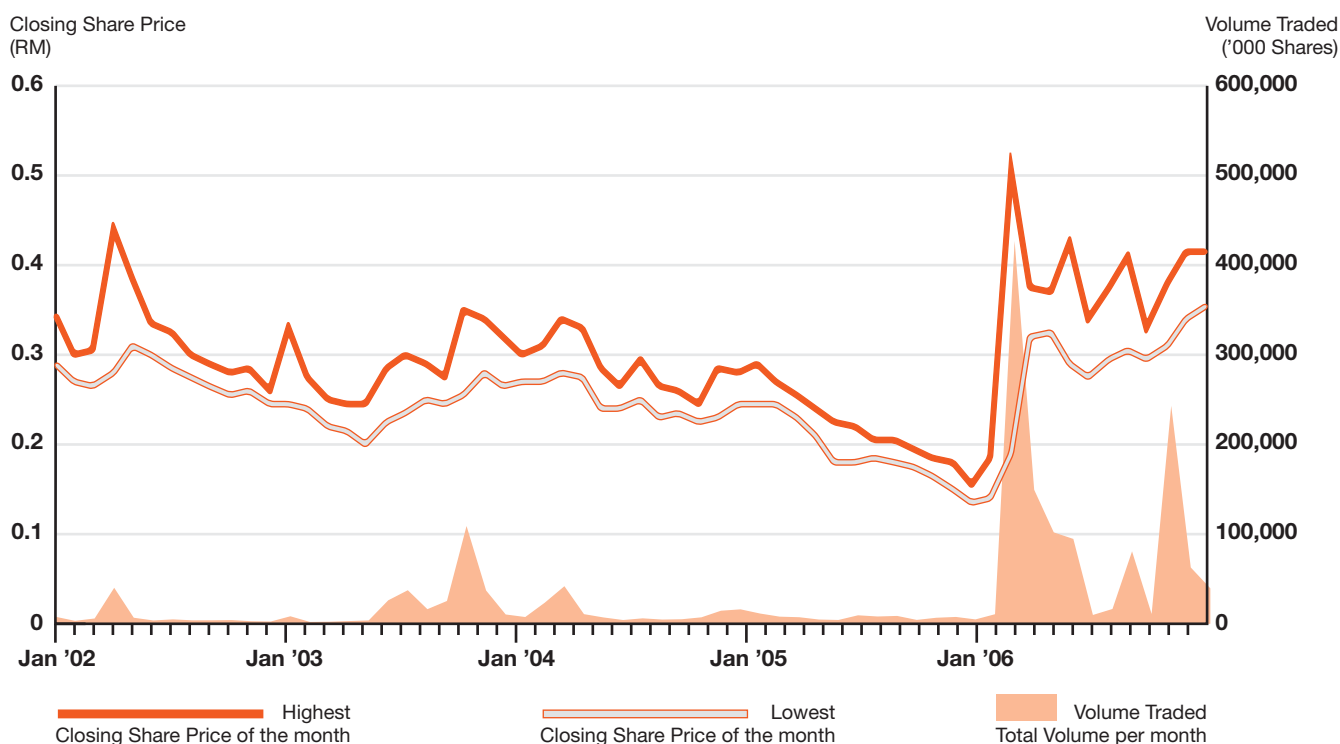
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## NAMES OF SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 30 APRIL 2007

Name of Shareholders	No. of Ordinary Shares of RM1.00 each held			
	Direct	%	Indirect	%
Low Yat Construction Company Sdn Berhad	205,945,447	28.99	-	-
Selangor Holdings Sdn Bhd	-	-	207,945,447	29.27
Low Yat And Sons Realty Sdn Berhad	22,500,000	3.17	207,945,447	29.27
Sem Siong Industries Sdn Bhd	2,000,000	0.28	205,945,447	28.99
Low Chuan Holdings Sdn Bhd	-	-	230,445,447	32.44
Low Chuan Securities Sdn Bhd	-	-	207,945,447	29.27
Tan Sri Dato' Low Yow Chuan	-	-	230,445,447	32.44
Low Gee Tat	-	-	230,445,447	32.44
Low Gee Teong	-	-	230,445,447	32.44
Low Gee Soon	-	-	230,445,447	32.44

## 5 Years' Share Price & Volume Traded

On Bursa Malaysia



Source: Bloomberg





# Asia Pacific Land Berhad

(Incorporated In Malaysia)

Company No : 4069-K

# Financial Report

For The Financial Year Ended  
**31 December 2006**

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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 2006.

## 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.

RESULTS	THE GROUP RM'000	THE COMPANY RM'000
Loss attributable to shareholders for the financial year	(33,536)	(935)

## DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any 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.

## 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 all known bad debts had been written off 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 further require the writing off of bad debts, or additional allowance for doubtful debts in the financial statements of the Group and of the Company.

## 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 39 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.

**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 was approved by the Securities Commission on 26 April 2001 and the shareholders at an Extraordinary General Meeting held on 28 June 2001.

The principal features of the ESOS are as follows:-

- (a) Eligible persons are employees (including executive directors) of Malaysian citizenship who have been confirmed in the employment of the Group for a continuous period of at least one year at the offer date and falling within any categories of employees as set out in Clause 5 and who are eligible to participate in the ESOS pursuant to Clause 4 of the By-Laws. The selection for participation in the ESOS shall be at the absolute discretion of the ESOS Committee appointed by the Board of Directors.
- (b) The maximum number of new ordinary shares of RM1.00 each to be offered shall not exceed 10% of the issued and paid-up share capital of the Company at any point of time during the existence of the ESOS.
- (c) No option shall be granted for less than 1,000 ordinary shares or more than 500,000 ordinary shares to any individual eligible employee.
- (d) The exercise price of the option may be subjected to a discount of not more than 10% of the average of the mean market quotation of the shares as shown in the daily official list issued by Bursa Malaysia Securities Berhad, for the five trading days immediately preceding the offer date, or at par value of the shares of the Company, whichever is the higher.

### EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

The principal features of the ESOS are as follows (Cont'd):-

- (e) The ESOS shall be in force for a period of 5 years from the offer date, subject to an extension for a further period of 5 years commencing from the date of expiration of the existing 5-year period as may be approved by the relevant authorities.
- (f) The ESOS expired on 27 February 2007.

The options granted may be exercised in the following manner:-

NUMBER OF NEW SHARES GRANTED UNDER THE OPTIONS	MAXIMUM PERCENTAGE OF NEW SHARES COMPRISED IN THE OPTIONS EXERCISABLE WITHIN EACH PARTICULAR YEAR OF THE ESOS				
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Below 20,000	100%	-	-	-	-
20,000 to less than 100,000	40% <sup>(1)</sup>	30%	30% <sup>(2)</sup>	-	-
100,000 and above	20%	20%	20%	20%	20% <sup>(3)</sup>

Notes:-

- <sup>(1)</sup> 40% or 20,000 new shares, whichever is the higher.
- <sup>(2)</sup> 30% or the remaining number of new shares unexercised.
- <sup>(3)</sup> 20% or the remaining number of new shares unexercised.

Options exercisable in a particular year but not exercised can be carried forward to the subsequent years subject to the time limit of the ESOS.

The movement in the options to take up unissued new ordinary shares of RM1.00 each during the financial year is as follows:-

DATE OF OFFER	OPTION PRICE	EXERCISED			
		BALANCE AT 1.1.2006	DURING THE YEAR	LAPSED DUE TO RESIGNATION	BALANCE AT 31.12.2006
1 March 2002	RM1.00	7,276,000	-	(2,229,000)	5,047,000

There were no new options granted to employees during the financial year ended 31 December 2006.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of employees who have been granted options to subscribe for ordinary shares on 1 March 2002.

### DIRECTORS

The directors who served since the end of the previous financial year are as follows:-

MR. LOW GEE TAT @ GENE LOW  
TAN SRI DATUK SERI (DR) CHONG HON NYAN  
TAN SRI DATO' HANAFIAH BIN HUSSAIN  
TAN SRI DATO' LEE KIM SAI @ LEE HOO  
MR. LOW GEE TEONG  
MDM. WOON SIEW CHOO  
MDM. LOW SU MING (APPOINTED ON 1 MARCH 2006)  
MR. WEE BENG SANG (APPOINTED ON 1 MARCH 2006)  
DATO' JEFFREY NG TIONG LIP (RETIRED ON 31 MARCH 2006)  
MDM. OH LEEN MAY (RETIRED ON 14 DECEMBER 2006)

**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			OPTIONS GRANTED TO SUBSCRIBE FOR NEW SHARES UNDER ESOS	
	AT 1.1.2006	BOUGHT	SOLD	AT 31.12.2006	AS AT 31.12.2006
<b><i>DIRECT INTERESTS</i></b>					
MR. LOW GEE TAT @ GENE LOW	-	-	-	-	500,000
MR. LOW GEE TEONG	-	-	-	-	500,000
MDM. LOW SU MING	887,000	-	-	887,000	500,000
MDM. WOON SIEW CHOO	119,800	-	-	119,800	450,000
MR. WEE BENG SANG	45,000	-	-	45,000	325,000
<b><i>INDIRECT INTERESTS</i></b>					
MR. LOW GEE TAT @ GENE LOW	230,445,447	-	-	230,445,447	-
MR. LOW GEE TEONG	230,445,447	-	-	230,445,447	-
TAN SRI DATUK SERI (DR) CHONG HON NYAN	5,500	-	-	5,500	-

No options granted to subscribe for new shares under ESOS to the directors were exercised during the financial year ended 31 December 2006.

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 42 and 43 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, other than the options granted to the directors pursuant to the ESOS.

**SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

The significant events of the Group during the financial year are disclosed in Note 45 to the financial statements.



# Directors' Report

(cont'd)

Asia Pacific Land Berhad (4069-K)  
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## **SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE**

The significant events of the Group subsequent to the balance sheet date are disclosed in Note 46 to the financial statements.

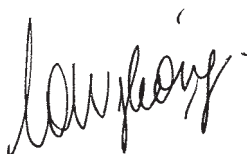
## **AUDITORS**

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

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS  
DATED 26 APRIL 2007.**



**Low Gee Tat @ Gene Low  
EXECUTIVE CHAIRMAN**



**Low Gee Teong  
MANAGING DIRECTOR**

Kuala Lumpur

Date: 26 April 2007

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 revised approved accounting standards known as Financial Reporting Standards ("FRS") issued by the Malaysian Accounting Standards Board ("MASB") for entities other than private entities 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 at 31 December 2006 and of their results and cash flows for the financial year ended on that date.

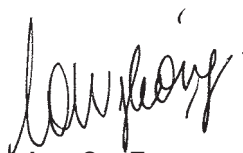
**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS  
DATED 26 APRIL 2007.**



**Low Gee Tat @ Gene Low  
EXECUTIVE CHAIRMAN**

Kuala Lumpur

Date: 26 April 2007



**Low Gee Teong  
MANAGING DIRECTOR**

## 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 26 April 2007



**Woon Siew Choo**

Before me

Kuala Lumpur

Date: 26 April 2007

**Level 16, Menara Asia Life  
189 Jalan Tun Razak  
50400 Kuala Lumpur**

# Report Of The Auditors To The Shareholders

Of Asia Pacific Land Berhad

Asia Pacific Land Berhad (4069-K)  
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We have audited the financial statements of Asia Pacific Land Berhad for the financial year ended 31 December 2006. 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 revised approved accounting standards known as Financial Reporting Standards ("FRS") issued by the Malaysian Accounting Standards Board ("MASB") for entities other than private entities so as to give a true and fair view of:-
  - (i) the state of affairs of the Group and of the Company at 31 December 2006 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.

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: 26 April 2007



**Onn Kien Hoe**  
Approval No: 1772/11/08 (J/PH)  
Partner

	NOTE	THE GROUP		THE COMPANY	
		2006 RM'000	2005 RM'000 (Restated)	2006 RM'000	2005 RM'000 (Restated)
<b>ASSETS</b>					
<b>NET CURRENT ASSETS</b>					
Investment in subsidiaries	6	-	-	116,002	116,002
Property, plant and equipment	7	54,401	348,363	54	56
Prepaid land lease payments	8	74,873	62,519	-	-
Investment properties	9	2,500	473,368	-	-
Other investment	10	50	50	50	50
Land held for development	11	137,006	167,691	-	-
Deferred tax assets	12	22,843	22,080	1,718	1,650
		291,673	1,074,071	117,824	117,758
<b>CURRENT ASSETS</b>					
Inventories	13	41,085	26,939	-	-
Property development costs	14	149,271	145,371	-	-
Trade receivables	15	18,250	37,742	-	-
Other receivables, deposits and prepayments	16	28,735	15,583	948	925
Amount owing by subsidiaries	17	-	-	732,155	909,111
Deposits with financial institutions	18	16,670	229	16,434	-
Cash and bank balances	19	10,874	4,804	488	54
		264,885	230,668	750,025	910,090
Non-current assets classified as held for sale	20	680,000	-	-	-
		944,885	230,668	750,025	910,090
<b>TOTAL ASSETS</b>		1,236,558	1,304,739	867,849	1,027,848
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	21	710,341	710,341	710,341	710,341
Reserves	22	(35,572)	60,697	(128,743)	(127,808)
Amount recognised directly in equity relating to assets classified as held for sale		57,331	-	-	-
<b>TOTAL EQUITY</b>		732,100	771,038	581,598	582,533
<b>NON-CURRENT LIABILITIES</b>					
Deferred tax liability	23	24,531	49,681	-	-
Long-term borrowings	24	340,699	299,332	140,000	120,000
		365,230	349,013	140,000	120,000
<b>CURRENT LIABILITIES</b>					
Trade payables	26	22,905	34,180	-	-
Other payables and accruals	27	52,586	68,394	10,412	7,149
Amount owing to subsidiaries	17	-	-	135,839	318,166
Provision for taxation		28,899	30,534	-	-
Bank overdrafts	28	5,000	4,963	-	-
Short-term borrowings	29	13,103	46,617	-	-
		122,493	184,688	146,251	325,315
Liabilities directly associated with assets classified as held for sale	20	16,735	-	-	-
		139,228	184,688	146,251	325,315
<b>TOTAL LIABILITIES</b>		504,458	533,701	286,251	445,315
<b>TOTAL EQUITY AND LIABILITIES</b>		1,236,558	1,304,739	867,849	1,027,848
<b>NET ASSETS PER SHARE</b>	30	RM1.03	RM1.09		

The annexed notes form an integral part of these financial statements.

# Income Statements

For The Financial Year Ended 31 December 2006

Asia Pacific Land Berhad (4069-K)  
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		THE GROUP		THE COMPANY	
	NOTE	2006 RM'000	2005 RM'000 (Restated)	2006 RM'000	2005 RM'000
CONTINUING OPERATIONS					
Revenue	31	9,429	48,170	257	4,050
Cost of sales	32	(3,990)	(34,063)	-	-
Gross profit		5,439	14,107	257	4,050
Other income		3,655	7,201	328	269
Selling and marketing expenses		(4,859)	(5,565)	-	-
Administrative expenses		(12,206)	(16,378)	(1,573)	(2,136)
Other expenses		(6,391)	(21,148)	(15)	(15)
Finance costs	33	(2,250)	(683)	-	-
(Loss)/Profit before taxation	34	(16,612)	(22,466)	(1,003)	2,168
Income tax expense	35	8,586	2,181	68	(731)
(Loss)/Profit for the financial year from continuing operations		(8,026)	(20,285)	(935)	1,437
DISCONTINUED OPERATIONS					
(Loss)/Profit for the financial year from discontinued operations	20	(25,510)	13,674	-	-
(Loss)/Profit attributable to shareholders for the financial year		(33,536)	(6,611)	(935)	1,437
LOSS PER SHARE					
- Basic	36	(4.7) sen	(0.9) sen		

The annexed notes form an integral part of these financial statements.



Statements Of  
Changes In Equity

For The Financial Year Ended 31 December 2006

THE GROUP	◀ NON-DISTRIBUTABLE ▶						
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Exchange Fluctuation Reserve RM'000	Relating To Assets Held For Sale RM'000	Accumulated Losses RM'000	Total RM'000
Balance at 1.1.2005	710,341	62,372	93,610	6,286	-	(85,079)	787,530
Transfer from deferred tax assets	-	-	87 *	-	-	-	87
Deficit from revaluations	-	-	(1,699)*	-	-	-	(1,699)
Impairment loss	-	-	(8,225)*	-	-	-	(8,225)
Reversal of deficit from previously recognised surplus	-	-	(9,837)	-	-	-	(9,837)
Currency exchange translation difference	-	-	-	(44) *	-	-	(44)
Loss after taxation for the financial year	-	-	-	-	-	(6,611)	(6,611)
Balance at 31.12.2005/1.1.2006	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	<b>710,341</b>	<b>62,372</b>	<b>21,073</b>	<b>6,209</b>	<b>57,331</b>	<b>(125,226)</b>	<b>732,100</b>

THE COMPANY	◀ NON-DISTRIBUTABLE ▶				
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Accumulated Losses RM'000	Total RM'000
Balance at 1.1.2005	710,341	62,372	185,936	(191,617)	767,032
Effects of adopting FRS 127	-	-	(185,936)	-	(185,936)
As restated	710,341	62,372	-	(191,617)	581,096
Profit after taxation for the financial year	-	-	-	1,437	1,437
Balance at 31.12.2005/1.1.2006 (As restated)	710,341	62,372	-	(190,180)	582,533
Loss after taxation for the financial year	-	-	-	(935)	(935)
Balance at 31.12.2006	<b>710,341</b>	<b>62,372</b>	<b>-</b>	<b>(191,115)</b>	<b>581,598</b>

Note\* : represents gains/(losses) not recognised in income statements  
The annexed notes form an integral part of these financial statements.

# Cash Flow Statements

For The Financial Year Ended 31 December 2006

Asia Pacific Land Berhad (4069-K)  
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		THE GROUP		THE COMPANY	
	NOTE	2006 RM'000	2005 RM'000 (Restated)	2006 RM'000	2005 RM'000
<b>CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES</b>					
(Loss)/Profit before taxation from:					
- Continuing operations		<b>(16,612)</b>	(22,466)	<b>(1,003)</b>	2,168
- Discontinued operations	20	<b>(40,016)</b>	15,212	-	-
Adjustments for:-					
Amortisation of prepaid land lease payment		<b>1,395</b>	-	-	-
Depreciation of property, plant and equipment		<b>2,046</b>	4,182	<b>14</b>	15
Deficit from revaluation of properties		-	116	-	-
Impairment loss on property, plant and equipment		<b>9,678</b>	9,787	-	-
Impairment loss on investment property		<b>23,000</b>	-	-	-
Net allowance for doubtful debts		<b>90</b>	2,253	-	-
Net interest expense/(income)		<b>6,704</b>	4,875	<b>(295)</b>	(202)
Net gain on disposal of prepaid land lease payment		<b>(455)</b>	-	-	-
Net loss/(gain) on disposal of property, plant and equipment		<b>670</b>	(5,586)	<b>(33)</b>	(67)
Provision for liabilities associated with assets classified as held for sale		<b>16,735</b>	-	-	-
Operating profit/(loss) before working capital changes		<b>3,235</b>	8,373	<b>(1,317)</b>	1,914
Decrease/(Increase) in inventories		<b>6,156</b>	(309)	-	-
(Increase)/Decrease in property development costs		<b>(4,283)</b>	10,874	-	-
Decrease/(Increase) in trade and other receivables		<b>10,945</b>	31,407	<b>(24)</b>	(227)
(Decrease)/Increase in trade and other payables		<b>(5,845)</b>	746	<b>3,264</b>	5,063
<b>CASH FROM OPERATIONS</b>		<b>10,208</b>	51,091	<b>1,923</b>	6,750
Income tax paid		<b>(6,467)</b>	(4,031)	-	(693)
Interest paid		<b>(26,732)</b>	(30,590)	-	-
<b>NET CASH (FOR)/FROM OPERATING ACTIVITIES/BALANCE CARRIED FORWARD</b>		<b>(22,991)</b>	16,470	<b>1,923</b>	6,057

The annexed notes form an integral part of these financial statements.

Cash Flow  
Statements

For The Financial Year Ended 31 December 2006 (cont'd)

	NOTE	THE GROUP		THE COMPANY	
		2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
<b>BALANCE BROUGHT FORWARD</b>		<b>(22,991)</b>	16,470	<b>1,923</b>	6,057
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of prepaid land lease payments		(22)	-	-	-
Purchase of property, plant and equipment	37	(2,969)	(1,863)	(12)	(17)
Proceeds from disposal of prepaid land lease payments		3,655	-	-	-
Proceeds from disposal of property, plant and equipment		43,422	16,831	33	67
Increase in investment properties		-	(112)	-	-
Payment for land held for development		(278)	(1,705)	-	-
Interest received		295	409	295	202
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>44,103</b>	13,560	<b>316</b>	252
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>					
Net advances to subsidiaries		-	-	(5,371)	(6,376)
Drawdown of term loans and bridging loans		30,084	6,757	20,000	-
Repayments to hire purchase payables		(519)	(335)	-	-
Repayment of term loans		(28,203)	(42,718)	-	-
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>		<b>1,362</b>	(36,296)	<b>14,629</b>	(6,376)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>22,474</b>	(6,266)	<b>16,868</b>	(67)
<b>EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS</b>		-	(25)	-	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		<b>70</b>	6,361	<b>54</b>	121
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	38	<b>22,544</b>	70	<b>16,922</b>	54

The annexed notes form an integral part of these financial statements.

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006

Asia Pacific Land Berhad (4069-K)  
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## 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 : Suites 704 & 705, 7th Floor, No. 11, Lorong Kinta, 10400 Penang.

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 26 April 2007.

## 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.

## 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.

#### (ii) Interest Rate Risk

The Group obtains financing through bank borrowings, leasing and hire purchase. 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 does not have any quoted investments and hence is not exposed to price risk.

### (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 ensures that there is no major concentration of credit risk related to any individual or counterparty.

### (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 tenure to the asset and project life and cashflow profile.

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For The Financial Year Ended 31 December 2006 (cont'd)

**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 revised approved accounting standards known as Financial Reporting Standards ("FRS") issued by the Malaysian Accounting Standards Board ("MASB") for entities other than private entities and the provisions of the Companies Act, 1965.

In the current financial year, the Group has adopted all the new and revised Financial Reporting Standards ("FRS") issued by the Malaysian Accounting Standards Board which are relevant to its operations and effective for financial periods beginning on or after 1 January 2006.

FRS 117 has been issued and is effective for financial periods beginning on or after 1 October 2006 and the Group has elected to adopt this accounting standard in advance of its effective date.

The adoption of these new and revised FRS does not have any material financial effects on the financial statements of the Group and the Company except for:-

- (a) FRS 5 – Non-current Assets Held for Sale and Discontinued Operations
- (b) FRS 117 – Leases; and
- (c) FRS 127 – Consolidated and Separate Financial Statements.

The effects of adopting the above FRS on the accounting policies are disclosed in Notes 5(e), 5(i), 5(j) and 5(k) respectively and the effects on the comparative figures are disclosed in Note 49 to the financial statements.

FRS 6 - Exploration for and Evaluation of Mineral Resources has been issued and is effective for financial periods beginning on or after 1 January 2007. This standard is not relevant to the Group's operations.

FRS 124 - Related Party Disclosures has been issued and is effective for financial periods beginning on or after 1 October 2006 and has not been adopted by the Group and the Company. The directors anticipate that the adoption of FRS 124 will not have a material financial impact on the financial statements.

FRS 139 - Financial Instruments: Recognition and Measurement has been issued and the effective date has yet to be determined by MASB. This new standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company will apply this standard when it becomes effective.

**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.



# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

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## 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (a) Critical Accounting Estimates And Judgements (cont'd)

#### (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.

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

The Group determines whether a property qualifies as an investment property, and has developed 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.

#### (vii) *Revaluations 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.

Notes To The  
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For The Financial Year Ended 31 December 2006 (cont'd)

**5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****(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 and the Company have 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.

**(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 as follows:-

- (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.

**(d) Basis of Consolidation**

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 December 2006.

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.

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

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## 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (d) Basis of Consolidation (cont'd)

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

Prior to 1 January 2006, investments in subsidiaries were stated at valuation in the balance sheet of the Company. A policy of regular revaluation of the investments in subsidiaries was adopted whereby the investments in subsidiaries were revalued periodically, at least once in every five years. The investments were also reviewed for impairment at the end of the financial year if events or changes in circumstances indicate that the carrying values may not be recoverable.

Surpluses arising from the revaluation of the investments in subsidiaries were credited to the revaluation reserve. Deficits arising from the revaluation, to the extent that they were not supported by any previous revaluation surpluses, were charged to the income statement. In the year of disposal of a subsidiary, the attributable revaluation surplus was transferred from the revaluation reserve to retained earnings.

During the financial year, the Company has changed the accounting policy in compliance with FRS 127 - Consolidated and Separate Financial Statements. 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.

The financial effects of the change in the accounting policy are disclosed in Note 49 to the financial statements.

### (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.

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.

## 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (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.

### (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

The prepaid land lease payments comprise the up-front payments made for the leasehold interest in land and are amortised on a straight line basis over the lease period. Prior to 1 October 2006, leasehold land was classified under property, plant and equipment and was stated at cost less accumulated depreciation and accumulated impairment losses, if any. Upon adoption of the revised FRS 117, the unamortised amount of leasehold interest in land is retained as the surrogate carrying amount of prepaid land lease payments as allowed by the revised FRS 117.

### (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.

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.

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

## 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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 operation 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.

### (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.



## 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (n) 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.

### (o) 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.

### (p) 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.

### (q) 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.

### (r) 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.

### (s) Provision for liabilities

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.

### (t) 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.

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

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## 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (t) Income taxes (cont'd)

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.

### (u) 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 an expense in the period in which they are incurred.

### (v) 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.

### (w) 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.

#### (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.

Notes To The  
Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

**5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****(x) 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.

**(y) 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.

*(vi) Management Fees*

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

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

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## 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (y) Revenue Recognition (cont'd)

#### (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.

### (z) 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.

## 6. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2006 RM'000	2005 RM'000 (Restated)
Unquoted shares, at cost	181,949	181,949
Impairment loss	(65,947)	(65,947)
	<b>116,002</b>	116,002

Details of the subsidiaries are as follows:-

Name Of Company	Effective Equity Interest		Principal Activities
	2006	2005	
<b><u>INCORPORATED IN MALAYSIA</u></b>			
* Affinity Villas Sdn. Bhd.	100%	100%	Property investment and property development.
Aman City Hotel Sdn. Bhd.	100%	100%	Property development.
* Ambangan Valley Sdn. Bhd.	100%	100%	Property investment.
* Amity Synergy Sdn. Bhd.	100%	100%	Investment holding.
APL Construction Sdn. Bhd.	100%	100%	Dormant.
* APL Hotel Sdn. Bhd.	100%	100%	Property investment and development, and hotel business.

## 6. INVESTMENT IN SUBSIDIARIES (cont'd)

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

Name Of Company	Effective Equity Interest		Principal Activities
	2006	2005	
<b><u>INCORPORATED IN MALAYSIA</u></b>			
* Bakti Dinamik Sdn. Bhd.	100%	100%	Property development.
* Buoyant Point Sdn. Bhd.	100%	100%	Property maintenance services.
* City Square Centre Sdn. Bhd.	100%	100%	Investment holding.
* City Square Holdings Sdn. Bhd.	100%	100%	Investment holding.
City Square Properties Sdn. Bhd.	100%	100%	Property investment and management and car park operation.
City Square Nursery And Landscaping Sdn. Bhd.	100%	100%	Dormant.
City Square Parking Sdn. Bhd.	100%	100%	Car park management.
City Square Retail Management Sdn. Bhd.	100%	100%	Dormant.
* Elite Empire Sdn. Bhd.	100%	100%	Dormant.
* Eminent Portfolio Sdn. Bhd.	100%	100%	Property investment.
* Empire Reach Sdn. Bhd.	100%	100%	Dormant.
Empire Tower (Malaysia) Sdn. Bhd.	100%	100%	Property investment and management.
* Esprit Projects Sdn. Bhd.	100%	100%	Property development.
* Fidelity Park Sdn. Bhd.	100%	100%	Property development.
* Hotel Fair Lane Holdings Sdn. Bhd.	100%	100%	Property development.
Island Bay Resorts Sdn. Bhd.	100%	100%	Investment holding, property investment and development (ceased hotel business on 26 May 2006).
* Khas Cergas Sdn. Bhd.	100%	100%	Dormant.
Kinasurya Sdn. Bhd.	100%	100%	Dormant.
Marina Mirage Hotel Sdn. Bhd.	100%	100%	Dormant.
Mount Pleasure Property Management Services Sdn. Bhd.	100%	100%	Property management services.
* Tasik Puteri Golf & Country Club Berhad	100%	100%	Golf course operation.
Platinum Landmark Sdn. Bhd.	100%	100%	Dormant.
* Pristine Review Sdn. Bhd.	100%	100%	Property investment.
* Radiant Design Sdn. Bhd.	100%	100%	Dormant.



# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

## 6. INVESTMENT IN SUBSIDIARIES (cont'd)

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

Name Of Company	Effective Equity Interest		Principal Activities
	2006	2005	
<b><u>INCORPORATED IN MALAYSIA</u></b>			
* Rawang Lakes Sdn. Bhd.	100%	100%	Property development and building contractor.
* Riviera Hectares Sdn. Bhd.	100%	100%	Property investment.
* Riviera Steppe Sdn. Bhd.	100%	100%	Property investment.
* Sapphire Acres Sdn. Bhd.	100%	100%	Property investment.
Wira Azimat Sdn. Bhd.	100%	100%	Property investment.
* Willow Land Sdn. Bhd.	100%	100%	Property investment.
<b><u>INCORPORATED IN THE REPUBLIC OF SINGAPORE</u></b>			
* Mount Pleasure Investments Pte. Ltd.	100%	100%	Dormant.
<b><u>INCORPORATED IN THE BRITISH VIRGIN ISLANDS</u></b>			
* United Well Investment Ltd.	100%	100%	Dormant.
<b><u>INCORPORATED IN HONG KONG (SAR)</u></b>			
* Kenson Development Limited	100%	-	Dormant.
<b><u>INCORPORATED IN THE PEOPLE'S REPUBLIC OF CHINA</u></b>			
* Platinum Landmark (Changshu) Limited	100%	-	Dormant.

\* Not audited by Messrs Horwath.

The effect of the new acquisition of subsidiaries, i.e. Kenson Development Limited and Platinum Landmark (Changshu) Limited on the financial results and financial position of the Group and the cash flow arising from the acquisition are insignificant.

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

## 7. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Net Book Value At 1.1.2006 RM'000 (Restated)	Additions RM'000	Disposals RM'000	Reclassifications RM'000	Impairment RM'000	Depreciation Charge RM'000	Currency Exchange Translation Difference RM'000	Net Book Value At 31.12.2006 RM'000
Freehold land	3,337	-	(685)	-	-	-	-	2,652
Building under construction and buildings	10,920	-	-	51	(8)	(403)	-	10,560
Hotel properties (Note 20)	283,000	350	(43,000)	(240,000)	(350)	-	-	-
Furniture, fittings, equipment, motor vehicles and other assets	14,930	1,737	(2,799)	-	(9,320)	(1,040)	(39)	3,469
Golf course's building	36,176	2,198	-	(51)	-	(603)	-	37,720
Total	348,363	4,285	(46,484)	(240,000)	(9,678)	(2,046)	(39)	54,401

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

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## 7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

THE GROUP At 31.12.2006	At Cost RM'000	At Valuation RM'000	Impairment Losses RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
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
At 31.12.2005 (Restated)					
Freehold land	-	3,337	-	-	3,337
Building under construction and buildings	1,909	10,720	-	(1,709)	10,920
Hotel properties	-	283,000	-	-	283,000
Furniture, fittings, equipment, motor vehicles and other assets	61,149	-	-	(46,219)	14,930
Golf course's building	3,853	34,515	-	(2,192)	36,176
Total	66,911	331,572	-	(50,120)	348,363

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

	2006 RM'000	2005 RM'000
Freehold land	2,652	3,337
Building under construction and buildings	3,074	3,141
Hotel properties	-	259,771
Golf course's building	12,588	12,826
Total	18,314	279,075

The freehold land, buildings and golf course 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.

The carrying values of property, plant and equipment pledged as security for bank borrowings granted to the Group (Notes 25, 28 and 29 to the financial statements) are as follows:-

THE GROUP	2006 RM'000	2005 RM'000 (Restated)
Hotel properties	-	240,000

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

## 7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Hotel properties with a carrying value of RM240,000,000 have been reclassified to non-current assets held for sale, details as disclosed in Note 20 to the financial statements.

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

THE GROUP		
	2006 RM'000	2005 RM'000
Furniture, fittings and equipment	141	469
Motor vehicles	728	262
	869	731

THE COMPANY	Net Book Value At 1.1.2006 RM'000	Additions RM'000	Depreciation Charges RM'000	Net Book Value At 31.12.2006 RM'000
Furniture, fittings and equipment	56	12	(17)	51
Motor vehicles	-	-	3	3
Total	56	12	(14)	54

	At Cost RM'000	Accumulated Depreciation RM'000	Total RM'000
At 31.12.2006			
Furniture, fittings and equipment	833	(782)	51
Motor vehicles	136	(133)	3
Total	969	(915)	54
At 31.12.2005			
Furniture, fittings and equipment	821	(765)	56
Motor vehicles	136	(136)	-
Total	957	(901)	56

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

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## 8. PREPAID LAND LEASE PAYMENTS

	THE GROUP	
	2006 RM'000	2005 RM'000 (Restated)
At cost		
At 1.1.2006/2005	64,128	63,975
Additions	22	153
Reclassification from land held for development (Note 11)	16,927	-
Disposal	(3,200)	-
At 31.12.2006/2005	77,877	64,128
Accumulated amortisation	(3,004)	(1,609)
Net book value	74,873	62,519
Accumulated amortisation:-		
At 1.1.2006/2005	1,609	727
Amortisation for the financial year	1,395	882
At 31.12.2006/2005	3,004	1,609

In the previous financial year, borrowing costs of RM153,000 as disclosed in Note 33 to the financial statements, arising from financing specifically for the purchase of the long leasehold land, were capitalised during the financial year and included in additions of the prepaid lease land payments during the financial year.

The carrying value of the prepaid land lease payments pledged as security for bank borrowings granted to the Group (Notes 25, 28 and 29 to the financial statements) is as follows:-

	THE GROUP	
	2006 RM'000	2005 RM'000 (Restated)
Long leasehold land	4,085	7,275

## 9. INVESTMENT PROPERTIES

	THE GROUP	
	2006 RM'000	2005 RM'000
Freehold land and buildings		
At 1.1.2005/2006	473,368	473,356
Addition	-	112
Reclassified as held for sale (Note 20)	(440,000)	-
Disposal	(2,500)	-
Revaluation deficit	(5,368)	-
Impairment loss	(23,000)	(100)
At 31.12.2006/2005	2,500	473,368
Investment properties comprise:		
- at valuation	-	473,000
- at cost	2,500	368
	2,500	473,368



# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

## 9. INVESTMENT PROPERTIES (cont'd)

In the previous 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.

In the previous financial year, the carrying values of investment properties pledged as security for bank borrowings granted to the Group (Notes 25, 28 and 29 to the financial statements) is RM468,368,000.

## 10. OTHER INVESTMENT

	THE GROUP/THE COMPANY	
	2006 RM'000	2005 RM'000
Unquoted shares, at cost	50	50

## 11. LAND HELD FOR DEVELOPMENT

	THE GROUP	
	2006 RM'000	2005 RM'000
At 1 January	167,691	149,406
Additions during the year	20,011	20,694
Transfer to property development costs (Note 14)	(19,919)	(2,409)
Reclassification to prepaid land lease payments (Note 8)	(16,927)	-
Disposal	(13,850)	-
At 31 December	137,006	167,691
Land held for development comprises:-		
Land		
- at valuation	4,141	4,141
- at cost	26,547	24,855
Development expenditure	106,318	138,695
	137,006	167,691

Borrowing costs of RM19,733,000 (2005 - RM18,989,000) arising from financing specifically for the purchase of the land held under development, were capitalised during the financial year and included in additions of the land held for development during the financial year.

## 12. DEFERRED TAX ASSETS

	THE GROUP		THE COMPANY	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
At 1 January	22,080	18,579	1,650	1,692
Transfer from/(to) income statements	763	3,501	68	(42)
At 31 December	22,843	22,080	1,718	1,650

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

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## 12. DEFERRED TAX ASSETS (cont'd)

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

	THE GROUP		THE COMPANY	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Capital allowances in excess of depreciation	(161)	(560)	(8)	(4)
Unutilised tax losses	28,632	23,823	1,726	1,654
Unabsorbed capital allowances	666	796	-	-
Revaluation surplus of revalued properties	(6,347)	(1,636)	-	-
Others	53	(343)	-	-
	<b>22,843</b>	<b>22,080</b>	<b>1,718</b>	<b>1,650</b>

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.

As at 31 December 2006 and 31 December 2005, 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	
	2006 RM'000	2005 RM'000
Unutilised tax losses	28,813	28,860
Unutilised capital allowances	16,196	21,864
Unutilised industrial building allowance	-	8,680
Unutilised investment tax allowance	3,264	3,263
	<b>48,273</b>	<b>62,667</b>

The deferred tax assets have not been recognised as they have arisen in 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.

## 13. INVENTORIES

	THE GROUP	
	2006 RM'000	2005 RM'000
AT COST		
Stores and consumables	582	563
Raw materials	-	72
Finished goods	2	53
Nursery inventory	402	426
Completed unsold properties	38,711	24,437
	<b>39,697</b>	<b>25,551</b>
AT NET REALISABLE VALUE		
Completed unsold properties	1,388	1,388
	<b>41,085</b>	<b>26,939</b>

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For The Financial Year Ended 31 December 2006 (cont'd)

## 14. PROPERTY DEVELOPMENT COSTS

	THE GROUP	
	2006 RM	2005 RM
Balance at the beginning of the financial year:		
- Land	24,899	26,935
- Development costs	455,074	408,460
	479,973	435,395
Cost incurred during the year:		
- Transfer from land held for development (Note 11)	19,919	2,409
- Development costs	15,099	53,631
Sub-total	514,991	491,435
Cost recognised as an expense in the income statements:		
- previous year	(334,602)	(301,412)
- current year	(10,816)	(33,190)
Sub-total	169,573	156,833
Transfer to inventories	(20,302)	(11,462)
Balance at 31 December	149,271	145,371

The carrying amount of land under property development pledged as security for bank borrowings (Notes 25, 28 and 29) at the balance sheet date was RM40,196,000 (2005 – RM41,316,000).

In the previous financial year, borrowing costs of RM6,200,000 as disclosed in Note 33, arising from funds borrowed specifically for property development activities, were capitalised during the financial year and included in development costs incurred during the financial year.

## 15. TRADE RECEIVABLES

	THE GROUP	
	2006 RM'000	2005 RM'000
Trade receivables	27,837	47,239
Allowance for doubtful debts:-		
At 1 January	(9,497)	(7,244)
Allowance for the financial year	(90)	(2,758)
Reversal of allowance no longer required	-	505
At 31 December	(9,587)	(9,497)
	18,250	37,742

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

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## 15. TRADE RECEIVABLES (cont'd)

Included in trade receivables of the Group is an amount of RM1,451,000 (2005 - RM819,000) owing by related parties. The nature of the related party relationships and the details of the transactions and balances involved are disclosed in Notes 42 and 43 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.

## 16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Other receivables, deposits and prepayments	28,931	15,779	948	925
Allowance for doubtful debts	(196)	(196)	-	-
	28,735	15,583	948	925

Included in other receivables, deposits and prepayments of the Group is an amount of RM1,161,000 (2005 - RM1,000) owing by related parties. The nature of the related party relationships and the details of the transactions involved are disclosed in Notes 42 and 43 to the financial statements.

## 17. AMOUNT OWING BY/TO SUBSIDIARIES

	THE COMPANY	
	2006 RM'000	2005 RM'000 (Restated)
Amount owing by subsidiaries		
- interest bearing	263,127	243,127
- non-interest bearing	614,702	811,658
	877,829	1,054,785
Allowance for doubtful debts	(145,674)	(145,674)
	732,155	909,111
Amount owing to subsidiaries		
- interest bearing	123,127	123,127
- non-interest bearing	12,712	195,039
	135,839	318,166

The amounts owing are unsecured and not subject to fixed terms of repayment.

The term loans of the Company amounting to RM140,000,000 (2005 - RM120,000,000) and that of a subsidiary amounting to RM123,127,000 (2005 - RM123,127,000) are fully utilised by the other subsidiaries within the Group. The interest charged by the financial institutions amounting to RM19,476,285 (2005 - RM18,529,500) are entirely borne by the subsidiaries utilising the abovementioned term loans. As such, the Company and the aforesaid subsidiary do not record the interest expense.

Interest incurred by the Company and the abovementioned subsidiary in relation to the above term loans is reimbursed by the other subsidiaries which utilised the funds based on the rates charged by the relevant financial institutions ranging from 6.7% to 8.75% (2005 - 6.7% to 8.2%) per annum.

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

## 18. DEPOSITS WITH FINANCIAL INSTITUTIONS

	THE GROUP		THE COMPANY	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Deposits with financial institutions	16,670	229	16,434	-

Deposits of the Group amounting to RM7,274 (2005 - RM7,048) 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 2.8% to 3.2% (2005 - 2.7% to 3.2%) per annum.

The maturity periods of the deposits range from 1 month to 6 months (2005 - 1 month to 6 months).

## 19. CASH AND BANK BALANCES

	THE GROUP		THE COMPANY	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Cash held at hand and banks	9,982	4,184	488	54
Cash held under housing development accounts	892	620	-	-
	10,874	4,804	488	54

## 20. DISCONTINUED OPERATIONS CLASSIFIED AS HELD FOR SALE

On 15 August 2006, the Group entered into a conditional Sale and Purchase Agreement 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:-

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

The Proposed Disposal is expected to be completed by the second quarter of financial year 2007.

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

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



# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

## 20. 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 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 disposal proceeds for further investment as follows:-

	RM'000
Investment in new property development and investment projects	120,000
Investment in agriculture and plantation	75,000
Working capital	8,360
	<u>203,360</u>

- (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 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; and

On 4 April 2007, the Company announced that the vendors and bare trustee of the Disposal Properties had executed a Supplemental Agreement to the Principal Sale and Purchase Agreement dated 15 August 2006 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.

As at 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 sell. The results of the hotel and property investment divisions are presented separately in the consolidated income statements as discontinued operations.

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

	THE GROUP	
	2006 RM'000	2005 RM'000
Revenue	58,754	63,688
Cost of sales	(8,033)	(5,900)
Gross profit	50,721	57,788
Other income	2,031	1,652
Selling and marketing expenses	(11,975)	(12,976)
Administrative expenses	(2,087)	(2,827)
Other expenses	(73,957)	(23,824)
Finance costs	(4,749)	(4,601)
(Loss)/Profit before taxation of discontinued operations	(40,016)	15,212
Income tax expenses (Note 35)	14,506	(1,538)
(Loss)/Profit for the financial year from discontinued operations	(25,510)	13,674

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For The Financial Year Ended 31 December 2006 (cont'd)

**20. DISCONTINUED OPERATIONS CLASSIFIED AS HELD FOR SALE (cont'd)**

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

	THE GROUP	
	2006 RM'000	2005 RM'000
Auditors' remuneration	45	44
Allowance for doubtful debts	930	1,413
Depreciation of property, plant and equipment	895	1,513
Directors' fee	6	6
Impairment loss on investment property	23,000	-
Loss/(Gain) on disposal of property, plant and equipment	1,584	(43)
Net allowance for doubtful debts	74	908
Rental of equipment	67	168
Rental of premises	49	49
Impairment of plant and equipment	9,678	-
Interest expense:		
- term loans	4,266	4,130
- bank overdraft	441	447
- hire purchase	42	24
Provision for liabilities associated with assets classified as held for sale	17,129	-
Staff costs	13,679	14,408

The major classes of assets and liabilities of the Group classified as held for sale on the consolidated balance sheets as at 31 December 2006 are as follows:-

	THE GROUP		
	Property RM'000	Investment Properties RM'000	Net Carrying Amount RM'000
Non-current assets classified as held for sale	240,000	440,000	680,000
Liabilities directly associated with assets classified as held for sale	16,735	-	16,735

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

Property and investment properties stated at valuation at the balance sheet date were revalued in August 2006 by an independent professional valuer, Mr. Sr. Elvin Fernandez, FISM FRICS, a registered valuer of Khong & Jaafar Sdn. Bhd. at open market value or realisable value based on the existing use basis/comparison methods.

Investment properties with a total carrying value of RM440,000,000 (2005 - RM468,368,000) at the balance sheet date are held in trust by a related party who is the original registered proprietor of the respective properties pending the issuance of strata titles and development of strata units.

The carrying value of property and investment properties at the balance sheet date pledged as security for bank borrowings (Notes 25, 28 and 29) is RM680,000,000 (2005 - RM708,368,000).

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

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## 21. SHARE CAPITAL

	THE COMPANY			
	2006 NUMBER OF SHARES	2005	2006 RM'000	2005 RM'000
ORDINARY SHARES OF RM1.00 EACH:-				
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

## 22. RESERVES

	THE GROUP		THE COMPANY	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Non-distributable reserves:-				
Share premium	62,372	62,372	62,372	62,372
Revaluation reserve	78,404	83,773	-	-
Reserve relating to assets held for sale	(57,331)	-	-	-
Exchange fluctuation reserve	6,209	6,242	-	-
	89,654	152,387	62,372	62,372
Accumulated losses	(125,226)	(91,690)	(191,115)	(190,180)
	(35,572)	60,697	(128,743)	(127,808)

## 23. DEFERRED TAX LIABILITY

	THE GROUP	
	2006 RM'000	2005 RM'000
At 1 January	49,681	50,133
Transfer to income statements	(25,150)	(452)
At 31 December	24,531	49,681

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

	THE GROUP	
	2006 RM'000	2005 RM'000
Capital allowances in excess of depreciation	4,694	25,998
Unabsorbed capital allowances	234	(74)
Unutilised tax losses	(271)	(806)
Revaluation surplus of revalued properties	19,303	24,839
Others	571	(276)
	24,531	49,681

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

## 24. LONG-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
SECURED				
Term loans (Note 25)	339,861	299,031	140,000	120,000
Hire purchase and lease payables (Note 27)	838	301	-	-
	340,699	299,332	140,000	120,000

## 25. TERM LOANS

	THE GROUP		THE COMPANY	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
SECURED				
Current:				
- repayable within one year (Note 29)	-	19,116	-	-
Non-current:				
- repayable between one and two years	-	28,638	-	-
- repayable between two and five years	98,500	112,019	40,000	16,000
- repayable more than five years	241,361	158,374	100,000	104,000
Total non-current portion (Note 24)	339,861	299,031	140,000	120,000
	339,861	318,147	140,000	120,000

The long term loans bear a weighted average effective interest rate of 7.89% (2005 - 7.77%) per annum and are secured by way of legal charges over certain landed properties of the Group as disclosed in Notes 7, 8, 9 and 14 to the financial statements.

## 26. TRADE PAYABLES

Included in trade payables of the Group is an amount of RM876,000 (2005 – RM834,000) owing to related parties. The nature of the related party relationships and the details of the transactions and balances involved are disclosed in Notes 42 and 43 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.

## 27. OTHER PAYABLES AND ACCRUALS

	THE GROUP		THE COMPANY	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Other payables and accruals	51,993	68,061	10,412	7,149
Hire purchase and lease payables:				
- portion repayable within one year	593	333	-	-
	52,586	68,394	10,412	7,149

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

## 27. OTHER PAYABLES AND ACCRUALS (cont'd)

	THE GROUP	
	2006 RM'000	2005 RM'000
Hire purchase and lease payables are made up of:-		
Minimum hire purchase and lease payments:		
- not later than one year	660	360
- later than one year and not later than five years	892	320
	1,552	680
Future finance charges	(121)	(46)
Hire purchase and lease payables	1,431	634
The net hire purchase and lease payables are repayable as follows:-		
Current:		
- not later than one year	593	333
Non-current: (Note 24)		
- later than one year and not later than five years	838	301
	1,431	634

Included in other payables and accruals of the Group and the Company are amounts of RM14,115,000 (2005 - RM13,537,000) and RM5,452,000 (2005 - RM5,987,000), respectively owing to related parties. The nature of the related party relationships and the details of transactions and balances involved are disclosed in Notes 42 and 43 to the financial statements, respectively.

The effective interest rate of the hire purchase and lease payables was 6.41% (2005 - 6.60%) per annum at the balance sheet date.

## 28. BANK OVERDRAFTS

The bank overdrafts bear effective interest at rates ranging from 8.35% to 8.85% (2005 - 8.1% to 8.35%) per annum and are secured in the same manner as the short term borrowings as disclosed in Note 25 and Note 29 to the financial statements.

## 29. SHORT-TERM BORROWINGS

	THE GROUP	
	2006 RM'000	2005 RM'000
SECURED		
Short-term loan	7,718	5,620
Revolving credit	-	1,000
Bridging loans	5,385	20,881
Portion repayable within one year:		
- term loans (Note 25)	-	19,116
	13,103	46,617

The short-term borrowings bear a weighted average effective interest rate of 8.29% (2005 - 7.89%) per annum and are secured in the same manner as the long-term borrowings as disclosed in Note 25 to the financial statements.

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



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For The Financial Year Ended 31 December 2006 (cont'd)

**30. NET ASSETS PER SHARE**

The net assets per share is calculated by dividing the net assets value at the balance sheet date of RM732,100,000 (2005 - RM771,038,000) by the number of ordinary shares in issue at the balance sheet date of 710,341,402 (2005 - 710,341,402).

**31. 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		
	2006 RM'000	2005 RM'000
CONTINUING OPERATIONS		
Property development and management	4,243	43,217
Leisure and hospitality	4,794	4,611
Sale of goods	392	342
	<b>9,429</b>	<b>48,170</b>

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

THE COMPANY		
	2006 RM'000	2005 RM'000
Management fees	257	790
Dividend income	-	3,260
	<b>257</b>	<b>4,050</b>

**32. COST OF SALES**

THE GROUP		
	2006 RM'000	2005 RM'000 (Restated)
CONTINUING OPERATIONS		
Property development	3,425	33,489
Leisure and hospitality	458	458
Sale of goods	107	116
	<b>3,990</b>	<b>34,063</b>

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

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## 33. FINANCE COSTS

	THE GROUP	
	2006 RM'000	2005 RM'000
CONTINUING OPERATIONS		
Total interest expense	21,983	26,025
Interest capitalised into:		
- prepaid land lease payments (Note 8)	-	(153)
- land held for development (Note 11)	(19,733)	(18,989)
- property development costs (Note 14)	-	(6,200)
	2,250	683

## 34. (LOSS)/PROFIT BEFORE TAXATION

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

	THE GROUP		THE COMPANY	
	2006 RM'000	2005 RM'000 (Restated)	2006 RM'000	2005 RM'000
CONTINUING OPERATIONS				
Auditors' remuneration:				
- statutory audit:				
- for the financial year	149	129	38	40
- underprovision in previous financial year	-	13	-	-
- other services	-	1	-	-
Depreciation of property, plant and equipment	1,151	2,669	14	15
Directors' remuneration:				
- fee	84	84	-	-
- emoluments	1,794	1,652	-	-
- allowances	63	32	8	14
- benefits-in-kind	14	28	-	-
Interest expense:				
- term loans/bridging loans	2,237	662	-	-
- hire purchase	13	21	-	-
Net allowance for doubtful debts	16	1,345	-	-
Rental of equipment	55	38	2	7
Rental of premises	3	5	32	43
Amortisation of prepaid land lease payment	1,395	882	-	-
Staff costs	10,092	15,862	859	1,193
Dividend income from subsidiaries	-	-	-	(3,260)
Gain on disposal of prepaid lease land payment	(455)	-	-	-
Interest income	(295)	(294)	(295)	(202)
Net gain on disposal of property, plant and equipment	(914)	(5,543)	(33)	(67)
Realised gain on foreign exchange	-	(1)	-	-
Rental income	(292)	(278)	-	-

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

## 35. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2006 RM'000	2005 RM'000 (Restated)	2006 RM'000	2005 RM'000
CONTINUING OPERATIONS				
Income tax:				
- for the financial year	(120)	(1,412)	-	(689)
- underprovision in the previous financial years	(6)	(80)	-	-
Deferred taxation:				
- for the financial year	2,416	3,697	68	-
- over/(under)provision in the previous financial year	6,296	(24)	-	(42)
Income tax expense	8,586	2,181	68	(731)
DISCONTINUED OPERATIONS				
Income tax:				
- for the financial year	(2,695)	(1,969)	-	-
- overprovision in the previous financial years	-	85	-	-
Deferred taxation:				
- for the financial year	21,376	346	-	-
- underprovision in the previous financial years	(4,175)	-	-	-
Income tax expense (Note 20)	14,506	(1,538)	-	-
Total income tax expense	23,092	643	68	(731)

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	
	2006 %	2005 %	2006 %	2005 %
Statutory tax rate	(28.00)	(28.00)	(28.00)	28.00
Tax effects of:-				
Non-deductible expenses	28.72	32.14	28.93	4.71
Non-taxable income	(0.21)	-	(7.62)	(0.88)
(Over)/Underprovision in previous financial years	(40.71)	(5.18)	-	1.89
Utilisation of previously unrecognised tax benefit	(0.75)	(17.79)	-	-
Deferred tax not recognised	0.33	11.21	-	-
Others	(0.16)	(1.24)	-	-
Effective tax rate	(40.78)	(8.86)	(6.69)	33.72

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	
	2006 RM'000	2005 RM'000
Unutilised tax losses	108,355	103,206
Unabsorbed capital allowances	72,188	124,770
	180,543	227,976

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

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## 36. LOSS PER SHARE

The basic loss per share is calculated based on the Group's loss after taxation for the financial year divided by the number of ordinary shares of the Company in issue during the financial year of 710,341,402 (2005 - 710,341,402).

The diluted earnings per share is not applicable as the effect of potential ordinary shares arising from the ESOS is anti-dilutive.

## 37. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	THE GROUP		THE COMPANY	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Additions of property, plant and equipment	4,285	2,388	12	17
Capitalisation of interest	-	(153)	-	-
Cost of property, plant and equipment purchased	4,285	2,235	12	17
Amount financed through hire purchase and lease	(1,316)	(372)	-	-
Cash disbursed for purchase of property, plant and equipment	2,969	1,863	12	17

## 38. CASH AND CASH EQUIVALENTS

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

	THE GROUP		THE COMPANY	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Deposits with financial institutions	16,670	229	16,434	-
Cash and bank balances	10,874	4,804	488	54
Bank overdrafts	(5,000)	(4,963)	-	-
	22,544	70	16,922	54

## 39. CONTINGENT LIABILITIES

	THE GROUP		THE COMPANY	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
<b>UNSECURED</b>				
Guarantees given to financial institutions for facilities granted to subsidiaries	-	-	1,431	1,293
Guarantees given to third parties for credit facilities granted to subsidiaries	-	-	469	2,240
Guarantees given to a third party in relation to warranties provided on the disposal of a hotel property	7,700	7,700	-	-
	7,700	7,700	1,900	3,533
<b>SECURED</b>				
Guarantees given to financial institutions for facilities granted to subsidiaries	-	-	217,964	229,951
Guarantees given to a third party for rights to enter and construct a road on the third party's land	-	4,200	-	-
	7,700	11,900	219,864	233,484



## For The Financial Year Ended 31 December 2006 (cont'd)

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

## SEGMENT RESULTS



## For The Financial Year Ended 31 December 2006 (cont'd)

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

	◀	CONTINUING OPERATIONS				▶	DISCONTINUED OPERATIONS				▶
	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	Total Operations 2006 RM'000	
OTHER INFORMATION											
Segment assets	10,019	419,185	9,992	92,197	531,393		240,000	440,000	680,000	1,211,393	
Unallocated assets	-	-	-	-	25,166		-	-	-	25,166	
Consolidated total assets	10,019	419,185	9,992	92,197	556,559		240,000	440,000	680,000	1,236,559	
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)	

# Notes To The

## Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

### 40. SEGMENTAL INFORMATION - GROUP (cont'd)

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

	CONTINUING OPERATIONS				DISCONTINUED OPERATIONS			
	Hotel 2005 RM'000	Property Development 2005 RM'000	Property Investment 2005 RM'000	Others 2005 RM'000	Total 2005 RM'000	Hotel 2005 RM'000	Property Investment 2005 RM'000	Total 2005 RM'000
<b>OTHER INFORMATION</b>								
Segment assets	318,556	409,344	481,731	71,483	1,281,114	-	-	1,281,114
Unallocated assets	-	-	-	-	23,625	-	-	23,625
<b>Consolidated total assets</b>	<b>318,556</b>	<b>409,344</b>	<b>481,731</b>	<b>71,483</b>	<b>1,304,739</b>	<b>-</b>	<b>-</b>	<b>1,304,739</b>
Segment liabilities	11,059	58,649	20,947	6,867	97,522	-	-	97,522
Unallocated liabilities	-	-	-	-	436,179	-	-	436,179
<b>Consolidated total liabilities</b>	<b>11,059</b>	<b>58,649</b>	<b>20,947</b>	<b>6,867</b>	<b>533,701</b>	<b>-</b>	<b>-</b>	<b>533,701</b>
Capital expenditure (excluding interest capitalisation)	637	419	203	976	2,235	-	-	2,235
Amortisation and depreciation	(868)	(1,123)	(651)	(1,540)	(4,182)	-	-	(4,182)

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

## 40. SEGMENTAL INFORMATION - GROUP (cont'd)

(ii) By geographical market:-

	SEGMENT REVENUE					
	Continuing Operations		Discontinued Operations		Total Operations	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Malaysia	9,429	48,170	58,754	63,688	68,183	111,858
	Segment Assets		Capital Expenditure			
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000		
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000		
Malaysia	1,236,052	1,303,797	4,285	2,235		
Australia	137	474	-	-		
Singapore	370	468	-	-		
	1,236,559	1,304,739	4,285	2,235		

## 41. SIGNIFICANT RELATED COMPANY TRANSACTIONS

Transactions between the Company and its subsidiaries:-

	THE COMPANY	
	2006 RM'000	2005 RM'000
Dividends receivable from subsidiaries	-	3,260
Management fees from subsidiaries	257	257
Project management fee from subsidiaries	-	533
Rental of premises payable to subsidiaries	29	38

## 42. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) (i) Transactions between the Group and related parties:-

			Transaction Value – (Revenue)/expense THE GROUP	
Name Of Related Parties	Relationships	Nature Of Transactions	2006 RM'000	2005 RM'000
<u>RECURRENT</u>				
Bena Sakti Sdn. Bhd.	(c), (e), (k)	Share registration services	-	13
The Cellarium Sdn. Bhd.	(l)	Purchase of wines	15	89
Commune Products	(f)	Commission received	(15)	(18)
L.Y.C. Incorporation Sdn. Bhd.	(d), (e), (h)	Nursery and landscaping	(2)	-
Merdeka Management Services Sdn. Bhd.	(b), (c), (k), (m)	Letting of premises	-	(38)
		Technical and hotel management services	-	334
Low Yat And Sons Realty Sdn. Bhd.	(b), (c), (g), (k)	Letting of premises	(38)	(20)
		Nursery and landscaping	(22)	(16)
		Renting of equipment	19	40

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

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## 42. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

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

			Transaction Value – (Revenue)/expense THE GROUP	
Name Of Related Parties	Relationships	Nature Of Transactions	2006 RM'000	2005 RM'000
<u>RECURRENT</u>				
Low Yat Construction Company Sdn. Berhad	(b), (c), (d), (e), (g), (k)	Letting of premises	(239)	(237)
Malayan Coffee Sdn. Bhd.	(d), (e), (k)	Letting of premises	(170)	(146)
Indah Jaya Development Sdn. Bhd.	(c), (d), (e), (k)	Letting of premises	(661)	(787)
		Nursery and landscaping	(431)	(310)
Oriental Development Sdn. Bhd.	(d), (e), (g), (h)	Renting of premises	49	49
Sem Siong Industries Sdn. Bhd.	(b), (c), (d), (e), (g), (k)	Letting of premises	(82)	(21)
		Nursery and landscaping	(9)	(10)
Federal Hotels Sendirian Berhad	(b), (d), (g), (k)	Nursery and landscaping	(2)	-
Meridian Asset Management Sdn. Bhd.	(a)	Letting of premises	(26)	(99)
LGS Development Sdn. Bhd.	(e), (i)	Letting of premises	(35)	(41)
Hotel Fair Lane Sdn. Bhd.	(d), (e), (h)	Renting of premises	-	3
		Letting of premises	(39)	-
Bintang Automachinery Sdn. Bhd.	(e),(i)	Letting of premises	(54)	(54)
		Repair and maintenance services	419	1,488
Federal Hotels International Sdn. Bhd.	(b), (e), (k)	Technical and hotel management services	768	480
		Letting of premises	(77)	(38)
<u>NON-RECURRENT</u>				
Low Yat Construction Company Sdn. Berhad	(b), (c), (d), (e), (g), (k)	Net advances	(521)	(5,809)
Orient Pacific Property Sdn. Bhd.	(d), (e), (h)	Advances received	(1,001)	(785)
Bintang Maintenance And Projects Services Sdn. Bhd.	(d), (e), (k)	Net advances	(15)	(1)
Indah Jaya Development Sdn. Bhd.	(c), (d), (e), (k)	Net repayment/(advances)	1,045	(816)
Bintang Holdings Sdn. Bhd.	(b), (e), (k)	Proceeds from sale of land	-	14,250
Sem Siong Industries Sdn. Bhd.	(b), (c), (d), (e), (g), (k)	Net repayment/(advances)	304	(2,702)
Federal Hotels Sendirian Berhad	(b), (d), (g), (k)	Net advances	(15)	(9)
Federal Hotels International Sdn. Bhd.	(b), (e), (k)	Repayment of advances	-	2
Capitol Hotel Sdn. Bhd.	(b), (d), (e), (k)	Net repayment/(advances)	1	(2)
Linkbond (Asia) Ltd	(b), (c), (e), (g) (h), (o)	Net advances	-	(6)
Hotel Fair Lane Sdn. Bhd.	(d), (e), (h)	Net advances	(19)	-
Low Yat And Sons Realty Sdn. Bhd.	(b), (c), (g), (k)	Net repayment of advances	5	17
Lipis Cement Sdn. Bhd.	(c), (e), (p)	Repayment of advances	3	-
Selangor Holdings Sdn. Bhd.	(c), (d), (e), (g), (k)	Repayment of advances	2	-
LYC Incorporation Sdn. Bhd.	(d), (e), (h)	Advances received	(1)	-

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

## 42. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

### (a) (ii) 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 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

	No. Of Directors	Salaries RM'000	Fees RM'000	Allowances RM'000	Benefits In Kind RM'000	Total RM'000
YEAR 2005						
EXECUTIVE						
- Between RM150,001 and RM200,000	1	182	-	9	-	191
- Between RM200,001 and RM250,000	1	236	-	9	-	245
- Between RM250,001 and RM300,000	1	266	-	-	-	266
- Between RM300,001 and RM350,000	1	340	-	-	9	349
- Between RM600,001 and RM650,000	1	628	-	-	19	647
	5	1,652	-	18	28	1,698
NON-EXECUTIVE						
- Less or equal to RM50,000	3	-	90	14	-	104
	8	1,652	90	32	28	1,802

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

## 42. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

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

			Transaction Value – (Revenue)/expense THE COMPANY	
Name Of Related Parties	Relationships	Nature Of Transactions	2006 RM'000	2005 RM'000
<u>RECURRENT</u>				
Bena Sakti Sdn. Bhd.	(c), (e), (k)	Share registration services	-	13
<u>NON-RECURRENT</u>				
Low Yat Construction Company Sdn. Berhad	(b), (c), (d) (e), (g), (k)	Net (repayment)/advances	(250)	5,812
Bena Sakti Sdn. Bhd.	(c), (e), (k)	Net advances	-	9
Federal Hotels Sendirian Berhad	(b), (d), (g), (k)	Net advances	-	11

Notes:-

- (a) A company in which the former Managing Director Dato' Jeffrey Ng Tiong Lip's brother, Ng Tiong Yee is a managing director.
- (b) A company in which Low Gee Tat @ Gene Low is a director.
- (c) A company in which Low Gee Teong is a director.
- (d) A company in which Low Su Ming is a director.
- (e) A company in which Low Gee Soon is a director.
- (f) A sole proprietorship owned by Low Gee Tat @ Gene Low.
- (g) A company in which Tan Sri Dato' Low Yow Chuan is a director.
- (h) A company in which Low Gee Tat @ Gene Low, Low Gee Teong, Low Su Ming and Low Gee Soon have substantial interests.
- (i) A company in which Low Gee Soon is a substantial shareholder.
- (j) A company in which Low Su Ming has a substantial interest.
- (k) 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.
- (l) A company in which Dato' Jeffrey Ng Tiong Lip's wife, Martha Yang, his sister, Ng Chiew Ping and his brother, Ng Tiong Yee are substantial shareholders. Martha Yang and Ng Chiew Ping are also the directors of the company.
- (m) A company in which Woon Siew Choo is an alternate director.
- (n) A company in which Low Gee Tat @ Gene Low and Low Gee Teong have substantial interests.
- (o) 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.
- (p) 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.
- (q) 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 and also the uncle of Dato' Jeffrey Ng Tiong Lip.

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.

In the opinion of the directors, the above transactions entered into with the related parties are in the ordinary course of business on terms mutually agreed upon between the parties.



# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

## 43. SIGNIFICANT RELATED PARTY BALANCES

Name Of Related Parties	Relationships (Refer To Note 42)	Trade Receivables THE GROUP		Other Receivables, Deposits And Prepayments THE GROUP	
		2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Bintang Maintenance and Projects Services Sdn. Bhd.	(d), (e), (k)	-	-	5	1
Bintang Tower Sdn. Bhd.	(p), (e), (g)	3	5	3	-
Capitol Hotel Sdn. Bhd.	(b), (d), (e), (k)	4	37	38	-
Federal Hotels International Sdn. Bhd.	(b), (e), (k)	45	87	120	-
Federal Property Sdn. Bhd.	(b), (e), (n)	2	-	-	-
Federal Hotels Sendirian Berhad	(b), (d), (g), (k)	24	46	32	-
Federal Hotel Services (International) Sdn. Bhd.	(b), (e), (k)	-	-	7	-
Federal Hotel Singapore Pte Ltd	(c), (j), (k)	-	7	7	-
Hotel Fair Lane Sdn. Bhd.	(d), (e), (h)	-	2	1	-
Indah Jaya Development Sdn. Bhd.	(c), (d), (e), (k)	1,112	414	160	-
Lipis Cement Sdn. Bhd.	(c), (e), (p)	4	4	-	-
Linkbond (Asia) Ltd.	(b), (c), (e), (g), (h), (o)	5	5	-	-
Low Yat Construction Company Sdn. Berhad	(b), (c), (d), (e), (g), (k)	43	14	763	-
Low Yat And Sons Realty Sdn. Bhd.	(b), (c), (g), (k)	37	36	-	-
Malayan Coffee Sdn. Bhd.	(d), (e), (k)	-	36	3	-
Merdeka Management Services Sdn. Bhd.	(b), (c), (k), (m)	96	110	14	-
Orient Pacific Property Sdn. Bhd.	(d), (e), (h)	-	1	-	-
Sem Siong Industries Sdn. Bhd.	(b), (c), (d), (e), (g), (k)	76	15	8	-
		1,451	819	1,161	1

Name Of Related Parties	Relationships (Refer To Note 42)	Trade Payables THE GROUP		Other Payables And Accruals THE GROUP	
		2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Bintang Maintenance and Projects Services Sdn. Bhd.	(d), (e), (k)	-	-	42	12
Bena Sakti Sdn. Bhd.	(c), (e), (k)	-	-	-	18
Capitol Hotel Sdn. Bhd.	(b), (d), (e), (k)	-	-	18	15
Federal Hotels International Sdn. Bhd.	(b), (e), (k)	-	-	297	416
Federal Hotels Sendirian Berhad	(b), (d), (g), (k)	-	2	213	49
Hotel Fair Lane Sdn. Bhd.	(d), (e), (h)	-	-	16	19
Indah Jaya Development Sdn. Bhd.	(c), (d), (e), (k)	-	-	1,860	1,004
Low Yat And Sons Realty Sdn. Bhd.	(b), (c), (g), (k)	-	-	14	9
Low Yat Construction Company Sdn. Berhad	(b), (c), (d), (e), (g), (k)	-	-	5,472	5,992
Linkbond (Asia) Ltd.	(b), (c), (e), (g), (h), (o)	-	-	1	7
LYC Private Limited	(b), (p)	-	-	339	339
Malayan Coffee Sdn. Bhd.	(d), (e), (k)	-	9	2	3
Merdeka Management Services Sdn. Bhd.	(b), (c), (k), (m)	876	823	1,129	1,140
Mandarin Palace (Malaysia) Sdn. Bhd.	(b), (e), (k)	-	-	13	12
Orient Pacific Property Sdn. Bhd.	(d), (e), (h)	-	-	-	1,000
Oriental Development Sdn. Bhd.	(d), (e), (g), (h)	-	-	4	12
Sem Siong Industries Sdn. Bhd.	(b), (c), (d), (e), (g), (k)	-	-	4,695	3,486
		876	834	14,115	13,533

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

Asia Pacific Land Berhad (4069-K)  
annual report 2006

## 43. SIGNIFICANT RELATED PARTY BALANCES (cont'd)

Name Of Related Parties	Relationships (Refer To Note 42)	Other Receivables THE COMPANY	
		2006 RM'000	2005 RM'000
Indah Jaya Development Sdn. Bhd.	(c), (d), (e), (k)	1	-

Name Of Related Parties	Relationships (Refer To Note 42)	Other Payables And Accruals THE COMPANY	
		2006 RM'000	2005 RM'000
Low Yat Construction Company Sdn. Berhad	(b), (c), (d), (e), (g), (k)	5,440	5,957
Bena Sakti Sdn. Bhd.	(c), (e), (k)	-	19
Federal Hotels Sendirian Berhad	(b), (d), (g), (k)	12	11
		5,452	5,987

In the opinion of the directors, the trade balances with the related parties are based on normal commercial terms. The non-trade balances with the related parties are unsecured, interest-free and not subject to fixed terms of repayment.

## 44. COMMITMENT

	THE GROUP	
	2006 RM'000	2005 RM'000
Approved and contracted for the acquisition of a subsidiary	28,946	-

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 Platinum Landmark (Changshu) Limited ("PLCL") 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. Under the local regulations in Changshu, PLCL will have three months from the date of registration to pay up to 15% of its registered capital and the balance by 24 months.

## 45. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

- (i) On 23 January 2006, Island Bay Resorts Sdn. Bhd. ("IBRSB"), a wholly-owned subsidiary of the Company, entered into a Joint Venture (Development) Agreement with IJM Properties Sdn. Bhd. for the purpose of carrying out a mixed development comprising residential and/or commercial units on a joint-venture basis on the Company's existing development landbank measuring approximately 30.26 acres and the adjacent development land known as UOB Land measuring approximately 11.312 acres located at Mount Pleasure Resort, Batu Ferringhi, Penang.
- (ii) On 26 January 2006, IBRSB entered into a Sale and Purchase Agreement ("SPA") with Mister Phoenix (M) Sdn. Bhd. to dispose of its freehold hotel property and the related fixed plant for a total consideration of RM43,000,002. Accordingly, an impairment loss of approximately RM18.0 million had been recognised in the financial statements for the financial year ended 31 December 2005. The impairment loss had been adjusted against the revaluation reserve and income statement of approximately RM8.2 million and RM9.8 million respectively. The sale was completed in May 2006.
- (iii) On 15 August 2006, the Company (as Trustee for City Square Properties Sdn. Bhd.) and its wholly-owned subsidiaries, City Square Properties Sdn. Bhd., Empire Tower (Malaysia) Sdn. Bhd. and APL Hotel Sdn. Bhd. ("the vendors") and Low Yat Construction Company Sdn. Berhad, as registered proprietor and bare trustee of the City Square Centre had entered into a conditional Sale and Purchase Agreement with MGP I (MAL) Sdn. Bhd. (formerly known as Affluent Impact Sdn. Bhd.) to dispose of City Square Centre as disclosed in Note 20 to the financial statements.

Notes To The  
Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

**45. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (cont'd)**

- (iv) On 1 December 2006, the Company acquired the entire issued and paid-up share capital of Kenson Development Limited, a company incorporated in Hong Kong, representing 1 ordinary shares for a total consideration of HK\$1.
- (v) On 19 December 2006, the Group has via its wholly-owned subsidiary, Platinum Landmark Sdn. Bhd. incorporated a company in Changshu, China under the name of Platinum Landmark (Changshu) Limited ("PLCL") with a registered share capital of USD8.2 million, details as disclosed in Note 44 to the financial statements.

**46. SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE**

Subsequent to the balance sheet date, on 9 April 2007, the Group announced that it will undertake the following transactions:-

- (i) 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
- (ii) 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.

**47. 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 31.12.2006 RM	Average 2006 RM	At 31.12.2005 RM	Average 2005 RM
Australian Dollar	2.790	2.775	2.767	2.880
Singapore Dollar	2.299	2.288	2.273	2.274

**48. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

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.

# Notes To The Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

## 48. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (cont'd)

### (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.

### (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
<b>At 30 June 2006</b>					
Contingent liabilities	39	7,700	*	219,864	**
<b>At 30 June 2005</b>					
Contingent liabilities	39	11,900	*	233,484	**

\* 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.

## 49. COMPARATIVE FIGURES

The following comparative figures have been restated as a result of adopting the new and revised FRS:-

	As Previously Stated RM	Effects of FRS 5 RM	Effects of FRS 117 RM	Effects of FRS 127 RM	As Restated RM
<b>THE GROUP</b>					
Balance sheet (Extract):-					
Property, plant and equipment	410,882	-	(62,519)	-	348,363
Prepaid land lease payments	-	-	62,519	-	62,519
Income statement (Extract):-					
CONTINUING OPERATIONS					
Revenue	(111,858)	63,688	-	-	(48,170)
Cost of sales	39,963	(5,900)	-	-	34,063
Other income	(8,853)	1,652	-	-	(7,201)
Selling and marketing expenses	8,392	(2,827)	-	-	5,565
Administrative expenses	29,354	(12,976)	-	-	16,378
Other expenses	44,972	(23,824)	-	-	21,148
Finance costs	5,284	(4,601)	-	-	683
Income tax expense	(643)	1,538	-	-	(2,181)
DISCONTINUED OPERATIONS					
Profit for the financial year from discontinued operations	-	13,674	-	-	13,674

Notes To The  
Financial Statements

For The Financial Year Ended 31 December 2006 (cont'd)

## 49. COMPARATIVE FIGURES (cont'd)

	As Previously Stated RM	Effects of FRS 5 RM	Effects of FRS 117 RM	Effects of FRS 127 RM	As Restated RM
<b>THE GROUP</b>					
Cash flow statements (Extract):-					
(Loss)/Profit before taxation from:					
- Continuing operations	(7,254)	(15,212)	-	-	(22,466)
- Discontinued operations	-	15,212	-	-	15,212
<b>THE COMPANY</b>					
Balance sheet (Extract):-					
Investment in subsidiaries	156,264	-	-	(40,262)	116,002
Reserves	(58,128)	-	-	(69,680)	(127,808)
Statements of changes in equity (Extract):-					
Revaluation reserve	(185,936)	-	-	185,936	-

# Proxy Form

## ASIA PACIFIC LAND BERHAD

(Company No. : 4069-K) (Incorporated in Malaysia)

No. of shares held

*To be completed by shareholder executing this form.*

I/We \_\_\_\_\_ NRIC No./Company No. \_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_ being a member/members of Asia Pacific Land Berhad do hereby appoint

Mr/Mrs/Ms \_\_\_\_\_ NRIC No \_\_\_\_\_ of \_\_\_\_\_

or failing him/her, the Chairman of the meeting as my/our proxy to attend and vote for me/us on my/our behalf at the 46th Annual General Meeting of the Company to be held at the Miami Hall, Hydro Majestic Hotel, Jalan Low Yat, 11100 Batu Ferringhi, Penang on Thursday, 28 June 2007 at 11.00 a.m. and at any adjournment thereof:-

Please indicate with an 'X' in the space provided below how you wish to cast your votes on the resolutions specified in the Notice of Annual General Meeting.

Resolution No.	Ordinary Resolutions	For	Against
1.	To receive the Audited Accounts & Reports thereon for the year ended 31 December 2006		
2.	To approve the payment of Directors' fees		
3.	Re-election of Low Gee Tat @ Gene Low as Director		
4.	Re-election of Low Gee Teong as Director		
5.	Re-election of Dato' Hj Badri Bin Haji Masri as Director		
6.	Re-election of Soong Kwong Heng as Director		
7.	Re-appointment of Horwath as Auditors		

Subject to any voting instruction so given, the proxy/proxies will vote, or abstain from voting, on the resolutions as he/she may think fit.

Signed (and sealed) this \_\_\_\_\_ day of \_\_\_\_\_, 2007

\_\_\_\_\_  
Signature/\*Common Seal

### Notes:-

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 ("the Act") shall not apply to the Company.
2. To be valid, this form, duly completed, must be deposited at the Registered Office of the Company at Suites 704 & 705, 7th Floor, No. 11, Lorong Kinta, 10400 Penang not later than 11.00 a.m. on 26 June 2007.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Act are complied with.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
6. \*If the appointor is a corporation the proxy form must be executed either under its common seal or under the hand of an officer or attorney duly authorised.



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AFFIX  
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The Company Secretaries  
**ASIA PACIFIC LAND BERHAD**  
Suites 704 & 705, 7th Floor,  
No. 11, Lorong Kinta,  
10400 Penang.

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# Business Directory as at 21 May 2007

## KUALA LUMPUR OFFICE



**Asia Pacific Land Berhad**  
49th Floor, Empire Tower, City Square Centre,  
Jalan Tun Razak, 50400 Kuala Lumpur.  
Tel : (603) 2163 1200  
Fax : (603) 2163 1157  
E-mail : comsec@apland.com.my  
Website : www.apland.com.my

## PENANG OFFICE

**Asia Pacific Land Berhad**  
Lot 2-1-5, Marina Terrace Sports Complex,  
Jalan Low Yat, 11100 Batu Ferringhi, Penang.  
Tel : (604) 899 1213 / 1123  
Fax : (604) 890 5260  
Website : www.apland.com.my

## SALES OFFICES



Development Companies of  
Bandar Tasik Puteri:  
**Rawang Lakes Sdn Bhd**  
**Bakti Dinamik Sdn Bhd**  
**APL Hotel Sdn Bhd**  
**Hotel Fair Lane Holdings Sdn Bhd**



## MOUNT PLEASURE RESORT

Developer:  
**Island Bay Resorts Sdn Bhd**  
Lot 2-1-5, Marina Terrace Sports Complex,  
Jalan Low Yat, 11100 Batu Ferringhi, Penang.  
Tel : (604) 899 1213 / 1123  
Fax : (604) 890 5260  
E-mail : ibprg@myjaring.net

## SALES GALLERY

Bandar Tasik Puteri Site Office  
48020 Kundang,  
Selangor Darul Ehsan.  
Tel : (603) 6034 3188  
Fax : (603) 6034 2088  
Toll Free : 1-800-88-1339 (Within Malaysia)  
E-mail : btpsales@btp.com.my

[ myHabitat ] [ **myHabitat** ] **SHOW GALLERY**  
59th Floor, Empire Tower, City Square Centre,  
Jalan Tun Razak, 50400 Kuala Lumpur.  
Tel : (603) 2162 2328  
Fax : (603) 2161 1328  
E-mail : myhabitat@myjaring.net  
Website : www.myhabitat.com.my

## SALES & ENQUIRY OFFICE

Sales Office Bandar Tasik Puteri  
Jalan 7A/2, Medan Puteri, Bandar Tasik Puteri,  
48020 Kundang, Selangor Darul Ehsan.  
Tel : (603) 6034 5390 / 3664  
E-mail : btpsales@btp.com.my  
Website : www.bandartasikputeri.com.my

## BANDAR TASIK PUTERI SHOW ROOM

5th Floor, City Square Centre,  
Jalan Tun Razak, 50400 Kuala Lumpur.  
Tel : (603) 2162 1566  
Fax : (603) 2163 4598

## CITY SQUARE SHOPPING CENTRE MANAGEMENT OFFICE



**City Square Properties Sdn Bhd**  
5th Floor, City Square Centre,  
Jalan Tun Razak, 50400 Kuala Lumpur.  
Tel : (603) 2162 1566  
Fax : (603) 2162 1408



## GOLF CLUB

**Tasik Puteri Golf & Country Club**  
(Owned by Tasik Puteri Golf & Country Club Berhad)  
Bandar Tasik Puteri, Kundang,  
48000 Rawang, Selangor.  
Tel : (603) 6034 4722 / 21  
Fax : (603) 6034 4723

## EMPIRE TOWER MANAGEMENT OFFICE



**Empire Tower (Malaysia) Sdn Bhd**  
5th Floor, City Square Centre,  
Jalan Tun Razak, 50400 Kuala Lumpur.  
Tel : (603) 2162 1566  
Fax : (603) 2162 1408



## HOTEL

**Crown Princess Kuala Lumpur**  
(Owned by APL Hotel Sdn Bhd)  
City Square Centre, Jalan Tun Razak,  
50400 Kuala Lumpur.  
Tel : (603) 2162 5522  
Fax : (603) 2162 4492  
Toll Free : 1800 88 3886 (Within Malaysia)  
E-mail : reservations@crownpinprincess.com.my  
Website : www.fh-hotels.com



Asia Pacific Land Berhad  
(Co. no. 4069-K)

[www.apland.com.my](http://www.apland.com.my)