



ANNUAL
REPORT
2004

Malaysia Pacific Land Berhad

(12200-M)

Contents

2	NOTICE OF ANNUAL GENERAL MEETING
3	STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING
4	CORPORATE INFORMATION
5	BOARD OF DIRECTORS & PROFILE
7	BOARD OF DIRECTORS' STATEMENT
9	BOARD AUDIT & RISK MANAGEMENT COMMITTEE REPORT
11	CORPORATE GOVERNANCE
14	STATEMENT ON INTERNAL CONTROL
15 - 47	FINANCIAL STATEMENTS
48	OTHER INFORMATION
	FORM OF PROXY

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-second Annual General Meeting of **MALAYSIA PACIFIC LAND BERHAD** (the "Company") will be held at the Theatre, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Wednesday, 29 December 2004 at 10.30 a.m. in order:

1. To receive and consider the audited financial statements together with the reports of the Directors and Auditors thereon for the year ended 30 June 2004.
2. To approve the payment of Directors' fees of RM225,000 to be divided amongst the Directors in such manner as the Directors may determine.
3. To re-elect YBhg Dato' Yusof bin Jusoh, the retiring Director.
4. To re-appoint Messrs Ling Kam Hoong & Co as Auditors of the Company and authorise the Directors to fix their remuneration.
5. As a special business, to consider and, if thought fit, pass the following ordinary motion:

Authority to Directors to Issue Shares

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

6. To consider any other business of which due notice shall have been given.

By Order of the Board

LIM YEOW YOKE
Company Secretary

Kuala Lumpur
7 December 2004

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member who is an authorised nominee may appoint not more than two proxies in respect of each securities account it holds.
2. The Form of Proxy must be deposited at the Registered Office of the Company at Level 10, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur not less than 48 hours before the time and date of the meeting or adjourned meeting.
3. **Ordinary Motion on Authority to Directors to Issue Shares**

The Ordinary Motion, if passed, will give authority to the Directors of the Company to issue ordinary shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)

1. DIRECTOR WHO IS STANDING FOR RE-ELECTION AT THE 32ND ANNUAL GENERAL MEETING OF THE COMPANY

Pursuant to Article 85 of the Company's Articles of Association

YBhg Dato' Yusof bin Jusoh

2. DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

There were ten (10) Board meetings held during the financial year ended 30 June 2004. Details of attendance of the Directors are set out in the Corporate Governance Statement appearing on page 11 of the Annual Report.

3. DATE, PLACE AND TIME OF 32ND ANNUAL GENERAL MEETING

The 32nd Annual General Meeting of the Company will be held at the Theatre, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Wednesday, 29 December 2004 at 10.30 a.m.

4. FURTHER DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS

No individual is seeking election as a Director at the 32nd Annual General Meeting of the Company.



BOARD OF DIRECTORS

YAM Tengku Syarif Temenggung Perlis
Syed Amir Abidin Jamalullail

YBhg Dato' Syed Md Amin bin Syed Jan Aljeffri

Encik Chut Nyak Isham bin Nyak Ariff

YBhg Dato' Yusof bin Jusoh

YBhg Dato' Teng Poh Foh

COMPANY SECRETARY

Ms Lim Yew Yoke

REGISTERED OFFICE

Level 10, Wisma Hong Leong
18 Jalan Perak
50450 Kuala Lumpur
Tel: 03-2164 1818
Fax: 03-2164 2476

REGISTRAR

Hong Leong Share Registration Services Sdn Bhd
(formerly known as Hong Leong Nominees Sendirian Berhad)
Level 5, Wisma Hong Leong
18 Jalan Perak
50450 Kuala Lumpur
Tel: 03-2164 1818
Fax: 03-2164 3703

AUDITORS

Messrs Ling Kam Hoong & Co
Chartered Accountants
No. 6-1, Jalan 3/64A
Udarama Complex
Off Jalan Ipoh
50350 Kuala Lumpur
Tel: 03-4042 3288
Fax: 03-4042 0149



**YAM Tengku Syarif
Temenggung Perlis Syed
Amir Abidin Jamalullail**
Independent Non-Executive Director

Aged 54, YAM Tengku Syarif Temenggung Perlis Syed Amir Abidin Jamalullail, a Malaysian, obtained a Diploma in Automobile Engineering from Exeter College, United Kingdom. He has 10 years of working experience with Mercedes-Benz in spares, production and sales division in Cycle & Carriage Bhd. After leaving the automobile business, he was involved in the military purchases. He was also in the education business and was one of the pioneers in the twinning degree concept.

YAM Tengku Syed Amir was appointed to the Board of Malaysia Pacific Land Berhad ("MPL") on 24 February 2003. He is also the Chairman of the Board Audit & Risk Management Committee and a Member of the Nominating & Remuneration Committee of MPL.

He is currently the President of the Royal Selangor Polo Club, Vice-President of the Royal Malaysian Polo Association and also a Board Member of the Equine Council Malaysia. He was the past President of the Riding Club for the Disabled and Equestrian Association Malaysia.

YAM Tengku Syed Amir has no family relationship with any other directors or major shareholders of MPL, has no conflict of interests with MPL and has no convictions for offences within the past 10 years.

**YBhg Dato' Syed Md Amin
bin Syed Jan Aljeffri**
Non-Independent Non-Executive Director

Aged 57, YBhg Dato' Syed Md Amin bin Syed Jan Aljeffri, a Malaysian, obtained his Economics degree from the University of Malaya in 1971. He is a Chartered Accountant from the Malaysian Institute of Accountants and the Canadian Institute of Chartered Accountants, a Certified Public Accountant (CPA) with the Malaysian Institute of Certified Public Accountants and Institute of Certified Public Accountants of Singapore, a Certified Financial Planner with the Financial Planning Association of Malaysia and a Fellow of the Malaysian Institute of Taxation.

Dato' Syed Amin's previous work experience since 1971 to 1981 covered Esso in Malaysia and America and with Touche Ross Canada. Subsequently, he started his public accounting and consulting practices, AljeffriDean, Chartered Accountant (M) in Malaysia.

Dato' Syed Amin was appointed to the Board of MPL on 21 January 2003. He is also a Member of the Board Audit & Risk Management Committee of MPL.

Dato' Syed Amin is the current President of the Malay Chamber of Commerce Kuala Lumpur. He sits on the ASEAN Business Advisory Council and the East Asia Business Council as a member representing Malaysia. He is also a Council Member of the Malaysia-Chinese Business Council. He was formerly the Secretary General of the ASEAN Chamber of Commerce & Industry, the Vice President of National Chamber of Commerce & Industry Malaysia, the Deputy President of Malay Chamber of Commerce Malaysia, Council Member of the Malaysian-British Business Council and a Panel Member of the Entrepreneur Rehabilitation Fund.

He sits on the Board of several publicly listed and non-publicly listed companies including Bina Darulaman Berhad, Rumpun Hijau Capital Berhad, DRB-Hicom Berhad, Tien Wah Press Berhad, Seloga Holdings Berhad, Kulim Technology Park Corporation Berhad, Mines City Hotel Berhad and Pembangunan Sumber Manusia Berhad. Dato' Syed Amin is also member of the Board of the Islamic University College of Malaysia, owned by the Malaysian Government.

Dato' Syed Amin has no family relationship with any other directors or major shareholders of MPL, has no conflict of interests with MPL and has no convictions for offences within the past 10 years.

**Encik Chut Nyak Isham
bin Nyak Ariff**
Non-Independent Non-Executive Director

Aged 60, Encik Chut Nyak Isham bin Nyak Ariff, a Malaysian, studied Building Construction at the Technical Institute, Kuala Lumpur from 1961 to 1963. He was the Chairman/Managing Director of Pembinaan Fiba Sdn Bhd, a building contractor from 1973 to 1985. Between 1985 and 1990, he was the Managing Director of Bedford Development Sdn Bhd, a property development company. He was the Executive Director of Hong Leong Properties Berhad (now known as GuocoLand (Malaysia) Berhad) between 1990 and 1992 and was the Group Managing Director of Hong Leong Properties Berhad from 1992 until his resignation on 12 October 1995. Prior to his appointment as the former Group Managing Director of MPL, he undertook a management buy-out (MBO) of MPL. He has over 36 years of experience in the property and construction industry.

Encik Chut Nyak Isham was appointed to the Board of MPL on 3 July 1990.

Encik Chut Nyak Isham has no family relationship with any other directors or major shareholders of MPL, has no conflict of interests with MPL and has no convictions for offences within the past 10 years.

YBhg Dato' Yusof bin Jusoh

Non-Independent Non-Executive Director

Aged 54, YBhg Dato' Yusof bin Jusoh, a Malaysian, graduated from University of Malaya with Bachelor of Arts (First Class Honours) degree in 1978. In 1979, Dato' Yusof received the Prime Minister's Award for Best Student in Diploma in Management from INTAN, Malaysia before joining the Government Service of Malaysia. He obtained his Masters in Public Administration (MPA) degree in 1989 from Harvard University, USA. In 1992, he attended the Strategic Leadership Programme at Oxford University, England. Prior to his appointment in MPL, he served in various Government Departments for 15 years. He was a Deputy Director General of the Public Service Department in 1979 before being chosen by the Government to represent the United Nations Education and Scientific and Cultural Organisation as Malaysia's Deputy Ambassador to UNESCO in 1981. He was also the Principal Director, International Division, Ministry of Trade and Industry in 1987 before being seconded to the Ministry of Education. He joined the Ministry of Finance in 1991 and opted for optional retirement in 1994 to join the private sector. He has been the Executive Chairman of Proven Resources Sdn Bhd, an investment holding company, since 1994.

Dato' Yusof was appointed to the Board of MPL on 8 April 1996.

Dato' Yusof has no family relationship with any other directors or major shareholders of MPL, has no conflict of interests with MPL and has no convictions for offences within the past 10 years.

YBhg Dato' Teng Poh Foh

Independent Non-Executive Director

Aged 52, YBhg Dato' Teng Poh Foh, a Malaysian, obtained a post graduate degree in Management Studies from the Advanced Management Studies Centre, University of East London, UK. He attended the Owner, President Management Program (OPM) at the Harvard Graduate Business School, Boston, USA (1992 to 1994) and the 3-month intensive course for General Management for Chief Executives/General Managers at the Royal Industrial Society, London, UK. He is a Member of the British Institute of Management and the Executive Council of American Institute of Management and also a Fellow of the Institute of Sales & Marketing (UK) and the Institute of Works Manager (UK).

Dato' Teng was appointed to the Board of MPL on 21 January 2003. He is also a Member of the Board Audit & Risk Management Committee and the Nominating & Remuneration Committee of MPL.

Dato' Teng was the Group Chief Executive and also the Equity Partner of Transmarco Group which pioneer the first luxury retail and sole distribution of branded products such as Les Must De Cartier Paris, Charles Jourdans, Givenchy Gentlemen, Piagets and Baume Merciers (1981 to 1985). He was the past Chairman of World Community Services, Rotary Club of Ampang (1985 to 1986); the past Chairman of Programme, Rotary Club of Ampang (1986 to 1987); the past Vice-Chairman, Rotary Club of Bukit Bintang (1992 to 1993); the past Vice-President of Malaysian French Business Organisation (1996 to 1997); the External Consultant to the Anglican Regional Management Centre, Chemsford, UK (1979 to 1990); the Honorary Adviser to Yow Chuan Plaza, Tenant's Association (1984 to 1992). On 3 September 1994, Dato' Teng was knighted by the King of Malaysia for outstanding performance in national services. He is currently the Chairman of the Tang/Teng's Clansmen Association (since 1981 to present).

Dato' Teng acted as the Special Project Adviser and Equity Partner of Melewar Corporation Berhad between 1988 to 1992 and as the Special Adviser who formed and led the Committee of Inspection for the unsecured creditors of the defunct Emporium & Supermarket Group in 1985. In 1992, Dato' Teng was appointed by the Central Bank of Malaysia as a Committee Member of Fund for Entrepreneur Rehabilitation Scheme – Housing Sector. He is the Executive Chairman of his holding company, J.V. (M) Sdn Bhd, which is involved in privatisation projects mainly in Utilities & Infrastructure projects as Project Developer and Promoter as well as the Equity Partner; as investment holding for property development projects; and as Corporate Adviser and Equity Partner to other public listed companies in Malaysia as well as offshore companies intending to invest in Malaysia.

Dato' Teng has no family relationship with any other directors or major shareholders of MPL, has no conflict of interests with MPL and has no convictions for offences within the past 10 years.

BOARD OF DIRECTORS' STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of the Malaysia Pacific Land Berhad Group for the financial year ended 30 June 2004.

Financial Results

Eventhough the property market are slow, the Group's performance was within expectations. During the financial year under review, the Group's turnover and loss before taxation amounted to RM25.9 million and RM11.4 million respectively.

GROUP OPERATIONS

Property Development

The overall property market has been affected by the weak sentiment. However, with aggressive promotion activities undertaken by the management, the Group has experienced increase in sale take up rate and received encouraging response especially for the affordable homes.

The revised layout plan with new concept of homes and lifestyles is anticipated to enhance our market positioning in Masai, Johor hence, improve the project's profitability and cash flow.

With tight competition in the surrounding area of Masai-Pasir Gudang, we would focus on supplying affordable homes with new concept and lifestyle to achieve good sale take up rate.

Property Investment

The management has truly devoted its resources to enhance Wisma MPL to improve the occupancy rate by promoting and appointing real estate agents to market the building. Many improvements and refurbishments such as new washrooms, lift lobbies, new renovated units for rental, CCTVs for security and enhanced 24-hour security have been implemented.

In return, these improvements and effective marketing strategies have brought a significant increase in the building's occupancy rate and image. It has also generated and contributed more revenue to the Company from the rental income.

Based on the successful and rewarding revenue increase from the occupancy rate, the management will further enhance the building and strengthen its efforts to further improve the building for continuous success in the future.

Prospects

Nusa Damai development project and rental income from Wisma MPL will continue to be the main contributors to the Group's results. We will continue with the development of affordable and quality houses in Nusa Damai. We are also searching for new profitable business ventures that will enhance the Group's profitability and cash flow situation.

Corporate Governance

In view of ensuring that the highest standards of corporate governance are being practiced throughout the Group, the Board fully supports the recommendations of the Code of Best Practices in Corporate Governance and steps are currently being carried out to evaluate the status of the Group's corporate governance procedures and the implementation of the Code of Best Practices where applicable.

Dividend

The Board of Directors does not recommend the payment of any dividend in respect of the financial year ended 30 June 2004.

Acknowledgement

On behalf of the Board, I wish to express my sincere appreciation and thanks to YABhg Tun Dato' Seri Abdul Hamid Omar, the former Chairman of the Board of the Company who had resigned on 6 August 2004, for his valuable contributions to the Group during his tenure of service.

BOARD OF DIRECTORS' STATEMENT (Cont'd)

Appreciation

On behalf of the Board of Directors, I would like to take this opportunity to express my sincere appreciation to our shareholders, valued customers, tenants, local government authorities, contractors, consultants, bankers and business associates who have rendered their full support to the Group. To my fellow Directors, I wish to thank them for their support throughout the year. To the management and staff, I express my sincere appreciation for their hard work, commitment, loyalty and dedication to the Group.

Tengku Syarif Temenggung Perlis Syed Amir Abidin Jamalullail
Director

Kuala Lumpur
22 September 2004

BOARD AUDIT & RISK MANAGEMENT COMMITTEE REPORT

CONSTITUTION

The Board Audit & Risk Management Committee (the "Committee") of Malaysia Pacific Land Berhad ("MPL" or the "Company") has been established since 5 April 1996.

COMPOSITION

YABhg Tun Dato' Seri Abdul Hamid Omar (Resigned w.e.f 6.8.2004)
(Chairman, Independent non-executive Director)

YAM Tengku Syarif Temenggung Perlis Syed Amir Abidin Jamalullail (Appointed as Chairman w.e.f 11.10.2004)
(Chairman, Independent non-executive Director)

YBhg Dato' Syed Md Amin bin Syed Jan Aljeffri
(Non-independent non-executive Director)

YBhg Dato' Teng Poh Foh (Appointed w.e.f 11.10.2004)
(Independent non-executive Director)

SECRETARY

The Company Secretary of the Company shall be the Secretary of the Committee.

TERMS OF REFERENCE

- To nominate and recommend for the approval of the Board of Directors ("Board"), a person or persons as external auditor(s).
- To review the external audit fees.
- To review, with the external auditors, the audit scope and plan.
- To review, with the external auditors, the audit report and audit findings and the management's response thereto.
- To review the assistance given by the Group's officers to the external auditors.
- To review the quarterly reports and annual financial statements of the Company and of the Group prior to the approval by the Board.
- To review the adequacy of the internal audit scope and plan, functions and resources of the internal audit functions.
- To review the report and findings of the internal audit department including any findings of internal investigations and the management's response thereto.
- To review the adequacy and integrity of internal control systems, including risk management and management information system.
- To review and monitor the business and financial risks facing the Group and to ensure that all high impact risks are adequately managed at various levels within the Group.
- To review any related party transactions that may arise within the Company or the Group.
- Other functions as may be agreed to by the Committee and the Board.

AUTHORITY

The Committee is authorised by the Board to review any activity of the Company and of the Group within its Terms of Reference. It is authorised to seek any information it requires from any Director or member of management and all employees are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain independent legal or other professional advice if it considers necessary.

BOARD AUDIT & RISK MANAGEMENT COMMITTEE REPORT (Cont'd)

MEETINGS

The Committee meets at least four (4) times a year and additional meetings may be called at any time as and when necessary. During the financial year ended 30 June 2004, four (4) Committee's meetings were held and all the meetings were attended by all the Committee members. All meetings to review the quarterly reports and annual financial statements are held prior to such quarterly reports and annual financial statements being presented to the Board for approval.

The Chief Operating Officer, finance manager and external auditors are invited to attend Committee's meetings. At least once a year, the Committee will have a separate session with the external auditors without the presence of executive directors.

Two (2) members of the Committee who, shall be independent and non-executive, shall constitute a quorum.

After each Committee's meeting, the Committee shall report and update the Board on significant issues and concerns discussed during the Committee's meetings and where appropriate, make the necessary recommendations to the Board.

ACTIVITIES

The Committee carried out its duties in accordance with its Terms of Reference.

The Committee reviewed the quarterly reports of MPL Group. In view of the changes to the composition of the Committee, the Board met with external auditors and discussed the nature and scope of the audit, considered any significant changes in accounting and auditing issues, reviewed the management letter and management's response, reviewed pertinent issues which had significant impact on the results of the Group and discussed applicable accounting and auditing standards. The Board reviewed the Internal Auditor's audit findings and recommendations.

In addition, the Board reviewed the adequacy and integrity of internal control systems, including risk management and relevant management information system. It also reviewed and monitored the business and financial risks facing the Group as well as to ensure that all high impact risks are adequately managed at various levels within the Group.

The Board reviewed and approved related party transactions carried out by the Group.

During the year, the Executive Committee assists in managing the Group's risk. The Executive Committee has introduced and implemented additional risk management controls.

INTERNAL AUDIT

Following the resignation of the internal audit personnel during the financial year ended 30 June 2004, the internal audit department's duties covering business audit, system and financial audit are carried out by the independent Directors. The Company is currently looking for replacement of internal audit personnels.

Further details on internal controls can be referred to in the Statement on Internal Control in this Annual Report.

CORPORATE GOVERNANCE

The Board of Directors is committed in ensuring that corporate governance are observed and practised by Malaysia Pacific Land Berhad ("MPL") so that the affairs of the Group are conducted with integrity, full transparency and professionalism with the main objective of safeguarding the interest of shareholders.

The Board accepts the basic principles and requirements of the Malaysian Code on Corporate Governance (the "Code") and has taken appropriate actions to comply with the principles and requirements of the Code and the Best Practices set out in Part 2 of the Code.

A. DIRECTORS

I The Board

The Board of Directors ("Board") recognises the importance of practising high standards of corporate governance throughout the Group as a fundamental part of discharging its fiduciary responsibilities to protect and enhance shareholders' value and the financial performance of MPL. The Board has established terms of reference to assist in the discharge of its responsibilities.

II Board Balance

The Board comprises of five (5) non-executive Directors. Of the non-executive Directors, two (2) are independent. The profiles of the Directors of the Company are provided in this Annual Report.

The Board is of the view that the current Board composition fairly reflects the investment of the shareholders in the Company. No individual or group of individuals is allowed to dominate the Board's decision-making.

The Board had identified YAM Tengku Syarif Temenggung Perlis Syed Amir Abidin Jamalullail to whom concerns may be conveyed.

III Board Meetings

The Board held a total of ten (10) times during the financial year ended 30 June 2004 and the details of attendance are as follows:

Directors	Attendance
YABhg Tun Dato' Seri Abdul Hamid Omar (Chairman) (Resigned on 6.8.2004)	10/10
YAM Tengku Syarif Temenggung Perlis Syed Amir Abidin Jamalullail	10/10
YBhg Dato' Syed Md Amin bin Syed Jan Aljeffri	10/10
YBhg Dato' Yusof bin Jusoh	6/10
Encik Chut Nyak Isham bin Nyak Ariff	8/10
YBhg Dato' Teng Poh Foh	10/10

IV Conduct of Meetings

The Board ensures that any potential conflict of interest is avoided by requesting the Director(s) concerned to declare his/their interests and abstain from the decision-making process.

V Supply of and Access to Information and Advice

The past Chairman encourages full discussion and deliberation of issues affecting the Group by all Board members. The Board and the Board Committees are provided with information on a timely manner. Board reports are circulated prior to meetings of the Board and the Board Committees.

The Board has access to the advice and services of the Company Secretary as well as to independent professional advice, including the internal auditors.

VI Appointment to the Board

The Company has established a Nominating & Remuneration Committee with terms of reference as approved by the Board. The current members of the Nominating & Remuneration Committee are YAM Tengku Syarif Temenggung Perlis Syed Amir Abidin Jamalullail and YBhg Dato' Teng Poh Foh, both independent non-executive Directors.

The Company does not have a formal training programme for new Directors. However, the new Directors will be given briefing on the business of the Group and regulatory issues. Directors of the Company will also be updated from time to time of any new or changes to companies and securities legislations, rules and regulations.

VII Re-election of Directors

All Directors are required to submit themselves for re-election every three years.

B. DIRECTORS' REMUNERATION

The fees for Directors for the year ended 30 June 2004 are recommended by the Board for approval by shareholders of the Company at its Annual General Meeting.

The determination of remuneration packages of non-executive Directors, including past non-executive Chairman is a matter for the Board as a whole. The individuals concerned shall abstain from discussion of their own remuneration.

The aggregate remuneration of Directors for the financial year ended 30 June 2004 is as follows:

	Total Fees (RM)
Non-Executive Directors	225,000

The number of directors whose remuneration fall into the following bands is as follows:

Range Of Remuneration (RM)	Non-Executive
0 – 50,000	5
50,001 – 100,000	1

C. ACCOUNTABILITY AND AUDIT

I Financial Reporting

In presenting the annual financial statements and quarterly reports to shareholders, investors and regulatory authorities, the Directors aim to present a balanced and understandable assessment of the Group's position and prospects. The Board Audit & Risk Management Committee assists the Board in ensuring the accuracy and adequacy of information submitted to the Board by reviewing and deliberating such information before recommending such information to the Board for approval prior to disclosure to the public.

II Board Audit & Risk Management Committee

Currently, the Board Audit & Risk Management Committee comprises of three (3) members i.e. two independent non-executive Directors and one non-independent non-executive Director. Full particulars on the composition of the Board Audit & Risk Management Committee, its terms of reference and report of the Board Audit & Risk Management Committee are provided in this Annual Report.

III Internal Audit

The Company has an internal audit department as disclosed in the Board Audit & Risk Management Committee Report appearing in this Annual Report, which reports to the Board Audit & Risk Management Committee, the findings, its recommendation and the corrective actions taken by management in the discharge of its duties and responsibilities. The internal audit department has the role of providing independent and objective reports on the Group's management, records, accounting policies and internal controls to the Board. The internal audit functions include the evaluation of the processes by which significant risks are identified, assessed and managed. Such audits also ensure instituted controls are appropriate, effectively applied and within acceptable risks exposures.

IV Internal Control

The Directors accept their responsibility for the Group's system of internal controls that covers financial, operational and compliance controls, as well as risk management. The internal control system is designed and maintained within each subsidiary's business, to ensure that the risks faced by the business in pursuit of its objectives are identified and managed at known acceptable levels. The key management personnel are responsible to monitor and manage, and provide regular reports to both the Boards of the subsidiary and the holding company to permit reasonable assessment of the state of financial health of the business activities. The internal audit personnel position was vacant since July 2003 and the Company is currently looking for replacement. The internal audit department undertakes the internal audit functions within the Group. The Statement on Internal Control is set out in this Annual Report.

V Relationship with External Auditors

The re-appointment of external auditors for the financial year ending 30 June 2005 is recommended by the Board which determines the remuneration of the external auditors.

The external auditors are invited, as and when required, to the Board Audit & Risk Management Committee's meetings to discuss, inter-alia, the audit planning memorandum, management letter and final financial statements of the Group. The external auditors are given access to books and records of the Group at all times.

VI Risk Management

The Board of Directors is aware and recognises the various types of risks, which the Group faces from time to time. The Board Audit & Risk Management Committee is constantly monitoring such risk factors and measures are taken to eliminate, control or manage such risks. Efforts are being made to establish proper risk management guidelines to identify, evaluate and manage the risks.

D. SHAREHOLDERS

I Dialogue between the Company and Investors

The Board acknowledges the importance of regular communication with shareholders and investors via the annual reports, circulars to shareholders and quarterly financial reports and the various announcements made during the year, through which shareholders can have an overview of the Group's performance and operation.

II Annual General Meeting ("AGM")

The AGM provides an opportunity for the shareholders to seek and clarify any issues and to have a better understanding of the Group's performance. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions.

E. DIRECTORS' RESPONSIBILITY IN FINANCIAL REPORTING

The Listing Requirements of Bursa Malaysia Securities Berhad require the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of financial year and of the results and cash flows of the Group and of the Company for the financial year.

The Directors are satisfied that, in preparing the financial statements of the Group and of the Company for the financial year ended 30 June 2004, the Group has used the appropriate accounting policies and applied them consistently. The Directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

STATEMENT ON INTERNAL CONTROL

The Board of Directors of a public listed company is required to include in its annual report a “statement about the state of internal control of the listed issuer as a group”. The Board is committed to maintaining both a sound system of internal controls and a proper management of risks throughout the Group’s operations in order to protect its shareholders’ value, employees, the environment, assets, markets, earnings and reputation.

The Board of Directors of the Company acknowledges its responsibility in maintaining a good internal control system covering not only financial controls but also operational and compliance controls as well as risk assessments.

The Board has entrusted the Board Audit & Risk Management Committee with the responsibility to oversee the implementation of the risk management framework of the Group with the objectives to:

- identify principal risks and ensuring the implementation of appropriate systems to manage these risks; and
- review the adequacy and the integrity of the Company’s internal control system and management information system, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board, in concurrence with the Board Audit & Risk Management Committee, has appointed a Risk Manager to administer the risk management framework. The Risk Manager is responsible to:

- identify and evaluate the risks faced by the Company and its operating subsidiaries (the “Group”);
- reporting to the Board Audit & Risk Management Committee on the risk management of the Group; and
- continually review and improve the Group’s risk management processes and methodologies to ensure sensitivity and applicability to the market, business cycles and economic environment impacting the Group.

However, the position of the Risk Manager has been vacant since April 2003. The Board Audit & Risk Management Committee, assisted by the Executive Committee and Internal Auditor which position is presently vacant and pending replacement, provides oversight on the proper functioning of the risk management framework, as part of its function of monitoring compliance with the business objectives, policies, reporting standards and control procedures of the Group. The Board of Directors is actively looking for a suitable person to fill the position of the Risk Manager.

These on-going processes are reviewed regularly by the Board Audit & Risk Management Committee to ensure the effectiveness, adequacy and integrity of the internal control system in safeguarding the Group’s assets and therefore shareholders’ investment in the Group.

The controls built into the risk management framework are not expected to eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement of management and financial information or against financial losses and fraud.



FINANCIAL STATEMENTS

16	DIRECTORS' REPORT
20	BALANCE SHEETS
21	INCOME STATEMENTS
22	STATEMENTS OF CHANGES IN EQUITY
23	CASH FLOW STATEMENTS
25	NOTES TO THE FINANCIAL STATEMENTS
46	STATEMENT BY DIRECTORS
46	STATUTORY DECLARATION PURSUANT TO SUB-SECTION (16) OF SECTION 169 OF THE COMPANIES ACT, 1965
47	REPORT OF THE AUDITORS TO THE MEMBERS OF MALAYSIA PACIFIC LAND BERHAD

DIRECTORS' REPORT

The Directors have pleasure in presenting their annual report and the audited financial statements of the Group and of the Company for the year ended 30 June 2004.

PRINCIPAL ACTIVITIES

The Company is principally in the business of letting of investment properties and investment holding whilst the principal activities of the subsidiary companies are as stated in Note 5 to the financial statements. There has been no significant change in activities during the year except that the Group's activities now include provision of property management services, construction, project and property management, engineering and trading as a result of the acquisitions of subsidiary companies, Business Tempo Sdn Bhd, Euronium Construction Sdn Bhd and Lake Hill Resort Development Sdn Bhd.

FINANCIAL RESULTS

	The Group RM'000	The Company RM'000
Net loss for the year	11,543	2,552

DIVIDEND

The Directors have decided not to recommend the payment of any dividend for the financial year ended 30 June 2004.

ISSUE OF SHARES AND DEBENTURES

During the year, the issued and paid-up capital of the Company was increased from RM99,000,000 to RM154,000,000 by way of a renounceable two-call Rights Issue of 55,000,000 ordinary shares ("Rights Shares") of RM1.00 each with 27,500,000 free warrants attached on the basis of 10 Rights Shares with 5 free warrants attached for every 18 existing shares at an issue price of RM1.00 per Rights Share, payable in two calls of which the first call of RM0.54 per Rights Share was paid in cash whilst the second call of RM0.46 per Rights Share was paid from the retained profits of the Company. The Rights Shares shall rank pari-passu in all respect with the then existing shares of the Company.

The Company has not issued any debenture during the year.

WARRANTS

The Company had, on 11 May 2004, issued 27,500,000 detachable warrants. The details of the warrants are as follows:-

- (a) The warrants were constituted by a Deed Poll dated 27 February 2004.

Each warrant entitles its registered holder to subscribe for one (1) new ordinary share of RM1.00 at an exercise price of RM1.00 per new ordinary share. The expiry date for subscription is on 10 May 2009.

- (b) The new ordinary shares issued upon exercise of the warrants shall be fully paid-up and shall rank pari-passu in all respects with the existing ordinary shares of the Company except that these new shares shall not be entitled to any dividends, rights, allotments or other distributions if the date of the new shares to be issued pursuant to the exercise of the warrants is after the Record Date. (Record Date means the date as at the close of business on which shareholders must be registered in the Record of Depositors with Bursa Malaysia Depository Sdn Bhd in order to participate in any dividends, rights, allotments or other distributions). The warrant holders will not have any voting rights in any general meeting of the Company unless the warrants are exercised.

No warrants were converted into new ordinary shares during the financial year. As of the balance sheet date, the total number of warrants which remained unexercised was 27,500,000 warrants. Any warrants which have not been exercised at the date of expiry will lapse and cease to be valid for any purpose.

DIRECTORS' REPORT (Cont'd)

OPTIONS

No option has been granted to any person to take up unissued shares of the Company.

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.

DIRECTORS

The Directors in office since the date of the last report are:-

YABhg Tun Dato' Seri Abdul Hamid Omar (Chairman) (Resigned on 6-8-2004)
YAM Tengku Syarif Temenggung Perlis Syed Amir Abidin Jamalullail
YBhg Dato' Syed Md Amin bin Syed Jan Aljeffri
YBhg Dato' Yusof bin Jusoh
Encik Chut Nyak Isham bin Nyak Ariff
YBhg Dato' Thomas Teng Poh Foh

In accordance with Article 85 of the Company's Articles of Association, YBhg Dato' Yusof bin Jusoh retire by rotation from the Board at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

DIRECTORS' INTERESTS

The holdings in the ordinary shares of RM1.00 each of the Company of those who were Directors as at 30 June 2004 are as follows:-

	Shareholdings in which Directors have direct interest/beneficial ownership			
	At 1-7-2003	Bought	Sold	At 30-6-2004
Interests of:-				
YBhg Dato' Yusof bin Jusoh	12,895,000	-	-	12,895,000
Encik Chut Nyak Isham bin Nyak Ariff	22,402,000	-	-	22,402,000

DIRECTORS' BENEFITS

No Director of the Company has since the end of the previous financial year received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements or as fixed salary of a full-time employee of the Company or of related corporations) by reason of a contract made by the Company or its related corporation with the Director or with a firm of which the Director is a member, or with a corporation in which the Director has a substantial financial interest, except for Encik Chut Nyak Isham bin Nyak Ariff who may be deemed to derive a benefit by virtue of the provision of security services to the Company and its related corporations.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the income statements and balance sheets of the Group and the Company were made out, the Directors took reasonable steps:-
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) 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.
- (b) In the opinion of the Directors, the results of the operations of the Group and the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (a) The Directors are not aware of any circumstances:-
 - (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.
- (b) In the opinion of the Directors:-
 - (i) the results of the operations of the Group and the Company for the financial year ended 30 June 2004 are not likely to be substantially affected by any item, transaction or event of a material and unusual nature which has arisen in the interval between the end of the financial year and at the date of this report; and
 - (ii) 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 will or may affect the ability of the Group and the Company to meet its obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

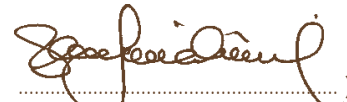
- (a) There are no charges on the assets of the Group and the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (b) There are no contingent liabilities which have arisen since the end of the financial year.
- (c) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT (Cont'd)

AUDITORS

The auditors, Messrs Ling Kam Hoong & Co, have indicated their willingness to continue in office.

On behalf of the Board



.....)
Tengku Syarif Temenggung Perlis)
Syed Amir Abidin Jamalullail)

)Directors



.....)
Dato' Thomas Teng Poh Foh)

Date: 22 September 2004

BALANCE SHEETS

as at 30 June 2004

	Notes	The Group		The Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
PROPERTY, PLANT AND EQUIPMENT	3	3,810	2,097	3,753	2,030
INVESTMENT PROPERTIES	4	132,544	132,544	123,956	123,956
INVESTMENT IN SUBSIDIARIES	5	–	–	8,850	8,350
DEVELOPMENT PROPERTIES	6	165,394	176,491	–	–
CURRENT ASSETS					
Development properties	6	52,505	40,997	–	–
Inventories	7	1,377	1,331	–	–
Trade receivables	8	14,572	12,083	537	915
Amount due from subsidiary companies	9	–	–	135,459	121,939
Other receivables, deposits and prepayments		663	289	400	36
Tax recoverable		6,423	6,447	442	465
Deposit with financial institution	10	2,500	6,500	2,500	6,500
Cash and bank balances	11	2,830	3,417	374	602
		80,870	71,064	139,712	130,457
CURRENT LIABILITIES					
Trade payables	12	5,640	7,178	43	148
Rental and utilities deposits		2,177	2,348	2,011	2,191
Amount due to subsidiary company	13	–	–	26,825	24,828
Other payables and provision	14	14,820	12,639	2,600	3,804
Hire purchase payables	15	73	–	73	–
Bank borrowings	16	105,361	91,174	68,643	71,076
Provision for taxation		6,122	5,931	–	–
Short term loan	17	–	13,800	–	13,800
		134,193	133,070	100,195	115,847
NET CURRENT (LIABILITIES)/ASSETS		(53,323)	(62,006)	39,517	14,610
		248,425	249,126	176,076	148,946
FINANCED BY:-					
SHARE CAPITAL	18	154,000	99,000	154,000	99,000
ASSET REVALUATION RESERVE		17,950	17,950	17,349	17,349
RETAINED PROFITS	19	4,647	41,490	46	27,898
		176,597	158,440	171,395	144,247
LONG TERM AND DEFERRED LIABILITIES	20	71,828	90,686	4,681	4,699
		248,425	249,126	176,076	148,946

The notes on pages 25 to 45 form part of these financial statements.

INCOME STATEMENTS

for the year ended 30 June 2004

	Notes	The Group		The Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Revenue	21	26,247	37,836	6,180	13,569
Cost of sales/Direct costs		(23,029)	(47,446)	(5,636)	(4,639)
Gross profit/(loss)		3,218	(9,610)	544	8,930
Other operating income		489	528	6,850	5,805
Selling and marketing expenses		(1,801)	(1,103)	(158)	(281)
Administration expenses		(4,157)	(2,220)	(2,855)	(1,712)
(Loss)/Profit from operations		(2,251)	(12,405)	4,381	12,742
Finance costs		(9,142)	(7,879)	(7,119)	(6,244)
(Loss)/Profit before taxation	22	(11,393)	(20,284)	(2,738)	6,498
Taxation	23	(150)	448	186	(1,939)
(Loss)/Profit after taxation		(11,543)	(19,836)	(2,552)	4,559
Loss per share (sen)	24	(10.39)	(19.48)		
Dividend per share		Nil	Nil		

The notes on pages 25 to 45 form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2004

	Share Capital RM'000	*Assets Revaluation Reserve RM'000	Retained Profits/ (Accumulated Losses) RM'000	Total RM'000
The Group				
At 1 July 2002	99,000	17,950	61,326	178,276
Net loss for the year	–	–	(19,836)	(19,836)
At 30 June 2003	99,000	17,950	41,490	158,440
Rights issue	55,000	–	(25,300)	29,700
Net loss for the year	–	–	(11,543)	(11,543)
At 30 June 2004	154,000	17,950	4,647	176,597
The Company				
At 1 July 2002	99,000	17,349	23,339	139,688
Net profit for the year	–	–	4,559	4,559
At 30 June 2003	99,000	17,349	27,898	144,247
Rights issue	55,000	–	(25,300)	29,700
Net loss for the year	–	–	(2,552)	(2,552)
At 30 June 2004	154,000	17,349	46	171,395

* Non-distributable

The notes on pages 25 to 45 form part of these financial statements.

CASH FLOW STATEMENTS

for the year ended 30 June 2004

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/Profit before taxation	(11,393)	(20,284)	(2,738)	6,498
Adjustments for:-				
Gain on disposal of plant and equipment	(24)	–	(24)	–
Depreciation of property, plant and equipment	961	817	938	795
Interest expense	9,105	7,858	7,092	6,231
Interest income	(217)	(170)	(6,273)	(5,704)
Bad and doubtful debts	165	338	140	278
Dividend received	–	–	–	(5,937)
Provision for liquidated ascertained damages	1,605	762	–	–
Foreseeable loss on development properties	177	554	–	–
	11,772	10,159	1,873	(4,337)
Operating profit/(loss) before working capital changes	379	(10,125)	(865)	2,161
(Increase)/Decrease in working capital:-				
Receivables	(3,028)	(3,142)	(126)	(81)
Payables	(695)	(10,960)	(1,309)	68
Rental and utilities deposits	(171)	78	(180)	86
Inventories	(46)	98	–	–
Subsidiaries' balances	–	–	(11,523)	(14,024)
Development properties	(11,685)	(13,320)	–	–
Cash used in operations	(15,246)	(37,371)	(14,003)	(11,790)
Liquidated ascertained damages paid	(267)	–	–	–
Interest paid	(9,105)	(7,858)	(7,092)	(6,231)
Interest received	217	170	6,273	5,704
Net tax (paid)/refund	28	(258)	28	(258)
Net cash used in operating activities	(24,373)	(45,317)	(14,794)	(12,575)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of subsidiaries	–	–	(500)	–
Proceeds from disposal of plant and equipment	24	–	24	–
Purchase of property, plant and equipment (Note A)	(2,388)	(15)	(2,375)	(14)
Expenditure on development properties	11,097	38,899	–	–
Net cash generated from/(used in) investing activities	8,733	38,884	(2,851)	(14)

CASH FLOW STATEMENTS (Cont'd)

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
(Repayment)/Proceeds from short term loan	(13,800)	13,800	(13,800)	13,800
Repayment of hire purchase	(50)	–	(50)	–
Net repayment of term loans	(2,904)	(21,299)	–	(21,223)
Dividend received	–	–	–	4,275
Rights issue	29,700	–	29,700	–
Net cash generated from/(used in) financing activities	12,946	(7,499)	15,850	(3,148)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,694)	(13,932)	(1,795)	(15,737)
CASH AND CASH EQUIVALENTS				
AT BEGINNING OF YEAR	(55,553)	(41,621)	(38,270)	(22,533)
CASH AND CASH EQUIVALENTS				
AT END OF YEAR (Note B)	(58,247)	(55,553)	(40,065)	(38,270)

Note A

PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:-

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Purchase of property, plant and equipment	(2,674)	(15)	(2,661)	(14)
Financed by hire purchase arrangements	286	–	286	–
Cash payments on purchase of property, plant and equipment	(2,388)	(15)	(2,375)	(14)

Note B

CASH AND CASH EQUIVALENTS COMPRISE:-

Cash and bank balances	2,830	3,417	374	602
Bank overdrafts	(63,577)	(65,470)	(42,939)	(45,372)
Short term deposit	2,500	6,500	2,500	6,500
	(58,247)	(55,553)	(40,065)	(38,270)

The notes on pages 25 to 45 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACTIVITIES

The Company is principally in the business of letting of investment properties and investment holding whilst the principal activities of the subsidiary companies are as stated in Note 5 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Group and of the Company are consistent with those adopted in previous years. In addition, the Group and the Company adopted the following new accounting policy in the current financial year ended 30 June 2004:-

(i) MASB 29, Employee Benefits

The adoption of this accounting policy has not resulted in any material impact on the financial statements of the Group and of the Company.

(a) Basis of accounting

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia under the historical cost convention modified to include the revaluation of investment properties unless otherwise indicated in this summary of significant accounting policies.

(b) Fundamental accounting concept

For the financial year ended 30 June 2004, the Group reported a net loss after taxation of RM11,543,000 and as at that date, the current liabilities of the Group exceeded current assets by RM53,323,000.

The financial statements of the Group have been prepared on a going concern basis which assumes that the Group will continue in operational existence for the foreseeable future and having adequate funds to meet their obligations as and when they fall due. The validity of the going concern assumption depends on the further restructuring of the bank borrowings of the Group and on achieving profitable operations and positive cash flows thereafter.

(c) Basis of consolidation

The consolidated financial statements incorporate the audited financial statements of the Company and its wholly-owned subsidiary companies made up to the year ended 30 June 2004 (See Note 5) using the acquisition method of accounting.

All significant inter-company transactions and balances have been eliminated on consolidation.

Where a subsidiary is acquired during the year, its results are included in the consolidated income statement from its date of acquisition. The excess of the cost of investment acquired over the net assets of the property development subsidiary at acquisition has been allocated to the cost of development properties being its fair value at date of acquisition of the subsidiary.

(d) Property, plant and equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation of property, plant and equipment, is computed on the straight-line basis over the estimated useful lives of the assets. The principal annual rates used are:-

Building service plant and equipment	5% - 10%
Furniture, fittings and office equipment	10% - 20%
Motor vehicles	20%

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Investment properties

Investment properties of the Group comprise shoplots, land and buildings which are held for their investment potential and rental business. Investment properties are not depreciated as they are considered long term investments.

It is the policy of the Group to revalue its investment properties every five years or such shorter period as may be considered appropriate, based upon the advice of professional valuers and appraisers. In addition, the directors will appraise the properties at open market values annually based on appropriate information. Surplus or deficit arising on the revaluation are credited or debited direct to Asset Revaluation Reserve at the discretion of the directors. Deficit in the revaluation account is taken direct to the income statement.

Upon disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement and the unutilised portion of the revaluation surplus is taken directly to retained profits.

(f) Investments in subsidiaries

Investments in subsidiaries are stated at cost less impairment losses.

Subsidiary companies are defined as a company in which the Company has a long term interest of more than 50% or companies in which the Company exercise control over the financial and operating policies of the subsidiary companies.

(g) Development properties

Property development projects consist of freehold land and related development expenditure incurred, and portion of profit attributable to the development work performed to-date, less applicable progress billings and provision for foreseeable losses, if any.

Development expenditure comprise construction and other related development cost including administration overheads and borrowing costs attributable to the project.

The Group classified as current asset that portion of property development projects where significant development work has been done and is expected to complete within the normal operating cycle of two to three years.

(h) Construction contracts

Where the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable will be recoverable.

When the costs incurred on construction contracts plus recognised profits (less recognised losses) exceed progress billings, the balance is shown as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amount due to customers on contracts.

(i) Inventories

Inventories of completed properties are valued at the lower of cost and net realisable value. Cost is determined by specific identification method and comprises the relevant cost of land, development expenditure and related interest costs incurred during the development period.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Taxation

Taxation in the income statement comprises current and deferred tax. Taxation is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case the taxation is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet, and any adjustment to tax payable in respect of previous years.

Deferred taxation is provided using the balance sheet liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets and liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(k) Borrowing costs

Interest costs on borrowings to finance the development properties are capitalised during the period in which activities related to the development are being undertaken. Capitalisation of borrowing costs ceases when development of the property is completed and active development is interrupted.

(l) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(m) Receivables

All receivables are stated at anticipated realisable value. Known bad debts are written off and specific provision is made for debts considered to be doubtful of collection.

(n) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for services/goods received.

(o) Revenue recognition

Dividend

Dividend income is recognised when the right to receive payment is established.

Rental

Rental income is recognised on accrual basis unless collectibility is in doubt.

Development properties

Revenue from sale of development properties is recognised based on the percentage of completion method. The stage of completion is determined based on the proportion of total costs incurred up to the balance sheet date over the estimated total costs of the development. Where foreseeable losses on development projects are anticipated, full provision for these losses is made in the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Revenue recognition (cont'd)

Interest income

Interest income is recognised on a time proportion basis taking into account the effective yield on the asset.

Construction contracts

Revenue from construction contracts is recognised on the percentage of completion method, measured by reference to the proportion of contract costs incurred for contract work performed to date that reflect work performed bear to the total estimated contract costs.

Property management fee

Revenue from property management fee is recognised when services are rendered.

(p) Assets acquired under hire purchase

Assets acquired under hire purchase contracts are capitalised in the balance sheet at fair value and depreciated over their useful lives. The interest cost is charged over the period of the hire purchase agreement using the sum of digit method.

(q) Impairment of assets

The carrying values of assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash generating unit.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(r) Financial instruments

Financial instruments are recognised in the balance sheet when the Company has become a party to the contractual provisions of the instruments. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(s) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, bank overdrafts, deposits and other short-term, highly liquid investments which are readily convertible to cash and which are subject to insignificant risk of changes in value.

(t) Segmental information

Segment information is presented in respect of the Group's business segment as the Group operates solely within Malaysia.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment assets and liabilities do not include income tax assets and liabilities respectively. Unallocated items mainly comprise finance cost and corporate administration expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that is expected to be used for more than one period.

(u) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term non-accumulating compensated absences such as sick and medical leaves are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, companies in Malaysia made contributions to the statutory pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in their income statement as incurred. Once the contributions have been paid, the Group has no further payment obligations.

3. PROPERTY, PLANT AND EQUIPMENT

	Building Service, Plant & Equipment RM'000	Furniture, Fittings & Equipment RM'000	Motor Vehicles RM'000	Total RM'000
The Group				
Net book value				
At 1 July 2003	880	1,183	34	2,097
Additions	150	2,133	391	2,674
Depreciation charges	(501)	(376)	(84)	(961)
At 30 June 2004	529	2,940	341	3,810
At 30-6-2004				
Cost	9,334	7,012	614	16,960
Accumulated depreciation	(8,805)	(4,072)	(273)	(13,150)
Net book value	529	2,940	341	3,810

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Building Service, Plant & Equipment RM'000	Furniture, Fittings & Equipment RM'000	Motor Vehicles RM'000	Total RM'000
At 30-6-2003				
Cost	9,184	4,879	223	14,286
Accumulated depreciation	(8,304)	(3,696)	(189)	(12,189)
Net book value	880	1,183	34	2,097
The Company Net book value				
At 1 July 2003	857	1,139	34	2,030
Additions	146	2,124	391	2,661
Depreciation charges	(495)	(359)	(84)	(938)
At 30 June 2004	508	2,904	341	3,753
At 30-6-2004				
Cost	8,942	6,679	449	16,070
Accumulated depreciation	(8,434)	(3,775)	(108)	(12,317)
Net book value	508	2,904	341	3,753
At 30-6-2003				
Cost	8,796	4,555	120	13,471
Accumulated depreciation	(7,939)	(3,416)	(86)	(11,441)
Net book value	857	1,139	34	2,030

Included in property, plant and equipment are motor vehicles with net book value of RM292,367 (2003: RM Nil) held under hire purchase arrangement.

4. INVESTMENT PROPERTIES

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Freehold land and buildings				
- at cost	30,991	30,991	23,270	23,270
- at valuation	101,553	101,553	100,686	100,686
	132,544	132,544	123,956	123,956

The investment properties have been pledged to financial institutions for credit facilities granted to the Company as stated in Note 16.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

4. INVESTMENT PROPERTIES (cont'd)

Details of independent professional valuations of properties of the Group are as follows:-

Freehold land and buildings

	The Group RM'000
Revaluation adopted in the financial statements:-	
- The Company - 1989 valuation	100,686
- The subsidiary - 1990 valuation	867
	101,553

The investment properties were revalued by the directors based on valuation reports prepared on the open market value basis.

In accordance with the Group's accounting policy (Note 2(e)), the directors had re-estimated the valuation of the Group's and the Company's freehold investment properties at RM147,400,000 and RM132,500,000 respectively based on the advice by independent professional valuers on its open market value at 30 June 2000 under the Investment Method of valuation. However, the directors have decided not to take up in the financial statements the surplus of RM14,856,000 and RM7,768,000 for the Group and the Company respectively at the date of valuation.

5. INVESTMENT IN SUBSIDIARIES

	The Company	
	2004 RM'000	2003 RM'000
Unquoted shares in subsidiaries - at cost	8,850	8,350

The subsidiaries, all of which are incorporated in Malaysia, are as follows:-

Name of Company	Equity Interest		Principal Activities
	2004 %	2003 %	
Asa Enterprises Sdn Bhd	100	100	Letting of investment property
Bedford PJ Complex Sdn Bhd	100	100	Dormant
Creative Ascent Sdn Bhd and its subsidiary:-	100	100	Investment holding, project management and property co-development
Bandar Baru Masai Sdn Bhd	100	100	Property development
Business Tempo Sdn Bhd	100	-	Property management service
Euronium Construction Sdn Bhd	100	-	Construction, projects and property management, engineering and trading
Lake Hill Resort Development Sdn Bhd	100	-	Property management

The financial year end of all the subsidiaries are co-terminous with that of the Company.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

6. DEVELOPMENT PROPERTIES

	The Group	
	2004 RM'000	2003 RM'000
At cost:		
Freehold land	56,172	56,172
Premium on acquisition of Bandar Baru Masai Sdn Bhd allocated to land cost	55,691	55,691
	111,863	111,863
Development expenditure	170,007	152,229
	281,870	264,092
Portion of loss attributed to development work performed to date	(10,230)	(10,662)
	271,640	253,430
Less:		
Progress billings rendered	(53,564)	(35,388)
Foreseeable loss	(177)	(554)
	217,899	217,488
Non-current portion	(165,394)	(176,491)
	52,505	40,997
Current portion	52,505	40,997
Development expenditure includes:-		
Interest capitalised	3,947	5,303
Directors' remuneration - other than fee	-	416

The development properties of the property development subsidiary have been charged to a financial institution for credit facilities granted to the subsidiary as stated in Note 16.

7. INVENTORIES

	2004	2003
	RM'000	RM'000
The Group		
Inventories consist of the following:-		
Completed industrial lots, residential houses and shop offices - at cost	1,377	1,331

The inventories have been pledged to a financial institution as security for credit facilities granted to the Group as stated in Note 16.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8. TRADE RECEIVABLES

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Accrued billings	7,187	6,820	–	–
Trade receivables	8,415	6,128	1,404	1,641
Allowance for doubtful debts	(1,030)	(865)	(867)	(726)
	14,572	12,083	537	915

The Group's normal trade credit terms ranges from 14 to 30 days. Other credit terms are assessed and approved on a case by case basis.

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

9. AMOUNT DUE FROM SUBSIDIARIES

The Company

These are unsecured advances with no fixed term of repayment and attract interest ranging from 4.06% to 6% (2003: 4.06% to 6%) per annum.

10. DEPOSIT WITH FINANCIAL INSTITUTION

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Short term deposit with licensed bank	2,500	6,500	2,500	6,500

The short term deposit attracts effective interest rate of 2.4% (2003: 2.35%) per annum at balance sheet date.

11. CASH AND BANK BALANCES

The Group

Included in cash and bank balances of the Group are interest bearing balances of RM1,883,200 (2003: RM2,223,866) held under Housing Development Accounts pursuant to Section 7A of the Housing Developers Act 1966.

12. TRADE PAYABLES

The normal trade credit terms granted to the Group ranges from 30 to 90 days.

13. AMOUNT DUE TO SUBSIDIARIES

The Company

The amount due to subsidiaries represents trade transactions, advances and payment made on behalf which are unsecured, interest free and have no fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

14. OTHER PAYABLES AND PROVISION

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Other payables and accruals	8,418	6,639	2,600	3,804
Deposits from purchasers	3,128	4,064	–	–
Provision for liquidated ascertained damages	3,274	1,936	–	–
	14,820	12,639	2,600	3,804
Provision for liquidated ascertained damages				
At 1 July	1,936	1,174	–	–
Addition provision during the year	1,605	762	–	–
Less: Payment	(267)	–	–	–
As at 30 June	3,274	1,936	–	–

Provision for liquidated ascertained damages is in respect of projects undertaken by the property development sub-subsidiary. The provision is recognised for expected liquidated ascertained damages claims based on the sale and purchase agreements.

15. HIRE PURCHASE PAYABLES

The Group and the Company

	2004 RM'000	2003 RM'000
Minimum hire purchase payments		
- not later than one year	87	–
- later than one year but not later than five years	179	–
	266	–
Less: Future interest charges	(30)	–
Present value of hire purchase	236	–
Repayable as follows:-		
Current liabilities		
- not later than one year	73	–
Long term liabilities		
- later than one year and not later than five years (Note 20)	163	–
	236	–

The effective interest rate on the hire purchases for the year ranges from 6.54% to 8.41% per annum.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

16. BANK BORROWINGS

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Revolving credit				
- secured	25,704	25,704	25,704	25,704
Term loans (Note 20)				
- secured	16,080	-	-	-
Bank overdrafts				
- secured	63,577	65,078	42,939	44,980
- unsecured	-	392	-	392
	105,361	91,174	68,643	71,076

The revolving credit, term loans and bank overdrafts are secured by way of a fixed charge over the freehold land and investment properties and a debenture creating fixed and floating charge over all assets of the Company and a subsidiary company.

The weighted average effective interest rates of the bank borrowings at the balance sheet date were as follows:-

	The Group		The Company	
	2004 %	2003 %	2004 %	2003 %
Weighted average effective interest rate:				
- Revolving credit	9.0	7.5	9.0	7.5
- Term loans	6.0	8.0	-	-
- Bank overdrafts	7.75	8.0	7.75	8.0

17. SHORT TERM LOAN

This was a short term loan from Spektrum Semangat Sdn Bhd, a company connected to Top Lander Offshore Inc., a substantial shareholder of the Company, which was fully repaid during the year.

The unsecured short term loan bore interest at 8% per annum and was for a tenure of 12 months to 15 months from the date of the loan agreement on 29 April 2003.

18. SHARE CAPITAL

	2004		2003	
	No of shares '000	RM'000	No of shares '000	RM'000
Ordinary shares of RM1.00 each				
Authorised:-				
At beginning of year/At end of year	500,000	500,000	500,000	500,000
Issued and fully paid up:-				
At 1 July	99,000	99,000	99,000	99,000
Rights issue	55,000	55,000	-	-
At 30 June	154,000	154,000	99,000	99,000

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

18. SHARE CAPITAL (cont'd)

During the year, the issued and paid-up capital of the Company was increased from RM99,000,000 to RM154,000,000 by way of a renounceable two-call Rights Issue of 55,000,000 ordinary shares ("Rights Shares") of RM1.00 each with 27,500,000 free warrants attached on the basis of 10 Rights Shares with 5 free warrants attached for every 18 existing shares at an issue price of RM1.00 per Rights Share, paid in two calls of which the first call of RM0.54 per Rights Share was paid in cash whilst the second call of RM0.46 per Rights Share was paid from the retained profits of the Company. The Rights Shares rank pari-passu in all respects with the then existing shares of the Company.

The Company had, on 11 May 2004, issued 27,500,000 detachable warrants. The details of the warrants are as follows:-

- (a) The warrants were constituted by a Deed Poll dated 27 February 2004.

Each warrant entitles its registered holder to subscribe for one (1) new ordinary share of RM1.00 at an exercise price of RM1.00 per new ordinary share. The expiry date for subscription is on 10 May 2009.

- (b) The new ordinary shares issued upon exercise of the warrants shall be fully paid-up and shall rank pari-passu in all respects with the existing ordinary shares of the Company except that these new shares shall not be entitled to any dividends, rights, allotments or other distributions if the date of the new shares to be issued pursuant to the exercise of the warrants is after the Record Date. (Record Date means the date as at the close of business on which shareholders must be registered in the Record of Depositors with Bursa Malaysia Depository Sdn Bhd in order to participate in any dividends, rights, allotments or other distributions). The warrant holders will not have any voting rights in any general meeting of the Company unless the warrants are exercised.

No warrants were converted into new ordinary shares during the financial year. As of the balance sheet date, the total number of warrants which remained unexercised was 27,500,000 warrants. Any warrants which have not been exercised at the date of expiry will lapse and cease to be valid for any purpose.

19. RETAINED PROFITS

	2004 RM'000	2003 RM'000
Profits retained by:-		
The Company	46	27,898
The subsidiaries	4,601	13,592
	4,647	41,490

Subject to agreement with the Inland Revenue Board:-

- (i) The Company has tax exempt account available for future distribution as tax exempt dividends estimated at approximately RM7,482,000; and
- (ii) The Company has sufficient tax credit under Section 108 of the Income Tax Act 1967 to frank the payment of dividends out of all its distributable reserves as at 30 June 2004.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

20. LONG TERM AND DEFERRED LIABILITIES

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Term loans - secured	59,139	78,123	–	–
Hire purchase payables (Note 15)	163	–	163	–
Deferred tax liabilities	12,526	12,563	4,518	4,699
	71,828	90,686	4,681	4,699

Term loans

The contracted terms and security arrangements of the term loans are detailed in Note 16 to the financial statements.

The term loans are repayable as follows:-

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Current liabilities				
Not later than one year (Note 16)	16,080	–	–	–
Long term liabilities				
Between one to two years	16,080	16,080	–	–
Between two to five years	43,059	62,043	–	–
	59,139	78,123	–	–
	75,219	78,123	–	–
Deferred tax liabilities				
Balance at 1 July	12,563	13,280	4,699	4,823
Transfer from/(to) income statement				
- current year	(35)	(713)	(179)	(120)
- prior year	(2)	(4)	(2)	(4)
Balance at 30 June	12,526	12,563	4,518	4,699

Deferred tax liabilities above are offset where there is a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred taxes relate to the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

20. LONG TERM AND DEFERRED LIABILITIES (cont'd)

Movements in deferred tax liabilities during the financial year are as follows:-

	At 1-7-2003 RM'000	Recognised in income statement RM'000	At 30-6-2004 RM'000
Group			
Accelerated capital allowances	405	(181)	224
Temporary differences arising from interest capitalised into development properties	7,832	144	7,976
Revaluation surplus	4,326	-	4,326
	12,563	(37)	12,526
Company			
Accelerated capital allowances	405	(181)	224
Revaluation surplus	4,294	-	4,294
	4,699	(181)	4,518

The Group has potential net deferred tax assets not recognised in the financial statements as follows:-

	2004		2003	
	Temporary Difference RM'000	Tax Effect RM'000	Temporary Difference RM'000	Tax Effect RM'000
Group				
Accelerated capital allowances	(35)	(10)	-	-
Allowance for doubtful debts	86	24	-	-
Unabsorbed capital allowances	2,639	739	2,650	742
Unutilised losses	14,214	3,980	10,332	2,893
Foreseeable losses	179	50	554	155
Provision for liquidated ascertained damages	3,275	917	1,936	542
	20,358	5,700	15,472	4,332

The unutilised tax losses, unabsorbed capital allowances, accelerated capital allowances, allowances and provisions do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the subsidiaries can utilise the benefits.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

21. REVENUE

Revenue of the Group and of the Company consists of the following:-

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Gross dividends from subsidiaries	-	-	-	5,937
Rental and service income	7,460	8,293	6,180	7,632
Proportionate sales value of property development projects	18,787	29,543	-	-
	26,247	37,836	6,180	13,569

22. (LOSS)/PROFIT BEFORE TAXATION

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
This is arrived at after charging:-				
* Interest expenses				
- bank overdraft	4,359	3,921	3,621	3,170
- term loans	2,987	3,486	-	459
- revolving credit	813	236	2,551	2,138
- subsidiary company	-	-	-	277
- hire purchase	15	-	15	-
- others	946	215	920	187
Depreciation of property, plant and equipment	961	817	938	795
Directors' remuneration				
- fees	225	90	225	90
- other emoluments				
- current year	225	541	225	541
- prior year	(101)	-	(101)	-
Auditors' remuneration				
- statutory	60	47	22	22
- non-statutory	88	26	81	18
Bad and doubtful debts	165	338	140	278
Liquidated ascertained damages	1,605	762	-	-
Foreseeable losses	177	554	-	-
And crediting:-				
Gross dividend from subsidiary	-	-	-	5,937
Gain on disposal of property, plant and equipment	24	-	24	-
Interest income				
- subsidiary companies	-	-	6,177	5,671
- others	217	170	96	33

* Interest on borrowings of the Company recovered from the subsidiaries and charged to development expenditure (Note 6) has been eliminated on Group consolidation.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

23. TAXATION

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Provision for taxation based on profit for the year	196	333	–	2,108
Deferred taxation	(35)	(713)	(179)	(120)
Current year tax expense	161	(380)	(179)	1,988
Over provision of prior years'				
- taxation	(9)	(64)	(5)	(45)
- deferred taxation	(2)	(4)	(2)	(4)
Total tax expense	150	(448)	(186)	1,939

A reconciliation of income tax expenses on (loss)/profit before taxation with the applicable statutory income tax rate is as follows:-

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
(Loss)/Profit before taxation	(11,393)	(20,284)	(2,738)	6,498
Tax at Malaysian statutory income tax rate of 28% (2003: 28%)	(3,190)	(5,680)	(767)	1,819
Tax effect in respect of:-				
Reduction in tax rate	(42)	–	–	–
Non-taxable income	(1)	–	(1)	–
Non-allowable expenses	2,026	2,533	589	169
Deferred tax assets not recognised in the financial statements	1,368	2,767	–	–
Current year tax expense	161	(380)	(179)	1,988
Prior years over provision	(11)	(68)	(7)	(49)
Total tax expense	150	(448)	(186)	1,939

24. LOSS PER SHARE

(i) Basic loss per share

The basic loss per share is calculated on the Group loss after taxation of RM11,543,000 (2003: RM19,836,000) and the weighted average number of 111,071,890 (2003: 101,801,700) ordinary shares of RM1.00 each after taking into consideration the rights issue of 55,000,000 new ordinary shares during the year.

(ii) Diluted loss per share

No diluted loss per share is disclosed due to the anti-dilutive effect of Warrants.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25. CONTINGENT LIABILITIES

These are contingent liabilities in respect of:-

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Secured:				
Guarantee given for credit facilities granted to a subsidiary				
- secured by the Company's undertaking for registration of a legal charge over the Company's investment properties	-	-	123,500	123,500
Unsecured:				
- corporate guarantee given for trade facilities granted to a subsidiary	-	-	1,850	-

26. SEGMENT REPORTING

(a) Business segment

The Group's operations comprise the following business segments:-

- (i) Property development - Development of residential and commercial properties
- (ii) Investment properties - Letting of investment properties

	Property Development RM'000	Investment Properties RM'000	Consolidation RM'000
2004			
Revenue			
External sales	18,787	7,460	26,247
Results			
Segment results (external)	(1,068)	(852)	(1,920)
Unallocated corporate expenses			(331)
Operating loss			(2,251)
Finance cost			(9,142)
Taxation			(11,393)
			(150)
Loss after taxation			(11,543)
Other information			
Segment assets	235,395	140,785	376,180
Unallocated corporate assets			6,438
Consolidated total assets			382,618

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

26. SEGMENT REPORTING (cont'd)

(a) Business segment (cont'd)

	Property Development RM'000	Investment Properties RM'000	Consolidation RM'000
2004			
Segment liabilities	119,433	75,294	194,727
Unallocated corporate liabilities			11,294
Consolidated total liabilities			206,021
Capital expenditure	8	2,666	2,674
Depreciation	23	938	961
Non-cash expenses other than depreciation	1,782	165	1,947
2003			
Revenue			
External sales	29,543	8,293	37,836
Results			
Segment results (external)	(13,175)	777	(12,398)
Unallocated corporate expenses			(7)
Operating loss			(12,405)
Finance cost			(7,879)
Taxation			(20,284) 448
Loss after taxation			(19,836)
Other information			
Segment assets	232,797	142,937	375,734
Unallocated corporate assets			6,462
Consolidated total assets			382,196
Segment liabilities	113,585	91,350	204,935
Unallocated corporate liabilities			18,821
Consolidated total liabilities			223,756
Capital expenditure	1	14	15
Depreciation	23	795	818
Non-cash expenses other than depreciation	1,376	278	1,654

(b) Geographical segment

No disclosure on geographical segment is provided as the Group operates solely within Malaysia.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

27. RELATED PARTIES

Identity of related parties

The Company has controlling related party relationships with its direct subsidiary companies. The Group also has related party relationships with the following companies:-

Related parties	Relationship
Guardian Security Consultants Sdn Bhd	Company in which a Director has interest
Top Lander Offshore Inc.	A substantial shareholder of the Company
Spektrum Semangat Sdn Bhd	A company connected to Top Lander Offshore Inc

Related party transactions

Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:-

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Staff salary receivable from Business Tempo Sdn Bhd	-	-	428	-
Service fee receivable from Asa Enterprises Sdn Bhd	-	-	-	210
Office rental receivable from Business Tempo Sdn Bhd	-	-	120	-
Security fee payable to Guardian Security Consultants Sdn Bhd	-	(273)	-	(273)
Interest payable to Spektrum Semangat Sdn Bhd	(920)	(184)	(920)	(184)
Service fee payable to Business Tempo Sdn Bhd	-	-	(3,757)	-

The directors are of the opinion that the transactions have been entered into the normal course of business and have been established on a negotiated basis.

28. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its interest rate, credit, liquidity and cash flow risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

(i) Credit risk

Credit risks are minimised and monitored as trade receivables mainly arises from development properties projects which are supported by the end-financiers and from rental of investment properties which are secured by tenancy deposits received.

(ii) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market rates. Interest rate exposure arises from the Group's bank borrowings and deposits and is managed through effective negotiation with financial institutions for best available rates.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)

(a) Financial risk management objectives and policies (cont'd)

(iii) Liquidity and cash flow risks

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims at maintaining flexibility in funding by keeping committed credit lines available.

(b) Fair value of financial instruments

The Directors consider the carrying amounts of financial assets and liabilities of the Group as at financial year end to approximate their fair values.

Methods and assumption

The fair values of the financial assets and liabilities maturing within 12 months are stated at approximately the carrying value as at the balance sheet date.

The fair value of the Group's term loans are estimated based on the current rates offered for loans of the same remaining maturities.

29. EMPLOYEES' INFORMATION

	2004 RM'000	2003 RM'000
Staff costs:		
Wages, salaries and bonus	1,671	1,055
Defined contribution retirement plan	208	126
Other employee benefits	31	38
	<hr/>	<hr/>
	1,910	1,219

The number of employees of the Group (excluding directors) at the end of the year was 60 (2003: 41).

30. SIGNIFICANT EVENTS

- (a) The Company successfully completed a Rights Issue of 55,000,000 new ordinary shares of RM1.00 each with 27,500,000 detachable free warrants as stated in Note 18 which was granted listing and quotation on the Main Board of Bursa Malaysia Securities Berhad on 19 May 2004.
- (b) During the year, the Company acquired the following newly incorporated subsidiaries:-
- (i) the entire issued and fully paid up capital consisting of 2 ordinary shares of RM1.00 each in Business Tempo Sdn Bhd for a cash consideration of RM2.00, which is principally engaged in the provision of property management services; and
 - (ii) the entire issued and fully paid up capital consisting of 2 ordinary shares of RM1.00 each in Euronium Construction Sdn Bhd ("Euronium") for a cash consideration of RM2.00, which is principally engaged in construction, project and property management, engineering and trading activities. The Company had subscribed for an additional 299,998 ordinary shares of RM1.00 each in Euronium.
- (c) During the year, the Company incorporated an additional new subsidiary, Lake Hill Resort Development Sdn Bhd, with an initial paid up capital of RM200,000 comprising 200,000 ordinary shares of RM1.00 each fully paid up on incorporation, which is intended to be engaged in property development activities.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31. COMPARATIVE FIGURES

Loss Per Share ("LPS")

The comparative figures for the basic LPS and weighted average number of ordinary shares had been adjusted by the pre-Rights and theoretical ex-Rights fair value ratio in consequence of the Rights Issue of 55,000,000 new ordinary shares of the Company made during the year:-

	As Previously Reported	Adjusted For Rights Issue
Basic LPS (sen)	(20.04)	(19.48)
Weighted average number of shares	99,000,000	101,801,700

32. GENERAL

The Company incorporated in Malaysia, is a public limited liability company that is domiciled in Malaysia.

The principal place of business of the Company is 21st Floor, Wisma MPL, Jalan Raja Chulan, 50200 Kuala Lumpur.

33. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Board of Directors on 22 September 2004.

STATEMENT BY DIRECTORS

We, Tengku Syarif Temenggung Perlis Syed Amir Abidin Jamalullail and Dato' Thomas Teng Poh Foh, being the Directors of MALAYSIA PACIFIC LAND BERHAD, state that in the opinion of the Directors, the financial statements set out on pages 16 to 45 are drawn up in compliance with applicable approved Accounting Standards in Malaysia and so as to give a true and fair view of the state of affairs of the Group and the Company at 30 June 2004 and of the results of the business of the Group and of the Company and the cash flows of the Group and of the Company for the year ended on that date.

On behalf of the Board



 Tengku Syarif Temenggung Perlis)
 Syed Amir Abidin Jamalullail)

)Directors



 Dato' Thomas Teng Poh Foh

Date: 22 September 2004

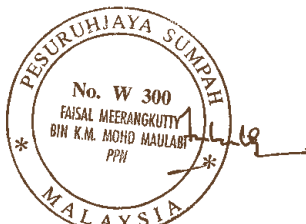
STATUTORY DECLARATION PURSUANT TO SUB-SECTION (16) OF SECTION 169 OF THE COMPANIES ACT, 1965

I, Teo Tee Way, the Officer primarily responsible for the financial management of MALAYSIA PACIFIC LAND BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 16 to 45 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared)
)
 by the abovenamed Teo Tee Way)
)
 at Kuala Lumpur in the Federal)
)
 Territory on 22 September 2004)



Before me



Level 23, Menara Olympia
 8 Jalan Raja Chulan
 50200 Kuala Lumpur

REPORT OF THE AUDITORS TO THE MEMBERS OF MALAYSIA PACIFIC LAND BERHAD

We have audited the financial statements set out on pages 16 to 45 of MALAYSIA PACIFIC LAND BERHAD. The preparation of the financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing issued by the Malaysian Institute of Accountants. These standards require that we plan and perform the audit to obtain all the information and explanation, which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatements. Our audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. Our audit includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the adequacy of the presentation of information in the financial statements.

We believe our audit provides a reasonable basis for our opinion.

In our opinion:-

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved Accounting Standards in Malaysia so as to give a true and fair view of:-
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
 - (ii) the state of affairs of the Group and of the Company at 30 June 2004 and of the results of the operations of the Group and of the Company and of the cash flows of the Group and of the Company for the year ended on that date; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

Without qualifying our opinion, we draw attention to Note 2(b) of the financial statements. The Group has reported a net loss of RM11,543,000 for the year ended 30 June 2004 and as at that date, the current liabilities of the Group exceeded the current assets by RM53,323,000. The validity of the going concern assumption depends on the further restructuring of bank borrowings of the Group and on achieving profitable operations and positive cash flows thereafter.



LING KAM HOONG & CO

AF: 0106

CHARTERED ACCOUNTANTS, MALAYSIA



LING KAM HOONG
161/5/06 (J/PH)

Kuala Lumpur
Date: 22 September 2004

OTHER INFORMATION

1. Properties Held by The Group as at 30 June 2004

Tenure	Location	Approximate Land Area/ Net Lettable Area*	Approximate Age of Building (Years)	Net Book Value (RM'000)	Date of Acquisition/ *Date of Revaluation
Freehold	18 level office tower and a 4 level retail podium at Jalan Raja Chulan 50250 Kuala Lumpur	332,359 sq. ft*	29	132,544	*30/06/1990
Freehold	Development and in the Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	875.94 acres	–	217,899	03/08/1995

2. Analysis of Shareholdings as at 10 November 2004

Share Capital

Authorised Share Capital	:	RM500,000,000
Issued & Paid-up Share Capital	:	RM172,590,405
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights		
- On show of hands	:	1 vote
- On a poll	:	1 vote for each share held

Distribution Schedule of Shareholders

Size of Holdings	No. of Shareholders	%	No. of Shares	%
Less than 100	24	0.63	792	0.00
100 – 1,000	1,591	41.70	1,534,988	0.89
1,001 – 10,000	1,693	44.38	6,260,846	3.63
10,001 – 100,000	445	11.67	13,386,925	7.76
100,001 – less than 5% of issued shares	57	1.49	26,087,362	15.11
5% and above of issued shares	5	0.13	125,319,492	72.61
	3,815	100.00	172,590,405	100.00

Thirty Largest Shareholders

Names of Shareholders	No. of Shares	%
1. Top Lander Offshore Inc.	53,955,992	31.26
2. K-Elite Sdn Bhd	26,130,500	15.14
3. HLG Nominee (Asing) Sdn Bhd- HLL Overseas Ltd	16,747,000	9.70
4. HLB Nominees (Tempatan) Sdn Bhd- Chut Nyak Isham bin Nyak Ariff	15,770,000	9.14
5. HLG Nominee (Tempatan) Sdn Bhd- Yusof bin Jusoh	12,716,000	7.37
6. HLG Nominee (Tempatan) Sdn Bhd- Chut Nyak Isham bin Nyak Ariff	4,540,000	2.63
7. Yap Lian Far	2,750,600	1.59
8. Gan Neap Kai	1,623,900	0.94
9. Chut Nyak Isham bin Nyak Ariff	1,592,000	0.92
10. HDM Nominees (Tempatan) Sdn Bhd- Chut Nyak Isham bin Nyak Ariff	1,010,000	0.58
11. Mayban Nominees (Asing) Sdn Bhd- Lim Ai Ling	895,900	0.52
12. HDM Nominees (Tempatan) Sdn Bhd- Ho Ngan Yin	871,000	0.50

OTHER INFORMATION (Cont'd)

Thirty Largest Shareholders (cont'd)

Names of Shareholders	No. of Shares	%
13. HDM Nominees (Tempatan) Sdn Bhd- Chiong Moi	838,777	0.49
14. Tan Lee Hwa	734,300	0.43
15. RHB Capital Nominees (Tempatan) Sdn Bhd- Lee Ah Peng	711,700	0.41
16. HLB Nominees (Tempatan) Sdn Bhd- Wong Choon Shein	560,000	0.32
17. Leow Hong Yen	500,000	0.29
18. Ong Poh Lan	500,000	0.29
19. Ong Wan Chin	481,400	0.28
20. Tan Kim Lian	475,100	0.28
21. Citicorp Nominees (Tempatan) Sdn Bhd- Ta Kin Yan	451,111	0.26
22. Lim Giok Mooi	424,500	0.25
23. Amsec Nominees (Tempatan) Sdn Bhd- Ong Kee Sem	370,700	0.21
24. Lew Siew Yen	368,100	0.21
25. Au Yong Mun Yue	364,700	0.21
26. RHB Capital Nominees (Tempatan) Sdn Bhd- Lee Teck Yuen	342,222	0.20
27. Chong Mei Ngor	302,400	0.18
28. Yeng Fook Joon	290,888	0.17
29. RHB Capital Nominees (Tempatan) Sdn Bhd- Ta Kin Yan	273,777	0.16
30. Seshan Lim Tee Heng	268,000	0.16
	146,860,567	85.09

Substantial Shareholders

According to the Register of Substantial Shareholders, the substantial shareholders of the Company as at 10 November 2004 are as follows:-

Names of Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Chut Nyak Isham bin Nyak Ariff	22,402,000	12.98	–	–
Top Lander Offshore Inc.	53,955,992	31.26	–	–
K-Elite Sdn Bhd	26,130,500	15.14	–	–
Dato' Yusof bin Jusoh	12,895,000	7.47	–	–
HLL Overseas Limited	16,747,000	9.70	–	–
GuocoLand (Malaysia) Berhad (formerly known as Hong Leong Properties Berhad)	–	–	16,747,000	9.70 *A
GLL (Malaysia) Pte Ltd	–	–	16,747,000	9.70 *B
GuocoLand Limited	–	–	16,747,000	9.70 *B
Guoco Investment Pte Ltd	–	–	16,747,000	9.70 *B
Guoco Group Limited	–	–	16,747,000	9.70 *B
GuoLine Overseas Limited	–	–	16,747,000	9.70 *B
GuoLine Capital Assets Limited	–	–	16,747,000	9.70 *B
Hong Leong Company (Malaysia) Berhad	–	–	16,747,000	9.70 *B
HL Holdings Sdn Bhd	–	–	16,747,000	9.70 *C
Tan Sri Quek Leng Chan	–	–	16,747,000	9.70 *C
Kwek Leng Beng	–	–	16,747,000	9.70 *C
Hong Realty (Private) Limited	–	–	16,747,000	9.70 *C
Hong Leong Investment Holdings Pte Ltd	–	–	16,747,000	9.70 *C
Kwek Holdings Pte Ltd	–	–	16,747,000	9.70 *C
Davos Investment Holdings Private Limited	–	–	16,747,000	9.70 *C
Kwek Leng Kee	–	–	16,747,000	9.70 *C
Quek Leng Chye	155,555	0.09	16,747,000	9.70 *C

*A Deemed interest through HLL Overseas Limited

*B Deemed interest through GuocoLand (Malaysia) Berhad

*C Deemed interest through Hong Leong Company (Malaysia) Berhad

OTHER INFORMATION (Cont'd)

3. Analysis of Warrantholdings as at 10 November 2004

No. of 2004/2009 warrants issued	:	27,500,000
No. of 2004/2009 warrants outstanding	:	8,909,595
Voting Rights		
- On show of hands	:	1 vote
- On a poll	:	1 vote for each warrant held

Distribution Schedule of 2004/2009 Warrantholders

Size of Holdings	No. of 2004/2009 Warrantholders	%	No. of 2004/2009 Warrants	%
Less than 100	71	4.49	3,628	0.04
100 – 1,000	757	47.91	396,810	4.45
1,001 – 10,000	615	38.93	1,978,772	22.21
10,001 – 100,000	122	7.72	3,229,847	36.25
100,001 – less than 5% of issued 2004/2009 warrants	15	0.95	3,300,538	37.05
5% and above of issued 2004/2009 warrants	0	0.00	0	0.00
	1,580	100.00	8,909,595	100.00

Thirty Largest 2004/2009 Warrantholders

Names of 2004/2009 Warrantholders	No. of 2004/2009 Warrants	%
1. Gan Neap Kai	416,850	4.68
2. HDM Nominees (Tempatan) Sdn Bhd - Chiong Moi	410,588	4.61
3. Mayban Nominees (Asing) Sdn Bhd - Lim Ai Ling	367,950	4.13
4. Teh Bee Gaik	307,600	3.45
5. Leow Hong Yen	260,000	2.92
6. RHB Capital Nominees (Tempatan) Sdn Bhd - Lee Ah Peng	238,850	2.68
7. Khoo Seng Miao	200,000	2.25
8. Wong Loke Kiang	180,000	2.02
9. Lim Chiew Heong	162,400	1.82
10. Ong Wan Chin	142,000	1.59
11. Lau Sow Chun	140,100	1.57
12. Lew Siew Yen	140,000	1.57
13. Kwong Moei Jie	121,250	1.36
14. Au Yong Mun Yue	107,350	1.21
15. Teo Ah Seng	105,600	1.19
16. HLB Nominees (Tempatan) Sdn Bhd - Wong Choon Shein	100,000	1.12
17. Lee Soi Gek	91,100	1.02
18. Amsec Nominees (Tempatan) Sdn Bhd - Palani Veloo A/L Chellappan	89,050	1.00
19. Citicorp Nominees (Tempatan) Sdn Bhd - Ta Kin Yan	80,555	0.91
20. Lew Yuen Kee @ Lew Ah Kee	75,000	0.84
21. Kong Chee Leong	66,000	0.74
22. Lee Ai Chu	63,000	0.71
23. RHB Capital Nominees (Tempatan) Sdn Bhd - Lee Teck Yuen	61,111	0.69
24. Kong Pang Kwan	60,000	0.67
25. Kuala Lumpur City Nominees (Tempatan) Sdn Bhd - Liao Chay Choo @ Liuw Chai Choo	60,000	0.67

OTHER INFORMATION (Cont'd)

Thirty Largest 2004/2009 Warrantholders (cont'd)

Names of 2004/2009 Warrantholders	No. of 2004/2009 Warrants	%
26. Wan Heng Wan	60,000	0.67
27. Yeng Fook Joon	51,944	0.58
28. Lau Kueng Suong	51,478	0.58
29. Amsec Nominees (Tempatan) Sdn Bhd- Ong Kee Sem	50,000	0.56
30. Tan Ching Han	50,000	0.56
	4,309,776	48.37

4. Directors' Interests

Subsequent to the financial year end, there is no change to the Directors' interests as at 10 November 2004 in the ordinary shares of the Company as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965.

5. Material Contracts

There were no material contracts (not being contracts entered into in the ordinary course of business) which had been entered into by the Company and its subsidiaries involving the interest of Directors and major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year pursuant to Item 20, Part A, Appendix 9C of the Listing Requirements of Bursa Malaysia Securities Berhad.

[This page has been intentionally left blank]

Malaysia Pacific Land Berhad

(Company No. 12200-M)
(Incorporated in Malaysia)

FORM OF PROXY

I/We _____

of _____

being a member of MALAYSIA PACIFIC LAND BERHAD, hereby appoint _____

of _____

or failing him/her _____

of _____

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Thirty-second Annual General Meeting of the Company to be held at the Theatre, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Wednesday, 29 December 2004 at 10.30 a.m. and at any adjournment thereof.

My/Our proxy is to vote either on a show of hands or on a poll as indicated below with an "X".

RESOLUTIONS	FOR	AGAINST
1. To receive the audited Financial Statements and Reports.		
2. To approve the payment of Directors' fees.		
3. To re-elect YBhg Dato' Yusof bin Jusoh as a Director pursuant to the Company's Articles of Association.		
4. To re-appoint Messrs Ling Kam Hoong & Co as Auditors and authorise the Directors to fix their remuneration.		
5. As a special business, to approve the ordinary motion on authority to Directors to issue shares.		

Dated this _____ day of _____ 2004

Number of shares held

Signature of Member

NOTES:

- If you wish to appoint other person(s) to be your proxy, delete the words "the Chairman of the meeting" and insert the name(s) and address(es) of the person(s) desired in the space so provided.*
- If there is no indication as to how you wish your vote(s) to be cast, the proxy will vote or abstain from voting at his/her discretion.*
- A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
- A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where two (2) proxies are appointed, the proportions of shareholdings to be represented by each proxy must be specified in order for the appointments to be valid. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
- In the case where a member is a corporation, this Form of Proxy must be executed under its Common Seal or under the hand of its Attorney.*
- All Forms of Proxy must be duly executed and deposited at the Registered Office of the Company at Level 10, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting.*