

**SABAH DEVELOPMENT BANK BERHAD**  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARY COMPANIES**

**DIRECTORS' REPORT**

The directors of **SABAH DEVELOPMENT BANK BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended December 31, 2008.

**PRINCIPAL ACTIVITIES**

The Company is principally involved in the provision of finance for development projects. The principal activities of the subsidiary companies are as disclosed in Note 22 to the Financial Statements.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiary companies during the financial year.

**RESULTS OF OPERATIONS**

The results of the operations of the Group and of the Company for the financial year are as follows:

	<b>The Group RM</b>	<b>The Company RM</b>
<b>Profit before tax</b>	62,113,438	66,094,771
<b>Income tax expense</b>	<u>(20,101,380)</u>	<u>(14,076,290)</u>
<b>Profit for the year</b>	<u>42,012,058</u>	<u>52,018,481</u>
<b>Attributable to:</b>		
Equity holder of the Company	42,011,931	52,018,481
Minority interests	<u>127</u>	<u>-</u>
	<u>42,012,058</u>	<u>52,018,481</u>

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

**DIVIDENDS**

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors also do not recommend the payment of any final dividend in respect of the current financial year.

**RESERVES AND PROVISIONS**

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

## **ISSUE OF SHARES AND DEBENTURES**

The Company has not issued any new shares or debentures during the financial year.

## **SHARE OPTIONS**

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

## **OTHER FINANCIAL INFORMATION**

Before the income statements and the balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and financing and the making of allowance for bad and doubtful debts and financing and had satisfied themselves that all known bad debts and financing had been written off and that adequate allowance had been made for bad and doubtful debts and financing; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amount written off as bad debts and financing, or the amount of allowance for bad and doubtful debts and financing in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year other than those arising in the ordinary course of business.

No contingent or other liability 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 as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year.

## **DIRECTORS**

The following directors served on the Board of the Company since the date of the last report:

Siau Wui Kee - Chairman  
Datuk Lim Siong Eng - Managing Director  
Dr Mohd Fowzi Mohd Razi  
Kevin K. How  
Datuk Hj Abdillah @ Abdullah B Hassan @ S Hassan  
Datuk Haji Yusoff @ Hunter Bin Mohamed Kasim

In accordance with Article 83 of the Company's Articles of Association, Datuk Lim Siong Eng, the Managing Director of the Company, is not subject to retirement by rotation.

In accordance with Article 93 of the Company's Articles of Association, Mr. Siau Wui Kee and Datuk Haji Yusoff @ Hunter Bin Mohamed Kasim retire by rotation and, being eligible, offer themselves for re-election.

## **DIRECTORS' INTERESTS**

None of the directors held shares or had beneficial interest in the shares of the Company or in related companies during the financial year. Under the Company's Articles of Association, the directors are not required to hold any shares in the Company or in related companies.

## **DIRECTORS' BENEFITS**

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of remunerations received or due and receivable by directors as disclosed 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 he is a member, or with a company in which he has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## **HOLDING ENTITY**

The Company is wholly owned by the Sabah State Government.

Company No. 34638-W

**AUDITORS**

The auditors, Messrs. Deloitte KassimChan, have indicated their willingness to continue in office.

Signed on behalf of the Board  
in accordance with a resolution of the Directors,

SIAU WUI KEE

KEVIN K. HOW

Kota Kinabalu,

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBER OF SABAH DEVELOPMENT BANK BERHAD  
(Incorporated in Malaysia)**

**Report on the Financial Statements**

We have audited the financial statements of Sabah Development Bank Berhad, which comprise the balance sheets of the Group and of the Company as of December 31, 2008, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 82.

**Directors' Responsibility for the Financial Statements**

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the applicable Malaysian Accounting Standards Board approved accounting standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditors' Responsibility**

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

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements have been properly drawn up in accordance with the applicable Malaysian Accounting Standards Board approved accounting standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of December 31, 2008 and of their financial performance and cash flows for the year then ended.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that:

- (a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the Act;
- (b) we have considered the accounts and auditors' reports of the subsidiary companies, of which we have not acted as auditors, as mentioned in Note 22 to the Financial Statements, being accounts that have been included in the financial statements of the Group;
- (c) we are satisfied that the accounts of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes; and
- (d) the auditors' reports on the accounts of the subsidiary companies were not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Act.

**DELOITTE KASSIMCHAN**  
**AF 0080**  
**Chartered Accountants**

**TEO CHEW HIONG**  
**Partner - 2451/04/11(J/PH)**  
**Chartered Accountant**

May 21, 2009

**SABAH DEVELOPMENT BANK BERHAD**  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARY COMPANIES**

**INCOME STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	Note	The Group		The Company	
		2008 RM	2007 RM	2008 RM	2007 RM
Interest income	4	109,527,449	94,071,778	138,295,668	120,913,781
Interest expense	5	<u>(79,999,829)</u>	<u>(58,899,303)</u>	<u>(79,743,863)</u>	<u>(65,697,058)</u>
Net interest income		29,527,620	35,172,475	58,551,805	55,216,723
Other operating income	6	111,654,753	114,739,804	32,620,611	247,911,015
Income from Islamic Banking business	44	<u>678,876</u>	<u>652,484</u>	<u>678,876</u>	<u>652,484</u>
		141,861,249	150,564,763	91,851,292	303,780,222
Other operating expenses	7	<u>(68,714,517)</u>	<u>(63,074,208)</u>	<u>(14,608,959)</u>	<u>(11,907,795)</u>
Operating profit before allowance for losses		73,146,732	87,490,555	77,242,333	291,872,427
Allowance for losses on loans and financing	9	(5,336,960)	(11,049,656)	(5,336,960)	(11,049,656)
Write-back of allowance/ (Allowance) for diminution in value	10	<u>(5,810,602)</u>	<u>53,585</u>	<u>(5,810,602)</u>	<u>53,585</u>
Operating profit		61,999,170	76,494,484	66,094,771	280,876,356
Net credit arising from acquisition of an indirect subsidiary company	22	<u>114,268</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit before tax		62,113,438	76,494,484	66,094,771	280,876,356
Income tax expense	11	<u>(20,101,380)</u>	<u>(22,362,845)</u>	<u>(14,076,290)</u>	<u>(78,138,891)</u>
Profit for the year		<u>42,012,058</u>	<u>54,131,639</u>	<u>52,018,481</u>	<u>202,737,465</u>
<b>Attributable to:</b>					
Equity holder of the Company		42,011,931	54,116,404	52,018,481	202,737,465
Minority interests		<u>127</u>	<u>15,235</u>	<u>-</u>	<u>-</u>
		<u>42,012,058</u>	<u>54,131,639</u>	<u>52,018,481</u>	<u>202,737,465</u>
<b>Earnings per share</b>					
<b>Basic (sen)</b>	12	<u>9.77</u>	<u>12.58</u>		

The accompanying Notes form an integral part of the Financial Statements.

**SABAH DEVELOPMENT BANK BERHAD**  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARY COMPANIES**

**BALANCE SHEETS**  
**AS OF DECEMBER 31, 2008**

	Note	The Group		The Company	
		2008 RM	2007 RM	2008 RM	2007 RM
<b>ASSETS</b>					
Cash and short-term funds	13	26,594,559	26,588,900	19,696,411	19,606,978
Securities purchased under resale agreements		12,100,000	34,131,525	12,100,000	34,131,525
Deposits and placements with financial institutions	14	22,563,521	9,376,881	3,436,608	3,340,000
Securities held-for-trading	15	17,475,780	24,572,522	17,475,780	24,572,522
Securities available-for-sale	16	1,217,994	1,551,325	1,217,994	1,551,325
Securities held-to-maturity	17	76,500,306	96,565,991	76,500,306	96,565,991
Loans, advances and financing	18	1,399,973,992	1,133,508,475	1,849,125,270	1,553,130,500
Other assets	19	423,697,883	485,428,056	358,907,440	360,508,228
Non-current asset held for sale	20	50,997,799	50,997,799	50,997,799	50,997,799
Prepaid lease payments	21	8,634,333	7,019,424	1,997,599	2,023,638
Investment in subsidiary companies	22	-	-	3,220,002	2,920,002
Investment in associated company	23	1	1	1	1
Project expenditure	24	106,829,599	133,547,599	-	-
Property, plant and equipment	25	56,107,136	14,137,753	1,349,613	2,286,670
Amount due from associated company	27	-	-	-	-
Deferred tax assets	28	77,825,000	80,603,000	30,785,000	33,563,000
<b>Total Assets</b>		<u>2,280,517,903</u>	<u>2,098,029,251</u>	<u>2,426,809,823</u>	<u>2,185,198,179</u>

(Forward)

	Note	The Group		The Company	
		2008 RM	2007 RM	2008 RM	2007 RM
<b>EQUITY AND LIABILITIES</b>					
<b>Liabilities</b>					
Deposits from customers	29	653,071,823	585,829,258	653,071,823	585,829,258
Long-term borrowings	30	760,000,000	660,000,000	760,000,000	660,000,000
Short-term borrowings - unsecured	31	403,717,295	321,000,000	375,000,000	321,000,000
Hire-purchase and finance lease payables	32	31,087	48,431	-	-
Other liabilities	33	78,537,729	182,346,413	141,418,262	173,382,132
Provisions	34	4,252,118	4,191,516	3,255,326	2,940,858
Deferred tax liabilities	35	33,886,759	39,604,599	-	-
<b>Total Liabilities</b>		<u>1,933,496,811</u>	<u>1,793,020,217</u>	<u>1,932,745,411</u>	<u>1,743,152,248</u>
<b>Capital and Reserves</b>					
Issued capital	36	430,000,000	430,000,000	430,000,000	430,000,000
Reserves	37	(83,019,726)	(125,031,657)	64,064,412	12,045,931
<b>Equity attributable to equity holder of the Company</b>		<u>346,980,274</u>	<u>304,968,343</u>	<u>494,064,412</u>	<u>442,045,931</u>
Minority interests		<u>40,818</u>	<u>40,691</u>	<u>-</u>	<u>-</u>
<b>Total Equity</b>		<u>347,021,092</u>	<u>305,009,034</u>	<u>494,064,412</u>	<u>442,045,931</u>
<b>Total Equity and Liabilities</b>		<u>2,280,517,903</u>	<u>2,098,029,251</u>	<u>2,426,809,823</u>	<u>2,185,198,179</u>

The accompanying Notes form an integral part of the Financial Statements.

**SABAH DEVELOPMENT BANK BERHAD**  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARY COMPANIES**

**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

The Group	Note	← Attributable to Equity Holder of the Company →				Total RM	Minority Interests RM	Total RM
		Issued Capital RM	Non-distributable Reserve - Capital Redemption Reserve RM	Distributable Reserve - General Reserve RM	Accumulated Losses RM			
<b>Balance as of January 1, 2007</b>		430,000,000	50,000,000	93,230,000	(216,528,061)	356,701,939	25,456	356,727,395
Total recognised income and expense:								
Profit for the year		-	-	-	54,116,404	54,116,404	15,235	54,131,639
Dividends	38	-	-	-	(105,850,000)	(105,850,000)	-	(105,850,000)
<b>Balance as of December 31, 2007</b>		<u>430,000,000</u>	<u>50,000,000</u>	<u>93,230,000</u>	<u>(268,261,657)</u>	<u>304,968,343</u>	<u>40,691</u>	<u>305,009,034</u>
<b>Balance as of January 1, 2008</b>		430,000,000	50,000,000	93,230,000	(268,261,657)	304,968,343	40,691	305,009,034
Total recognised income and expense:								
Profit for the year		-	-	-	42,011,931	42,011,931	127	42,012,058
<b>Balance as of December 31, 2008</b>		<u>430,000,000</u>	<u>50,000,000</u>	<u>93,230,000</u>	<u>(226,249,726)</u>	<u>346,980,274</u>	<u>40,818</u>	<u>347,021,092</u>

(Forward)



**SABAH DEVELOPMENT BANK BERHAD**  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARY COMPANIES**

**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<b>The Group</b>	
	<b>2008</b>	<b>2007</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Profit for the year	42,012,058	54,131,639
Adjustments for:		
Amortisation of project expenditure	26,718,000	26,718,000
Tax expense recognised in profit or loss	20,101,380	22,362,845
Allowance for losses on loans and financing	6,508,615	12,588,429
Allowance for diminution in value of:		
Securities held-for-trading	5,810,602	3,404,633
Securities available-for-sale	-	368,792
Depreciation and amortisation expenses:		
Depreciation of property, plant and equipment	3,093,331	1,961,105
Amortisation of prepaid lease payments	98,952	92,853
Loss arising from sale of securities held-for-trading	1,914,159	188,590
Provision for capital work-in-progress reversed	404,060	-
Provisions for retirement gratuities - net of write-back	324,611	320,629
Property, plant and equipment written off/expensed off	2,833	1,296
Loss on disposal of property, plant and equipment	7	60
Write-back of allowance for losses on loans and financing:		
Loan, advances and financing	(1,166,677)	-
Islamic banking business	(13,294)	(7,821)
Gross dividends from securities held-for-trading	(884,223)	(604,031)
Gain arising from sale/redemption of:		
Securities held-for-trading	(595,811)	(2,595,858)
Securities held-to-maturity	(116,024)	(920,137)
Securities available-for-sale	-	(1,730,947)
Final distribution arising from liquidation of venture capital company	(114,609)	-
Net credit arising from acquisition of an indirect subsidiary company	(114,268)	-
Bad debts recovered	(4,978)	(1,538,773)
Gain on disposal of property, plant and equipment	(2,883)	(133,500)
Write-back of allowance for diminution in value of:		
Securities held-for-trading	-	(2,793,051)
Securities available-for-sale	-	(1,033,959)
	103,975,841	110,780,794

(Forward)

	<b>The Group</b>	
	<b>2008</b>	<b>2007</b>
	<b>RM</b>	<b>RM</b>
Movements In Working Capital		
(Increase)/Decrease in:		
Securities purchased under resale agreements	22,031,525	48,518,475
Deposits and placements with financial institutions - restricted	(10,879)	(9,400)
Loans, advances and financing	(271,789,183)	(212,923,035)
Other assets	49,888,039	(17,306,994)
Increase/(Decrease) in:		
Deposits from customers	67,242,565	25,638,245
Short-term borrowings	39,824,889	121,000,000
Other liabilities	(106,263,784)	(76,776,149)
Provisions	(253,865)	(6,756,414)
	<hr/>	<hr/>
Cash Used In Operations	(95,354,852)	(7,834,478)
Income tax paid	(11,141,206)	(44,060,799)
Retirement gratuities paid	(10,144)	(49,088)
Income tax refunded	1,534,812	2,386,338
	<hr/>	<hr/>
Net Cash Used In Operating Activities	(104,971,390)	(49,558,027)
	<hr/>	<hr/>
<b>CASH FLOWS FROM/(USED IN) INVESTING</b>		
<b>ACTIVITIES</b>		
Proceeds from redemption of securities held-to-maturity	21,007,396	7,249,249
Proceeds from sale of securities:		
Held-for-trading	2,409,202	23,131,986
Available-for-sale	333,331	9,189,733
Dividends received from securities held-for-trading	884,223	450,308
Proceeds from disposal of property, plant and equipment	2,951	133,539
Net cash outflow from acquisition of an indirect subsidiary company (Note 22)	(6,041,101)	-
Purchase of Securities:		
Held-for-trading	(2,488,846)	(27,030,350)
Held-to-maturity	(711,078)	(17,763,567)
Additions to property, plant and equipment	(429,753)	(1,987,517)
	<hr/>	<hr/>
Net Cash From/(Used In) Investing Activities	14,966,325	(6,626,619)
	<hr/>	<hr/>

(Forward)

	<b>Note</b>	<b>The Group</b>	
		<b>2008</b>	<b>2007</b>
		<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>			
Proceeds from long-term borrowings		100,000,000	60,000,000
Repayment of hire-purchase and finance lease payables		(17,344)	(51,770)
Leasing and hire-purchase interest paid		-	(3,910)
		<u>99,982,656</u>	<u>59,944,320</u>
<b>Net Cash From Financing Activities</b>			
		<u>99,982,656</u>	<u>59,944,320</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		9,977,591	3,759,674
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<u>34,773,438</u>	<u>31,013,764</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	40	<u><u>44,751,029</u></u>	<u><u>34,773,438</u></u>

The accompanying Notes form an integral part of the Financial Statements.

**SABAH DEVELOPMENT BANK BERHAD**  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARY COMPANIES**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<b>The Company</b>	
	<b>2008</b>	<b>2007</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Profit for the year	52,018,481	202,737,465
Adjustments for:		
Tax expense recognised in profit or loss	14,076,290	78,138,891
Allowance for losses on loans and financing	6,508,615	12,588,429
Allowance for diminution in value of:		
Securities held-for-trading	5,810,602	3,404,633
Securities available-for-sale	-	368,792
Loss arising from sale of securities held-for-trading	1,914,159	188,590
Depreciation and amortisation expenses:		
Property, plant and equipment	1,058,177	1,045,020
Prepaid lease payments	26,039	26,039
Provision for retirement gratuities - net of write-back	324,611	320,629
Loss on disposal of property, plant and equipment	7	60
Gross dividend from:		
Securities held-for-trading	(884,223)	(604,031)
Subsidiary company	-	(230,000,000)
Gain arising from sale/redemption of securities:		
Held-for-trading	(595,811)	(2,595,858)
Held-to-maturity	(116,024)	(920,137)
Available-for-sale	-	(1,730,947)
Write-back of allowance for losses on loans and financing:		
Loan, advances and financing	(1,166,677)	-
Islamic banking business	(13,294)	(7,821)
Final distribution arising from liquidation of venture capital company	(114,609)	-
Bad debts recovered	(4,978)	(1,538,773)
Gain on disposal of property, plant and equipment	(2,883)	(9,605)
Write-back of allowance for diminution in value of:		
Securities held-for-trading	-	(2,793,051)
Securities available-for-sale	-	(1,033,959)
	78,838,482	57,584,366
<b>Movements In Working Capital</b>		
(Increase)/Decrease in:		
Securities purchased under resale agreements	22,031,525	48,518,475
Loans, advances and financing	(301,318,434)	(315,849,332)
Other assets	(9,688,210)	(569,262)

(Forward)

	Note	The Company	
		2008 RM	2007 RM
Increase/(Decrease) in:			
Deposits from customers		67,242,565	25,638,245
Short-term borrowings		54,000,000	121,000,000
Other liabilities		(31,963,871)	8,165,348
Cash Used In Operations		(120,857,943)	(55,512,160)
Retirement gratuities paid		(10,144)	(49,088)
Income tax refunded		38,145	-
Net Cash Used In Operating Activities		(120,829,942)	(55,561,248)
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>			
Proceeds from redemption of securities held-to-maturity		21,007,396	7,249,249
Proceeds from sale of securities:			
Held-for-trading		2,409,200	23,131,986
Available-for-sale		333,332	9,189,733
Dividends received from securities held-for-trading		884,223	450,308
Proceeds from disposal of property, plant and equipment		2,951	9,632
Purchase of securities:			
Held-for-trading		(2,488,846)	(27,030,350)
Held-to-maturity		(711,078)	(17,763,567)
Increase in investment in subsidiary company		(300,000)	(350,000)
Additions to property, plant and equipment		(121,195)	(103,602)
Net Cash From/(Used In) Investing Activities		21,015,983	(5,216,611)
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Proceeds from long-term borrowings		100,000,000	60,000,000
Net Cash From Financing Activity		100,000,000	60,000,000
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		186,041	(777,859)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		22,946,978	23,724,837
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	40	23,133,019	22,946,978

The accompanying Notes form an integral part of the Financial Statements.