



AP LAND
ANNUAL
REPORT

2005

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Proxy Form

ASIA PACIFIC LAND BERHAD

(Company No. : 4069-K)
(Incorporated in Malaysia)

AP LAND is an established and progressive conglomerate with interests in Property Development, Property Investment & Management and Hospitality & Leisure Business

CORPORATE VISION

To be a premier property conglomerate

CORPORATE MISSION

We are committed to providing quality lifestyles and services to our customers and optimising investment returns to our shareholders

CORPORATE OBJECTIVES

- * To maintain a strong and healthy balance sheet
- * To ensure a progressive growth in profits and earnings
- * To ensure that customers are satisfied with our products and quality of services
- * To ensure stable returns to shareholders
- * To provide motivating and rewarding careers to employees
- * To practice a high standard of professionalism, corporate governance and business ethics and integrity
- * To be a responsible corporate citizen through economic and social contributions to the nation and practice sound environmental management

CORPORATE INFORMATION

Board Of Directors

Executive Chairman

Low Gee Tat

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

Joint Managing Directors

Low Gee Teong

MA Econs. & Mgmt. Sc., UK

Low Su Ming

B.Sci (Architecture) (Hons) NSW Australia

Independent Non-Executive Directors

Tan Sri Datuk Seri (Dr) Chong Hon Nyan

PSM, DGSM, JMN, KMN, AMN

RCD(S'pore), MA(Law Tripos) Cambridge

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

Woon Siew Choo

ACA, CA(M)

Oh Leen May

ACIS, FCCA, CA(M)

Wee Beng Sang

B. Architecture (UTM)

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

Woon Siew Choo

Remuneration And Nomination Committee

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

Tan Sri Dato' Hanafiah Hussain

Executive Committee

Low Gee Tat (Chairman)

Low Gee Teong (Joint Deputy Chairman)

Low Su Ming (Joint Deputy Chairman)

Low Gee Soon

Woon Siew Choo

Oh Leen May

Wee Beng Sang

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

Suites 704 & 705, 7th Floor,

No.11, Lorong Kinta,

10400 Penang.

Tel : (604) 227 0363, 227 9063

Fax : (604) 227 2011

Registrar

Asia Pacific Land Berhad

49th Floor, Empire Tower,

City Square Centre,

Jalan Tun Razak, 50400 Kuala Lumpur.

Tel : (603) 2163 1200

Fax : (603) 2163 1157

E-mail : comsec@apland.com.my

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 : (603) 2166 0000

Fax : (603) 2166 1000

Stock Exchange Listing

Main Board, Bursa Malaysia Securities Berhad

Website Address

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 45TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 45th 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 Wednesday, 28 June 2006 at 11.00 a.m. to transact the following business:

1. To receive the Audited Accounts for the year ended 31 December 2005 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 Mdm Woon Siew Choo who retires pursuant to Article 80 of the Company's Articles of Association and being eligible, offers herself for re-election. **Resolution 3**
4. To re-elect Mdm Oh Leen May who retires pursuant to Article 80 of the Company's Articles of Association and being eligible, offers herself for re-election. **Resolution 4**
5. To re-elect Mdm Low Su Ming who retires pursuant to Article 87 of the Company's Articles of Association and being eligible, offers herself for re-election. **Resolution 5**
6. To re-elect Mr Wee Beng Sang who retires pursuant to Article 87 of the Company's Articles of Association and being eligible, offers himself for re-election. **Resolution 6**
7. To re-appoint Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

As Special Business:

8. To consider and, if thought fit, to pass the following resolutions with or without modifications as Ordinary Resolutions:
 - 8.1 "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 8**
 - 8.2 "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 9**
 - 8.3 **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 share capital of the Company from time to time, in accordance with the Bye-Laws of the ESOS." **Resolution 10**
9. 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

6 June 2006

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 Suites 704 & 705, 7th Floor, No. 11, Lorong Kinta, 10400 Penang not later than 11.00 a.m. on 26 June 2006.
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 45TH ANNUAL GENERAL MEETING

EXPLANATORY NOTES ACCOMPANYING NOTICE OF MEETING

1) Explanatory Notes on Items 8.1 and 8.2 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 82 and Tan Sri Dato' Hanafiah Hussain, aged 79 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 8.3 of the Agenda

The Ordinary Resolution proposed under Item 8.3, 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 45TH ANNUAL GENERAL MEETING

Details of Directors standing for re-election at the 45th Annual General Meeting of the Company

- 1) The Directors who are standing for re-election at the 45th Annual General Meeting to be held at the Miami Hall, Ferringhi Beach Hotel, Jalan Low Yat, 11100 Batu Ferringhi, Penang on Wednesday, 28 June 2006 at 11.00 a.m. are as follows:

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

Mdm Woon Siew Choo
Mdm Oh Leen May

- ii) Directors standing for re-election pursuant to Article 87 of the Company's Articles of Association:

Mdm Low Su Ming
Mr Wee Beng Sang

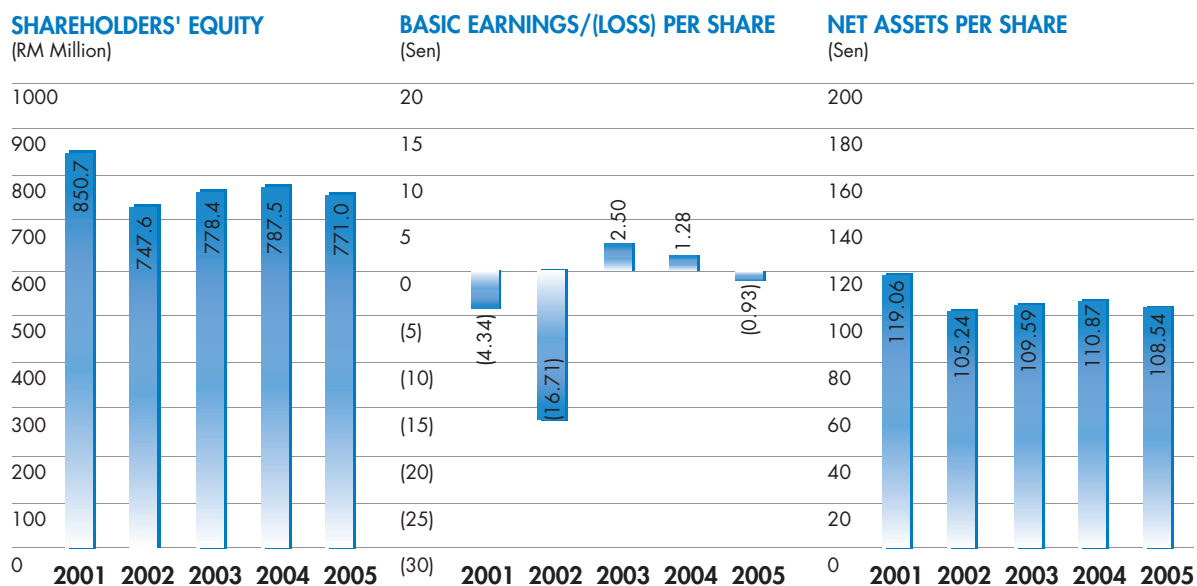
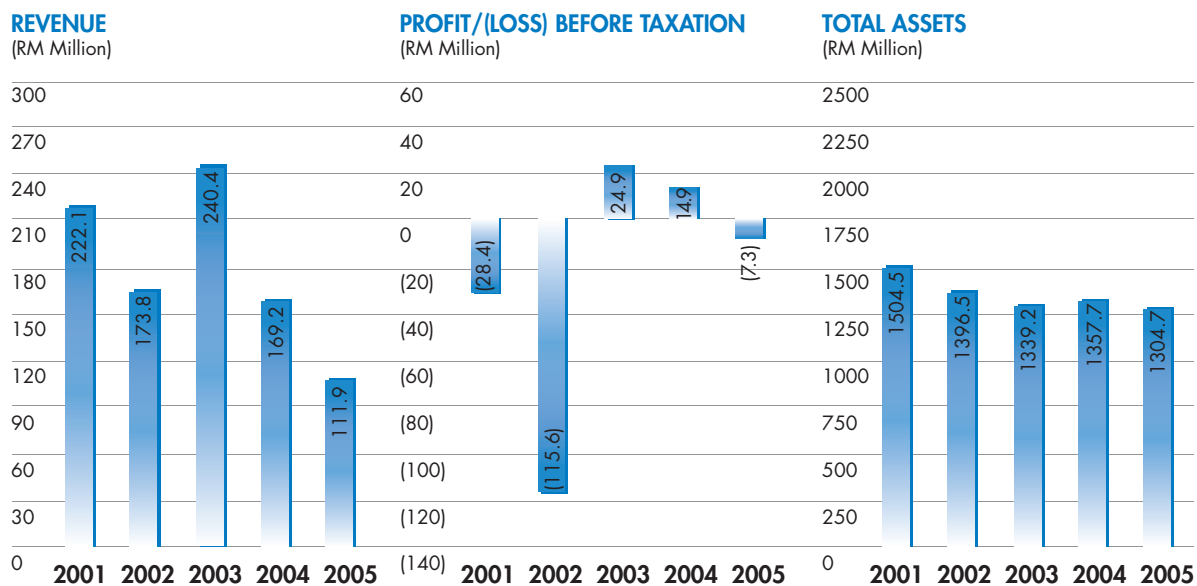
- iii) Directors standing for re-appointment pursuant to Section 129 of the Companies Act, 1965:

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

- 2) Further information on the profile of the abovementioned retiring directors are set out on pages 10 to 12 of this Annual Report.

Details of their attendance at the Board Meetings of the Company held during the financial year ended 31 December 2005 are set out on page 21 of this Annual Report.

5 YEARS' FINANCIAL HIGHLIGHTS



5 YEARS' FINANCIAL HIGHLIGHTS & SHARE MARKET INFORMATION

	2005 RM'000	2004 RM'000	2003 RM'000	2002 RM'000	2001 RM'000
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RESULTS

Revenue	111,858	169,216	240,355	173,820	222,067
Profit/(Loss) before taxation	(7,254)	14,863	24,940	(115,590)	(28,416)
Taxation	643	(5,803)	(7,158)	(3,125)	(2,407)
Profit/(Loss) after taxation	(6,611)	9,060	17,782	(118,715)	(30,823)

BALANCE SHEETS

Property, plant & equipment	410,882	468,627	465,954	556,888	626,858
Investment properties	473,368	473,356	473,356	473,100	520,676
Other investment	50	50	50	50	50
Land held for development	167,691	149,406	139,194	138,708	131,108
Goodwill on consolidation	-	-	-	-	4,950
Deferred tax assets	22,080	18,579	20,382	24,502	24,033
Current assets	230,668	247,691	240,236	203,268	196,799
Total assets	1,304,739	1,357,709	1,339,172	1,396,516	1,504,474
Current liabilities	(184,688)	(202,447)	(204,108)	(215,270)	(296,951)
	1,120,051	1,155,262	1,135,064	1,181,246	1,207,523

FINANCED BY

Share capital	710,341	710,341	710,341	710,341	710,341
Reserves	60,697	77,189	68,089	37,211	140,324
Shareholders' equity	771,038	787,530	778,430	747,552	850,665
Deferred taxation	49,681	50,133	50,089	50,465	41,607
Long term liabilities	299,332	317,599	306,545	383,229	315,251
	1,120,051	1,155,262	1,135,064	1,181,246	1,207,523

FINANCIAL RATIOS

Basic earnings/(loss) per share	(sen)	(0.93)	1.28	2.50	(16.71)	(4.34)
Net assets per share	(sen)	108.54	110.87	109.59	105.24	119.06
Return on equity	(%)	(0.85)	1.16	2.33	(14.86)	(3.54)
Return on total assets	(%)	(0.51)	0.67	1.33	(8.50)	(2.05)
Debt/equity	(%)	45.55	49.06	49.43	59.76	53.43

SHARE MARKET INFORMATION

* Share price	- High (RM)	0.270	0.340	0.350	0.440	0.435
	- Low (RM)	0.135	0.225	0.200	0.245	0.235
* Last transacted price	(RM)	0.145	0.260	0.275	0.255	0.305
Market capitalisation	(RM'mil)	102.99	184.69	195.34	181.14	216.65
Net price earnings ratio	(times)	n/a	20.31	11.00	n/a	n/a
* Volume traded during the financial year	('000)	85,226	148,041	279,845	89,427	118,859

* Source: Bloomberg

QUARTERLY RESULTS OF THE GROUP FOR YEAR 2005

		YEAR 2005			
		Quarter 1 RM'000	Quarter 2 RM'000	Quarter 3 RM'000	Quarter 4 RM'000
RESULTS					
Revenue					
Hotel		7,799	8,034	11,037	9,210
Property Development		27,163	15,806	7,541	(6,951)
Property Investment		6,779	6,658	6,850	7,321
Others		1,228	1,144	1,179	1,060
		42,969	31,642	26,607	10,640
Profit/(Loss) Before Taxation					
Hotel		(282)	(83)	6,186	556
Property Development		(739)	(561)	(3,780)	(8,494)
Property Investment		3,024	3,016	3,391	3,409
Others		(450)	(1,242)	(502)	(10,703)
		1,553	1,130	5,295	(15,232)
Profit/(Loss) After Taxation		297	272	4,797	(11,977)
BALANCE SHEETS					
Property, plant and equipment		468,320	442,821	431,170	410,882
Investment properties		473,356	473,356	473,392	473,368
Other investment		50	50	50	50
Land held for development		155,377	158,122	163,098	167,691
Deferred tax assets		18,500	18,768	19,172	22,080
Current assets		236,611	252,033	248,096	230,668
Total assets		1,352,214	1,345,150	1,334,978	1,304,739
Current liabilities		(195,253)	(192,868)	(180,262)	(184,688)
		1,156,961	1,152,282	1,154,716	1,120,051
FINANCED BY					
Share capital		710,341	710,341	710,341	710,341
Reserves		77,537	77,832	82,624	60,697
Shareholders' equity		787,878	788,173	792,965	771,038
Deferred taxation		50,209	50,438	50,195	49,681
Long term liabilities		318,874	313,671	311,556	299,332
		1,156,961	1,152,282	1,154,716	1,120,051
Borrowings		384,088	374,153	359,247	350,912
FINANCIAL RATIOS					
Basic earnings/(loss) per share	(sen)	0.04	0.04	0.67	(1.68)
Net assets per share	(sen)	110.92	110.96	111.63	108.54
Return on equity	(%)	0.04	0.03	0.60	(1.55)
Return on total assets	(%)	0.02	0.02	0.36	(0.92)
Debt/equity	(%)	48.79	43.79	45.35	45.55

CORPORATE PROFILE

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 Securities Berhad) 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. (now known as Island Bay Resorts 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 in 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 Centre, 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 Centre, 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 prime residential apartments and a 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, a 258-room 4-star, boutique hotel located in the vicinity of Jalan Bukit Bintang, a popular shopping and entertainment destination. It 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.

Between 1999 and 2000, the Group acquired 4 adjoining parcels of land measuring approximately 1.4 acres located adjacent to City Square Centre. In 2005, the Group ventured into city residential development with the launching of the Group's maiden high-end development of 300 units of exclusive apartments on the land.

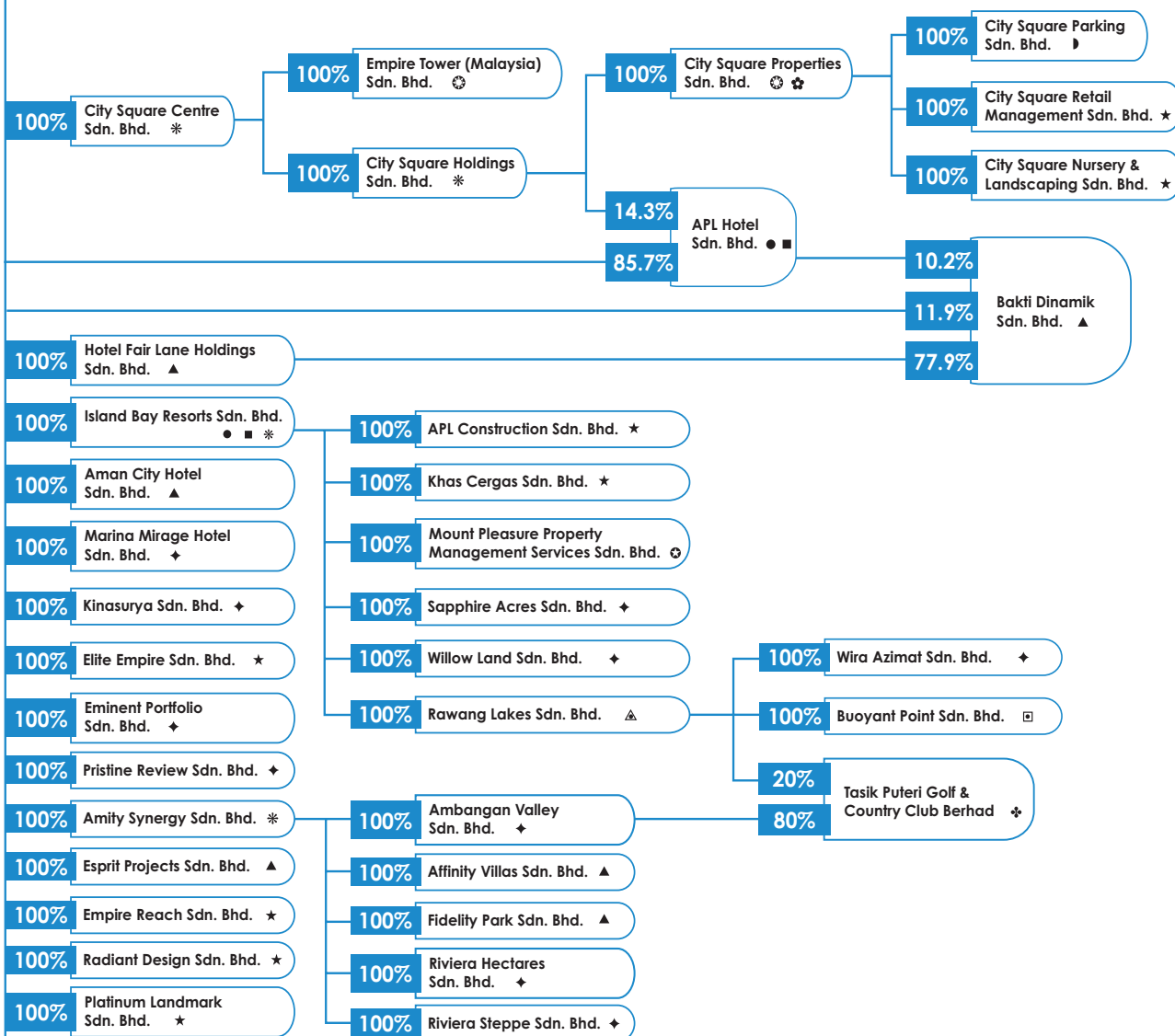
In 2005 and 2006, the Group disposed of properties in Penang comprising three pieces of lands known as Lot No. 129 and Lot Nos. 748 & 749, located at Jalan Sultan Ahmad Shah, 10050 Pulau Pinang and the 350-room Ferringhi Beach Hotel, Jalan Low Yat, Penang.

In 2006, the AP Land Group entered into a Joint-Venture with UTM Properties Sdn. Bhd. as the Developer for a mixed development on a 50:50 joint-venture basis on the Group's existing development landbank and the adjacent land known as UOB Land located at Mount Pleasure Resort, Batu Ferringhi, Penang.

CORPORATE STRUCTURE AS AT 10 MAY 2006

ASIA PACIFIC LAND BERHAD ❖

Malaysian Subsidiary Companies



Overseas Subsidiary Companies



Principal Activities

- ❖ Investment Holding & Provision of Management Services
- Property Investment & Development
- Hotel Business
- ▲ Property Development
- ⚙ Property Investment & Management
- ✱ Investment Holding
- ⚙ Property Management
- ✦ Property Investment
- ✦ Golf Course Operation
- 🅑 Car Park Management
- ✱ Car Park Operation
- 🅒 Property Maintenance Services
- ▲ Property Development and Building Contractors
- ★ Dormant

ORGANISATION STRUCTURE

AS AT 10 MAY 2006

Board of Directors

Executive Chairman
Low Gee Tat

Joint Managing Directors
Low Gee Teong
Low Su Ming

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

Executive Directors
Woon Siew Choo
Oh Leen May
Wee Beng Sang

Group Adviser:

Tan Sri Dato' Low Yow Chuan

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

Executive Committee

Low Gee Tat
(Chairman)

Low Gee Teong
(Joint Deputy Chairman)

Low Su Ming
(Joint Deputy Chairman)

Low Gee Soon
(Senior Executive Director)

Woon Siew Choo

Oh Leen May

Wee Beng Sang

Audit Committee

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

Tan Sri Dato' Hanafiah Hussain

Tan Sri Dato' Lee Kim Sai @ Lee Hoo

Woon Siew Choo

Divisional Heads

Corporate Planning / Finance, Accounts & Taxation
Woon Siew Choo - Executive Director

Secretarial, Corporate Services, Legal & Administration
Oh Leen May - Executive Director / Group Company Secretary

Architectural, Planning & Property Services
Wee Beng Sang - Executive Director

Property/ Building Management Services & Business Development
Loke Mun Kit - Director

Project / Construction Management
Lee Kok Wah - Area Director

Hotel Marketing & Operations
Steven Chong Lim Yoke - Director, Group Sales & Marketing

PROFILE OF DIRECTORS, COMPANY SECRETARIES & MANAGEMENT TEAM AS AT 10 MAY 2006

Mr Low Gee Tat Executive Chairman

Mr Low Gee Tat, aged 43, 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 an Executive Director on the Board of AP Land since 22 April 1991. He is the Chairman of the Executive Committee of AP Land.

He is responsible for the Board's overall conduct and effectiveness as well as providing general strategic corporate/business direction to the Management, in addition to his specific portfolio for the executive management, planning, administration, and operations of the Group's hotel, the Crown Princess Kuala Lumpur. 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 President of the Malaysian Association of Hotel Owners (MAHO).

He is the brother of Mr Low Gee Teong, Mdm Low Su Ming and Mr Low Gee Soon. Mr Low Gee Tat, Mr Low Gee Teong and Mr Low Gee Soon and their father, Tan Sri Dato' Low Yow Chuan are deemed substantial shareholders 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 hotel in the Group.

Mr Low Gee Tat is deemed to be interested in the related party transactions disclosed on pages 25 to 27 and 88 to 94 of the Annual Report.

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

He attended all the Board Meetings of AP Land held during the financial year ended 31 December 2005.

His indirect interest in the shares of AP Land is disclosed on pages 42 and 44 of the Annual Report.

Mr Low Gee Teong Joint Managing Director

Mr Low Gee Teong, aged 42, a Malaysian, possesses a Master's Degree in Economics from the University of Keele, United Kingdom. He has been an Executive Director of AP Land since 22 April 1991. Mr Low Gee Teong was appointed as Joint Managing Director of AP Land on 1 April 2006. He is also the Joint Deputy Chairman of the Executive Committee and a member of the ESOS Committee of AP Land.

He is primarily responsible for the executive management, planning and operations of the Group's Property Development arm, which include Bandar Tasik Puteri and its golf and country club, as well as Business Development portfolios majoring in areas of marketing, sales, business performance and new business ventures/opportunities.

* Convictions other than traffic offences

As Joint Managing Directors, he is jointly responsible with Mdm Low Su Ming for managing the day-to-day affairs and all the business operations of the Group and for making operational decisions and implementing strategic directions and policies of the Group as well as for the Group's General Management (Finance & Administration policies).

He is the brother of Mr Low Gee Tat, Mdm Low Su Ming and Mr Low Gee Soon. Mr Low Gee Tat, Mr Low Gee Teong and Mr Low Gee Soon and their father, Tan Sri Dato' Low Yow Chuan are deemed substantial shareholders of the Company.

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 25 to 27 and 88 to 94 of the Annual Report.

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

He attended 3 out of 5 Board Meetings of AP Land held during the financial year ended 31 December 2005.

His indirect interest in the shares of AP Land is disclosed on pages 42 and 44 of the Annual Report.

Mdm Low Su Ming Joint Managing Director

Mdm Low Su Ming, aged 40, a Malaysian, graduated with a Bachelor's Degree in Science (Architecture) from the University of New South Wales, Australia. She has been a director of several subsidiaries in the AP Land Group since 22 April 1991 and was appointed as an Executive Director of AP Land on 1 March 2006. Mdm Low Su Ming was appointed as Joint Managing Director on 1 April 2006. She is also the Joint Deputy Chairman of the Executive Committee of AP Land.

She is directly responsible for the executive management, planning, administration and operations of the Group's Property Investment Division. In addition, she is primarily responsible for the Planning/Architectural, Project Management and Property Management Services that serve all business divisions in the Group.

As Joint Managing Directors, she is jointly responsible with Mr Low Gee Teong for managing the day-to-day affairs and all the business operations of the Group and for making operational decisions and implementing strategic directions and policies of the Group, as well as for the Group's General Management (Finance & Administration policies).

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.

PROFILE OF DIRECTORS, COMPANY SECRETARIES & MANAGEMENT TEAM AS AT 10 MAY 2006

Mdm Low Su Ming is the sister of Mr Low Gee Tat, Mr Low Gee Teong and Mr Low Gee Soon. Mr Low Gee Tat, Mr Low Gee Teong and Mr Low Gee Soon and their father, Tan Sri Dato' Low Yow Chuan are deemed substantial shareholders of the Company.

Mdm Low Su Ming is deemed to be interested in the related party transactions disclosed on pages 25 to 27 and 88 to 94 of the Annual Report.

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

The direct interest of Mdm Low in AP Land is disclosed on page 42 of the Annual Report.

Tan Sri Datuk Seri (Dr) Chong Hon Nyan **Independent Non-Executive Director**

Tan Sri Datuk Seri (Dr) Chong Hon Nyan, aged 82, 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 Singapore Raffles College Diploma First Class (English) and a Master of Arts (Law Tripos) from Cambridge University, England 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 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 attended 4 out of 5 Board Meetings of AP Land held during the financial year ended 31 December 2005.

The indirect interest of Tan Sri Chong in AP Land is disclosed on page 42 of the Annual Report.

* Convictions other than traffic offences

Tan Sri Dato' Hanafiah Hussain **Independent Non-Executive Director**

Tan Sri Dato' Hanafiah Hussain, aged 79, a Malaysian, was appointed as an Independent Non-Executive Director 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 the 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 was appointed as the Independent Non-Executive Chairman of Linear Corporation Berhad, a public listed company in year 2004. He also sits on the Board 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 with the Company nor any personal interest in any business arrangement involving the Company in respect of the financial year ended 31 December 2005.

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

He attended 4 out of 5 Board Meetings of AP Land held during the financial year ended 31 December 2005.

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 69, 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 a 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 the cabinet in May 1995.

Tan Sri Dato' Lee is the Independent Non-Executive 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.

PROFILE OF DIRECTORS, COMPANY SECRETARIES & MANAGEMENT TEAM AS AT 10 MAY 2006

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 attended all the Board Meetings of AP Land held during the financial year ended 31 December 2005.

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

Mdm Woon Siew Choo Executive Director

Mdm Woon Siew Choo, aged 52, 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 Planning/Finance Accounting, Taxation functions as well as for business performance monitoring and coordination to enhance revenue/income/cash flow generation and yield management. In addition, she also plays a key role in the assessment of the Group's major business deals as well as new investments and businesses.

She was the Divisional Director heading the Group's Corporate Finance, Accounts & Tax Divisions from 1 April 1994 to 31 December 2002 before she was appointed to her additional role 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 and Audit 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 attended all the Board Meetings of AP Land held during the financial year ended 31 December 2005.

The direct interest of Mdm Woon in AP Land is disclosed on page 42 of the Annual Report.

Mdm Oh Leen May Executive Director

Mdm Oh Leen May, aged 53, 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, Legal and Administration functions of the Group.

* Convictions other than traffic offences

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 she was appointed to her additional role 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 attended all the Board Meetings of AP Land held during the financial year ended 31 December 2005.

Mdm Oh does not hold any shares in AP Land.

Mr Wee Beng Sang Executive Director

Mr Wee Beng Sang aged 45, 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. He was appointed as an Executive Director of AP Land on 1 March 2006.

He has been holding the position as a Director, Architectural, Planning & Property Services of AP Land Group since 1994. 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, Planning, Design/Product Development, Property and Interior Services, servicing all Business Divisions in the Group. His scope includes liaison/coordination with all relevant governmental/quasi-governmental authorities on the Group's project planning and development approvals. He is also responsible for the implementation of quality assurance and quality control (QAQC) processes/procedures.

Overall, Mr Wee has in excess of 19 years of related working experience in commercial, industrial, residential and township developments.

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.

The direct interest of Mr Wee in AP Land is disclosed on page 42 of the Annual Report.

PROFILE OF DIRECTORS, COMPANY SECRETARIES & MANAGEMENT TEAM AS AT 10 MAY 2006

Mr Low Gee Soon **Senior Executive Director**

Mr Low Gee Soon, aged 37, 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 subsidiary companies of 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, Project/Construction Management, Contracts Administration, Procurement, Property/Building Management Services 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.

He is the brother of Mr Low Gee Tat, Mr Low Gee Teong and Mdm Low Su Ming. Mr Low Gee Tat, Mr Low Gee Teong and Mr Low Gee Soon and their father, Tan Sri Dato' Low Yow Chuan are deemed substantial shareholders of the Company.

Mr Loke Mun Kit **Director** **Property Management & Business Development**

Mr Loke Mun Kit, aged 49, 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 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 & Building Management Services in respect of the Group's Investment Assets (Retail/Office Complex & Hotel) and the Mount Pleasure Resort as well as general properties in Penang. In addition, he is entrusted with the Project and Construction Management of the Group's Property Development projects in Penang. Besides this, he also spearheads the Business Development Department.

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 Chartered Institute of Building Malaysia.

Mr Lee Kok Wah **Area Director** **Project / Construction Management**

Mr Lee Kok Wah, aged 53, 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.

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, Bandar Tasik Puteri township in Rawang and 'myHabitat' Serviced Residences Project. He has in excess of 27 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 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 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 Steven Chong Lim Yoke **Director** **Group Sales & Marketing (Hotel Division)**

Mr Steven Chong Lim Yoke, aged 45, 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.

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

He has 24 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 44, 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.

Chairman's Statement

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Dear Shareholders,

The year 2005 saw AP Land rationalize the portfolio through significant corporate developments that brought the Group closer to achieving its long-term objectives of improving the Group's financial position and unlocking shareholders' value.

During the year, the Malaysian economy maintained its momentum in economic expansion, registering a Gross Domestic Product (GDP) growth rate of 5.3% in 2005 despite the less-favorable economic climate worldwide. Indeed, the year under review saw the unfolding of various social and economic challenges in the global arena that had far-reaching implications, directly or otherwise, on the local economy in which we operate.

The economy had to grapple not only with rising interest rates, but also the dual effects of corporate profit pressures, and higher mortgage and hire-purchase rates. These factors ultimately led to an overall weakened demand for products and services, with the general public taking on more cautious spending habits and adopting a "wait-and-see" approach for large-scale purchases, including property, vehicles and other luxury items.

These challenges in 2005 had indeed placed the Group in a demanding position, in terms of both operational achievement and financial performance.

FY2005 FINANCIAL RESULTS

The year under review (FY2005) was one that tested the Group's resilience through our corporate history. Overall, the Group managed to register total revenues of RM111.9 million, a 33.9% decline as compared to RM169.2 million of the previous financial year. The bottom line dropped from a net profit after tax of RM9.1 million in the year 2004 to a net loss of RM6.6 million for the year under review. Besides the lower sales figures, the net loss

was primarily due to an impairment loss of RM9.8 million on Ferringhi Beach Hotel in Penang, which was charged to the income statement. The said property was subsequently sold in January 2006, as part of the Group's asset rationalization exercise.

However, the asset rationalization exercise also saw the Group register a profit of RM4.0 million from the sale of a piece of land approved for hotel development in Penang; hence mitigating the further slide in the Group's profitability.

Moving on to the balance sheets, we continued embarking on initiatives to improve the Group's financial health. As at the end of the year under review, the Group's total borrowings net of cash stood at 44.8% of the shareholders' fund of RM771.0 million, versus 47.5% as at end of the previous financial year in 2004. The improvement, to some extent, was due to the Group's conscious effort of unlocking values from sales of low yielding assets. The Board believes that there is ample financial flexibility in the balance sheets as at end of the year to allow the Group to adapt to the dynamic business environments.

PROPERTY DEVELOPMENT

The Group's Property Development Division remained the Group's largest contributor to FY2005's group revenue at 39%, despite the slower than expected take-up rate at the township of Bandar Tasik Puteri, Rawang. High competition within the vicinity and the delayed implementation in the construction of federal roads and highways linking the township have slowed the progress of the development. The Division dipped into the red for FY2005.

In the high-end condominium segment, the Group had, in mid-2005, launched MyHabitat, its maiden high-end development in the city centre of Kuala Lumpur, which enjoyed encouraging initial response.

However, with more than 5,000 new upmarket condominiums and serviced apartment units launched mainly in the Klang Valley in 2005, and notable projects expected to come on stream in 2006, the Group will actively continue its marketing and promotional efforts to capture the niche market.

PROPERTY INVESTMENT

The Property Investment Division contributed positively to the Group. The Division achieved RM12.8 million in profit before tax on the back of higher rental yields in the year under review.

The Group's integrated 3-in-1 property - Empire Tower, City Square Shopping Centre and Crown Princess Kuala Lumpur - proved to be an innovative concept with competitive advantage to retain existing tenants and attract new ones.

The retail outlook would be challenging, in view of the increase in petrol prices and continued demand by highly discerning consumers. Recognizing that continuous improvement in retail premises is important in keeping the concept fresh, the management of City Square Shopping Centre will make conscious effort to create a friendly environment for families and specialty shoppers.

Meanwhile, prospects for Empire Tower are good, in light of impending increase of rental rates, and higher demand for city centre office addresses.

HOTEL

The Hotel Division continued to show sustained profitability. The Group's two hotels - Crown Princess Kuala Lumpur and Ferringhi Beach Hotel in Penang, also saw their occupancy rates improve. For the year under review, Crown Princess Kuala Lumpur not only enjoyed better occupancy but also



23 January 2006

Joint-Venture Signing Ceremony between Island Bay Resorts Sdn Bhd, a wholly-owned subsidiary of AP Land and IJM Properties Sdn Bhd ("IJMPSB").

From left to right

Mr Low Gee Tat, Mr Teh Kean Ming, Managing Director of IJMPSB & Dato' Tan Boon Seng @ Krishnan, Director of IJMPSB.

improved yield with better guest mix.

Our Penang hotel was badly affected in the first half of the year under review after the Tsunami in December 2004. However, the return of foreign tourists, especially from Singapore, toward the end of the year helped boost the hotel's revenues.

In line with the asset rationalization exercise, the Board decided to divest Ferringhi Beach Hotel, and has since entered into a sale and purchase agreement to sell the hotel property on 26 January 2006. The sale is expected to complete by the second quarter of 2006. All said, the exercise is expected to streamline the Group's hotel operations, in addition to improving the division's profit margins. We will continue to channel resources to spruce up our remaining hotel property in Kuala Lumpur.

GOLF CLUB

The Tasik Puteri Golf & Country Club posted a profit after tax of RM0.63 million for the year under review on the back of a marginal drop in revenue to RM4.6 million from RM4.7 million in the previous year. The public golf club continues to be a popular choice among the golfing community, as well as members of the civil service. With the construction of an additional 9-hole course to be completed this year and the ongoing expansion of the club's facilities,

we remain optimistic that profit will improve.

CORPORATE DIRECTION

Going forward, the property sector in Malaysia will remain challenging, yet at the same time, full of opportunities. The Board understands that its underlying strengths lie in its established track record and reputable brand name as a property developer delivering value-for-money products. We will leverage on this goodwill for the Group to emerge as a strengthened entity.

To do that, the Group has undertaken measures to balance its portfolio, fortify its balance sheets, and improve operational efficiencies. The Group has, since 2001, embarked on an asset rationalization plan, as seen through the disposal of low-yielding assets in recent years. We will continue to unlock asset values at optimal prices as and when opportunities arise.

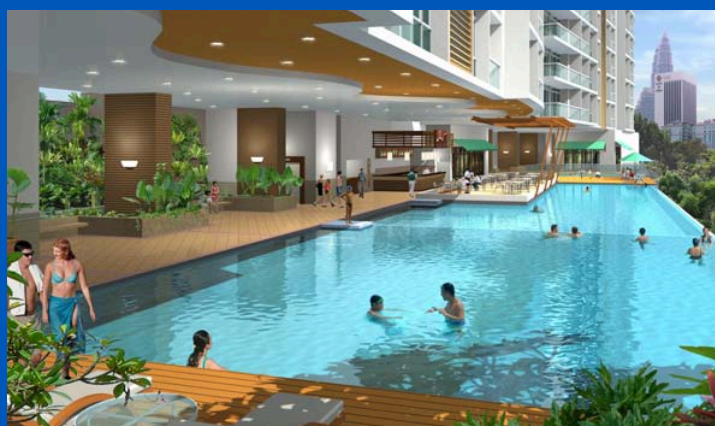
In the meantime, we have existing assets in the property development and investment sectors that contain huge potential for growth, and we are looking to fully capitalize on them through well-placed strategies. The signing of a Joint Venture Development Agreement with IJM Properties Sdn Bhd to jointly develop a mixed real estate project with estimated gross

development value of RM210 million is a deliberate strategy for the Group to expedite the development of some of our land bank outside the Klang Valley without straining our resources. Besides, with the evident increasing demand for high-end property in Penang, the joint venture is timely to tap the growth potential on the island. The development, comprising residential and commercial units, will be on the Group's existing 30 acres land bank in Batu Ferringhi, Penang, and the adjacent 11 acres land owned by United Overseas Bank (Malaysia) Sdn Bhd.

Ultimately, the principal objective of the entire rationalization plan is to effectively allocate our resources to key growth areas.

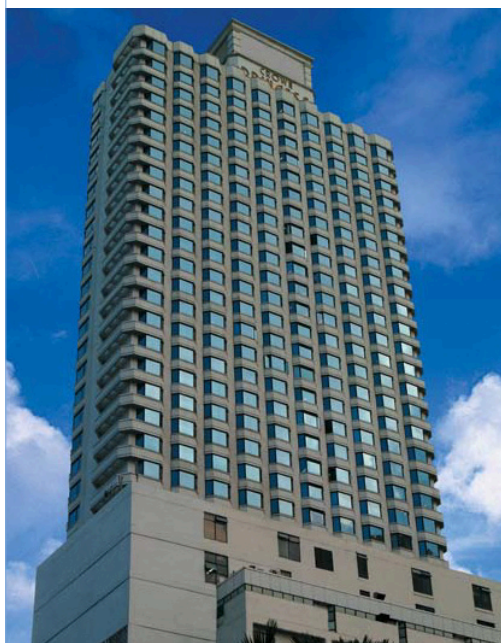
The Group would nurture its growth potential by concentrating its efforts to build future revenue drivers. In view of this, we are always on the lookout for investment properties with adequate returns, as well as choice pieces of landbank for future developments. These efforts, coupled with margins improvement through operations efficiency, are aimed at improving our returns on shareholders' funds.

At micro level, the Group has put in place plans to innovate its product offerings and improve its marketing approach, leading to the enhancement of our brand equity. This includes product designs adapted to niche consumers' lifestyles in 'MyHabitat', investment into Information Technology infrastructure for office properties and hotel rooms, as well as the development of thematic concept at our City Square Shopping Centre to differentiate ourselves in the retail market.



Artist's impression of 'myHabitat' serviced residences.

CHAIRMAN'S STATEMENT



From left to right clockwise:

- Crown Princess Kuala Lumpur
- Swimming Pool
- The Grand Ballroom



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PROTECTING SHAREHOLDERS' VALUE

The Board believes in upholding high standards of corporate governance practices within the Group, as this is a fundamental aspect in discharging our responsibilities to protect and maximize shareholders' value and returns. The measures implemented by the Board are in line with the underlying principles and the best practices of the Malaysian Code on Corporate Governance. The Statement of Corporate Governance in this Annual Report highlights the various corporate governance measures, including details on board committees to oversee corporate direction and reduce operational risks, as well as on the commitment to communicate with investors on the Group's quarterly results updates and corporate developments.

HUMAN RESOURCES

The Group continues to pursue its policy of expanding the role, contribution and development of its human capital in all sectors and at all levels in order to achieve higher productivity, quality and deliverance as well as to improve cost-income ratio. The Group endeavours to offer a dynamic working environment that promotes multitasking/skilling, healthy competition, career advancement opportunities and rewards/incentives that are objectively assessed and granted in order to enhance the skills, creativity and motivation of its employees so as to pursue excellence and innovation in our product and services.

ENVIRONMENTAL EFFORTS

The Group has implemented initiatives in protecting the environment and is striving to be more vigilant in our consumption of nature's resources. To this end, our Group has implemented recycling programmes and energy and water conservations schemes as well as using biodegradable cleaning and washing chemicals.

COMMUNITY

The Group continued to bring cheer to senior citizens and underprivileged children by holding numerous events throughout the year in conjunction with national holidays and special occasions.

During the year, the Group also sponsored charitable events as well as organized blood donation campaigns in collaboration with the National Blood Centre.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express our gratitude to the fellow members on the Board and our Group Adviser, Tan Sri Dato' Low Yow Chuan, for the invaluable services rendered to the Group during the year.

I would like to welcome two new Executive Directors, Mr. Wee Beng Sang and Mdm Low Su Ming, who joined the Board on 1 March 2006. Mdm Low Su Ming has been an Executive Director of certain subsidiary companies of the Group and

a member of the Executive Committee for more than 15 years and she has been responsible for the Group's Property Investment Division in addition to the Architectural, Design and Project/Property Planning portfolios.

Prior to his appointment as an Executive Director of AP Land, Mr. Wee Beng Sang who has been with the Group for more than 12 years, was the Division Director heading the Architectural, Planning and Property Services divisions.

Allow me also to take this opportunity to express our deepest appreciation to Dato' Jeffrey Ng Tiong Lip, our long serving Managing Director, who retired on 31 March 2006. Indeed, Dato' Jeffrey had committed many years of leadership and guidance to the Group, and we would like to wish him all the best in his future endeavors.

The Board is pleased to announce that it had appointed Mr. Low Gee Teong and Mdm Low Su Ming as the Joint Managing Directors of the Group, effective from 1 April 2006.

Lastly, I would like to thank our management and staff, and express my sincere appreciation of the faith and support our shareholders, business associates and clients have in us.

LOW GEE TAT
Executive Chairman
15 May 2006

Management Review

AP Land's financial performance in FY2005 reflected the demanding environment we faced in the respective property and related sectors during the year.

ASIA PACIFIC LAND BERHAD GROUP PERFORMANCE

Division	Revenue		Profit/(Loss) Before Tax	
	RM'000 2005	RM'000 2004	RM'000 2005	RM'000 2004
Property Development	43,559	102,860	(13,574)	5,770
Hotel	36,080	34,690	6,377	1,842
Property Investment	27,608	26,942	12,840	10,493
Golf Club & Others	4,611	4,724	(2,994)	(3,242)
	111,858	169,216		
Profit before tax from operations			2,649	14,863
Less:				
Impairment loss & revaluation deficit			(9,903)	-
(Loss)/Profit before tax			(7,254)	14,863

PROPERTY DEVELOPMENT DIVISION

Our Property Development Division recorded a slower revenue stream, declining to RM43.6 million in the year under review from RM102.9 million in the previous year. Nevertheless, it continued to be the Group's key revenue driver in 2005, bringing in 39% to group revenue of RM111.9 million. The Division slipped into the red in 2005, incurring a loss of RM13.6 million as opposed to a profit before tax of RM5.8 million from the year before.

The Property Development Division faces stiff competition coupled with softer market conditions. The enforcement of stringent regulations by banks on the approval of end-financing further compounded the situation where potential customers delayed their purchase decisions.

Bandar Tasik Puteri (BTP), our flagship township development project in North Klang Valley, reported slower-than-expected take-up rate in 2005, in line with keen competition in the increasingly-developed area. The Group recorded a total net sales value of RM18 million in 2005; compared to RM52 million achieved in the previous year. Progress billings for the project stood at RM42.2 million in the year under review, versus RM101.0 million previously. A total of 411 sold units were delivered in 2005 compared to 1,180 units in 2004.

BTP, a 20-year project that started in 1995, entered into its 10th year in 2005, and to date the Group has developed 37% of the 2,670 acre land. Of the total estimated gross development value (GDV) of RM3.5 billion, the Group has successfully launched and sold RM795 million worth of properties in BTP so far.

Presently, more than 5,000 households reside in BTP, accommodating a population of 25,000. BTP remains a thriving all-in-one neighbourhood with planned availability of various infrastructure and services, including public schools, retail shops, a golf course, bus services, a surau, a night market, petrol stations, recreational

park, food court and hypermarket. The Group stayed true to its promise of placing a premium on community development, through the string of various activities aimed at fostering healthy relations amongst residents in BTP.

Among the activities were the official launch of BTP Show Gallery & 'Pesta Durian' by Yang Dipertua Tuan Zainal Abidin bin Azim, Majlis Perbandaran Selayang, where residents and home buyers were treated to heaps of durian fruits; and, the BTP "Majlis Berbuka Puasa" with the Rumah Kebajikan Damai of Kuang, which saw the Company giving away 'duit raya' and school bags to 50 orphans from the welfare home at the fun-filled breaking fast event.

Since its inception, the township has spurred other commercial and infrastructure developments in Rawang, and it is evident that the Group's contribution to the development of the district at large has been no less than significant. That said, North Klang Valley has been quickly captured on the radars of various property developers as one of the promising suburban areas. This has contributed to the launches of other residential projects, and thus leading to the development of an increasingly crowded sector.

Moving on, the Group also charted a significant milestone in mid-2005, with the successful launch of 'MyHabitat' - its maiden high-end development situated in the heart of Kuala Lumpur. This venture, with gross development value in excess of RM220 million, reflects the Group's cognizance of the Klang Valley consumers' demand for high-end properties, particularly those within the bustling capital city.

Comprising twin blocks of 300 premier quality serviced residences on a 1.4 acre piece of land, 'MyHabitat' is strategically located along Jalan Aman, adjacent to the integrated 3-in-1 development of Empire Tower, Crown Princess Kuala Lumpur and City Square Shopping Centre. The first block is planned for completion in three years. We are pleased to report that the initial response to the Group's first venture into upmarket properties is encouraging.

PROPERTY INVESTMENT DIVISION

Our Property Investment Division registered RM12.8 million profit before tax on the back of RM27.6 million in revenue. This commendable performance was chiefly due to higher rental yield and maintained occupancy rates achieved in both Empire Tower, the office block, as well as City Square Shopping Centre.

Empire Tower contributed the bulk of profit before tax to the Division, and did so in increasing measure year-on-year, from RM7.6 million in 2004 to RM8.8 million in 2005. Average rental rates for Empire Tower were on an uptrend, rising by 7.7 percentage points in the year under review compared to the previous year, in line with higher rental rates for prime office space in the Klang Valley. In addition to higher market demand, this price trend could be attributed to the curtailed supply of office space in Klang Valley, following the freeze on approvals of office building construction projects enforced by Dewan Bandaraya Kuala Lumpur (DBKL) since 1999 in order to arrest the worrying trend of property overhang.



1 October 2005

Mr Low Gee Teong briefed Y.B. Datuk Seri Chan Kong Choy, Minister of Transport on the master plan of Bandar Tasik Puteri at BTP Show Gallery during the official Handover Ceremony of the Certificate of Fitness to the Camelia Apartments owners.



24 April 2006

Mdm Low Su Ming accompanied Y.B. Dato' Seri Rafidah Aziz, Minister of International Trade & Industry to officiate the launching of the Women & Beauty Fair 2006 at City Square Shopping Centre.

Regarded as one of the established Grade-A office blocks in the city, Empire Tower managed to maintain a respectable level of occupancy at 80%, comparable to both the 85% achieved in 2004 and the industry average of 83.8%. We believe this is the culmination of our strategy to offer our tenants the advantages of strategic location, reasonable rates, as well as continually upgraded infrastructure. Not only have we attracted a tenant base boasting of a healthy mix of established corporations, embassies, and small-medium enterprises across industries, we have also been able to retain them through the years - thus auguring well for the Group's recurring income base.

City Square Shopping Centre reported better than expected results in 2005 with profit before tax of RM3.2 million, versus RM2.9 million in the previous year. Average occupancy was maintained at 75%, versus 76% in 2004, which is comparable to the industry's average occupancy rates for retail space of 80%. Retail rental rates improved by 5.8 percentage points, as we gradually capitalized on our positioning as a lifestyle destination for specialty shoppers and families.

The year 2005 bore indications of retail market saturation, which in turn resulted in almost-flat growth in occupancy rates in retail centers year-on-year. Not only were shoppers inundated by the number of shopping destination choices, notably in

highly sophisticated urban areas of Kuala Lumpur and Petaling Jaya, most shopping centers found it increasingly difficult to attract the required number and quality of retailers.

HOTEL DIVISION

The Hotel Division - consisting of Crown Princess Hotel Kuala Lumpur and Ferringhi Beach Hotel in Penang - saw noteworthy growth which resulted in the Division's improved profitability in the year under review. Revenue contributions improved slightly to RM36.1 million in 2005 from RM34.7 million, while profit before tax increased to RM6.4 million (with RM4.0 million contributed from the sale of a piece of land approved for hotel) from RM1.8 million previously.

This was achieved against the backdrop of various challenges facing the tourist industry in the region. Among the factors that threatened to negatively impact tourist arrivals into Malaysia was the dampened sentiment on travel after the tsunami in December 2004 as well as the avian flu outbreak. Fortunately, the effects of these occurrences on tourist arrivals were contained to the first half of 2005, with domestic and foreign tourists resuming normalcy in travel habits towards the second half of the year, spurred by the increasing popularity of budget airlines across the region.

The average occupancy rate in Kuala Lumpur city hotels stood at 77% as at December 2005, and 63.6% at hotels nationwide for the full year.

Crown Princess Kuala Lumpur reported improved yields in the year under review, with revenue of RM28.9 million and profit before tax of RM1.6 million, a marked improvement from revenue of RM26.7 million and profit before tax of RM 0.8 million in 2004.

Average room rates at Crown Princess Kuala Lumpur underwent an upward revision of 13% in the year under review to be aligned to the average room rates in the city, yet maintaining a comparable competitive stance. Nevertheless, occupancy rates reached 59% in 2005, up from 56% in 2004, as a result of our deliberate paradigm shift for a better guest composition mix. To this end, the Division was able to leverage on and cater to the large groups of local and foreign delegates arriving in the city center for Meetings, Incentives, Conventions and Events (MICE) of national and international repute. As such, the corporate sales segment made up approximately 60% of total Division revenue.

Our Ferringhi Beach Hotel in Penang, which underwent a post-tsunami rebuilding and refurbishment phase in the first half of 2005, managed to record RM0.77 million profit before tax on the back of RM7.2 million revenue for the year under review, due to the local and foreign tourists

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returning to the beach island in the second half of the year. However, the Group deemed it fit to dispose of the hotel in January 2006 for a total cash consideration of RM43.0 million in line with the asset rationalization exercise. As a result of this, the Group has charged an impairment loss of RM9.8 million to the income statement for the year under review.

Overall, the Hotel Division's positive financial performance demonstrated the results of effective marketing channels and operations improvement strategies that were put in place to reach our target markets successfully.

GOLF CLUB

Tasik Puteri Golf & Country Club registered revenue of RM4.6 million in 2005, from RM4.7 million in 2004, while registering a healthy profit before tax of RM0.63 million in the year under review compared to RM0.08 million profit previously. The Tasik Puteri Golf & Country Club remained on the golfers' favorites list, particularly those in civil service. The Club expanded and improved its food and beverage facilities in order to cater more effectively to both golfers and non-golfers.

PROSPECTS

The year 2006 and henceforth is unlikely to be upbeat, amid bleak market sentiment over speculations on further increases in interest rates, petrol prices, electricity tariffs and building materials prices. Not only could this add to the average consumers having concerns about the size of disposable incomes, but also exert pressure on corporations to hone a sharper competitive edge in preparation for an even tougher playing field.

The Group believes that keener competition would be felt in the residential property development market, as players aggressively launch new products and offer more choices for homebuyers and investors. To this end, the Group will continue directing its efforts on promoting our flagship project, Bandar Tasik Puteri, as the Urban Regional Centre in the North Klang Valley. We intend to tap into the large potential for growth by executing advertising, promotion and marketing programmes as well as sustaining the ongoing development of new facilities such as more schools, petrol stations and other conveniences.

We believe that mutual collaboration would pave the way forward in further developing this integrated township.

For instance, in view of the growing population at Bandar Tasik Puteri, we are hopeful that the relevant authorities would expedite plans to provide the adequate road and rail access systems for efficient traffic flow to and from Bandar Tasik Puteri.

Prospects of 'MyHabitat' are expected to be positive in line with city living trends gaining popularity with the new generation of high-end condominiums and serviced apartments. In addition to the advertising and promotion programmes, the Group is exploring options to offer potential customers innovative concepts that are suited to their lifestyles, such as studio apartments targeted at attracting the young professionals segment.

Furthermore, we are leveraging on the Government's "Malaysia, my Second Home" campaign that allows foreigners to purchase up to two properties of more than RM150,000 each, thus encouraging citizens from all over the world to stay in Malaysia. Bearing in mind, however, the level of competition in the upmarket residences segment is set to be keen, as there are a number of projects anticipated to be launched in the first half of 2006.

Besides the capital city of Kuala Lumpur, the Group is also setting its sights on



Tasik Puteri Golf & Country Club

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expediting development of its landbanks in Penang. This is in light of the larger infrastructure investments in the state under the Ninth Malaysia Plan (9MP) including the expansion of the Penang Bridge, the second link from Penang Island to Seberang Prai and the Penang Outer Ring Road, along with amenities such as the monorail system, a cable car project and a new international cruise center.

Mindful of these exciting developments, the Group has formed a Joint Venture with IJM Properties Sdn Bhd, to develop both residential and commercial units in Mount Pleasure Resort, along the tourist belt of Batu Ferringhi. With the joint-venture, the Group will benefit from the opportunity of being able to tap into IJM's existing technological resources and infrastructure to further strengthen and expand its participation in its property development business. Estimated to have GDV of RM210 million, this project development is expected to commence in the first half of this year.

For the Property Investment Division, demand for office properties is expected to rise, resulting in rental rates of prime office space facing positive upward pressure. This augurs well for our Empire Tower for the year going forward. Based on past track record, the Group is optimistic of retaining its current tenants and attracting new ones.

The Group intends to continue building on the established brand name of City Square Shopping Centre and its niche positioning as a family and lifestyle specialty shopping destination. In the pipeline are strategies to create a theme for each floor, for example, F&B, audio visual, and arts and crafts. As such, we will be undertaking necessary measures to incorporate these themes, and improve our tenant mix and occupancy rates aligned with industry trends.

In the hospitality sector, further room rate hikes, coupled with increasing tourist arrivals resulting from more affordable air travel via increasingly popular low-cost carriers, are expected to boost the business performance of hotels this year. The Group's Hotel Division, focused on Crown Princess Kuala Lumpur in 2006 and onward, is anticipated to ride on this wave of renewed optimism from local and foreign tourists.

The Group intends to maintain its emphasis to focus on corporate sales, by capturing the delegation segment through various events including trade missions, international exhibitions, global conventions and sports events such as the Formula One Grand Prix.

The rooms and facilities at Crown Princess Kuala Lumpur will be gradually improved to offer more comfort and convenience to our guests, such as WiFi access at our Cyberfloor. Additionally, the Group would be implementing a Global Distribution System (GDS) that facilitates hotel room booking via the Internet, thus broadening our reach to a wider customer base.

Lastly, the Golf Club Division looks forward to the completion of the new 9-hole course to complement the present 18-hole course. The Group also intends to upgrade its infrastructure to include changing rooms and the quality of F&B offerings.

With these all-round strategies in place, and timely response to the trends in the various sectors, the Group is committed to the continued establishment of the AP Land brand in the Malaysian market, and to its notable presence as a property conglomerate.

LOW GEE TEONG
LOW SU MING
Joint Managing Directors

15 May 2006

