Additional Disclosure Requirements

for the financial year ended 31 December 2008

Additional Requirements of Singapore Exchange Securities Trading Listing Manual

(a) Corporate information

Company secretary SGX 1207(1)
S.M. Barker

Registered office SGX 1207(2)
350 Harbour Street
#30-00 PwC Centre
Singapore 049929
Telephone number : (65) 6226 5066
Facsimile number : (65) 6226 5788
Website : http://www.pwcholdings.com.sg

Share registrar SGX 1207(3)
Independent Registry Firm
10 Collyer Quay #19-00
Ocean Building
Singapore 049315

Auditor SGX 713
PricewaterhouseCoopers
8 Cross Street #17-00
PWC Building
Singapore 048424
Audit Partner : See Pea Ay
Year of appointment : 2004

(b) Material contracts[1] SGX 1207(8)

In 2007, the Company entered into a two-year contract with ABAS Consultancy Pte Ltd, which is a firm owned by the wife of Mr Ang Boon Chew, a director of the Company. The firm provided professional services to the Company amounting to $212,000 (2007: $149,000) during the financial year. Based on the long term contract, the Company was able to obtain professional services slightly below the normal price. As an average, services were charged at 5% below the normal price in 2008 (2007: 4% below the normal price).

(c) Directors' remuneration SGX 1207(11-14)

The following information relates to remuneration of directors of the Company during the financial year:

	2008	2007
Number of directors of the Company in remuneration bands[2]:		
- above $500,000	**2**	2
- $250,000 to below $500,000	**–**	–
- below $250,000	**6**	7
Total	**8**	9

Additional Disclosure Requirements

for the financial year ended 31 December 2008

Additional Requirements of Singapore Exchange Securities Trading Listing Manual (continued)

(d) Auditor's remuneration

The following information relates to remuneration of the auditor of the Company during the financial year:

	2008 $'000	2007 $'000	
Auditor's remuneration paid/payable to:			DV
- Auditor of the Company	**440**	386	
- Other auditors*	**410**	358	
Other fees paid/payable to[3,4]			SGX 1207(6)(a)
- Auditor of the Company	**125**	120	
- Other auditors*	**210**	212	

** Include PricewaterhouseCoopers member firms outside Singapore*

(e) Properties of the Group

Major properties held for development SGX 1207(10)(a)

Location	Description	Intended use	Stage of completion	Expected date of completion	Site area (sq m)	Gross floor area (sq m)	Group's effective interest in the property
Upper Thomson Road	3-storey building	Commercial	20%	June 2009	400	1,122	100%

Major properties held for investment SGX 1207(10)(b)

Location	Description	Existing Use	Tenure	Unexpired term of lease
Cairnhill, Singapore	Apartment unit	Residential	Freehold	–
Jurong East, Singapore	2-storey apartment unit	Residential	Leasehold	95
Tampines, Singapore	5-storey building	Commercial	Leasehold	70
Sembawang, Singapore	Land under operating lease	To be determined	Leasehold	45

Additional Disclosure Requirements

for the financial year ended 31 December 2008

Reference

Additional Requirements of Singapore Exchange Securities Trading Listing Manual (continued)

(f) Interested person transactions

SGX 1207(16)
SGX 907

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 each)			
	Transactions not conducted under shareholders' mandate pursuant to Rule 920		Transactions conducted under shareholders' mandate pursuant to Rule 920	
	2008 $'000	2007 $'000	**2008 $'000**	2007 $'000
Abacus Subsidiary Pte Ltd: - sale of goods	**–**	–	**470**	729
Sandoz Family Business Pte Ltd: - sale of plant and equipment	**600**	–	**–**	–
ABAS Consultancy Pte Ltd: - purchase of professional services	–	361	–	–

Additional Disclosure Requirements

for the financial year ended 31 December 2008

Guidance Notes

Additional Requirements of Singapore Exchange Securities Trading Listing Manual

Material contracts

1. Disclosure is required of material contracts of the Company and its subsidiaries involving the interests of the chief executive officer, each director or controlling shareholder, 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. Where no material contract has been entered into, the following negative statement can be considered: SGX 1207(8)

   "There are no material contracts entered into by the Company or any of its subsidiaries involving the interest of the chief executive officer, any director or controlling shareholder, either still subsisting at the end of the year or entered into since the end of the previous financial year."

Directors' remuneration

2. Unless a listed entity makes the additional disclosure as recommended in the Code of Corporate Governance, it must disclose at a minimum the number of its directors whose remuneration falls within the three bands as pre-defined in the SGX-ST Listing Manual; no changes are allowed. SGX 1207(11)

Other fees paid/payable to Auditor of the Company

3. There may also be fees paid to the auditor of the Company which are not included in determining the Group/Company's profit from operations, for example, those fees that are capitalised or charged immediately to equity. It is appropriate to include such fees for this disclosure note.

4. With effect from 1 April 2004, a public company shall undertake a review of the fees, expenses and emoluments of its auditor to determine whether the independence of the auditor has been compromised under prescribed conditions, and the outcome of the review shall be sent to all persons entitled to receive notice of general meetings of the company. This outcome is normally communicated through the directors' report or the corporate governance report. CA 206(1A)

   This review shall be undertaken if the total amount of the fees paid to the auditor for non-audit services in any financial year of the company exceeds 50% of the total amount of fees paid to the auditor in that financial year.

   The Audit Committee shall also provide a confirmation in the annual report that it has undertaken a review of non-audit services provided by the auditor and they would not, in the Audit Committee's opinion, affect the independence of the auditor. Please refer to Principle 11 in the Corporate Governance Report for an example of this disclosure. SGX 1207(6)(b)

Reference

Additional Disclosure Requirements

for the financial year ended 31 December 2008

Shareholders' information at 11 March 2009[1]

Preference Shareholdings

SGX 1207(9)(a)

Issued and Paid-Up Capital : $30,000,000
Class of Shares : Preference Shares
Voting Rights : No voting rights

The preference shares are held entirely by PwC Corporate Limited, the immediate holding corporation of the Company.

SGX 1207(9)(b)

Ordinary shareholdings

SGX 1207(9)(a)

Issued and Paid-Up Capital : $42,765,000
Class of Shares : Ordinary Shares
Voting Rights : One vote per share

SGX 1207(9)(b)

	No. of shareholders	%	No. of ordinary shares	%
No. of ordinary shares held				
1 – 999	4,436	75.73	4,224,050	17.56
1,000 - 5,000	1,402	23.93	2,254,930	9.38
5,001 - 10,000	2	0.03	19,240	0.08
More than 10,000	18	0.31	17,551,780	72.98
	5,858	100.00	24,050,000	100.00

Substantial shareholders

SGX 1207(9)(c)

As shown in the Register of Substantial Shareholders:

	Number of ordinary shares		
	Direct interests	Deemed interests	Beneficial interests
PwC Corporate Limited	7,130,825	–	7,130,825
Mr David Grey	1,270,000	1,500,000	2,770,000
Mr Sandoz Wood	3,609,905	–	3,609,905
Sun Holdings (Pte) Ltd	3,609,905	–	3,609,905

Mr David Grey is deemed to have an interest in 1,500,000 ordinary shares in PwC Holdings Ltd via his holdings of 1,000,000 ordinary shares in PwC Global Limited, which in turn holds 10,000,000 ordinary shares in PwC Corporate Limited.

Reference

Additional Disclosure Requirements

for the financial year ended 31 December 2008

Shareholders' information at 11 March 2009 (continued)

Twenty largest ordinary shareholders

SGX 1207(9)(d)

As shown in the Register of Members and Depository Register:

	No. of ordinary shares	%
PwC Corporate Limited	7,130,825	29.65
Mr Sandoz Wood	3,609,905	15.01
Sun Holdings (Pte) Ltd	3,609,905	15.01
Mr David Grey	2,770,000	11.52
MacPherson Investments Pte Ltd	103,415	0.43
Mr Ang Boon Chew	97,000	0.40
Sembawang Private Ltd	36,075	0.15
Mr Soh Koh Hong	26,455	0.11
Sommerset Holdings Pte Ltd	26,455	0.11
Geylang Investments Co Pte Ltd	24,050	0.10
Tanglin Halt (Pte) Ltd	21,645	0.09
Changi Holdings Pte Ltd	14,430	0.06
Ms Tham Lee Keng	14,430	0.06
Padang Consolidated Ltd	14,430	0.06
Whitley Investments Ltd	14,430	0.06
Cairnhill Co Pte Limited	14,430	0.06
Bukit Timah Haulage Co Ltd	11,875	0.05
Bedok Nominees Ltd	12,025	0.05
Madam Ng Pin Pin	9,620	0.04
Kranji Equity Ltd	9,620	0.04
	17,571,020	73.06

Based on the information available to the Company as at 11 March 2009, approximately 22.11% of the issued ordinary shares of the Company are held by the public and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited has been complied with.

SGX 1207(9)(e)

Guidance Notes

Shareholders' information

1. Shareholders' information shall be made up to a date not earlier than one month from the date of notice of the annual general meeting or summary financial statements, whichever is earlier.

SGX 1207(9)

Additional Illustrative Disclosures

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

Appendix 1 **Areas not relevant to PwC Holdings Ltd Group**

1. Early adoption of FRS 108 Operating Segments
2. Early adoption of FRS 1(Revised) Presentation of Financial Statements
3. Revenue recognition: multiple element arrangements
4. Provision for dismantlement, removal and restoration
5. Post-employment benefits – Pension and medical benefits
6. Defaults and breaches of loans payable
7. Convertible foreign currency bonds – classify as liability in entirety
8. Properties under development for sale

Appendix 2 **Critical accounting estimates, assumptions and judgements not relevant or material to PwC Holdings Ltd Group**

1. Critical accounting estimates
2. Critical accounting judgements

Reference

Additional Illustrative Disclosures

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

Example 1 : Early adoption of FRS 108 *Operating Segments*

FRS 108 is applicable for periods beginning on or after 1 January 2009.

The 'management approach' to reporting the financial performance of its operating segments is largely dependent on the type and extent of the information presented to the chief operating decision-maker. Companies will, therefore, not use a consistent approach to segmental reporting under FRS 108.

(A) Note – Basis of preparation

Standard early adopted by the group

FRS 108 'Operating segments' was early adopted by the Group in 2008. FRS 108 replaces FRS 14 'Segment reporting'. The new standard requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in an increase in the number of reportable segments presented. In addition, the segments are reported in a manner that is more consistent with the internal reporting provided to the chief operating decision-maker. FRS108(28)

There has been no further impact on the measurement of the company's assets and liabilities. Comparatives for 2007 have been restated.

(B) Note – Accounting policies

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the steering committee that makes strategic decisions. The strategic steering committee consists of the Chief Executive Officer ("CEO"), the Chief Financial Controller ("CFO") and the Chief Operations Officer ("COO").

(C) Note – Operating segmental information

Management determines the operating segments based on the reports reviewed and used by the strategic steering committee to make strategic decisions. FRS108(22)(a)

The strategic steering committee considers the business from both geographic and business segment perspectives. Geographically, management considers the performance of the business of manufacture and sale of electronic component parts in Singapore, People's Republic of China and the Philippines. People's Republic of China and the Philippines are further segregated into sale of furniture, as most of the furniture sale business is located in these two geographic areas. Singapore is further segregated into construction of specialized equipment as all of the construction services are located in Singapore.

The reportable operating segments derive their revenue primarily from the manufacture and sale of electronic parts, with People's Republic of China and the Philippines further segregated into sale of household and office furniture and with Singapore further segregated into construction of specialised equipment. FRS108(22)(b)

Other services included within Singapore, People's Republic of China, the Philippines and Vietnam include investment holding and provision of logistic services; but these are not included within the reportable operating segments as they are not included in the reports provided to the strategic steering committee. The results of these operations are included in the 'all other segments' column. FRS108(16)

The 'glass' segment was discontinued in the period (see note 11).

The segment information provided to the strategic steering committee for the reportable segments for the year ended 31 December 2008 is as follows:

Additional Illustrative Disclosures

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

Example 1 : Early adoption of FRS 108 *Operating Segments*

	Singapore		China		Philippines		Others			
	Component Parts	Construction	Component Parts	Furniture	Component Parts	Furniture		Total for continuing operations	Discontinued operations - glass segment	Reference
	$'000	$'000	$'000		$'000		$'000	$'000	$'000	
Group										
2008										
Sales										
– external sales	67,978	29,808	26,376	33,475	22,101	21,817	8,659	210,214	1,200	FRS108(23), (33)(a)
– inter-segment sales	19,950	-	7,700	5,880	6,350	3,920	-	43,800	45	
	87,928	29,808	34,076	39,355	28,451	25,737	8,659	254,014	1,245	
Elimination								(43,800)	(45)	
								210,214	1,200	
Segment result	23,806	1,201	9,685	5,245	9,014	3,498	306	52,755	200	FRS108(23)
Other income								3,898	-	
Other losses-net								(1,383)	(60)	
Unallocated costs-Central administration								(626)	-	
								54,644	140	
Finance expenses								(7,073)	(3)	
Share of loss of associated companies	–	–	–	–	–	–	(174)	(174)	-	FRS108(23)(g)
Profit before income tax								47,397	137	
Income tax expense								(14,921)	(37)	FRS108(23)(h)
Total profit								32,476	100	
Other segment items										
Additions to:										
– property, plant and equipment	39,862	2,505	15,354	3,618	12,864	2,413	1,003	77,619	280	FRS108(24)(b)
– intangible assets	3,774	–	1,454	–	1,219	–	357	6,804	9	FRS108(24)(b)
Depreciation	6,248	2,255	2,407	2,789	2,016	1,859	101	17,675	79	FRS108(23)(e)
Amortisation	384	–	144	–	127	–	120	775	25	FRS108(23)(e)
Impairment losses										FRS108(23)(i)
– goodwill	–	–	–	4,650	–		–	4,650	-	
Other non-cash expenses	120	130	60	104	40	70	216	740	-	FRS108(23)(i)
Restructuring costs	–	–	–	1,100	–	–	–	1,100	-	FRS108(23)(i)

	Singapore		China		Philippines		Others		
	Component Parts	Construction	Component Parts	Furniture	Component Parts	Furniture		Total for continuing operations	Reference
	$'000	$'000	$'000		$'000		$'000	$'000	
Segment assets	77,124	38,701	28,980	51,840	25,618	34,556	9,982	266,801	FRS108(23)
Segment liabilities	(8,338)	(2,532)	(3,163)	(2,047)	(2,876)	(1,365)	(768)	(21,089)	FRS108(23)

Additional Illustrative Disclosures

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

Example 1 : Early adoption of FRS 108 *Operating Segments*

	← Singapore →		← China →		← Philippines →		Others			
	Component Parts	Construction	Component Parts	Furniture	Component Parts	Furniture		Total for continuing operations	Discontinued operations - glass segment	Reference
	$'000	$'000	$'000		$'000		$'000	$'000	$'000	
Group										
2007										
Sales										
– external sales	48,610	11,527	18,552	7,546	16,865	4,831	4,429	112,360	4,600	FRS108(23), (33)(a)
– inter-segment sales	18,584	-	7,049	2,075	6,409	1,383	-	35,500	631	
	67,194	11,527	25,601	9,621	23,274	6,214	4,429	147,860	5,231	
Elimination								(35,500)	(631)	
								112,360	4,600	
Segment result	19,453	647	7,379	990	6,707	660	686	36,522	(656)	FRS108(23)
Other income								1,166	-	
Other losses-net								(1,611)	-	
Unallocated costs-Central administration								(944)	-	
								35,133	(656)	
Finance expenses								(9,060)	(11)	
Share of loss of associated companies	–	–	–	–	–	–	145	145	-	FRS108(23)(g)
Profit before income tax								26,218	(667)	
Income tax expense								(7,718)	187	FRS108(23)(h)
Total profit								18,500	(480)	
Other segment items										
Additions to:										
– property, plant and equipment	2,324	530	882	420	801	280	2,314	7,551	531	FRS108(24)(b)
– intangible assets	339	–	151	–	138	–	–	688	12	FRS108(24)(b)
Depreciation	3,064	1,389	1,162	1,398	1,057	932	580	9,582	80	FRS108(23)(e)
Amortisation	235	–	89	42	81	28	40	515	50	FRS108(23)(e)
Other non-cash expenses	72	52	27	32	25	22	80	310	43	FRS108(23)(i)

	← Singapore →		← China →		← Philippines →		Others		
	Component Parts	Construction	Component Parts	Furniture	Component Parts	Furniture		Total for continuing operations	Reference
	$'000	$'000	$'000		$'000		$'000	$'000	
Segment assets	63,178	18,213	23,964	39,596	21,785	26,397	10,494	203,627	FRS108(23)
Segment liabilities	(4,695)	(802)	(1,781)	(3,300)	(1,619)	(2,200)	(900)	(15,297)	FRS108(23)

Additional Illustrative Disclosures

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

Example 1 : Early adoption of FRS 108 *Operating Segments*

Sales between segments are carried out at arm's length. The revenue from external parties reported to the strategic steering committee is measured in a manner consistent with that in the income statement. FRS108(27)(a)

The strategic steering committee assesses the performance of the operating segments based on segment results. Segment result represents the profit earned by each segment without allocation of central administration costs, share of profits of associates, other income, other losses-net, finance expense and income tax expense. This is the measure reported to the strategic steering committee for the purposes of resource allocation and assessment of segment performance. FRS108(27)(b),(28)

Reportable segments' assets are reconciled to total assets as follows:

The amounts provided to the strategic steering committee with respect to total assets are measured in a manner consistent with that of the financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the strategic steering committee monitors the property, plant and equipment, intangible assets, inventories, receivables, operating cash and investment properties attributable to each segment. All assets are allocated to reportable segments other than deferred income tax assets, short-term bank deposits, derivative financial instruments and financial investments. FRS108(27)(c)

	2008 $'000	2007 $'000
Segment assets	**266,801**	203,627
Elimination	**(15,478)**	(7,965)
Assets associated with disposal group	**3,333**	2,280
Unallocated:		
Deferred income tax assets	**3,319**	3,228
Short-term bank deposits	**9,530**	5,414
Derivative financial instruments	**1,464**	564
Financial instruments	**30,155**	22,856
	299,124	230,004

Additional Illustrative Disclosures

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

Example 1 : Early adoption of FRS 108 *Operating Segments*

Reportable segments' liabilities are reconciled to total liabilities as follows:

The amounts provided to the strategic steering committee with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than income tax liabilities, borrowings and derivative financial instruments. FRS108(27)(d)

	2008 $'000	**2007 $'000**
Segment liabilities	**21,089**	15,297
Elimination	**(1,077)**	(2,295)
Liabilities associated with disposal group	**220**	1,439
Unallocated:		
Income tax liabilities	**15,588**	12,239
Borrowings	**122,379**	104,884
Derivative financial instruments	**575**	284
	158,774	131,848

Revenue from major products and services

Revenues from external customers are derived mainly from the sale of electronic parts, sale of household and office furniture and construction of specialized equipment. Others include investment holding and provision of logistic services. Breakdown of the revenue is as follows: FRS108(32)

FRS 108(32)

	2008 $'000	2007 $'000
<u>Sales for continuing operations</u>		
Component parts	**116,955**	84,327
Furniture	**55,792**	12,577
Construction	**29,808**	11,527
Other	**7,659**	3,929
	210,214	112,360

Additional Illustrative Disclosures

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

Example 1 : Early adoption of FRS 108 *Operating Segments*

Geographical information

The Group's three business segments operate in four main geographical areas:

- Singapore – the Company is headquartered and has operations in Singapore. The operations in this are principally the manufacture and sale of electronic component parts, construction of specialised equipment, and investment holding;
- People of Republic of China – the operations in this area are principally the sale of furniture, manufacture and sale of electronic component parts and provision of logistics services;
- Phillipines – the operations in this area are principally the manufacture and sale of electronic component parts and sale of furniture; and
- Other countries – the operations include the manufacture and sale of electronic component parts in Thailand, sale of furniture in Vietnam and investment holding.

FRS 108(33)(a)

	Sales for continuing operations		Sales for discontinued operations		Total consolidated sales	
	2008	2007	**2008**	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Singapore	**100,630**	61,565	**832**	3,201	**101,462**	64,766
People's Republic of China	**60,351**	26,598	**287**	1,106	**60,638**	27,704
Philippines	**44,418**	21,896	**72**	276	**44,490**	22,172
Other countries	**4,815**	2,301	**9**	17	**4,824**	2,318
	210,214	112,360	**1,200**	4,600	**211,414**	116,960

FRS 108(33)(b)

	Non-current assets	
	2008	2007
	$'000	$'000
Singapore	**97,406**	79,133
People's Republic of China	**55,928**	35,603
Philippines	**41,163**	18,340
Other countries	**316**	428
	194,813	133,504

Revenues of approximately $23,460,000 (2007: $20,478,000) are derived from a single external customer. These revenues are attributable to the Singapore manufacture and sale of component parts segment. FRS108(34)

Additional Illustrative Disclosures

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

Example 2 : Early adoption of FRS 1(R) *Presentation of Financial Statements*

FRS 1(R) *Presentation of Financial Statements*
(effective for annual periods beginning on or after 1 January 2009)

The revised standard requires:

- All changes in equity arising from transactions with owners, in their capacity as owner, to be presented separately from components of comprehensive income;
- Components of comprehensive income not to be included in statement of changes in equity;
- Items of income and expenses and components of other comprehensive income to be presented either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate statement of profit and loss followed by a statement of comprehensive income);
- Presentation of restated balance sheet as at the beginning of the comparative period when entities make restatements or reclassifications of comparative information.

The revisions also include changes in the titles of some of the financial statements primary statements.

(A) Note – Basis of preparation

Standard early adopted by the Group

FRS 1(R) 'Presentation of Financial Statements' was early adopted by the Group in 2008.

The revised standard requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from components of comprehensive income. Components of comprehensive income are presented in a separate statement of comprehensive income.

The 'balance sheets' and 'cash flow statements' have been re-titled to 'statements of financial position' and 'statements of cash flows' respectively.

Comparatives for 2007 have been restated to conform to the requirements of the revised standard.

Additional Illustrative Disclosures

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

Example 2 : Early adoption of FRS 1(R) *Presentation of Financial Statements*

(B) Primary Statement – Consolidated Statement of Comprehensive Income for the financial year ended 31 December 2008

FRS 1(81)(b)

	2008	2007	Reference
	$'000	$'000	
Profit for the year	**32,576**	18,020	FRS 1(82)(f)
Other comprehensive income, after tax[1]:			FRS 1(82)(g)
Financial assets, available-for-sale			
– Fair value gains	609	72	FRS 107(20)(a)(ii)
– Reclassification adjustments for gains included in profit or loss	(164)	-	FRS 107(20)(a)(ii)
Cash flow hedges			
– Fair value gains	342	331	FRS 107(23)(c)
– Adjustments for amounts transferred to initial carrying amount of hedged items	(279)	(315)	FRS 107(23)(d,e)
Currency translation differences	2,334	(170)	FRS 21(52)(b)
Disposal of a subsidiary	(1,500)	-	FRS 21(48)
Revaluation gains on land and buildings	207	894	FRS 16(77)(f)
Tax on employee share option scheme	114	-	FRS 12(68C)
Change in tax rate	-	52	
Other comprehensive income for the year, net of tax	1,663	864	FRS 1(91)(a)
Total comprehensive income for the year	**34,239**	18,884	FRS 1(82)(i)
Total comprehensive income attributable to:			
Owners of the parent	31,434	17,847	FRS 1(83)(b)(ii)
Minority interests	2,805	1,037	FRS 1(83)(b)(i)
	34,239	18,884	

Guidance Notes

1. Alternatively, components of other comprehensive income could be presented before tax, with one amount shown for the aggregate amount of income tax relating to those components. FRS 1(91)

Additional Illustrative Disclosures

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

Example 2 : Early adoption of FRS 1(R) *Presentation of Financial Statements*

(C) Primary Statement – Consolidated Statement of Changes in Equity for the financial year ended 31 December 2008

FRS 1(106)(a)-(d)

	← Attributable to owners of the parent →							
	Share capital $'000	Treasury shares $'000	Other reserves $'000	Retained earnings $'000	Total $'000	Minority interests $'000	Total equity $'000	Reference
2008								
Beginning of financial year	32,024	(900)	6,419	58,852	96,395	1,761	98,156	
Purchase of treasury shares	–	(2,072)	–	–	(2,072)	–	(2,072)	FRS 32(33)
Employee share option scheme								
– Value of employee services	–	–	690	–	690	–	690	FRS 102(7)
– Treasury shares re-issued	–	1,554	(572)	–	982	–	982	FRS 32(33)
Issue of shares	9,884	–	–	–	9,884	–	9,884	FRS 1(106)(c)
Share issue expenses	(413)	–	–	–	(413)	–	(413)	FRS 1(106(c), 109)
– Convertible bond - equity component	–	–	6,364	–	6,364	–	6,364	FRS 32(28)
Dividend relating to 2007 paid	–	–	–	(10,102)	(10,102)	(1,920)	(12,022)	FRS 1(107)
Acquisition of a subsidiary	–	–	–	–	–	4,542	4,542	FRS 1(106)(d)
Total comprehensive income for the year	–	–	1,406	30,028	31,434	2,805	34,239	
End of financial year	**41,495**	**(1,418)**	**14,307**	**78,778**	**133,162**	**7,188**	**140,350**	

	← Attributable to owners of the parent →							
	Share capital $'000	Treasury shares $'000	Other reserves $'000	Retained earnings $'000	Total $'000	Minority interests $'000	Total equity $'000	Reference
2007								
Beginning of financial year	32,024	-	5,046	57,492	94,562	1,274	95,836	
Purchase of treasury shares	–	(900)	–	–	(900)	–	(900)	FRS 32(33)
Employee share option scheme								
– Value of employee services	–	–	622	–	622	–	622	FRS 102(7)
Dividend relating to 2006 paid	–	–	–	(15,736)	(15,736)	(550)	(16,286)	FRS 1(107)
Total comprehensive income for the year	–	–	751	17,096	17,847	1,037	18,884	
End of financial year	32,024	(900)	6,419	58,852	96,395	1,761	98,156	

Additional Illustrative Disclosures

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

Example 2 : Early adoption of FRS 1(R) *Presentation of Financial Statements*

(D) Notes – Disclosure of tax effects relating to each component of other comprehensive income

FRS 1(90)

		2008	
		$'000	
	Before tax	**Tax (expense)**	**Net of tax**
Financial assets, available-for-sale	537	(92)	445
Cash flow hedges	77	(14)	63
Currency translation differences	2,334	-	2,334
Disposal of a subsidiary	(1,500)	-	(1,500)
Revaluation gains on land and buildings	253	(46)	207
Tax on employee share option scheme	114	-	114
	1,815	(152)	1,663

		2007	
		$'000	
	Before tax	Tax (expense)	Net of tax
Financial assets, available-for-sale	88	(16)	72
Cash flow hedges	20	(4)	16
Currency translation differences	(170)	-	(170)
Revaluation gains on land and buildings	1,133	(239)	894
Change in tax rate	52	-	52
	1,123	(259)	864

Example 3 : Revenue Recognition – multi-element arrangements

Extracts of significant accounting policies:

Revenue recognition

Multiple-element arrangements

FRS 18(13)

The Group offers certain arrangements where a customer can purchase certain electronic equipment, together with a two-year maintenance contract. When such multiple element arrangements exist, the amount recognised as revenue upon the sale of the equipment is the fair value of the equipment in relation to the fair value of the arrangement taken as a whole and is recognised when the equipment is delivered and the customer has accepted the delivery. The revenue relating to the service element, which represents the fair value of the maintenance arrangement in relation to the fair value of the arrangement taken as a whole, is recognised over the maintenance period evenly. The fair value of each element is determined based on the current market price when the elements are sold separately.

Where the group is unable to determine the fair value of each of the elements in an arrangement, it uses the residual value method. Under this method, the group determines the fair value of the delivered element by deducting the fair value of the undelivered element from the total contract consideration. To the extent that there is a discount on the arrangement, such discount is allocated between the elements of the contract in such a manner as to reflect the fair value of the elements.

Reference

Example 4 : Provision for dismantlement, removal and restoration

Extracts of significant accounting policies:

Property, plant and equipment

Measurement

Components of costs FRS 16(16)(c)

"……….The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories".

Provisions

Provisions for asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is more likely than not that an outflow of resources will be required to settle the obligation, and when the amounts have been reliably estimated. FRS 37(14)

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value. FRS 37(36)

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in the income statement immediately. INT FRS 101(5)

Additional Illustrative Disclosures

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

Example 4 : Provision for dismantlement, removal and restoration

Extracts of notes to the financial statements:

Dismantlement, removal or restoration of property, plant and equipment

The Group uses various chemicals in the manufacture of component parts. A provision is recognised for the present value of costs to be incurred for the restoration of the manufacturing sites. It is expected that $[ ] will be used during 2009 and $[ ] during 2010. Total expected costs to be incurred are $[ ] (2007: $[ ]). FRS 37(85)(a)

Movement in this provision is as follows:

	Group		Company		
	2008	2007	**2008**	2007	
	$'000	$'000	**$'000**	$'000	
Beginning of financial year	**[ ]**	[ ]	**[ ]**	[ ]	FRS 37(84)(a)
Provision made	**[ ]**	[ ]	**[ ]**	[ ]	FRS 37(84)(b)
Provision utilised	**[ ]**	[ ]	**[ ]**	[ ]	FRS 37(84)(c)
Amortisation of discount	**[ ]**	[ ]	**[ ]**	[ ]	FRS 37(84)(e)
End of financial year	**[ ]**	[ ]	**[ ]**	[ ]	FRS 37(84)(a)

Additional Illustrative Disclosures

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

Example 5 : Post-employment benefits – Pension and medical benefits

Extracts of significant accounting policies:

Employee compensation

(a) *Pension benefits*

The Group operates both defined benefit and defined contribution post-employment benefit plans.

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due. FRS 19(7) FRS 19(44)

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation. FRS 19(7)

The liability recognised in the balance sheet in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have tenures approximating to that of the related post-employment benefit obligations. FRS 19(54) FRS 19(64) FRS 19(78)

Actuarial gains and losses[1] are recognised directly in retained earnings and presented in the Statement of Recognised Income and Expense in the period when they arise. FRS 19(93-93D) FRS 19(120A)(a)

Past-service costs are recognised immediately in the income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period. FRS 19(96)

Reference

Example 5 : Post-employment benefits – Pension and medical benefits (continued)

Extracts of significant accounting policies: (continued)

(b) *Post-employment medical benefits*

Some group companies provide post-employment healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology applied to defined benefit plans. Actuarial gains and losses[1] are recognised directly in retained earnings and presented in the Statement of Recognised Income and Expense in the period when they arise. These obligations are valued annually by independent qualified actuaries.

FRS 19(120A)(b)
FRS 19(120A)(a)

Guidance Notes

Post-employment benefits

1. There are three approaches to account for actuarial gains and losses, namely:
   (a) Corridor approach – in which actuarial gains and losses outside the corridor threshold are recognised in the income statement over the expected average remaining working lives of the participants of the plan; (FRS 19(92-93))
   (b) Statement of Recognised Income and Expense (“SoRIE”) approach - recognising all actuarial gains and losses directly to reserves (as illustrated above). If this option is elected, the preparer must present SoRIE, rather than a Statement of Changes in Equity, as a primary statement; and (FRS 19(93A))
   (c) Any systematic method that results in a faster recognition of actuarial gains and losses than the corridor approach. Such permitted methods include immediate recognition of all actuarial gains and losses to the income statement. Although this method introduces significant volatility to the income statement, it is easy to implement. (FRS 19(93))

2. When an entity has more than one defined benefit plan, disclosures may be made in total, separately for each plan, or in such groupings as are considered to be more useful. It may be useful to distinguish groupings by criteria such as follows: (FRS 19(122))
   (a) The geographical location of the plans, for example, by distinguishing domestic plans from foreign plans; or
   (b) Whether plans are subject to materially different risks, for example, by distinguishing flat salary pension plans from final salary pension plans and from post-employment medical plans.

   When an entity provides disclosures in total for a grouping of plans, such disclosures are provided in the form of weighted averages or of relatively narrow ranges.

Additional Illustrative Disclosures

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

Example 5 : Post-employment benefits – Pension and medical benefits (continued)

Extracts of notes to the financial statements:

	Group 2008 $'000	Group 2007 $'000
Balance sheet obligations for:		
Pension benefits	**3,225**	1,532
Post-employment medical benefits	**1,410**	701
	4,635	2,233
Income statement charge for:		
Pension benefits	**755**	488
Post-employment medical benefits	**149**	107
	904	595

(a) *Pension benefits*

	Group 2008 $'000	Group 2007 $'000	Reference
The amount recognised in the balance sheet is determined as follows:			FRS 19(120A)(d,f)
Present value of funded obligations	**6,155**	2,943	
Fair value of plan assets	**(5,991)**	(2,797)	
	164	146	
Present value of unfunded obligations	**3,206**	1,549	
Unrecognised past service cost	**(145)**	(163)	
Liability recognised in the balance sheet	**3,225**	1,532	

	Group 2008 $'000	Group 2007 $'000	Reference
The amounts recognised in the income statement are as follows:			FRS 19(120A)(g)
Current service cost	**751**	498	
Interest cost	**431**	214	
Expected return on plan assets	**(510)**	(240)	
Past service cost	**18**	16	
Curtailment	**65**	–	
	755	488	
Included in:			
Cost of goods sold	**516**	319	FRS 19(120A)(g)
Administrative expenses	**239**	169	
	755	488	
Actual return on plan assets	**495**	235	FRS 19(120A)(m)

Additional Illustrative Disclosures

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

Example 5 : Post-employment benefits – Pension and medical benefits (continued)

Extracts of notes to the the financial statements: (continued)

Movement in the defined benefit obligation is as follows:

FRS 19(120A)(c)

	Group	
	2008	2007
	$'000	$'000
Beginning of financial year	**4,492**	3,479
Current service cost	**751**	498
Interest cost	**431**	214
Contributions by plan participants	**55**	30
Actuarial (gains)/losses	**(15)**	495
Currency translation differences	**(43)**	(103)
Benefits paid	**(66)**	(121)
Subsidiaries acquired	**3,691**	–
Curtailments	**65**	–
End of financial year	**9,361**	4,492

Movement in the fair value of plan assets is as follows:

FRS 19(120A)(e)

	Group	
	2008	2007
	$'000	$'000
Beginning of financial year	**2,797**	2,264
Expected return on plan assets	**510**	240
Actuarial losses	**(15)**	(5)
Currency translation differences	**25**	(22)
Contributions by the employer	**908**	411
Contributions by plan participants	**55**	30
Benefits paid	**(66)**	(121)
Subsidiaries acquired	**1,777**	–
End of financial year	**5,991**	2,797

The principal actuarial assumptions used were as follows:

FRS 19(120A)(n)

	Group	
	2008	2007
Discount rate	**7.0%**	6.8%
Expected return on plan assets	**8.5%**	8.3%
Future salary increases	**5.0%**	4.5%
Future pension increases	**3.0%**	2.5%

Additional Illustrative Disclosures

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

Example 5 : Post-employment benefits – Pension and medical benefits (continued)

Extracts of notes to the financial statements: (continued)

Assumptions regarding future mortality experience are set based on advice in accordance with published statistics and experience in each territory.

The average remaining life expectancy in years of a pensioner retiring at age 65 is as follows:

	2008	2007
Male	**18.5**	18.5
Female	**22.0**	22.0

(b) *Post-employment medical benefits*

The Group operates a number of post-employment medical benefit schemes, principally in the Philippines. The method of accounting, assumptions and the frequency of valuations are similar to those used for defined benefit pension schemes. FRS 19(120A)(a,b)

In addition to the assumptions set out above, the main actuarial assumption is a long-term increase in health costs of 8.0% a year (2007: 7.6%). FRS 19(120A)(n)

The amount recognised in the balance sheet is determined as follows: FRS 19(120A)(d,f)

	Group	
	2008	2007
	$'000	$'000
Present value of funded obligations	**705**	340
Fair value of plan assets	**(620)**	(302)
	85	38
Present value of unfunded obligations	**1,325**	663
Liability recognised in the balance sheet	**1,410**	701

Additional Illustrative Disclosures

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

Example 5 : Post-employment benefits – Pension and medical benefits (continued)

Extracts of notes to the financial statements: (continued)

The amounts recognised in the income statement are as follows: FRS 19(120A)(g)

	Group	
	2008	2007
	$'000	$'000
Current service cost	**153**	107
Interest cost	**49**	25
Expected return on plan assets	**(53)**	(25)
	149	107
Included in:		
Cost of goods sold	**102**	71
Administrative expenses	**47**	36
	149	107
Actual return on plan assets	**51**	24

FRS 19(120A)(g)

FRS 19(120A)(m)

Movement in the defined benefit obligation for post-employment medical plan is as follows: FRS 19(120A)(c)

	Group	
	2008	2007
	$'000	$'000
Beginning of financial year	**1,003**	708
Current service cost	**153**	107
Interest cost	**49**	25
Actuarial (gains)/losses	**(2)**	204
Currency translation differences	**25**	(41)
Subsidiaries acquired	**802**	–
End of financial year	**2,030**	1,003

Reference

Example 5 : Post-employment benefits – Pension and medical benefits (continued)

Extracts of notes to the financial statements: (continued)

Movement in the fair value of plan assets for post-employment medical plan is as follows: FRS 19(120A)(e)

	Group	
	2008	2007
	$'000	$'000
Beginning of financial year	**302**	207
Expected return on plan assets	**53**	25
Actuarial losses	**(2)**	(1)
Currency translation differences	**5**	(2)
Contributions by the employer	**185**	73
Subsidiaries acquired	**77**	–
End of financial year	**620**	302

The effect of a 1% change in the assumed medical cost trend rate is as follows: FRS 19(120A)(o)

	Group	
	Increase	**Decrease**
	$'000	**$'000**
Effect on the aggregate of the current service cost and interest cost	24	(20)
Effect on the defined benefit obligation	366	(313)

The amounts recognised in SoRIE for pension and post-employment medical benefits are as follows:

	2008	2007	
	$'000	$'000	
Actuarial losses recognised during financial year	**–**	705	FRS 19(120A)(h)
Cumulative actuarial losses recognised	**705**	705	FRS 19(120A)(i)

Additional Illustrative Disclosures

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

Example 5 : Post-employment benefits – Pension and medical benefits (continued)

Extracts of notes to the financial statements: (continued)

Plan assets of pension and post-employment medical benefits comprise the following: FRS 19(120A)(j)

	Group			
	2008		2007	
	$'000	**%**	$'000	%
Equity securities	**3,256**	**49**	1,595	51
Debt securities	**2,571**	**39**	855	28
Other	**784**	**12**	649	21
	6,611	**100**	3,099	100

Plan assets include the Company's ordinary shares with a fair value of $136,000 (2007: $126,000) and a building occupied by the Group with a fair value of $612,000 (2007: $609,000). FRS 19(120A)(k)

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets. FRS 19(120A)(l)

Expected contributions to pension post employment medical benefit plans for the financial year ending 31 December 2009 are $1,150,000. FRS 19(120)(q)

FRS 19(120A)(p)

	Group			
	2008	2007	2006	2005
	$'000	$'000	$'000	$'000
Beginning of financial year				
Present value of defined benefit obligation	**11,391**	5,495	4,187	3,937
Fair value of plan assets	**(6,611)**	(3,099)	(2,471)	(2,222)
Deficit	**4,780**	2,396	1,716	1,715
Experience adjustments on plan liabilities	**(326)**	125	55	–
Experience adjustments on plan assets	**(17)**	(6)	(197)	–

Reference

Example 6 : Defaults and breaches of loans payable

Extracts of notes to the financial statements:

Borrowings

Default of loan payments FRS 107(18)

The Company was overdue in interest payments of $[ ] on bank borrowings with a carrying amount of $[ ]. The Company experienced a temporary shortage of funding because cash outflows in the second and third quarters for business expansion in [countries] were higher than anticipated. As a result, interest payables of $[ ] due by [date] remained unpaid.

The Company has paid all outstanding amounts (including additional interest and penalties for late payment) during the fourth quarter.

Management expects that the Company will be able to meet all contractual obligations from borrowings on a timely basis going forward.

Breaches of loan covenants FRS 107(19)

Some of the Company's loan agreements are subject to covenant clauses, whereby the Company is required to meet certain key financial ratios. The Company did not fulfil the debt/equity ratio as required in the contract for a credit line of $[ ], of which the Company has currently drawn an amount of $[ ].

Due to this breach of the covenant clause, the bank is contractually entitled to request for immediate repayment of the outstanding loan amount of $[ ]. The outstanding balance was presented as a current liability as at 31 December 2008. Management commenced renegotiation of the terms of the loan agreement with the bank on [date].

The bank had not requested early repayment of the loan as of the date when these financial statements were approved by the Board of Directors. Management expects that a revised loan agreement will be in place in the second quarter of 2009.

Additional Illustrative Disclosures

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

Example 7 : Convertible foreign currency bonds

Extracts of significant accounting policies:

Convertible foreign currency bonds

On issuance of convertible foreign currency bonds, the proceeds are allocated between the embedded equity conversion option and the liability component. The embedded option is recognised at its fair value. The liability component is recognised as the difference between total proceeds and the fair value of the equity conversion option. FRS 32(28) FRS 32 AG31

The equity conversion option is subsequently carried at its fair value with fair value changes recognised in the income statement. The liability component is carried at amortised cost until the liability is extinguished on conversion or redemption.

When an equity conversion option is exercised, the carrying amounts of the liability component and the equity conversion option are derecognised with a corresponding recognition of share capital. FRS 32 AG32

Extracts of notes to the financial statements:

Other losses - net

	Group		Reference
	2008	2007	
	$'000	$'000	
Fair value gains on equity conversion option in convertible bonds	**4,083**	–	FRS 107(20)(a)(v)

Finance expenses

	Group		Reference
	2008	2007	
	$'000	$'000	
Interest expense:			
– Convertible bonds	**16,966**	–	FRS 107(20)(b)

Additional Illustrative Disclosures

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

Example 7 : Convertible foreign currency bonds (continued)

Extracts of notes to the financial statements: (continued)

Convertible foreign currency bonds FRS 107(17,34)

On 1 October 2008, the Group issued zero coupon convertible bonds at a nominal value of US$500 million (equivalent to $720 million) due on 4 October 2012. The bonds will be redeemed on 4 October 2012 at their nominal value or they can be converted into shares of the Company (the “conversion option”) at the holder’s option at a conversion price of $2.20 per share at any time on or after 14 November 2007 up to the close of business on 24 September 2012 if not called for redemption. On full conversion, up to 320,000,000 conversion shares (“Conversion Ratio”) are expected to be issued and allotted to the holders of the bonds.

The convertible bonds recognised in the balance sheet are analysed as follows:

	$’000
Face value of convertible bonds issued on 1 October 2008, net of transaction costs	700,000
Embedded equity conversion option	(4,083)
Liability component as at initial recognition, 1 October 2008	695,917
Interest expense	16,966
Currency translation differences	(5,898)
Liability component at end of financial year	706,985

The fair value of the liability component of the convertible bonds at 31 December 2008 is $706,985,000. The fair value is calculated using cash flows discounted at a borrowing rate of 6.48%. FRS 107(25,27)

Additional Illustrative Disclosures

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

Example 8 : Property under development for sale

Extracts of significant accounting policies:

Development properties RAP 11

Development properties refer to properties under development for sale.

Unsold development properties

Development properties that are unsold are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less cost to complete the development and selling expenses. FRS 2(9) FRS 2(6)

Sold development properties RAP 11(9)

Revenue and cost on development properties that have been sold are recognised using the percentage of completion method. The stage of completion is measured by reference to the physical surveys of construction work completed. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately. FRS 11(29) FRS 11(36)

The aggregated costs incurred and the profit/loss recognised in each development property that has been sold are compared against progress billings up to the financial year-end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as due from customers on development projects, under "trade and other receivables". Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as due to customers on development projects, under "trade and other payables". FRS 11(43) FRS 11(44)

Reference

Example 8 : Property under development for sale (continued)

Extracts of notes to the financial statements:

Development properties

	Group		Reference
	2008	2007	
	$'000	$'000	
Unsold development properties:			
Beginning of financial year	**1,300**	800	DV
Contract costs incurred during financial year	**510**	800	DV
Transfer to sold development properties	**(666)**	(300)	DV
End of financial year	**1,144**	1,300	FRS 2(36)(b)
Sold development properties:			
Aggregate costs incurred and profits recognised (less losses recognised) on sold development properties in progress	**4,466**	2,222	FRS 11(40)(a)
Less: Progress billings	**(3,400)**	(1,212)	
	1,066	1,010	
Presented as:			
– Due from customers (Note [ ])	**1,333**	1,820	FRS 11(42)(a)
– Due to customers (Note [ ])	**(267)**	(810)	FRS 11(42)(b)
	1,066	1,010	

The Group uses the percentage of completion method to account for its construction contracts. If the completed contract method has been used, these items will be affected as follows: RAP 11(10)

	Increase/(Decrease)	
	2008	2007
	$'000	$'000
Balance sheets as at 31 December		
Retained earnings	**(200)**	(300)
Due from customers	**100**	60
Due to customers	**(20)**	(30)
Income statements		
Revenue	**2,000**	1,200
Profit after tax	**100**	40

Guidance Notes

Properties under development for sale

1. The movement in "Due from/to customers" should be included under operating activities for cash flow presentation purposes. FRS 7(14)

Reference

Additional Illustrative Disclosures

Appendix 2 – Critical accounting estimates, assumptions and judgements not relevant or material to PwC Holdings Limited Group.

Critical accounting estimates, assumptions and judgements

FRS 1(113,116)

The following critical accounting estimates, assumptions and judgements may be applicable, among many other possible areas not presented in PwC Holdings Ltd Group's financial statements.

(a) Useful lives of electrical component division's plant and equipment

The costs of plant and equipment for the manufacture of electronic component parts are depreciated on a straight-line basis over the machineries' useful lives. Management estimates the useful lives to be between 5 and 7 years, based on the estimated useful lives for similar machineries in the same industry and the projected life-cycles for its products. These estimates can change significantly as a result of expected usage or abandonment, technological innovations and competitors' actions, leading to potential changes in future depreciation charges, impairment losses and/or write-offs.

If the actual useful lives of the technology division plant and equipment differ by 10% from management's estimates, the carrying amount of the plant and equipment will be an estimated $1,000,000 higher or $970,000 lower.

(b) Post-employment pension obligations

The present value of the post-employment pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have a tenure approximating the tenure of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions.

If the discount rate used differs by 1% from management's estimates, the carrying amount of pension obligations will be an estimated $425,000 lower or $450,000 higher.

Additional Illustrative Disclosures

Appendix 2 – Critical accounting estimates, assumptions and judgements not relevant or material to PwC Holdings Limited Group.

Critical accounting estimates, assumptions and judgements (continued)

(c) Warranty claims

The Group gives two-year warranties for its personal computer products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that suggest that past cost information may differ from future claims.

Factors that could impact the estimated claim information include the success of the Group's productivity and quality initiatives, as well as parts and labour costs.

If claims costs differ by 10% from management's estimates, the warranty provisions will be an estimated $2,000,000 higher or $1,875,000 lower.

(d) Property, plant and equipment

The Group's business is capital intensive and the annual depreciation of property, plant and equipment forms a significant component of total costs charged to the income statement. The Group reviews the residual values and useful lives of property, plant and equipment at each balance sheet date in accordance with the accounting policy in Note 2.4. The estimation of the residual values and useful lives involves significant judgement. The net book value of property, plant and equipment at 31 December 2008 is $153.8 million and the annual depreciation charge for the financial year ended 31 December 2008 is $17.7 million.

If the actual useful lives of the property, plant and equipment are longer or shorter than the management's estimate by one year on average, the Group's annual depreciation charge will be reduced by $4.0 million and increased by $6.0 million respectively.

(e) Fair value estimation on unlisted securities

The Group holds corporate variable rate notes that are not traded in an active market amounting to $347,000. The Group has used discounted cash flow analyses for valuing these financial assets and made estimates about expected future cash flows and discount rates.

If the discount rate used in the discounted cash flow analysis is increased or decreased by 1% from management's estimates, the Group's carrying amount of financial assets, available-for-sale will be reduced by $80,000 or increased by $85,000 respectively.