

LIST OF PROPERTIES HELD BY THE COMPANY & ITS SUBSIDIARIES AS AT 31 DECEMBER 2004

Location	Description/ Existing Use	Land Area (Sq.Metres)	Gross Build Up Area (Sq.Metres)	Tenure	Approximate Age Of Building (Years)	Net Book Value 31 Dec 2004 (RM Million)	Year of Acquisition/ Revaluation
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INVESTMENT PROPERTIES

City~Square Centre Jalan Tun Razak 50400 Kuala Lumpur	Integrated Commercial Shopping Centre	11,687	-	Freehold	-	-	-
- City~Square	Shopping Complex	-	88,021	Freehold	15	175.3	2002*
- Empire Tower	Office Tower	-	87,214	Freehold	13	293.0	2002*
Marina Terrace Sports Complex Jalan Low Yat 11100 Batu Ferringhi Penang	Sports Complex	3,076	-	Freehold	14	5.1	2002*

PROPERTY, PLANT & EQUIPMENT

HOTEL PROPERTIES

Crown Princess Kuala Lumpur Jalan Tun Razak 50400 Kuala Lumpur	Hotel (formed part of the Integrated Commercial Shopping Centre)	-	55,818	Freehold	14	241.5	2002*
Ferringhi Beach Hotel Penang Jalan Low Yat 11100 Batu Ferringhi Penang	Hotel	11,273	-	Freehold	18	61.0	2002*

OTHER PROPERTIES

No.34, Jalan Sultan Ahmad Shah 10050 Penang	Land approved for hotel development	5,760	-	Freehold and Leasehold expiring 25.7.2033	-	10.0	2002*
Lot 0585 Jalan Low Yat 11100 Batu Ferringhi Penang	Land held for investment	2,549	-	Freehold	-	3.3	2002*
Lot No: PTTL/PP/PM/66 Section 2 Bukit Bendera Penang	Land held for investment	12,140	-	Leasehold expiring 26.8.2036	-	1.0	2002*
Signal Hill Kota Kinabalu Sabah	Land held for investment	29,581	-	Leasehold expiring 3.8.2915 and 17.11.2912	-	3.2	2002*
Bandar Tasik Puteri Kundang Mukim of Rawang 48020 Selangor	Land held for investment & development including buildings for offices, staff accommodations and workshop	1,941,925	-	Leasehold expiring 11.7.2060	-	31.7	1995

* - Year of revaluation.

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PROPERTY, PLANT & EQUIPMENT *(cont'd)*

OTHER PROPERTIES

Tasik Puteri Golf & Country Club Kundang Mukim of Rawang 48000 Selangor	Golf Resort	679,871	-	Leasehold expiring 11.7.2060	6	69.1	2002*
Lots 123, 124 and PT50 Jalan Aman 55000 Kuala Lumpur	Land held for investment & development	5,065	-	Freehold	-	25.1	2002*
17-2-19 the Palladium Jalan Gurney 2 54000 Kuala Lumpur	Apartment	-	88	Freehold	12	0.2	2002*
17-5-16 the Palladium Jalan Gurney 2 54000 Kuala Lumpur	Apartment	-	90	Freehold	12	0.2	2002*
17-4-18 the Palladium Jalan Gurney 2 54000 Kuala Lumpur	Apartment	-	90	Freehold	12	0.2	2003
17-3-15 the Palladium Jalan Gurney 2 54000 Kuala Lumpur	Apartment	-	90	Freehold	12	0.2	2003
HS(D) 52622 Lot No: PT28081 Mukim of Rawang Gombak Selangor	Agricultural land	202,339	-	Leasehold expiring 7.10.2103	-	3.5	2004

LAND HELD FOR DEVELOPMENT

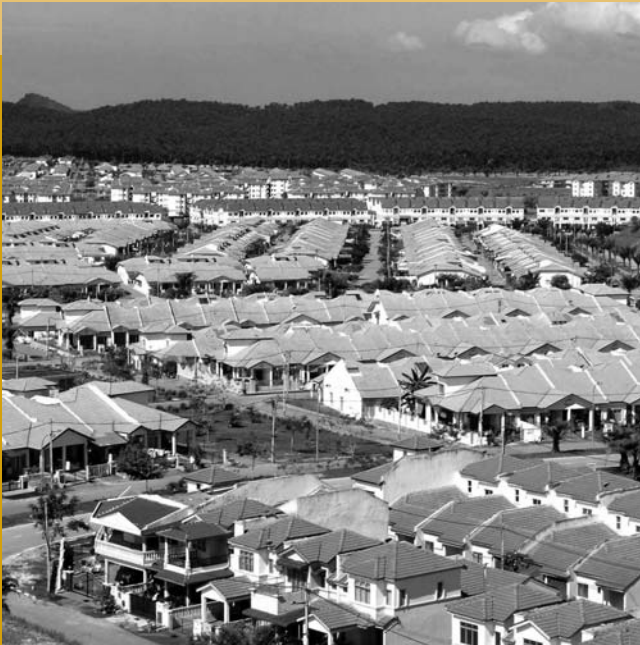
Mount Pleasure Resort Jalan Low Yat 11100 Batu Ferringhi Penang	Land held for development	111,603	-	Freehold	-	27.7	1984* 2002*
Bandar Tasik Puteri Kundang Mukim of Rawang 48020 Selangor	Land held for development	2,410,539	-	Leasehold expiring 11.7.2060	-	119.3	1995

PROPERTY UNDER DEVELOPMENT

Bandar Tasik Puteri Kundang Mukim of Rawang 48020 Selangor	Residential properties under development	2,107,931	-	Leasehold expiring 11.7.2060	-	134.0	1995
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* - Year of revaluation.

Development Properties



Bandar Tasik Puteri, Rawang



Medan Puteri Commercial Centre

Bandar Tasik Puteri

An Urban Regional Centre (URC), in the Mukim of Rawang, Selangor.

Bandar Tasik Puteri (BTP) is the major development project in the property development division. With an area of 2,670 acres, BTP is a massive integrated Urban Regional Centre (URC) in North Klang Valley, Selangor, planned with complete modern facilities to cater to a vibrant 21st Century community. Located just 34 km out of Kuala Lumpur, BTP is being developed into 5 distinct corridors; Value Corridor, Quality Corridor, Business Corridor, Recreation Corridor and Premier Corridor.

VALUE CORRIDOR

Comprising apartments, double storey and single storey terrace houses, the Value Corridor offers value for money and affordable housing. The prices range from RM42,000 for low cost apartments to RM150,000 for medium cost terrace houses.

QUALITY CORRIDOR

Comprising terrace houses, cluster houses, semi-detached houses and bungalows, the Quality Corridor homes are marketed at prices between RM180,000 and RM500,000 per unit.

Quality Corridor homes are differentiated from Value Corridor homes in terms of their larger built-ups, larger land area, better finishes, more generous detailing and landscaping, location at higher terrain with better views and ambience with lower density.



BUSINESS CORRIDOR

As an URC, BTP is planned to have one-stop facilities for retailing, wholesaling, food, leisure, entertainment and a host of business services.

The Business Corridor will be developed with a range of properties comprising 3 to 4 storey shop-office-apartments, commercial buildings, shopping complexes, hotels, hypermarkets, piazza shoppes, and more to serve not only the residents of BTP but also the surrounding population.

Medan Puteri, a neighbourhood commercial centre that serves a catchment of households within its vicinity has opened for business.

RECREATION CORRIDOR

Tasik Puteri Golf & Country Club, a popular golf course and country club, presently comprising 18 hole and soon to be expanded to 27 hole together with a 32-acre Interactive Park, form the main recreational attraction in BTP. Apart from these, there are also neighbourhood parks and children's playgrounds to provide ample opportunities for sports and healthy recreational living.

PREMIER CORRIDOR

The Premier Corridor will feature exclusive housing for the top-end of the market. It is currently under planning.

DEVELOPMENT PROPERTIES *(cont'd)*

COMMUNITY FACILITIES IN BTP

- 8 Primary Schools and 5 Secondary Schools of which 2 are already operating, i.e. Sekolah Rendah Kebangsaan Bandar Tasik Puteri and Sekolah Menengah Kebangsaan Bandar Tasik Puteri
- BTP's commercial hub located in the Business Corridor, when completed, will be one of the largest of its kind in North Klang Valley and will ultimately be the focal point for businesses not only for BTP but also the surrounding locality.
- 27-hole Tasik Puteri Golf & Country Club of which 18 holes are already in operation.

The following are under planning: -

- 32-acre Interactive Park with jogging track
- Hypermarket
- Wholesale market
- Wet Market
- Police Station
- Medical Centre/Polyclinic
- Post Office
- Bus Station
- Food Court
- Petrol Station
- Mosque

A Customer Support Department backed by event management personnel provides customer support services and event management for the community in BTP.



Tasik Puteri Golf & Country Club



BTP Primary School



Fully Integrated Secondary School



Bus Services



Retail Shoplots



Telecommunications Tower



Recycling Centre



'Sura As-Siddiqin'



Children's Playground

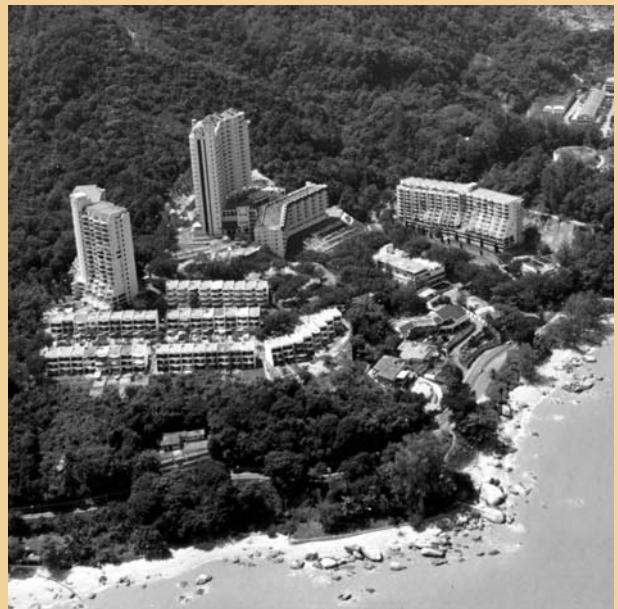
Mount Pleasure Resort

Resort Township, Penang

Mount Pleasure Resort is a premier and exclusive private and self-contained township located within the Batu Ferringhi Tourist Belt in Penang.

Spanning 57 acres, it is planned as a mixed resort residential development comprising condominiums, apartments, townhouses, villas, semi-detached homes and bungalows.

To-date, 600 units of these mixed residential development have already been built and occupied. Residents in the township enjoy the benefits of a hill environment and panoramic sea views in addition to a range of recreation, sporting and entertainment facilities located within the township and the adjacent Ferringhi Beach Hotel Penang.



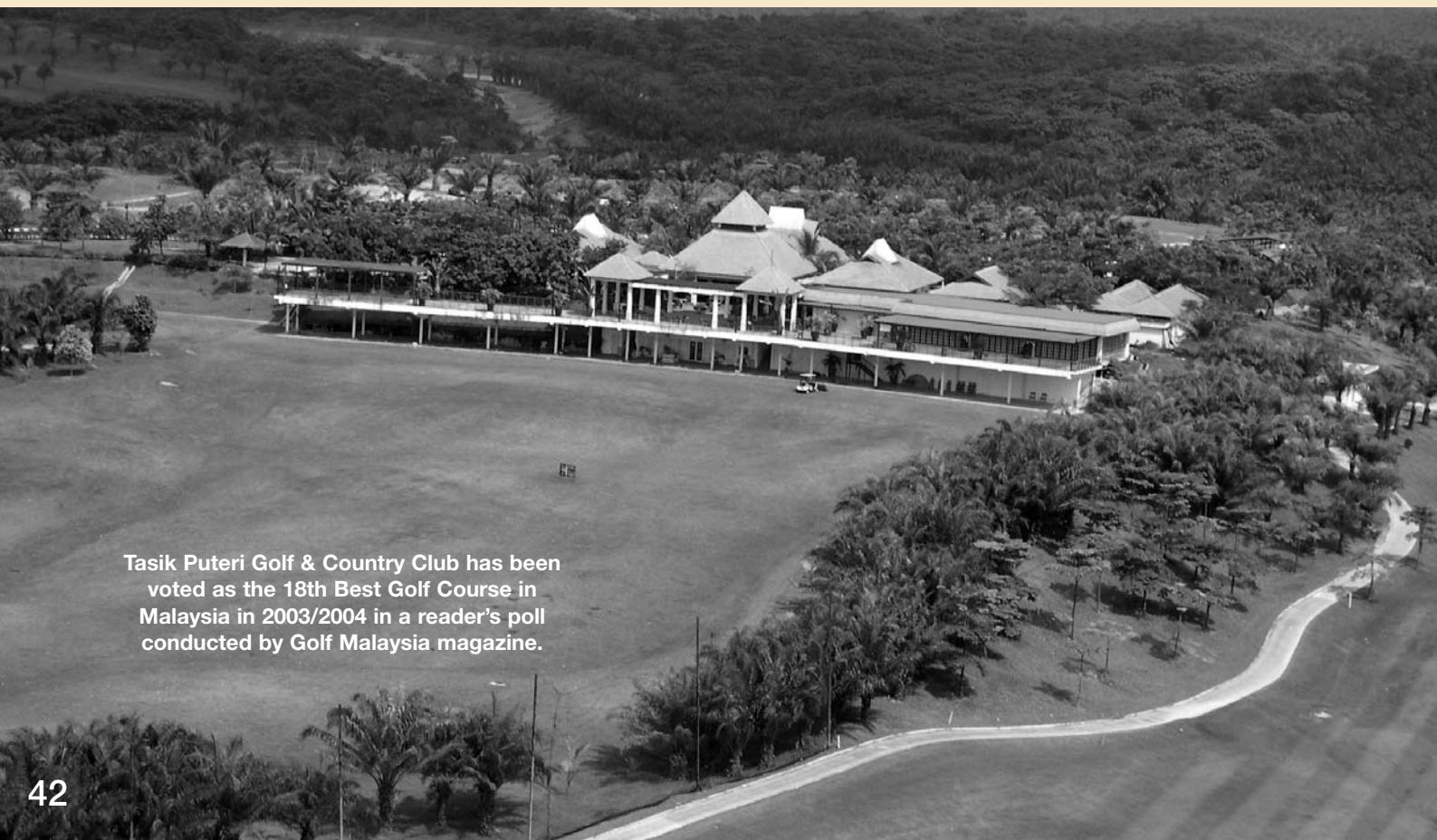
Aerial view of Mount Pleasure Resort, Penang.

Golf Club

Tasik Puteri Golf & Country Club

Tasik Puteri Golf & Country Club located in Bandar Tasik Puteri, Rawang comprises a friendly 18-hole golf course which offers an interesting course layout with a few signature holes and a resort styled clubhouse.

The clubhouse features a 24-bay driving range, a golfers' terrace, changing rooms, bar, a multi-purpose room, a pro-shop and a swimming/wading pool. A restaurant serving local delicacies, Chinese and Japanese cuisine and light snacks ideal for corporate and family enjoyment, is also available. The club is currently being expanded to become a 27-hole course with additional club facilities to be provided for patrons in the future.



Tasik Puteri Golf & Country Club has been voted as the 18th Best Golf Course in Malaysia in 2003/2004 in a reader's poll conducted by Golf Malaysia magazine.

Empire Tower

Grade-A Office Building, Kuala Lumpur

The Empire Tower Kuala Lumpur is a premier Grade-A office building which forms part of the award-winning City~Square Centre, the first integrated 3-in-1 development in Malaysia. This landmark building is strategically located within the Embassy Belt, Kuala Lumpur City's Central Business District (CBD) and Golden Triangle of Kuala Lumpur. Standing 62 storeys high, the Empire Tower has a superb panoramic view of Kuala Lumpur City.

Empire Tower offers excellent building facilities and convenience which include, amongst others:

- Proximity to food and entertainment outlets, quick access to major commercial and industrial hubs and major highways, adjacent to transport terminals; LRT and Bus stop
- Flexible floor layout
- Sectionalized and individually controlled air conditioning
- 4 dedicated high speed lifts for each zone (a total of 12 high speed lifts for 3 zones)
- Broadband internet access and Fibre Optic cabling
- Helipad facilities
- Ample parking space
- 24-hour CCTV monitoring, security patrol, restricted car access from car parks
- Good facilities and conveniences such as hotel accommodation, seminars and function rooms, banking hall, food & beverage outlets and Retail Centre

The unique 3-in-1 Integrated City~Square Centre comprising:

- Empire Tower
- City~Square Shopping Centre
- Crown Princess Kuala Lumpur

Investment Properties

City~Square Shopping Centre

Kuala Lumpur

City~Square Shopping Centre consists of 6 levels of shopping podiums, 2 levels of commercial / office space and 3 levels of basement car parks. It is located within the integrated 3-in-1 City~Square Centre. City~Square Shopping Centre is a prime shopping centre that houses some of the most established and renowned brands in home furnishing, homewares and decoration, art work and art pieces, audio visual products and lifestyle services.

Since its reinforcement and branding as Kuala Lumpur's Specialty Centre, it has attracted more patronage from the middle to up-market residences from the Embassies nearby, Ampang / U-Thant neighbourhood, exclusive residences from around Kuala Lumpur City Centre (KLCC) and Jalan Tun Razak in addition to the prime office catchment along Jalan Ampang, Jalan Tun Razak and Jalan Gurney.

Overall, the City~Square Shopping Centre accommodates more than 50 retail specialty shops that cater to all age groups and races and interests in addition to having a food court at its Lower Ground Floor.



Interior of City~Square Shopping Centre

Hotels



The Crown Princess Kuala Lumpur strategically located within the prestigious embassy belt of Kuala Lumpur.

Crown Princess Kuala Lumpur

This 5-star hotel is strategically located within the prestigious Embassy Belt of Kuala Lumpur and is a short walk from the Kuala Lumpur City Centre (KLCC) and the Central Business District.

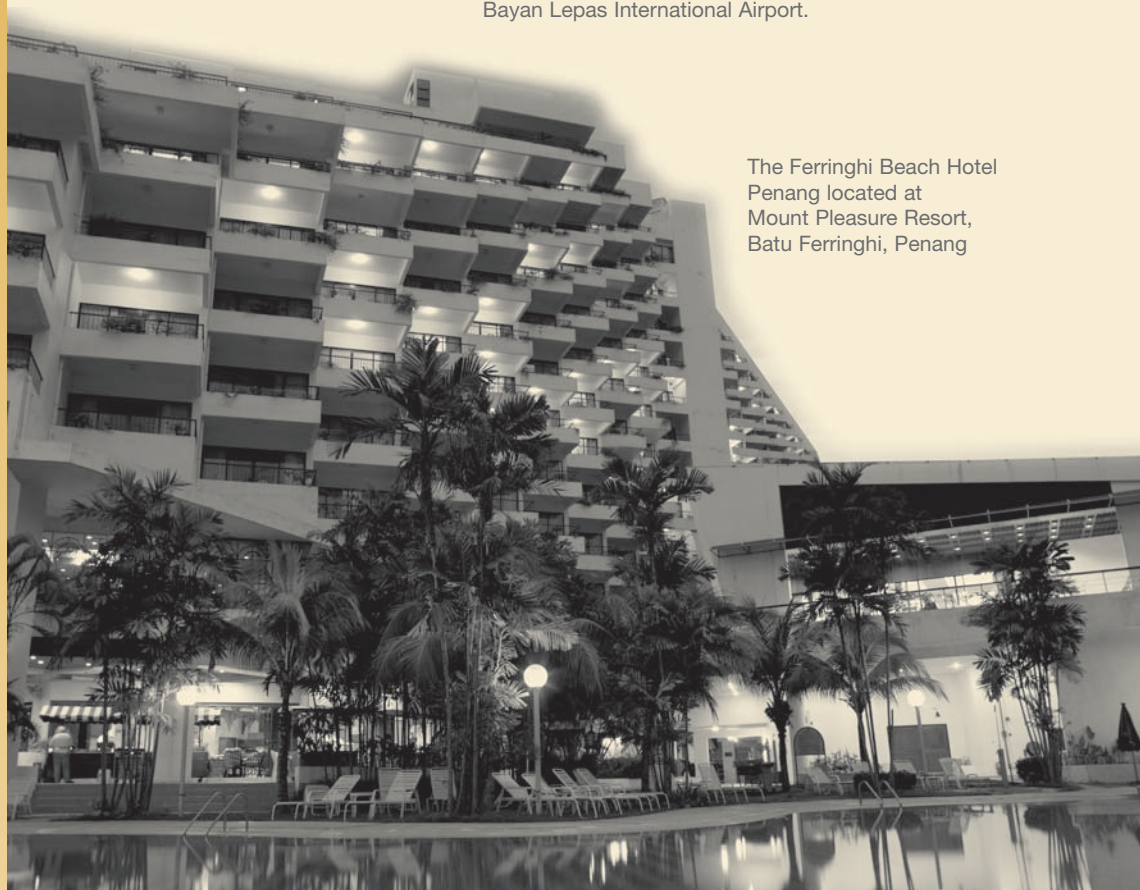
The 571-room Crown Princess Kuala Lumpur offers everything a guest could possibly desire from a premier 5-star international standard hotel - from luxuriously designed rooms, restaurants and bar facilities to a fitness & recreational centre; meeting rooms, ballrooms, business and secretarial services, helicopter and limousine airport transfer and the City~Square Shopping Centre with its exclusive speciality shops.

Crown Princess Kuala Lumpur is only a 50-minute drive away from KL International Airport (KLIA) and 15 minutes to Kuala Lumpur City Air Terminal at Kuala Lumpur Sentral Station.

Ferringhi Beach Hotel Penang

Ferringhi Beach Hotel Penang, distinctively recognised by its cascading stepped roof against a tropical hill setting, sits on a 3-acre site at Mount Pleasure Resort, Batu Ferringhi, with full commanding views of the sea. This 4-star resort hotel has 350 guest rooms and suites with private balconies and four restaurants and bars.

The Hotel has a pillarless ballroom and 5 other well designed function rooms ideal for business discussions, seminars, presentations and meetings. It is 25 minutes by car to Georgetown and 45 minutes to Bayan Lepas International Airport.



The Ferringhi Beach Hotel Penang located at Mount Pleasure Resort, Batu Ferringhi, Penang

ANALYSIS OF SHAREHOLDINGS AS AT 27 APRIL 2005

Authorised Share Capital	- RM1,000,000,000
Issued & Fully Paid-up Capital	- RM710,341,402
Class of Shares	- Ordinary Shares of RM1.00 each
Voting Rights	- 1 vote per share

DISTRIBUTION OF SHAREHOLDINGS AS PER REGISTER OF MEMBERS AND RECORD OF DEPOSITORS AS AT 27 APRIL 2005

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Less than 100	718	1.40	32,022	0.01
100 to 1,000	12,419	24.14	8,895,804	1.25
1,001 to 10,000	31,084	60.42	123,497,058	17.38
10,001 to 100,000	6,746	13.11	177,639,340	25.01
100,001 to less than 5% of issued shares	475	0.92	327,893,731	46.16
5% and above of issued shares	1	0.01	72,383,447	10.19
	51,443	100.00	710,341,402	100.00

DISTRIBUTION TABLE ACCORDING TO CATEGORY OF SHAREHOLDERS BASED ON THE REGISTER OF MEMBERS AND RECORD OF DEPOSITORS AS AT 27 APRIL 2005

Category of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares Held	% Of Issued Capital
INDIVIDUAL	39,699	77.17	270,817,155	38.13
BODY CORPORATE				
a) Banks / Finance Companies	53	0.11	11,642,652	1.64
b) Investment Trusts / Foundation / Charities	12	0.02	2,422,613	0.34
c) Industrial and Commercial Companies	238	0.46	175,739,805	24.74
GOVERNMENT AGENCIES / INSTITUTIONS	9	0.02	9,735,328	1.37
NOMINEES	11,432	22.22	239,983,849	33.78
Total	51,443	100.00	710,341,402	100.00

THE NUMBER OF SHARES HELD BY THE DIRECTORS BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDING AS AT 27 APRIL 2005

Name of Directors	No. of Ordinary Shares of RM1.00 each held			
	Direct	%	Indirect	%
Low Gee Tat	-	-	228,445,447	32.16
Dato' Jeffrey Ng Tiong Lip	-	-	-	-
Tan Sri Datuk Seri (Dr) Chong Hon Nyan	-	-	5,500	Negligible
Tan Sri Dato' Hanafiah Hussain	-	-	-	-
Tan Sri Dato' Lee Kim Sai @ Lee Hoo	-	-	-	-
Low Gee Teong	-	-	228,445,447	32.16
Woon Siew Choo	119,800	0.02	-	-
Oh Leen May	-	-	-	-

ANALYSIS OF SHAREHOLDINGS AS AT 27 APRIL 2005

30 LARGEST SHAREHOLDERS AS PER REGISTER OF MEMBERS AND RECORD OF DEPOSITORS AS AT 27 APRIL 2005

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

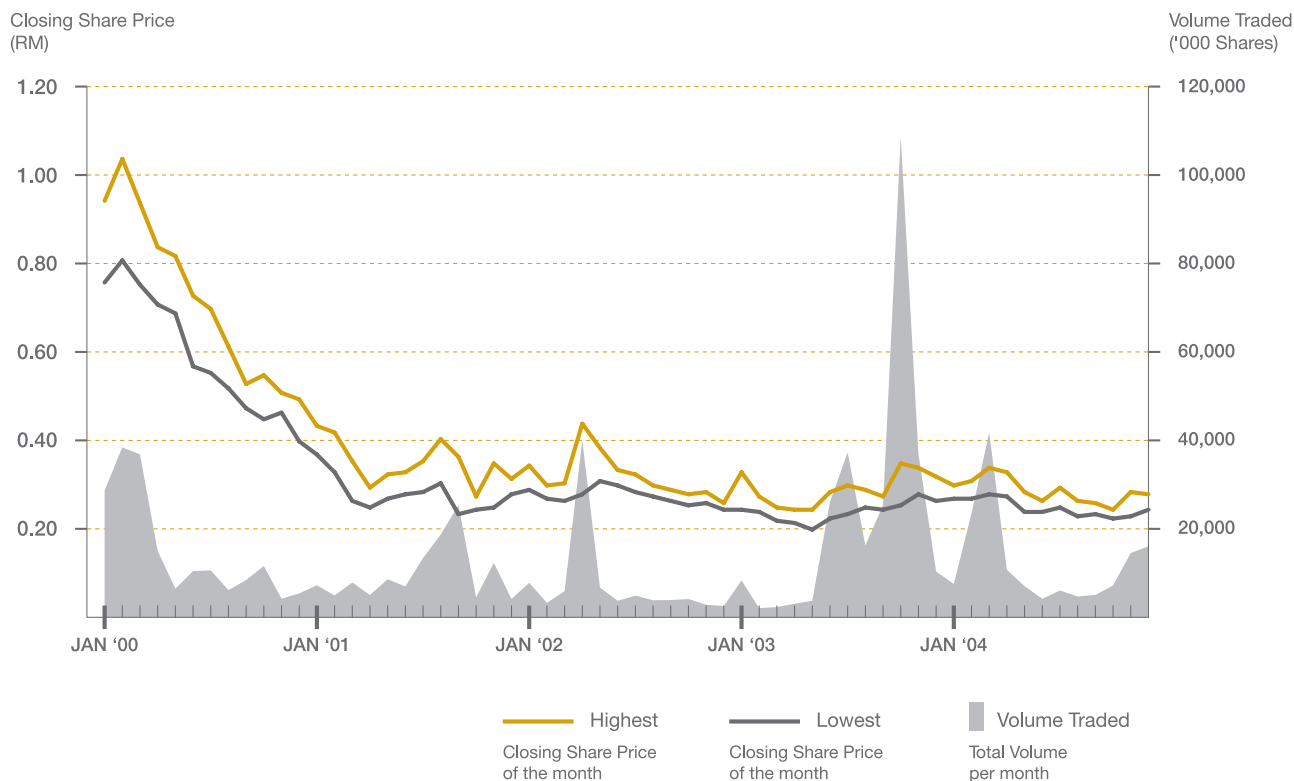
Name of Shareholders	No. of Shares held	% of Issued Capital
1 LOW YAT CONSTRUCTION COMPANY SDN BERHAD	72,383,447	10.19
2 EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD Pledged Securities Account for Low Yat Construction Company Sdn Berhad	31,000,000	4.37
3 LOW YAT CONSTRUCTION COMPANY SDN BERHAD	21,153,000	2.98
4 LOW YAT CONSTRUCTION COMPANY SDN BERHAD	20,866,000	2.94
5 MAYBAN NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Low Yat And Sons Realty Sdn Berhad	17,000,000	2.39
6 LOW YAT CONSTRUCTION COMPANY SDN BERHAD	15,260,000	2.15
7 BUMIPUTRA-COMMERCE NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Low Yat Construction Company Sdn Berhad	15,000,000	2.11
8 LOW YAT CONSTRUCTION COMPANY SDN BERHAD	13,883,000	1.95
9 LOW YAT CONSTRUCTION COMPANY SDN BERHAD	12,320,000	1.73
10 JF APEX NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Teo Siew Lai	7,102,700	1.00
11 TEO KWEE HOCK	5,876,400	0.83
12 LOW YAT AND SONS REALTY SDN BERHAD	5,500,000	0.78
13 LEMBAGA TABUNG ANGKATAN TENTERA	5,000,000	0.70
14 AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD Skim Amanah Saham Bumiputera	5,000,000	0.70
15 BANK PEMBANGUNAN DAN INFRASTRUKTUR MALAYSIA BERHAD	4,495,050	0.63
16 MENTERI KEWANGAN MALAYSIA Section 29 (SICDA)	4,222,871	0.59
17 ENG NOMINEES (TEMPATAN) SDN BHD Kim Eng Securities Pte Ltd for Leong Wah Kheong	4,200,000	0.59
18 PERMODALAN NASIONAL BERHAD	4,171,000	0.59
19 LOW YAT CONSTRUCTION COMPANY SDN BERHAD	4,080,000	0.57
20 NORA EE SIONG CHEE	4,000,000	0.56
21 WONG CHONG NGIN	3,022,000	0.43
22 GROWIN INVESTMENT PTE LTD	2,506,000	0.36
23 GO YUN YUN	2,200,000	0.31
24 YAYASAN ISLAM NEGERI KEDAH	2,020,500	0.28
25 HDM NOMINEES (ASING) SDN BHD UOB Kay Hian Pte Ltd for Pax Realty & Development Pte Ltd	1,813,000	0.26
26 CHOONG KAR FOO	1,600,000	0.23
27 LOW SIEW FUNG	1,500,000	0.21
28 CITICORP NOMINEES (ASING) SDN BHD CBNY for DFA Emerging Markets Fund	1,349,000	0.19
29 HLB NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Chan Wai Pun	1,200,000	0.17
30 AMSEC NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Koh Pee Leong	1,199,900	0.17
	290,923,868	40.96

ANALYSIS OF SHAREHOLDINGS AS AT 27 APRIL 2005

NAMES OF SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 27 APRIL 2005

Name of Shareholders	No. of Ordinary Shares of RM1.00 each held			
	Direct	%	Indirect	%
Low Yat Construction Company Sdn Berhad	205,945,447	28.99	-	-
Selangor Holdings Sdn Bhd	-	-	205,945,447	28.99
Low Yat And Sons Realty Sdn Berhad	22,500,000	3.17	205,945,447	28.99
Sem Siong Industries Sdn Bhd	-	-	205,945,447	28.99
Low Chuan Holdings Sdn Bhd	-	-	228,445,447	32.16
Low Chuan Securities Sdn Bhd	-	-	205,945,447	28.99
Tan Sri Dato' Low Yow Chuan	-	-	228,445,447	32.16
Low Gee Tat	-	-	228,445,447	32.16
Low Gee Teong	-	-	228,445,447	32.16
Low Gee Soon	-	-	228,445,447	32.16

5 YEARS' SHARE PRICE & VOLUME TRADED ON BURSA MALAYSIA



Source: Bloomberg

Audited Financial Statements Of The Group & Of The Company

For The Financial Year Ended
31 December 2004

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2004.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS IN RM'000	THE GROUP	THE COMPANY
Profit attributable to shareholders for the financial year	9,060	5,746

DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

- (a) there were no changes in the authorised and issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would further require the writing off of bad debts, or additional allowance for doubtful debts in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 35 to the financial statements. At the date of this report, there does not exist:-

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The ESOS was approved by the Securities Commission on 26 April 2001 and the shareholders at an Extraordinary General Meeting held on 28 June 2001.

The principal features of the ESOS are as follows:-

- Eligible persons are employees (including executive directors) of Malaysian citizenship who have been confirmed in the employment of the Group for a continuous period of at least one year as at the offer date and falling within any categories of employees as set out in Clause 5 and who are eligible to participate in the ESOS pursuant to Clause 4 of the Bye-Laws. The selection for participation in the ESOS shall be at the absolute discretion of the ESOS Committee appointed by the Board of Directors.
- The maximum number of new ordinary shares of RM1.00 each to be offered shall not exceed 10% of the issued and paid-up share capital of the Company at any point of time during the existence of the ESOS.
- No option shall be granted for less than 1,000 ordinary shares or more than 500,000 ordinary shares to any individual eligible employee.
- The option price may be subjected to a discount of not more than 10% of the average of the mean market quotation of the shares as shown in the daily official list issued by the Bursa Malaysia Securities Berhad for the five trading days immediately preceding the offer date, or at par value of the shares of the Company, whichever is the higher.
- The ESOS shall be in force for a period of 5 years from the offer date, subject to any extension for a further period of 5 years commencing from the date of expiration of the existing 5-year period as may be approved by the relevant authorities.
- The ESOS expires on 27 February 2007.

The options granted may be exercised in the following manner:-

Number Of New Shares Granted Under The Options	Maximum Percentage Of New Shares Comprised In The Options Exercisable Within Each Particular Year Of The ESOS				
	Year 1	Year 2	Year 3	Year 4	Year 5
Below 20,000	100%	-	-	-	-
20,000 to less than 100,000	40%(1)	30%	30%(2)	-	-
100,000 and above	20%	20%	20%	20%	20%(3)

Notes:-

- 40% or 20,000 new shares, whichever is the higher.
- 30% or the remaining number of new shares unexercised.
- 20% or the remaining number of new shares unexercised.

Options exercisable in a particular year but not exercised can be carried forward to the subsequent years subject to the time limit of the ESOS.

The movement in the options to take up unissued new ordinary shares of RM1.00 each during the financial year is as follows:-

Date Of Offer	Option Price	Balance At 1.1.2004	Exercised During The Year	Lapsed Due To Resignation	Balance At 31.12.2004
1 March 2002	RM1.00	10,614,000	-	(1,616,000)	8,998,000

There were no new options granted to employees during the financial year ended 31 December 2004.

DIRECTORS

The directors who served since the date of the last report are as follows:-

MR. LOW GEE TAT @ GENE LOW
 DATO' JEFFREY NG TIONG LIP
 TAN SRI DATUK SERI (DR) CHONG HON NYAN
 TAN SRI DATO' HANAFIAH BIN HUSSAIN
 TAN SRI DATO' LEE KIM SAI @ LEE HOO
 MR. LOW GEE TEONG
 MDM. OH LEEN MAY
 MDM. WOON SIEW CHOO

In accordance with the Articles of Association of the Company, Dato' Jeffrey Ng Tiong Lip and Mr. Low Gee Teong retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

In accordance with Section 129(6) of the Companies Act, 1965, Tan Sri Datuk Seri (Dr) Chong Hon Nyan and Tan Sri Dato' Hanafiah Bin Hussain retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in the shares of the Company during the financial year are as follows:-

	Number of ordinary shares of RM1 each				Options Granted To Subscribe For New Shares Under ESOS
	At 1.1.2004	Bought	Sold	At 31.12.2004	
<u>Direct Interests</u>					
MR. LOW GEE TAT @ GENE LOW	-	-	-	-	500,000
DATO' JEFFREY NG TIONG LIP	-	-	-	-	500,000
MR. LOW GEE TEONG	-	-	-	-	500,000
MDM. OH LEEN MAY	-	-	-	-	450,000
MDM. WOON SIEW CHOO	119,800	-	-	119,800	450,000
<u>Indirect Interests</u>					
MR. LOW GEE TAT @ GENE LOW	228,445,447	-	-	228,445,447	-
TAN SRI DATUK SERI (DR)					
CHONG HON NYAN	5,500	-	-	5,500	-
MR. LOW GEE TEONG	228,445,447	-	-	228,445,447	

No options granted to subscribe for new shares under ESOS to the directors were exercised during the financial year ended 31 December 2004.

Mr. Low Gee Tat @ Gene Low and Mr. Low Gee Teong by virtue of their substantial interests in shares in the Company are also deemed interested in shares in all the Company's subsidiaries to the extent of the Company's interests in shares in these subsidiaries.

None of the other directors had any interest in the shares of the Company during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than any benefits which may be deemed to arise from the related party transactions/balances as disclosed in Notes 39 and 40 to the financial statements.

Neither during nor at the end of the financial year was the Company and its subsidiaries a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than the options granted to directors pursuant to the ESOS.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events of the Group and of the Company during the financial year are disclosed in Note 41 to the financial statements.

AUDITORS

The auditors, Messrs. Horwath, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 25 APRIL 2005



LOW GEE TAT @ GENE LOW
EXECUTIVE CHAIRMAN
Kuala Lumpur
Date: 25 April 2005



DATO' JEFFREY NG TIONG LIP
MANAGING DIRECTOR

STATEMENT BY DIRECTORS

We, Low Gee Tat @ Gene Low and Dato' Jeffrey Ng Tiong Lip, being two of the directors of Asia Pacific Land Berhad, state that, in the opinion of the directors, the financial statements are drawn up in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2004 and of their results and cash flows for the financial year ended on that date.

Signed In Accordance With A Resolution Of The Directors Dated 25 April 2005



LOW GEE TAT @ GENE LOW
EXECUTIVE CHAIRMAN
Kuala Lumpur
Date: 25 April 2005



DATO' JEFFREY NG TIONG LIP
MANAGING DIRECTOR

STATUTORY DECLARATION

I, Dato' Jeffrey Ng Tiong Lip, I/C No. 561005-10-5865 being the director primarily responsible for the financial management of Asia Pacific Land Berhad, do solemnly and sincerely declare that the financial statements are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
Dato' Jeffrey Ng Tiong Lip, I/C No. 561005-10-5865,
at Kuala Lumpur in the Federal Territory
on this 25 April 2005



DATO' JEFFREY NG TIONG LIP
MANAGING DIRECTOR

Before Me



Kuala Lumpur
Date: 25 April 2005

B-16-5
Blok B, Ting 16, Unit 5,
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur.
Tel: 012-3008300
03-27156556

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF ASIA PACIFIC LAND BERHAD

We have audited the financial statements of Asia Pacific Land Berhad for the financial year ended 31 December 2004. The preparation of the financial statements is the responsibility of the Company's directors.

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

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. Our audit included examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. Our audit also included an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:-
 - (i) the state of affairs of the Group and of the Company at 31 December 2004 and their results and cash flows for the financial year ended on that date; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

We have considered the financial statements and the auditors' reports thereon of the subsidiaries for which we have not acted as auditors, as indicated in Note 6 to the financial statements.

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

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under Subsection (3) of Section 174 of the Companies Act, 1965.



HORWATH
Firm No: AF 1018
Chartered Accountants

Kuala Lumpur
Date: 25 April 2005



MOK YUEN LOK
Approval No: 1408/11/05 (J/PH)
Partner

BALANCE SHEETS AS AT 31 DECEMBER 2004

In RM'000	NOTE	THE GROUP		THE COMPANY	
		2004	2003	2004	2003
NON-CURRENT ASSETS					
Investment in subsidiaries	6	-	-	107,494	107,494
Property, plant and equipment	7	468,627	465,954	54	65
Investment properties	8	473,356	473,356	-	-
Other investment	9	50	50	50	50
Land held for development	10	149,406	139,194	-	-
Deferred tax assets	11	18,579	20,382	1,692	1,472
		1,110,018	1,098,936	109,290	109,081
CURRENT ASSETS					
Inventories	12	15,168	10,745	-	-
Property development cost	13	133,983	111,134	-	-
Trade receivables	14	77,772	74,085	-	-
Other receivables, deposits and prepayments	15	9,409	24,368	698	3,706
Amount owing by subsidiaries	16	-	-	1,129,727	1,169,148
Cash and bank balances	17	11,359	19,904	121	4,396
		247,691	240,236	1,130,546	1,177,250
CURRENT LIABILITIES					
Trade payables	18	44,266	36,281	-	-
Other payables and accruals	19	58,327	58,097	2,086	4,090
Amount owing to subsidiaries	16	-	-	350,714	370,947
Provision for taxation		31,394	31,934	4	8
Bank overdrafts	20	4,998	13,317	-	-
Short term borrowings	21	63,462	64,479	-	30,000
		202,447	204,108	352,804	405,045
NET CURRENT ASSETS					
		45,244	36,128	777,742	772,205
		1,155,262	1,135,064	887,032	881,286
FINANCED BY:-					
Share capital	22	710,341	710,341	710,341	710,341
Reserves	23	77,189	68,089	56,691	50,945
SHAREHOLDERS' EQUITY					
		787,530	778,430	767,032	761,286
NON-CURRENT LIABILITIES					
Deferred tax liability	24	50,133	50,089	-	-
Long term borrowings	25	317,599	306,545	120,000	120,000
		1,155,262	1,135,064	887,032	881,286
NET TANGIBLE ASSETS PER SHARE					
	26	RM1.11	RM1.10		

The annexed notes form an integral part of these financial statements.

INCOME STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

In RM'000	NOTE	THE GROUP		THE COMPANY	
		2004	2003	2004	2003
REVENUE	27	169,216	240,335	10,716	3,244
COST OF SALES	28	(76,014)	(128,464)	-	-
GROSS PROFIT		93,202	111,891	10,716	3,244
OTHER OPERATING INCOME		3,486	4,193	33	53
SELLING AND MARKETING EXPENSES		(9,708)	(9,186)	-	-
ADMINISTRATIVE EXPENSES		(26,101)	(27,377)	(1,558)	(2,470)
OTHER OPERATING EXPENSES		(39,471)	(48,355)	(1,072)	(56)
PROFIT FROM OPERATIONS		21,408	31,166	8,119	771
GAIN ON DISPOSAL OF A PIECE OF LAND, A HOTEL PROPERTY AND RELATED ASSETS		-	6,108	-	-
FINANCE COSTS	29	(6,545)	(12,334)	-	-
INVESTING RESULTS		-	-	-	(7,539)
PROFIT/(LOSS) BEFORE TAXATION	30	14,863	24,940	8,119	(6,768)
TAXATION	31	(5,803)	(7,158)	(2,373)	(495)
PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS FOR THE FINANCIAL YEAR		9,060	17,782	5,746	(7,263)
EARNINGS PER SHARE					
- Basic	32	1.3 sen	2.5 sen		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

THE GROUP	NON-DISTRIBUTABLE					Total
	Share Capital	Share Premium	Revaluation Reserve	Exchange Fluctuation Reserve	Accumulated Losses	
In RM'000						
Balance at 1.1.2003	710,341	62,372	93,610	(6,850)	(111,921)	747,552
Currency exchange translation difference	-	-	-	13,096	-	13,096
Profit after taxation for the financial year	-	-	-	-	17,782	17,782
Balance at 31.12.2003/1.1.2004	710,341	62,372	93,610	6,246	(94,139)	778,430
Currency exchange translation difference	-	-	-	40	-	40
Profit after taxation for the financial year	-	-	-	-	9,060	9,060
Balance at 31.12.2004	710,341	62,372	93,610	6,286	(85,079)	787,530

THE COMPANY	NON-DISTRIBUTABLE					Total
	Share Capital	Share Premium	Revaluation Reserve	Accumulated Losses		
In RM'000						
Balance at 1.1.2003	710,341	62,372	185,936	(190,100)		768,549
Loss after taxation for the financial year	-	-	-	(7,263)		(7,263)
Balance at 31.12.2003/1.1.2004	710,341	62,372	185,936	(197,363)		761,286
Profit after taxation for the financial year	-	-	-	5,746		5,746
Balance at 31.12.2004	710,341	62,372	185,936	(191,617)		767,032

CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

In RM'000	NOTE	THE GROUP		THE COMPANY	
		2004	2003	2004	2003
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit/(Loss) before taxation		14,863	24,940	8,119	(6,768)
Adjustments for:-					
Bad debts written off		11	3	-	-
Gain on disposal of properties		-	(6,108)	-	-
Depreciation of property, plant and equipment		4,907	5,595	33	56
Net allowance for doubtful debts		700	777	-	-
Net interest expense/(income)		5,569	11,842	23	(53)
Plant and equipment written off		-	1,798	-	-
Gain on disposal of equipment		(99)	(16)	(13)	-
Write-off of amount owing by subsidiaries		-	-	-	7,604
Retirement gratuity in kind		-	789	-	789
Write-back of revaluation deficit of subsidiary wound up		-	-	-	(65)
Write-down of inventories		320	-	-	-
Operating profit/(loss) before working capital changes		26,271	39,620	8,162	1,563
Decrease/(Increase) in inventories		6,522	(928)	-	-
Increase in property development costs		(4,347)	(3,768)	-	-
Decrease in trade and other receivables		10,634	3,298	3,008	5,740
Increase/(Decrease) in trade and other payables		7,805	(25,944)	(2,004)	(29,284)
CASH FROM/(FOR) OPERATIONS		46,885	12,278	9,166	(21,981)
Income tax paid		(4,545)	(2,717)	(2,597)	-
Interest paid		(22,417)	(29,116)	(38)	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES/					
BALANCE CARRIED FORWARD		19,923	(19,555)	6,531	(21,981)

The annexed notes form an integral part of these financial statements.

CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

In RM'000	NOTE	THE GROUP		THE COMPANY	
		2004	2003	2004	2003
BALANCE BROUGHT FORWARD		19,923	(19,555)	6,531	(21,981)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	33	(7,437)	(4,065)	(22)	(29)
Proceeds from disposal of equipment		228	111,963	13	-
Payment for investment properties		-	(256)	-	-
Payment for land held for development		(16,581)	(829)	-	-
Interest received		976	492	15	53
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(22,814)	107,305	6	24
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Repayment from subsidiaries		-	-	19,188	45,989
Drawdown of term loans and bridging loans		51,640	56,062	-	-
Repayment to hire purchase payables		(479)	(1,074)	-	-
Repayment of term loans		(48,555)	(132,223)	(30,000)	(20,000)
Conversion of term loan to bank overdraft		-	(8,319)	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		2,606	(85,554)	(10,812)	25,989
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(285)	2,196	(4,275)	4,032
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS		59	1,628	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		6,587	2,763	4,396	364
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	34	6,361	6,587	121	4,396

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Malaysian Companies Act, 1965. The domicile of the Company is in Malaysia. The registered office and principal places of business are as follows:-

Registered office : Suites 704 & 705, 7th Floor, No.11, Lorong Kinta, 10400 Penang.

Principal places

of business : (i) 49th Floor, Empire Tower, City Square Centre, Jalan Tun Razak, 50400 Kuala Lumpur.
(ii) 2nd Floor, Marina Terrace Sports Complex, Jalan Low Yat, 11100 Batu Ferringhi, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 25 April 2005.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial risk management policy seeks to ensure that appropriate financial resources are available to the Group to meet its specific requirement at the most favourable terms and conditions. It also endeavours to minimise foreign currency, interest rate, market, credit, liquidity and cash flow risks at the lowest cost possible. The Group operates within defined guidelines that are approved by the Board and its policies in respect of the major areas of treasury activity are as follows:-

(a) FOREIGN CURRENCY RISK

Exposure of overseas operating subsidiaries to transaction risk is minimised by matching local currency income against local currency costs.

(b) INTEREST RATE RISK

The Group obtains financing through bank borrowings, leasing and hire purchase. Its policy is to obtain the most favourable interest rates available without significantly increasing its foreign currency exposure or restricting its business directions.

Surplus and unutilised funds are placed with licensed financial institutions at the most favourable terms.

(c) MARKET RISK

The Group does not have any quoted investments and hence is not exposed to market risk.

(d) CREDIT RISK

The Group's exposure to credit risks, or the risk of counterparties defaulting, arises mainly from receivables. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet reduced by the effects of any netting arrangements with counterparties.

The Group minimises its exposure to credit risk by investing cash assets in licensed financial institutions, and by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

The Group ensures that there is no major concentration of credit risk related to any individual or counterparty.

(e) LIQUIDITY AND CASH FLOW RISKS

The Group's exposure to liquidity and cash flow risks arises mainly from general funding and business activities.

It practises prudent liquidity risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities and endeavours to match type of funding and tenure to asset and project life and cashflow profile.

4. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies.

The financial statements comply with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

5. SIGNIFICANT ACCOUNTING POLICIES

(a) FINANCIAL INSTRUMENTS

Financial instruments are recognised in the balance sheet when the Group and the Company have become parties to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group and the Company have a legally enforceable right to offset and intend to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments recognised in the balance sheet are disclosed in the individual policy statement associated with each item.

(b) BASIS OF CONSOLIDATION

Subsidiaries are those companies in which the Group has the power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December 2004 using the acquisition method. The results of subsidiaries acquired or disposed off during the financial year are included in the consolidated financial statements from the date of acquisition or up to the date of disposal.

Goodwill on consolidation represents the difference between the consideration paid for the investment in subsidiaries and the fair value attributable to the net assets of the subsidiaries acquired. Goodwill on consolidation is amortised on a straight line basis over a period of twenty five years, subject to yearly review by the directors and will be written down to the extent of their intrinsic value.

Intragroup transactions, and balances, and resulting unrealised profits are eliminated. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

(c) INVESTMENTS

Investments in subsidiaries are stated at cost or valuation in the balance sheet of the Company, and reviewed for impairment at the end of the financial year if events or changes in circumstances indicate that their carrying values may not be recoverable.

Investments in unquoted investments held for long-term purposes are stated at cost less allowance for permanent diminution in value, if any.

(d) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at revaluation or cost less accumulated depreciation and impairment losses. No depreciation is provided on freehold land, long leasehold land where the tenure has not commenced, hotel properties and hotel operating equipment.

It is the Group's practice to maintain all its hotel properties to a high standard and condition such that their residual values are at least equal to their respective carrying values. Therefore, depreciation charges would be insignificant. The related maintenance expenditure is charged to the income statement.

Hotel operating equipment such as linen, crockery and related items included in other assets are capitalised at the minimum level of requirement for normal operations. Their replacements are written off to the income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Depreciation on other property, plant and equipment is calculated under the straight line method to write off the cost or revalued amount of these assets over their estimated useful lives.

The principal annual depreciation rates used are:-

Long leasehold land	Over the lease period
Short leasehold land	Over the lease period
Buildings	2%
Furniture, fittings, equipment, motor vehicles and other assets	5% - 33%
Golf course	Over the lease period

Other assets comprise tools, linen, crockery and related items.

Long lease is defined as a lease with unexpired period exceeding 50 years as at the balance sheet date.

(e) IMPAIRMENT OF ASSETS

The carrying amounts of assets, other than those to which MASB 23 - Impairment of Assets does not apply, are reviewed at each balance sheet date for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts.

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

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

(f) ASSETS UNDER FINANCE LEASES AND HIRE PURCHASE

Leases of plant and equipment where substantially all the benefits and risks of ownership are transferred to the Group are classified as finance leases.

Plant and equipment acquired under finance lease and hire purchase are capitalised in the financial statements.

Each lease or hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding outstanding obligations due under the finance lease and hire purchase after deducting finance charges are included as liabilities in the financial statements.

Finance charges are allocated to the income statement over the period of the respective lease and hire purchase agreements.

Plant and equipment acquired under finance leases and hire purchase are depreciated over the useful lives of the assets. If there is no reasonable certainty that the ownership will be transferred to the Group, the assets are depreciated over the shorter of the lease terms and their useful lives.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) INVESTMENT PROPERTIES

Investment properties are properties held for investment potential and rental income and treated as long term investments. They are initially stated at cost and are subject to revaluations which are carried out by an independent valuer on a regular basis. These assets are not depreciated because it is the Group's practice to maintain all its investment properties to a high standard and condition such that their residual values are at least equal to their respective carrying values. Therefore, depreciation charges would be insignificant. The related maintenance expenditure is charged to the income statement.

On the disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged to the income statement; any amount in revaluation reserve relating to that investment property is transferred to retained earnings.

(h) LAND HELD FOR DEVELOPMENT

Land held for development is stated at cost or valuation. Cost includes attributable development expenditure and interest charges relating to the financing of the land and development.

Land held for development comprises land banks which are being prepared for development and will be reclassified as property development costs when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

(i) INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

For completed unsold properties, cost includes cost of land, development expenditure and interest charges relating to the financing of the land and development.

Where necessary, allowance is made for obsolete, slow-moving and defective inventories.

(j) PROPERTY DEVELOPMENT COSTS

Property development costs are stated at cost plus attributable profits less foreseeable losses and progress payments received and receivable. Cost includes the cost of land and development expenditure and interest charges relating to the financing of the land and development.

Property development costs that are not recognised as an expense are recognised as an asset and carried at the lower of cost and net realisable value.

When the financial outcome of a development activity can be reliably estimated, the amount of property revenues and expenses recognised in the income statement are determined by reference to the stage of completion of development activity at the balance sheet date.

When the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that will be recoverable. The property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Where it is probable that property development costs will exceed property development revenue, any expected loss is recognised as an expense immediately, including costs to be incurred over the defects liability period.

(k) RECEIVABLES

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short term, highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(m) PAYABLES

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

(n) REVALUATION RESERVE

Land, buildings and hotel properties which are classified under property, plant and equipment, and investment properties are appraised periodically, at least once in every three years. The increase or decrease arising from the revaluation of the properties, if adjusted, is credited or debited to a revaluation reserve account as revaluation surplus or deficit. To the extent that a decrease is not supported by any previous revaluation surplus, the decrease is charged to the income statement.

(o) FOREIGN CURRENCIES

Transactions in foreign currencies during the year are converted into Ringgit Malaysia at rates of exchange approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities at the balance sheet date are translated into Ringgit Malaysia at rates of exchange ruling at that date. All exchange gains or losses are dealt with in the income statement.

The Group's foreign subsidiaries are those operations that are not an integral part of the operations of the Company. Income statements of the foreign subsidiaries are translated into Ringgit Malaysia at the average rates for the financial year, and the balance sheets are translated at exchange rates ruling at the balance sheet date. Exchange differences arising from the retranslation of the net investments in the foreign subsidiaries are taken to the exchange fluctuation reserve account. On the disposal of the subsidiaries, such translation differences are recognised in the income statement as part of the gain or loss on the disposal.

(p) INTEREST-BEARING BORROWINGS

The interest-bearing borrowings are recorded at the amount of proceeds received.

Interest incurred on borrowings to finance the preparation of assets for their intended use is capitalised as part of the carrying value of the assets until they are completed and/or for sale, after which such expense is charged to the income statement.

All other borrowing costs are charged to the income statement as an expense in the period in which they are incurred.

(q) EQUITY INSTRUMENTS

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised as liabilities when declared before the balance sheet date. A dividend proposed or declared after the balance sheet date, but before the financial statements are authorised for issue, is not recognised as a liability at the balance sheet date but as an appropriation from retained earnings and treated as a separate component of equity. Upon the approval of the proposed dividend, it will be accounted for as a liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) REVENUE RECOGNITION

(i) Property Development

Revenue from property development is recognised from the sale of completed and uncompleted development properties.

Revenue from the sale of completed properties is recognised when the sale is contracted.

Revenue on uncompleted properties contracted for sale is recognised using the percentage of completion basis. The stage of completion is determined based on:-

- (a) the survey of work performed; or
 - (b) the contract costs incurred for work performed to date in relation to the estimated total contract costs;
- whichever is applicable.

Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the development will result in a loss and are recognised immediately to the income statement.

(ii) Property Management Income

Revenue is recognised upon the completion of management and maintenance services rendered.

(iii) Leisure and Hospitality

Revenue from the provision of hotel rooms, food and beverage, golf operations and other related services is recognised when services are rendered.

(iv) Rental Income

Revenue is recognised on an accrual basis.

(v) Dividend Income

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

(vi) Management Fees

Revenue from management and project management is recognised when services are rendered.

(vii) Sale of Goods

Sales are recognised upon delivery of products and customer acceptance, net of sales tax and discounts.

(viii) Interest Income

Interest income is recognised on an accrual basis, based on the effective yield on the investment.

(s) SEGMENTAL INFORMATION

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of property, plant and equipment (net of accumulated depreciation, where applicable), investment properties, land held for development, inventories, property under development, receivables, and cash and bank balances.

Most segment assets can be directly attributed to the segments on a reasonable basis. Segment assets do not include income tax assets, whilst segment liabilities do not include income tax liabilities and borrowings from financial institutions.

Segment revenues, expenses and results include transfers between segments. The prices charged on intersegment transactions are based on normal commercial terms. These transfers are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) TAXATION

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantially enacted at the balance sheet date.

Deferred taxation is provided in full, using the liability method, on all material temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

(u) EMPLOYEE BENEFITS

(i) Short-term Benefits

Wages, salaries, paid annual leave, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plan are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plan. A foreign subsidiary of the Group makes contributions to its respective country's pension schemes. Such contributions are recognised as an expense in the income statement as incurred.

6. INVESTMENT IN SUBSIDIARIES

In RM'000	THE COMPANY	
	2004	2003
Unquoted shares - at valuation	<u>107,494</u>	<u>107,494</u>

Investment in subsidiaries was revalued by the Directors in December 2002 based on the net tangible assets of the subsidiaries. The revaluation increase was recognised in equity as a revaluation surplus and revaluation deficit was recognised as an expense in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

6. INVESTMENT IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows:-

Name of Company	Effective Equity Interest		Principal Activities
	2004	2003	
<u>INCORPORATED IN MALAYSIA</u>			
* Affinity Villas Sdn. Bhd.	100%	100%	Property development.
* Aman City Hotel Sdn. Bhd.	100%	100%	Property investment.
* Ambangan Valley Sdn. Bhd.	100%	100%	Property investment and golf course maintenance service.
* Amity Synergy Sdn. Bhd.	100%	100%	Investment holding.
APL Construction Sdn. Bhd.	100%	100%	Dormant.
* APL Hotel Sdn. Bhd.	100%	100%	Property investment and development, and hotel business.
* Bakti Dinamik Sdn. Bhd.	100%	100%	Property development.
Buoyant Point Sdn. Bhd.	100%	100%	Property maintenance services.
* City Square Centre Sdn. Bhd.	100%	100%	Investment holding.
* City Square Holdings Sdn. Bhd.	100%	100%	Investment holding.
* City Square Properties Sdn. Bhd.	100%	100%	Property investment, management and car park operation.
* City Square Nursery And Landscaping Sdn. Bhd.	100%	100%	Dormant.
* City Square Parking Sdn. Bhd.	100%	100%	Car park management.
* City Square Retail Management Sdn. Bhd.	100%	100%	Dormant.
* Elite Empire Sdn. Bhd.	100%	100%	Property investment.
* Eminent Portfolio Sdn. Bhd.	100%	100%	Property investment.
* Empire Reach Sdn. Bhd.	100%	100%	Dormant.
* Empire Tower (Malaysia) Sdn. Bhd.	100%	100%	Property investment and management.
* Esprit Projects Sdn. Bhd.	100%	100%	Property development.
* Fidelity Park Sdn. Bhd.	100%	100%	Property development.
Hotel Fair Lane Holdings Sdn. Bhd.	100%	100%	Property development.
* Khas Cergas Sdn. Bhd.	100%	100%	Dormant.
* Kinasurya Sdn. Bhd.	100%	100%	Property investment.
* Marina Mirage Hotel Sdn. Bhd.	100%	100%	Property investment.
* Mount Pleasure Corporation Sdn. Bhd.	100%	100%	Investment holding, property investment and development, and hotel business.
* Mount Pleasure Property Management Services Sdn. Bhd.	100%	100%	Property management services.
* Tasik Puteri Golf & Country Club Berhad	100%	100%	Golf course operation.
Platinum Landmark Sdn. Bhd.	100%	100%	Dormant.
* Pristine Review Sdn. Bhd.	100%	100%	Property investment.
* Radiant Design Sdn. Bhd.	100%	100%	Dormant.
* Rawang Lakes Sdn. Bhd.	100%	100%	Property development.
* Riviera Hectares Sdn. Bhd.	100%	100%	Property investment.
* Riviera Steppe Sdn. Bhd.	100%	100%	Property investment.
* Sapphire Acres Sdn. Bhd.	100%	100%	Property investment.
Wira Azimat Sdn. Bhd.	100%	-	Property investment.
* Willow Land Sdn. Bhd.	100%	100%	Property investment.
<u>INCORPORATED IN THE REPUBLIC OF SINGAPORE</u>			
* Mount Pleasure Investments Pte. Ltd.	100%	100%	Dormant.
<u>INCORPORATED IN THE BRITISH VIRGIN ISLANDS</u>			
+ United Well Investment Ltd.	100%	100%	Dormant.
* Not audited by Horwath.			
+ Audited by an affiliated firm of Horwath.			

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Net Book Value At 1.1.2004	Currency Exchange Translation Difference	Additions	Disposals	Depreciation Charge	Net Book Value At 31.12.2004
In RM'000						
Freehold land	41,638	-	21	-	-	41,659
Long leasehold land	31,737	-	3,545	-	(66)	35,216
Short leasehold land	988	-	-	-	(29)	959
Building under construction and buildings	11,788	-	17	-	(403)	11,402
Hotel properties	302,113	-	388	-	-	302,501
Furniture, fittings, equipment, motor vehicles and other assets	19,550	(52)	1,508	(129)	(3,380)	17,497
Golf course	58,140	-	2,282	-	(1,029)	59,393
Total	465,954	(52)	7,761	(129)	(4,907)	468,627

In RM'000	At Cost	At Valuation	Accumulated Depreciation	Net Book Value
At 31.12.2004				
Freehold land	141	41,518	-	41,659
Long leasehold land	35,404	-	(188)	35,216
Short leasehold land	18	1,000	(59)	959
Building under construction and buildings	2,347	10,400	(1,345)	11,402
Hotel properties	1,501	301,000	-	302,501
Furniture, fittings, equipment, motor vehicles and other assets	62,696	-	(45,199)	17,497
Golf course	2,941	58,500	(2,048)	59,393
Total	105,048	412,418	(48,839)	468,627

At 31.12.2003

Freehold land	120	41,518	-	41,638
Long leasehold land	31,859	-	(122)	31,737
Short leasehold land	18	1,000	(30)	988
Building under construction and buildings	2,330	10,400	(942)	11,788
Hotel properties	1,113	301,000	-	302,113
Furniture, fittings, equipment, motor vehicles and other assets	61,624	-	(42,074)	19,550
Golf course	659	58,500	(1,019)	58,140
Total	97,723	412,418	(44,187)	465,954

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

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

In RM'000	The net book value of revalued property, plant and equipment, had the assets been carried at cost less depreciation, would have been as follows:-	
	2004	2003
Freehold land	53,324	53,303
Short leasehold land	786	812
Building under construction and buildings	3,493	3,548
Hotel properties	259,572	259,184
Golf course	26,380	24,863
Total	343,555	341,710

THE COMPANY				
In RM'000	Net Book Value At 1.1.2004	Additions	Depreciation Charges	Net Book Value At 31.12.2004
Furniture, fittings and equipment	65	22	(33)	54

In RM'000	At Cost	Accumulated Depreciation	Total
At 31.12.2004			
Furniture, fittings and equipment	814	(760)	54
Motor vehicles	307	(307)	-
	1,121	(1,067)	54
At 31.12.2003			
Furniture, fittings and equipment	797	(732)	65
Motor vehicles	353	(353)	-
	1,150	(1,085)	65

The freehold land, short leasehold land, buildings, hotel properties and golf course stated at valuation at the balance sheet date were revalued in December 2002 and January 2003 by an independent professional valuer, Encik Mohamad Sarip Saleh, a registered valuer of Dass Mohamad Chartwell Brooke Hillier Parker (PJ) Sdn. Bhd., an independent firm of valuer at open market value based on the existing use basis/comparison methods.

The long leasehold land, which is undeveloped and stated at cost at the balance sheet date has an open market value of RM213,550,000 (2003 - RM213,550,000) as valued by the above-mentioned valuer. This gives rise to a revaluation surplus of RM168,339,379 (2003 - RM168,339,379). As a matter of prudence, the directors do not recommend the incorporation of the revaluation surplus into the financial statements.

The carrying values of property, plant and equipment pledged as security for bank borrowings granted to the Group (Notes 20, 21 and 25) are as follows:-

In RM'000	THE GROUP	
	2004	2003
Freehold land	17,773	17,751
Hotel properties	241,488	241,100
	259,261	258,851

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

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

A freehold land of the Group with a carrying value of RM3,206,000 (2003 - RM3,184,000) at the balance sheet date is charged in favour of a third party for rights to enter and construct a road on the third party's land (Note 35).

A hotel property and a freehold land of the Group with a total carrying value of RM252,037,000 (2003 - RM251,649,000) at the balance sheet date are held in trust by related parties who are the original registered proprietors of the respective properties pending the issuance of strata titles and development of strata units respectively.

Included in the carrying values at the balance sheet date are the following plant and equipment acquired under hire purchase terms:-

In RM'000	THE GROUP	
	2004	2003
Furniture, fittings and equipment	387	858
Motor vehicles	341	402
	<u>728</u>	<u>1,260</u>

Borrowing costs of RM54,000 (2003 - RM427,000) as disclosed in Note 29, arising on financing specifically entered into for the long leasehold land, were capitalised during the financial year and included in additions of the Group during the financial year.

8. INVESTMENT PROPERTIES

In RM'000	THE GROUP	
	2004	2003
Freehold land and buildings		
- at valuation	473,100	473,100
- at cost	256	256
	<u>473,356</u>	<u>473,356</u>

Investment properties stated at valuation at the balance sheet date were revalued in December 2002 by the same independent professional valuer, as mentioned in Note 7 to the financial statements, at open market value based on the existing use basis/comparison methods.

Certain investment properties with a total carrying value of RM468,256,000 (2003 - RM468,256,000) at the balance sheet date are held in trust by a related party who is the original registered proprietor of the respective properties pending the issuance of strata titles.

The carrying value of investment properties at the balance sheet date pledged as security for bank borrowings (Notes 20, 21 and 25) is RM468,256,000 (2003 - RM468,256,000).

9. OTHER INVESTMENT

In RM'000	THE GROUP/THE COMPANY	
	2004	2003
Unquoted shares, at cost	<u>50</u>	<u>50</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

10. LAND HELD FOR DEVELOPMENT

In RM'000	THE GROUP	
	2004	2003
As 1 January		
Land		
- at valuation	4,141	4,141
- at cost	23,221	24,954
Development expenditure	111,832	109,613
	139,194	138,708
Additions	24,629	8,827
Disposals	-	(414)
Transfer to property development costs	(14,417)	(7,927)
As 31 December		
Land		
- at valuation	4,141	4,141
- at cost	24,855	23,221
Development expenditure	120,410	111,832
	149,406	139,194

Borrowing costs of RM5,048,000 (2003 - RM3,393,000) as disclosed in Note 29, arising on financing specifically entered into for land held under development, were capitalised during the financial year and included in additions of the Group during the financial year.

11. DEFERRED TAX ASSETS

In RM'000	THE GROUP		THE COMPANY	
	2004	2003	2004	2003
At 1 January	20,382	24,502	1,472	1,959
Transfer (to)/from income statements	(1,803)	(4,120)	220	(487)
At 31 December	18,579	20,382	1,692	1,472

The deferred tax assets are in respect of the following:-

In RM'000	THE GROUP		THE COMPANY	
	2004	2003	2004	2003
Capital allowances in excess of depreciation	(656)	(696)	1	(7)
Unutilised tax losses	20,349	22,326	1,691	1,479
Unabsorbed capital allowances	1,051	907	-	-
Revaluation surplus of revalued properties	(1,723)	(1,723)	-	-
Others	(442)	(432)	-	-
	18,579	20,382	1,692	1,472

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

11. DEFERRED TAX ASSETS (cont'd)

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will allow the deferred tax assets to be recovered. As of 31 December 2004, the amounts of estimated deferred tax assets calculated at applicable tax rates which are not recognised in the financial statements, are as follows:-

In RM'000	THE GROUP	
	2004	2003
Unutilised tax losses	30,153	28,770
Unutilised capital allowances	21,864	21,277
Unutilised industrial building allowance	8,680	7,440
Unutilised investment tax allowance	3,263	3,263
	63,960	60,750

12. INVENTORIES

In RM'000	THE GROUP	
	2004	2003
<u>At Cost</u>		
Stores and consumables	488	468
Raw materials	63	81
Finished goods	59	152
Nursery inventory	478	395
Completed unsold properties	12,692	7,941
	13,780	9,037
<u>At Net Realisable Value</u>		
Completed unsold properties	1,388	1,708
	15,168	10,745

13. PROPERTY DEVELOPMENT COSTS

In RM'000	THE GROUP	
	2004	2003
At 1 January		
Land, at cost	29,463	34,662
Development costs	283,062	165,131
Accumulated costs charged to income statements	(201,391)	(113,091)
	111,134	86,702
Costs incurred during the financial year:-		
Transfer from land held for property development	14,417	7,927
Development costs	86,067	137,993
	100,484	145,920
Costs recognised as an expense in the income statements:-		
Costs charged to income statements	(66,324)	(118,598)
	145,294	114,024
Transfer to inventories	(11,311)	(2,890)
At 31 December	133,983	111,134

The land under property development pledged as security for bank borrowings (Notes 20, 21 and 25) at the balance sheet date is RM16,867,000 (2003 - RM23,699,000).

Borrowing costs of RM17,980,000 (2003 - RM19,192,000) as disclosed in Note 29, arising on funds borrowed generally for property development activities, were capitalised during the financial year and included in development costs incurred during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

14. TRADE RECEIVABLES

In RM'000	THE GROUP	
	2004	2003
Trade receivables	85,016	80,820
Allowance for doubtful debts:		
At 1 January	(6,735)	(6,436)
Allowance for the financial year	(1,413)	(1,237)
Reversal of allowance no longer required	752	464
Written off	163	474
Currency translation difference	(11)	-
At 31 December	(7,244)	(6,735)
	77,772	74,085

Included in trade receivables of the Group is an amount of RM536,000 (2003 - RM385,000) owing by related parties. The nature of related party relationships and the details of the transactions involved are disclosed in Notes 39 and 40 to the financial statements.

The Group's range of normal trade receivable credit terms are as follows:-

- (i) Hotel : cash terms to 60 days, and 90 days for government agencies.
- (ii) Property investment : cash terms to 7 days.
- (iii) Property development : in accordance with Housing Development Act schedule of payment.
- (iv) Others : cash terms to 60 days.

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

In RM'000	THE GROUP		THE COMPANY	
	2004	2003	2004	2003
Other receivables, deposits and prepayments	9,605	24,525	698	3,706
Allowance for doubtful debts:				
At 1 January	(157)	(153)	-	-
Allowance during the financial year	(39)	(4)	-	-
At 31 December	(196)	(157)	-	-
	9,409	24,368	698	3,706

In the previous financial year, other receivables, deposits and prepayments of the Group included an amount of RM10,000,000 owing by a related party. The nature of related party relationships and the details of the transactions involved are disclosed in Notes 39 and 40 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

16. AMOUNT OWING BY/TO SUBSIDIARIES

In RM'000	THE COMPANY	
	2004	2003
Amount owing by subsidiaries		
- interest bearing	244,052	268,606
- non-interest bearing	885,675	900,542
	1,129,727	1,169,148
Amount owing to subsidiaries		
- interest bearing	124,053	118,606
- non-interest bearing	226,661	252,341
	350,714	370,947

The amounts owing are unsecured and not subject to fixed terms of repayment.

The term loans of the Company amounting to RM120,000,000 (2003 - RM150,000,000) and of a subsidiary amounting to RM124,053,000 (2003 - RM118,606,000) are fully utilised by the other subsidiaries within the Group. The interest charged by the financial institutions amounting to RM20,403,541 (2003 - RM19,511,735) are entirely borne by the subsidiaries utilising the above-mentioned term loans. As such, the Company and the aforesaid subsidiary do not record the interest expense.

Interest incurred by the Company and the above-mentioned subsidiary in relation to the above term loans is reimbursed by the other subsidiaries that utilised the funds based on the rates as charged by the relevant financial institutions ranging from 7.0% to 8.0% (2003 - 7.0% to 8.4%) per annum.

17. CASH AND BANK BALANCES

In RM'000	THE GROUP		THE COMPANY	
	2004	2003	2004	2003
Fixed deposits with financial institutions	284	4,622	-	4,200
Cash held at hand and banks	8,520	12,733	121	196
Cash held under housing development accounts	2,555	2,549	-	-
	11,359	19,904	121	4,396

Fixed deposits of the Group amounting to RM6,210 (2003 - RM6,210) are pledged to financial institutions to secure banking facilities granted to the Group.

Included in cash and bank balances of the Group is an amount of RM311,957 (2003 - RM869,564) held as a pledge in favour of Corporation Strata Plan in Australia.

The average effective interest rate of the fixed deposits at the balance sheet date were 3.0% - 4.0% (2003 - 2.7% - 4.05%) per annum.

The maturity periods of the fixed deposits range from 1 month to 15 months (2003 - 7 days to 15 months).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

18. TRADE PAYABLES

Included in trade payables of the Group is an amount of RM1,949,000 (2003 - RM2,075,000) owing to related parties. The nature of the related party relationships and the details of the transactions involved are disclosed in Notes 39 and 40 to the financial statements.

The normal credit terms granted to the Group range from cash terms to 90 days. Retention sums for property development contracts are payable upon the expiry of the defect liability period of the respective property development contracts. The defect liability periods of property development contracts are 18 months.

19. OTHER PAYABLES AND ACCRUALS

In RM'000	THE GROUP		THE COMPANY	
	2004	2003	2004	2003
Other payables and accruals	58,034	57,647	2,086	4,090
Hire purchase and lease payables:				
- portion repayable within one year	293	450	-	-
	<u>58,327</u>	<u>58,097</u>	<u>2,086</u>	<u>4,090</u>

In RM'000	THE GROUP	
	2004	2003

Hire purchase and lease payables are made up of:-

Minimum hire purchase and lease payments:

- not later than one year	325	493
- later than one year and not later than five years	305	379
- later than five years	22	-

Future finance charges

652	872
(55)	(66)

Present value of hire purchase and lease payables

597	806
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The net hire purchase and lease payables are repayable as follows:-

Current

- not later than one year	293	450
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Non-Current

- later than one year and not later than five years	283	356
- later than five years	21	-

Total non-current portion (Note 25)

304	356
597	806

Included in other payables and accruals of the Group and the Company are amounts of RM1,774,000 (2003 - RM2,161,000) and RM155,000 (2003 - RM1,696,000), respectively owing to related parties. The nature of the related party relationships and the details of transactions involved are disclosed in Notes 39 and 40 to the financial statements.

The effective interest rate of the hire purchase and lease payables was 6.3% (2003 - 8.0%) per annum at the balance sheet date.

20. BANK OVERDRAFTS

Bank overdrafts bear effective interest rate at 8.1% (2003 - 8.0% to 8.5%) per annum and are secured in the same manner as the short term borrowings as disclosed in Note 21 and Note 25 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

21. SHORT TERM BORROWINGS

In RM'000	THE GROUP		THE COMPANY	
	2004	2003	2004	2003
<u>Secured</u>				
Revolving credit	1,000	1,000	-	-
Bridging loans	34,200	13,477	-	-
Portion repayable within one year (Note 25):				
- bridging loans	23,000	14,545	-	-
- term loans	5,262	35,457	-	30,000
	<u>63,462</u>	<u>64,479</u>	<u>-</u>	<u>30,000</u>

Short term borrowings bear weighted average effective interest rate at 7.71% (2003 - 7.75%) per annum and are secured by way of legal charges over certain landed properties of the Group as disclosed in Notes 7, 8 and 13 to the financial statements.

The borrowings of the subsidiaries are further secured by corporate guarantees from the Company.

22. SHARE CAPITAL

	THE GROUP AND THE COMPANY			
	2004 Number Of Shares	2003 Number Of Shares	2004 RM'000	2003 RM'000
Ordinary Shares Of RM1.00 Each:-				
Authorised	1,000,000,000	1,000,000,000	1,000,000	1,000,000
Issued And Fully Paid-Up	<u>710,341,402</u>	<u>710,341,402</u>	<u>710,341</u>	<u>710,341</u>

23. RESERVES

In RM'000	THE GROUP		THE COMPANY	
	2004	2003	2004	2003
Non-distributable reserves:-				
Share premium	62,372	62,372	62,372	62,372
Revaluation reserve	93,610	93,610	185,936	185,936
Exchange fluctuation reserve	6,286	6,246	-	-
	<u>162,268</u>	<u>162,228</u>	<u>248,308</u>	<u>248,308</u>
Accumulated losses	(85,079)	(94,139)	(191,617)	(197,363)
	<u>77,189</u>	<u>68,089</u>	<u>56,691</u>	<u>50,945</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

24. DEFERRED TAX LIABILITY

In RM'000	THE GROUP	
	2004	2003
At 1 January	50,089	50,465
Transfer from/(to) income statements	44	(376)
At 31 December	50,133	50,089

The deferred tax liability is in respect of the following temporary differences:-

In RM'000	THE GROUP	
	2004	2003
Capital allowances in excess of depreciation	26,512	26,364
Unabsorbed capital allowances	(177)	(337)
Unutilised tax losses	(915)	(651)
Revaluation surplus of revalued properties	24,839	24,839
Others	(126)	(126)
	50,133	50,089

25. LONG TERM BORROWINGS

In RM'000	THE GROUP		THE COMPANY	
	2004	2003	2004	2003
<u>Secured</u>				
Bridging loans	25,000	14,545	-	-
Term loans	320,557	341,646	120,000	150,000
	345,557	356,191	120,000	150,000
Portion repayable within one year (Note 21):				
- bridging loans	(23,000)	(14,545)	-	-
- term loans	(5,262)	(35,457)	-	(30,000)
	(28,262)	(50,002)	-	(30,000)
Portion repayable after one year	317,295	306,189	120,000	120,000
Hire purchase and lease payables (Note 19)	304	356	-	-
	317,599	306,545	120,000	120,000
The net long term borrowings are repayable as follows:-				
Within one to two years	19,321	23,558	-	40,000
Within two to five years	125,715	160,576	16,000	80,000
After five years	172,563	122,411	104,000	-
	317,599	306,545	120,000	120,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

25. LONG TERM BORROWINGS (cont'd)

The long term borrowings bear weighted average effective interest rate at 7.69% (2003 - 7.97%) per annum and are secured in the same manner as the short term borrowings as disclosed in Note 21 to the financial statements.

Subsequent to the financial year end, the Company has refinanced an existing syndicated term loan facility of RM120 million.

The terms of the new term loan facility has been reflected in the financial statements for the financial year ended 31 December 2004.

26. NET TANGIBLE ASSETS PER SHARE

The net tangible assets per share is calculated by dividing the net tangible assets value at the balance sheet date of RM787,530,000 (2003 - RM778,430,000) by the number of ordinary shares in issue at the balance sheet date of 710,341,402 (2003 - 710,341,402).

27. REVENUE

Revenue of the Group represents the proportionate sales value of development properties, the invoiced sales value less discounts from restaurant business, hotel and golf operations, rental income from commercial and shopping space, and the invoiced value of goods sold less returns and trade discounts, whilst revenue of the Company represents management fees and dividend income.

Details of the revenue of the Group are as follows:-

In RM'000	THE GROUP	
	2004	2003
Property development and management	101,965	163,695
Leisure and hospitality	39,667	52,495
Rental of retail and office space	26,718	23,370
Sale of goods	866	795
	<u>169,216</u>	<u>240,355</u>

Details of the revenue of the Company are as follows:-

In RM'000	THE COMPANY	
	2004	2003
Management fees	1,486	3,244
Dividend income	9,230	-
	<u>10,716</u>	<u>3,244</u>

28. COST OF SALES

In RM'000	THE GROUP	
	2004	2003
Property development	69,116	120,614
Leisure and hospitality	6,380	7,335
Sale of goods	518	515
	<u>76,014</u>	<u>128,464</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

29. FINANCE COSTS

In RM'000	THE GROUP	
	2004	2003
Total interest expense	29,627	35,346
Interest capitalised into:		
- property, plant and equipment (Note 7)	(54)	(427)
- land held under development (Note 10)	(5,048)	(3,393)
- property development costs (Note 13)	(17,980)	(19,192)
	6,545	12,334

30. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation is arrived at after charging/(crediting):-

In RM'000	THE GROUP		THE COMPANY	
	2004	2003	2004	2003
Auditors' remuneration:				
- statutory audit:				
- for the financial year	155	210	38	35
- underprovision in previous financial year	-	15	3	-
- other services	5	5	5	5
Bad debts written off	11	3	-	-
Depreciation of property, plant and equipment	4,907	5,595	33	56
Directors' remuneration				
- fee	90	90	-	-
- emoluments	1,810	1,619	-	-
- allowances	15	14	15	14
- benefits-in-kind	39	35	-	4
Interest expense:				
- term loans/bridging loans	5,701	11,664	-	-
- bank overdrafts	800	582	-	-
- hire purchase	47	84	-	-
- others	(3)	4	38	-
Net allowance for doubtful debts	700	777	-	-
Plant and equipment written off	-	1,798	-	-
Rental of equipment	190	99	7	7
Rental of premises	50	152	20	3
Retirement gratuity in kind	-	789	-	789
Write-down of inventories	320	-	-	-
Write-off of amount owing by subsidiaries	-	-	-	7,604
Write-back of revaluation deficit of subsidiary wound up	-	-	-	(65)
Dividend income from subsidiaries	-	-	(9,230)	-
Net gain on disposal of equipment	(99)	(16)	(13)	-
Interest income	(976)	(492)	(15)	(53)
Rental income	(27,402)	(24,611)	-	-
Realised gain on foreign exchange	(41)	(50)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

31. TAXATION

In RM'000	THE GROUP		THE COMPANY	
	2004	2003	2004	2003
Income tax:				
- for the financial year	(4,149)	(3,410)	(2,588)	(8)
- over/(under) provision in previous financial years	193	(4)	(5)	-
Deferred taxation:				
- for the financial year	(1,149)	(3,744)	(10)	(487)
- (under)/overprovision in previous financial years	(698)	-	230	-
	<u>(5,803)</u>	<u>(7,158)</u>	<u>(2,373)</u>	<u>(495)</u>

Numerical reconciliation of the statutory tax rate to the effective tax rate applicable to the profit/(loss) before taxation is as follows:-

In %	THE GROUP		THE COMPANY	
	2004	2003	2004	2003
Statutory tax rate	28.00	28.00	28.00	(28.00)
Tax effects of:-				
Non-deductible expenses	8.81	17.47	4.05	35.59
Non-taxable income	(0.18)	(2.59)	(0.04)	(0.27)
Under/(Over)provision in previous financial years	3.40	0.02	(2.78)	(0.01)
Utilisation of previously unrecognised tax benefit	(5.39)	(14.90)	-	-
Deferred tax not recognised	3.40	1.00	-	-
Different tax rate in other country	(0.08)	0.98	-	-
Others	1.09	(1.28)	-	-
Effective tax rate	<u>39.05</u>	<u>28.70</u>	<u>29.23</u>	<u>7.31</u>

32. EARNINGS PER SHARE

The basic earnings per share is calculated based on the Group's profit after taxation for the financial year divided by the number of ordinary shares of the Company in issue during the financial year of 710,341,402 (2003 - 710,341,402).

The diluted earnings per share is not applicable as the effect of potential ordinary shares arising from the ESOS is anti-dilutive.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

33. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

In RM'000	THE GROUP		THE COMPANY	
	2004	2003	2004	2003
Additions of property, plant and equipment	7,761	5,099	22	29
Capitalisation of interest	(54)	(427)	-	-
Cost of property, plant and equipment purchased	7,707	4,672	22	29
Amount financed through hire purchase and lease	(270)	(607)	-	-
Cash disbursed for purchase of property, plant and equipment	7,437	4,065	22	29

34. CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statements, cash and cash equivalents comprise the following:-

In RM'000	THE GROUP		THE COMPANY	
	2004	2003	2004	2003
Fixed deposits with financial institutions	284	4,622	-	4,200
Cash and bank balances	11,075	15,282	121	196
Bank overdrafts	(4,998)	(13,317)	-	-
	6,361	6,587	121	4,396

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

35. CONTINGENT LIABILITIES

In RM'000	THE GROUP		THE COMPANY	
	2004	2003	2004	2003
UNSECURED				
Guarantees given to financial institutions for facilities granted to subsidiaries	-	-	266,351	234,310
Guarantee given to a third party in relation to an aborted corporate exercise	-	1,000	-	1,000
Guarantee given to third parties for credit facilities granted to subsidiaries	-	-	2,545	1,627
Guarantee given to a third party in relation to warranties given on the disposal of a hotel property	7,700	7,700	-	-
	7,700	8,700	268,896	236,937
SECURED				
Guarantee given to a third party for rights to enter and construct a road on the third party's land	4,200	4,200	-	-
	11,900	12,900	268,896	236,937

36. CAPITAL COMMITMENTS

In RM'000	THE GROUP	
	2004	2003
Approved and contracted for:-		
(i) purchase price less deposit paid for a piece of land	-	14,000
(ii) balance of purchase price for the acquisition of a company	-	2,407
	-	16,407

37. SEGMENTAL INFORMATION - GROUP

(i) By business segment:-

In RM'000	Hotel		Property Development		Property Investment		Others		Eliminations		Consolidated	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
SEGMENT REVENUE												
Revenue from external customers	34,690	47,635	102,860	164,572	26,942	23,059	4,724	5,089	-	-	169,216	240,355
Inter-segment revenue	423	423	-	-	613	548	1,450	3,208	(2,486)	(4,179)	-	-
Total revenue	35,113	48,058	102,860	164,572	27,555	23,607	6,174	8,297	(2,486)	(4,179)	169,216	240,355
SEGMENT RESULTS												
Segment profit/(loss)	6,217	9,693	7,186	20,763	10,929	9,300	(2,924)	(2,482)	-	-	21,408	37,274
Interest expense											(6,545)	(12,334)
Profit before taxation											14,863	24,940
Taxation											(5,803)	(7,158)
Profit after taxation											9,060	17,782
OTHER INFORMATION												
Segment assets	331,271	336,610	430,627	399,414	504,305	499,754	71,382	81,298	-	-	1,337,585	1,317,076
Unallocated assets	-	-	-	-	-	-	-	-	-	-	20,124	22,096
Consolidated total assets	331,271	336,610	430,627	399,414	504,305	499,754	71,382	81,298	-	-	1,357,709	1,339,172
Segment liabilities	12,280	14,175	68,423	54,612	18,197	19,277	3,401	5,864	-	-	102,301	93,928
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	467,878	466,814
Consolidated total liabilities	12,280	14,175	68,423	54,612	18,197	19,277	3,401	5,864	-	-	570,179	560,742
Capital expenditure (excluding interest capitalisation)	960	2,080	3,761	963	631	951	2,355	934	-	-	7,707	4,928
Amortisation and depreciation	(978)	(1,730)	(1,381)	(1,324)	(716)	(678)	(1,832)	(1,863)	-	-	(4,907)	(5,595)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

37. SEGMENTAL INFORMATION - GROUP (cont'd)

(ii) By geographical market:-

In RM'000	Segment Revenue		Segment Assets		Capital Expenditure	
	2004	2003	2004	2003	2004	2003
Malaysia	169,216	217,349	1,357,026	1,332,008	7,707	4,827
Australia	-	23,006	683	7,165	-	101
	169,216	240,355	1,357,709	1,339,173	7,707	4,928

38. SIGNIFICANT RELATED COMPANY TRANSACTIONS

Transactions between the Company and its subsidiaries:-

In RM'000	THE COMPANY	
	2004	2003
Dividends received from subsidiaries	9,230	-
Management fees from subsidiaries	257	257
Project management fee from subsidiaries	1,229	2,987
Rental of premises paid to subsidiaries	-	3

39. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) (i) Transactions between the Group and related parties:-

In RM'000			Transaction Value - (Revenue)/Expense The Group	
Name of Related Parties	Relationships	Nature of Transactions	2004	2003
RECURRENT				
Linkbond (Asia) Ltd.	(b), (c), (h), (o)	Renting of premises	-	103
Bena Sakti Sdn. Bhd.	(d), (e), (k)	Letting of premises	-	(3)
		Share registration services	17	42
The Cellarium Sdn. Bhd.	(l)	Purchase of wines	102	73
Puthucheary Firoz & Asmet & Mai	(m)	Legal services	26	63
Commune Products	(s)	Commission received	(3)	-
Capitol Hotel Sdn. Bhd.	(b), (d), (e), (k)	Advertising and promotional services	(4)	-
L.Y.C. Incorporation Sdn. Bhd.	(d), (e), (h)	Nursery and landscaping	(1)	-
Merdeka Management Services Sdn. Bhd.	(b), (d), (k), (t)	Advertising and promotional services	(5)	(53)
		Letting of premises	(60)	(58)
		Technical and management services	722	993
Low Yat And Sons Realty Sdn. Bhd.	(b), (c), (f), (g), (k)	Advertising and promotional services	(5)	(11)
		Letting of premises	(20)	(19)
		Nursery and landscaping	(22)	-
		Renting of equipment	117	139
Low Yat Construction Company Sdn. Berhad	(b), (c), (d), (e), (g), (k)	Letting of premises	(237)	(489)
Malayan Coffee Sdn. Bhd.	(d), (e), (k)	Letting of premises	(148)	(90)
		Advertising and promotional services	(4)	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

39. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

(a) (i) Transactions between the Group and related parties:-

In RM'000			Transaction Value - (Revenue)/Expense	
Name of Related Parties	Relationships	Nature of Transactions	The Group 2004	2003
RECURRENT				
Indah Jaya Development Sdn. Bhd.	(c), (d), (e), (k)	Letting of premises	(769)	(451)
		Nursery and landscaping	(287)	(195)
		Advertising and promotional services	(8)	-
Oriental Development Sdn. Bhd.	(d), (e), (g), (h)	Renting of premises	49	49
Sem Siong Industries Sdn. Bhd.	(b), (c), (d), (e), (f), (g), (k)	Letting of premises	(12)	-
		Advertising and promotional services	(2)	-
		Nursery and landscaping	(36)	-
Federal Hotels Sendirian Berhad	(b), (d), (f), (g), (k)	Advertising and promotional services	(4)	-
Meridian Asset Management Sdn. Bhd.	(r)	Letting of premises	(99)	-
LGS Development Sdn. Bhd.	(e), (i)	Letting of premises	(9)	-
Hotel Fair Lane Sdn. Bhd.	(d), (e), (h)	Renting of premises	14	-
Zamahan Sdn. Bhd.	(a)	Commission paid	3	-
Panca Melati Auto Sdn. Bhd.	(n)	Commission paid	6	-
NON-RECURRENT				
Low Yat Construction Company Sdn. Berhad	(b), (c), (d), (e), (g), (k)	Net repayment of advances	1,546	36,485
Oriental Development Sdn. Bhd.	(d), (e), (g), (h)	Deposit refunded	(10,000)	-
Orient Pacific Property Sdn. Bhd.	(d), (e), (h)	Advances received	(1,000)	-
Bintang Maintenance and Projects Sdn. Bhd.	(d), (e), (k)	Net advances	(33)	-
Indah Jaya Development Sdn. Bhd.	(c), (d), (e), (k)	Net advances	(33)	992
Tan Sri Dato' Low Yow Chuan	(q)	Retirement gratuity in kind	-	789

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

39. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

(a) (ii) Directors' Remuneration

Details of remuneration to the directors of the Company are as follows:-

	Number of Directors	Salaries RM'000	Fees RM'000	Allowances RM'000	Benefits In Kind RM'000	Total RM'000
Year 2004						
EXECUTIVE						
- Between RM150,001 and RM200,000	1	183	-	-	6	189
- Between RM200,001 and RM250,000	1	236	-	-	2	238
- Between RM250,001 and RM300,000	1	266	-	-	-	266
- Between RM350,001 and RM400,000	1	340	-	-	12	352
- Between RM800,001 and RM850,000	1	785	-	-	19	804
	5	1,810	-	-	39	1,849
NON-EXECUTIVE						
- Less or equal to RM50,000	3	-	90	15	-	105
	8	1,810	90	15	39	1,954
Year 2003						
EXECUTIVE						
- Between RM150,001 and RM200,000	1	166	-	-	2	168
- Between RM200,001 and RM250,000	1	214	-	-	2	216
- Between RM250,001 and RM300,000	1	269	-	-	-	269
- Between RM350,001 and RM400,000	1	342	-	-	12	354
- Between RM600,001 and RM650,000	1	628	-	-	19	647
	5	1,619	-	-	35	1,654
NON-EXECUTIVE						
- Less or equal to RM50,000	3	-	90	14	-	104
	8	1,619	90	14	35	1,758

(b) Transactions between the Company and related parties:-

In RM'000			Transaction Value - (Revenue)/Expense	
Name of Related Parties	Relationships	Nature of Transactions	The Company 2004	2003
RECURRENT				
Bena Sakti Sdn. Bhd.	(d), (e), (k)	Share registration services	17	42
NON-RECURRENT				
Low Yat Construction Company Sdn. Berhad	(b), (c), (d), (e), (g), (k)	Net advances	1,551	28,710

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

39. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

Notes:-

- (a) A company in which Tan Sri Dato' Hanafiah Bin Hussain is a director and substantial shareholder.
- (b) A company in which Low Gee Tat @ Gene Low is a director.
- (c) A company in which Low Gee Teong is a director.
- (d) A company in which Low Su Ming is a director.
- (e) A company in which Low Gee Soon is a director.
- (f) A company in which Dato' Jeffrey Ng Tiong Lip is a director.
- (g) A company in which Tan Sri Dato' Low Yow Chuan is a director.
- (h) A company in which Low Gee Tat @ Gene Low, Low Gee Teong, Low Su Ming and Low Gee Soon have substantial interests.
- (i) A company in which Low Gee Soon is a substantial shareholder.
- (j) A company in which Low Su Ming has a substantial interest.
- (k) A company in which Low Gee Tat @ Gene Low, Low Gee Teong, Low Gee Soon and Tan Sri Dato' Low Yow Chuan have substantial interests.
- (l) A company in which Dato' Jeffrey Ng Tiong Lip's wife, Martha Yang, his sister, Ng Chiew Ping and his brother, Ng Tiong Yee are substantial shareholders. Martha Yang and Ng Chiew Ping are also the directors of the company.
- (m) A firm in which Low Gee Soon's wife, Cheng Mai, is a partner.
- (n) A company in which Datuk Haji Noordin Bin Haji Abdul Razak is a director and substantial shareholder.
- (o) A company in which Tan Hong Lean is a director. Tan Hong Lean is the mother of Low Gee Tat @ Gene Low, Low Gee Teong, Low Su Ming and Low Gee Soon.
- (p) A company in which Low Gee Tat @ Gene Low, Low Gee Teong, Low Su Ming, Low Gee Soon and Tan Sri Dato' Low Yow Chuan have substantial interests.
- (q) Tan Sri Dato' Low Yow Chuan is a deemed substantial shareholder of Asia Pacific Land Berhad and was also the former executive chairman of the Company. He is the father of Low Gee Tat @ Gene Low, Low Gee Teong, Low Su Ming and Low Gee Soon and also the uncle of Dato' Jeffrey Ng Tiong Lip.
- (r) A company in which Dato' Jeffrey Ng Tiong Lip's brother, Ng Tiong Yee is a managing director.
- (s) A sole proprietorship owned by Low Gee Tat @ Gene Low.
- (t) A company in which Dato' Jeffrey Ng Tiong Lip and Woon Siew Choo are alternate directors.

Low Gee Tat @ Gene Low and Low Gee Teong are deemed substantial shareholders of the Company and directors of the Company and certain subsidiaries of the Group. Low Gee Soon is a deemed substantial shareholder of the Company and a director of certain subsidiaries of the Group. Dato' Jeffrey Ng Tiong Lip is a director of the Company and certain subsidiaries of the Group.

(c) Transactions between the Group and the directors:-

In RM'000			Transaction Value -	
Name of Director	Name of Related Company	Nature of Transactions	Revenue	
			The Group	
			2004	2003
Dato' Jeffrey Ng Tiong Lip	United Well Investment Ltd.	Sale of apartment	-	1,877

In the opinion of the directors, the above transactions entered into with the related parties are in the ordinary course of business on terms mutually agreed upon between the parties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

40. SIGNIFICANT RELATED PARTY BALANCES

In RM'000		Trade Receivables		Other Receivables, Deposits and Prepayments	
Name of Related Parties	Relationships (Refer to Note 39)	The Group 2004	2003	The Group 2004	2003
Federal Hotels International Sdn. Bhd.	(b), (e), (k)	70	67	-	-
Capitol Hotel Sdn. Bhd.	(b), (d), (e), (k)	35	34	-	-
Federal Hotels Sendirian Berhad	(b), (d), (f), (g), (k)	42	47	-	-
Federal Hotels Singapore Pte. Ltd.	(c), (j), (k)	7	8	-	-
Indah Jaya Development Sdn. Bhd.	(c), (d), (e), (k)	144	65	-	-
Low Yat Construction Company Sdn. Berhad	(b), (c), (d), (e), (g), (k)	13	8	-	-
Low Yat And Sons Realty Sdn. Bhd.	(b), (c), (f), (g), (k)	25	9	-	-
Mandarin Palace (Malaysia) Sdn. Bhd.	(d), (e), (k)	2	3	-	-
Malayan Coffee Sdn. Bhd.	(d), (e), (k)	56	-	-	-
Merdeka Management Services Sdn. Bhd.	(b), (d), (k), (t)	99	144	-	-
Sem Siong Industries Sdn. Bhd.	(b), (c), (d), (e), (f), (g), (k)	29	-	-	-
Oriental Development Sdn. Bhd.	(d), (e), (g), (h)	-	-	-	10,000#
Bintang Tower Sdn. Bhd.	(e), (g), (p)	3	-	-	-
Lipis Cement Sdn. Bhd.	(d), (e), (p)	6	-	-	-
Linkbond (Asia) Ltd.	(b), (c), (h), (o)	5	-	-	-
		536	385	-	10,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

40. SIGNIFICANT RELATED PARTY BALANCES (cont'd)

In RM'000		Trade Payables The Group		Other Payables And Accruals The Group	
Name of Related Parties	Relationships (Refer to Note 39)	2004	2003	2004	2003
Bintang Maintenance And Projects Sdn. Bhd.	(d), (e), (k)	-	-	37	-
Bena Sakti Sdn. Bhd.	(d), (e), (k)	-	-	10	-
Capitol Hotel Sdn. Bhd.	(b), (d), (e), (k)	-	-	18	19
Federal Hotels International Sdn. Bhd.	(b), (e), (k)	-	-	1	-
Federal Hotels Sendirian Berhad	(b), (d), (f), (g), (k)	7	3	23	24
Hotel Fair Lane Sdn. Bhd.	(d), (e), (h)	-	-	14	-
Indah Jaya Development Sdn. Bhd.	(c), (d), (e), (k)	-	-	99	22
Low Yat And Sons Realty Sdn. Bhd.	(b), (c), (f), (g), (k)	2	-	2	10
Low Yat Construction Company Sdn. Berhad	(b), (c), (d), (e), (g), (k)	-	-	180	1,730
Linkbond (Asia) Ltd.	(b), (c), (h), (o)	-	-	23	1
LYC Private Limited	(b), (p)	-	-	339	339
Merdeka Management Services Sdn. Bhd.	(b), (d), (k), (t)	1,920	2,072	-	-
Mandarin Palace (Malaysia) Sdn. Bhd.	(d), (e), (k)	-	-	12	12
Orient Pacific Property Sdn. Bhd.	(d), (e), (h)	-	-	1,000	-
Oriental Development Sdn. Bhd.	(d), (e), (g), (h)	-	-	16	4
Malayan Coffee Sdn. Bhd.	(d), (e), (k)	1	-	-	-
The Cellarium Sdn. Bhd.	(l)	19	-	-	-
		1,949	2,075	1,774	2,161

In RM'000		Other Payables And Accruals The Company	
Name of Related Parties	Relationships (Refer to Note 39)	2004	2003
Low Yat Construction Company Sdn. Berhad	(b), (c), (d), (e), (g), (k)	145	1,696
Bena Sakti Sdn. Bhd.	(d), (e), (k)	10	-
		155	1,696

Note:-

This was related to a deposit paid to Oriental Development Sdn. Bhd. for the proposed acquisition of land. The deposit is not subject to any credit risk as the recoverability of the amount is certain in the event that the parties mutually agree not to proceed with the sale and purchase agreement dated 13 August 1997 as further explained in Note 41 (i).

In the opinion of the directors, the trade balances with the related parties are based on normal commercial terms. The non-trade balances with the related parties are unsecured, interest-free and not subject to fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (CONT'D)

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (i) On 13 August 1997, a Sale and Purchase Agreement ("the SPA") has been entered into between Elite Empire Sdn. Bhd. ("EESB"), a wholly-owned subsidiary, and Oriental Development Sdn. Bhd. ("ODSB") in relation to 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 of Setapak, Wilayah Persekutuan from ODSB for a cash consideration of RM24 million.

On 30 August 2004, the parties to the SPA have mutually agreed to terminate the above-mentioned SPA and mutually agreed not to proceed with the proposed development in view that the proposed development would not be able to generate a satisfactory return to the parties to the SPA under the current economic condition.

Upon the termination of the SPA, ODSB has refunded the deposit of RM10 million to EESB within 30 days from the date of the termination of the SPA. The refund has been effected by a cash payment of RM500,000 and setting off partly the amount owing to Low Yat Construction Company Sdn. Berhad ("LYC"), by the Group for advances that LYC has from time to time made to the Group.

- (ii) Wira Azimat Sdn. Bhd. ("WASB") has become an indirect wholly-owned subsidiary of the Company with effect from 9 November 2004 pursuant to the completion of the terms of the Share Sale Agreement dated 13 October 2001 and a Supplemental Agreement dated 20 April 2004 whereby WASB was purchased at a total consideration of RM3,420,540.

The proposed acquisition of WASB is for the purpose of acquiring a piece of agricultural land measuring approximately 55.17 acres alienated to WASB.

42. EMPLOYEES INFORMATION

In RM'000	THE GROUP		THE COMPANY	
	2004	2003	2004	2003
Staff costs	<u>32,415</u>	<u>39,896</u>	<u>951</u>	<u>1,195</u>

The number of employees of the Group and of the Company (including executive directors) at the end of the financial year was 1,220 (2003 - 1,154) and 19 (2003 - 22) respectively.

43. FOREIGN EXCHANGE RATES

The applicable foreign exchange rates used (expressed on the basis of one unit of foreign currency to Ringgit Malaysia equivalent) for the translation of foreign currency balances at the balance sheet date are as follows:-

In RM	At 31.12.2004	Average 2004	At 31.12.2003	Average 2003
Australia Dollar	<u>2.960</u>	<u>2.803</u>	2.845	2.494
Singapore Dollar	<u>2.320</u>	<u>2.252</u>	<u>2.232</u>	<u>2.181</u>

44. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced sale or liquidation.

The following methods and assumptions are used to estimate the fair value of each class of financial assets and financial liabilities of the Group and of the Company:-

(a) CASH AND BANK BALANCES AND SHORT TERM RECEIVABLES

The carrying amounts approximated their fair values due to the relatively short term maturity of these instruments.

(b) UNQUOTED INVESTMENT

It is not practicable to determine the fair values because of the lack of quoted market price and inability to estimate fair value without incurring excessive costs.

(c) SHORT TERM BORROWINGS AND OTHER CURRENT LIABILITIES

The carrying amounts approximated their fair values because of the short period to maturity of these instruments.

(d) AMOUNT OWING BY/TO SUBSIDIARIES

It is not practicable to determine the fair values of the amount owing by/to subsidiaries principally due to the lack of fixed repayment terms. However, the Company does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

(e) LONG TERM BORROWINGS

The carrying amounts approximated their fair values as these instruments bear interest at variable rates.

(f) HIRE PURCHASE AND LEASE PAYABLES

The carrying amounts approximated their fair values of these instruments. The fair values of hire purchase and lease payables are estimated using discounted cash flow analysis based on average effective interest rate of the Group.

PROXY FORM

ASIA PACIFIC LAND BERHAD

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

No. of shares held

To be completed by shareholder executing this form.

I/We _____ NRIC No./Company No. _____

of _____

being a member/members of Asia Pacific Land Berhad do hereby appoint Mr/Mrs/Ms _____

_____ NRIC No. _____

of _____

or failing him the Chairman of the meeting as my/our proxy to attend and vote for me/us on my/our behalf at the 44th Annual General Meeting of the Company to be held at the Miami Hall, Ferringhi Beach Hotel, Jalan Low Yat, 11100 Batu Ferringhi, Penang on Tuesday, 28 June 2005 at 11.00 a.m. and at any adjournment thereof.

Please indicate with an 'X' in the space provided below how you wish your votes to be casted on the resolutions specified in the Notice of Annual General Meeting.

Ordinary Resolution		For	Against
No. 1	To receive the Audited Accounts & Reports thereon for the year ended 31 December 2004		
No. 2	To approve the payment of Directors' fees to Independent Non-Executive Directors		
No. 3	Re-election of Dato' Jeffrey Ng Tiong Lip as Director		
No. 4	Re-election of Mr Low Gee Teong as Director		
No. 5	Re-appointment of Horwath as Auditors		
No. 6	Re-appointment of Tan Sri Datuk Seri (Dr) Chong Hon Nyan as Director pursuant to Section 129 of the Companies Act, 1965		
No. 7	Re-appointment of Tan Sri Dato' Hanafiah Hussain as Director pursuant to Section 129 of the Companies Act, 1965		
No. 8	Authority to allot shares pursuant to the Employees' Share Option Scheme		

Subject to any voting instruction so given, the proxy/proxies will vote, or abstain from voting, on the resolutions as he may think fit.

Signed this _____ day of _____ 2005

Signature/Common Seal

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, this form, duly completed, must be 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 2005.
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.



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The Company Secretaries
ASIA PACIFIC LAND BERHAD
Suites 704 & 705, 7th Floor,
No.11, Lorong Kinta,
10400 Pulau Pinang.

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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 : (603) 2163 1200
Fax : (603) 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 : (604) 899 1213 / 1123
Fax : (604) 890 5260
Website : www.apland.com.my

■ SALES OFFICES



Development Companies:
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 : (603) 2162 1566
Fax : (603) 2163 4598
Toll Free : 1800 88 1339 (Within Malaysia)
E-mail : btpsales@myjaring.net

**BANDAR TASIK PUTERI
SITE SALES OFFICE**
2-G-A, Jalan 7A/2, Bandar Tasik Puteri,
Kundang, 48020 Rawang, Selangor.
Tel : (603) 6095 1937 / 0955
Fax : (603) 6095 0951



MOUNT PLEASURE RESORT
Developer:
Island Bay Resorts Sdn Bhd
(formerly known as Mount Pleasure Corporation Sdn Bhd)
2nd Floor,
Marina Terrace Sports Complex,
Jalan Low Yat, 11100 Batu Ferringhi,
Penang.
Tel : (604) 899 1213 / 1123
Fax : (604) 890 5260
E-mail : islandbay@apland.com.my



[myHabitat] SHOW GALLERY
59th Floor, Empire Tower,
City~Square Centre,
Jalan Tun Razak,
50400 Kuala Lumpur.
Tel : (603) 2162 2328
Fax : (603) 2161 1328
E-mail : myhabitat@myjaring.net
Website : www.myhabitat.com.my

■ MANAGEMENT OFFICE



City Square Properties Sdn Bhd
5th Floor, City~Square Centre,
Jalan Tun Razak, 50400 Kuala Lumpur.
Tel : (603) 2162 1566
Fax : (603) 2162 1408



Empire Tower (Malaysia) Sdn Bhd
5th Floor, City~Square Centre,
Jalan Tun Razak, 50400 Kuala Lumpur.
Tel : (603) 2162 1566
Fax : (603) 2162 1408

■ GOLF CLUB



Tasik Puteri Golf & Country Club
(Owned by Tasik Puteri Golf &
Country Club Berhad)
Bandar Tasik Puteri, Kundang,
48000 Rawang, Selangor.
Tel : (603) 6034 4722 / 21
Fax : (603) 6034 4723

■ HOTELS



Crown Princess Kuala Lumpur
(Owned by APL Hotel Sdn Bhd)
City~Square Centre, Jalan Tun Razak,
50400 Kuala Lumpur.
Tel : (603) 2162 5522
Fax : (603) 2162 4492
Toll Free : 1800 88 3886 (Within Malaysia)
E-mail : reservations@crownprincess.com.my
Website : www.fhihotels.com



Ferringhi Beach Hotel Penang
(Owned by Island Bay Resorts Sdn Bhd,
formerly known as
Mount Pleasure Corporation Sdn Bhd)
Jalan Low Yat,
11100 Batu Ferringhi, Penang.
Tel : (604) 890 5999
Fax : (604) 890 5100
Toll Free : 1800 88 8299 (Within Malaysia)
E-mail : reservations@feringhi.com.my
Website : www.fhihotels.com

