



## ASIA PACIFIC LAND BERHAD

(Co. No. 4069-K) (Incorporated in Malaysia)



### Introducing AP Land's New Logo

#### Design Rationale

Asia Pacific Land's new logo is an acronym which can be read as "APL". The overall look is futuristic, fresh, dynamic yet simple, clean and professional suggesting a new era of dynamism and progress.

The stylised, metallic 3D formation of "APL" represents solidity, strength and stability.

The yellow ochre, gold colour of "AP Land" represents earth, a key element and feature of property development and investment, which is the core of AP Land's business.

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### • KUALA LUMPUR OFFICE

**Asia Pacific Land Berhad**

49th Floor, Empire Tower,  
City-Square Centre, Jalan Tun Razak,  
50400 Kuala Lumpur.

Tel : (03) 2163 1200  
Fax : (03) 2163 1157  
E-mail : comsec@apland.com.my  
aplsec@po.jaring.my  
Website : www.apland.com.my

### • PENANG OFFICE

**Asia Pacific Land Berhad**

2nd Floor, Marina Terrace Sports Complex,  
Jalan Low Yat, 11100 Batu Ferringhi, Penang.

Tel : (04) 899 1213 / 1123  
Fax : (04) 890 5260  
Website : www.apland.com.my

### • SALES OFFICES

Development Companies of Bandar Tasik Puteri:

**Rawang Lakes Sdn Bhd**

**Bakti Dinamik Sdn Bhd**

**APL Hotel Sdn Bhd**

**Hotel Fair Lane Holdings Sdn Bhd**

**BANDAR TASIK PUTERI SHOWROOM**

5th Floor, City-Square Centre,  
Jalan Tun Razak, 50400 Kuala Lumpur.

Tel : (03) 2162 1566  
Fax : (03) 2163 4598  
Toll Free : 1800 88 1339  
E-mail : btpap@po.jaring.my

**BANDAR TASIK PUTERI  
SITE SALES OFFICE**

2-G-A, Jalan 7A/2, Bandar Tasik Puteri,  
Kundang, 48020 Rawang, Selangor.

Tel : (03) 6095 0950  
Fax : (03) 6095 0951

**MOUNT PLEASURE RESORT**

Housing Developer:

**Mount Pleasure Corporation Sdn Bhd**

2nd Floor, Marina Terrace Sports Complex,  
Jalan Low Yat, 11100 Batu Ferringhi, Penang.

Tel : (04) 899 1213 / 1123  
Fax : (04) 890 5260

### • CITY SQUARE MANAGEMENT OFFICE

**City Square Properties Sdn Bhd**

5th Floor, City-Square Centre,  
Jalan Tun Razak, 50400 Kuala Lumpur.

Tel : (03) 2162 1566  
Fax : (03) 2162 1408

### • EMPIRE TOWER MANAGEMENT OFFICE

**Empire Tower (Malaysia) Sdn Bhd**

5th Floor, City-Square Centre,  
Jalan Tun Razak, 50400 Kuala Lumpur.

Tel : (03) 2162 1566  
Fax : (03) 2162 1408

### • GOLF CLUB

**TASIK PUTERI GOLF & COUNTRY CLUB**

*(wholly-owned by Tasik Puteri Golf & Country Club Berhad)*

Bandar Tasik Puteri,  
Kundang, 48000 Rawang, Selangor.

Tel : (03) 6034 4722 / 21  
Fax : (03) 6034 4723

### • HOTELS

**CROWN PRINCESS KUALA LUMPUR**

*(wholly-owned by APL Hotel Sdn Bhd)*

City-Square Centre, Jalan Tun Razak,  
50400 Kuala Lumpur.

Tel : (03) 2162 5522  
Fax : (03) 2162 4492  
Toll Free : 1800 88 3886  
E-mail : reservations@crownprincess.com.my  
Website : www.fhihotels.com

**FERRINGHI BEACH HOTEL PENANG**

*(wholly-owned by Mount Pleasure Corporation Sdn Bhd)*

Jalan Low Yat,  
11100 Batu Ferringhi, Penang.

Tel : (04) 890 5999  
Fax : (04) 890 5100  
Toll Free : 1800 88 8299  
E-mail : reservations@ferringhi.com.my  
Website : www.fhihotels.com

### • Board Of Directors

Executive Chairman

**Low Gee Tat @ Gene Low**

B.Soc, Sci.(Hons), UK (Law & Politics)

Managing Director

**Dato' Jeffrey Ng Tiong Lip**

DSPN

CA, CPA, CA(M), B.Econs(Monash)

Independent Non-Executive Directors

**Tan Sri Datuk Seri (Dr) Chong Hon Nyan**

PSM, DGSM, JMN, KMN, AMN

RCD(S'pore), MA(Cantab)

**Tan Sri Dato' Hanafiah Hussain**

PSM, DSDK, AMN, SDK

BA(Com), FCA

**Tan Sri Dato' Lee Kim Sai @ Lee Hoo**

PSM, DSSA, PPN

Executive Directors

**Low Gee Teong**

MA Econs. & Mgmt. Sc., UK

**Woon Siew Choo**

CA, FCCA, CA(M)

**Oh Leen May**

ACIS, FCCA, CA(M)

### • Group Adviser

**Tan Sri Dato' Low Yow Chuan**

PSM, DJI(Sel), SMS

### • Audit Committee

**Tan Sri Datuk Seri (Dr) Chong Hon Nyan** (Chairman)

**Tan Sri Dato' Hanafiah Hussain**

**Tan Sri Dato' Lee Kim Sai @ Lee Hoo**

**Dato' Jeffrey Ng Tiong Lip**

### • Remuneration And Nomination Committee

**Tan Sri Datuk Seri (Dr) Chong Hon Nyan** (Chairman)

**Tan Sri Dato' Hanafiah Hussain**

### • Executive Committee

**Dato' Jeffrey Ng Tiong Lip** (Chairman)

**Low Gee Tat @ Gene Low**

**Low Gee Teong**

**Low Su Ming**

**Low Gee Soon**

**Woon Siew Choo**

**Oh Leen May**

### • ESOS Committee

**Tan Sri Datuk Seri (Dr) Chong Hon Nyan** (Chairman)

**Tan Sri Dato' Hanafiah Hussain**

**Low Gee Teong**

**Low Gee Soon**

### • Company Secretaries

**Oh Leen May**

ACIS, FCCA, CA(M)

(MAICSA No. 0731489)

**Chan Kam Lye**

ACIS

(MAICSA No. 7009907)

### • Registered Office

2nd Floor, Marina Terrace Sports Complex,

Jalan Low Yat,

11100 Batu Ferringhi, Penang.

Tel : (04) 899 1213, 899 1123

Fax : (04) 890 5260

### • Registrar

**Bena Sakti Sdn Bhd**

5th Floor, City-Square Centre,

Jalan Tun Razak, 50400 Kuala Lumpur.

Tel : (03) 2162 4702

Fax : (03) 2162 1494

E-mail : benasakti@myjaring.net

### • Principal Bankers

Malayan Banking Berhad

EON Bank Berhad

### • Auditors

**Horwath**

Level 16, Tower C,

Megan Avenue II,

12, Jalan Yap Kwan Seng,

50450 Kuala Lumpur.

Tel : (03) 2166 0000

Fax : (03) 2166 1000

### • Stock Exchange Listing

Main Board, Bursa Malaysia

### • Website Address

[www.apland.com.my](http://www.apland.com.my)

### • Authorised Share Capital

RM1,000,000,000.00

### • Issued And Paid-Up Share Capital

RM710,341,402.00

### • Former Names

Mount Pleasure Holdings Berhad,

Public Corporation Berhad,

Public Textile Berhad,

Min Ngai Knitting Factory (Malaya) Berhad,

Min Ngai Knitting Factory (Malaya) Sdn Bhd

### • Date Of Incorporation

19 January 1961

## NOTICE OF THE 43RD ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 43rd Annual General Meeting of Asia Pacific Land Berhad will be held at the Miami Hall, Ferringhi Beach Hotel, Jalan Low Yat, 11100 Batu Ferringhi, Penang on Tuesday, 29 June 2004 at 11.00 a.m. to transact the following business:

1. To receive the Audited Accounts for the year ended 31 December 2003 and the Reports of the Directors and Auditors thereon. **RESOLUTION 1**
2. To approve the payment of Directors' fees to Independent Non-Executive Directors. **RESOLUTION 2**
3. To re-elect Mr Low Gee Tat @ Gene Low who retires pursuant to Article 80 of the Company's Articles of Association and being eligible, offers himself for re-election. **RESOLUTION 3**
4. To re-elect YBhg Tan Sri Dato' Lee Kim Sai @ Lee Hoo who retires pursuant to Article 80 of the Company's Articles of Association and being eligible, offers himself for re-election. **RESOLUTION 4**
5. To re-appoint Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. **RESOLUTION 5**

### As Special Business:

6. To consider and, if thought fit, to pass the following resolutions with or without modifications as Ordinary Resolutions:
  - 6.1 **"THAT** YBhg Tan Sri Datuk Seri (Dr) Chong Hon Nyan who retires pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."  
**RESOLUTION 6**
  - 6.2 **"THAT** YBhg Tan Sri Dato' Hanafiah Hussain who retires pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."  
**RESOLUTION 7**
  - 6.3 **Authority to allot shares pursuant to the Employees' Share Option Scheme**  
**"THAT** pursuant to the Employees' Share Option Scheme ("ESOS") of Asia Pacific Land Berhad which was approved by an Ordinary Resolution at the Extraordinary General Meeting of the Company held on 28 June 2001, approval be and is hereby given to the Directors pursuant to Section 132D of the Companies Act, 1965 to allot and issue such number of new ordinary shares of RM1.00 each in the capital of the Company from time to time in accordance with the Bye-Laws of the ESOS."  
**RESOLUTION 8**
7. To transact any other business of which due notice shall have been received.

By Order of the Board

**MDM OH LEEN MAY** (MAICSA No. 0731489)  
**MDM CHAN KAM LYE** (MAICSA No. 7009907)  
Company Secretaries  
7 June 2004

### NOTES:

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 ("the Act") shall not apply to the Company.
2. To be valid, the proxy form must be duly completed and deposited at the Registered Office of the Company at 2nd Floor, Marina Terrace Sports Complex, Jalan Low Yat, 11100 Batu Ferringhi, Penang not later than 11.00 a.m. on 27 June 2004.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Act are complied with.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
6. If the appointor is a corporation the proxy form must be executed either under its common seal or under the hand of an officer or attorney duly authorised.

## NOTICE OF THE 43RD ANNUAL GENERAL MEETING

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### EXPLANATORY NOTES ACCOMPANYING NOTICE OF MEETING

#### 1) Explanatory Notes on Items 6.1 and 6.2 of the Agenda

Under Section 129 of the Act, a director of a public company who is of or over the age of 70 is not eligible to be re-appointed as a director upon the expiry of his term of office. However, if his re-appointment is approved by a majority of not less than three-fourths of such members being entitled to vote at the annual general meeting in which his term of office expires, he shall then be authorised to continue in office for another term until the conclusion of the next Annual General Meeting.

Tan Sri Datuk Seri (Dr) Chong Hon Nyan, aged 80 and Tan Sri Dato' Hanafiah Hussain, aged 77 who are retiring pursuant to Section 129 of the Act would like to continue to offer their services as Independent Non-Executive Directors and Board Committee Members and, thus, offer themselves for re-appointment to the Board of AP Land at the forthcoming Annual General Meeting.

#### 2) Explanatory Note on Item 6.3 of the Agenda

The Ordinary Resolution proposed under Item 6.3, if passed, will empower the Directors to issue shares in the Company upon exercise of the ESOS options by eligible employees pursuant to the ESOS which was approved at the Extraordinary General Meeting of the Company held on 28 June 2001.

## STATEMENT ACCOMPANYING THE NOTICE OF THE 43RD ANNUAL GENERAL MEETING

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### DETAILS OF DIRECTORS STANDING FOR RE-ELECTION AT THE 43RD ANNUAL GENERAL MEETING OF THE COMPANY

- 1) The Directors who are standing for re-election at the 43rd Annual General Meeting to be held at the Miami Hall, Ferringhi Beach Hotel, Jalan Low Yat, 11100 Batu Ferringhi, Penang on Tuesday, 29 June 2004 are as follows:

- i) Directors standing for re-election pursuant to Article 80 of the Company's Articles of Association:

**Mr Low Gee Tat @ Gene Low**  
**Tan Sri Dato' Lee Kim Sai @ Lee Hoo**

- ii) Directors standing for re-appointment pursuant to Section 129 of the Companies Act, 1965:

**Tan Sri Datuk Seri (Dr) Chong Hon Nyan**  
**Tan Sri Dato' Hanafiah Hussain**

- 2) Further details of the abovementioned retiring directors are set out on pages 9 to 10 of this Annual Report. Details of their attendance at the Board Meetings of the Company held during the financial year ended 31 December 2003 are set out on page 20 of this Annual Report.

## 5 YEARS' FINANCIAL HIGHLIGHTS & SHARE MARKET INFORMATION

In RM'000	2003	2002	2001	2000	1999
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### RESULTS

Revenue	<b>240,355</b>	173,820	222,067	245,853	284,979
Profit/(Loss) before taxation	<b>24,940</b>	(115,590)	(28,416)	10,550	(2,047)
Taxation	<b>(7,158)</b>	(3,125)	(2,407)	(6,379)	5,284
Profit/(Loss) after taxation	<b>17,782</b>	(118,715)	(30,823)	4,171	3,237

### BALANCE SHEETS

Property, plant & equipment	<b>465,954</b>	556,888	626,858	731,329	721,854
Investment properties	<b>473,356</b>	473,100	520,676	520,570	520,072
Other investment	<b>50</b>	50	50	50	50
Land held for development	<b>139,194</b>	138,708	131,108	149,005	145,921
Goodwill on consolidation	<b>-</b>	-	4,950	5,358	5,765
Deferred tax assets	<b>20,382</b>	24,502	24,033	21,072	20,060
Current assets	<b>240,236</b>	203,268	196,799	203,011	233,512
Total assets	<b>1,339,172</b>	1,396,516	1,504,474	1,630,395	1,647,234
Current liabilities	<b>(204,108)</b>	(215,270)	(296,951)	(316,175)	(234,221)
	<b>1,135,064</b>	1,181,246	1,207,523	1,314,220	1,413,013

### FINANCED BY

Share capital	<b>710,341</b>	710,341	710,341	710,341	710,341
Reserves	<b>68,089</b>	37,211	140,324	181,987	187,682
Shareholders' equity	<b>778,430</b>	747,552	850,665	892,328	898,023
Deferred taxation	<b>50,089</b>	50,465	41,607	41,599	39,224
Long term liabilities	<b>306,545</b>	383,229	315,251	380,293	475,766
	<b>1,135,064</b>	1,181,246	1,207,523	1,314,220	1,413,013

### FINANCIAL RATIOS

Basic earnings/(loss) per share (sen)	<b>2.50</b>	(16.71)	(4.34)	0.59	0.46
Net tangible assets per share (sen)	<b>109.59</b>	105.24	119.06	124.87	125.61
Return on equity ( % )	<b>2.33</b>	(14.86)	(3.54)	0.47	0.36
Debt/equity ( % )	<b>49.43</b>	59.76	53.43	61.82	65.98

### SHARE MARKET INFORMATION

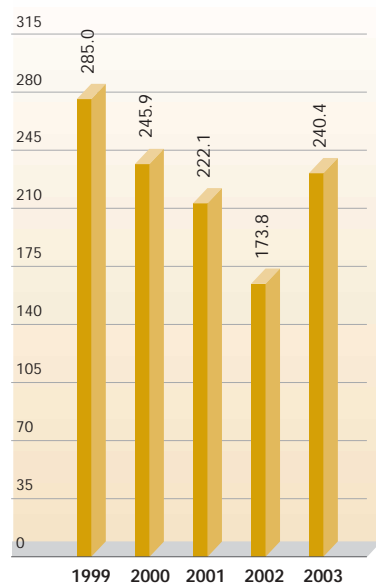
Share price - High (RM)	<b>0.350</b>	0.440	0.435	1.040	1.210
- Low (RM)	<b>0.200</b>	0.245	0.235	0.400	0.350
Last transacted price (RM)	<b>0.275</b>	0.255	0.305	0.435	0.800
Market capitalisation (RM'mil)	<b>195.34</b>	181.14	216.65	309.00	568.27
Net price earnings ratios (times)	<b>10.99</b>	n/a	n/a	74.08	175.56
Volume traded during the financial year ('000)	<b>279,865</b>	89,616	119,010	181,038	270,356

Note: Certain figures for the financial years 1999 to 2002 have been restated to take into account the effects of the changes in accounting policies with respect to the adoption of MASB 25 on Income Taxes by the Group in year 2003.

## 5 YEARS' FINANCIAL HIGHLIGHTS

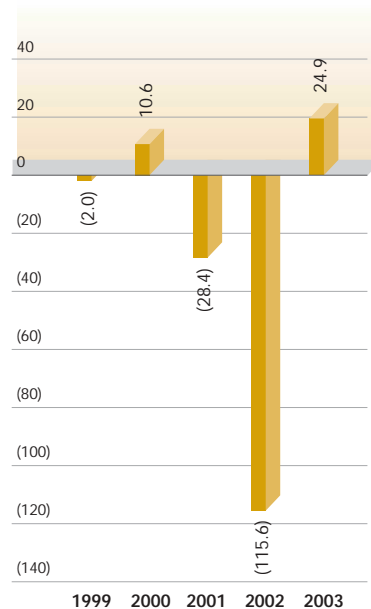
### Revenue

(RM Million)



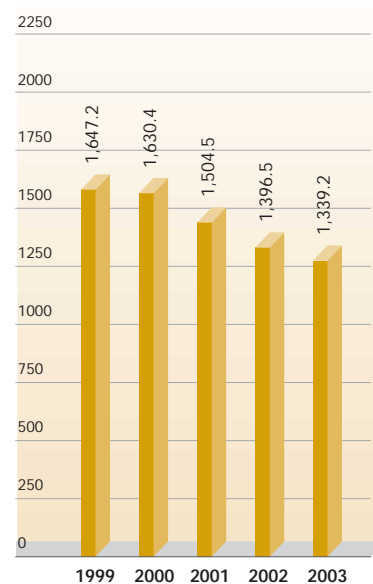
### Profit/(Loss) Before Taxation

(RM Million)



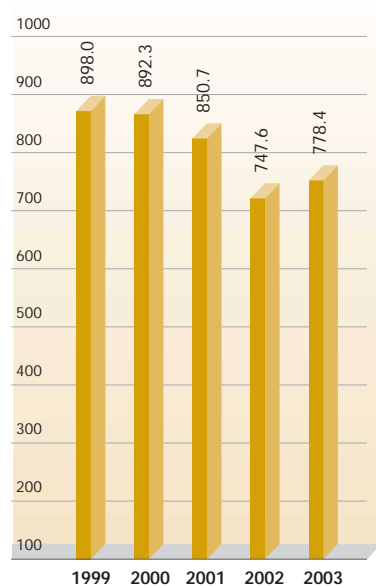
### Total Assets

(RM Million)



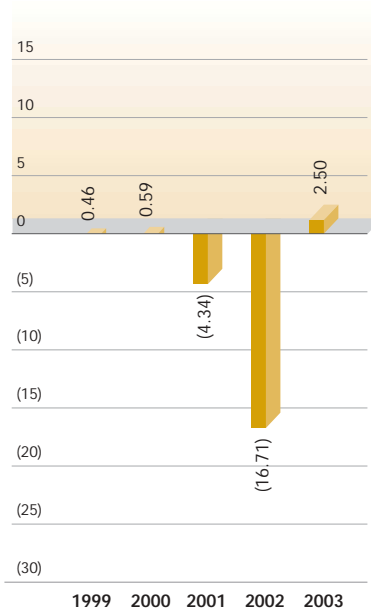
### Shareholders' Equity

(RM Million)



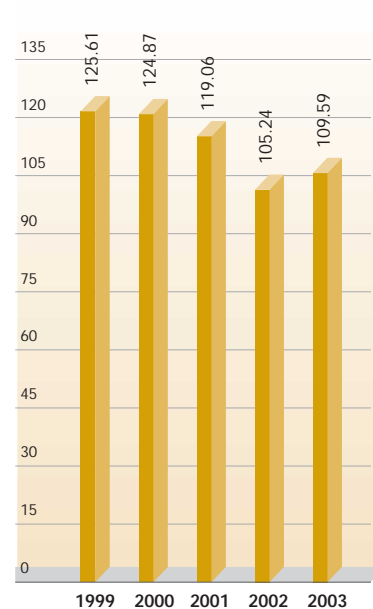
### Basic Earnings/(Loss) Per Share

(Sen)



### Net Tangible Assets Per Share

(Sen)





**ASIA PACIFIC LAND BERHAD or AP LAND** as it is popularly known, is one of the largest property groups in Malaysia with significant interests in residential property development, shopping centre, commercial office and hotels.

AP Land was incorporated in Malaysia on 19 January 1961 as a private limited company under the name of Min Ngai Knitting Factory (Malaya) Sdn. Bhd.

The Company was converted into a public limited company on 9 May 1969 and its shares were listed on the Kuala Lumpur Stock Exchange (KLSE) (now known as Bursa Malaysia) and the Stock Exchange of Singapore Ltd. on 3 July 1969.

In compliance with the policy of the Malaysian Government and the requirements of the Stock Exchange that was then known as the KLSE, the Board of Directors of AP Land resolved on 1 December 1989 to delist the Company from the Official List of the Stock Exchange of Singapore Ltd. with effect from 1 January 1990.

The Company was initially involved in textile business and on 18 December 1973, the Company changed its name to Public Textile Bhd. Since 1981, it has diversified into property development and subsequently changed its name to Public Corporation Bhd. on 12 November 1982. In 1983, the Company acquired several properties from Makok Development Sdn. Bhd. and the entire issued and paid-up share capital in Mount Pleasure Corporation Sdn. Bhd. To reflect the acquisition of Mount Pleasure Corporation Sdn. Bhd., the Company's name was changed to Mount Pleasure Holdings Berhad on 14 May 1984.

The Company completed the development of its first hotel, the 350-room Ferringhi Beach Hotel Penang in 1988 and was the developer of Mount Pleasure Resort, Batu Ferringhi, Penang, comprising luxurious upmarket condominiums.

The Company became a major property investor from 1990 when it embarked on the acquisition of the following properties at City-Square Centre, the first fully integrated commercial development in Malaysia, which is strategically located within the vicinity of the Embassy belt of Kuala Lumpur:

- the City-Square Shopping Complex, an 11-storey building comprising three levels of basement car-parking and eight levels of shopping/commercial and car-parking space in 1990;
- the Crown Princess Kuala Lumpur, a 571-room 5-star deluxe hotel which is sited atop City-Square Shopping Complex, in 1990;
- the Empire Tower, a 50-level Grade-A high-rise office building - then the tallest office building in Kuala Lumpur, which sits on the podium of City-Square Centre and two levels of car-parking space, in 1994.

The Company assumed its present name, Asia Pacific Land Berhad on 1 August 1990.

AP Land was honoured by the International Real Estate Federation (FIABCI), Malaysia Chapter, with the Commercial Development Award 1994 for City-Square Centre and Property Man of the Year Award 1994 for its former Chairman, Tan Sri Dato' Low Yow Chuan.

In 1993, AP Land ventured into property investment and development in Sydney, Australia by acquiring a commercial property in the exclusive eastern suburb of Rushcutters Bay, Sydney for redevelopment into a prime residential apartment and hotel. Several adjoining properties were subsequently acquired from 1996 to 1997 for the extension to the hotel project. The resultant developments, the Marina One apartments which comprise 78 units of luxurious upmarket apartments and the Rushcutters Harbourside Hotel Sydney ("RHHS"), a 260-room 4-star, boutique hotel were completed in 1999. The Group disposed of the RHHS in 2003.

In 1994, AP Land further expanded its property development division with the acquisition of 2,670 acres of plantation land in Rawang, Selangor for the development of an integrated Urban Regional Centre, Bandar Tasik Puteri ("BTP"). BTP is currently being developed in phases and when completed will have residential homes and a commercial town centre complete with business institutions, entertainment and recreational amenities to serve the North Klang Valley's population.

In 1996, AP Land went on further to acquire the Hotel Fairlane Kuala Lumpur ("the Hotel"), a 258-room 4-star, boutique hotel located in the vicinity of Jalan Bukit Bintang, a popular shopping and entertainment destination. The Hotel was subsequently disposed of in 2001.

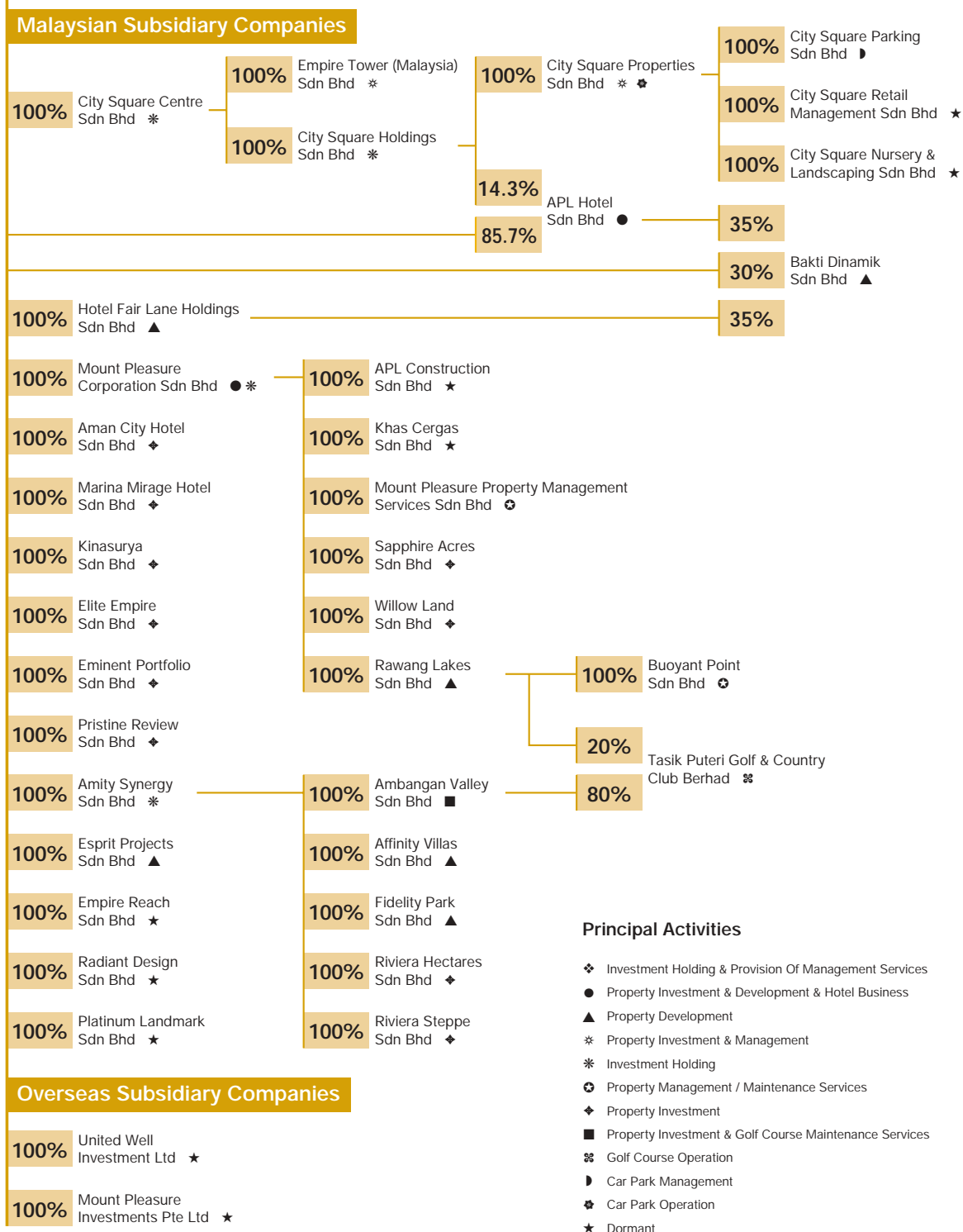
In 1997, the Group ventured into oil palm plantations in Sabah, and owned 9,700 acres of oil palm plantation in Sabah. AP Land disposed of all its unquoted investments in its two wholly-owned subsidiaries, APL Plantations Sdn. Bhd. and APL Resources Sdn. Bhd. which owned the oil palm plantations land in Sabah in 2002.

In 1999, AP Land acquired the 59th, 60th and 61st floors together with the rooftop helipad of Empire Tower, thus completing its acquisition and ownership of the entire Empire Tower building at the City-Square Centre. It also acquired an adjacent commercial land to City-Square Centre held under Lot Nos. 125 & 126 both in Section 43 Town and District of Kuala Lumpur.

In 2000, the Group further acquired two contiguous parcels of freehold land held under Lot Nos. 123 & 124 in Section 43 which increased the Group's landbank in the vicinity of City-Square Centre. The four parcels of land which are adjacent to each other will be amalgamated for the proposed development of residential apartments.

Property development, having proven to be the major profit and revenue earner to the Group since the launch of BTP in 1998 will continue to be the main business division. The Group plans to be a major player in both the affordable and luxury housing sector.

## ASIA PACIFIC LAND BERHAD ❖



## AP LAND ORGANISATION STRUCTURE

### Board Of Directors

Executive Chairman

**Low Gee Tat @ Gene Low**

Managing Director

**Dato' Jeffrey Ng Tiong Lip**

Executive Directors

**Low Gee Teong**

**Woon Siew Choo**

**Oh Leen May**

Independent Non-Executive Directors

**Tan Sri Datuk Seri (Dr) Chong Hon Nyan**

**Tan Sri Dato' Hanafiah Hussain**

**Tan Sri Dato' Lee Kim Sai @ Lee Hoo**

#### ESOS Committee

**Tan Sri Datuk Seri (Dr)  
Chong Hon Nyan**  
(Chairman)

**Tan Sri Dato'  
Hanafiah Hussain**

**Low Gee Teong**

**Low Gee Soon**

#### Remuneration & Nomination Committee

**Tan Sri Datuk Seri (Dr)  
Chong Hon Nyan**  
(Chairman)

**Tan Sri Dato'  
Hanafiah Hussain**

#### Audit Committee

**Tan Sri Datuk Seri (Dr)  
Chong Hon Nyan**  
(Chairman)

**Tan Sri Dato'  
Hanafiah Hussain**

**Tan Sri Dato'  
Lee Kim Sai @ Lee Hoo**

**Dato' Jeffrey Ng Tiong Lip**

#### Executive Committee

**Dato' Jeffrey Ng Tiong Lip**  
(Chairman)

**Low Gee Tat @ Gene Low**

**Low Gee Teong**

**Low Su Ming**

**Low Gee Soon**

**Woon Siew Choo**

**Oh Leen May**

### Divisional Heads

CORPORATE FINANCE / PLANNING,  
ACCOUNTS & TAXATION

**Woon Siew Choo** - Executive Director

SECRETARIAL, CORPORATE SERVICES &  
ADMINISTRATION

**Oh Leen May** - Executive Director /  
Group Company Secretary

PROPERTY & PROJECT / CONSTRUCTION  
MANAGEMENT

**Loke Mun Kit** - Area Director

PROJECT / CONSTRUCTION MANAGEMENT

**Lee Kok Wah** - Area Director

MARKETING, SALES & BUSINESS DEVELOPMENT

**Stephen Yang Kok Chee** - Area Director

ARCHITECTURAL & PLANNING SERVICES

**Wee Beng Sang** - Director

HOTEL OPERATIONS & PLANNING

**Steven Chong Lim Yoke** - Director  
Group Sales & Marketing

### Mr Low Gee Tat @ Gene Low

#### *Executive Chairman*

Mr Low Gee Tat, aged 41, a Malaysian, is the Executive Chairman of AP Land. He holds a Bachelor of Social Science & Law and Politics degree from the University of Keele, United Kingdom. He has been the Executive Director on the Board of AP Land since 22 April 1991. He is a member of the Executive Committee of AP Land.

He is responsible for the Board's overall conduct and effectiveness as well as to provide general strategic business direction to the Management, in addition to his specific portfolio for the executive management, overall administration, planning and operations of the Group's hotel arm, comprising the Crown Princess Kuala Lumpur and Ferringhi Beach Hotel Penang. Further, he has also been entrusted with the task of spearheading certain development projects in the Group. He is the Trustee of the National Children Welfare Foundation and the Vice President of Malaysian Association of Hotel Owners (MAHO).

He is the brother of Mr Low Gee Teong who is a director and substantial shareholder of AP Land. His father, Tan Sri Dato' Low Yow Chuan and his brother, Mr Low Gee Soon are deemed substantial shareholders of the Company. Dato' Jeffrey Ng Tiong Lip who is his cousin, is the Managing Director of AP Land.

He is also an executive director and/or substantial shareholder of several private limited companies in the Low Yat Group which have similar principal activities with the Group such as property development, property investment & management and hotel business. He is also a director of the hotel management company which is providing hotel management services to the hotels in the Group.

Mr Low Gee Tat is deemed to be interested in the related party transactions disclosed on pages 78 to 83 of the Annual Report.

He has no \*convictions for offences over the past 10 years.

He has attended all the Board Meetings of AP Land held during the financial year ended 31 December 2003.

Mr Low Gee Tat is a deemed substantial shareholder of AP Land. His indirect interest in the shares of AP Land is disclosed on pages 39 to 40 of the Annual Report.

### Dato' Jeffrey Ng Tiong Lip

#### *Managing Director*

Dato' Jeffrey Ng Tiong Lip, aged 47, a Malaysian, was appointed to the Board of AP Land on 9 February 1984 and has been holding the position of Managing Director of AP Land since 30 May 1992. He is the Chairman of the Executive Committee and a member of the Audit Committee of AP Land.

He graduated from Monash University, Melbourne with a Bachelor's Degree in Economics, and gained working experience in the auditing field with an international auditing firm in Australia before returning to Malaysia. He headed the Internal Audit Department of the Federal Hotel's Group. Thereafter he gained over 19 years of extensive experience in finance, corporate planning and executive management of business operations in the property and hotel industry.

Dato' Jeffrey Ng is a member of The Institute of Chartered Accountants Australia, Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. He was a member of the Young President Organisation (YPO), Malaysia Chapter since 1985, where he served as the Chapter Chairman from 1992 to 1994. He also served as Secretary General of FIABCI (the International Real Estates Federation), Malaysian Chapter from 1994 to 1997 and was the Vice President of Malaysian Association of Hotel Owners (MAHO) from May 1998 to May 2002. In November 1999, he was conferred a Fellowship by the Malaysian Institute of Directors.

Currently, he is the President of the Real Estate And Housing Developers Association (REHDA), Chairman of REHDA Wilayah Persekutuan (KL) Branch, President of the Malaysian Association of Australian Wine Importers (MAAWI), Executive Committee Member of Malaysia Australia Business Council (MABC), Vice President of FIABCI, Malaysia and member of the Board of Directors of Construction Industry Development Board Malaysia.

Dato' Jeffrey Ng is the cousin of Mr Low Gee Tat @ Gene Low and Mr Low Gee Teong who are directors and deemed substantial shareholders of AP Land. His uncle, Tan Sri Dato' Low Yow Chuan and his cousin, Mr Low Gee Soon are deemed substantial shareholders of AP Land.

He is an executive director of several private limited companies in the Low Yat Group which have similar principal activities with the Group such as property development, property investment and management and hotel business. Dato' Jeffrey Ng is deemed to be interested in the related party transactions as disclosed on pages 78 to 83 of the Annual Report.

He has no \*convictions for offences over the past 10 years.

He has attended all the Board Meetings of AP Land held during the financial year ended 31 December 2003.

Dato' Jeffrey Ng does not hold any shares in AP Land.

### Tan Sri Datuk Seri (Dr) Chong Hon Nyan

#### *Independent Non-Executive Director*

Tan Sri Datuk Seri (Dr) Chong Hon Nyan, aged 80, a Malaysian, has been an Independent Non-Executive Director of AP Land since 1 December 1992. Tan Sri Chong is the Chairman of the Audit Committee, Remuneration & Nomination Committee and ESOS Committee of AP Land.

He is holder of a Raffles College Diploma First Class (English) and a M.A. from Cambridge University, England (Law Tripos) and had been a Federal Government Scholar. He has previously held the posts of Secretary General, Ministry of Finance from 1971 to 1974, Deputy Finance Minister from 1974 to 1976, Minister in the Prime Minister's Department in 1977, Minister of Health from 1978 to 1983 and Minister of Transport from 1983 to 1984 in the Government. Tan Sri Chong was conferred an Honorary Degree of Doctor of Science by the International Medical University in 2003.

During his service with the Government, Tan Sri Chong has attended meetings of the World Bank, International Monetary Fund, Asian Development Bank, Colombo Plan, World Health Organisation, Commonwealth Finance Ministers and Economic and Social Commission for Asia and the Pacific region (ESCAP) and has often led the Malaysian delegations to

\* Convictions other than traffic offences

## PROFILE OF DIRECTORS, COMPANY SECRETARIES & MANAGEMENT TEAM

such international conferences. He is a Patron of the Boys' Brigade Malaysia, a member of the National Economic Consultative Council, the honorary Chairman of the Tan Sri Lee Yan Lian Charitable Foundation and the Pro Chancellor of the International Medical University. He is also an Independent Non-Executive Director and Audit Committee member of J.P. Morgan Chase Bank Berhad.

Tan Sri Chong does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

He does not have any conflict of interest with the Company nor any personal interest in any business arrangement involving the Company.

He has no \*convictions for offences over the past 10 years.

Tan Sri Chong has attended all the Board Meetings of AP Land held during the financial year ended 31 December 2003.

The indirect interest of Tan Sri Chong in AP Land is disclosed on page 40 of the Annual Report.

### **Tan Sri Dato' Hanafiah Hussain**

#### ***Independent Non-Executive Director***

Tan Sri Dato' Hanafiah Hussain, aged 77, a Malaysian, was appointed as an Independent Non-Executive Director to the Board of AP Land on 1 October 1993. He is a member of the Audit Committee, Remuneration & Nomination Committee and ESOS Committee of AP Land.

He holds a Bachelor of Arts (Commerce) degree from the University of Manchester, England and is a Fellow of The Institute of Chartered Accountants in England and Wales. He has extensive experience in auditing, finance and banking. Tan Sri Hanafiah was formerly Executive Chairman of Bank Bumiputra Malaysia Berhad from 1990 to 1993, Chairman of South East Asia Bank Ltd. Mauritius from 1990 to 1993, and President of the Associated Malay Chambers of Commerce of Malaysia from 1966 to 1970. He was a founder partner of the firm of chartered accountants, Hanafiah Raslan and Mohamed.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

He does not have any conflict of interest nor any personal interest in any business arrangement involving the Company.

He has no \*convictions for offences over the past 10 years.

He has attended 3 out of 5 Board Meetings of AP Land held during the financial year ended 31 December 2003.

Tan Sri Dato' Hanafiah does not hold any shares in AP Land.

### **Tan Sri Dato' Lee Kim Sai @ Lee Hoo**

#### ***Independent Non-Executive Director***

Tan Sri Dato' Lee Kim Sai @ Lee Hoo, aged 67, a Malaysian, was appointed as an independent non-executive director of Rawang Lakes Sdn Bhd, a wholly-owned subsidiary of AP Land on 1 October 1995. He was appointed as an Independent Non-Executive Director to the Board of AP Land on 15 March 2000. He is a member of the Audit Committee of AP Land.

He was elected as Selangor State assemblyman in 1974. During his appointment, he was also made State Executive Councillor in charge of housing. In 1982, he was elected as a Member of Parliament. He was appointed Deputy Minister in the Prime Minister's Department in June 1983. Subsequently, in 1985, he was appointed Minister of Labour and in 1987 he was appointed Minister of Housing and Local Government. He later served as Minister of Health from 1988 until he retired from cabinet in May 1995.

Tan Sri Dato' Lee is the Chairman of Metro Kajang Holdings Berhad, a public listed company which is principally involved in project and building management, investment holding and property development and is a director of several private limited companies.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

He does not have any conflict of interest nor any personal interest in any business arrangement involving the Company.

He has no \*convictions for offences over the past 10 years.

He has attended all the Board Meetings of AP Land held during the financial year ended 31 December 2003.

Tan Sri Dato' Lee does not hold any shares in AP Land.

### **Mr Low Gee Teong**

#### ***Executive Director***

Mr Low Gee Teong, aged 40, a Malaysian, possesses a Master's Degree in Economics from the University of Keele, United Kingdom. He was appointed as an Executive Director to the Board of AP Land on 22 April 1991. He is a member of the Executive Committee and ESOS Committee of AP Land.

He is primarily responsible for the executive management and operations of the Group's property development arm, including areas of Marketing, Sales and Business Development. He is also directly responsible for the business operations, performance and development of the Group's Tasik Puteri Golf & Country Club in Rawang.

He is the brother of Mr Low Gee Tat @ Gene Low who is the Executive Chairman and a substantial shareholder of AP Land. His father, Tan Sri Dato' Low Yow Chuan and his brother, Mr Low Gee Soon are deemed substantial shareholders of the Company. Dato' Jeffrey Ng Tiong Lip who is his cousin, is the Managing Director of AP Land.

He is also an executive director and/or substantial shareholder of several private limited companies in the Low Yat Group which have similar principal activities with the Group such as property development, property investment & management and hotel business.

Mr Low Gee Teong is deemed to be interested in the related party transactions disclosed on pages 78 to 83 of the Annual Report.

He has no \*convictions for offences over the past 10 years.

He has attended 4 out of 5 Board Meetings of AP Land held during the financial year ended 31 December 2003.

\* Convictions other than traffic offences

## PROFILE OF DIRECTORS, COMPANY SECRETARIES & MANAGEMENT TEAM

Mr Low Gee Teong is a deemed substantial shareholder of AP Land. His indirect interest in the shares of AP Land is disclosed on pages 39 to 40 of the Annual Report.

### Mdm Woon Siew Choo

#### *Executive Director*

Mdm Woon Siew Choo, aged 50, a Malaysian, is an associate member of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants. She is primarily responsible for the Group's Corporate Finance/Planning, Accounting and Taxation functions.

She was the Divisional Director heading the Group's Corporate Finance, Accounts & Tax Divisions between 1 April 1994 to 31 December 2002 before assuming her present position as Executive Director on 1 January 2003. Mdm Woon was formerly attached to an international accounting firm in United Kingdom and the Federal Hotels Group prior to joining the AP Land Group. She is also a member of the Executive Committee of AP Land.

She does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

She does not have any conflict of interest nor any personal interest in any business arrangement involving the Company.

She has no \*convictions for offences over the past 10 years.

She has attended all the Board Meetings of AP Land held during the financial year ended 31 December 2003.

The direct interest of Mdm Woon in AP Land is disclosed on page 40 of the Annual Report.

### Mdm Oh Leen May

#### *Executive Director*

Mdm Oh Leen May, aged 51, a Malaysian, is a member of the Institute of Chartered Secretaries & Administrators, Association of Chartered Certified Accountants and Malaysian Institute of Accountants. She was appointed as the Company Secretary of AP Land Group on 1 January 1985. She is primarily responsible for the Group's Company Secretarial & Corporate Services as well as the Administration Divisions.

She was the Divisional Director heading the Group's Company Secretarial, Corporate Affairs and Administration Divisions between 1 January 1994 to 31 December 2002 before assuming her present position as Executive Director on 1 January 2003. Prior to joining the AP Land Group, Mdm Oh had 8 years relevant experience in a similar capacity attached to a large organisation. She is also a member of the Executive Committee of AP Land.

She does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

She does not have any conflict of interest nor any personal interest in any business arrangement involving the Company.

She has no \*convictions for offences over the past 10 years.

She has attended all the Board Meetings of AP Land held

during the financial year ended 31 December 2003.

Mdm Oh does not hold any shares in AP Land.

### Mdm Low Su Ming

#### *Executive Director*

Mdm Low Su Ming, aged 38, a Malaysian, graduated with a Bachelor's Degree in Science (Architecture) from the University of New South Wales, Australia. She was appointed as an Executive Director of AP Land Group on 22 April 1991.

She is directly responsible for the executive management, business performance and operations of the Group's Property Investment Division, namely, the Empire Tower office building and City-Square Shopping Complex, in addition to the Architectural, Design and Project/Property Planning portfolios that serve all of the Group's Business Divisions.

She is a member of the Executive Committee of AP Land Group. She is also an executive director and/or substantial shareholder of several private limited companies in the Low Yat Group which are principally involved in property development, property investment and management and hotel business.

Mdm Low Su Ming is the sister of Mr Low Gee Tat @ Gene Low and Mr Low Gee Teong who are the directors and deemed substantial shareholders of AP Land.

### Mr Low Gee Soon

#### *Executive Director*

Mr Low Gee Soon, aged 35, a Malaysian, graduated in 1988 with a Diploma in Business and Management Accounting from the University of Technology, Sydney. He was appointed as an Executive Director of the AP Land Group on 25 June 1992.

He is primarily responsible for the executive management and operations of the Group's property development arm, majoring in the areas of Finance, Procurement, Property Management Services, Project/Construction Management, Contracts Administration; as well as for General Administrative functions including the Human Resources portfolio of the Group.

He is also a member of the Executive Committee and ESOS Committee of AP Land Group. Mr Low Gee Soon is also an executive director and/or substantial shareholder of several private limited companies in the Low Yat Group which are principally involved in property development, property investment and management and hotel business.

Mr Low Gee Soon is the brother of Mr Low Gee Tat @ Gene Low and Mr Low Gee Teong who are the directors and deemed substantial shareholders of AP Land. He is a deemed substantial shareholder of AP Land.

### Mr Loke Mun Kit

#### *Area Director*

#### *~ Property & Project / Construction Management*

Mr Loke Mun Kit, aged 47, a Malaysian, graduated from a local College with a Diploma in Building Technology and also possesses a post-graduate Master's Degree in Business Administration from the International Commercial Management

\* Convictions other than traffic offences



## PROFILE OF DIRECTORS, COMPANY SECRETARIES & MANAGEMENT TEAM

Institute, United Kingdom. He is a Chartered Builder by profession and is a member of the Chartered Institute of Building, the Commercial Management Institute and the Institute of Professional Managers and Administrators, United Kingdom.

Mr Loke joined AP Land Group on 1 November 1999 and at present is directly responsible for all aspects of Property Management Services in respect of the Group's residential developments, namely, the Bandar Tasik Puteri township in Rawang and Mount Pleasure Resort in Penang. In addition, he is entrusted with the project and construction management of the Group's property developments other than Bandar Tasik Puteri.

Prior to his present appointment, Mr Loke has held positions such as vice president (construction division) for a local public listed company, managing director of a private project management and development company and was also a former Council Member of the Malaysia Chartered Institute of Building (MCIQB).

### Mr Lee Kok Wah

#### Area Director

#### ~ Project / Construction Management

Mr Lee Kok Wah, aged 51, a Malaysian, graduated with a Bachelor of Science (Housing, Building and Planning) Honours Degree from the Universiti Sains Malaysia (USM) and is a member of the Malaysian Institute of Arbitrators, Malaysian Institute of Management and British Institute of Management.

Mr Lee joined AP Land Group on 2 May 2002 and is at present directly responsible for the project and construction management of the Group's flagship development, the Bandar Tasik Puteri township in Rawang. He has in excess of 26 years of related working experience in the field of property development and construction management, having completed a variety of projects, ranging from commercial, industrial, resort to residential, both locally and overseas. Prior to his present position, Mr Lee was, inter-alia the senior general manager of the property division for a listed company in Malaysia, the vice president (projects) overall responsible for project management and construction activities of developments undertaken by a Malaysian listed company in Subic Bay, Philippines and senior manager (projects) for a company incorporated in the Philippines responsible for the planning and construction of an integrated development comprising a hotel, casino, office and holiday resort.

### Mr Stephen Yang Kok Chee

#### Area Director

#### ~ Marketing, Sales & Business Development

Mr Stephen Yang Kok Chee, aged 48, a Malaysian, graduated with a Bachelor's Degree in Science from Middlesex University and Master of Administration from Monash University, Australia.

He joined AP Land Group on 17 November 1997 and is at present responsible for the Marketing and Sales functions for the Group's Property Development Division.

Mr Stephen Yang has in excess of 19 years of working experience in property sales and marketing as well as retail complex management, and was formerly the complex

manager of Plaza Yow Chuan Shopping Complex, centre manager of Westfield Shopping Town, Australia and general manager of City-Square Shopping Complex.

### Mr Wee Beng Sang

#### Director

#### ~ Architectural & Planning Services

Mr Wee Beng Sang, aged 43, a Malaysian, graduated as an Architect from the Universiti Teknologi Malaysia (UTM) and is a corporate member of the Board of Architects Malaysia (LAM), the Malaysian Institute of Architects (PAM) and the Malaysian Institute of Interior Designers (IPDM). He is also a past member of PAM's Practice and Housing Committees.

Prior to joining AP Land Group on 1 April 1994, he served as the Director of Architecture for Low Yat Group. He is at present responsible for the architectural, draughting, planning, design/product development and interior services, servicing all Business Divisions in the Group. His scope includes liaison with all relevant governmental/quasi-governmental authorities on the Group's project planning and development approvals and responsible for the implementation of quality assurance and quality control (QAQC) processes/procedures.

Overall, Mr Wee has in excess of 18 years of related working experience in commercial, industrial, residential and township developments.

### Mr Steven Chong Lim Yoke

#### Director

#### ~ Group Sales & Marketing (Hotel Division)

Mr Steven Chong Lim Yoke, aged 43, a Malaysian, graduated in 1987 in Hotel Management from Stamford & Hotel Consult-Switzerland. Prior to his present appointment on 9 July 2001, he held positions as hotel manager of The Federal Kuala Lumpur and Hotel Fairlane Kuala Lumpur (now Hotel Coronade).

He is at present responsible for the Marketing and Business Development functions as well as to oversee the operational aspects in an acting capacity for the Group's Hotel Division.

He has 23 years of related working experience in all aspects of hotel operations, with particular strength in Sales and Marketing.

### Mdm Chan Kam Lye

#### Company Secretary

Mdm Chan Kam Lye, aged 42, a Malaysian, is an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). She is responsible for the company secretarial functions of the Group. She joined the Group in 1988 as a Company Secretary and was later appointed as a Joint Company Secretary of AP Land in 1992. Prior to joining the Group, she was attached to a firm providing share registration services.



"We will increasingly build up our brand image via creative concept marketing and innovative product development."

Executive Chairman, Mr Low Gee Tat

On behalf of the Board of Directors, I am pleased to present the Annual Report of Asia Pacific Land Berhad for the financial year ended 31 December 2003.

### RESULTS

Overall, 2003 has turned out to be a relatively good year for the Group. Against a background of 5.2% economic growth and continued strong economic fundamentals, increased exports and stronger domestic investments and consumption in the country, the Group recorded 38.3% increase in revenue from RM173.8 million in 2002 to RM240.4 million in 2003. The increase was mainly attributed to the Property Development Division which recorded higher sales and higher progress billings. The Hotel Division, though severely hit by the Severe Acute Respiratory Syndrome (SARS) and the US led war in Iraq, was able to recover some of the lost sales with aggressive marketing campaigns and repackaged products in new markets.

Consequently, the Group achieved a profit before tax of RM24.9 million which was a marked improvement from the previous year's loss of RM115.6 million. All divisions contributed to the improved performance with Property Development Division taking the lead.

During the year, the Group disposed of

the Rushcutters Harbourside Hotel Sydney for RM110.6 million (AUD42.75 million) and registered a gain of RM4.7 million. The proceeds of the sale were substantially used to pay down the Group's bank borrowings.

### REVIEW OF PERFORMANCE

#### PROPERTY DEVELOPMENT

Following an unexciting 2002, the Property Development Division recovered its growth momentum in 2003 to record strong improvements in both revenue and profits. The improvements were mainly due to higher progress billings from the Bandar Tasik Puteri (BTP) project at Rawang, Selangor, as a result of resumed work progress at the construction sites and the encouraging sales of properties from new launches.

#### PROPERTY INVESTMENT

The Property Investment Division continued to perform well despite an oversupply situation in the office and retail property sectors in Kuala Lumpur. Both revenue and profit contributions increased due to the Empire Tower Kuala Lumpur having managed to secure major tenants during the year under review and thus improving on its occupancy and average rental rates. The City-Square Shopping Complex, on the other hand, recorded a slight

reduction in occupancy but its selection of better tenant mix compensated for it with higher revenue and average rental rates.

#### HOTEL

The first half of the year was a challenging period for our Hotel Division in view of the outbreak of SARS and the war in Iraq which reduced non-essential travel worldwide. Bookings for the year were affected and this adversely impacted on the hotel business. To mitigate its losses, the Group embarked on several aggressive strategies to penetrate new markets. Occupancies for the Crown Princess Kuala Lumpur and the Ferringhi Beach Hotel Penang, however, dropped by 6.5% and 8.2% respectively but the Crown Princess Kuala Lumpur improved on its average room rates. In Australia, the Rushcutters Harbourside Hotel Sydney also recorded improved average room rates but suffered a slight drop in occupancy prior to completion of the sale.

#### GOLF CLUB

Tasik Puteri Golf & Country Club located in Bandar Tasik Puteri, Rawang, continued to perform well with increasing patronage from walk-in golfers and corporate groups. The golf course is well regarded and fast gaining a good reputation for Bandar Tasik Puteri.



### PROSPECTS AND CORPORATE DIRECTION

Overall, the prospects for the Group remain bright but challenging.

Our focus for 2004 will be to continue the strategies and action plans we have started in 2003 and earlier. We will continue to practise prudent balance sheet management through divestment of low yielding and loss making assets and focus on our more profitable division, property development.

We will continue to take advantage of the conducive environment for home purchase to market our houses in accordance with our strategic plans. Despite the increasingly competitive market we are facing, we are optimistic that through the right mobilization of resources, ideas and strategies, we will be able to increase, if not, maintain our market share of housing sales in Selangor.

Affordable housing has done well for us and will continue to be in our portfolio. Plans are, however, underway to develop luxury housing products in Kuala Lumpur and Penang. To carve a niche in the high end market, we will increasingly build up our brand image via creative concept marketing and innovative product development.

The Property Investment Division will continue to face keen competition due to oversupply of retail and office space in the market. To compete successfully, we will strengthen our operations to become more customer focused, providing better facilities and services to

tenants. Having achieved a higher occupancy for Empire Tower, we will look towards securing higher yield tenants capable of paying better rental rates. With City-Square Shopping Complex, we will continue to streamline the "specialty lifestyle" concept to differentiate us from other shopping complexes and to source for new tenants with new concepts, products and services which will complement the existing tenants.

Barring any unforeseen circumstances that will adversely impact on our tourist arrivals, prospects for Hotel Division are expected to be good, given the forecasted economic growth of at least 6% and the continual emphasis by our Government to promote the tourism trade. The hotel industry is expected to be increasingly competitive, especially in Kuala Lumpur, with new room supply coming onto the market. Penang, too, remains a competitive environment for hotels. But, with continuous upgrading and refurbishment of our hotels as well as aggressive marketing, we can look forward to increased room occupancies, better room rates and higher patronage of our food and beverage outlets.

### HUMAN RESOURCES

The Group will strengthen itself through its human resource management and via the incentivisation of staff based on performance and productivity. Emphasis will be continually placed on enhancement of skills through on-the-job training and workshop development programmes with

rewards commensurating with performance, particularly in the operational and marketing departments. Priorities for the Group will include, amongst others, creating a strong sales culture and a service-oriented operational workforce.

To support the above, we will continue to review and improve our human resource policies, work methods and processes.

Work aside, every employee deserves recreation and play. The Group will continue to pursue a policy of indulgence on staff participation in social and recreational activities by subsidizing company trips and sponsoring sports events.

### COMMUNITY SERVICES

In carrying out its business activities, the Group has not forgotten its responsibility towards the less fortunate. In the past year, it pledged a donation of RM1 million towards the Universiti Tunku Abdul Rahman (UTAR) Huaren Foundation Fund which would be progressively disbursed to assist students from under-privileged families to further their education. It also organised several charity drives and events through its various business divisions, particularly the hotel, and brought cheer to senior citizens and under privileged children.

At Bandar Tasik Puteri, in response to requests by Muslim residents, the Group built a surau for them to perform their religious obligations. It also



*YAB Dato' Seri Dr Mohd Khir Toyo, Menteri Besar of Selangor officiating the opening of Medan Puteri mall at Bandar Tasik Puteri, Rawang, Selangor on 11 May 2003. Looking on are Mr Low Gee Tat, Executive Chairman of AP Land (left) and Dato' Jeffrey Ng Tiong Lip, Managing Director of AP Land (right).*



*Aerial view of Tasik Puteri Golf & Country Club.*

participated in the National Family Day Celebrations in which it donated a low cost apartment to be given away as the grand prize for the Smart Start wedding package organised by the National Population and Family Development Board. Other than as part of its advertising and publicity drive to promote Bandar Tasik Puteri as a desired place of residence, the Group participated in these events as part of its contribution to community services.

### ENVIRONMENTAL EFFORTS

Mindful of the need to care for the environment, the Group is ever vigilant over the use of resources at both our project sites and offices. Apart from the recycling of old or used items for re-use, the Group has extended its environmental efforts to conserving water at its golf course and reducing the use of chemicals on the golf course

greens. In line with National Landscape Day 2004, Bandar Tasik Puteri also organised a Landscape Design Contest for its 32-acre Interactive Park for which award will be given based on innovativeness, use of natural materials and promotion of a healthy community lifestyle.

### OTHER MATTERS

The creation of a brand image plays an important role in generating greater market presence. One of the strategic directions for AP Land is to revive its brand image by creating a new identity that can be supported by its infrastructure. A new logo has been devised to project AP Land as a modern, forward looking, solid and professional entity. It is a deliberate move for AP Land to play a more significant role towards becoming a premier property conglomerate.

### ACKNOWLEDGEMENT

On behalf of the Board, I wish to express our sincere appreciation to our Group Adviser, Tan Sri Dato' Low Yow Chuan for his valuable advice during the year and our Management and Staff for their continued dedication and commitment which have enabled our Group to register better performance in 2003. I also wish to thank our shareholders, clients, bankers, business associates and the regulatory authorities for their continued support and confidence.

**LOW GEE TAT**  
Executive Chairman  
12 May 2004

## MANAGING DIRECTOR'S REPORT

I am pleased to report the results of operations for the AP Land Group for the year under review.

### OVERVIEW

For the year under review, the Group recorded a revenue of RM240.4 million, an increase of RM66.5 million compared to the last financial year. Profit before tax and exceptional items also increased accordingly from RM1.1 million to RM18.8 million while profit before tax after exceptional items rose to RM24.9 million from a loss of RM115.6 million the year before which were attributable mainly to write-down of asset values. The growth in revenue was due mainly to the higher progress billings recorded from the property development division following the easing of the nationwide labour shortage while the improvement in profit before tax was mainly attributed to improved earnings from property development and property investments as well as exceptional gain on disposal of properties.

### ASIA PACIFIC LAND BERHAD GROUP PERFORMANCE

Division	Revenue		Profit/(Loss) Before Tax	
	RM'000 2003	RM'000 2002	RM'000 2003	RM'000 2002
Property Development	164,572	95,307	13,593	284
Hotel	47,635	52,501	(1,479)	(4,322)
Property Investment	23,059	21,295	8,704	7,323
Golf Club & Others	5,089	4,717	(1,986)	(2,223)
	<b>240,355</b>	<b>173,820</b>		
Profit before exceptional items			18,832	1,062
Add/(Less):				
Gain on disposal of properties			6,108	-
Loss on disposal of subsidiaries			-	(14,619)
Deficit on revaluations			-	(97,444)
Goodwill written off			-	(4,589)
Profit/(Loss) before tax			<b>24,940</b>	<b>(115,590)</b>

### PROPERTY DEVELOPMENT

Property development remained the largest contributor to the Group's earnings, contributing 55% of the Group's performance. During the financial year, revenue from this division increased from RM95.3 million to RM164.6 million, confirming that it was back on track following its less than satisfactory performance the year before.

Bandar Tasik Puteri (BTP) which was the main contributor to the division performed remarkably well during the year with revenue almost doubling from RM85.2 million to RM159.8 million. The increase in revenue was a result of increased progress billings arising from the improved pace of construction at the project sites following the easing of the nationwide labour shortage as well as improved sales of properties from 343 units valued at RM56.5 million the year before to 883 units valued at RM102.5 million for the year under review. The improvement in the sales was attributed to new launches, especially those of low medium cost apartments, the increasing maturity of the township and available facilities, continued government incentives and attractive incentive packages for home purchase.

During the year, a total of 1,521 units of houses and apartments were completed with vacant possession. Compared to the previous year's construction delivery, this was a vast improvement. The Division plans to complete and hand over about 1,500 units of properties in the current year.

In line with our policy of building communities rather than mere physical townships, a number of facilities and services were provided to residents of BTP last year. These included the Surau As-Siddiqin which was built at a cost of RM250,000, the expansion of the security force and increase in the number of security "pondok" to cover the additional newly occupied areas, postal facilities, Metro Bus services and a Pasar Malam which operates on a weekly basis. In conjunction with the National Landscape Day Celebrations 2004, a Landscape Design Contest was organised for our 32-acre Interactive Park at BTP which drew many landscape architects and consultants to participate. The objective of the contest was to create a design for a park which would promote healthy and active

"The Group is focused on improving shareholders' value by striving to improve asset yield and rationalizing the Group's assets to unlock values where possible."

Managing Director, Dato' Jeffrey Ng Tiong Lip





*Dato' Jeffrey Ng Tiong Lip briefing (on his left) Tuan Haji Shahoran Johan Ariffin, President of Institute of Landscape Architects Malaysia (ILAM), (on his right) YBhg Dato' Hj. Ismail Bin Ngah, Director General of National Landscape Department, Ministry of Housing & Local Government and the contestants of the Interactive Park Landscape Contest launched on 5 March 2004 on the master plan of Bandar Tasik Puteri.*

lifestyle for the community, catering not just for families but also for hobby groups, educational groups, health enthusiasts, school bands, etc. In conjunction with the township's Fifth Anniversary in 2003, the Honourable Menteri Besar of Selangor, YAB Dato' Seri Dr Mohd Khir bin Toyo was invited to officiate the opening of the Medan Puteri mall and thereafter, a music concert was held for the public and BTP residents. During the year, a "Konsert Hijrah" was held to tie in with our Umrah Housing Package for the benefit of Muslim house buyers.

Looking ahead, the market outlook for BTP continues to be positive although competition is expected to be tough with more new entrants in the market. To take advantage of the current bullish market sentiments as well as to further build on our growth momentum, we will step up our promotions and publicity campaign on BTP to reach out to new market segments, continue to explore new market opportunities and review our product mix and tailor them to market demands. Besides BTP, the Division is looking forward to launch one of its new projects, a city development comprising 320 units of

high end service apartments located beside the City-Square Centre at Jalan Tun Razak, Kuala Lumpur. The gross development value of this project is estimated at RM215 million.

### PROPERTY INVESTMENT

The Empire Tower Kuala Lumpur and City-Square Shopping Complex maintained their profitable positions and continued to provide a stable recurring income stream to the Group despite the excess supply of retail and office space in the market and strong competition from newer buildings. Revenue increased from RM21.3 million in the previous year to RM23.1 million in the year under review with higher profit before exceptional items from RM7.3 million to RM8.7 million.

For the year under review, Empire Tower Kuala Lumpur registered an increase in revenue from RM11.4 million to RM12.4 million with an increase in profit from RM4.7 million to RM5.8 million. Occupancy improved from 72% to 76% while average rental rate increased marginally by about 2%. The improved performance was attributed

to the Division's continued strategy of building upon the benefits of a 3-in-1 integrated development, excellent property location with convenient access to transport facilities and responsive property management. As part of the Division's overall policy of providing value added facilities to tenants, additional security features and measures were implemented during the year to enhance building security.

The overall purpose built office market will remain oversupplied for the short to medium term with current excess supply of 13.8 million square feet and another 11.7 million square feet due to come on-stream within the next two to three years. Competition will continue to be very keen and buildings which are newer and better located will command stronger market advantage. To sustain performance and improve market share, Empire Tower Kuala Lumpur will continue to improve and upgrade its facilities and services to tenants, strengthen its marketing efforts, pro-actively seek new tenants capable of paying better rental rates and innovatively find new ways of increasing revenue for the Division.



**Right:**

*The Taj ~ North Indian Cuisine Restaurant at 11th Floor, Crown Princess Kuala Lumpur.*

**Bottom:**

*Chef Krishan Lal of The Taj Restaurant, Crown Princess Kuala Lumpur was the proud recipient of the Hospitality Asia Platinum Awards 2003/2004 for Best Asian Chef.*



For the year under review, City-Square Shopping Complex recorded an increase in revenue from RM8.1 million to RM10.6 million with a decrease in profit before tax from RM3.6 million to RM3.1 million. Average rental rates rose by 10% but occupancy contracted marginally from 70% to 69% due to our on-going layout changes, re-positioning exercise and careful selection of tenancy mix.

Overall, the performance of City-Square Shopping Complex should improve, albeit gradually due to the prevailing oversupply of 4 million square feet retail space and an incoming supply of 6 million square feet within the next three years. To compete effectively with the newer retail centers, we will take advantage of the improved occupancy of Empire Tower and the Crown Princess Kuala Lumpur to attract higher yield tenants with complementary businesses into City-Square Shopping Complex. We will continue to restructure our tenancy

mix, upgrade our building facilities, provide value-added services to tenants and innovate new retail concepts according to market demand in order to keep ahead of the competition.

### HOTEL

The Hotel Division comprises 2 hotels, namely the Crown Princess Kuala Lumpur and the Ferringhi Beach Hotel Penang.

The division registered a reduction in revenue last year from RM52.5 million to RM47.6 million owing to two main factors which curtailed travelling and vacationing, namely the outbreak of SARS and the war in Iraq, both of which occurred in the 1st half of the year. The two events had the effect of reducing tourist arrivals by 33% from over 6 million tourists between January and June 2002 to about 4 million tourists over the same period in 2003. The divestment of the Rushcutters Harbourside Hotel Sydney in October 2003 also contributed to the lower revenue. Loss before exceptional items, however, reduced from RM4.3 million to RM1.5 million owing to interest savings from reduction of bank borrowings following the sale of the Rushcutters Harbourside Hotel Sydney and the division's continual policy of cost control.

The Crown Princess Kuala Lumpur recorded a slightly lower revenue from RM23.1 million to RM22.1 million and suffered a loss of RM3 million as compared to a loss of RM2.4 million the year before. Occupancy declined from

46% to 43% but average room rates improved by 3.6%. The drop in occupancy was mainly due to the drop in tourist arrivals from the Asian countries and United Kingdom. To cover the shortfall in occupancy, the hotel focused more on other market segments including domestic holiday packages, regional short haul stays and government and corporate businesses. Fortunately, the government's economic stimulus package also helped to cushion the devastating effects of the two events.

The Ferringhi Beach Hotel Penang similarly suffered. Total international visitor arrivals in Penang declined by as much as 35.1%. Fortunately, the effects of this decline were mitigated by an increase in domestic visitor arrivals by 13.9%. Nonetheless, occupancy for the Ferringhi Beach Hotel dropped from 48% to 44% with average room rates remaining almost unchanged. As a result, the hotel registered a lower revenue of RM6.9 million from RM7.8 million in the previous year and a loss of RM51,000 from its previous profit of RM0.4 million.

The Rushcutters Harbourside Hotel Sydney was not adversely affected by the two global events. While its occupancy declined marginally from 75% to 73%, its average room rates increased by 5%. The Group, however, divested the hotel in October 2003 and utilized a substantial part of the proceeds to reduce the overall group gearing.

The hotel business will continue to be vulnerable to external uncertainties.

Challenges such as threats of war, diseases and terrorism have become difficult to predict. As hoteliers, we will position ourselves to manage such challenges for the best possible outcome and be continually alert to external conditions.

Challenges aside, we expect to look forward to better times ahead, given that the economic growth of the country is anticipated to surpass 6% for the current year and likely to contribute positively to domestic tourism and food and beverage earnings. However, competition amongst hotels of 4 to 5 star category in Kuala Lumpur will be keener than ever with new supply of 2,500 hotel rooms in the market. To maintain or improve performance, the Crown Princess Kuala Lumpur will step up its marketing efforts on the higher yield market segments with priorities on corporate, embassy, meetings, incentives and conference groups as well as short haul domestic and intra-ASEAN markets. We are in the process of refurbishing the rooms and public areas and will strive to improve on product offerings and services and be more accessible to potential customers via the internet.

As for the Ferringhi Beach Hotel Penang, strong competition is expected to come mainly from existing higher category hotels reducing room rates due to oversupply of hotel rooms. To remain competitive, we will refurbish the hotel in stages.

### GOLF CLUB

Tasik Puteri Golf & Country Club located in Bandar Tasik Puteri, Rawang, continued to perform well. It registered an increase in revenue from RM4.3 million to RM5.1 million and an increase in profit before tax from RM43,000 to RM225,000. Facilities in the club are currently being expanded to cater for the increased business and plans are underway for completion of another new 9-hole golf course.

### CORPORATE DIRECTION

The Group is focused on improving shareholders' value by striving to improve asset yield and rationalizing the Group's assets to unlock values where possible. We will continue to reduce gearing to place the Company on a better financial footing so as to be able to take advantage of new opportunities when they arise. As of last year, our loan position has reduced from RM445.4 million to RM384 million.

We will continue to place emphasis on increasing productivity at every level while exercising effective cost control measures.

The marketing teams of each business division will continue to be appropriately incentivised to seek out new markets while maintaining existing ones. They will need to be increasingly innovative and dynamic to embrace

new ideas and strategies to cater to new market segments, new demands, trends and needs.

On the property development front, the Group will continue to source for new landbanks for future expansion and enter into strategic joint ventures and/or partnerships with landowners.

### APPRECIATION

I wish to express my sincere appreciation to our shareholders, customers, bankers, business associates and all the relevant authorities for their support and cooperation during the year.

I also wish to thank the Group Adviser, fellow Board Members, Management and Staff for their hard work and contributions during the year.

### DATO' JEFFREY NG TIONG LIP

Managing Director  
12 May 2004



6th APL Golf Tournament at Tasik Puteri Golf & Country Club on 22 June 2003. (from left) Mr Low Gee Teong, Executive Director of AP Land, Encik Mohd. Daud Wahid, the champion of the golf tournament, Tan Sri Dato' Hanafiah Hussain, Director of AP Land and Mr Jashpaul Singh.

# STATEMENT ON CORPORATE GOVERNANCE

## A. THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

On March 2000, the Finance Committee on Corporate Governance issued the Malaysian Code on Corporate Governance ("The Code on CG"). The Code on CG sets out principles and best practices on structures and processes that companies may use in their operations towards achieving the optimal governance framework. The Board of Directors of AP Land recognises the importance of the Code on CG and is continually evaluating the corporate governance practices adopted by the Group and taking the necessary steps in enhancing its management practices and systems to be in line with the underlying principles and the best practices of the Code on CG.

The Board of Directors of AP Land is pleased to report on the manner the Company has applied the principles of the Code on CG and compliance with the best practices provisions.

## B. BOARD OF DIRECTORS

### 1. BOARD COMPOSITION, DUTIES AND RESPONSIBILITIES

The Board of the Company consisted of 8 members comprising three Independent Non-Executive Directors and five Executive Directors including the Executive Chairman and the Managing Director. Together the Directors bring a range of business and financial experience, skills and knowledge relevant to the Board for it to discharge its duties effectively. The background of the current Board of Directors are set out on pages 9 to 11 of this Annual Report.

The composition of the Board complies with the Bursa Malaysia Listing Requirements ("the Listing Requirements") which requires at least one third of the Board to consist of independent directors. The Board is of the view that three independent directors fairly reflect the interests in the Company by the minority shareholders.

The Board has overall responsibility for corporate governance, strategic direction, formulation of policies and overseeing the resources, investments and businesses of the Group.

The following are specific areas of responsibilities of the Board:

- Strategic plans of the Group
- Monitoring the conduct and management of the Group's business
- Identification of risks and ensure appropriate systems for risk management
- Succession planning for senior management
- Investor relations programme and shareholder communications policy
- Internal control system

The Board is headed by the Executive Chairman, Mr Low Gee Tat @ Gene Low who was promoted to his present position on 1 January 2003, upon the retirement of his father, Tan Sri Dato' Low Yow Chuan ("Tan Sri Low") as the former Executive Chairman of the Group. Tan Sri Low has been appointed to act as the Group Adviser in respect of all matters pertaining to the property development, property investment and hotel business of the Group. The Board is assisted by an Executive Committee which comprise an experienced management team made up of professionals from relevant backgrounds with the necessary skills, knowledge, business and financial experience to manage the Group's business operations.

The roles of the Executive Chairman and Managing Director are separate and each has a clearly accepted division of responsibilities. The Executive Chairman is responsible for ensuring board effectiveness and conduct and providing general strategic business directions to the Management. The Executive Committee led by the Managing Director, Dato' Jeffrey Ng Tiong Lip, is primarily responsible for managing the day to day affairs of the Group and for making operational decisions and implementing strategic directions and policies of the Group. The Executive Chairman, Mr Low Gee Tat is also responsible for the executive management of the

business operations of the Hotel Division.

The three Independent Non-Executive Directors, Tan Sri Datuk Seri (Dr) Chong Hon Nyan, Tan Sri Dato' Hanafiah Hussain and Tan Sri Dato' Lee Kim Sai are persons of calibre, credibility, seniority and with vast exposure and experience and play a supporting role in providing a broader view, independent and balanced assessment and opinions of proposals from the Executive Directors. All the Independent Directors are considered by the Board to be independent of Management and are acceptably free from any significant business or other relationship that would materially interfere with the exercise of their independent assessment.

The Board has identified the Independent Non-Executive Directors, Tan Sri Datuk Seri (Dr) Chong Hon Nyan, Tan Sri Dato' Hanafiah Hussain and Tan Sri Dato' Lee Kim Sai as the directors to whom concerns of the management and directors may be conveyed.

### 2. BOARD MEETINGS AND SUPPLY OF INFORMATION

The Board meets at least 5 times a year. Additional meetings are held as and when required. The Board also resolves additional matters which requires the Board's approval during the intervals between scheduled Board Meetings through circulation of Directors' resolution as and when necessary.

The Executive Chairman is responsible for organising the Agenda for Board Meetings and providing the necessary information to the Board on a timely basis.

The members of the Board are provided in advance of the Board meeting with a Board Agenda and a set of papers comprising reports and other relevant information to enable the Board to discharge its responsibilities.

During the financial year, 5 Board Meetings were held on 26 February 2003, 28 April 2003, 26 May 2003, 25 August 2003 and 20 November 2003. The following is a record of the attendance of the Board Meetings by the Board of Directors:

Name of Directors	Attendance at Board Meetings held in year 2003
Mr Low Gee Tat @ Gene Low	5/5
Dato' Jeffrey Ng Tiong Lip	5/5
Tan Sri Datuk Seri (Dr) Chong Hon Nyan	5/5
Tan Sri Dato' Hanafiah Hussain	3/5
Tan Sri Dato' Lee Kim Sai	5/5
Mr Low Gee Teong	4/5
Mdm Woon Siew Choo	5/5
Mdm Oh Leen May	5/5

The Board papers included amongst others, the Group's strategic plans, financial results, minutes and recommendations of the Audit Committee meetings, review of the operations and performance of the various business divisions of the Group, the Group's annual budget & business plans, acquisition and disposal of properties of substantial values, corporate plans and proposals, retirement and appointment of directors.

The Directors have access to all information within the Group and the advice and services of the senior managers as well as the joint Company Secretaries in carrying out their duties. The Company Secretaries are responsible for ensuring that the Board Meetings are properly convened, conducted and applicable rules and regulations pertaining thereto are complied with.

Where necessary, the Directors may obtain independent professional advice in furtherance of their duties, at the Company's expense.

### 3. APPOINTMENT AND RE-ELECTION

The Remuneration & Nomination Committee (R&N Committee) which was established in the last quarter of year 2001 is responsible

## STATEMENT ON CORPORATE GOVERNANCE

for recommending candidates for appointment to the Board. The actual decision as to who shall be appointed to the Board shall be the responsibility of the full Board after considering the recommendation of the R&N Committee.

The Company's Articles of Association provides that at least one third of the Board of Directors shall retire from office provided always that all directors shall retire from office at least once in every three years. A director who is retiring by rotation is eligible for re-election. Directors over the age of 70 years are required to submit themselves for re-appointment annually in accordance with Section 129 of the Companies Act, 1965. All new directors who are appointed by the Board are subject to re-election by the shareholders at the next Annual General Meeting subsequent to their appointment.

Mdm Woon Siew Choo and Mdm Oh Leen May were appointed as additional directors of the Company on 1 January 2003.

At the 42nd Annual General Meeting held on 26 June 2003, Mr Low Gee Teong, Mdm Woon Siew Choo and Mdm Oh Leen May who retired pursuant to the Articles of Association of the Company and offered themselves for re-election were re-elected to the Board. Tan Sri Datuk Seri (Dr) Chong Hon Nyan and Tan Sri Dato' Hanafiah Hussain who are over the age of 70, retired pursuant to Section 129 of the Companies Act, 1965 and offered themselves for re-appointment, were re-appointed to the Board.

#### 4. BOARD COMMITTEES

The **Executive Committee** comprises the Managing Director, 4 Executive Directors and 2 Executive Directors from subsidiary companies. The Committee is responsible for overseeing the day-to-day operations and affairs of the Group and making operational decisions. It also assists the Board in implementing the strategic plans and policies of the Group, identifying business risks, monitoring performance results and budgets, financial decisions, major capital expenditure, major investments or divestment or any other significant operational processes affecting the Group, formulating the broad framework of key policies and procedures, management controls and structures, approval authority limits and key performance indicators for Board's approval. The Committee also reviews the terms and conditions of service and policies affecting employees of the Group, or relating to the engagement of consultants, contractors and legal or professional advisers. It reports to the Board the significant activities undertaken by the Committee and when necessary, will make appropriate recommendations for the Board's approval.

The members of the Executive Committee are as follows:

**Dato' Jeffrey Ng Tiong Lip**, Managing Director (Chairman)  
**Mr Low Gee Tat @ Gene Low**,  
Executive Chairman, Executive Chairman of Hotel Division  
**Mr Low Gee Teong**, Executive Director  
**Mdm Woon Siew Choo**, Executive Director  
**Mdm Oh Leen May**, Executive Director  
**Mdm Low Su Ming**, Executive Director \*  
**Mr Low Gee Soon**, Executive Director \*

\* Executive Director of subsidiary companies

The **Audit Committee** had been established on 23 May 1994 to assist the Board in fulfilling its responsibilities relating to financial reporting and internal audit functions. Further details on the composition, terms of reference and the report of the activities of the Audit Committee are as set out in pages 25 to 27 of the Annual Report.

The **Remuneration and Nomination Committee (R&N Committee)** was established on 26 November 2001. The Committee comprises wholly Independent Non-Executive Directors. Under the terms of reference of the R&N Committee, its functions include recommending candidates for appointment to the Board and for Directors to fill up the seats on Board Committees, assisting the Board in annually reviewing the effectiveness of the Board as a

whole, the Committees of the Board, and the contribution of each individual director and annually reviewing the required mix of skills and experience and other qualities which Directors should bring to the Board and also recommending to the Board on the remuneration package to be extended to Executive Directors.

The members of the R&N Committee are as follows:

**Tan Sri Datuk Seri (Dr) Chong Hon Nyan** (Chairman)  
**Tan Sri Dato' Hanafiah Hussain**

The **ESOS Committee** was established on 26 November 2001. The committee comprises of two Independent Non-Executive Directors, and two Executive Directors. The Committee is primarily responsible for administering the Employees Share Option Scheme (ESOS) in such manner as it shall deem fit in accordance to the terms and conditions of the ESOS Bye-Laws.

The ESOS Committee did not hold any meeting in year 2003.

The members of the Committee are as follows:

**Tan Sri Datuk Seri (Dr) Chong Hon Nyan**  
**Tan Sri Dato' Hanafiah Hussain**  
**Mr Low Gee Teong**  
**Mr Low Gee Soon**

#### 5. DIRECTORS' TRAINING AND ORIENTATION OF NEW DIRECTORS

All the Directors of the Company including the members of the Executive Committee had attended the Mandatory Accreditation Programme conducted by KLSE Training Sdn Bhd (formerly known as I-Mesdaq Sdn Bhd), an affiliate company of the Bursa Malaysia by January 2002. The Directors are attending the Continuing Education Programme ("CEP") conducted and organized by CEP trainers accredited by the Bursa Malaysia. The Directors are also encouraged to attend any other relevant training programme to further enhance their knowledge in the latest developments relevant to the Group particularly in the areas of corporate governance and regulatory development to enable them to discharge their responsibilities more effectively.

As part of the Board policy, it is the responsibility of the Chairman of the Board to ensure that newly appointed directors are provided with the appropriate orientation involving briefing to the new director on the corporate structure and business of the Group and introduction to the other directors and senior management staff.

#### 6. DIRECTORS' REMUNERATION

The Group's policy on Directors' remuneration is to ensure that the Directors are adequately remunerated for the services they render in light of their performance and experience.

The broad framework of the remuneration policy encompasses the following key elements:

- Executive Directors are provided with a remuneration package which include a fixed salary and benefit-in-kind in accordance to the Executive Directors' remuneration policy. The component parts of the Executive Directors' remuneration scheme are linked to individual performance, seniority in service, experience and scope of responsibility. Performance shall be measured against performance targets set in the Company's annual budget plans. The remuneration package of the Executive Directors shall be recommended by the R&N Committee to the Board for its approval.
- Non-Executive Directors are paid Directors' fees and attendance/meeting allowance for attendance of Board and Audit Committee Meetings. The level of directors' fees for the Non-Executive Directors reflect the experience and level of responsibilities undertaken by the particular Non-Executive Director. The determination of the directors' fees of Non-Executive Directors shall be decided by the Board as a whole. The directors' fees are approved by shareholders at the Annual General Meeting.



## STATEMENT ON CORPORATE GOVERNANCE

- Directors involved shall not participate in decisions by the Board on their own directors' fees or remuneration package.

In line with the Bursa Malaysia Listing Requirements, a summary of the aggregate remuneration of the Executive Directors and Non-Executive Directors in the form of remuneration, fees and meeting allowances and benefits-in-kind respectively for the financial year ended 31 December 2003, received from the Company and/or subsidiary companies distinguishing between Executive and Non-Executive Directors are set out below:

Directors	Emolument RM	Benefits- in-kind RM	Directors' fees & meeting allowances RM	Total RM
Executive Directors	1,619,203	35,100	-	1,654,303
Non-Executive Directors	-	-	103,900	103,900
<b>Total</b>	<b>1,619,203</b>	<b>35,100</b>	<b>103,900</b>	<b>1,758,203</b>

The number of Directors whose total remuneration falls within the following bands are as follows:

Remuneration bands	Number of Directors	
	Executive	Non-Executive
Less than RM50,000	-	3
RM150,001 to RM200,000	1	-
RM200,001 to RM250,000	1	-
RM250,001 to RM300,000	1	-
RM300,001 to RM350,000	1	-
RM350,001 to RM600,000	-	-
RM600,001 to RM650,000	1	-

### C. ACCOUNTABILITY AND AUDIT

#### 1. FINANCIAL REPORTING

The Board acknowledges its responsibility for providing a balanced and understandable assessment of the Group's financial position and prospects. This assessment is primarily provided through the financial statements, the Chairman's Statement and Managing Director's Report on the results of the operations of the Group.

#### 2. DIRECTORS' RESPONSIBILITY STATEMENT

The Companies Act, 1965 requires the Directors to prepare financial statements, which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cashflow of the Group and of the Company for the financial year.

In preparing the annual audited financial statements for the financial year ended 31 December 2003, the Directors are also responsible for the adoption of suitable accounting policies and their consistent use in the financial statements, supported where necessary by reasonable and prudent judgements.

The Directors are satisfied that suitable accounting policies have been consistently applied in respect of the preparation of the annual financial statements.

The Directors are also satisfied that the Company is maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the Group and the Company have taken reasonable steps in the prevention and detection of fraud and other irregularities.

The Directors' Responsibility Statement in relation to preparing annual audited financial statements and the Statement by Directors pursuant to Section 169 of the Companies Act, 1965 are set out on pages 41 and 46 of the Annual Report respectively.

#### 3. INTERNAL CONTROL

The Directors acknowledges their overall responsibility to maintain an adequate system of internal controls covering not only financial controls but also operational and compliance controls as well as risk management and reviewing its effectiveness throughout the Group. However, such a system is designed to manage risk rather than eliminate risks of failure to achieve business objectives and provide only reasonable assurance, but not absolute assurance against material misstatement or loss.

The Statement of Internal Control is set out on page 24 of this Annual Report.

#### 4. AUDIT COMMITTEE

The Audit Committee comprising three Independent Non-Executive Directors and the Managing Director, has been established under approved terms of reference. The composition and terms of reference of the Audit Committee and the Report of the Audit Committee are set out on pages 25 to 27 of the Annual Report. The recommendations of the Audit Committee are formally tabled to the Board for its approval for further action to be taken, where applicable.

#### 5. RELATIONSHIP WITH EXTERNAL AUDITORS

Through the Audit Committee, the Board has established a formal, transparent and appropriate relationship with the External Auditors in seeking professional advice and ensuring compliance with applicable accounting standards in Malaysia. The Audit Committee meets with the External Auditors at least once a year to facilitate exchange of views on issues requiring attention.

The Group's independent External Auditors fill in an essential role for the shareholders by enhancing the reliability of the Group's financial statement and giving assurance of that reliability to users of these financial statement. The External Auditors have an obligation to bring any significant defects discovered in the course of their audit of the Group's system of internal control and compliance to the attention of Management, the Audit Committee and the Board.

### D. RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

The Company is committed to an ongoing communication with its shareholders and this is achieved principally through the Annual and Quarterly Reports, Annual General Meetings and announcements on significant company developments, events or transactions.

The Annual General Meeting (AGM) is the principal forum for dialogue and interaction with individual shareholders providing for an opportunity for the Board and the shareholders to communicate directly to one another. At least 21 days prior to the AGM, the Annual Reports of the Company shall be mailed to the shareholders to inform them of the financial performance of the Company and other corporate information relating to the Group. The shareholders at the AGM and general meetings of the Company are given an opportunity to seek for clarification in relation to the resolutions proposed, the annual audited financial statements of the Group, the business and performance of the Group and to exchange views with the Board members in attendance. Where applicable, the Board may consider the suggestions given by the shareholders during the meeting. The Company also issues quarterly unaudited financial results, audited financial statements, circulars and announcements on significant transactions and events for release to its investors via the Bursa Malaysia.

A press conference will be held, if necessary, after the AGM to brief the members of the Press on the performance of the Group for the benefit of potential investors as well as shareholders who are unable to attend the meetings.

The corporate, financial and market information of the Company are accessible from the Bursa Malaysia's website at

# STATEMENT ON CORPORATE GOVERNANCE

<http://www.bursamalaysia.com>. The Company has established its corporate website at <http://www.apland.com.my> at the end of year 2002 for investors and shareholders to access corporate information on the Company and the Group.

The Company shall hold an open dialogue with its institutional shareholders upon request or when the need arises. The Company will be mindful in ensuring that information to be disseminated during such dialogue sessions comply strictly to the listing requirements of the Bursa Malaysia.

Any queries or concerns regarding the Company may be conveyed in writing to the following :

**Managing Director**  
**Asia Pacific Land Berhad**  
**49th Floor, Empire Tower,**  
**City-Square Centre, Jalan Tun Razak,**  
**50400 Kuala Lumpur.**

## E. ADDITIONAL INFORMATION IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

### 1. UTILISATION OF PROCEEDS

The proceeds from the disposal of APL Plantations Sdn Bhd, APL Resources Sdn Bhd, Rushcutters Harbourside Hotel Sydney and Lot 817, Jalan Walter Grenier, Kuala Lumpur have been utilised in the following manner :

	APL Resources Sdn Bhd ("APLR") & APL Plantations Sdn Bhd ("APLP")	Rushcutters Harbourside Hotel Sydney	Lot 817, Jalan Walter Grenier, Kuala Lumpur
	RM'000	RM'000	RM'000
Repayment of Bank Borrowings	-	82,410	-
Working Capital	6,685	25,872	3,500
Expenses of Disposal	50	2,269	-

*The balance proceeds of RM3 million from the disposal of APLR and APLP is due on 23 July 2004.*

### 2. SHARE BUY BACK

The Company has not purchased any of its shares during the financial year.

### 3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no Employees' Share Option Scheme (ESOS) share options granted to Eligible Employees or exercised during the financial year.

The Company did not issue any warrants or convertible securities during the financial year.

Further information on the ESOS is set out on pages 44 to 45 of the Annual Report.

### 4. AMERICAN DEPOSITORY RECEIPT ("ADR") / GLOBAL DEPOSITORY RECEIPT ("GDR")

During the financial year, the Company did not sponsor any ADR or GDR programme.

### 5. SANCTIONS AND/OR PENALTIES

There were no major sanctions and/or penalties imposed on the Company and/or its subsidiaries, Directors or Management by the relevant regulatory bodies so as to disrupt the business of the Company and/or its subsidiaries during the financial year.

### 6. NON-AUDIT FEES

The non-audit fees paid to External Auditors for the financial year was as follows:

Auditors	Description of work done	Fees paid (RM)
Yong Siew Wah & Company	Review of revised revenue forecast of the Group for financial year ended 31 December 2003 which have been announced to the Bursa Malaysia on 6 October 2003	5,000

### 7. VARIATION IN RESULTS, PROFIT ESTIMATE, FORECAST OR PROJECTION

Other than the revised revenue forecast for the financial year ended 31 December 2003 announced to the Bursa Malaysia on 6 October 2003, AP Land has not made any profit estimate, forecast or projection in respect of the abovementioned financial year.

There is no variance between the results reported for the financial year and the unaudited results previously announced.

### 8. PROFIT GUARANTEE

No profit guarantee was given by the Company and/or its subsidiaries in respect of the financial year.

### 9. REVALUATION POLICY

The Group has revised its revaluation policy to revalue its landed properties every 3 years instead of 5 years with effect from 1 January 2003. The next revaluation exercise to be carried out by the Group is expected to be for the year ending 31 December 2005.

### 10. MATERIAL CONTRACTS

The material contracts of AP Land and its subsidiaries involving Directors' and major shareholders' interests either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year are as follows:

a) A sale and purchase agreement ("SPA") dated 13 August 1997 between Oriental Development Sdn Bhd ("ODSB") and Elite Empire Sdn Bhd ("EESB"), a wholly-owned subsidiary of AP Land in relation to the acquisition by EESB of three (3) pieces of contiguous freehold land measuring approximately 4.463 acres held under No. G.M. 459 No Lot 2837, No. G.M. 460 No. Lot 2948 and No. G.M. 732 No. Lot 6848 all located in the Mukim of Setapak, District of the Federal Territory ("the Land") from ODSB for a total cash consideration of RM24 million.

The parties to the SPA have mutually agreed to a further extension of time to 31 August 2004 for the purpose of obtaining an amended development approval incorporating components having better marketability and to allow the parties to the agreement the requisite time to consider any variation to the building plans that may be imposed by the Planning Authorities on the proposed development of the Land.

The Directors and substantial shareholders of AP Land, Mr Low Gee Tat @ Gene Low ("LGtTat") and Mr Low Gee Teong ("LGTeong") and the substantial shareholders of AP Land, Mr Low Gee Soon ("LGSoon") and Tan Sri Dato' Low Yow Chuan are directors and substantial shareholders in ODSB by virtue of Section 6A of the Companies Act, 1965.

b) A sale and purchase agreement dated 20 November 2003 between Kinasurya Sdn Bhd ("the Vendor") and Hotel Fair Lane Sdn Bhd ("the Purchaser") in relation to the sale of one piece of vacant freehold land held under title known as Geran No. 36945, Lot No. 817, Section 67, Town of Kuala Lumpur, Wilayah Persekutuan for a total cash consideration of RM3.5 million.

## STATEMENT ON CORPORATE GOVERNANCE

- c) The significant recurrent and non-recurrent related party transactions and related party balances and advances in respect of the year ended 31 December 2003 are disclosed on pages 78 to 83 of the Annual Report.

### 11. DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE IN RESPECT OF YEAR 2003

Details of significant recurrent related party transactions of a revenue or trading nature involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the Company and/or its subsidiary companies ("Related Parties") for the year ended 31 December 2003 are disclosed under Note 41 of the Audited Financial Statement of the Group and the Company for the year ended 31 December 2003 on pages 78 to 81 of the Annual Report.

### 12. CONFLICT OF INTEREST

During the financial year, the Directors of AP Land, Mr Low Gee Tat, Dato' Jeffrey Ng Tiong Lip and Mr Low Gee Teong and the directors of the subsidiary companies, Mdm Low Su Ming and Mr Low Gee Soon and the deemed substantial shareholder of AP Land, Tan Sri Dato' Low Yow Chuan are directors and/or substantial shareholders in several private limited companies in the Low Yat Group which are also involved in property development, property investment and management and hotel business that are similar to the core businesses of the Company and/or its subsidiaries.

Mr Low Gee Tat is the brother of Mr Low Gee Teong, Mdm Low Su Ming and Mr Low Gee Soon and the cousin of Dato' Jeffrey Ng Tiong Lip. Mr Low Gee Tat, Mr Low Gee Teong and Mr Low Gee Soon are also substantial shareholders of AP Land. Tan Sri Dato' Low Yow Chuan who is a deemed substantial shareholder of the Company is the father of Mr Low Gee Tat, Mr Low Gee Teong, Mdm Low Su Ming and Mr Low Gee Soon and the uncle of Dato' Jeffrey Ng Tiong Lip.

## STATEMENT ON INTERNAL CONTROL

### RESPONSIBILITY

The Board of Directors recognizes the importance of sound internal control and risk management practices to good corporate governance. The Board affirms its overall responsibility to maintain an adequate system of internal control and risk management and reviewing its effectiveness throughout the Group. However, such a system is designed to manage risk rather than eliminate risk of failure to achieve business objectives and provide only reasonable assurance, but not absolute assurance against material misstatement or loss.

The Board exercises control through an organizational structure with clearly defined levels of responsibility, authority and appropriate reporting procedures. The Group had in place an on-going process of identifying, evaluating, monitoring and managing significant risks affecting the achievement of its business objectives. The Audit Committee performs regular reviews of this process through independent internal audit reports and reports and explanations from Managing Director and senior management staff.

### RISK MANAGEMENT FRAMEWORK

The system of internal control not only covers financial controls but also operational and compliance controls and risk management. It involves each business and its key management, including the Board and is designed to meet the Group's particular needs, manage the risks they are exposed to and ensure compliance with the applicable laws and regulations.

The Board has reviewed the key commercial and financial risks facing the Group's business together with more general risks such as those relating to compliance with laws and regulations. The monitoring, reviewing and reporting process have been put in place to give reasonable assurance that the structure of controls and operations is appropriate to the Group's operations situation and that there is an acceptable level of risk throughout the Group's business.

The management is responsible for continually promoting the culture of risk awareness and build the necessary knowledge and improve the process of risk management in identifying, mitigating and monitoring risks.

### KEY ELEMENTS TO THE GROUP'S INTERNAL CONTROL SYSTEM

The key elements and processes in place are as follows :

1. Clearly defined delegation of responsibilities to committees of

the Board namely, Executive Committee, Audit Committee, Remuneration and Nomination Committee and ESOS Committee and to operating units, including authorization levels for all aspect of the business.

2. Documented internal control procedures set out in operation manuals, guidelines and directives are issued and updated from time to time. A uniform and comprehensive manual in respect of all core businesses and functional divisions within the Group is being finalised. This manual serves as a reference point and guide for all employees of the Group, irrespective of level or seniority.
3. Internal audit function adopts a risk based approach towards planning and execution of the audit process. The annual audit plan is approved by the Audit Committee and progress of audits carried out within planned as well as special and ad-hoc assignments carried out when necessary are reported at each Audit Committee meeting.

Detailed audit reports are deliberated and follow-up action monitored by the Audit Sub-Committee on a regular monthly basis and additionally on other audit issues. This process closely monitors compliance with policies and procedures and assess the integrity of financial information.

4. Detailed budgetary process involving preparation by the operating units, review by the Executive Committee and approval by the Board. This process ensures a clear direction for all operating units to work cohesively towards meeting the business objective of the Group, having assessed the inherent risks and the planning of necessary action plans thereof.
5. Regular and comprehensive financial and management information are provided to management covering actual performance against budgets or plans, financial forecast and projections and key business indicators to constantly keep track of directions in which the Group is heading and the decisive actions to be taken thereof.

Financial and treasury matters are also reported to the Board in conjunction to the presentation and approval of quarterly results and the briefing on action plans taken.

6. Executive Board and senior management regularly visit operating units besides requiring prompt reporting from these units on a daily, weekly and monthly basis. The management of operating units at various levels are also required to report on monthly basis at meetings held at the Headquarters.

The Audit Committee of Asia Pacific Land Berhad is pleased to present its report for the year ended 31 December 2003.

## COMPOSITION

The Audit Committee was established by the Board of Directors of AP Land on 23 May 1994. The Audit Committee comprises 4 Directors, a majority of whom are independent.

Members Of The Committee:

1. **Tan Sri Datuk Seri (Dr) Chong Hon Nyan** - Chairman, Independent Non-Executive Director
2. **Tan Sri Dato' Hanafiah Hussain** - Member, Independent Non-Executive Director
3. **Tan Sri Dato' Lee Kim Sai @ Lee Hoo** - Member, Independent Non-Executive Director
4. **Dato' Jeffrey Ng Tiong Lip** - Member, Managing Director

## TERMS OF REFERENCE

The terms of reference of the Audit Committee are as follows:

### 1. Objectives Of The Committee

- Assist the Board of Directors in discharging its fiduciary responsibilities relating to corporate accounting, system of internal controls and management and financial reporting practices of the Group;
- Evaluate the scope and quality of the audits conducted by the Internal and External Auditors;
- Provide assurance that the financial information presented by management is relevant, reliable and timely;
- Oversee compliance with laws and regulations and observance of a proper code of conduct;
- Determine the adequacy of the Company's control environment;
- Provide assurance that the assets, liabilities, revenue, expenses and cash flow of the Group are properly managed.

### 2. Size And Composition

The Board shall by resolution appoint members to the Audit Committee, which shall comprise at least three directors, the majority of whom shall be independent non-executive directors. At least one member of the Committee must be a member of Malaysian Institute of Accountants or has such other qualifications and working experience as stipulated in the Bursa Malaysia Listing Requirements.

No alternate directors shall be appointed as a member of the Committee. The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an Independent Director.

### 3. Term Of Membership

Members of the Committee shall be appointed for an initial term of 3 years after which they will be reappointed on such terms as may be determined by the Board of Directors.

Any vacancy in the office of an Audit Committee resulting in the size of the Audit Committee falling below the minimum required shall be filled within 3 months from the date of the vacancy occurs. The term of office and the performance of each of its members shall be reviewed at least once every three years by the Board of Directors.

### 4. Meetings

The Committee shall hold at least five regular meetings per year, and such additional meetings as the Chairman shall decide in order to fulfill its duties or if requested to do so by any committee member, the management or the Internal or External Auditors. The Committee may invite any director, employee or any other person to be in attendance to assist it in its deliberations. The Committee shall meet with the External Auditors without any Executive Director present at least once a year.

Unless otherwise determined by the Audit Committee from time to time, notice of all Audit Committee's meetings shall be given to all the members at least 3 days before the meeting either personally or by electronic or facsimile transmission.

A quorum shall consist of a majority of Independent Non-Executive Directors and shall not be less than two.

The Chairman of the Audit Committee shall preside as a Chairman at every Audit Committee meeting of the Company or if the Chairman is absent from the meeting, the members present shall elect a Chairman from amongst the Independent Directors.

The Company Secretary or any person appointed by the Committee for this purpose shall act as secretary of the Committee.

Any question arising at any meeting shall be decided by a majority of votes and a determination by a majority of members shall be for all purposes a determination of the Committee.

Minutes of the Meeting shall be kept and circulated to each member. The Chairman of the Committee shall report on each meeting to the Board.

### 5. Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

### 6. Resources And Access

The Committee shall be entitled to such resources as may be adequately provided by the Board of Directors for the performance of the Committee's duties.

The Committee shall have full and unrestricted access to all information and documents pertaining to the Group that are relevant to its activities and direct communication channels with the Internal and External Auditors and to the senior management of the Group. The Committee is also authorised to take such independent professional, legal or other advice as it considers necessary.

### 7. Delegation Of Duties

The Audit Committee shall have the power to delegate to a sub-committee any of the duties of the Committee.

### 8. Scope And Functions

The scope and functions of the Audit Committee shall be:

- a) To discuss with the External Auditors, where necessary

the nature and scope of the audit, the audit plan and ensure co-ordination where more than one audit firm is involved;

- b) To review with the External Auditor:
  - his evaluation of the system of the internal controls;
  - the assistance given by the Group's employees to the External Auditors;
- c) To discuss problems and reservations arising from the interim and final audit findings and any matters reported by the External Auditors;
- d) To review the audit reports prepared by the External Auditors, the major findings and management's responses thereto;
- e) To review the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:
  - i) Changes in or implementation of major accounting policies and practices changes;
  - ii) Significant and unusual events;
  - iii) Significant adjustment arising from the audit;
  - iv) Compliance with accounting standards and other regulatory requirements; and
  - v) The going concern assumption.
- f) To consider the appointment and any questions of resignation or dismissal of the External Auditors;
- g) In relation to internal audit functions:
  - i) To review the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
  - ii) To review and consider the scope and results of the internal audit plans and procedures;
  - iii) To consider any significant audit findings reported by the internal auditor and management's response thereto and to ensure appropriate actions are taken on their recommendation;
  - iv) To approve any appointment or termination of senior internal audit staff;
  - v) To review any appraisal or assessment of the performance of senior internal audit staff and provide to resigning staff an opportunity to submit his/her reason for resignation.
- h) To review recurrent related party transaction of revenue or trading nature entered into by the Group, to prescribe guidelines and review procedures in respect of such transactions and to ascertain that such transactions are in compliance with the prescribed guidelines and review procedures;
- i) To review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- j) To prepare the Audit Committee Report in accordance with the Bursa Malaysia Listing Requirements for publication in the Annual Report;
- k) To carry out such other responsibilities, functions or assignments as may be agreed to by the Committee and the Board;

- l) To report regularly to the Board its activities, significant results and findings.

## INTERNAL AUDIT FUNCTION

The Group has established an Internal Audit Department (IAD) which reports to the Audit Committee and assists the Committee in discharging its duties and responsibilities. The role of the IAD is to undertake independent and regular reviews of the system of internal controls so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively.

The IAD has presented the Internal Audit Plan for year 2004 at the end of year 2003 to the Audit Committee for its approval. The Audit Plan is developed through a risk-based methodology to cover key operational and financial activities that are significant to the overall performance of the Group. The risk areas are prioritized according to the following objectives:

- Revenue and expenditures
- Liquidity/Volatility of Assets
- Degree of Autonomy
- Complexity of Operations
- Adequacy of System of Controls

The IAD regularly submits the reports on their audit activities and the internal audit findings together with management's responses are tabled at the scheduled Audit Committee's meetings. The Head of IAD attends the Audit Committee meetings to present the internal audit findings and make appropriate recommendations on any areas of concern within the Group for the Audit Committee's deliberation.

The IAD also executes audits on an ad-hoc basis based on specific directions made either by the Audit Committee or management. Additionally, the IAD works closely with the External Auditors to resolve any control issues raised by them and to assist in ensuring appropriate corrective actions are taken.

During the financial year under review, the IAD undertook 13 assignments covering key operational units in all the three core business divisions of the Group. The core business divisions namely are property development, property investments and management, hospitality and leisure.

The IAD has a staff strength of 4 employees to accomplish the annual audit assignments. The audit assignments have been primarily geared towards achieving the following objectives:

- To examine, evaluate and report on the adequacy of the systems of internal controls and procedures;
- To ensure that laid down policies and procedures are adhered to by the staff concerned;
- To ascertain that appropriate measures are adopted to safeguard and account for the companies assets and interests; and
- To ensure the integrity of the records and the accounting information

Audit Reports are issued to highlight any deficiency or findings or non-compliances requiring management's attention. Such reports also include practical recommendations as well as proposed corrective action to be adopted by management. Follow-up audits are then carried out to



## AUDIT COMMITTEE REPORT

determine whether management has taken the recommended corrective actions.

### REPORT OF THE ACTIVITIES OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2003

During the year, five Audit Committee meetings were held on 26 February 2003, 28 April 2003, 26 May 2003, 25 August 2003 and 20 November 2003.

The details of the attendance of the Audit Committee by the members of the Committee are as follows:

Name	Attendance at Audit Committee Meetings held in year 2003
Tan Sri Datuk Seri (Dr) Chong Hon Nyan	5/5
Tan Sri Dato' Hanafiah Hussain	3/5
Tan Sri Dato' Lee Kim Sai	5/5
Dato' Jeffrey Ng Tiong Lip	5/5

During the financial year ended 31 December 2003, the activities undertaken by the Audit Committee included the following :

The Audit Committee members reviewed the Quarterly Report of AP Land Group for the financial quarters ended 31 December 2002, the Audited Accounts of the Group for the year ended 31 December 2002, the Quarterly Reports of the Group for the financial quarters ended 31 March 2003, 30 June 2003 and 30 September 2003. The Audit Committee recommended to the Board to approve the financial statements for release to the Bursa Malaysia.

The Committee had met with all the External Auditors of the Group once in year 2003 without executive board members present. The Committee discussed with the External Auditors the scope of their audit, their respective Auditors' Audit Planning Memorandum, the results of their examination, the External Auditors' evaluation of the internal controls of the Group, issues highlighted by the External Auditors in the course of their audit, co-ordination of the subsidiaries' External Auditors with the holding company's External Auditor and the External Auditor's management letter to the Company and management's response. The Audit Committee also considered and recommended for the re-appointment of the External Auditors and their audit fees for the Board's approval.

The Audit Committee also reviewed and approved the Internal Audit Plan for 2004. They also reviewed the internal audit reports together with the Internal Auditor and considered the major findings of internal audit in the Group's operating units and management's responses thereto. The Audit Committee also assisted the Board in reviewing the Statement of Internal Control of the Company.

Related party transactions between the Group and its directors and any other person connected with the directors of the Group are also reviewed by the Audit Committee in accordance to the review procedures established by the Group.

In carrying out the scope of their duties, the Audit Committee has reported to the Board its activities and made the appropriate recommendations to the Board for the necessary actions to be taken, where appropriate.

### 26 February 2003

Announcement in relation to the revaluation of the Group's landed properties.

### 27 February 2003

Announcement of the Quarterly Report for the financial period ended 31 December 2002.

### 11 April 2003

Announcement in relation to the termination of the Joint Venture Agreement dated 11 April 1997 between AP Land Berhad, APL Construction Sdn Bhd and Sem Siong Industries Sdn Bhd for the proposed development of 3 blocks of apartments on three contiguous plots of lands situated in Section 83, Kuala Lumpur.

### 16 April 2003

Announcement in relation to the Proposed Share Buy Back and Proposed Shareholders' Mandate for Existing and Proposed Recurrent Related Party Transactions.

### 26 May 2003

Announcement of the Quarterly Report for the financial period ended 31 March 2003.

### 2 June 2003

Notice of 42nd Annual General Meeting and Extraordinary General Meeting of AP Land Berhad issued on 3 June 2003.

### 26 June 2003

- 42nd Annual General Meeting of AP Land Berhad held on 26 June 2003.
- Extraordinary General Meeting of AP Land Berhad held on 26 June 2003.

### 30 June 2003

Announcement in relation to the submission of a Plan of Dissolution to the Registrar of Companies of British Virgin Islands to dissolve Top Loyal Investment Ltd, a wholly-owned subsidiary of AP Land Berhad by way of Members' Voluntary Liquidation.

### 25 August 2003

- Announcement of the Quarterly Report for the financial period ended 30 June 2003.
- Announcement in relation to the extension of time to 31 August 2004 in respect of the Sale and Purchase Agreement dated 13 August 1997 for the acquisition of land held under No. G.M. 732 Lot 6848, No. G.M. 460 Lot 2948 and No. G.M. 459 Lot 2837, Mukim Setapak, Wilayah Persekutuan.

### 26 August 2003

Announcement in relation to the execution of a Put and Call Option Agreement for the proposed disposal by United Well Investment Ltd of its hotel known as The Rushcutters Harbourside Hotel Sydney, Bayswater Road, Rushcutters Bay, Sydney, Australia for a total cash consideration of AUD42.75 million.

### 19 September 2003

- Announcement in relation to the sale of one apartment unit at Marina One Apartment, Rushcutters Bay, Sydney by United Well Investment Ltd in its ordinary course of business to a Director of the Company.
- Announcement in relation to the Smart Partnership between AP Land Berhad and Persatuan Penjaja-Penjaja dan Peniaga-Peniaga Kecil Melayu Wilayah Persekutuan.

### 6 October 2003

Announcement in relation to the revision of AP Land Group forecasted revenue for the financial year 2003.

### 8 October 2003

Announcement in relation to the exercise of the Call Option by RHS Hotel Investments Pty Ltd (RHI) and entry into a Contract for Sale of Business for the disposal by United Well Investment Ltd of its hotel known as The Rushcutters Harbourside Hotel Sydney to RHI for a total cash consideration of AUD42.75 million.

### 9 October 2003

Announcement in relation to the dissolution of a wholly-owned subsidiary, Top Loyal Investment Ltd by way of Members' Voluntary Liquidation on 29 September 2003.

### 17 October 2003

Announcement in relation to the completion of the disposal of The Rushcutters Harbourside Hotel Sydney on 16 October 2003.

### 20 November 2003

- Announcement of the Quarterly Report for the financial period ended 30 September 2003.
- Announcement in relation to the execution of a Sale and Purchase Agreement for the disposal of a piece of land known as Lot 817, Jalan Walter Grenier, Kuala Lumpur by Kinasurya Sdn Bhd to a related party, Hotel Fair Lane Sdn Bhd for a total cash consideration of RM3,500,000.00.

### 21 November 2003

- Announcement in relation to the allocation of land to Tan Sri Dato' Low Yow Chuan as retirement benefit upon his retirement from office as the Executive Chairman and a director of AP Land Berhad.
- Announcement in relation to the appointment of Zamahan Sdn Bhd, a company connected with Tan Sri Dato' Hanafiah Hussain to arrange for Perodua Sales Sdn Bhd to supply Perodua Kancil motor vehicles for the Bandar Tasik Puteri Home Ownership Scheme entitled "Buy Corner Lot Free 1 Kancil 660EX Manual Model".

### 19 December 2003

Announcement in relation to the completion of a Sale and Purchase Agreement in respect of the disposal of a piece of land known as Lot 817, Jalan Walter Grenier, Kuala Lumpur by Kinasurya Sdn Bhd to a related party, Hotel Fair Lane Sdn Bhd for a total cash consideration of RM3,500,000.00 on 19 December 2003.