

TALAM CORPORATION BERHAD (1120-H)
ERRATA TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2008

APPENDIX

Amendments to the audited financial statements of the Company for the financial year ended 31 January 2008.

No. Page Details

1. Contents The following have been amended:-

	As reported Page (s)	As amended Page (s)
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Report of the auditors	8 - 10	8 - 9
Income statements	11	10
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2. 13 **Consolidated Statement of Changes in Equity**

Under the heading "FOR THE YEAR END56ED 31 JANUARY 2008", the word "END56ED" has been amended.

3. 20 **Cash Flow Statements**

The following have been amended:-

	Company 2008	
	As reported RM'000	As amended RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Reversal of allowance for doubtful receivables		
- Intercompany balances	-	(28)
- Associated company	(28)	-
The line for "Associated company" has been deleted		
Net changes in related companies balances	-	19,180

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4. 38 **Notes to the Financial Statements**
 Note 4 Under Provision for Liquidated Ascertained Damages on the second last line the word "Janaury" should read "January".

5. **Note 8 - Profit / (Loss) Before Tax**
 The following have been amended:-

		Group 2008		Company 2008	
		As reported	As amended	As reported	As amended
		RM'000	RM'000	RM'000	RM'000
42	Auditors' remuneration: - current year provision	450	353	90	70
43	Reversal of allowance no longer required for doubtful receivables:				
	Associated company	-	-	(28)	-
	Intercompany balances	-	-	-	(28)

The word "Subsidiary companies" should read "Intercompany balances"

The line for "Associated company" has been deleted

6. 47 **Note 11 - Taxation**
 The following have been amended:-

		Group 2008	
		As reported	As amended
		RM'000	RM'000
	Expenses not deductible for tax purposes	29,871	29,923
	Under/(over) provision of income tax expense in prior years	773	721

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7. 48 **Note 12 - Earnings Per Share**
 The following have been amended:-
 Under item (a) first line the word "profit/(loss)" should read "profit".

	2008	
	As reported	As amended
Weighted average number of shares ('000)	642,702	642,701

Under item (b) The following have been amended:-

	2008	
	As reported	As amended
Weighted average number of ordinary shares in issue ('000)	628,305	628,304
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	642,702	642,701

8. **Note 14 - Property, Plant and Equipment**
- 49 Under Group Cost, the heading "Land and Buildings" should read "Leasehold Land and Buildings".
- 50
- 52 Under Group Accumulated depreciation, the heading "Leasehold Land and Buildings" should read "Leasehold Land and Buildings".
- 53 Under item (a) the word "Land and buildings" should read "Leasehold land and buildings".
- Under item (c) the word "Land and buildings" should read "Leasehold land and buildings".

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No.	Page	Details	Group 2008		Group 2007	
			As reported RM'000	As amended RM'000	As reported RM'000	As amended RM'000
9.	54	Note 15 - Land Held For Property Development And Property Development Costs Under item (b) the following have been amended:-				
		At 1 February 2007/2006:				
		- Development costs	4,085,859	4,085,860	-	-
		Total	4,933,750	4,933,751	-	-
	55	Costs incurred during the year:				
		- Development costs	253,167	253,166	-	-
		Total	253,167	253,166	-	-
		Last line in page 55	5,033,635	5,031,800	4,933,750	4,933,751
			Company 2008		Company 2007	
			As reported RM'000	As amended RM'000	As reported RM'000	As amended RM'000
		Last line in page 55	-	168,126	-	122,422
10.	59	Note 18 - Investment in Subsidiaries Under item (b), the following has been inserted as first paragraph:- "On 28 February 2007, a subsidiary, Noble Rights Sdn Bhd, has been wound-up. As such, it has been deconsolidated from the Group's financial statements."				
	60	Under last line of item (b) the word "****Represents RM1" should read "****Represents RM0.43".				
11.	66	Note 20 - Interest in Jointly Controlled Entities Under item (c) the following have been amended:-				
			2008			
			As reported RM'000	As amended RM'000	As reported RM'000	As amended RM'000
		Current assets	71,883	72,306	71,883	72,306
		Total assets	72,376	72,799	72,376	72,799

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12. 68 **Note 25 - Other Receivables, Deposits and Prepaid Expenses**

The following have been amended:-

		Company 2008	
		As reported	As amended
		RM'000	RM'000
	Sundry receivables	31,024	31,023
	Less: Allowance for doubtful receivables	(7,659)	(7,658)

		Group 2008	
		As reported	As amended
		RM'000	RM'000
	Sub-total	168,044	168,644

13. 111 **Note 48 - Segmental Information**

The following have been amended:-

		2008	
		As reported	As amended
		RM'000	RM'000
	Segment assets		
	Property investment and holding	2,948,027	2,948,747
	Total before elimination	3,093,391	3,094,111
	Consolidated	3,093,357	3,094,077
	Unallocated assets		
	Consolidated	3,063	2,343
	Total assets		
	Consolidated	3,105,777	3,106,497

114 At 31 January 2008:-
 Carrying Amount of Segment

Assets -

Malaysia	2,960,491	2,961,211
Total	3,105,777	3,106,497

Company No. 1120 - H

TALAM CORPORATION BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS

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TALAM CORPORATION BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2008

Group

				← Non-Distributable Reserve →		Distributable Attributable to				Total Equity RM'000
	Share Capital RM'000 (Note 28)	Treasury Shares RM'000 (Note 30)	Capital Reserve RM'000	Share Premium RM'000	Foreign Exchange Reserve RM'000	Equity Component of ICULS RM'000 (Note 32)	Reserve - Accumulated Losses RM'000	Equity Holders of the Company RM'000	Minority Interest RM'000	
At 1 February 2006	641,028	(844)	11,201	124,551	33,418	652	(471,466)	338,540	19,158	357,698
Foreign currency translation, representing net (expense)/income recognised directly in equity	-	-	-	-	(1,004)	-	-	(1,004)	3,567	2,563
Profit for the year	-	-	-	-	-	-	8,957	8,957	(7,975)	982
Total recognised income and expenses for the year	-	-	-	-	(1,004)	-	8,957	7,953	(4,408)	3,545

(Forward)

TALAM CORPORATION BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2008

Company	2008 RM'000	2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit for the year	(23,478)	9,651
Adjustments for:		
Interest expenses	13,062	12,164
Allowance for doubtful receivables		
- Intercompany balances	2,753	-
- Others	6,059	2
Income tax expense/(credit) recognised in income statement	336	(3,907)
Depreciation of property, plant and equipment	272	421
Waiver of interest	(914)	-
Bad receivables written off	97	45
Reversal of allowance for doubtful receivables		
- Intercompany balances	(28)	(19,623)
- Others	(45)	-
Gain on disposal of investment in subsidiaries	-	(10)
Operating Loss Before Working Capital Changes	(1,886)	(1,257)
Increase in property development costs	(45,704)	(4,328)
Increase in inventories	-	(5,414)
Increase in receivables	(7,622)	(14,109)
Net changes in related companies balances	19,180	13,170
Increase in payables	11,871	20,693
Cash (used in)/generated from operations	(24,161)	8,755
Interest paid	(5,720)	(7,540)
Net Cash (Used In)/Generated From Operating Activities	(29,881)	1,215

(Forward)

Contingent liabilities

As described in Note 3, a contingent liability is not recognised but is disclosed in the notes to the financial statements and when a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision. As at the end of the financial year, the Company has provided guarantees to financial and non-financial institutions for facilities granted to its subsidiaries (Note 41a) and in the event that the Regularisation Plan (RP) (as mentioned in Note 43) is not successfully implemented, a contingent liability of approximately RM479.5 million may become enforceable on the Company. The directors are confident that the Group will successfully implement the RP and no provision for liabilities has been made in the financial statements of the Company as the quantum of the shortfall of which the Company is liable to make good cannot be presently determined.

Capitalisation of borrowing costs

As described in Note 3, it is the Group's policy to capitalise borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, as part of the cost of those assets, until such time as the assets are substantially ready for intended use or sale. Borrowing costs have been capitalised in the Group's property development costs, as mentioned in Notes 7 and 15 amounting to RM9,609,000 (2007: RM19,068,000). The directors are satisfied that the capitalisation of borrowing costs on property development projects relate mainly to projects whose activities are currently in progress to prepare the project for its intended sale. All other borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

Provision for Liquidated Ascertained Damages

Provision for liquidated ascertained damages ("LAD") is in respect of projects undertaken by certain subsidiaries and is recognised for expected LAD claims based on the terms of the applicable sale and purchase agreements. Significant judgement is required in determining the amount of provision for LAD to be made. The Group evaluates the amount of provision required based on past experience and the industry norm. As at 31 January 2008, the amount of provisions made for LAD is disclosed in Note 38.

8. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax is stated after charging/(crediting) the following:

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Staff costs (Note 9)	14,303	16,505	-	-
Allowance for doubtful receivables:				
- third parties	14,083	22,982	6,059	2
- subsidiary companies	-	-	2,753	-
Land and development costs written off	9,588	-	-	-
Provision for liabilities				
- Liquidated ascertained damages	8,912	-	-	-
Depreciation of property, plant and equipment	7,586	7,709	272	421
Allowance for writedown in inventories	7,030	1,369	-	-
Direct operating expenses of investment properties:				
- revenue generating during the year	4,269	3,969	-	-
- non-revenue generating during the year	1,184	1,749	-	-
Bad receivables written off:				
- third parties	2,704	14,162	97	5
- subsidiary companies	-	-	-	40
Amortisation of prepaid lease payment	695	698	-	-
Auditors' remuneration:				
- current year provision	353	380	70	70
- (over)/ under provision in prior years	(33)	89	18	8
- others	135	-	135	-
Loss/(gain) on disposal of property, plant and equipment	124	(114)	-	*
Depreciation of investment properties	106	-	-	-
Property, plant and equipment written off	77	83	-	-
Rental of complex	25	19	-	-

(Forward)

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Reversal of provision for liquidated ascertained damages no longer required	(38,247)	(2,515)	-	-
Reversal of allowance no longer required for doubtful receivables:				
Third parties	(36,437)	(17,437)	(45)	-
Intercompany balances	-	-	(28)	(19,623)
Gain on disposal of investment properties	(23,451)	-	-	-
Gain on disposal of subsidiaries	(18,474)	(3,321)	-	(10)
Waiver of debts				
Third parties	(3,700)	-	-	-
Waiver of interest	(2,300)	-	(914)	-
Interest income	(2,005)	(3,799)	-	-
Rental income	(1,489)	(1,158)	-	-
Reversal of allowance for writedown in inventories	(603)	(1,330)	-	-
Provision for diminution in investments	-	**	-	-
Amortisation of discount on deferred progress billings	-	26,133	-	-

* Represents RM4

** Represents RM2

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before taxation	<u>5,821</u>	<u>(6,936)</u>	<u>(23,142)</u>	<u>5,744</u>
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	1,513	(1,873)	(6,017)	1,608
Effect of different tax rate for small and medium scale subsidiaries of 20% for the first chargeable income of RM500,000	(30)	(116)	-	-
Income not subject to tax	(30,496)	(16,170)	(342)	(5,298)
Expenses not deductible for tax purposes	29,923	18,309	6,700	3,592
Deferred tax assets not recognised:				
Utilisation of previously unused tax losses and unabsorbed capital allowances brought forward	(12,736)	(2,774)	(7)	-
Current year deferred tax assets not recognised	13,535	10,356	-	100
Effects of changes in tax rate	-	(6,631)	-	(2)
	799	951	(7)	98
Overprovision of deferred tax in prior years	(157)	(7,741)	-	(279)
Under/(over) provision of income tax expense in prior years	<u>721</u>	<u>(1,278)</u>	<u>2</u>	<u>(3,628)</u>
Tax expense/(credit) for the year	<u>2,273</u>	<u>(7,918)</u>	<u>336</u>	<u>(3,907)</u>

12. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	2008	2007
Net profit for the year (RM'000)	3,420	8,957
Weighted average number of shares ('000)	642,701	628,158
Basic earnings per share (sen)	<u>0.53</u>	<u>1.43</u>

(b) Diluted

For the purpose of calculating diluted earnings per share, the net profit for the year and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the effects of dilutive potential ordinary shares from conversion of 5% ICPS. The adjusted weighted average number of ordinary shares is the weighted average number of ordinary shares which would be issued on the conversion of the outstanding ICPS into ordinary shares. The ICPS are deemed to have been converted into ordinary shares at the date of issuance.

The effects of dilutive potential ordinary shares from assumed conversion of warrants is anti-dilutive and as such have been excluded from the computation of diluted earnings per share.

	Group	
	2008	2007
Net profit for the year (RM'000)	<u>3,420</u>	<u>8,957</u>
Weighted average number of ordinary shares in issue ('000)	628,304	628,158
Adjustment for assumed conversion of ICPS ('000)	<u>14,397</u>	<u>14,397</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>642,701</u>	<u>642,555</u>
Diluted earnings per share (sen)	<u>0.53</u>	<u>1.39</u>

13. **DIVIDENDS**

	Amount		Dividend per share	
	2008 RM'000	2007 RM'000	2008 Sen	2007 Sen
Year 2007/2006 ICPS dividend of 5% (net of taxation)	-	720	-	5.0

14. **PROPERTY, PLANT AND EQUIPMENT**

Group	Leasehold Land and Buildings RM'000	Plant and Machinery, Tools and Equipment, Crockery and Kitchenware RM'000	Office Equipment, Furniture and Fittings RM'000	Motor Vehicles RM'000	Total RM'000
Cost					
At 1 February 2006	199,845	32,520	19,110	10,444	261,919
Additions	114	180	26	5	325
Acquisition of subsidiaries	-	11	-	12	23
Write-offs	(261)	(93)	(24)	-	(378)
Disposals	-	(25)	(15)	(1,437)	(1,477)
Disposal of subsidiaries	-	(4)	(1)	-	(5)
Reclassification	(766)	745	-	21	-
At 31 January 2007	198,932	33,334	19,096	9,045	260,407
Additions	1,568	691	276	194	2,729
Write-offs	(213)	-	(1,965)	-	(2,178)
Disposals	(22)	(2,861)	(110)	(502)	(3,495)
Disposal of subsidiaries	(166)	(2)	-	(208)	(376)
At 31 January 2008	200,099	31,162	17,297	8,529	257,087

(Forward)

Group	Leasehold Land and Buildings RM'000	Plant and Machinery, Tools and Equipment, Crockery and Kitchenware RM'000	Office Equipment, Furniture and Fittings RM'000	Motor Vehicles RM'000	Total RM'000
Accumulated Depreciation					
At 1 February 2006	12,516	19,190	15,687	10,417	57,810
Charge for the year	3,749	2,758	1,108	94	7,709
Acquisition of subsidiaries	-	1	-	2	3
Write-offs	(215)	(63)	(17)	-	(295)
Disposals	-	(11)	-	(1,265)	(1,276)
Disposal of subsidiaries	-	(2)	-	-	(2)
Reclassification	-	1,074	(553)	(521)	-
At 31 January 2007	16,050	22,947	16,225	8,727	63,949
Charge for the year	3,763	2,826	738	259	7,586
Write-offs	(213)	-	(1,888)	-	(2,101)
Disposals	(22)	(2,646)	(70)	(502)	(3,240)
Disposal of subsidiaries	(76)	-	-	(208)	(284)
Reclassification	-	76	(76)	-	-
At 31 January 2008	19,502	23,203	14,929	8,276	65,910
Net Book Value					
At 31 January 2007	182,882	10,387	2,871	318	196,458
At 31 January 2008	180,597	7,959	2,368	253	191,177

- a) Leasehold land and buildings consist of the following:

Group	Hotel and Other Land And Buildings RM'000	Renovation RM'000	Total RM'000
Cost			
At 1 February 2006	192,537	7,308	199,845
Additions	-	114	114
Write-offs	-	(261)	(261)
Reclassification	(766)	-	(766)
	<u>191,771</u>	<u>7,161</u>	<u>198,932</u>
At 31 January 2007	191,771	7,161	198,932
Additions	-	1,568	1,568
Write-offs	-	(213)	(213)
Disposals	-	(22)	(22)
Disposal of subsidiaries	(166)	-	(166)
	<u>191,605</u>	<u>8,494</u>	<u>200,099</u>
As 31 January 2008	191,605	8,494	200,099
Accumulated Depreciation			
At 1 February 2006	8,424	4,092	12,516
Charge for the year	3,242	507	3,749
Write-offs	-	(215)	(215)
	<u>11,666</u>	<u>4,384</u>	<u>16,050</u>
At 31 January 2007	11,666	4,384	16,050
Charge for the year	3,237	526	3,763
Write-offs	-	(213)	(213)
Disposals	-	(22)	(22)
Disposal of subsidiaries	(76)	-	(76)
Reclassification	(1)	1	-
	<u>14,826</u>	<u>4,676</u>	<u>19,502</u>
At 31 January 2008	14,826	4,676	19,502
Net Book Value			
At 31 January 2007	<u>180,105</u>	<u>2,777</u>	<u>182,882</u>
At 31 January 2008	<u>176,779</u>	<u>3,818</u>	<u>180,597</u>

- b) Net book values of property, plant and equipment held under hire purchase and finance lease arrangements are as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Motor vehicles	-	161	-	-

- c) The net book values of property, plant and equipment charged to financial institutions for borrowings as disclosed in Note 33 are as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Leasehold land and buildings	176,357	182,089	660	688

15. **LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS**

- (a) **Land Held for Property Development**

	Freehold Land RM'000	Leasehold Land RM'000	Development Costs RM'000	Total RM'000
Group				
At 31 January 2007				
Cost				
At 1 February 2006	361,537	101,875	624,098	1,087,510
Reclassification	(207,040)	198,908	8,132	-
Additions	327	-	21,307	21,634
Acquisition of subsidiaries during the year	-	-	7,604	7,604
Transfer (to)/from property development costs	(11,366)	24	50,063	38,721
At 31 January 2007	<u>143,458</u>	<u>300,807</u>	<u>711,204</u>	<u>1,155,469</u>

(Forward)

	Freehold Land RM'000	Leasehold Land RM'000	Development Costs RM'000	Total RM'000
At 31 January 2008				
Cost				
At 1 February 2007	143,458	300,807	711,204	1,155,469
Additions	-	2	36,251	36,253
Disposal of subsidiaries during the year	-	-	(55,807)	(55,807)
Write-offs	-	(7,035)	(2,553)	(9,588)
Transfer (to)/from property development costs	-	1,248	1,926	3,174
At 31 January 2008	<u>143,458</u>	<u>295,022</u>	<u>691,021</u>	<u>1,129,501</u>

Company

**At 31 January
2008/2007**

Cost

At 31 January
2008/2007

	<u>17,987</u>	<u>-</u>	<u>139</u>	<u>18,126</u>
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(b) **Property Development Costs**

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At 1 February 2007/2006:				
- Freehold land	358,775	344,978	87,172	82,844
- Leasehold land	489,116	599,790	-	-
- Development costs	4,085,860	4,735,309	35,250	35,250
	<u>4,933,751</u>	<u>5,680,077</u>	<u>122,422</u>	<u>118,094</u>
Acquisition of subsidiaries during the year:				
- Development costs	-	75,020	-	-
	<u>-</u>	<u>75,020</u>	<u>-</u>	<u>-</u>

(Forward)

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Disposal of subsidiaries during the year:				
- Freehold land	(9,029)	-	-	-
- Development costs	(33,204)	(92,002)	-	-
	<u>(42,233)</u>	<u>(92,002)</u>	<u>-</u>	<u>-</u>
Reversal in development costs of completed projects during the year:				
- Freehold land	(72,156)	-	-	-
- Leasehold land	(5,500)	(114,747)	-	-
- Development costs	(20,787)	(751,966)	-	-
	<u>(98,443)</u>	<u>(866,713)</u>	<u>-</u>	<u>-</u>
Costs incurred during the year:				
- Freehold land	-	2,347	-	4,328
- Leasehold land	-	4,158	-	-
- Development costs	253,166	174,855	46,300	-
	<u>253,166</u>	<u>181,360</u>	<u>46,300</u>	<u>4,328</u>
Disposal during the year:				
- Freehold land	(596)	-	(596)	-
	<u>(596)</u>	<u>-</u>	<u>(596)</u>	<u>-</u>
Write-off during the year:				
- Development costs	-	(21)	-	-
	<u>-</u>	<u>(21)</u>	<u>-</u>	<u>-</u>
Transfers:				
- To land held for property development	(3,174)	(38,721)	-	-
- To inventories	(10,671)	(5,249)	-	-
	<u>(13,845)</u>	<u>(43,970)</u>	<u>-</u>	<u>-</u>
	<u>5,031,800</u>	<u>4,933,751</u>	<u>168,126</u>	<u>122,422</u>

(Forward)

Amount owing by/(to) subsidiaries, which arose from non-trade transactions, are unsecured and have no fixed terms of repayment.

(b) Disposal and deconsolidation of subsidiaries in current year

On 28 February 2007, a subsidiary, Noble Rights Sdn Bhd, has been wound-up. As such, it has been deconsolidated from the Group's financial statements.

On 28 June 2007, a subsidiary, Larut Overseas Ventures Sdn Bhd disposed 1,515,000 ordinary shares of HK\$1 each, representing 50% equity interest, in Larut Leisure Enterprise (Hong Kong) Limited ("LLE") for HK\$1. LLE will ceased to be a subsidiary of the Group and became a 49.99% owned associate company of the Group when the transfer of shares was effected on 21 December 2007.

The effect of the disposal and deconsolidation on the financial results of the Group for the financial period up to the date of disposal and deconsolidation are as follows:

	RM'000
Interest income	*
Other operating expenses	(17)
Finance costs	5
	<hr/>
Loss before tax	(12)
Income tax expense	**
	<hr/>
	(12)
Minority interests	11
	<hr/>
Increase in Group loss attributable to shareholders	(1)
	<hr/>

* Represents RM52

** Represents RM14

The effect of the disposal and deconsolidation on the financial position of the Group as at 31 January 2008 are as follows:

	At disposal date RM'000
Land held for property development (Note 15)	55,807
Property, plant and equipment (Note 14)	92
Property development costs	6,625
Inventories	8,838
Trade receivables	214
Other receivables, deposits and prepaid expenses	1,614
Tax recoverable	113
Fixed deposits	1,129
Cash and bank balances	183
Trade payables	(8,495)
Other payables	(30,817)
Amount due to related companies	(26,483)
Provision for future costs to complete	(5,242)
Provision for liabilities	(2,481)
Minority interests	(13,196)
Transfer from foreign exchange reserve	<u>(6,375)</u>
Fair value of total net liabilities	(18,474)
Gain on disposal to the Group	<u>18,474</u>
Proceeds from disposal	<u>***</u>
Less: Cash and cash equivalents of subsidiaries disposed and deconsolidated	<u>(1,312)</u>
Net cash outflow arising on disposal and deconsolidation, representing cash and cash equivalents of subsidiaries disposed and deconsolidated	<u><u>(1,312)</u></u>

*** Represents RM0.43

(c) Acquisition of subsidiaries in the previous year

In the previous year,

- (i) a subsidiary, Europlus Corporation Sdn Bhd, acquired 2 ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of Mutual Prosperous Sdn Bhd (“MPSB”) for a cash consideration of RM2.00. MPSB has two wholly-owned subsidiaries, Zhinmun Sdn Bhd and Untung Utama Sdn Bhd.

- (c) The Group's aggregate share of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses of the jointly controlled entities is as follows:

	2008	2007
	RM'000	RM'000
Assets and liabilities		
Non-current assets	493	54
Current assets	<u>72,306</u>	<u>61,853</u>
Total assets	<u>72,799</u>	<u>61,907</u>
Non-current liabilities	(30,000)	(30,000)
Current liabilities	<u>(32,722)</u>	<u>(22,579)</u>
Total liabilities	<u>(62,722)</u>	<u>(52,579)</u>
Results		
Expenses, including finance costs	<u>249</u>	<u>(660)</u>

21. OTHER INVESTMENT

	Group	
	2008	2007
	RM'000	RM'000
At cost:		
1% Irredeemable Convertible Unsecured Loan Stock ("ICULS")	<u>76,332</u>	<u>76,332</u>

The ICULS nominal value at RM1.00 each, are constituted by a Trust Deed dated 8 November 2003 between Venue Venture Sdn. Bhd. ("VVSBS") and the trustee for the holders of ICULS.

The main features of the ICULS are as follows:

- (a) The ICULS shall be for a period of five years from the date of issue.
- (b) The ICULS shall not be redeemable for cash. All outstanding ICULS shall be converted into new VVSBS Shares on the maturity date.
- (c) The ICULS may, at the holder's option, be converted into new VVSBS Shares at the Conversion Price during the tenure of ICULS. Upon maturity, any ICULS not converted shall be converted automatically into new VVSBS Shares at the conversion price.
- (d) The new VVSBS Shares to be issued pursuant to the conversion of the ICULS shall, upon allotment and issue, rank pari passu in all respects with the existing VVSBS Shares except that they shall not be entitled to any dividends, rights, allotments and/or other distributions the entitlement date of which precedes the date of allotment of the new VVSBS Shares.

24. TRADE RECEIVABLES

	Group	
	2008 RM'000	2007 RM'000
Trade receivables	97,424	109,325
Less: Allowance for doubtful receivables	<u>(8,756)</u>	<u>(8,690)</u>
Net	<u>88,668</u>	<u>100,635</u>

(a) Included in trade receivables are amounts due from related parties as follows:

	2008 RM'000	2007 RM'000
Agrocon (M) Sdn. Bhd.	5,306	7,247
KEB Group	<u>546</u>	<u>1,315</u>

The nature of the relationships with the above related parties are disclosed in Note 46.

(b) The Group's normal trade credit term ranges from 14 days to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

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

(c) Included in trade receivables of the Group are amounts of RM37,223,000 (2007: RM29,623,000) due from certain contractors of the Group. The management is of the opinion that these receivables are fully recoverable.

25. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Sundry receivables	281,095	418,909	31,023	23,521
Less: Allowance for doubtful receivables	<u>(112,451)</u>	<u>(124,869)</u>	<u>(7,658)</u>	<u>(1,644)</u>
	168,644	294,040	23,365	21,877
Refundable deposits	23,650	22,856	69	69
Prepaid expenses	195	220	-	-
Tax recoverable	<u>2,343</u>	<u>4,728</u>	<u>2,082</u>	<u>2,418</u>
	<u>194,832</u>	<u>321,844</u>	<u>25,516</u>	<u>24,364</u>

	Property investment and holding RM'000	Education RM'000	Hotel & recreation RM'000	Total before elimination RM'000	Elimination RM'000	Consolidated RM'000
Other information						
Segment assets	2,948,747	78	145,286	3,094,111	(34)	3,094,077
Investments in jointly controlled entities	10,077	-	-	10,077	-	10,077
Unallocated assets						<u>2,343</u>
Total assets						<u>3,106,497</u>
Segment liabilities	2,498,263	1,505	126,143	2,625,911	(51,912)	2,573,999
Unallocated liabilities						<u>186,255</u>
Total liabilities						<u>2,760,254</u>
Capital expenditure	191	-	2,538	2,729	-	2,729
Depreciation of property, plant and equipment	1,872	-	5,714	7,586	-	7,586
Amortisation of prepaid lease payment	-	-	695	695	-	695
Non-cash expenses other than depreciation and amortisation	41,929	360	229	42,518	-	42,518

(b) Analysis by geographical segments

	Malaysia RM'000	The People's Republic of China RM'000	Total RM'000
Sales Revenue			
At 31 January 2008	<u>229,671</u>	<u>18,678</u>	<u>248,349</u>
At 31 January 2007	<u>200,632</u>	<u>16,091</u>	<u>216,723</u>
Carrying Amount of Segment Assets			
At 31 January 2008	<u>2,961,211</u>	<u>145,286</u>	<u>3,106,497</u>
At 31 January 2007	<u>3,110,783</u>	<u>149,612</u>	<u>3,260,395</u>
Additions to Property, Plant and Equipment			
At 31 January 2008	<u>191</u>	<u>2,538</u>	<u>2,729</u>
At 31 January 2007	<u>21</u>	<u>304</u>	<u>325</u>

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.