

THE PATALING RUBBER ESTATES LIMITED (166301)
(Incorporated in England)

Directors' Report and Audited Accounts
30 June 2007

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COMPANIES HOUSE

Company No 166301

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

DIRECTORS

Mohd Hairul Abdul Hamid
Ho Lai Wan
Norzifah Abdul Aziz

SECRETARY AND AGENT

Azrin Nashiha Abdul Aziz

Sime Darby Plantation Sdn Bhd
4th Floor, Wisma Consplant I,
No 2, Jalan SS 16/4,
47500 Subang Jaya,
Selangor, Malaysia

REGISTERED OFFICES

United Kingdom
One Great Tower Street,
London EC3R 5AH

Malaysia
4th Floor, Wisma Consplant I,
No 2, Jalan SS 16/4,
47500 Subang Jaya,
Selangor

REGISTERED NUMBER

166301 England

AUDITORS

Ernst & Young LLP
1 More London Place
London SE1 2AF

Company No 166301

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

DIRECTORS' REPORT

The Directors present their report and the audited accounts for the year ended 30 June 2007

The accounts are presented in Malaysian Ringgit. The Directors are of the opinion that as the Company is principally operating in Malaysia, the accounts should reflect its functional currency.

PRINCIPAL ACTIVITY

The Company ceased operations with effect from 1 July 1999.

RESULTS

	<u>RM</u>
Loss on ordinary activities after tax	(25,284,715)
Retained profit brought forward	577,948,506
Retained profit carried forward	552,663,791

DIVIDENDS

The Directors do not recommend payment of any dividend for the current financial year.

DIRECTORS

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

Mohd Hairul Abdul Hamid	(Appointed as at 27 November 2007)
Ho Lai Wan	(Appointed as at 27 November 2007)
Norziyah Abdul Aziz	(Appointed as at 27 November 2007)
Mary Lina Si Mei Kui	(Resigned as at 27 November 2007)
Norlin binti Abdul Samad	(Resigned as at 25 June 2008)

There are no director's interests requiring disclosure under the Companies Act 1985.

AUDITORS

The auditors, Ernst & Young LLP, have expressed their willingness to continue in office and a resolution for the re-appointment will be proposed at the Annual General Meeting.

Company No 166301

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were members of the board at the time of the approval of the Directors' report are listed on page 1. Having made enquiries of fellow Directors and of the Company's auditors, each of these Directors confirms that

- o to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware, and
- o each Director has taken all the steps that a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information

Mary Lina Sii Mei Kui
Director


Norlin binti Abdul Samad
Director

- 6 MAY 2008

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The Directors are responsible for preparing the annual report and the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing those accounts, the Directors are required to

- o select suitable accounting policies and then apply them consistently.
- o make judgements and estimates that are reasonable and prudent, and
- o state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and
- o prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act, 1985. They are also responsible for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors confirm that they have complied with these requirements and having a reasonable expectation that the company has, or has access within the Golden Hope Plantations Berhad Group to, adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the accounts.

Company No: 166301

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

THE PATALING RUBBER ESTATES, LIMITED (Incorporated in England)

We have audited the Company's financial statements for the year ended 30 June 2007 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 11. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and that the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Company No: 166301

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

THE PATALING RUBBER ESTATES, LIMITED (CONT'D.)
(Incorporated in England)

Basis of audit opinion

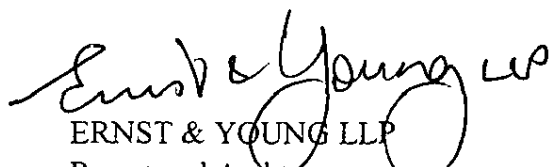
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- o the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30 June 2007 and of its loss for the period then ended,
- o the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- o the information given in the Directors' report is consistent with the financial statements


ERNST & YOUNG LLP
Registered Auditor
London

- 5 NOV 2008

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 RM	2006 RM
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Other operating income		3,780,000	-
Other income		380	190
Administrative expenses		(6,563,701)	(21,227)
Profit/loss on ordinary activities before tax	3	(2,783,321)	(21,037)
Taxation	4	(22,501,394)	(747,673)
Loss on ordinary activities before tax		<u>(25,284,715)</u>	<u>(768,710)</u>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE
YEAR ENDED 30 JUNE 2007**

There are no recognised gains or losses attributable to the shareholders of the company other than the loss of RM 25,284,715 for the year ended 30 June 2007 (2006 loss of RM768,710)

The notes on pages 9 to 13 form part of the accounts

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

BALANCE SHEET AS AT 30 JUNE 2007

	Note	2007 RM	2006 RM
CURRENT ASSETS			
Debtors - due after one year	5	1,026,263,736	1,034,595,631
Cash and bank balances		7,793	7,567
		<u>1,026,271,529</u>	<u>1,034,603,198</u>
CREDITORS			
Creditors - due within one year	6	(5,880)	(6,510)
NET CURRENT ASSETS		<u>1,026,265,649</u>	<u>1,034,596,688</u>
Creditors - due after one year	6	(445,798,234)	(428,844,558)
TOTAL ASSETS LESS			
LIABILITIES		<u>580,467,415</u>	<u>605,752,130</u>
CAPITAL AND RESERVES			
Share capital	7	27,803,624	27,803,624
Retained profits	8	552,663,791	577,948,506
EQUITY SHAREHOLDERS' FUNDS	8	<u>580,467,415</u>	<u>605,752,130</u>

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on **- 6 MAY 2008**

Mary Lina Siu Mei Kui
Director
Kuala Lumpur, Malaysia


Norlin binti Abdul Samad
Director
Kuala Lumpur, Malaysia

- 6 MAY 2008

The notes on pages 9 to 13 form part of the accounts

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

NOTES TO THE ACCOUNTS - 30 JUNE 2007

1 ACCOUNTING POLICIES

(a) Accounting Standards

These accounts are prepared in accordance with applicable UK accounting standards

(b) Accounting Convention

The accounts are prepared under the historical cost convention. Accounts prepared on this basis show the profits available to shareholders and are the most appropriate basis for presentation of the company's balance sheet.

(c) Deferred Taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. BOOKS OF ACCOUNTS

The books of accounts of the Company are maintained in Malaysian Ringgit.

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

3 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

	2007 RM	2006 RM
This is arrived at after charging		
Auditors' remuneration		
- Current year	5,250	5,250
- Underprovision in prior year	-	2,100
Rental income underrecognised in prior year	<u>3,780,000</u>	<u>-</u>

There are no employees as all administrative functions are handled by Golden Hope Plantations Berhad, the intermediate holding company

The Directors received no remuneration during the year (2006 nil)

4. TAXATION

	2007 RM	2006 RM
Underprovision in prior year	<u>(22,501,394)</u>	<u>(747,673)</u>

There is no current or deferred tax charge as the Company ceased operations effective 1 July 1999. Factors affecting tax charge for the year are

	2007 RM	2006 RM
(Loss)/profit on ordinary activities before tax	(2,783,321)	(21,037)
Taxation at Malaysian statutory rate of 27% (2006 28%)	(751,497)	(5,890)
Expenses not deductible for tax purpose	751,497	-
Income not subject to tax	-	5,890
Underprovision in prior year	<u>22,501,394</u>	<u>747,673</u>
	<u>22,501,394</u>	<u>747,673</u>

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

5 DEBTORS

	2007	2006
	RM	RM
Amount due from intermediate holding company	705,277,418	714,389,313
Amounts due from related companies	320,986,318	320,206,318
	<u>1,026,263,736</u>	<u>1,034,595,631</u>
Ageing		
After one year	1,026,263,736	1,034,595,631
Within one year	<u>-</u>	<u>-</u>
	<u>1,026,263,736</u>	<u>1,034,595,631</u>

The amounts due from intermediate holding company and related companies are interest free, unsecured and have no fixed terms of repayment

6. CREDITORS

	2007	2006
	RM	RM
Other creditors	5,880	6,510
Amount due to immediate holding company	393,572,595	393,572,595
Amounts due to related companies	41,724,349	35,271,963
Taxation provision	10,501,290	-
	<u>445,804,114</u>	<u>428,851,068</u>
Ageing		
After one year	445,798,234	428,844,558
Within one year	<u>5,880</u>	<u>6,510</u>
	<u>445,804,114</u>	<u>428,851,068</u>

The amounts due to immediate holding company and related companies are interest free, unsecured and have no fixed terms of repayment

THE PATALING RUBBER ESTATES, LIMITED
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7 SHARE CAPITAL

	2007 £	2006 £
Authorised		
40,000,000 ordinary shares of 10 pence each	<u>4 000,000</u>	<u>4,000,000</u>
	2007 RM	2006 RM
Issued and fully paid		
32,432,745 ordinary shares of 10 pence each	<u>27,803,624</u>	<u>27,803,624</u>

8. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share Capital RM	Retained Profits RM	Total RM
At 1 July 2005	27,803,624	578,717,216	606,520,840
Profit for the year	-	(768,710)	(768,710)
At 1 July 2006	27,803,624	577,948,506	605,752,130
Loss for the year	-	(25,284,715)	(25,284,715)
At 30 June 2007	<u>27,803,624</u>	<u>552,663,791</u>	<u>580,467,415</u>

As at 30 June 2007, the Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of dividends amounting to RM 7,941,797 (2006 RM 8,625,648) out of its retained earnings. If the balance of the retained earnings of RM 544,721,994 (2006 RM 569,322,858) were to be distributed as dividends prior to there being sufficient tax credit, the Company would have a Section 108 shortfall of approximately RM 141,627,719 (2006 RM 153,717,171).

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9. HOLDING AND RELATED COMPANIES

The immediate holding company is Malaysian Estates PLC, a company incorporated and registered in England. Malaysian Estates PLC is in turn a wholly-owned subsidiary of Golden Hope Plantations Berhad, a company incorporated and registered in Malaysia. The ultimate holding company is Yayasan Pelaburan Bumiputra, a company incorporated and registered in Malaysia, limited by guarantee. The directors believe that Golden Hope Plantations Berhad is the ultimate controlling party, having the power to govern the financial and operating policies of the company.

Related companies refer to companies within the Golden Hope Plantations Berhad group of companies.

The smallest group in which the results of the company are consolidated is that headed by Malaysian Estates PLC.

The largest group in which the results of the Company are consolidated is that headed by Golden Hope Plantations Berhad. Copies of its group accounts, which include the company, are available from 13th Floor, Menara PNB, No 201-A, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.

10. CASH FLOW STATEMENT

The Directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statement on the grounds that the Company is wholly owned and its parent publishes consolidated financial statements.

11. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption contained within FRS 8 "Related Party Transactions" and has not disclosed transactions with group companies.