









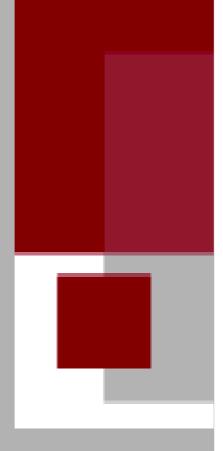


IGB CORPORATION BERHAD (5745-A)

Penthouse, Menara IGB, No. I, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia. Tel: 2289 8989 Fax: 2289 8802

ANNUAL REPORT 2004

Cyan Magenta Yellow Black



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OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the Forty First Annual General Meeting of IGB Corporation Berhad will be held at Bintang Ballroom, Level 5, Cititel Mid Valley, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur on Thursday, 26 May 2005 at 3.00 p.m. for the transaction of the following businesses:

AGENDA

AS ORDINARY BUSINESS

I. To receive the Audited Financial Statements for the year ended 31 December 2004 and the Reports of the Directors and Auditors thereon.

Resolution I

2. To sanction the declaration and payment of a final dividend of 2.5% less tax and 2.5% tax-exempt forthe financial year ended 31 December 2004.

Resolution 2

3. To re-elect the following Directors who retire in accordance with Article 85 of the Articles of Association:

(a) Tan Sri Abu Talib bin Othman

Resolution 3

(b) Dato' Seri Khalid Ahmad bin Sulaiman

Resolution 4

(c) Mr Robert Tan Chung Meng

- Resolution 5
- 4. To re-elect Mr Yeoh Chong Swee who retires in accordance with Article 89 of the Articles of Association.

Resolution 6

5. To approve the Directors' fees of RM200,000 per annum.

Resolution 7

6. To re-appoint PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.

Resolution 8

AS SPECIAL BUSINESS

To consider and if thought fit, with or without modification, to pass the following ordinary resolutions:

7. Authority to Directors to issue shares

THAT, subject to the Companies Act, 1965, the Articles of Association of the Company and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval of Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall commence immediately upon passing of this resolution and shall continue in force until the conclusion of the next Annual General Meeting of the Company.

Resolution 9

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

8. Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a revenue and trading nature

THAT, approval be and is hereby given to the Company and its subsidiaries ('the Group') to enter into and give effect to specified recurrent transactions of a revenue and trading nature and with specified classes of related parties as stated in Section 2.2.2 of the Circular to Shareholders dated 29 April 2005, which are necessary for the Group's day-to-day operations subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public where applicable and are not to the detriment of the minority shareholders; and
- (b) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year and such approval shall continue to be in force until:
 - (i) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed;
 - (ii) the expiration of the period within which the next Annual General Meeting of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ('Act') (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
 - (iii) revoked or varied by a resolution passed by the shareholders in general meetings,

whichever is earlier.

ANDTHAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution.

Resolution 10

9. Proposed Share Buy-Back

THAT, subject to the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the requirements of Bursa Malaysia Securities Berhad ('Bursa Securities') and any other relevant authorities, and other relevant approvals, the Company be and is hereby authorised to purchase its ordinary shares of RM0.50 each ('IGB Shares') on the market of Bursa Securities at any time upon such terms and conditions as the Directors in their absolute discretion deem fit and expedient in the interest of the Company provided that:

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

- (a) the aggregate number of IGB Shares purchased does not exceed ten per cent (10%) of the issued and paid-up ordinary share capital of the Company at the time of purchase;
- (b) the amount allocated for the purchase of IGB Shares shall not exceed the retained profits and share premium account of the Company based on the audited financial statements for the year ended 31 December 2004; and
- (c) the IGB Shares purchased are proposed to be cancelled and/or retained as treasury shares and subsequently cancelled, distributed as dividends or resold on Bursa Securities.

AND THAT such authority shall commence immediately upon passing of this ordinary resolution until:

- (i) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ('Act') (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by a resolution passed by the shareholders in general meeting,

whichever occurs first, but not as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by Bursa Securities or any other relevant authorities.

ANDTHAT the Directors of the Company be and are hereby empowered to do all acts and things as they may consider expedient or necessary to give effect to the Proposed Share Buy-Back.

Resolution 11

By Order of the Board Tina Chan Company Secretary MAICSA 7001659

Kuala Lumpur 29 April 2005

Notes:

Appointment of Proxy

A proxy may but need not be a member of the Company and the provisions of Section 149(1) of the Companies Act, 1965 shall not apply to the Company. To be valid, the proxy form duly completed must be deposited at

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NOTICE OF ANNUAL GENERAL MEETING (cont'd)

the Registered Office not less than 48 hours before the time for holding the meeting. A member shall be entitled to appoint more than one proxy to attend and vote at the same meeting, provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are complied with. Where a member appoints more than one proxy, the appointment shall be invalid unless the member specifies the proportions of holdings to be represented by each proxy. If the appointer is a corporation, the form must be executed under its Common Seal or under the hand of its attorney.

2. Closure of Register

The Register of Members will be closed on 16 June 2005 for purpose of preparing warrants for the final dividend which, if approved, will be paid on 15 July 2005 to every member who is entitled to receive the dividend as at 4.00 p.m. on 15 June 2005.

3. Re-election of Directors

Details of Directors who are standing for re-election are set out in the Profile of the Board of Directors.

4. Explanatory Notes on Special Business:

Resolution 9 - Authority to Directors to issue shares

The proposed resolution, if passed, will renew the authorisation obtained at the last Annual General Meeting, pursuant to Section 132D of the Companies Act, 1965 for issuance and allotment of up to 10% of the issued and paid-up share capital of the Company for the time being for such purposes as the Directors of the Company consider in the interest of the Company, subject to compliance with the regulatory requirements. The approval is sought to avoid any delay and cost in convening a general meeting for such issuance of shares. The authorisation, unless in pursuance of offers, agreements or options granted by the Directors while the approval is in force, will expire at the conclusion of the next Annual General Meeting of the Company.

Resolution 10 - Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature

The proposed resolution, if passed, will allow the Group to enter into recurrent related party transactions of a revenue or trading nature pursuant to paragraph 10.09 of the Listing Requirements of Bursa Securities.

Resolution 11 - Proposed Share Buy-Back

The proposed resolution, if passed, will empower the Directors to purchase the IGB Shares of up to ten percent (10%) of the issued and paid-up share capital of the Company by utilising funds allocated up to latest audited retained profits and the share premium account of the Company. This authority, unless revoked or varied at general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Further information on the Proposed Shareholders' Mandate and Proposed Share Buy-Back is set out in the Circular to Shareholders of the Company dated 29 April 2005, which is despatched together with this Company's Annual Report 2004.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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I. Re-election of Directors

Directors who are standing for re-election at the Forty First Annual General Meting of the Company are:

Tan Sri Abu Talib bin Othman Dato' Seri Khalid Ahmad bin Sulaiman Mr Robert Tan Chung Meng Mr Yeoh Chong Swee

Details of Directors who are standing for re-election are set out in the Profile of the Board of Directors.

2. Board of Directors' Meeting

For the financial year ended 31 December 2004, a total of four (4) Board Meetings were held, details of which are set out in the Statement on Corporate Governance.

3. Forty First Annual General Meeting

Date : Thursday, 26 May 2005

Time : 3.00 p.m.

Venue : Bintang Ballroom,

Level 5, Cititel Mid Valley,

Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur CORPORATE INFORMATION



CORPORATE INFORMATION

BOARD OF DIRECTORS

Independent Non-Executive Chairman

Tan Sri Abu Talib bin Othman

Managing Director

Robert Tan Chung Meng

Executive Directors

Tan Boon Seng

Tan Boon Lee

Chua Seng Yong, alternate to Managing Director

Senior Independent Non-Executive Director

Dato' Seri Khalid Ahmad bin Sulaiman

Independent Non-Executive Directors

Tan Kai Seng

Yeoh Chong Swee

Non-Independent Non-Executive Directors

Tan Lei Cheng

Pauline Tan Suat Ming

Tony Tan @ Choon Keat

Datuk Abdul Habib bin Mansur

COMPANY SECRETARY

Tina Chan Lai Yin

REGISTERED OFFICE

Penthouse, Menara IGB, No. 1, The Boulevard,

Mid Valley City, Lingkaran Syed Putra,

59200 Kuala Lumpur

Telephone: 03-22898989 Facsimile: 03-22898802

REGISTRAR

IGB Corporation Berhad

[Share Registration Department]

23rd Floor, Menara IGB, No. 1, The Boulevard,

Mid Valley City, Lingkaran Syed Putra,

59200 Kuala Lumpur

Telephone: 03-22898989 Facsimile: 03-22898983

AUDITORS

PricewaterhouseCoopers,

11th Floor, Wisma Sime Darby, Jalan Raja Laut,

50350 Kuala Lumpur

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad Malayan Banking Berhad United Overseas Bank (Malaysia) Berhad OCBC Bank (Malaysia) Berhad

BOARD COMMITTEES

Executive Committee

Chairman

Tan Boon Seng

Members

Robert Tan Chung Meng

Tan Boon Lee

Pauline Tan Suat Ming

Audit Committee

Chairman

Dato' Seri Khalid Ahmad bin Sulaiman

Members

Tan Kai Seng

Yeoh Chong Swee

Robert Tan Chung Meng

Nomination Committee

Chairman

Tan Sri Abu Talib bin Othman

Members

Dato' Seri Khalid Ahmad bin Sulaiman

Pauline Tan Suat Ming

Remuneration Committee

Chairman

Tan Sri Abu Talib bin Othman

Members

Robert Tan Chung Meng

Yeoh Chong Swee

Risk Management Committee

Members

Tan Boon Seng

Robert Tan Chung Meng

Tan Boon Lee

Pauline Tan Suat Ming

Share & ESOS Committee

Members

Robert Tan Chung Meng

Tan Boon Seng

Tan Boon Lee

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad

Listed on Main Board on 10 September 1981

Stock Code: 1597

OF THE BOARD OF DIRECTORS

The Board of Directors of IGB Corporation Berhad ('IGB') comprises an Independent Non-Executive Chairman, a Managing Director, two Executive Directors and seven Non-Executive Directors, three of whom are independent.

The Board meets quarterly and additional Board Meetings are held as and when required. The Board met four times during the year ended 31 December 2004.

Particulars of the Directors are as follows:

Tan Sri Abu Talib bin Othman

Independent Non-Executive Chairman

Malaysian, aged 67, joined the Board of IGB on 18 July 1995. He was appointed Chairman on 30 May 2001. He is also the Chairman of the Nomination and Remuneration Committees.

He is a Barrister-at-law and has served in various capacities in the judicial and legal service of the Government of Malaysia. He was the Attorney General of Malaysia from 1980 until his retirement in October 1993.

He is also presently the Chairman and/or a Director of several public companies such as British American Tobacco (Malaysia) Berhad, Sime Darby Berhad, CYL Corporation Berhad, Alliance Unit Trust Management Berhad and MUI Continental Insurance Berhad.

He does not have any family relationship with other Directors and/or Major Shareholders of the Company. He has no conflict of interest with the Company and has not been convicted of any offence in the past 10 years.

Robert Tan Chung Meng

Managing Director

Malaysian, aged 53, was appointed Joint Managing Director of IGB on 18 December 1995 and subsequently re-designated to Managing Director on 30 May 2001. He is also a member of the Exco, Audit, Remuneration, Risk Management and Share & ESOS Committees.

He has vast experience in the property and hotel industry. After studying Business Administration in the United Kingdom, he was attached to a Chartered Surveyor's firm for one year. He has also developed a housing project in Central London before returning to Malaysia. He has been involved in various development projects carried out by IGB and Tan & Tan Developments Berhad, in particular the Mid Valley Project.

He is also presently the Non-Executive Chairman of Wah Seong Corporation Berhad and the Group Managing Director of Kris Components Bhd.

He is a Major Shareholder of IGB. He is a brother of Tony Tan @ Choon Keat and Pauline Tan Suat Ming, a nephew of Dato' Tan Chin Nam, and a cousin of Tan Boon Seng, Tan Lei Cheng and Tan Boon Lee, all of whom are Directors and/or Major Shareholders of IGB. He has no conflict of interest with the Company and has not been convicted of any offence in the past 10 years.

PROFILE OF THE BOARD OF DIRECTORS (cont'd)

Tan Boon Seng

Executive Director

Malaysian, aged 50, joined IGB in 1980 as General Manager. He was appointed to the Board of IGB on 20 December 1990, Managing Director in 1991, re-designated as Joint Managing Director in 1995, and subsequently re-designated as Executive Director on 30 May 2001. He is the Chairman of the Exco, and is also a member of the Risk Management and Share & ESOS Committees.

He holds a Master of Arts from Cambridge University.

He is also the Chairman and Managing Director of Lee Hing Development Limited, and a Director of Wo Kee Hong (Holdings) Limited and Star Cruise Limited, all listed on The Stock Exchange of Hong Kong Limited.

He is a son of Dato' Tan Chin Nam, a brother of Tan Lei Cheng and Tan Boon Lee, and a cousin of Robert Tan Chung Meng, Pauline Tan Suat Ming and Tony Tan @ Choon Keat, all of whom are Directors and/or Major Shareholders of IGB. He has no conflict of interest with the Company and has not been convicted of any offence in the past ten years.

Tan Boon Lee

Executive Director

Malaysian, aged 41, was appointed to the Board of IGB on 10 June 2003 as an Executive Director. He is the Chief Executive Officer of the Hotel division, and is also a member of the Exco, Risk Management and Share & ESOS Committees.

He holds a Bachelor of Economics from Monash University, Australia and a Masters in Business Administration from Cranfield School of Management, United Kingdom. He has 18 years experience in the property and hotel industry, giving management and technical assistance to hotel and hospitality projects in Malaysia and Asia. He was the President of Malaysian Association of Hotel Owners (MAHO) from 2002 to 2004.

He also sits on the Boards of Kris Components Bhd, Gold IS Berhad and Macro Kiosk Berhad.

He is a son of Dato' Tan Chin Nam, a brother of Tan Boon Seng and Tan Lei Cheng, and a cousin of Robert Tan Chung Meng, Pauline Tan Suat Ming and Tony Tan @ Choon Keat, all of whom are Directors and/or Major Shareholders of IGB. He has no conflict of interest with the Company and has not been convicted of any offence in the past ten years.

Dato' Seri Khalid Ahmad bin Sulaiman

Senior Independent Non-Executive Director

Malaysian, aged 69, was appointed to the Board of IGB on 18 June 1982. He is the Chairman of the Audit Committee, and is also a member of the Nomination Committee.

He studied at the University of Leicester, England and was called to the Bar at Middle Temple in 1964. He worked as Legal Advisor to the statutory body (MARA) for three years before setting up his own legal practice in Penang in 1969. He was also the Penang State Executive Councillor from 1974 to 1982. Presently, he is the Chairman of the Advocates & Solicitors Disciplinary Board, Malaya.

PROFILE OF THE BOARD OF DIRECTORS (cont'd)

He also sits on the Boards of Hong Leong Credit Berhad and HLG Capital Berhad.

He does not have any family relationship with other Directors and/or Major Shareholders of the Company. He has no conflict of interest with the Company and has not been convicted of any offence in the past 10 years.

Tan Lei Cheng

Non-Independent Non-Executive Director

Malaysian, aged 48, was appointed to the Board of IGB on 10 June 2003 as a Non-Independent Non-Executive Director.

She holds a Bachelor of Commerce from the University of Melbourne, Australia and a Bachelor of Law from King's College, London (LLB Hons.). She is also a member of Lincoln's Inn and was admitted to the English Bar in 1983.

She has 23 years of experience in the property industry and the corporate sector. She was the chief executive officer of Tan & Tan Developments Berhad from March 1985, a property development company that was listed on Bursa Malaysia Securities Berhad until Gold IS Berhad took over its listing on 8 May 2002, following the completion of the merger between IGB, Tan & Tan Developments Berhad and Gold IS Berhad. She is presently the Executive Chairman and Chief Executive Officer of Gold IS Berhad. She also sits on the Boards of Kris Components Bhd and Macro Kiosk Berhad. She is also the Chapter Chair for the Young Presidents' Organisation, Malaysia Chapter (YPO) for 2004-2005. YPO is a premier international network of young business leaders that is dedicated to the continuing education of its members. She is also a Board member of the Kuala Lumpur Business Club.

She is a daughter of Dato' Tan Chin Nam, a sister of Tan Boon Seng and Tan Boon Lee, and a cousin of Robert Tan Chung Meng, Pauline Tan Suat Ming and Tony Tan @ Choon Keat, all of whom are Directors and/ or Major Shareholders of IGB. She has no conflict of interest with the Company and has not been convicted of any offence in the past ten years.

Pauline Tan Suat Ming

Non-Independent Non-Executive Director

Malaysian, aged 60, was appointed to the Board of IGB on 10 June 2003 as a Non-Independent Non-Executive Director. She is also a member of the Exco, Risk Management and Nomination Committees.

She holds a Bachelor of Science (Honours) in Biochemistry from the University of Sussex, England and is also a Fellow of the Chartered Institute of Secretaries and Administrators. She worked as a chemist in Malayan Sugar Manufacturing Co. Berhad from 1969 to 1972. She joined Tan Kim Yeow Sdn. Bhd. as an Executive Director in 1976 and joined Wah Seong Group of Companies in 1983. She also sits on the Board of Wah Seong Corporation Berhad and Gold IS Berhad.

She is a Major Shareholder of IGB. She is a sister of Tony Tan @ Choon Keat and Robert Tan Chung Meng, a niece of Dato'Tan Chin Nam, and a cousin of Tan Boon Seng, Tan Lei Cheng and Tan Boon Lee, all of whom are Directors and/ or Major Shareholders of IGB. She has no conflict of interest with the Company and has not been convicted of any offence in the past 10 years.

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PROFILE OF THE BOARD OF DIRECTORS (cont'd)

Tony Tan @ Choon Keat

Non-Independent Non-Executive Director

Malaysian, aged 56, was appointed to the Board of IGB on 15 July 2003 as a Non-Independent Non-Executive Director.

He holds a Bachelor Degree in Chemical Engineering from the University of Surrey, England and a Master in Business Administration from the University of California, Berkeley, USA. He also sits on the Board of Parkway Holdings Limited in Singapore as Deputy Chairman, and Lee Hing Development Limited in Hong Kong.

He is a Major Shareholder of IGB. He is a brother of Robert Tan Chung Meng and Pauline Tan Suat Ming, a nephew of Dato' Tan Chin Nam, and a cousin of Tan Boon Seng, Tan Lei Cheng and Tan Boon Lee, all of whom are Directors and/or Major Shareholders of IGB. He has no conflict of interest with the Company and has not been convicted of any offence in the past 10 years.

Tan Kai Seng

Independent Non-Executive Director

Singaporean, aged 53, was appointed to the Board of IGB on 15 July 2003 as an Independent Non-Executive Director. He is also a member of the Audit Committee.

Mr Tan is a Certified Public Accountant, Singapore and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. He started his career with Price Waterhouse Singapore in 1973 and joined Parkway Properties as its Financial Controller in 1980. In 1988, he was appointed to the Board of Parkway Holdings Limited, a group with significant interests in private healthcare investment and management.

He does not have any family relationship with other Directors and/or Major Shareholders of the Company. He has no conflict of interest with the Company and has not been convicted of any offence in the past 10 years.

Datuk Abdul Habib bin Mansur

Non-Independent Non-Executive Director

Malaysian, aged 61, was appointed as a Director of IGB on 13 June 2003, and is a representative of Permodalan Nasional Berhad, a Major Shareholder of IGB.

He holds a B.A. (Hons.) from the University of Malaya, an Advance Diploma in Development Administration from the University of Manchester and a Master degree in Public Policy and Administration from the University of Wisconsin.

He has thirty years experience in both the State and Federal levels of administration when he joined the Administrative and Diplomatic Service. His last posting was the State Secretary of Perak during 1995 to 1999 before his retirement.

He does not have any family relationship with other Directors and/or Major Shareholders of the Company. He has no conflict of interest with the Company and has not been convicted of any offence in the past 10 years.

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Yeoh Chong Swee

Independent Non-Executive Director

Malaysian, aged 62, joined the Board of IGB on 1 June 2004. He is also a member of the Audit and Remuneration Committees.

He is a Chartered Secretary and also a Fellow of the Australian and Malaysian Institute of Taxation; Fellow of the Institute of Company Secretaries Malaysia and Fellow of the Association of Accounting Technicians, UK. He was the managing director and chief executive officer of Deloitte KassimChan Tax Services Sdn Bhd and Deloitte Touche Tohmatsu Tax Services Sdn Bhd from 1977 to 2004.

He does not have any family relationship with other Directors and/or Major Shareholders of the Company. He has no conflict of interest with the Company and has not been convicted of any offence in the past 10 years.

Chua Seng Yong

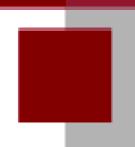
Alternate Director to Managing Director

Malaysian, aged 43, is the Executive Assistant to the Managing Director of IGB. He joined IGB as Financial Controller in 1994 and has more than 16 years experience in property and hotel industry. He was appointed to the Board of IGB on 30 November 1999 as an alternate to the Managing Director.

He graduated with an Economics degree from Monash University, Australia in 1984. He is also an associate member of the Australia Society of Accountants. He attained his Masters in Business Administration from Cranfield School of Management, United Kingdom in 1992.

He does not have any family relationship with other Directors and/or Major Shareholders of the Company. He has no conflict of interest with the Company and has not been convicted of any offence in the past 10 years.

CHAIRMAN'S STATEMENT





Tan Sri Abu Talib bin Othman
Independent Non-Executive Chairman

On behalf of the Board of Directors, it gives me great pleasure to present to you the Annual Report and Audited Financial Statements of the Group and of the Company for financial year ended 31 December 2004.

Financial Results

For the year in review, Group revenue was RM504.6 million, down 5.2% from RM532.2 million in 2003. Despite the drop in revenue, pre-tax profit of RM141.7 million was up 34% from the 2003 results; which had included the exceptional gain of RM79.0 million from the disposal of shares in IJM Corporation Berhad.

All three divisions; Property Development, Property Management and Hotel, recorded increased revenue for financial year ended 31 December 2004, at RM222.2 million, RM181.3 million and RM84.4 million respectively.

Dividends

I am pleased to announce that the Board of Directors has proposed a final dividend of 5%, comprising 2.5% less tax and 2.5% tax exempt.

In respect of the Irredeemable Convertible Preference Share 2002/2007 for the same period under review, a fixed cumulative preferential dividend of 1% per annum less tax will be paid.

Corporate Developments

On 23 August 2004, following the completion of IGB's acquisition of Kris Components Bhd ("Kris") from Amtek Engineering Limited ("Amtek"), IGB disposed of Mid Valley City Sdn Bhd ("MVC") to Kris thus enabling IGB to unlock the value of its investment in MVC whilst keeping it within the Group. Further to this, between September to December 2004, IGB acquired additional shares in Kris from other minority shareholders. Following the Kris acquisition and MVC disposal, the public shareholding spread of Kris was 1.58%, representing a shortfall of 23.42% in meeting the public shareholding spread of 25%. The trading of Kris Shares was therefore suspended due to non-compliance of the public shareholding spread requirements as prescribed in Paragraph 8.15(1) of the Listing Requirements of Bursa Securities. The Company was subsequently granted six months grace to comply with the shareholding spread requirement.

CHAIRMAN'S STATEMENT (cont'd)

On 23 February 2005, Bursa Securities had approved a further extension of six months until 16 September 2005 for Kris to meet the public shareholding spread. To enable Kris to meet the public shareholding spread, the Company, being the substantial shareholder of Kris, had on 6 October 2004 announced of its proposal to undertake a capital distribution-in-specie of 77,669,000 Kris shares to its shareholders via a reduction of share premium account which was completed in April 2005. To meet the shortfall in the public shareholding spread of Kris, the persons acting in concert with IGB has undertaken to carry out additional placements or disposals, as appropriate, of Kris shares.

In addition, MVC, via Mid Valley Capital Sdn Bhd entered into an agreement with United Overseas Bank (Malaysia) Berhad and OCBC Bank (Malaysia) Berhad to issue RM400 million Nominal Value Redeemable Secured Bonds. The exercise concludes another structured finance transaction which is fast gaining importance in Malaysia's capital market. By leveraging on the strong profile of Mid Valley Megamall, the Bonds have been accorded the long-term stand-alone rating of AAA and AA2 by Rating Agency Malaysia Bhd. The successful refinancing exercise is expected to save the Group about RM7 million in interest costs annually.

Operational Highlights

During the year in review, the Group launched various key projects in the Klang Valley, in particular, the up-market and exclusive townhouses at Damai 33; and Northpoint, (Phase 4 of MVC), which comprises office and residential suites. On-going developments, namely Seri Bukit Persekutuan, Seri Maya, Sierramas West and Belimbing Heights continued to record brisk sales. Post-Iraq War and SARS, the recovery in the tourism sector bode well for the Group's hospitality business although tourism was slightly impacted by the December 26 tsunami, in particular the resort properties. For Mid Valley City, work has commenced on the RM750 million Phase 2, The Gardens. Now in its sixth year, Mid Valley Megamall continues to record commendable rental and high levels of patronage despite competition from several new retail centres. With the launch of Property Development's and MVC's new projects, the Construction division's order book grew 16% to RM502 million for the year in review. The Property Management division's continuing efforts to reduce operating costs whilst increasing recurrent income proved successful as evidenced by its 36% contribution to Group revenue.

Prospects

The resilience of the Malaysian economy is expected to continue in 2005 with the economy forecasted to expand by 6% (source: Bank Negara) and the private sector remaining the primary economic driver. The slower growth rate is in line with the slower growth expected in the developed and larger economies.

On the home front, outlook for the residential property sector remains healthy with demand unlikely to cool off as long as employment and the economy continue to grow. The same can be said for the hotel sector. With the hospitality industry on the upswing, there is the likelihood of higher occupancy rates, complemented by an increase in tourists and domestic spending. And the growing popularity of Real Estate Investment Trusts (REITs) bodes well for the office building and retail markets as an instrument for a less volatile portfolio and a reasonably consistent income stream.

Against this backdrop, the Group's core businesses are well-placed to take advantage of opportunities to strengthen their presence in the respective industries. With Kris positioned as the forerunner to the Group's possible venture into REITs, a structure that ensures high corporate governance and transparency, IGB will further strengthen its corporate governance practices to engender greater investor confidence.

CHAIRMAN'S STATEMENT (cont'd)

Boardroom

On behalf of the Board, I would like to extend our condolences to the family of the late Dato' Megat Muhaiyadin bin Megat Hassan who passed away on 12 December 2004. The late Dato' Megat served as a non-independent non-executive director until his untimely demise and his counsel and friendship will be missed.

I would also like, on behalf of the Board, to extend our thanks and appreciation to Datuk Dr Abdul Samad bin Haji Alias, an independent non-executive director who tended his resignation on 31 May 2004.

On behalf of the Board, I would like to welcome Mr Yeoh Chong Swee, who joined the Board as an independent non-executive director on I June 2004.

Acknowledgement & Appreciation

I would like to express my sincere thanks and appreciation to the management and staff for their hard work, support and dedication to the Group during the year, and to the relevant authorities for their guidance and counsel. To our business partners, customers, tenants, financiers and shareholders, your strong and continued support and confidence in the Group is much appreciated. Last but not least, I wish to record my thanks to my fellow Directors for their advice and support.

TAN SRI ABU TALIB BIN OTHMAN

Chairman 20 April 2005

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REVIEW OF OPERATIONS





Robert Tan Chung Meng
Managing Director

Dear Shareholders,

Financial year ended 31 December 2004 was satisfactory, with Group revenue at RM504.6 million, down 5.2% from RM532.2 million in the previous year. Pre-tax profit dipped 23% to RM141.7 million compared with RM184.4 million in 2003. The 2003 results had included an exceptional gain of RM79.0 million from the disposal of shares in IJM Corporation Berhad. If this exceptional gain had been excluded, pre-tax profit would have increased 34% in light of higher contributions from the Property Management and Hotel divisions.

On the corporate front, August 2004 saw the completion of the injection of Mid Valley City Sdn Bhd ("MVC") into Kris Components Bhd ("Kris"). In April 2005, the Company completed its capital distribution-in-specie of 77,669,000 Kris shares to shareholders. As a result, IGB shareholders now hold shares in two Bursa Malaysia Main Board companies.

On 7 September 2004, IGB, via MVC and MidValley Capital Sdn Bhd entered into an agreement with United Overseas Bank (Malaysia) Berhad and OCBC Bank (Malaysia) Berhad for the issuance of RM400 million Nominal Value Redeemable Secured Bonds. Issued under the concept of commercial real estate backed transaction, the exercise will leverage on the value of MidValley Megamall.

PROPERTY DEVELOPMENT

In tandem with a robust economy and buoyant property market, the Property Development division performed up to expectations, accounting for 44% of Group turnover by division.

During the year in review, two major projects were launched; Damai 33 and MidValley City's Northpoint Office Suites and Residences. Located in the up-market residential enclave of Jalan Damai, Damai 33 offers eight homeowners a new townhouse lifestyle, complete with individual rooftop, jacuzzi, courtyard and private garden. The Northpoint development marks the first office suites and residential homes to be sold in the popular Mid Valley Megamall precinct. Also introduced into the market were 10 shop offices at Tanamera, a small gated community of 146 townhouses and semi-detached homes in Subang Jaya, Selangor.

REVIEW OF OPERATIONS (cont'd)

Continuing to enjoy remarkable success is none other than Seri Bukit Persekutuan. All townhouses and semi-detached homes launched to date have been sold with the exception of one WestBank condominium and a handful of MeadowBank 'Villa' bungalows. Similarly, notable sales were also achieved for Seri Maya, Sierramas West and Belimbing Heights.

Wholly-owned subsidiary, Tan & Tan Developments Berhad ("Tan & Tan") continued to expand the Group's land bank with the purchase of 2.54 acres of freehold land on Jalan Madge in the prime Jalan U-Thant area, Kuala Lumpur. Plans have since been submitted for a low-rise low-density development that complements the exclusiveness of the area.

For the second year running, the Group was nominated The Edge business & investment weekly's top property developer in 2004, further acknowledging IGB as the market leader in Malaysia's property development arena.

MID VALLEY CITY

Mid Valley City's four-phase development plan encompassing retail, hospitality, living and business and leisure facilities and amenities is progressing accordingly. The nearly-completed Phase I now offers a shopping mall, hotel and office space while construction has commenced on Phase 2. Known as The Gardens, the development will add more than five million square feet of high-end retail, hospitality and office space thus creating exciting opportunities to expand the merchandising mix capacity.

Launched in third-quarter 2004 was the Phase 4 Northpoint office-cum-residential suite development which has since received very encouraging response, in particular the offices.

At the southern end of Mid Valley City is Phase 3 with an allowable area in excess of one million square feet. This has the potential for a convention centre or other commercial use to be developed within the Phase 3 development.

Retail

Mid Valley Megamall ("Megamall") continues to be a popular retail destination despite increased competition from sizeable new shopping centres in the Klang Valley. The year in review recorded some 26 million visitors and this is expected to continue trending upwards following the opening of the new Mid Valley KTM Komuter station. Efforts to enhance the retail mix and experience for tenants and visitors alike were duly rewarded with a 10% increase in gross sales turnover compared with the previous year.

The implementation of innovative and aggressive marketing plans aimed at capturing higher disposable income earners is an ongoing process and has created more trading vigour for the retail tenants. Upgrading works within the Megamall also speeded up to provide a more conducive shopping experience and to uplift the standard and image of the physical environment.

Further enhancing and broadening the MidValley City retail landscape will be the RM750 million Phase 2, The Gardens, a high-end retail center that will boast approximately 200 stores when completed in 2007.

Offices

Menara IGB continues to enjoy high occupancy levels with rental yields currently above market rates.

The newest addition is the 22-storey Northpoint which offers units based on the small-office home-office ("SOHO") concept. Consisting of 204 office suites and 228 residences, the office units are commanding average sales in excess of RM400 per square foot for areas of between 1,400 to 1,900 square feet. Launched in September 2004, nearly 70% of the office units were sold within three days. This excellent response can be attributed to increasing confidence in the Mid Valley City development.

On the drawing board are two more office towers at **The Gardens**. This, combined with the existing office space, is set to make Mid Valley City the choice location for business investment opportunities.

Traffic Infrastructure

Cognisant of the importance of accessibility and mobility within Mid Valley City, infrastructure and traffic reviews are being implemented to ensure a fully-integrated modern city development. Activities include improvements to the road system, access lanes, entrance and exit points and internal traffic flows. In August 2004, a new RM5 million access road was completed to facilitate a more convenient and faster entry from the Federal Highway. The Mid Valley KTM Komuter station also opened and is recording a daily average of 10,000 passengers. A covered pedestrian bridge connects the station to the Megamall.

Plans are underway for a new monorail station while future transportation initiatives include a proposed link from The Gardens to the Abdullah Hukum LRT station via a pedestrian bridge.

Car park facilities have also been enhanced with the commissioning of 4,200 additional spaces to the existing 7,000 bays.

The infrastructure improvements carried out are in tandem with Mid Valley City's progressive development and in line with the transformation of Mid Valley City into a transportation hub.

HOTEL

The year under review saw the hotel division perform above expectations. Tourist arrivals to Malaysia improved and apart from the tsunami effects on resort bookings over the last week of the year, 2004 was a better year for the tourism sector.

Our overseas hotels also continued to enjoy brisk business for the period under review with most hotels performing above expectations with the exception of our property in Yangon, which continues to be affected by the international embargo on the country.

Looking ahead to 2005, a new hotel in Mid Valley will be added to our portfolio. To be opened in the second quarter of 2005, the new hotel will be known as "Boulevard Hotel" and it will have approximately 390 rooms. Boulevard Hotel will be targeting a different market segment from Cititel Hotel and will be positioning itself as a premier 4 star property in the Klang Valley.

PROPERTY MANAGEMENT

Given the soft commercial property market, the division turned in a commendable performance with 98% occupancy for the 26-storey Menara IGB, 96% for Menara Tan & Tan, 95% for Ampwalk and 81% for Plaza Permata.

CONSTRUCTION

Whilst the Malaysian construction sector contracted during the year in review, the Construction division portfolio expanded following the commencement of new projects namely, Damai 33 and Cendana on Sultan Ismail.

Construction management subsidiary, Ensignia Construction Sdn Bhd's ("Ensignia") order book grew 16% to RM502 million, from RM430 million the year before.

REVIEW OF OPERATIONS (cont'd)

In April 2004, Ensignia and Shimizu Corporation set up Shimizu-Ensignia Joint-Venture to undertake the design, construction and completion of Phase 2 of Mid Valley City's The Gardens. Construction has since started on The Gardens at a contract sum estimated to be RM575.0 million.

In an on-going endeavour to improve quality and efficiency, Ensignia received ISO9001:2000 certification in October 2004.

MANPOWER DEVELOPMENT

The Group's vision to be known as a developer with innovative ideas and for the delivery of quality products has been imbued in the Company's culture and staff are encouraged to 'take a step further' to achieve the Company's expectations and goals.

Manpower development remains key to the Group's success and the achievement of its vision. Hence, a superior reward performance strategy is in place to attract, retain and motivate the staff to achieve the Group's short and long-term goals. Towards this end, the Human Resource challenge is to develop sound principle-driven policies that integrate business ideas with people strategies to unify internal processes with the people function.

Throughout the year in review, a host of human development programmes were initiated and implemented with a concentration in team building, customer service improvement, crisis management, communication skills development, amongst others.

The Group's human capital priorities will be to leverage existing people resources to develop a new generation of leaders to undertake both MidValley City's Phase 2 project, The Gardens and other future developments. Further investment will also be made to create an equitable reward programme to attract and capture the cream of existing resources, and to educate, develop and demand from them above par performance.

THE YEAR AHEAD

The successful conclusion of the Amtek-Kris deal and the injection of MVC into a listed vehicle signal a new chapter in IGB's history. Having two separate listed companies focused on their respective strategic growth opportunities will allow for greater management specialization and growth in the Group's core businesses. It is also the first step towards IGB's vision of creating an investment property arm for good yielding recurrent income assets; be they internal or non-group properties, both in and outside Malaysia. For this reason, we will endeavour to achieve the 20% public spread allowed by Bursa Securities to facilitate the re-listing of Kris as soon as possible. Once achieved, the Malaysian public will have the opportunity to invest in a company with a steady dividend stream and to participate in the Megamall's continuing success as it focuses on strengthening its position as one of the leading shopping destinations in the Klang Valley for Malaysians and tourists alike.

Cognisant of the brand franchise that Tan & Tan has built-up over the years, the Group will capitalize on this for the coming property launches targeted at the higher end of the consumer market. Soft-launched in January 2005 was Cendana on Sultan Ismail, a 45-storey luxurious condominium adjacent to the Group's Renaissance Kuala Lumpur Hotel. With a projected sales value of RM270 million, Cendana on Sultan Ismail marks a return to premium inner city development. Strong interests have already been shown for the luxury apartments that will also enjoy 5-star hotel services from the Renaissance. An 83-unit super-class condominium at the corner of Jalan Kia Peng/Jalan Stonor behind the Kuala Lumpur City Centre (KLCC) is also likely to generate excitement. The third project coming on stream is the Tan & Tan-Landmarks Berhad urban residential estate sited on 129.7 acres in Wangsa Maju, Selangor Darul Ehsan. And last but not least is the ultimate phase of Seri Maya known as Savannah which will comprise 430 apartments and duplexes.

REVIEW OF OPERATIONS (cont'd)

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Similarly, we will seek to develop and strengthen existing brands such as MVC and Cititel, which are reputable and well-accepted by the market in order to gain a stronger foothold in our targeted business sectors. Also on-going will be the review of other growth opportunities, to identify projects and activities that will benefit the Group in terms of return on investment and in turn, enhance its financial position.

CONCLUSION

I would like to express my thanks and appreciation to my fellow Board members for their support and counsel during the year. To the management and staff, your continuing good work, dedication and commitment to the delivery of quality products and services in the respective business areas is acknowledged and appreciated.

Robert Tan Chung Meng Managing Director 20 April 2005 AUDIT
COMMITTEE REPORT

AUDIT COMMITTEE REPORT

MEMBERSHIPS

The members of the Audit Committee ('AC') shall be appointed by the Board of Directors upon the recommendations of the Nomination Committee and shall consist of not less than three (3) members, a majority of whom shall be Independent Directors. If membership for any reason falls below three (3) members, the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to fulfil the minimum requirement. The Chairman of the AC shall be an Independent Non-Executive Director. No alternate director shall be appointed as a member of the AC. At least one (1) member of the AC must be a member of the Malaysian Institute of Accountants or alternatively a person who must have at least three (3) years of working experience and have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967 or is a member of one (1) of the associations specified in Part II of the said Schedule. The Board shall review the terms of office of each member of the AC at least once in three (3) years.

The members of the AC comprises three (3) Independent Non-Executive Directors and the Managing Director as follows:

Dato'Seri Khalid Ahmad bin Sulaiman (Chairman), Senior Independent Non-Executive Director Tan Kai Seng, Independent Non-Executive Director
Yeoh Chong Swee, Independent Non-Executive Director (appointed on 1 June 2004)
Robert Tan Chung Meng, Managing Director

MEETINGS

The AC meets on a quarterly basis with the objective of reviewing the Group's financial reporting. The AC complements this through regular meetings with the senior management and both the internal and external auditors to review the Group's overall state of governance and internal controls. To ensure that critical issues are highlighted to all Board members in a timely manner, where possible, the AC meetings are convened before the Board meetings. The minutes of the AC are tabled to the Board where issues can be further deliberated, if necessary.

Unless otherwise determined by the AC members, three (3) days' notice specifying the place, date and time of the AC meeting and the matters to be discussed thereat shall be given to all AC members. The external and internal auditors may request a meeting by notifying the Company Secretary if deemed necessary.

The quorum for each meeting shall be two (2) members present in person, of whom two (2) must be Independent Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present. There were four (4) AC meetings held during the financial year ended 31 December 2004, and the details of attendance are as follows:

Directors	Number of AC Meetings	
	Held*	Attended
Dato' Seri Khalid Ahmad bin Sulaiman	4	4
Tan Kai Seng	4	4
Yeoh Chong Swee (appointed on 1 June 2004)	2	2
Robert Tan Chung Meng	4	4
Datuk Dr. Abdul Samad bin Haji Alias (resigned on 31 May 2004)	2	1

^{*} No. of meetings held during the time the Director held office

AUDIT COMMITTEE REPORT (cont'd)

INTERNAL AUDIT FUNCTION

The internal audit department is independent from the activities or operations of other operating units. The principal role of the department is to undertake independent, regular and systematic review of the systems of internal control so as to provide reasonable assurance that such systems continue to operate efficiently and effectively. It is the responsibility of the internal audit department to provide the AC with independent and objective reports on the state of internal control of various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements.

Further details of the activities of the internal audit department are set out in the Statement of Internal Control.

TERMS OF REFERENCE

Objectives

The primary objectives of the AC are:

- ensure transparency, integrity and accountability in the Group's activities so as to safeguard the rights and interests of the shareholders;
- provide assistance to the Board in discharging its responsibilities relating to the Group's management of principal risks, internal controls, financial reporting and compliance of statutory and legal requirements; and
- maintain through regularly scheduled meetings, a direct line of communication between the Board, senior management, internal auditors and external auditors.

Authorities

The AC has the following authority as empowered by the Board:

- to investigate any matter within its terms of reference;
- have the resources which are required to perform its duties;
- have full and unrestricted access to any information and personnel pertaining to the Group;
- have direct communication channels with the external and internal auditors; and
- to obtain independent professional advice as necessary.

Responsibilities and Duties

In fulfilling its primary objectives, the AC shall undertake the following responsibilities and duties:

- review and discuss with the external auditors of the following:
 - the audit plan (including the nature and scope of audit and to ensure co-ordination of audit where more than one audit firm is involved) prior to the commencement of audit;
 - their audit report;
 - ▶ their evaluation of the system of internal controls;
 - problems and reservations arising from the interim and final external audits, and any matters the external auditors may wish to discuss (in the absence of management, where necessary); and
 - ▶ their management letter and management's response

AUDIT COMMITTEE REPORT (cont'd)

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- review the quarterly results and year end financial statements, prior to submission to the Board for approval, focusing particularly on:
 - going concern assumptions;
 - changes in or implementation of major accounting policy changes;
 - major judgemental areas, significant and unusual events; and
 - compliance with accounting standards, regulatory and other legal requirements.
- review any related party transaction and conflict of interest situation that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises questions of management integrity, and to ensure that the Directors report such transactions annually to the shareholders vide the annual report.
- review the following in respect of internal auditors:
 - ▶ adequacy of the scope and plan, functions and resources of the internal audit function and that it has the necessary authority to carry out its work;
 - internal audit programme, processes and results of the internal audit programme, processes or investigation, and ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - effectiveness of the system of internal controls;
 - ▶ major findings of internal audit investigations and management's response;
 - ▶ appraisal or assessment of the performance of internal audit staff;
 - ▶ approve any appointment or termination of senior staff of the internal audit function; and
 - note resignations of internal audit staff and provide the resigning staff an opportunity to submit his/her reason for resignation.
- consider and recommend the nomination and appointment, the audit fee and any questions of resignation, dismissal or re-appointment of the external auditors.
- report promptly to Bursa Malaysia Securities Berhad on any matter reported by it to the Board of Directors which has not been satisfactorily resolved resulting in the breach of the Listing Requirements.
- review all prospective financial information provided to the regulators and/or the public.
- prepare reports, if the circumstances arise or at least once a year, to the Board summarising the work performed in fulfilling the AC's primary responsibilities.
- act on any matters as may be directed by the Board.

SUMMARY OF ACTIVITIES

In line with the terms of reference of the AC, the following activities were carried out by the AC during the year ended 31 December 2004 in discharging its functions:

- review of the external auditors' appointment, scope of work and their audit plan.
- review with the external auditors, the results of their audit, the audit report and internal control recommendations in respect of control weaknesses noted in the course of their audit.
- review of the internal control procedures.
- review of the quarterly unaudited financial results announcements prior to recommending for the approval of the Board.

AUDIT COMMITTEE REPORT (cont'd)

- review of the Group's risk management policy and framework.
- review of the Group's procedures in respect of the related party transactions.
- review of the Company's compliance with the Listing Requirements, the applicable approved accounting standards issued by the Malaysian Accounting Standards Board and other relevant legal and regulatory requirements.

This Report is made in accordance with a resolution of the Board of Directors dated 13 April 2005.

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STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ('Board') of IGB Corporation Berhad ('Company') is pleased to report that during the year under review, the Company and its subsidiaries ('Group') continued to pursue its commitment to corporate governance and protection of shareholders value. This Statement sets out the application by the Group of the principles contained in the Malaysian Code of Corporate Governance ('Code') and the extend of compliance with the Code as required under the Listing Requirements of Bursa Malaysia Securities Berhad ('Listing Requirements'). The only area of non-compliance with the Code is the recommended disclosure of details of the remuneration of each director. Details of Directors' remuneration are set out by applicable bands of RM50,000, which comply with the disclosure requirements under the Listing Requirements. The Board is of the view that the transparency and accountability aspects of corporate governance as applicable to Directors' remuneration are appropriately served by the band disclosure made.

BOARD

Board responsibility

The Board has always recognized the need for good corporate governance to protect and enhance long term shareholders' value and the financial performance of the Company. An indication of the Board's commitment is reflected in the conduct of regular Board meetings and the incorporation of various processes and systems as well as the establishment of relevant committees which also meet regularly.

Board balance

The Board, led by an Independent Non-Executive Chairman, has eleven (11) members, comprising eight (8) Non-Executive Directors and three (3) Executive Directors, with four (4) of the eight (8) Non-Executive Directors being Independent Directors. The Board comprises of an appropriate balance of Non-Executive and Executive Directors with diverse experience and expertise required for the effective stewardship of the Company and independence in decision making at Board level. A brief description on the background of each Director is presented in the Profile of the Board of Directors.

The roles of the Chairman of the Board and the Managing Director are distinct and separated with responsibilities clearly defined to ensure a balance of power and authority. Generally, the Chairman of the Board is responsible for ensuring Board effectiveness and conduct, whilst the Managing Director oversees the day-to-day management of the Group and together with the Executive Directors ensure that strategies, policies and matters approved by the Board and/or the Exco are effectively implemented.

The presence of Independent Non-Executive Directors fulfils a pivotal role in corporate accountability. Essentially, Independent Non-Executive Directors provide unbiased and independent views, advice and judgement in the decision making process. As and when a potential conflict of interest arises, the Director concerned would declare his interest and abstain from the decision-making process.

Dato' Seri Khalid Ahmad bin Sulaiman is the Senior Independent Non-Executive of the Board to whom any concerns may be conveyed.

Meetings and Procedures

The Board meets on a scheduled basis once every quarter with additional meetings held as and when urgent issues and important decisions are required to be taken between the scheduled meetings.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

All Directors are provided with an agenda of meeting and board papers on the Company's financial performance, corporate developments, business outlook, various committees' reports and disclosures by Directors of their interest in shares and contracts, where applicable, prior to the Board meeting. The board papers are issued in advance to facilitate informed decision-making. Any proposals and recommendations by the management are presented to and discussed by the Board before any decision is made.

During the financial year ended 31 December 2004, four (4) Board meetings were held and the attendance of Board members is as follows:

Directors	Number of Board Meetings	
	Held*	Attended
Tan Sri Abu Talib bin Othman	4	4
Robert Tan Chung Meng	4	4
Tan Boon Seng	4	3
Tan Boon Lee	4	3
Dato' Seri Khalid Ahmad bin Sulaiman	4	4
Tan Kai Seng	4	4
Yeoh Chong Swee (appointed on 1 June 2004)	2	2
Tan Lei Cheng	4	2
Pauline Tan Suat Ming	4	3
Tony Tan @ Choon Keat	4	3
Datuk Abdul Habib bin Mansur	4	4
Dato' Megat Muhaiyadin bin Megat Hassan (demised on 12 December 2004)	3	3
Chua Seng Yong	4	3
Datuk Dr. Abdul Samad bin Haji Alias (resigned on 31 May 2004)	2	0

^{*} No. of meetings held during the time the Director held office.

In addition to the quarterly Board papers, the Directors are also notified of any corporate announcement released to Bursa Malaysia Securities Berhad and the impending restriction in dealing with the securities of the Company prior to the announcement of the financial results or corporate proposals. The Board is also kept informed of the various requirements and updates issued by the various regulatory authorities.

All Directors have access to the advice and services of the senior management and the company secretary to enable them to discharge their duties.

Directors' Training

In 2004, all Directors of the Company, except for Tan Kai Seng have attended and successfully completed the Continuing Education Programme. The Board shall determine the training needs to aid the Directors in the discharge of their duties and to enhance their skills and knowledge where relevant.

Re-election of Directors

An election of Directors take place each year, where one-third of the Directors shall retire from office at each Annual General Meeting and shall be eligible to offer themselves for re-election. Directors who are appointed by the Board are subject to election by the shareholders at the next Annual General Meeting held following their appointments.

Directors standing for re-election at the Forty First Annual General Meeting of the Company to be held on 26 May 2005 are Tan Sri Abu Talib bin Othman, Datuk Seri Khalid Ahmad bin Sulaiman and Robert Tan Chung Meng, who retire by rotation pursuant to Article 85 of the Articles of Association ('Articles') and Yeoh Chong Swee, who retire by casual vacancy under Article 89 of the Company's Articles.

Number of Directorship

In compliance with the Listing Requirements, all Directors of the Company do not hold more than ten (10) directorships in public listed companies and not more than fifteen (15) in non-public listed companies. The listing of directorships held by Directors is confirmed by each Director on a quarterly basis and is tabled at each Board meeting for notification.

DIRECTORS' REMUNERATION

The Company has adopted the objective as recommended by the Code to determine the remuneration of the Directors so as to ensure that the Company attracts and retains the Directors needed to run the Group efficiently. The component of Directors' remuneration are structured so as to link rewards to corporate and individual performance in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and responsibilities undertaken by the individual Non-Executive Director concerned.

The Remuneration Committee reviews annually and recommends to the Board, the Company's remuneration policy for Executive Directors to ensure that Executive Directors are rewarded appropriately for their contributions to the Company's growth and profitability. The Non-Executive Directors' remuneration will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his individual remuneration. Generally, the Non-Executive Chairman is paid a monthly allowance while all Non-Executive Directors are paid a meeting allowance for attending each Board or Committee Meeting. Directors' fees are approved by the shareholders of the Company at the Annual General Meeting.

The aggregate remuneration of Directors categorised into appropriate components as at 31 December 2004 is as follows:

Category	Salaries RM	*Fees RM	**Other Emoluments RM	***Benefits-in-kind RM	Total RM
Executive Directors	1,146,000-00	-	514,192-00	94,371-40	1,754,563-40
Non-Executive Directors	-	199,000-00	84,000-00	6,090-00	289,090-00
Total	1,146,000-00	199,000-00	598,192-00	100,461-40	2,043,653-40

Notes:

- * Fees include: Directors' fees and meeting allowances
- ** Other empluments include: bonuses, incentives, retirement benefits, provisions for leave and allowances.
- *** Benefits-in-kind include: rental payments, motor vehicle, club membership and personal expenses.

The aggregate remuneration of Directors analysed into bands as at 31 December 2004 is as follows:

Range of Remuneration	Executive	Non-Executive
Below RM50,000		9
RM50,001 to RM100,000		
RMI00,001 to RMI50,000		[

Range of Remuneration	Executive	Non-Executive
RMI50,001 to RM200,000		
RM200,001 to RM250,000		
RM250,001 to RM300,000		
RM300,001 to RM350,000	I	
RM350,001 to RM400,000		
RM400,001 to RM450,000		
RM450,001 to RM500,000		
RM500,001 to RM600,000		
RM600,001 to RM700,000		
RM700,001 to RM750,000		
RM750,001 and above	I	

Notes:

- 1 For security and confidentiality reasons, the details of Directors' remuneration are not shown with reference to Directors individually.
- 2 Salaries, Other Emoluments and Benefits-in-kind paid to Executive Directors also include those who had resigned during the financial period under review.
- 3 Remuneration paid to an alternate Director who is a full time employee of the Group has been placed according to the classification of the principal Director.
- 4 Directors' fees and meeting allowances of all non-executive Directors also include those who had resigned during the financial period under review.

BOARD COMMITTEES

The Board has delegated certain responsibilities to several Board Committees, which operate within clearly defined terms of reference. The Chairman of the various committees will report to the Board on the outcome of the committee meetings and such reports are incorporated in the minutes of the Board meeting. The various committees are as follows:

Executive Committee ('Exco')

The Exco comprises two (2) Executive Directors, the Managing Director and one (1) Non-Independent Non-Executive Director. The Exco has full authority as delegated by the Board to oversee the conduct of the Group's core business or existing investments and to review and/or implement strategic plan for the Group with restricted authority given by way of limits determined by the Board, and to undertake such function and all matters as may be approved or delegated by the Board from time to time.

The Exco meets regularly to review the management's reports on progress of business operations as well as to assess and approve the management's proposal that require the Exco's approval. Special Exco meetings are also held on an ad-hoc basis to review the Company's quarterly financial statements, or matters that require the Exco's approval.

The Exco has held eight (8) meetings during the period. The members of the Exco during the year, and their attendance at the meetings, were as follows:

Name of member	No. of meetings attended
Tan Boon Seng, Chairman of Exco	8
Robert Tan Chung Meng	8
Tan Boon Lee	6
Pauline Tan Suat Ming	7

Audit Committee ('AC')

The AC comprises three (3) Independent Non-Executive Directors and the Managing Director. With an independent component of 75%, the composition of the AC is fully compliant with the Code and the Listing Requirements, which require the majority of Directors on the AC to be independent.

The Board receives reports on all audits performed via the AC. AC meetings are scheduled prior to Board meetings and the minutes of the AC proceedings are presented to the Board for notification. Any issue raised or recommendation made by the AC is tabled for the Board's deliberation and approval.

Full details of the composition, the terms of reference and the activities of the AC during the financial year ended 31 December 2004 are set out in the AC Report.

Nomination Committee ('NC')

The NC comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The NC recommends suitable candidates for appointments to the Board of the Company, including Committees of the Board. In addition, the NC assesses the effectiveness of the Board, the Committees of the Board and the contribution of each individual Director on an annual basis, and reviews succession plans for members of the Board. The NC meets as and when required.

The NC has held two (2) meetings during the period. The members of the NC during the year, and their attendance at the meetings, were as follows:

Name of member	No. of meetings attended
Tan Sri Abu Talib bin Othman, Chairman of NC	2
Dato' Seri Khalid Ahmad bin Othman	2
Pauline Tan Suat Ming	1
Datuk Dr. Abdul Samad bin Haji Alias (resigned on 31 May 2004)	-

Remuneration Committee ('RC')

The RC comprises two (2) Independent Non-Executive Directors and the Managing Director. The RC recommends to the Board the policy framework on terms of employment of and on all elements of the remuneration of Executive Directors and senior executives of the Company. The RC is authorized to approve the annual bonus and salary increment of the Executive Directors and senior executives of the Company. The RC meets as and when required.

The RC has held only one (I) meeting during the period which was attended by all members. The members of the RC during the year were as follows:

Name of member	No. of meetings attended
Tan Sri Abu Talib bin Othman, Chairman of RC	I
Robert Tan Chung Meng	1
Yeoh Chong Swee (appointed on 1 June 2004)	1
Datuk Dr. Abdul Samad bin Haji Alias (resigned on 31 May 2004)	=

Risk Management Committee ('RMC')

The RMC comprises the members of the Exco with the Managing Director acting as the adviser and the Internal Audit Department as the risk facilitator. The RMC is to review and articulate the strategies and policies relating to the management of the Company's risk and ensure that risk policies and procedures are aligned to the business strategies and risk return directions of the Board are properly implemented.

Share & ESOS Committee

The Share & ESOS Committee comprises two (2) Executive Directors and the Managing Director. The Share & ESOS Committee is responsible for regulating and approving securities transactions and registrations, and for implementing and administering the ESOS of the Company. The members of the Share & ESOS Committee during the year were as follows:

Name of member
Robert Tan Chung Meng
Tan Boon Seng
Tan Boon Lee

RELATIONSHIP WITH SHAREHOLDERS

The Board views the timely and equal dissemination of information to its shareholders as important. It strictly adheres to the disclosure requirements of the Listing Requirements as well as the relevant requirements of the Security Industry Act and Securities Commission Act.

The Annual General Meeting ('AGM') is an important forum where communications with shareholders are effectively conducted. Shareholders are notified of the meeting together with a copy of the Company's Annual Report at least 21 days before the meeting. The Board ensures that each item of special business included in the notices of the AGM or extraordinary general meeting ('EGM') is accompanied by details and information in relation to the proposed resolution.

At the AGM and EGM, shareholders are given sufficient time and opportunity to request for more information on the audited financial statements and/or the proposed resolutions. The Chairman and the Board members would be prepared to respond to queries and undertake to provide clarification and/or information on issues and concerns raised by the shareholders. The external auditors also present to provide their professional and independent view, if required, on issues or concern highlighted by the shareholders. The status of all resolutions proposed at the AGM or EGM is announced to Bursa Securities.

The Company would also conduct roadshows and investors briefings with financial analysts, institutional investors and fund managers on the Group's financial results, performance and potential new developments or business.

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ACCOUNTABILITY AND AUDIT

Financial Reporting

Statement of Directors' Responsibility in respect of Audited Financial Statements pursuant to Paragraph 15.27(a) of the Listing Requirements.

The Directors are responsible for ensuring that financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia. In presenting the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgement and estimates and prepared on a going concern basis. The Directors also strive to ensure that financial report presents a balanced and understandable assessment of the Company's position and prospects.

The Group's quarterly and annual financial statements are reviewed by the AC and approved by the Board prior to release to Bursa Securities within the stipulated time frame.

Internal Control

The Board has overall responsibility for maintaining a sound system of internal control to provide reasonable assurance of effective and efficient operations and compliance with laws and regulations, as well as with the internal procedures and guidelines.

Information on the Group's internal control is presented in the Statement of Internal Control.

Relationship with the Auditors

The Board maintains a formal and transparent professional relationship with the auditors, through the AC. The role of the AC in relation to the internal and external auditors is described in the AC Report.

This Statement is made in accordance with a resolution of the Board of Directors dated 13 April 2005.

STATEMENT OF INTERNAL CONTROL

RESPONSIBILITY

The Board of Directors recognizes the importance of maintaining a sound system of internal control and risk management practices to safeguard shareholders' investment and the Company's assets. Therefore, the Board affirms its overall responsibility for the Group's approach to assessing risk and the systems of internal control, and for reviewing the adequacy and effectiveness of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines. The review covers financial, operational and compliance controls, and risk management procedures of the Group, except for associates and joint ventures. However, such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material errors, misstatement, losses or fraud.

The role of executive management is to implement the Board's policies on risk and control and present assurance on compliance with these policies. Further independent assurance is provided by an internal audit function, which operates across the Group, and the external auditors. All employees are accountable for operating within these policies.

RISK MANAGEMENT

The Risk Management Committee comprised members of the Executive Committee with the Managing Director as the advisor. Risk management is a formal ongoing process for identifying, evaluating, managing and reviewing any changes in the risks faced by the businesses in the Group. The risk management process involves all business and functional units of the Group in identifying significant risks impacting the achievement of business objectives of the Group. It also involved the assessment of the impact and likelihood of such risks and of the effectiveness of controls in place to manage them.

Steps are being taken to embed internal control and risk management further into the operations of the business and to deal with areas of improvement which come to the management's and the Board's attention.

INTERNAL CONTROL

Whilst the Board maintains full control and direction over appropriate strategic, financial, organizational and compliance issues, it has delegated to executive management the implementation of the systems of internal control within an established framework.

The main elements in the internal control framework include:

- · An organisational structure with formally defined lines of responsibility and delegation of authority;
- Established procedures for planning, capital expenditure, information and reporting systems, and for monitoring the Group's businesses and performances;
- Review by operating divisions of their annual budgets and capital plans with the executive management prior to submission to the Board for approval;
- · Quarterly comparison of operating divisions' actual financial performance with budget;
- Operating policies and procedures which are subject to regular review and improvement;
- Regular reporting of accounting and legal developments to the Board;
- Structured Limit of Authority, which provides a framework of authority and accountability within the Group, and which facilitates timely corporate decision making at the appropriate levels in the Group; and
- · Appointment of employees of the necessary caliber to carry out the assigned responsibilities.

STATEMENT OF INTERNAL CONTROL (cont'd)

The Group Internal Audit monitors compliance with policies and standards and the effectiveness of internal control structures in the Group. The work of the internal audit function is focused on areas of priority as identified by risk analysis and in accordance with an annual audit plan approved each year by the Audit Committee. The head of this function reports to the Audit Committee. The Audit Committee receives reports on the function's work and findings and regular updates on specific issues.

The external auditors are engaged to express an opinion on the financial statements. They review and test the systems of internal control and the data contained in the financial statements to the extent necessary to express their audit opinion. Findings arising from the audit are discussed with management and reported to the Audit Committee.

The Board, through the Audit Committee, has reviewed the effectiveness of the Group's system of internal control. Some minor internal control weaknesses were identified during the period, all of which have been, or are being, addressed. None of the weaknesses has resulted in any material losses, contingencies, or uncertainties that would require disclosure in the Group's annual report.

This Statement is made in accordance with a resolution of the Board of Directors dated 13 April 2005.

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ANALYSIS OF

ORDINARY SHARE AND IRREDEEMABLE CONVERTIBLE PREFERENCE SHARE 2002/2007 HOLDINGS



ANALYSIS OF ORDINARY SHARE AND IRREDEEMABLE CONVERTIBLE PREFERENCE SHARE 2002/2007 HOLDINGS AS AT 31 MARCH 2005

Class of shares : Ordinary shares of RM0.50 each

Voting rights : One vote per shareholder on a show of hands or one vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS (as per Record of Depositors)

No. of holders	Holdings	Total holdings	%
187	less than 100	7,160	0.00
3,819	100 to 1,000	2,773,358	0.19
14,870	1,001 to 10,000	59,882,344	4.11
3,973	10,001 to 100,000	102,654,200	7.05
482	100,001 to less than 5% of issued Capital	872,879,659	59.90
3	5% and above of issued shares	418,904,224	28.75
23,334	Total	1,457,100,945	100.00

THIRTY LARGEST SHAREHOLDERS (as per Record of Depositors)

(without aggregating securities from different securities accounts belonging to the same person)

	Name	No. of Shares	%
Ι.	Gold IS Berhad	207,368,224	14.23
2.	Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputera	121,500,000	8.34
3.	Public Nominees (Tempatan) Sdn Bhd - Pledged securities account for	90,036,000	6.18
	Gold IS Berhad		
4.	UOBM Nominees (Tempatan) Sdn Bhd - UOB Labuan for Gold IS Berhad	71,000,000	4.87
5.	Employees Provident Fund Board	47,511,025	3.26
6.	IJM Corporation Berhad	44,523,000	3.06
7.	Permodalan Nasional Berhad	42,571,998	2.92
8.	Tan Chin Nam Sendirian Berhad	34,376,070	2.36
9.	HK 28 Limited	32,469,796	2.23
10.	M & A Nominee (Asing) Sdn Bhd - Montego Assets Limited	32,382,750	2.22
11.	Wah Seong (Malaya) Trading Co. Sdn Bhd	29,375,559	2.02
12.	HSBC Nominees (Asing) Sdn Bhd - HPBS SG for Kenderlay Ltd	28,605,000	1.96
١3.	Multistock Sdn Bhd	27,715,575	1.90
14.	Malaysia Nominees (Tempatan) Sendirian Berhad	27,000,000	1.85
	- Great Eastern Life Assurance (Malaysia) Berhad		
15.	HSBC Nominees (Asing) Sdn Bhd	26,099,092	1.79
	- MSCO NY for Tiedemann Global Emerging Markets L.P.		
16.	Tan Kim Yeow Sdn Bhd	25,871,432	1.78
17.	Mayban Nominees (Asing) Sdn Bhd - DBS Bank for Timbarra Services Limited	13,805,900	0.95
18.	Insas Plaza Sdn Bhd	12,096,825	0.83
19.	Tan Chin Nam Sendirian Berhad	11,400,000	0.78
20.	M & A Nominee (Asing) Sdn Bhd - Dawnfield Pte Ltd	9,750,000	0.67

ANALYSIS OF ORDINARY SHARE AND IRREDEEMABLE CONVERTIBLE PREFERENCE SHARE 2002/2007 HOLDINGS AS AT 31 MARCH 2005 (cont'd)

Name No. of Shares % 21. Wah Seong Enterprises Sdn Bhd 9,551,714 0.66 22. BBL Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Dato Tan Chin Nam 8,407,204 0.58 23. SLW Sdn Bhd 0.53 7,655,873 24. Citicorp Nominees (Asing) Sdn Bhd - CBNY for DFA Emerging Markets Fund 7,154,800 0.49 25. HSBC Nominees (Tempatan) Sdn Bhd 7,000,000 0.48 - Nomura Asset Mgmt Sg for Employees Provident Fund 26. HSBC Nominees (Asing) Sdn Bhd JPMLU for Morgan Stanley Dean Witter 6,756,000 0.46 SICAV Asian Real Estate Fund 27. Cartaban Nominees (Asing) Sdn Bhd - SSBT Fund G444 For Goldman Sachs Asia Portfolio 6,608,000 0.45 28. Tentang Emas Sdn Bhd 0.44 6,384,625 29. M & A Nominee (Asing) Sdn Bhd - Pedigree Limited 0.43 6,244,600 6,228,900 30. HSBC Nominees (Asing) Sdn Bhd - HPBS SG for Bioyield Trading Ltd 0.43 TOTAL 1,007,449,962 69.14

SUBSTANTIAL SHAREHOLDERS (as per Register of Substantial Shareholders)

			No. of	shares held	
	Name	Direct	%	Indirect*	%
1.	Gold IS Berhad	368,404,224	25.28	27,715,575	1.90
2.	Amanah Raya Nominees (Tempatan) Sdn Bhd				
	- Skim Amanah Saham Bumiputera	121,500,000	8.34	-	-
3.	Dato'Tan Chin Nam	15,612,429	1.07	515,582,691	35.38
4.	Robert Tan Chung Meng	3,915,562	0.27	492,362,678	33.79
5.	Pauline Tan Suat Ming	876,777	0.06	492,362,678	33.79
6.	Tony Tan @ Choon Keat	-	-	492,362,678	33.79
7.	Tan Chin Nam Sdn Bhd	50,716,945	3.48	464,865,746	31.90
8.	Tan Kim Yeow Sdn Bhd	30,855,682	2.12	461,506,996	31.67
9.	Wah Seong (Malaya) Trading Co. Sdn Bhd	41,585,359	2.85	418,101,387	28.69

Note:

^{*} Deemed interest pursuant to Section 6A of the Companies Act, 1965

DIRECTORS' SHAREHOLDINGS (as per Register of Directors' Shareholdings)

In the Company

	No. of Ordinary Shares of RM0.50 each			
Name	Direct	%	Indirect*	%
I. Tan Sri Abu Talib bin Othman	2,000,000	0.14	-	-
2. Robert Tan Chung Meng	3,915,562	0.27	492,362,678	33.79
3. Tan Boon Seng	616,192	0.04	-	-
4. Tan Boon Lee	2,805,574	0.19	-	-
5. Tan Lei Cheng	1,612,667	0.11	1,690,137	0.12
6. Pauline Tan Suat Ming	876,777	0.06	492,362,678	33.79
7. Tony Tan @ Choon Keat	-	-	492,362,678	33.79
8. Tan Kai Seng	89,000	0.01	-	-
9. Dato' Seri Khalid Ahmad bin Sulaiman	560,316	0.04	187,875	0.01
10. Yeoh Chong Swee	-	-	121,500	0.01
II. Datuk Abdul Habib bin Mansur	-	-	-	-
12. Chua Seng Yong	26,732	0.00	-	-

Note:

In Kris Components Bhd ('the listed subsidiary company')

		No. of Ordinary Shares of RMI.00 each			
	Name	Direct	%	Indirect*	% #
1.	Robert Tan Chung Meng	=	-	325,197,988	98.42
2.	Tan Lei Cheng	10,000	0.00	-	-

Notes:

- * Deemed interest pursuant to Section 6A of the Companies Act, 1965
- # After taking into account 100,000 shares in Kris Components Bhd held as treasury shares

^{*} Deemed interest pursuant to Section 6A of the Companies Act, 1965

ANALYSIS OF ORDINARY SHARE AND IRREDEEMABLE CONVERTIBLE PREFERENCE SHARE 2002/2007 HOLDINGS AS AT 31 MARCH 2005 (cont'd)

Class of shares	:	Irredeemable Convertible Preference Shares 2002/2007 ('ICPS') of RM1.00 each
Voting rights	:	One vote per ICPS holder on a show of hands or one vote per ICPS on a poll in respect
		of meeting of ICPS holders

DISTRIBUTION OF ICPS HOLDINGS (as per Record of Depositors)

Number of holders	Holdings	Total holdings	%
4	less than 100	201	0.00
2,938	100 to 1,000	1,981,424	5.60
1,137	1,001 to 10,000	3,688,211	10.42
91	10,001 to 100,000	2,495,888	7.05
11	100,001 to less than 5% of issued Capital	6,254,535	17.68
1	5% and above of issued shares	20,964,500	59.25
4,182	Total	35,384,759	100.00

THIRTY LARGEST ICPS HOLDERS (as per Record of Depositors)

(without aggregating securities from different securities accounts belonging to the same person)

	Name	No. of ICPS	%
1.	Permodalan Nasional Berhad	20,964,500	59.25
2.	Employees Provident Fund Board	1,736,700	4.91
3.	Malaysian National Reinsurance Berhad	1,632,000	4.61
4.	Ke-Zan Nominees (Asing) Sdn Bhd - Kim Eng Securities Pte. Ltd. For S P I Pte Ltd	966,500	2.73
5.	DB (Malaysia) Nominee (Asing) Sdn Bhd	541,500	1.53
	- Duetschee Bank AG Singapore PBD for Peabody Ventures Limited		
6.	Malaysian National Reinsurance Berhad	485,000	1.37
7.	BBL Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Cheu Leong	235,335	0.67
8.	Aida binti Abdullah @ Lee Soon Neo	168,000	0.47
9.	Siti Zaharah binti Mohd Shah	133,000	0.38
10.	Oriental Capital Assurance Berhad	125,000	0.35
11.	Shen & Sons Sdn Bhd	125,000	0.35
12.	Ng Chwee Cheng	106,500	0.30
١3.	Affin Nominees (Asing) Sdn Bhd - UOB Kay Hian Pte Ltd for Tan Lian Ann	100,000	0.28
14.	Cartaban Nominees (Tempatan) Sendirian Berhad	100,000	0.28
	- Amanah SSCM Nominees (Tempatan) Sdn Bhd for Pertubuhan Kesalamatan atau Sosial		
15.	Dan Giap Liang	100,000	0.28
16.	PRB Nominees (Tempatan) Sdn Bhd Rubber Industry Smallholders	91,500	0.26
	Development Authority		
17.	Malaysian National Reinsurance Berhad	83,000	0.23

ANALYSIS OF ORDINARY SHARE AND IRREDEEMABLE CONVERTIBLE PREFERENCE SHARE 2002/2007 HOLDINGS AS AT 31 MARCH 2005 (cont'd)

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Name	No. of ICPS	%
18. Choo Voon Chuen	78,000	0.22
19. Mayban Securities Nominees (Tempatan) Sdn Bhd	73,000	0.21
- Pledged Securities Account for Yusof bin Jusoh		
20. Citicorp Nominees (Tempatan) Sdn Bhd	70,000	0.20
- Pledged Securities Account for Siow Chih Pyng @ Siow Chih Peng		
21. Foh Chong & Sons Sdn Bhd	62,500	0.18
22. Mayban Securities Nominees (Asing) Sdn Bhd	61,500	0.17
- UOB-Kay Hian Pte Ltd for Ng Chwee Cheng		
23. Ng Ngoon Weng	60,000	0.17
24. Toh Ah Guan @ Toh Hee Nam	59,500	0.17
25. Menteri Kewangan Malaysia Section 29 (SICDA)	58,688	0.17
26. Chan Cheu Leong	50,900	0.14
27. HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ng Chong Chee	50,000	0.14
28. Teoh Kok Lin	50,000	0.14
29. Patimah binti Mamat	50,000	0.14
30. Yeoh Way Cheng	42,500	0.12
TOTAL	28,460,123	80.43

DIRECTORS' ICPS HOLDINGS (as per Register of Directors' ICPS holdings)

	No. of ICPS of RMI.00 each						
Name	Direct	%	Indirect	%			
I. Tan Kai Seng	5,000	0.01	-	-			
2. Chua Seng Yong	232	0.00	-	-			

LIST OF PROPERTIES
HELD BY IGB CORPORATION BERHAD
& GROUP AS AT 31 DECEMBER 2004

LIST OF PROPERTIES HELD BY IGB CORPORATION BERHAD & GROUP AS AT 31 DECEMBER 2004

Location	Tenure	Year Lease Expiring	Age of Building (Years)	Titled Hectareage	Description/ Existing use	Date of Acquisition/ Revaluation	Net Book Value As At 31 Dec 2004 RM'000
Commercial Properties							
No. 6 Jalan Kampar 50400 Kuala Lumpur	Freehold	-	21	1.99	25-storey office building known as Plaza Permata	31-1-2002	37,349
P.T. I Sec 44 Kuala Lumpur	Leasehold	2073	-	0.30	Land for future development	31-1-2002	7,632
Located on part of PT 14 HS(D) 105027 Section 95A Kuala Lumpur	Leasehold	2103	5	-	646-room Cititel Hotel Mid Valley	31-1-2002	46,141
Located on part of PT 14 HS(D) 105027 Section 95A Kuala Lumpur	Leasehold	2103	5	1.97	17-levels office building known as Menara IGB	31-1-2002	41,475
Lot Nos. 3577 to 3580, 3588, 3590, 3592, 3593, 3599 to 3604, 3726, 3727, 3740, 3594, 3741, 3744 to 3748, 3760, 3761, 3939, 3731, 3566, 354 & 355 Mukim Lumut, Pangkor Island	Freehold	-	19	45.14	250-room hotel known as "Pangkor Island Beach Resort"	31-1-2002	91,426
PT 11 HS(D) 105024 Section 95A Kuala Lumpur	Leasehold	2103	-	0.11	Mid Valley City Phase 5 land for LPG tank	-	-
PT 12 HS(D) 105025 Section 95A Kuala Lumpur	Leasehold	2103	-	1.21	Mid Valley City Phase 4 land currently under development into Northpoint Offices and Residences	31-1-2002	62,966
PT 13 HS(D) 105026 Section 95A Kuala Lumpur	Leasehold	2103	-	3.92	Mid Valley City Phase 2 land currently under development	31-1-2002	157,642
Located on part of Lot PT 14 HS(D) 105027 Section 95A Kuala Lumpur	Leasehold	2103	5	-	Shopping complex known as Mid Valley Megamall together with car parks	30-11-2003	1,480,000
Located on part of Lot PT 14 HS(D) 105027 Section 95A Kuala Lumpur	Leasehold	2103	-	-	Development rights for Boulevard Hotel at Mid Valley City Phase I	31-1-2002	37,882
Located on part of Lot PT 14 HS(D) 105027 Section 95A Kuala Lumpur	Leasehold	2103	-	-	Development rights for Towers 2 to 5 at Mid Valley City Phase I	31-1-2002	34,156
PT 15 HS(D) 105028 Section 95A Kuala Lumpur	Leasehold	2103	-	0.89	Mid Valley City Phase 3 land for future development	31-1-2002	39,008

LIST OF PROPERTIES HELD BY IGB CORPORATION BERHAD & GROUP AS AT 31 DECEMBER 2004 (cont'd)

Location	Tenure	Year Lease Expiring	Age of Building (Years)	Titled Hectareage	Description/ Existing use	Date of Acquisition/ Revaluation	Net Book Value As At 31 Dec 2004 RM'000
Commercial Properties	•			•		•	•
Micasa Hotel Apartments 386 Jalan Tun Razak Kuala Lumpur	Freehold	-	15	1.39	245-room hotel apartments	31-1-2002	100,000
207 Jalan Tun Razak Kuala Lumpur	Freehold	-	11	0.45	Office building known as Menara Tan & Tan	31-1-2002	93,361
Stanford Hotel Jalan Tuanku Abdul Rahman Kuala Lumpur	Freehold	-	П	0.11	145-room hotel with 4-level shopping podium	31-1-2002	35,000
Micasa Hotel Apartments 17 Kaba Aye Pagoda Road Yangon	Leasehold	2026	5	0.78	143-units 6-storey hotel apartment with hotel facilities and offices	31-1-2002	51,756
Residential Properties	•					•	
PT 29 HS(D) 106667 Sec 44 Kuala Lumpur	Freehold	-	-	0.40	Land currently under development (Cendana @ Sultan Ismail project)	31-1-2002	27,435
Grant 26068 Lot 15 Sec 88A Kuala Lumpur	Freehold	-	-	0.19	Land for future development	31-1-2002	3,817
Grant 27066 Lot 16 Sec 88A Kuala Lumpur	Freehold	-	-	0.19	Land for future development	31-1-2002	2,573
CT 16118 Lot No. 40 Sec 88A Kuala Lumpur	Freehold	-	-	0.15	Land for future development	31-1-2002	879
PT 290 Mukim Morib, Selangor	Leasehold	2094	-	8.09	Land for future development	31-1-2002	1,432
Lot 1743 Mukim Rawang, Selangor	Freehold	-	-	1.31	Land for future development	31-1-2002	76
6 Jalan Stonor Kuala Lumpur	Freehold	-	45	0.58	Land for future development	31-1-2002	11,284
3 Lorong Stonor Kuala Lumpur	Freehold	-	35	0.32	Bungalow	31-1-2002	4,054
15 & 17 Jalan Damai Kuala Lumpur	Freehold	-	-	1.28	Land for future development	31-1-2002	2,534
31 & 33 Jalan Damai Kuala Lumpur	Freehold	-	0.72		Land currently under development (Damai 33 project)	31-1-2002	6,129
l Lorong Damai Kiri 13 Kuala Lumpur	Freehold	-	35	0.21	Bungalow	31-1-2002	1,485

LIST OF PROPERTIES HELD BY IGB CORPORATION BERHAD & GROUP AS AT 31 DECEMBER 2004 (cont'd)

Location	Tenure	Year Lease Expiring	Age of Building (Years)	Titled Hectareage	Description/ Existing use	Date of Acquisition/ Revaluation	Net Book Value As At 31 Dec 2004 RM'000
Residential Properties							
Lots 760, 4006 & 4104 Mukim of Kuala Lumpur Wilayah Persekutuan	Freehold	-	-	1.80	Land for future development	31-1-2002	4,173
Lots 7190 & 7191 Mukim of Petaling Selangor	Freehold	-	-	6.78	Land for future development	31-1-2002	11,945
PT 164 HS(D) 183870 & PT165 HS(D) 183871 Mukim of Damansara Selangor	Freehold	-	-	7.58	Land currently under development (Tanamera project)	31-1-2002	2,248
20, 20A, 20B & 20C Jalan Ampang Hilir Kuala Lumpur	Freehold	-	20	0.41	Linked houses	31-1-2002	9,232
85 Jalan Ampang Hilir Kuala Lumpur	Freehold	-	25	0.22	Bungalow	31-1-2002	4,330
Lots 1054, 689 and part of lots 1059 and the adjoining lots 429 and 4068 along Jalan Jelatek, Mukim Hulu Klang, Daerah Gombak, Selangor	Freehold	-	-	6.56	Land currently under development (Seri Maya project)	31-1-2002	58,857
PT 61 Mukim ofTanah Rata Cameron Highlands	Leasehold	2074	-	0.81	Land for future development	31-1-2002	505
PT 899K Mukim of Chendering District of Kuala Terengganu	Freehold	-	-	4.23	Beach frontage land for future development	31-1-2002	4,212
Lot 704 Mukim Si Rusa Port Dickson	Freehold	-	-	1.62	Beach frontage land for future development	31-1-2002	1,013
Lot 1025 Mukim Si Rusa District of Port Dickson	Freehold	-	-	1.03	Beach frontage land for future development	31-1-2002	915
Lots 378 & 1611 Mukim Ulu Klang District of Gombak	Freehold	-	-	10.46	Land for future development	31-1-2002	38,920
HS(D) 19460 PT4609, HS(D) 19461 PT4610, HS(D) 19462 PT4611 Taman Melawati, Mukim Setapak, Daerah Gombak, Selangor	Freehold	-	-	15.27	Land for future development	31-1-2002	30,373
PN 20219 Lot 26413 Mukim Setapak, District of Kuala Lumpur	Leasehold	2089 & 2090		52.48	Land for future development	6-3-2003	4,806

LIST OF PROPERTIES HELD BY IGB CORPORATION BERHAD & GROUP AS AT 31 DECEMBER 2004 (cont'd)

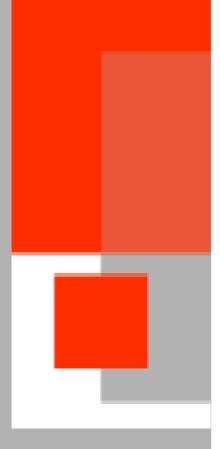
		Year Lease	Age of Building	Titled	Description/	Date of Acquisition/	Net Book Value As At 31 Dec 2004
Location	Tenure	Expiring	(Years)	Hectareage	Existing use	Revaluation	RM'000
Residential Properties						<u> </u>	
PN 11201 Lot 3538 Mukim of Ulu Kelang, District of Kuala Lumpur							
PT 1865 Mukim Ampang Daerah Wilayah Persekutuan	Leasehold	2085	-	1.49	Land for future development	31-1-2002	39,091
Lot 15256 Mukim of Labu, District of Seremban, Negeri Sembilan	Freehold	-	-	344.0	Approved mixed development for residential and commercial use	31-1-2002	134,961
Grant 35207 to 35210, Lots 185 to 188 Section 88A, Kuala Lumpur	Freehold	-	-	1.04	Land for future development	5-5-2004	28,000
Apartments .							
Desa Kudalari 3 Lorong Kuda Kuala Lumpur	Freehold	-	24	-	I unit condominium	31-1-2002	389
Seri Bulan Port Dickson	Freehold	-	9	-	2 units apartment	31-1-2002	296
Desa U-Thant 14 Jalan Taman U-Thant Kuala Lumpur	Freehold	1	15	-	4 units condominium	31-1-2002	5,128
Tanjung Biru Condominium Port Dickson, Port Dickson	Freehold	-	23	-	I unit apartment	31-1-2002	365
Desa Damansara 2 Damansara Heights	Freehold	-	I	-	I unit apartment	31-12-2004	946
Agricultural Properties							
Bentong Hills Mukim of Tras District of Raub, Pahang	Freehold	-	-	266.43	Approved mixed development for orchard	31-1-2002	2,231
Bentong Hills Mukim of Tras District of Raub, Pahang	Freehold	-	-	32.78	Land for future development	31-1-2002	4,752
Lot 365 Mukim of Pasir Panjang District of Port Dickson	Freehold	-	-	3.58	Land for future development	31-1-2002	920

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5 YEARS GROUP FINANCIAL HIGHLIGHTS

		2000	2001	2002	2003	2004
REVENUE	RM '000	312,505	199,880	405,689	532,166	504,558
PROFIT BEFORE TAXATION	RM '000	45,951	61,926	114,493	184,358	141,742
EARNINGS FOR THE YEAR	RM '000	16,185	47,815	67,685	147,533	101,123
ISSUED SHARE CAPITAL (RM0.50)	RM '000	296,977	296,995	572,074	581,805	706,937
Shareholders' funds	RM '000	1,261,051	1,292,944	1,941,821	2,098,803	2,292,083
TOTAL ASSETS	RM '000	2,072,933	2,101,911	3,262,457	3,228,158	3,460,427
EARNINGS PER SHARE (Basic)	sen	1.7	4.9	6.2	12.9	8.3
NET TANGIBLE ASSETS PER SHARE	RM	2.1	2.2	1.7	1.8	1.6
gross dividends per share	sen	2.5	2.5	1.5	5.0	2.5
DIVIDEND RATE	%	5.0	5.0	3.0	10.0	5.0



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The Directors have pleasure in submitting their report to the members together with the audited financial statements of the Group and Company for the financial year ended 31 December 2004.

Principal activities and corporate information

The principal activities of the Company during the financial year are those of investment holding and property development. The principal activities of the Group mainly consist of property development, property investment, property holding and property management, hotel operation, construction and investment holding. There have been no significant changes in the nature of these activities during the financial year.

The number of employees at the end of the financial year amounted to 1,729 (2003: 1,678) employees in the Group and 165 (2003: 149) employees in the Company.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of Bursa Malaysia Securites Berhad ('Bursa Securities').

The address of the registered office and principal place of business of the Company is as follows:

Penthouse, Menara IGB No. I, The Boulevard, Mid Valley City Lingkaran Syed Putra, 59200 Kuala Lumpur

Financial results

	Group RM '000	Company RM '000
Profit after taxation	102,344	706,787
Minority interests	(1,221)	0
Net profit for the financial year	101,123	706,787

31 DECEMBER 2004 (cont'd)

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Dividends

Dividends paid, declared or proposed since the end of the Company's previous financial year are as follows:

	RM '000
In respect of the financial year ended 31 December 2003, as shown in the Directors' report	
of that financial year, an interim dividend of 5% less tax at 28% paid on 12 January 2004.	20,944
In respect of the financial year ended 31 December 2003, as shown in the Directors' report	
of that financial year, a final dividend of 3% less tax at 28% and 2% tax exempt paid on 30	
July 2004.	25,515
In respect of the financial year ended 31 December 2004, an Irredeemable Convertible	
Preference Shares ('ICPS 2002/2007') dividend of 1% less tax at 28% paid on 30 April 2004.	1,285
In respect of the financial year ended 31 December 2004, a proposed final dividend of 2.5%	
less tax at 28% and 2.5% tax exempt which, subject to the approval of members at the	
forthcoming Annual General Meeting of the Company on 26 May 2005, will be paid on 15 July	
	30.398
	of that financial year, an interim dividend of 5% less tax at 28% paid on 12 January 2004. In respect of the financial year ended 31 December 2003, as shown in the Directors' report of that financial year, a final dividend of 3% less tax at 28% and 2% tax exempt paid on 30 July 2004. In respect of the financial year ended 31 December 2004, an Irredeemable Convertible Preference Shares ('ICPS 2002/2007') dividend of 1% less tax at 28% paid on 30 April 2004. In respect of the financial year ended 31 December 2004, a proposed final dividend of 2.5%

Reserves and provisions

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

Issue of shares

(a) Ordinary shares of RM0.50 each ('IGB Shares')

During the financial year, the Company's issued and fully paid-up share capital was increased from RM581,805,518 to RM706,937,284 by way of the following issue of shares:

Issue of shares	No of shares	Nominal Value RM'000
Exercise of warrants	170,354	85,177
Exercise of ICPS	69,024	34,512
Exercise of ESOS (exercise prices RM0.93 - RM1.05)	10,886	5,443
	250,264	125,132

The newly issued shares rank pari passu in all respects with the existing issued shares of the Company except that they are not entitled to any dividends, rights, allotments and/or other distributions unless the allotment of the new IGB Shares is made on or prior to the entitlement date of such dividends, rights, allotments and/or other distributions.

(b) IGB Group Employees Share Option Scheme ('ESOS')

On 10 June 2004, the Company granted 2,406,000 new ESOS to eligible employees at an exercise price of RM1.05 per share.

The main features of the ESOS and the movements during the financial year in the number of options over the shares of the Company are set out in note 11 to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia vide their letter dated 25 March 2005 from having to disclose the list of option holders and their holdings pursuant to Section 169(11) of the Companies Act, 1965 except for information of employees who were granted 500,000 options and above.

Other than the Directors' options disclosed under the Directors' interest below, there were no employees of the Company and its subsidiaries who were granted 500,000 options and above under the ESOS during the financial year.

Directors

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

Tan Sri Abu Talib Bin Othman
Robert Tan Chung Meng
Tan Boon Seng
Tan Boon Lee
Tan Lei Cheng
Pauline Tan Suat Ming
Dato' Seri Khalid Ahmad Bin Sulaiman
Datuk Abdul Habib Bin Mansur
Tony Tan @ Choon Keat
Tan Kai Seng
Yeoh Chong Swee

(Appointed on 1 June 2004)

(Resigned on 31 May 2004)

Chua Seng Yong (alternate to Robert Tan Chung Meng)

Datuk Dr. Abdul Samad Bin Haji Alias

The late Dato' Megat Muhaiyadin Bin Megat Hassan

(Demised on 12 December 2004)

In accordance with Article 85 of the Company's Articles of Association, Tan Sri Abu Talib Bin Othman, Dato' Seri Khalid Ahmad Bin Sulaiman and Robert Tan Chung Meng retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 89 of the Company's Articles of Association, Yeoh Chong Swee retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-election.

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (cont'd)

Directors' interests

According to the Register of Directors' Shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares, Warrants 1999/2004, ICPS 2002/2007 and share options in the Company are as follows:

In the Company	N	umber of Ordina	ry Shares of R	M0.50 each
	l January /			
	Date of			
	appointment	Addition	Disposal	31 December
Tan Sri Abu Talib Bin Othman				
Direct	250,000	186,000	0	436,000
Robert Tan Chung Meng				
Direct	1,401,893	513,669	0	1,915,562
Indirect	398,276,575	71,980,031	0	470,256,606
Tan Boon Seng				
Direct	352,110	264,082	0	616,192
Tan Boon Lee				
Direct	1,044,328	761,246	0	1,805,574
Dato' Seri Khalid Ahmad Bin Sulaiman				
Direct	320,181	240,135	0	560,316
Indirect	187,875	0	0	187,875
Tan Lei Cheng				
Direct	875,953	636,714	0	1,512,667
Indirect	965,793	724,344	0	1,690,137
Chua Seng Yong				
Direct	450,232	0	423,500	26,732
Pauline Tan Suat Ming				
Direct	158,603	718,174	0	876,777
Indirect	398,276,575	71,980,031	0	470,256,606
Tony Tan @ Choon Keat				
Indirect	398,276,575	71,980,031	0	470,256,606
Tan Kai Seng				
Direct	47,000	42,000	0	89,000
Yeoh Chong Swee				
Indirect	0	121,500	0	121,500

In the Company	Nu	mber of Warra	nts 1999/2004	
			Disposal/	Expired on 29
	l January	Addition	Exercised	December
Robert Tan Chung Meng				
Direct	234,000	0	234,000	0
Indirect	70,228,612	0	70,228,612	0
Tan Lei Cheng				
Direct	57,000	0	57,000	0
Pauline Tan Suat Ming				
Direct	83,437	0	83,437	0
Indirect	70,228,612	0	70,228,612	0
Tony Tan @ Choon Keat				
Indirect	70,228,612	0	70,228,612	0
Tan Kai Seng				
Direct	42,000	0	42,000	0

31 DECEMBER 2004 (cont'd)

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Directors' interests (continued)

Tan Boon Lee

In the Company		Number of I	CPS 2002/2007	
			Disposal/	
	l January	Addition	Conversion	31 December
Tan Sri Abu Talib Bin Othman				
Direct	250,000	0	248,000	2,000
Robert Tan Chung Meng				
Direct	372,893	0	372,893	0
Indirect	56,248,288	0	26,773,525	29,474,763
Tan Boon Seng				
Direct	352,110	0	352,110	0
Dato' Seri Khalid Ahmad Bin Sulaiman				
Direct	320,181	0	320,181	0
Chua Seng Yong				
Direct	232	0	0	232
Tan Boon Lee				
Direct	888,328	0	888,328	0
Tan Lei Cheng				
Direct	772,953	0	772,953	0
Indirect	965,793	0	965,793	0
Pauline Tan Suat Ming				
Direct	846,316	0	846,316	0
Indirect	56,248,288	0	26,773,525	29,474,763
Tony Tan @ Choon Keat				
Indirect	56,248,288	0	26,773,525	29,474,763
Tan Kai Seng				
Direct	5,000	0	0	5,000
In the Company	Number of options	· ,		
	l January	Granted	Exercised	31 December
Robert Tan Chung Meng	2,000,000	0	0	2,000,000
Tan Boon Seng	1,000,000	0	0	1,000,000

By virtue of Robert Tan Chung Meng's, Pauline Tan Suat Ming's and Tony Tan @ Choon Keat's interests in shares in the Company, they are deemed to have interest in the shares in the subsidiaries to the extent the Company has an interest.

0

1,000,000

1,000,000

Other than as disclosed above, none of the other Directors holding office at the end of the financial year held any interests in the shares, Warrants 1999/2004, ICPS 2002/2007 and share options in the Company or its related corporations during the financial year.

31 DECEMBER 2004 (cont'd)

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Directors' benefit

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the fees and other emoluments paid as disclosed in note 6 to the financial statements and transactions as disclosed in note 33 to the financial statements) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Except as disclosed above, neither during nor at the end of the financial year was the Company or any of its related corporations a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Statutory information on the financial statements

Before the income statements and balance sheets were made out, the Directors took reasonable steps:

- (a) to ascertain that proper 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; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and Company had 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:

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and Company misleading or inappropriate.

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

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group or Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or Company which has arisen since the end of the financial year.

31 DECEMBER 2004 (cont'd)

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Statutory information on the financial statements (continued)

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 which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the Group's and Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in the income statements and the notes to the financial statements in relation thereto; and
- (b) 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 to affect substantially the results of the operations of the Group and Company for the financial year in which this report is made.

Significant events

a) Corporate exercise of Mid Valley City Sdn Bhd ('MVC')

The acquisition by the Company of 32,805,000 ordinary shares of RMI.00 each in Kris Components Bhd ('Kris') representing approximately 41.84% equity interest from Amtek Engineering Ltd ('Amtek') for a cash consideration of RM91,197,900 or RM2.78 per Kris share and disposal of approximately 99.5% equity interest in MVC by the Company to Kris for a disposal consideration of RMI,025,000,000 were completed on 3 August 2004.

On 3 September 2004, it was announced to Bursa Securities that the Offer Document in relation to the Unconditional Mandatory Offer ('the Offer') for all the remaining ordinary shares of RMI.00 each in Kris not already owned by the Company and the persons acting in concert with the Company for a cash consideration of RM2.78 per Kris share has been dispatched to shareholders of Kris on 3 September 2004.

Subsequently, on 24 September 2004 (closing date of the Offer), it was announced to Bursa Securities, the total acceptances of 39,574,488 Kris shares pursuant to the Offer. Pursuant to the Company holding more than 90% equity interest in Kris, on 28 September 2004, the Company had despatched the notice to the remaining shareholders of Kris who have not accepted the Offer, offering to acquire from them the remaining Kris shares as required under Section 34A(2) of the Securities Commission Act. The offer was valid for 3 months from the date of notice up to 28 December 2004. Pursuant thereto, the Company has received a further 818,500 Kris shares as valid acceptances from 25 September 2004 up to 28 December 2004.

b) Proposed capital distribution-in-specie of Kris shares

On 6 October 2004, it was announced to Bursa Securities that the Company proposed to undertake a capital distribution-in-specie of 77,669,000 Kris shares via a reduction of share premium account to be effected pursuant to Section 64 of the Companies Act, 1965 ('Proposed Distribution').

31 DECEMBER 2004 (cont'd)

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b) Proposed capital distribution-in-specie of Kris shares (continued)

The Proposed Distribution was subject to approvals being obtained from the following:

- i) the Securities Commission ('SC'), which approval was obtained on 12 January 2005;
- ii) Bursa Malaysia Depository Sdn Bhd, which approval was obtained on 14 March 2005;
- iii) the shareholders of the Company, which approval was obtained at an Extraordinary General Meeting held on 28 February 2005;
- iv) the High Court of Malaya, which approval was obtained on 7 March 2005; and
- v) any other relevant authorities and/or parties.

Subsequently, it was announced to Bursa Securities that the books close date to determine entitlements to the Proposed Distribution was 25 March 2005. The Proposed Distribution was completed on 6 April 2005, except for the transfer of 53 Kris shares and 2 Kris shares which are currently pending further instructions from the Enforcement Division and the Share Recovery Unit of the SC, respectively.

Auditors

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

Signed on behalf of the Board of Directors in accordance with their resolution dated 25 April 2005.

Robert Tan Chung Meng

Managing Director

Dato' Seri Khalid Ahmad Bin Sulaiman

Director

Kuala Lumpur

INCOME STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

		Gr	oup	Co	ompany
	Note	2004	2003	2004	2003
		RM '000	RM '000	RM '000	RM '000
Revenue	4	504,558	532,166	8,648	25,115
Cost of sales		(307,191)	(359,069)	(1,957)	(13,904)
Gross profit		197,367	173,097	6,691	11,211
Other operating income		17,072	18,197	29,909	28,859
Gain from disposal of subsidiary		0	0	696,362	0
Administrative expenses		(86,915)	(64,581)	(14,397)	(17,697)
Other operating expenses		(15,675)	(20,653)	(1,442)	(1,451)
Profit from operations	5	111,849	106,060	717,123	20,922
Finance costs	7	(36,152)	(65,543)	(5,218)	(12,346)
Share of results of associates		66,045	64,823	0	0
Gain from disposal of associates		0	79,018	0	40,686
Profit from ordinary activities before tax		141,742	184,358	711,905	49,262
Tax:	8				
- Company and subsidiaries		(24,160)	(30,171)	(5,118)	(3,657)
- Associates		(15,238)	(11,471)	0	0
		(39,398)	(41,642)	(5,118)	(3,657)
Profit from ordinary activities after tax		102,344	142,716	706,787	45,605
Minority interests		(1,221)	4,817	0	0
Net profit for the financial year		101,123	147,533	706,787	45,605
Earnings per ordinary share (sen)	9				
- Basic		8.2	12.8		
- Diluted		7.4	11.4		
Gross dividends per ordinary share (sen)	10	2.5	5.0	2.5	5.0
Gross dividends per Irredeemable					
Convertible Preference Share (sen)	10	1.0	1.0	1.0	1.0

BALANCE SHEETS AS AT 31 DECEMBER 2004

		Gr	oup	Co	ompany
	Note	2004	2003	2004	2003
		RM '000	RM '000	RM '000	RM '000
Capital and reserves					
Share capital	11	706,937	581,805	706,937	581,805
1% Irredeemable Convertible Preference Shares	11	86,413	178,445	86,413	178,445
Share premium		549,608	402,215	549,608	402,215
Revaluation and other reserves	12	17,559	79,095	29,258	29,258
Retained earnings	13	931,566	857,243	1,182,398	502,411
Shareholders' equity		2,292,083	2,098,803	2,554,614	1,694,134
Minority interests		69,099	55,377	0	0
Non-current liabilities					
Term loans	14	153,803	193,593	50,000	0
Syndicated Fixed Rate Loan	14	0	180,000	0	0
Redeemable Secured Bonds	14	400,000	0	0	0
Deferred taxation	15	80,303	74,533	1,600	1,600
		634,106	448,126	51,600	1,600
		2,995,288	2,602,306	2,606,214	1,695,734
Represented by:					
Non-current assets					
Property, plant and equipment	16	1,435,671	1,266,732	3,130	3,401
Land held for property development	17	166,908	166,617	6,390	25,225
Subsidiaries	18	0	0	1,981,675	992,585
Associates	19	606,384	572,134	216,841	216,841
Other investments	20	46,061	45,981	3,900	3,900
Deferred taxation	15	2,500	4,659	0	0
		2,257,524	2,056,123	2,211,936	1,241,952
Current assets					
Property development costs	17	342,184	472,363	27,435	0
Inventories	21	67,355	76,187	37,348	37,348
Marketable securities	22	8,021	12,715	8,021	9,461
Trade and other receivables	23	216,468	194,752	14,875	14,503
Amounts owing by subsidiaries	24	0	0	794,962	893,534
Amounts owing by associates	25	133,631	163,627	96,594	95,999
Deposits with licensed banks	26	186,382	194,846	68,620	71,138
Cash and bank balances	26	248,862	57,545	7,947	615
		1,202,903	1,172,035	1,055,802	1,122,598

BALANCE SHEETS AS AT 31 DECEMBER 2004 (cont'd)

		Gr	oup	C	ompany
	Note	2004	2003	2004	2003
		RM '000	RM '000	RM '000	RM '000
Less: Current liabilities					
Trade and other payables	28	285,186	342,084	8,757	76,267
Amounts owing to subsidiaries	24	0	0	607,900	517,936
Amounts owing to associates	25	57,405	69,558	9,269	9,269
Bank balance	27	8,800	0	8,800	0
Bank borrowings	14				
- Bank overdrafts		389	5,795	0	887
- Others		101,532	198,868	20,000	59,711
Tax		11,827	9,547	6,798	4,746
		465,139	625,852	661,524	668,816
Net current assets		737,764	546,183	394,278	453,782
		2,995,288	2,602,306	2,606,214	1,695,734

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

		Issued and ordinary	Issued and fully paid ordinary shares of	1% I Convertible	1% Irredeemable Convertible Preference				
	Note	` ~	RM0.50 each	Shares of	Shares of RM1.00 each	P-uoN	Non-distributable Revaluation	Distributable	
		Number of	Nominal	Number	Nominal	Share	and other	Retained	
		shares	value	of shares	value	premium	reserves	earnings	Total
Group		000,	RM'000	000,	RM'000	RM'000	RM'000	RM'000	RM'000
At I January 2004		1,163,611	581,805	178,445	178,445	402,215	79,095	857,243	2,098,803
Net profit		0	0	0	0	0	0	101,123	101,123
Issue of shares:									
- Warrants	Ξ	170,354	85,177	0	0	85,177	0	0	170,354
- ICPS	Ξ	69,054	34,512	(92,032)	(92,032)	57,520	0	0	0
- Employees' share options	=	10,886	5,443	0	0	4,696	0	0	10,139
Currency translation differences		0	0	0	0	0	09	0	09
Goodwill arising on acquisition									
of subsidiaries	34	0	0	0	0	0	(61,596)	0	(965,19)
Net loss not recognised in									
income statement		0	0	0	0	0	(61,536)	0	(61,536)
Dividends for the financial									
year ended:	0								
- 31 December 2003		0	0	0	0	0	0	(25,515)	(25,515)
- 31 December 2004		0	0	0	0	0	0	(1,285)	(1,285)
At 31 December 2004		1,413,875	706,937	86,413	86,413	549,608	17,559	931,566	2,292,083

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (cont'd)

		Issued and ordinary	Issued and fully paid ordinary shares of	1% Ir Convertible	1% Irredeemable Convertible Preference				
	Note	. <u>R</u> l	RM0.50 each	Shares of F	Shares of RM1.00 each	Non-di	Non-distributable Revaluation	Distributable	
		Number of shares	Nominal value	Number of shares	Nominal value	Share	and other reserves	Retained earnings	Total
Group		000,	RM'000	000,	RM'000	RM'000	RM'000	RM'000	RM.000
At I January 2003		1,144,148	572,074	178,445	178,445	393,846	53,160	744,296	1,941,821
Net profit		0	0	0	0	0	0	147,533	147,533
Issue of shares:									
- Employees' share options		19,463	9,731	0	0	8,369	0	0	18,100
Currency translation differences		0	0	0	0	0	(1,046)	0	(1,046)
Reserves arising on									
acquisition of subsidiaries		0	0	0	0	0	26,981	0	26,981
Net gain not recognised in									
income statement		0	0	0	0	0	25,935	0	25,935
Dividends for the financial									
year ended:	0								
- 31 December 2002		0	0,	0	0	0	0	(12,357)	(12,357)
- 31 December 2003		0	0	0	0	0	0	(22,229)	(22,229)
At 31 December 2003		1,163,611	581,805	178,445	178,445	402,215	79,095	857,243	2,098,803

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

Note									
Note		ordina	ordinary shares of	Convertible	Convertible Preference				
	a	a .	RM0.50 each	Shares of F	Shares of RMI.00 each	Non	Non-distributable	Distributable	
		Number of	Nominal	Number	Nominal	Share	Revaluation	Retained	
		shares	value	of shares	value	premium	reserves	earnings	Total
Company		000,	RM'000	000,	RM'000	RM'000	RM'000	RM'000	RM'000
At I January 2004		1,163,611	581,805	178,445	178,445	402,215	29,258	502,411	1,694,134
Net profit		0	0	0	0	0	0	706,787	706,787
Dividends for the financial									
year ended:	0								
- 31 December 2003		0	0	0	0	0	0	(25,515)	(25,515)
- 31 December 2004		0	0	0	0	0	0	(1,285)	(1,285)
Issue of shares:									
- Warrants		170,354	85,177	0	0	85,177	0	0	170,354
- ICPS		69,024	34,512	(92,032)	(92,032)	57,520	0	0	0
- Employees' share options		988,01	5,443	0	0	4,696	0	0	10,139
At 31 December 2004		1,413,875	706,937	86,413	86,413	549,608	29,258	1,182,398	2,554,614

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (cont'd)

CASH FLOW STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

		Gr	oup	Co	ompany
	Note	2004	2003	2004	2003
		RM '000	RM '000	RM '000	RM '000
Operating activities					
Receipts from customers		499,188	487,716	1,528	2,185
Payments to contractors, suppliers and					
employees		(406,766)	(400,333)	(27,660)	(43,669)
Cash flow from/(used in) operations		92,422	87,383	(26,132)	(41,484)
Interest paid		(33,952)	(66,059)	(4,217)	(9,351)
Income taxes paid		(13,107)	(25,232)	(1,084)	(1,539)
Net cash generated from/(used in)					
operating activities		45,363	(3,908)	(31,433)	(52,374)
Investing activities					
Acquisition of subsidiaries	34	(92,123)	(9,272)	(162,718)	(9,272)
Cash acquired from acquisition					
of subsidiaries		0		0	0
Proceeds from sale of shares in an associate		0	382,381	0	69,505
Interest received		5,323	3,151	1,485	1,647
Purchase of property, plant and equipment		(34,887)	(18,916)	(447)	(582)
Proceeds from sale of property,					
plant and equipment		6,157	454	156	76
Investment in associates		(2,565)	(398)	0	(360)
Purchase of investment		0	(3,004)	(135,300)	(1,000)
Dividends received from subsidiaries		0	0	4,118	569
Dividends received from associates		18,580	5,312	813	4,019
Dividends received from investments		513	2,208	165	165
Repayments from subsidiaries		0	0	630,779	386,703
Repayments to subsidiaries		0	0	(12,695)	(369,696)
Advances to subsidiaries		0	0	(473,907)	(38,738)
Advances from subsidiaries		0	0	33,421	138,459
Repayments from associates		34,358	15,534	3,720	8,187
Advances to associates		(4,362)	(7,629)	(4,294)	(7,629)
Advances from associates		0	27,400	0	0
Repayments to associates		(12,710)	0	0	0
Net cash (used in)/generated from					
investing activities		(81,716)	397,232	(114,704)	182,053

CASH FLOW STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (cont'd)

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		Gr	oup	Со	mpany
	Note	2004	2003	2004	2003
		RM '000	RM '000	RM '000	RM '000
Financing activities					
Proceeds from shares issued by the Company	11	180,493	18,100	180,493	18,100
Repayments of bank borrowings		(378,862)	(300,998)	(49,711)	(101,349)
Receipts of bank borrowings		461,736	60,549	60,000	0
Dividends paid		(47,744)	(13,642)	(47,744)	(13,642)
Fixed deposits withdrawn/(held) as security					
for bank guarantee facility		17,928	(6,924)	6,500	(6,500)
Net cash generated from/(used in)					
financing activities		233,551	(242,915)	149,538	(103,391)
Foreign currencies exchange difference					
on opening balances		189	84	0	0
Net increase in cash and cash					
equivalents during the financial year		197,387	150,493	3,401	26,288
Cash and cash equivalents at beginning					
of financial year		228,668	78,175	64,366	38,078
Cash and cash equivalents at end of					
financial year	26	426,055	228,668	67,767	64,366

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I. Principal activities

The principal activities of the Company during the financial year are those of investment holding and property development. The principal activities of the Group mainly consist of property development, property investment, property holding and property management, hotel operation, construction and investment holding. There have been no significant changes in the nature of these activities during the financial year.

2. Summary of significant accounting policies

The following accounting policies have been used consistently in dealing with items that are considered material in relation to the financial statements.

(a) Basis of preparation of the financial statements

The financial statements of the Group and Company have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies.

The financial statements of the Group and Company comply with the provisions of the Companies Act, 1965 and MASB approved accounting standards in Malaysia. The new MASB approved accounting standard adopted in these financial statements is MASB 32 'Property Development Activities'.

There are no changes in accounting policy that affect net profits or shareholders' equity as the Group was already following the recognition and measurement principles in this standard. Comparatives have also been adjusted and extended to conform to changes in presentation due to the requirements of MASB 32 that has been applied retrospectively.

The preparation of financial statements in conformity with the provisions of the Companies Act, 1965 and MASB approved accounting standards in Malaysia requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of the financial year. Subsidiaries are those enterprises in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of the subsidiaries acquired or disposed of during the financial year are included in the consolidated income statement from the date of acquisition or up to the date of their disposal. Inter-company transactions are eliminated on consolidation and consolidated financial statements reflect external transactions only. Where necessary, adjustments are

(b) Basis of consolidation (continued)

made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree. Separate disclosure is made of minority interest.

(c) Goodwill/capital reserve on consolidation

Goodwill or capital reserve arising on consolidation represents the excess or deficit of purchase price over the fair value of the net assets of subsidiaries at the date of acquisition. Goodwill or capital reserve arising on consolidation is written off against reserves in the year of acquisition.

(d) Subsidiaries

Investments in subsidiaries are stated at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy in note 2(v) to the financial statements on impairment of assets.

(e) Associates

Associates are those enterprises in which a long term equity interest of between 20 to 50 percent is held and where the Group exercises significant influence through management participation.

Investments in associates are stated at cost or valuation. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy in note 2(v) to the financial statements on impairment of assets.

The Group's share of profits less losses of associates is included in the consolidated income statement and the Group's share of post-acquisition retained profits and reserves are added to the cost or valuation of investments in the consolidated balance sheet. These amounts are taken from the latest audited financial statements of associates with the same financial year end as the Company and where the financial year ends are not coterminous, the amounts are taken from the management financial statements made up to the financial year end of the Group. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

(f) Other investments

Investments in quoted and unquoted shares held as long term investments are stated at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

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(g) Marketable securities

Short term investments in quoted shares are stated at the lower of cost and market value on the aggregate portfolio basis at the balance sheet date. Market value is calculated by reference to quoted selling prices at the close of business on the balance sheet date. Increases/decreases in the carrying amount are credited/ charged to the income statement.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

(h) Property, plant and equipment

Freehold land is stated at cost or valuation. All other property, plant and equipment except for hotel properties are stated at cost less accumulated depreciation and impairment losses. The valuations are performed by independent professional valuers. Freehold land of the Group has not been revalued since the last revaluation in 1996. The Directors applied the transitional provisions of International Accounting Standards ('IAS') No.16 (Revised) Property, Plant and Equipment as adopted by the Malaysian Accounting Standards Board which allows these assets to be stated at their 1996 valuation. Accordingly, these assets have been stated at their exisiting carrying amounts less depreciation and impairment losses.

Financing costs on specific identifiable borrowings used to finance the acquisition of property, plant and equipment are capitalised and carried forward as part of property, plant and equipment. Capitalisation of borrowing costs ceases when assets are ready for their intended use.

Hotel properties are stated at Directors' valuation based on independent valuers' reports. Additions subsequent to the date of valuation are stated at cost. It is the Group's policy to appraise the hotel properties once in every five years by independent professional valuers based on their open market values with additional valuations in the intervening years where market conditions indicate that the carrying values on the revalued assets are materially different from the market values. Any surplus or deficit arising therefrom will be dealt with in the Revaluation Surplus Account. A deficit, on individual hotel basis, is set off against the Revaluation Surplus Account only to the extent of a surplus credited from the previous revaluation of the hotel properties and the excess of the deficit is charged to the income statement.

No depreciation is provided for the hotel properties as it is the Group's practice to maintain these properties in such condition that the residual value is so high that depreciation would be insignificant. The related maintenance expenditure is dealt with in the income statement.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/(loss) from operations. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

(i) Depreciation

Freehold land and capital work in progress are not depreciated.

Leasehold land is amortised in equal instalments over the period of the respective leases that range from 30 to 99 years.

Depreciation on other property, plant and equipment is calculated to write-off their cost on a straight line basis over their estimated useful lives of the assets concerned. The annual rates are:

	%
Buildings	2
Plant and machinery	10 - 20
Motor vehicles	20
Office furniture, fittings and equipment	12.5 - 33 1/3

Included in the office furniture, fittings and equipment are operating assets of subsidiaries engaged in the hotel business such as furnishing, linen, crockery and cutlery.

(j) Construction contracts

When the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised over the period of the contract as revenue and expenses respectively. The Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to recognise in a given period; the stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total costs for the contract.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable; contract costs are recognised when incurred.

When it is probable that contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the period end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as amounts due from customers on construction contracts under receivables, deposits and prepayments. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amounts due to customers on construction contracts under payables.

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(k) Revenue recognition

Income from property development is recognised on the percentage of completion method based on units sold, and where the outcome of the development projects can be reliably estimated. Anticipated losses are provided for in full.

Income from construction contracts is recognised on the percentage of completion method in cases where the outcome of the contract can be reliably estimated. In all cases, anticipated losses are provided for in full.

Dividend income from investments is taken up as income when the shareholders' right to receive payment is established.

Hotel revenue is recognised upon delivery of products and customer acceptance, and performance of services, net of sales taxes and discounts.

Management fees, project management fees and rental income are recognised on accrual basis.

Interest income is recognised on effective yield basis unless collectibility is in doubt in which case the recognition of such income is suspended.

(I) Property Development Activities

(i) Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy note 2(v) on impairment of assets.

Land held for property development is transferred to property development costs (under current assets) where development activities have commenced and where the development activities is expected to be completed within the Group's normal operating cycle.

(ii) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or that can be allocated on a reasonable basis to these activities.

(I) Property Development Activities (continued)

(ii) Property development costs (continued)

When the outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised by using the stage of completion method. The stage of completion is measured by reference to the proportion that property development costs incurred bear to the estimated total costs for property development.

When the outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable; property development costs on the development units sold are recognised when incurred.

Irrespective of whether the outcome of a property development activity can be estimated reliably, when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, the expected loss is recognised as an expense immediately.

Property development costs not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.

Where revenue recognised in the income statement exceed billings to purchasers, the balance is shown as accrued billings under receivables, deposits and prepayments (within current assets). Where billings to purchasers exceed revenue recognised in the income statement, the balance is shown as progress billings under payables (within current liabilities).

(m) Inventories

All inventories are valued at the lower of cost and net realisable value.

Costs of unsold properties comprise cost of acquisition of land including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development cost to projects, direct building costs and other costs of bringing the inventories to their present condition and are determined on weighted average basis.

Costs of hotel operating supplies are determined on a first-in, first-out basis. Allowance is made for all deteriorated, damaged, obsolete or slow-moving inventories.

(n) Receivables

Receivables are carried at anticipated realisable value. An estimate is made on doubtful debts based on a review of all outstanding amounts on a periodic basis. Bad debts are written off during the financial year in which they are identified.

(o) Foreign currencies

The financial statements are presented in Ringgit Malaysia.

Foreign currency transactions are converted into Ringgit Malaysia at the rates of exchange ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at rates of exchange ruling on that date. Exchange differences are reflected in the income statement.

Income statements of foreign subsidiaries and associates are translated into the Group's reporting currency at average exchange rates for the financial year and balance sheets are translated at exchange rates ruling at the balance sheet date. Exchange differences arising from the retranslation of the net investment in foreign subsidiaries and associates are taken to Exchange Fluctuation Reserve in shareholders' equity. On disposal of the foreign entity, such translation differences are recognised in the income statement as part of the gain or loss on disposal.

The principal closing rates used in translation of foreign currency amounts are as follows:

Foreign currency	_2004_	_2003_
	RM	RM
I US Dollar	3.800	3.800
l Singapore Dollar	2.322	2.232
I Sterling Pound	7.308	6.756
l Hong Kong Dollar	0.489	0.489
l Australian Dollar	2.961	2.845

(p) Income taxes

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits, including withholding taxes payable by foreign subsidiary and associate on distributions of retained earnings to companies in the Group, and real property gains taxes payable on disposal of properties.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements.

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

Deferred tax is recognised on temporary differences on investments in subsidiaries and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred tax.

(q) Cash and cash equivalents

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

(r) Financial instruments

(i) Financial instruments recognised on the balance sheet

The particular recognition method adopted for financial instruments recognised on the balance sheet is disclosed in the individual policy statements associated with each item.

(ii) Fair value estimation for disclosure purposes

The fair value of publicly traded securities except for quoted associates is based on quoted market prices at the balance sheet date.

In assessing the fair value of non-traded financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate for each type of the financial liabilities of the Group.

The face values, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

(s) Share capital

(i) Classification

Ordinary shares and 1% Irredeemable Convertible Preference Shares ('ICPS 2002/2007') with automatic conversion on maturity date are classified as equity.

The Group has taken advantage of the transitional provisions of MASB 24 'Financial Instruments: Disclosures and Presentation', which allows financial instruments that contain both a liability and an equity element issued prior to 1 January 2004 to be stated based on predominant component part.

(ii) Share issue cost

External costs directly attributable to the issue of new shares are shown as a deduction, net of tax, in equity from the proceeds.

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(s) Share capital (continued)

(iii) Dividends

Dividends on ordinary and preference shares are recognised as liabilities when declared.

(t) Borrowings

(i) Classification

Borrowings are initially recognised based on the proceeds received. In subsequent periods, borrowings are stated at amortised cost using the effective yield method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

(ii) Capitalisation of borrowings cost

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. Borrowing costs incurred to finance property development activities and construction contracts are accounted for in a similar manner. All other borrowing costs are expensed.

(u) Leases

Leases of assets where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on the straight line basis over the lease period.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(v) Impairment of assets

Property, plant and equipment and other non-current assets, including intangible assets, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are categorised at the lowest level for which there are separately identifiable cash flows.

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to revaluation surplus. Any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

(w) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses, paid annual leave and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Equity compensation benefits

Details of the Group's Employees' Share Option Scheme are set out in note 11 to the financial statements. The Group does not make a charge to the income statement in connection with share options granted. When the share options are exercised, the proceeds received, net of any transaction costs, are credited to the share capital and share premium.

(iii) Defined contribution plans

The Group has various defined contribution plans in accordance with local conditions and practices in the countries in which it operates.

The Group's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(x) Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenues, expenses, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenues, expenses, assets and segment liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between group enterprises within a single segment.

3. Financial Risk Management Objectives and Policies

The Group's activities expose it to a variety of financial risks, including foreign currency exchange risk, interest rate risk, market risk, credit risk, liquidity and cash flow risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial

3. Financial Risk Management Objectives and Policies (continued)

performance of the Group. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to Group financial risk management policies. The management regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

(i) Foreign currency exchange risk

The Group operates internationally and is exposed to various currencies. Foreign currency transactions give rise to foreign exchange exposure.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

(ii) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises mainly from the Group's borrowings and deposits. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings.

(iii) Market risk

The Group faces exposure to the risk from changes in debt and equity prices. However, management regularly reviews these risks and takes proactive measures to mitigate the potential impact of such risks.

(iv) Credit risk

Credit risk arises when derivative instruments are used or sales are made on deferred credit term. The Group controls these risks by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures. The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instrument.

Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of customers, who are dispersed over a broad spectrum of industries and businesses. The Group's historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, management believe that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

3. Financial Risk Management Objectives and Policies (continued)

(v) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far a possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

4. Revenue

	Gro	oup	Со	mpany
	2004	2003	2004	2003
	RM '000	RM '000	RM '000	RM '000
Investment income	578	3,067	7,079	6,531
Rental and rent related income	180,632	164,887	1,569	2,304
Sale of properties	5,181	16,280	0	16,280
Sale of development properties				
billed to stages of completion	208,387	187,359	0	0
Rendering of services	69,277	62,565	0	0
Sale of food, beverages and other goods	28,061	23,151	0	0
Construction contract revenue	12,442	74,857	0	0
	504,558	532,166	8,648	25,115

5. Profit from operations

	Gro	oup	Co	mpany
	2004	2003	2004	2003
	RM '000	RM '000	RM '000	RM '000
Profit from operations is stated after charging:				
Allowance for doubtful debts of:				
- Trade and other receivables	165	3,248	0	0
Auditors' remuneration:				
- Current financial year	474	445	127	115
- Overaccrual in prior year	0	(55)	0	0
Bad debts written off	831	0	0	0
Construction contract costs	12,134	66,875	0	0
Depreciation of property, plant and equipment	42,482	45,783	567	540
Hire of plant and equipment	711	1,481	0	0
Impairment losses:				
- Marketable securities	4,694	0	1,440	0

5.	Profit from	operations	(continued)
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5. Front from operations (continued)	Gr	oup	Company		
	2004	2003	2004	2003	
	RM '000	RM '000	RM '000	RM '000	
- Unquoted investment	0	8,249	0	0	
Loss on disposal of property, plant and equipment	2	471	0	0	
Office rent	694	513	1,601	913	
Staff cost (include Directors' remuneration	074	313	1,001	713	
as disclosed in note 6 to the financial					
statements but exclude defined contribution					
retirement plan)	36,417	33,612	9,138	10,763	
Defined contribution retirement plan	3,612	3,537	972	1,404	
Realised exchange losses	280	0	0	0	
Unrealised exchange losses	0	3,379	0	0	
Write off of property, plant and equipment	35	646	0	0	
The on of property, plant and equipment					
And crediting:					
Bad debts recovered	60	164	0	0	
Dividends received (gross) from:					
- Subsidiaries:					
- Unquoted in Malaysia	0	0	5,720	720	
- Associates:					
- Quoted in Malaysia	0	0	1,130	5,582	
- Quoted investments:					
- In Malaysia	229	3,067	229	229	
- Outside Malaysia	349	0	0	0	
Interest income					
- Subsidiaries	0	0	27,794	25,178	
- Others	5,323	3,151	1,485	1,481	
Profit on disposal of property, plant					
and equipment	3,955	241	5	76	
Realised exchange gain	622	46	0	0	
Rental income	123	142	0	0	
Write back of allowance for doubtful debts	121	557	0	0	

6. Directors' remuneration

	Gro	oup	Со	mpany
	2004	2003	2004	2003
	RM '000	RM '000	RM '000	RM '000
Fees:				
- Directors of the Company	69	99	69	99
- Other Directors	147	42	0	0
Other emoluments:				
- Directors of the Company	1,881	1,951	1,881	1,572
- Other Directors	3,696	1,828	0	0
Defined contribution retirement plan	520	348	207	127
Benefits-in-kind	145_	78_	100_	36
	6,458	4,346	2,257	1,834

The Directors' remuneration has been included in staff cost as disclosed in note 5 to the financial statements.

Executive Directors of the Company have been granted options under the Employees' Share Options Scheme on the same terms and conditions as those offered to other employees of the Group (note 11 to the financial statements) as follows:

		Number of shares						
	Exercise	At I				At 31		
Expiry date	price	January	Granted	Exercised	Lapsed	December		
	RM/share	,000	'000	'000	'000	'000		
24.6.2008	0.93	3,000	0	0	0	3,000		
24.6.2008	1.05	0	1,000	0	0	1,000		
Total	_	3,000	1,000	0	0	4,000		
	_							
24.6.2008	0.93	0	3,500	(500)	0	3,000		
Total	_	0	3,500	(500)	0	3,000		
	24.6.2008 24.6.2008 Total	Expiry date price RM/share 24.6.2008 0.93 24.6.2008 1.05 Total 24.6.2008 0.93	Expiry date price RM/share '000 24.6.2008 0.93 3,000 24.6.2008 1.05 0 Total 3,000 24.6.2008 0.93 0	Expiry date price RM/share January Granted (000 000) 24.6.2008 0.93 3,000 0 24.6.2008 1.05 0 1,000 Total 3,000 1,000 24.6.2008 0.93 0 3,500	Expiry date price RM/share '000 '000 '000 '000 '000 '000 '000 '0	Exercise		

Details relating to options exercise during the period are as follows:

	Fair value of shares			
	at share issue date	Exercise price		
Exercise date	RM/share	RM/share	2004	2003
			,000	,000
31.10.2003 - 06.12.2003	1.47 - 1.50	0.93	0	500
			2004	2003
			RM'000	RM'000
Ordinary share capital - at par			0	250
Share premium			0	215
Proceeds received on exercise of share	options		0	465
Fair value			0	743

7. Finance costs					
		Gro	oup	Со	mpany
		2004	2003	2004	2003
		RM '000	RM '000	RM '000	RM '000
Finance costs are stated after charging:					
Interest expense on borrowings		35,595	62,221	5,218	12,346
Other financing costs		557	3,322	0	0
		36,152	65,543	5,218	12,346
8. Tax					
o. iax		Gro	מעכ	Co	mpany
		2004	2003	2004	2003
	Note	RM '000	RM '000	RM '000	RM '000
In Malaysia					
Income tax - current					
- Company and subsidiaries		(15,903)	(13,637)	(5,118)	(3,657)
- Associates		(8,479)	(10,550)	0	0
Income tax - prior years		(268)	(8,913)	0	0
Deferred taxation	15	(7,929)	(7,572)	0	0
		(32,579)	(40,672)	(5,118)	(3,657)
Outside Malaysia					
Income tax - current					
- Subsidiaries		(60)	(49)	0	0
- Associates		(6,759)	(921)	0	0
		(6,819)	(970)	0	0
			(

(39,398)

(41,642)

(5,118)

(3,657)

8. Tax (continued)

The explanation of the relationship between tax expense and profit from ordinary activities before tax is as follows:

	Gro	oup	Company		
	2004	2003	2004	2003	
	%	%	%	%	
Numerical reconciliation between the					
average effective tax rate and the					
Malaysian income tax rate					
Malaysian income tax rate	28	28	28	28	
Tax effects of :					
- different tax rates in other countries	(3)	(5)	0	0	
- expenses not deductable for tax purpose	12	12	0	7	
- income not subject to tax	(5)	(18)	(27)	(28)	
- current year's tax loss not recognised	0	4	0	0	
- previously unrecognised tax losses	(4)	(3)	0	0	
- (over) / under accrual in prior years	0	5	0	0	
Average effective tax rate	28	23	I	7	

Tax savings of the Group during the financial year due to the recognition of previously unrecognised tax losses amounted to RM5,669,675 (2003: RM5,530,740).

9. Earnings per ordinary share

(a) Basic earnings per ordinary share

Basic earnings per ordinary share of the Group is calculated by dividing the net profit for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	2004	2003
Net profit for the financial year adjusted for ICPS dividend (RM '000)	99,838	146,248
Weighted average number of ordinary shares in issue ('000)	1,218,047	1,146,921
Basic earnings per ordinary share (sen)	8.2	12.8

(b) Diluted earnings per ordinary share

In the diluted earnings per ordinary share calculation, the ICPS 2002/2007 is assumed to have been converted into ordinary shares. The Warrants lapsed on 29 December 2004. In respect of share options, a calculation is done to determine the number of ordinary shares that could have been acquired at market price (determined as the average annual share price of the Company's share) based on the monetary value of the subscription rights attached to share options. This calculation serves to determine the 'bonus' element to the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to net profit for the financial year for the share options calculation.

9. Earnings per ordinary share (continued)

(b) Diluted earnings per ordinary share (continued)

	2004	2003
Net profit for the financial year adjusted for ICPS dividend (RM '000)	99,838	146.248
Incremental earnings for ICPS 2002/2007 (RM '000)	1,285	1,285
	101,123	147,533
Weighted average number of ordinary shares in issue ('000)	1,218,047	1,146,921
Adjustments for ICPS 2002/2007('000)	99,189	134,169
Adjustments for warrants ('000)	38,369	9,802
Adjustments for share options ('000)	3,984	2,531
Weighted average number of ordinary shares for diluted earnings per ordinary share ('000)	1,359,589	1,293,423
Diluted earnings per ordinary share (sen)	7.4	11.4

10. Dividends

Dividends declared or proposed in respect of the financial year ended 31 December are as follows:

	Group and Company				
	20	04	2003		
	Gross	Amount of	Gross	Amount of	
	dividend	dividend,	dividend	dividend,	
	per share	net of tax	per share	net of tax	
	Sen	RM '000	Sen	RM '000	
Ordinary shares					
Interim dividend of 5% less tax at 28%	0	0	2.50	20,944	
Proposed final dividend of 2.5% less tax at 28%					
and 2.5% tax exempt (2003: final dividend of 3%					
less tax at 28% and 2% tax exempt)	2.50	30,398	2.50	25,515	
	2.50	30,398	5.00	46,459	
ICPS 2002/2007					
Final dividend of 1% less tax at 28%					
(2003: 1% less tax at 28%)	1.00	1,285	1.00	1,285	

At the forthcoming Annual General Meeting on 26 May 2005, a final dividend in respect of the financial year ended 31 December 2004 of 2.5% less tax at 28% and 2.5% tax exempt amounting to RM30,398,303 will be proposed for shareholders' approval. These financial statements do not reflect this final dividend which will be accrued as a liability in the financial year ending 31 December 2005 when approved by shareholders.

Share capital

	Group and Company	
	2004	2003
Ordinary Shares of RM0.50 each:	RM '000	RM '000
Authorised		
At I January/31 December	1,000,000	1,000,000
1% Irredeemable Convertible Preference Shares 2002/2007 of RM1.00 each:		
Authorised		
At I January/31 December	200,000	200,000

(a) Ordinary Shares of RM0.50 each ('IGB Shares')

During the financial year, the Company's issued and fully paid-up share capital was increased from RM581,805,518 to RM706,937,283 by way of the following issue of shares:

Issue of shares	No of shares '000	Nominal value RM'000
Exercise of warrants	170,354	85,177
Exercise of ICPS	69,024	34,512
Exercise of ESOS	10,886	5,443
(exercise prices RM0.93 - RM1.05)		
	250,264	125,132

The newly issued shares rank pari passu in all respects with the existing issued shares of the Company except that they are not entitled to any dividends, rights, allotments and/or other distributions unless the allotment of the new IGB Shares is made on or prior to the entitlement date of such dividends, rights, allotments and/or other distributions.

(b) 1% Irredeemable Convertible Preference Shares of RMI.00 each ('ICPS 2002/2007')

The salient terms of the ICPS 2002/2007 are as follows:

- (i) The ICPS 2002/2007 shall be irredeemable;
- (ii) The holders of the ICPS 2002/2007 shall have the right to receive to the extent that there are sufficient net profits after taxation available for distribution for the relevant financial year including retained profits and distributable reserves brought forward as determined by the Directors and in priority to any payment in respect of any other class of shares in the capital of the Company a fixed cumulative preferential dividend at the rate of one per cent per annum (less any tax liability) and such preferential dividend to be payable annually in arrears not later than six months from the relevant financial year end;
- (iii) Each ICPS 2002/2007 holder shall have the right at any time between the hours of 9.00 a.m. and 5.00 p.m. on any Market Day commencing from the 18 April 2004 and expiring on 17 April 2007 to convert the whole of the nominal value of the ICPS 2002/2007 held by him or such part thereof as he may specify in the Notice of Conversion into ordinary and fully paid-up IGB Shares at the conversion price of RM1.33 per ordinary IGB Share; and

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (cont'd)

Share capital (continued)

(b) 1% Irredeemable Convertible Preference Shares of RMI.00 each ('ICPS 2002/2007') (continued)

(iv) The number of unexercised ICPS 2002/2007 as at 31 December 2004 is 86,413,275 (2003: 178,444,836). The ICPS 2002/2007 shall, if not converted by 17 April 2007, be automatically converted into new IGB Shares at the Conversion Price of RM1.33 per ordinary IGB Share on 18 April 2007.

(c) Warrants 1999/2004

On 30 December 1999, there was a Rights Issue of 118,558,714 new IGB shares with 118,558,714 warrants attached at an issue price of RMI.05 for each new IGB shares with one warrants attached on the basis of one new IGB share with one warrant attached for every four existing IGB shares held. Each Warrant carries the right to subscribe for one new ordinary share at the Exercise Price of RMI.50 for a period of five years from the date of issue of the Warrant. Pursuant to the bonus issue of new IGB shares on 18 April 2003, the exercise price and the number of warrants were adjusted from RMI.50 to RMI.00 and from 118,558,214 to 177,837,221 respectively.

The number of unexercised warrants as at 29 December 2004 is 7,482,861 (2003: 177,837,221). The unexercised warrants lapsed on 29 December 2004.

(d) IGB Group Employee Share Option Scheme ('ESOS')

On 15 August 2003 and 10 June 2004, the Company granted 40,742,000 and 2,406,000 new ESOS to eligible employees at an exercise price of RM0.93 per share and RM1.05 per share respectively.

The main features of the ESOS are as follows:

- (i) The eligibility for participation in the ESOS shall be at the discretion of the ESOS Committee, appointed by the Board of Directors;
- (ii) The total number of IGB Shares to be offered under the ESOS shall not exceed 10% of the total issued and paid-up share capital of the Company at any point of time during the existence of the ESOS which shall be in force for a period of five years expiring on 14 August 2008;
- (iii) The number of shares under options or option price or both so far as the options remain unexercised shall be adjusted following any issue of additional shares in the issued share capital of the Company by way of rights issue, capitalisation of profits or reserves or any sub-division and consolidation of the Company's shares;
- (iv) The option price at which the employees are offered to take up shares under the ESOS is the weighted average market price of the shares of the Company as quoted in the Daily Official List issued by Bursa Securities for the five market days preceding the respective dates of offer of the options with an allowance for a discount of not more than 10% therefrom at the ESOS committee's discretion or the par value of the shares of the Company of RM0.50, whichever is higher; and
- (v) The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

11. Share capital (continued)

(d) IGB Group Employee Share Option Scheme ('ESOS') (continued)

The movements in the number of options over the shares of the Company during the financial year are as follows:

		_	No of shares					
		Exercise	At I				At 31	
Grant date	Expiry date	price	January	Granted	Exercised	Lapsed	December	
		RM/share	'000	'000	'000	'000	'000	
2004								
15.8.2003	24.6.2008	0.93	20,871	0	(10,755)	(252)	9,864	
10.6.2004	24.6.2008	1.05	0	2,406	(131)	(24)	2,251	
		-						
	Total		20,871	2,406	(10,886)	(276)	12,115	
2003		•						
15.8.2003	24.6.2008	0.93	0	40,742	(19,463)	(408)	20,871	
	Total		0	40,742	(19,463)	(408)	20,871	

Details relating to options exercised during the financial year are as follows:

					No of shar	es issued
Exercise date		are issu	shares ue date 1/share	Exercise price RM/share	2004	2003
31.10.03 - 6.12.03	1.47	to	1.50	0.93	0	19,463
31.1.04 - 6.2.04 30.4.04 - 10.5.04	1.37 1.31	to to	1.45 1.32	0.93 0.93	6,549 1,745	0
31.7.04 - 6.8.04 31.7.04 - 6.8.04	1.17 1.17	to to	1.20 1.20	0.93 1.05	626 107	0
31.10.04 - 5.11.04	1.21	to	1.23	0.93	1,835	0
31.10.04 - 5.11.04	1.21	to	1.23	1.05	10,886	19,463
					2004	2003
					RM '000	RM '000
Ordinary share capital - at par Share premium					5,443 4,696	9,731 8,369
Proceeds received on exercise of s	hare option	าร			10,139	18,100
Fair value at exercise date of share	s issued				14,665	28,902

12. Revaluation and other reserves

The revaluation and other reserves comprise:

		Gro	oup	Company		
Non-distributable		2004	2003	2004	2003	
	Note	RM '000	RM '000	RM '000	RM '000	
Exchange fluctuation reserves		17,579	17,519	0	0	
Surplus on revaluation of properties		39,776	39,776	0	0	
Surplus on revaluation of investment						
in an associate		29,258	29,258	29,258	29,258	
Capitalisation of revenue reserves						
in an associate		686_	686	0	0	
		87,299	87,239	29,258	29,258	
Goodwill arising on consolidation		(69,740)	(8,144)	0	0	
		17,559	79,095	29,258	29,258	
Total revaluation and other reserves:						
At I January		79,095	53,160	29,258	29,258	
Exchange fluctuation reserves						
arising in the financial year		60	(1,046)	0	0	
(Goodwill)/reserve arising on consolidation	34	(61,596)	26,981	0	0	
At 31 December		17,559	79,095	29,258	29,258	

The non-distributable reserves are not distributable as cash dividends.

13. Retained earnings

Subject to agreement by the Inland Revenue Board, the Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of net dividends of approximately RM63,426,000 (2003: RM87,561,000) out of its distributable reserves of RM1,182,398,000 (2003: RM502,411,000) as at 31 December 2004 without incurring any additional tax liabilities. The Company also has tax exempt income as at 31 December 2004 amounting to RM113,063,000 (2003: RM124,700,000) available for distribution as tax exempt dividends to shareholders.

14. Bank borrowings				
		oup		mpany
	2004	2003	2004	2003
	RM '000	RM '000	RM '000	RM '000
Current				
Unsecured				
Short term loans	21,532	30,000	20,000	0
Bank overdrafts	389	924	0	887
Secured				
Current portion of term loans	0	107,368	0	49,711
Short term loans	80,000	41,500	0	10,000
Syndicated Fixed Rate Loan	0	20,000	0	0
Bank overdrafts	0	4,871	0	0
	101,921	204,663	20,000	60,598
Non-current				
Unsecured				
Term loans	78,803	94,330	50,000	0
Secured	,	•	ŕ	
Term loans	75,000	99,263	0	0
Redeemable Secured Bonds	400,000	0	0	0
Syndicated Fixed Rate Loan	0	180,000	0	0
-,	553,803	373,593	50.000	0
Total repayable	655,724	578,256	70,000	60,598
1014111014110				
Currency exposure profile of bank borrowings is as follows:	:			
		0.1.005		
- US Dollar	20,335	21,095	0	0
- Ringgit Malaysia	635,389	557,161	70,000	60,598

The short term loans, bank overdrafts, secured term loans and Redeemable Secured Bonds obtained by the Group and Company respectively are secured by way of fixed registered charges over certain land and buildings, hotel properties, land under development properties, deposits of securities with market value of not less than the facility amount and inventories of the Group as disclosed in notes 16, 17, 19, 20 and 21 to the financial statements respectively.

655,724

578,256

70,000

60,598

In September 2004, a subsidiary, Mid Valley Capital Sdn Bhd issued 2 classes of RM400 million nominal value Redeemable Secured Bonds ('Bonds'). Class I Bonds comprise 6 series with issue amount up to RM285 million and Class 2 Bonds comprise 4 series with issue amount up to RMII5 million. The proceeds of the Bonds were utilised to repay existing bank borrowings and inter-company advances.

The Bonds are secured as follows:

- (a) Legal assignment of all cashflows, tenancy agreements and insurance policies in relation to the Mid Valley Megamall;
- (b) Third party first rank fixed and floating charge over the Mid Valley Megamall and by way of debenture over assets, undertakings and paid-up capital of MVC and Mid Valley Capital Sdn Bhd.

The Bonds are also covered by Power of Attorney granted in favour of the trustee for the Bonds for the sale of Mid Valley Megamall.

 Bank borrowings (continued) 					
3 (,		Group		Cor	npany
		2004	2003	2004	2003
	•	% per	% per	% per	% per
	a	nnum	annum	annum	annum
Weighted average effective finance					
rates at balance sheet date:					
Bank overdrafts		7.49	7.33	7.08	7.50
Short term loans		4.45	4.15	4.75	4.27
Term loans		5.65	7.49	6.83	7.50
Redeemable Secured Bonds		5.80	0	0	0
Syndicated Fixed Rate Loan		0	9.50	0	0
Group borrowings: maturity and exposure to finan	ice rate risk				
		Later	Later		
		than I	than 2		
		year and	years and		
	Not later	not later	not later	Later	
	than I	than 2	than 5	than 5	
	year	years	years	years	Total
Group	RM '000	RM '000	RM '000	RM '000	RM '000
A. 21 D					
At 31 December 2004					
Fixed finance rate					
- Term loans	1,532	85,803	68,000	0	155,335
- Redeemable Secured Bonds	0	0	110,000	290,000	400,000
F	1,532	85,803	178,000	290,000	555,335
Floating finance rate	100.000	^	•	•	100.000
- Term loans	100,000	0	0	0	100,000
- Overdrafts	389	0	0	0	389
	100,389	0 0 003	178,000	0	100,389
	101,921	85,803	178,000	290,000	655,724
At 31 December 2003					
Fixed finance rate					
	(0.711	100.000	120,000	20,000	309,711
- Term Ioans	69,711	100,000	120,000	20,000	309,711
Floating finance rate					
Floating finance rate	120 157	22.475	00.757	10.271	2/2 750
- Term loans	129,157	32,465	90,757	10,371	262,750
- Overdrafts	5,795	0	0	0	5,795
	134,952	32,465	90,757	10,371	268,545
	204,663	132,465	210,757	30,371	578,256

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14. Bank borrowings (continued)

Company borrowings: maturity and exposure to finance rate risk

Company	Not later than I year RM '000	Later than I year and not later than 2 years RM '000	Later than 2 years and not later than 5 years RM '000	Later than 5 years RM '000	Total RM '000
At 31 December 2004					
Fixed finance rate					
- Term loans	0	0	50,000	0	50,000
Floating finance rate					
- Term loans	20,000	0	0	0	20,000
	20,000	0	50,000	0	70,000
At 31 December 2003					
Fixed finance rate					
- Term loans	49,711	0	0	0	49,711
Floating finance rate					
- Term loans	10,000	0	0	0	10,000
- Overdrafts	887_	0	0	0	887
	10,887	0	0	0	10,887
	60,598	0	0	0	60,598

Estimated fair values

The carrying amounts of bank overdrafts, revolving credits and term loans with floating finance rates at balance sheet date approximated their fair values. The fair value of other borrowings with fixed finance rate at balance sheet date is as follows:

	Gro	oup	Gr	oup
	200	4	200	03
	Carrying	Fair	Carrying	Fair
	Amount	Value	Amount	Value
	RM '000	RM '000	RM '000	RM '000
Bank borrowings	555,335	550,377	309,711	317,434

The carrying amounts of borrowings of the Company with fixed finance rates at balance sheet date approximated their fair values.

15. Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	Gre	oup	Со	mpany
	2004	2003	2004	2003
	RM '000	RM '000	RM '000	RM '000
Deferred tax assets	2,500	4,659	0	0
Deferred tax liabilities:				
- subject to income tax	(59,556)	(53,786)	(1,600)	(1,600)
- subject to real property gains tax	(20,747)	(20,747)	0	0
	(80,303)	(74,533)	(1,600)	(1,600)
At 31 December	(77,803)	(69,874)	(1,600)	(1,600)

		Gr	oup	Со	mpany
		2004	2003	2004	2003
	Note	RM '000	RM '000	RM '000	RM '000
At I January		(69,874)	(58,920)	(1,600)	(1,600)
(Charged)/credited to income					
statement:	8				
- property, plant and equipment		(819)	(5,015)	0	0
- property development costs		3,527	0	0	0
- tax losses		(10,546)	(2,395)	0	0
- others		(91)	(162)	0	0
		(7,929)	(7,572)	0	0
Arising from acquisition of subsidiaries		0	(3,382)	0	0
At 31 December		(77,803)	(69,874)	(1,600)	(1,600)

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Group Comp	any 2003
	2003
2004 2003 2004	
RM '000 RM '000 RM '000 F	RM '000
Subject to income tax	
Deferred tax assets (before offsetting)	
-Tax losses 15,467 26,013 0	0
-Others <u>526</u> <u>617</u> <u>0</u>	0
15,993 26,630 0	0
Offsetting (13,493) (21,971)0	0
Deferred tax assets (after offsetting) 2,500 4,659 0	0
Deferred tax liabilities (before offsetting)	
-Property, plant and equipment (44,908) (44,089) 0	0
-Property development costs (27,151) (30,678) (1,600)	(1,600)
-Land held for property development (990) (990)	Ò
(73,049) (75,757) (1,600)	(1,600)
Offsetting 13,493 21,971 0	0
Deferred tax liabilities (after offsetting) (59,556) (53,786)	(1,600)
Subject to capital gains tax	
Deferred tax liabilities	
-Hotel properties (19,822) (19,822) 0	0
-Others (925) (925) 0	0

The amount of deductible temporary differences and unused tax losses (both of which have no expiry date) for which no deferred tax asset is recognised in the balance sheet are as follows:

(20,747)

(20,747)

	Gro	oup	Co	mpany
	2004	2003	2004	2003
	RM '000	RM '000	RM '000	RM '000
Deductible temporary differences	545	211	0	0
Tax losses	58,844	45,553	0	0

								Office		
Group	Freehold	Short term leasehold	Long term		Hofe	Plant and	Motor	furniture,	Capital work	
ţ	land	land	land	Buildings	properties	machinery	vehicles	equipment	in progress	Total
2004 Note	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
At I January										
At cost	159,435	7,387	115,441	619,349	158,857	209,768	4,931	72,438	21,377	1,368,983
At valuation	26,999	0	0	0	64,427	0	0	0	0	91,426
Additions	0	0	0	52	0	3,513	1,592	7,146	22,584	34,887
Reclassification (to)/from property										
development costs	(9,196)	0	0	0	0	0	0	0	187,969	178,773
Write off	0	0	0	0	0	0	0	(93)	0	(92)
Disposals	(1,415)	0	0	0	0	0	(1,358)	(2,730)	0	(5,503)
At 31 December	175,823	7,387	115,441	619,401	223,284	213,281	5,165	76,762	231,930	1,668,474
Accumulated Depreciation										
At I January	0	1,231	1,976	55,644	0	87,378	3,558	43,890	0	193,677
Charge for the financial year	0	246	514	11,867	0	22,038	440	7,377	0	42,482
Write off	0	0	0	0	0	0	0	(57)	0	(57)
Disposals	0	0	0	0	0	0	(1,110)	(2,189)	0	(3,299)
At 31 December	0	1,477	2,490	67,511	0	109,416	2,888	49,021	0	232,803
Net Book Value										
At 31 December 2004										
At cost	148,824	5,910	112,951	551,890	158,857	103,865	2,277	27,741	231,930	1,344,245
At valuation	26,999	0	0	0	64,427	0	0	0	0	91,426
	175,823	5,910	112,951	551,890	223,284	103,865	2,277	27,741	231,930	1,435,671
Net Book Value										
At 31 December 2003										
At cost	159,435	6,156	113,465	563,705	158,857	122,390	1,373	28,548	21,377	1,175,306
At valuation	26,999	0	0	0	64,427	0	0	0	0	91,426
	186,434	6,156	113,465	563,705	223,284	122,390	1,373	28,548	21,377	1,266,732

Property, plant and equipment

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16. Property, plant and equipment (continued)

Company

			Of	fice furniture,	
		Plant and	Motor	fittings and	
	Buildings	machinery	vehicles	equipment	Total
2004	RM '000	RM '000	RM '000	RM '000	RM '000
At Cost					
At I January	1,932	5,621	659	3,518	11,730
Additions	0	0	234	213	447
Disposals	0	0	(238)	(1)	(239)
At 31 December	1,932	5,621	655	3,730	11,938
Accumulated Depreciation					
At I January	309	5,321	505	2,194	8,329
Charge for the financial year	39	65	48	415	567
Disposals	0	0	(87)	(1)	(88)
At 31 December	348	5,386	466	2,608	8,808
Net Book Value					
At 31 December 2004	1,584	235	189	1,122	3,130
At 31 December 2003	1,623	300	154	1,324	3,401

(a) Valuation

(i) Freehold land

The freehold land of a subsidiary stated at valuation was revalued on 8 August 1996 by the Directors based on valuations carried out by independent professional valuers based on a fair market value basis.

The Directors applied the transitional provisions of International Accounting Standards ('IAS')No. 16 (Revised) Property, Plant and Equipment as adopted by the Malaysian Accounting Standards Board which allows these assets to be stated at their 1996 valuation. According, these assets have been stated at their existing carrying amounts less depreciation and impairment losses.

The net book value of freehold land of the Group that would have been included in the financial statements had this not been revalued and carried at cost is RM3,419,000 (2003: RM3,419,000).

(ii) Hotel properties

The hotel properties of the Group stated at valuation were last revalued on I November 2001 by the Directors based on valuations carried out on a fair market value basis by Elvin Fernandez, member of the Institute of Surveyors, Malaysia, a partner with Khong & Jaafar Sdn Bhd, an independent qualified valuer.

The net book value of hotel properties that would have been included in the financial statements had they not been revalued is RM50,423,351 (2003: RM50,423,351).

The hotel properties stated at valuation of RM64,427,000 (2003: RM64,427,000) have been charged as security for certain term loan facilities as disclosed in note 14 to the financial statements.

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16. Property, plant and equipment (continued)

(b) Land and buildings, plant and machinery and capital work in progress at a total net book value of RM765,408,000 (2003: RM834,977,000) have been charged as security for certain term loan facilities as disclosed in note 14 to the financial statements.

17. Property Development Activities

(a) Land held for property development

	Gro	oup	Co	mpany
	2004	2003	2004	2003
	RM '000	RM '000	RM '000	RM '000
Land	94,595	94,595	16,451	16,451
Development cost	72,022	52,181	8,774	8,774
	166,617	146,776	25,225	25,225
Add: Cost incurred during the financial year				
-Development costs	2,229	19,841	0	0
Add:Transfer from property development costs				
-Land	16,128	0	0	0
-Development costs	769	0	0	0
	185,743	166,617	25,225	25,225
Less: Transfer to property development costs				
-Land	(9,753)	0	(9,753)	0
-Development costs	(9,082)	0	(9,082)	0
	166,908	166,617	6,390	25,225

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17. Property Development Activities (continued)

(b) Property development costs

	Gr	oup	Co	mpany
	2004	2003	2004	2003
	RM '000	RM '000	RM '000	RM '000
Land	225,253	147,314	0	0
Property development costs	436,824	163,029	0	0
	662,077	310,343	0	0
Add: Cost incurred during the financial year				
-Land cost	4,241	77,939	0	0
-Development costs	214,885	273,795	8,600	0
Transfer from land held under property development				
-Land cost	9,753	0	9,753	0
-Development costs	9,082	0	9,082	0
	900,038	662,077	27,435	0
Less: Cost recognised as an expense				
in income statement				
-Previous financial years	(187,898)	(74,542)	0	0
-Current financial year	(157,567)	(113,356)	0	0
	554,573	474,179	27,435	0
Transfer to land held under property development				
-Land cost	(16,128)	0	0	0
-Development costs	(769)	0	0	0
Transfer to inventories	(16,719)	(1,816)	0	0
Reclassification to property, plant and equipment	(178,773)	0	0	0
	342,184	472,363	27,435	0

Land and property development costs of the Group at cost of RM63,621,659 (2003: RM319,825,000) have been charged as security for certain term loan and overdraft facilities as disclosed in note 14 to the financial statements.

Included in the Group's property development costs are interest capitalised during the financial year of RM16,182,838 (2003: RM15,044,502).

18. Subsidiaries

	Co	Company	
	2004	2003	
	RM '000	RM '000	
Unquoted shares, at cost	1,984,732	995,642	
Less : Impairment losses	(3,057)	(3,057)	
	1,981,675	992,585	

Details of subsidiaries are set out in note 37 to the financial statements.

	Group		Company	
	2004	2003	2004	2003
	RM '000	RM '000	RM '000	RM '000
Quoted, at cost				
Shares				
-In Malaysia	66,239	66,239	38,841	38,841
Unquoted shares				
At cost				
-In Malaysia	315,939	330,157	128,000	128,000
-Outside Malaysia	125,981	124,643	0	0
At valuation				
-In Malaysia	50,000	50,000	50,000	50,000
	558,159	571,039	216,841	216,841
Group's share of post				
acquisition reserves				
less losses	74,079	31,066	0_	0
	632,238	602,105	216,841	216,841
Less: Impairment losses	(25,854)	(29,971)	0	0
	606,384	572,134	216,841	216,841
Group's share of net assets	606,384	572,134		
Group's share of contingent liabilities	1,743	1,745		
Market value of quoted investments Shares				
- In Malaysia	60,862	69,557	49,421	56,482
- III I Idiaysia	00,002	67,337	77,741	30,402

Investments in associates of the Group at cost of RM66,239,000 (2003: RM66,239,000) and of the Company at cost of RM38,841,000 (2003: RM38,841,000) have been charged as security for certain banking facilities as disclosed in note 14 to the financial statements.

The Group's investment in an associate was revalued by the Directors in 1992 on the basis of its underlying net assets value. The revaluation surplus of RM29,258,000 (2003: 29,258,000) has been credited to revaluation reserve. Other than this investment, the Company has not adopted a policy of revaluing its investment in associates. The investment at valuation has not been restated to cost as the amount is not material compared with the Group's net assets.

Details of associates are set out in note 38 to the financial statements.

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20. Other investments

	Group		Company	
	2004	2003	2004	2003
	RM '000	RM '000	RM '000	RM '000
At cost				
Quoted shares				
- Outside Malaysia	36,239	36,239	0	0
Unquoted shares				
- In Malaysia	11,786	11,788	3,900	3,900
- Outside Malaysia	46,329	46,343	0	0
	94,354	94,370	3,900	3,900
Less : Impairment losses	(48,293)	(48,389)	0	0
	46,061	45,981	3,900	3,900
Market value of quoted investments				
- Outside Malaysia	37,257	30,147		

The quoted investments have been charged as security for certain banking facilities as disclosed in note 14 to the financial statements. The market value at balance sheet date of these investments approximated their fair value.

21. Inventories

	Group		Company	
	2004		2004	2003
	RM '000	RM '000	RM '000	RM '000
At cost				
Inventories of unsold properties	65,312	74,386	37,348	37,348
Consumables	25	25	0	0
Finished goods	1,077	974	0	0
Hotel operating supplies	941	802	0	0
	67,355	76,187	37,348	37,348

Inventories of unsold properties of the Group at cost of RM5,128,019 (2003: RM8,974,710) have been charged as security for certain banking facilities as disclosed in note 14 to the financial statements.

22. Marketable securities				
	Gro			mpany
	2004	2003	2004	2003
	RM '000	RM '000	RM '000	RM '000
At cost				
Quoted shares:				
- In Malaysia	9,783	9,783	6,529	6,529
Quoted warrants:				
- In Malaysia	7,036	7,036	7,036	7,036
	16,819	16,819	13,565	13,565
Less : Impairment losses	(8,798)	(4,104)	(5,544)	(4,104)
	8,021	12,715	8,021	9,461
Market value of marketable securities				
Quoted shares				
- In Malaysia	7,161	8,801	7,161	8,801
Quoted warrants				
- In Malaysia	860	3,987	860	3,987
	8,021	12,788	8,021	12,788
23. Trade and other receivables				
	Gro 2004 RM '000	2003 RM '000	Coi 2004 RM '000	2003 RM '000
Trade receivables	2004 RM '000	2003 RM '000	2004 RM '000	2003 RM '000
Trade receivables	2004 RM '000	2003 RM '000	2004 RM '000	2003 RM '000
Trade receivables Less: Allowance for doubtful debts	2004 RM '000 110,217 (5,596)	2003 RM '000	2004 RM '000 1,699 (932)	2003 RM '000
	2004 RM '000 110,217 (5,596) 104,621	2003 RM '000 110,992 (5,431) 105,561	2004 RM '000 1,699 (932) 767	2003 RM '000 1,568 (932) 636
Less: Allowance for doubtful debts Other receivables	2004 RM '000 110,217 (5,596) 104,621 40,941	2003 RM '000 110,992 (5,431) 105,561 26,648	2004 RM '000 1,699 (932) 767 14,851	2003 RM '000 I,568 (932) 636 I4,313
Less: Allowance for doubtful debts	2004 RM '000 110,217 (5,596) 104,621 40,941 (1,599)	2003 RM '000 110,992 (5,431) 105,561 26,648 (1,599)	2004 RM '000 1,699 (932) 767 14,851 (1,094)	2003 RM '000 1,568 (932) 636 14,313 (1,094)
Less: Allowance for doubtful debts Other receivables	2004 RM '000 110,217 (5,596) 104,621 40,941	2003 RM '000 110,992 (5,431) 105,561 26,648	2004 RM '000 1,699 (932) 767 14,851	2003 RM '000 I,568 (932) 636 I4,313
Less: Allowance for doubtful debts Other receivables Less: Allowance for doubtful debts	2004 RM '000 110,217 (5,596) 104,621 40,941 (1,599) 39,342	2003 RM '000 110,992 (5,431) 105,561 26,648 (1,599) 25,049	2004 RM '000 1,699 (932) 767 14,851 (1,094) 13,757	2003 RM '000 1,568 (932) 636 14,313 (1,094) 13,219
Less: Allowance for doubtful debts Other receivables Less: Allowance for doubtful debts Accrued billings	2004 RM '000 110,217 (5,596) 104,621 40,941 (1,599) 39,342 61,203	2003 RM '000 110,992 (5,431) 105,561 26,648 (1,599) 25,049 50,523	2004 RM '000 1,699 (932) 767 14,851 (1,094) 13,757	2003 RM '000 1,568 (932) 636 14,313 (1,094) 13,219
Less: Allowance for doubtful debts Other receivables Less: Allowance for doubtful debts Accrued billings Sundry deposits	2004 RM '000 110,217 (5,596) 104,621 40,941 (1,599) 39,342 61,203 3,353	2003 RM '000 110,992 (5,431) 105,561 26,648 (1,599) 25,049 50,523 5,901	2004 RM '000 1,699 (932) 767 14,851 (1,094) 13,757 0 351	2003 RM '000 1,568 (932) 636 14,313 (1,094) 13,219 0 351
Less: Allowance for doubtful debts Other receivables Less: Allowance for doubtful debts Accrued billings Sundry deposits Prepayments	2004 RM '000 110,217 (5,596) 104,621 40,941 (1,599) 39,342 61,203 3,353 989	2003 RM '000 110,992 (5,431) 105,561 26,648 (1,599) 25,049 50,523 5,901 1,602	2004 RM '000 1,699 (932) 767 14,851 (1,094) 13,757 0 351 0	2003 RM '000 1,568 (932) 636 14,313 (1,094) 13,219 0 351 297
Less: Allowance for doubtful debts Other receivables Less: Allowance for doubtful debts Accrued billings Sundry deposits Prepayments Tax recoverable The currency exposure profile of	2004 RM '000 110,217 (5,596) 104,621 40,941 (1,599) 39,342 61,203 3,353 989 6,960	2003 RM '000 110,992 (5,431) 105,561 26,648 (1,599) 25,049 50,523 5,901 1,602 6,116	2004 RM '000 1,699 (932) 767 14,851 (1,094) 13,757 0 351 0	2003 RM '000 1,568 (932) 636 14,313 (1,094) 13,219 0 351 297 0
Less: Allowance for doubtful debts Other receivables Less: Allowance for doubtful debts Accrued billings Sundry deposits Prepayments Tax recoverable The currency exposure profile of trade receivables is as follows:	2004 RM '000 110,217 (5,596) 104,621 40,941 (1,599) 39,342 61,203 3,353 989 6,960 216,468	2003 RM '000 110,992 (5,431) 105,561 26,648 (1,599) 25,049 50,523 5,901 1,602 6,116 194,752	2004 RM '000 1,699 (932) 767 14,851 (1,094) 13,757 0 351 0 0 14,875	2003 RM '000 1,568 (932) 636 14,313 (1,094) 13,219 0 351 297 0 14,503
Less: Allowance for doubtful debts Other receivables Less: Allowance for doubtful debts Accrued billings Sundry deposits Prepayments Tax recoverable The currency exposure profile of trade receivables is as follows: - Ringgit Malaysia	2004 RM '000 110,217 (5,596) 104,621 40,941 (1,599) 39,342 61,203 3,353 989 6,960 216,468	2003 RM '000 110,992 (5,431) 105,561 26,648 (1,599) 25,049 50,523 5,901 1,602 6,116 194,752	2004 RM '000 1,699 (932) 767 14,851 (1,094) 13,757 0 351 0 0 14,875	2003 RM '000 1,568 (932) 636 14,313 (1,094) 13,219 0 351 297 0 14,503
Less: Allowance for doubtful debts Other receivables Less: Allowance for doubtful debts Accrued billings Sundry deposits Prepayments Tax recoverable The currency exposure profile of trade receivables is as follows: - Ringgit Malaysia - US Dollar	2004 RM '000 110,217 (5,596) 104,621 40,941 (1,599) 39,342 61,203 3,353 989 6,960 216,468	2003 RM '000 110,992 (5,431) 105,561 26,648 (1,599) 25,049 50,523 5,901 1,602 6,116 194,752	2004 RM '000 1,699 (932) 767 14,851 (1,094) 13,757 0 351 0 0 14,875	2003 RM '000 1,568 (932) 636 14,313 (1,094) 13,219 0 351 297 0 14,503
Less: Allowance for doubtful debts Other receivables Less: Allowance for doubtful debts Accrued billings Sundry deposits Prepayments Tax recoverable The currency exposure profile of trade receivables is as follows: - Ringgit Malaysia	2004 RM '000 110,217 (5,596) 104,621 40,941 (1,599) 39,342 61,203 3,353 989 6,960 216,468	2003 RM '000 110,992 (5,431) 105,561 26,648 (1,599) 25,049 50,523 5,901 1,602 6,116 194,752	2004 RM '000 1,699 (932) 767 14,851 (1,094) 13,757 0 351 0 0 14,875	2003 RM '000 1,568 (932) 636 14,313 (1,094) 13,219 0 351 297 0 14,503

Credit terms of trade receivables range from payment in advance to 45 days. (2003: Payment in advance to 30 days).

The Group's trade receivables consist of amounts owing by purchasers of property development, office and commercial building tenants and hotel guests. The concentration of credit risk is limited due to the Group's diversified business and large number of customers. The Group's historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, management believe that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

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24. Amounts owing by/to subsidiaries

	Company		
	2004	2003	
	RM '000	RM '000	
Amounts owing by subsidiaries	860,294	958,866	
Less: Allowance for doubtful debts	(65,332)	(65,332)	
	794,962	893,534	
Amounts owing to subsidiaries	607,900	517,936	

Amounts owing by/to subsidiaries represent advances and are unsecured and have no fixed terms of repayment. The amounts owing by subsidiaries are interest free (2003: nominal) except for an amount of RM412,333,097 (2003: RM396,251,668) which carries interest at a rate of 6% (2003: 6%) per annum. The amounts owing to subsidiaries are interest free (2003: nil).

25. Amounts owing by/to associates

6 7				
	Group		Company	
	2004	2003	2004	2003
	RM '000	RM '000	RM '000	RM '000
Amounts owing by associates	137,108	167,104	100,071	99,476
Less: Allowance for doubtful debts	(3,477)	(3,477)	(3,477)	(3,477)
	133,631	163,627	96,594	95,999
Amounts owing to associates	57,405	69,558	9,269	9,269

Amounts owing by/to associates represent advances and are unsecured and have no fixed terms of repayment. The amounts owing to associates are interest free except for an amount of RM8,536,000 which was repaid during the financial year (2003: RM8,536,000) which bears interest at 3.8% (2003: 3.8%) per annum. The amounts owing by associates are interest free (2003: nil).

26. Cash and cash equivalents

Cash and cash equivalents included in the cash flow statements comprised the following balance sheet amounts:

	Group			Со	Company	
	Note	2004	2003	2004	2003	
		RM '000	RM '000	RM '000	RM '000	
Deposits with licensed banks		186,382	194,846	68,620	71,138	
Cash and bank balances		248,862	57,545	7,947	615	
Bank balance	27	(8,800)	0	(8,800)	0	
Bank overdrafts	14	(389)	(5,795)	0	(887)	
		426,055	246,596	67,767	70,866	
Less: Fixed deposits held as security for						
bank guarantee facility		0	(17,928)	0	(6,500)	
		426,055	228,668	67,767	64,366	
The currency exposure profile of cash and cash ed	quivalents	is as follows:				
- Ringgit Malaysia		349,605	202,106	(853)	32,789	
- US Dollar		70,747	39,342	68,620	38,077	
- Singapore Dollar		1,060	2,042	0	0	
- Hongkong Dollar		794	456	0	0	
- Australian Dollar		3,849	2,650	0	0	
		426,055	246,596	67,767	70,866	

Included in the above is cash at bank amounting to RM32,822,530 and RM88,765 for the Group and Company (2003: RM30,965,822 and RM4,381) respectively, which are maintained in designated Housing Development Accounts pursuant to the Housing Developers (Control and Licensing) Act, 1966 and Housing Regulations, 1991 in connection with the property development projects of the Group and Company.

Deposits of the Group and Company at the balance sheet date have an average maturity period of 6 days (2003: 6 days) and I day (2003: 6 days) respectively. Bank balances are deposits held at call with banks.

The weighted average effective interest rates of deposits, bank and cash balances as at financial year end are as follows:

		Company		
	2004	2003	2004	2003
	% per annum	% per annum	% per annum % p	er annum
Deposits with licensed banks				
- Ringgit Malaysia	2.46	2.46	0	2.88
- US Dollar	0.84	0.81	0.84	0.81
- Singapore Dollar	0.59	0.41	0	0
- Hongkong Dollar	0.09	0.44	0	0
- Australian Dollar	4.68	3.88	0	0

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27. Bank balance (included in current liabilities)

The negative bank balance is due to the timing differences between processing and clearance of receipts and payments instead of bank overdraft.

28. Trade and other payables

Group			Company		
Note	2004	2003	2004	2003	
	RM '000	RM '000	RM '000	RM '000	
	171,731	158,966	10	10	
	50,225	32,413	7,178	1,516	
	0	20,944	0	20,944	
	47,883	86,944	491	52,822	
	7,058	36,928	1,078	975	
29	8,289	5,889	0	0	
	285,186	342,084	8,757	76,267	
	171,668	158,922	10	10	
	63	44	0	0	
	171,731	158,966	10	10	
		Note 2004 RM '000 171,731 50,225 0 47,883 7,058 29 8,289 285,186	Note 2004 RM '000 2003 RM '000 171,731 158,966 50,225 32,413 0 20,944 47,883 86,944 7,058 36,928 29 8,289 5,889 285,186 342,084 171,668 158,922 63 44	Note 2004 RM '000 2003 RM '000 2004 RM '000 171,731 158,966 10 50,225 32,413 7,178 0 20,944 0 47,883 86,944 491 7,058 36,928 1,078 29 8,289 5,889 0 285,186 342,084 8,757 171,668 158,922 10 63 44 0	

Credit terms of trade payables and amounts due to customers on contracts vary from no credit to 30 days. (2003: no credit to 30 days).

Included in the trade payables are retention on contract sum of RMII,019,038 (2003: RMII,008,604).

29. Construction contracts

	Gr		oup
	Note	2004	2003
		RM '000	RM '000
Costs incurred to-date		127,488	123,724
Attributable profit		3,929	3,624
		131,417	127,348
Progress billings		(139,706)	(133,237)
		(8,289)	(5,889)
Amounts due to customers on contracts	28	(8,289)	(5,889)
Retention on contracts included in progress billings		12,099	7,966

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30. Segment reporting - Group

The Group is organised on a worldwide basis into four main business segments:

* Property development - development and sale of condominiums, bungalows, linked houses

shoplots and office suites.

- * Property investment, property rental income and service charge from retail and office buildings. holding and property management
- * Hotel income from hotel operations.
- * Construction civil and building construction.

Other operations of the Group mainly comprise laundry, hospital, medical centre and investment holding; none of which are of a significant size to be reported separately.

Intersegment revenues comprise construction work for internal projects and office rental on an arms length basis under terms, conditions and prices not materially different from transactions with unrelated parties.

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- 30. Segment reporting Group (continued)
- (a) Primary reporting format business segment

	Property	Property investment, property holding and property	11 . 1		0.1	
2004	development RM'000	management RM'000	Hotel RM'000	Construction RM'000	Others RM'000	Group RM'000
Revenue	KI1 000	KIT 000	KI1 000	KIT 000	KIT 000	KI1 000
Total revenue	253,497	187,463	85,684	107,297	4,477	638,418
Intersegment revenue	(31,281)	(6,186)	(1,277)	(94,855)	(261)	(133,860)
External revenue	222,216	181,277	84,407	12,442	4,216	504,558
Results						
Segment results (external)	18,125	87,525	22,630	1,947	(3,166)	127,061
Unallocated corporate expense	es					(20,535)
Unallocated income						5,323
Profit from operations Finance costs						(36, 153)
Share of results of associates	27,627	454	32,464	0	5,500	(36,152) 66,045
Profit from ordinary activities	27,027	737	32,707	0	3,300	
before tax						141,742
Tax						(39,398)
Profit from ordinary activities						
after tax						102,344
Minority interests						(1,221)
Net profit for the financial year	_					101,123
Other information						
Segment assets	1,041,322	1,172,165	395,675	22,068	36,431	2,667,661
Associates	176,541	24,964	336,404	0	68,475	606,384
Unallocated assets						186,382
Total assets						3,460,427
Segment liabilities	241,463	113,220	40,052	36,339	3,647	434,721
Unallocated liabilities						664,524
Total liabilities						1,099,245
Capital expenditure	1,054	3,324	27,491	2,962	56	34,887
Depreciation	973	29,298	11,346	843	22	42,482

30. Segment reporting - Group (continued)

	Property development	Property investment, property holding and property management	Hotel	Construction	Others	Group
2003	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
Total revenue	223,970	169,907	72,511	118,031	4,712	589,131
Intersegment revenue	(3,321)	(6,143)	0	(43,174)	(4,327)	(56,965)
External revenue	220,649	163,764	72,511	74,857	385	532,166
Results						
Segment results (external)	56,880	47,715	7,228	1,222	(10,136)	102,909
Unallocated income	30,000	17,713	7,220	1,222	(10,130)	3,151
Profit from operations						106,060
Finance costs						(65,543)
Share of results of associates	7,288	137	35,032	20,662	1,704	64,823
Gain from disposal of associa	tes 0	0	0	79,018	0	79,018
Profit from ordinary activities	;					
before tax						184,358
Tax						(41,642)
Profit from ordinary activities after tax	3					142,716
Minority interests						4,817
Net profit for the financial ye	ar					147,533
Other information Segment assets	898,488	1,034,850	432,588	56,096	39,156	2,461,178
Associates	191,426	24,518	294,561	0 30,078	61,629	572,134
Unallocated assets	171,120	21,510	271,301	O	01,027	194,846
Total assets						3,228,158
10 (4) 4330 (5)						3,220,130
Segment liabilities	243,006	151,185	70,784	27,906	2,841	495,722
Unallocated liabilities						578,256
Total liabilities						1,073,978
Capital expenditure	1,289	63,122	20,462	1,031	73	85,977
Depreciation	1,083	33,985	10,357	337	21	45,783

Unallocated income represents interest income. Segment assets consist primarily of property, plant and equipment, property development costs, investments, inventories, receivables, marketable securities and operating cash. Segment liabilities comprise operating liabilities, taxation and deferred taxation.

Capital expenditure comprises additions to property, plant and equipment (note 16 to the financial statements).

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30. Segment reporting - Group (continued)

(b) Secondary reporting format - geographical segments

Although the Group's business segments are managed on a worldwide basis, they operate in three main areas:

- Malaysia * property development, property investment, property holding and property
 - management, hotel and construction
- Asia Pacific mainly hotel and investment
 United Kingdom mainly hotel operation
- * Company's home country

		Total	Capital
	Revenue	Assets	Expenditure
	RM '000	RM '000	RM '000
2004			
Malaysia	498,906	3,236,415	34,826
Asia Pacific	5,652	103,584	61
United Kingdom	0	120,428	0
	504,558	3,460,427	34,887
2003			
Malaysia	526,871	3,041,595	85,834
Asia Pacific	5,295	90,451	143
United Kingdom	0	96,112	0
	532,166	3,228,158	85,977

31. Contingent liabilities

	Company	
2	2004	2003
RM	'000	RM '000
Corporate guarantees issue for bank facilities granted to subsidiaries 57	,522	146,687
Secured guarantees of bank facilities granted to subsidiaries 450	,000	296,004
507	,522	442,691

The secured guarantees of bank facilities are secured by way of deposits of marketable securities with market value of not less than the facility amount and fixed registered charges over certain land and buildings, hotel properties and development properties of the Group.

At the date of these financial statements, no additional payments are anticipated.

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32. Capital commitment

	Group		Company	
	2004	2003	2004	2003
	RM '000	RM '000	RM '000	RM '000
Capital expenditure authorised by Directors				
but not contracted				
- Property, plant and equipment	370,564	375	0	0

33. Significant related party disclosures

In addition to related party disclosures mentioned elsewhere in the Directors' report and financial statements, set out below are other significant related party transactions and balances. The related party transactions described below are carried out on terms and conditions obtainable in transactions with unrelated parties.

2004 2003 RM '000 RM '000 RM '000
(a) Associates Dividend income (gross):
Dividend income (gross):
,
- Negara Properties (M) Berhad 1,391
- Hampshire Park Sdn Bhd 14,130 0
- Kumpulan Sierramas (M) Sdn Bhd 10,217 0
(Repayment from)/Advances to:
- Great Union Properties Sdn Bhd 4,294 7,629
- Istaron Limited (30,169) (15,530)
- Gunung Lang Development Sdn Bhd (3,720) 0
Repayment to/(Advances from):
- Hampshire Park Sdn Bhd 4,174 (24,800)
- Kumpulan Sierramas (M) Sdn Bhd 8,536 (2,600)

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33. Significant related party disclosures (continued)

(b)	Other related parties	Relationship	
	Wah Seong (Malaya) Trading Co. Sdn Bhd	A company in which Robert Tan Chung Meng, a Dir Company, has substantial financial interest	rector of the
	Wah Seong Corporation Berhad	A company in which Robert Tan Chung Meng, Pauline T Tony Tan @ Choon Keat, Directors of the Company, a shareholders	_
	Cahaya Utara Sdn Bhd	An associate of Wah Seong (Malaya) Trading Co. Sdn Bh	d
	Syn Tai Hung Trading Sdn Bhd	Trading Sdn Bhd A subsidiary of Wah Seong Corporation Berhad and related to	
		Robert Tan Chung Meng and Pauline Tan Suat Ming, Directors of	
the Company and Dato' Tan Chin Nam who are deemed major			• •
		shareholders of the Company via corporations in which they have no less than 15% shareholding	
	Sweat Club Sdn Bhd		
	Sweat Glab San Bila	Company	
		Gre	oup
		2004	2003
N 1 .		RM '000	RM '000
	epayment of advances to: Seong (M) Trading Co. Sdn Bhd	6,400	1,000
- vvai	r seong (1-1) frading Co. sun blid	0,700	1,000
Manag	gement/Marketing fee income from:		
•	aya Utara Sdn Bhd	1,212	1,227
	ases of building materials from:		
- Syn	Tai Hung Trading Sdn Bhd	4,870	1,626
Renta	l income received/receivable from:		
	at Club Sdn Bhd	1,371	1,161

Significant outstanding balances arising from the above non-trade transactions during the financial year are as follows:

			Gro	oup
		Type of	2004	2003
		Transaction	RM '000	RM '000
(i)	Associate - Receivable			
	- Great Union Properties Sdn Bhd	Advances	4,294	7,629
(ii)	Associate - Payable			
	- Hampshire Park Sdn Bhd	Advances	0	24,800
	- Kumpulan Sierramas (M) Sdn Bhd	Advances	0	2,600

Date of

34. Acquisition of subsidiaries

(a) Acquisition of Kris Components Bhd ('Kris')

On 23 August 2004, the Company acquired 86.33% of Kris and subsequently acquired an additional 12.09% through Mandatory General Offer (MGO). This has resulted in total shareholding of 98.42% shares in Kris before Capital Distribution as disclosed in note 36(b) to the financial statements.

The purchase consideration for the acquisition of 86.33% and 12.09% consists of the injection of Mid Valley City Sdn Bhd into Kris and the following:

- (i) Cash consideration of RM91,197,900;
- (ii) Issuance of 252,000,000 new Kris shares of RMI each at an issue price of RM2.50 each to the Company;
- (iii) Issuance of 2,930,000 new Kris redeemable preference shares of RM0.10 each at an issue price of RM100 to the Company; and
- (iv) Acquisition through MGO of 40,392,988 shares at RM2.78 each resulting in total cash consideration of RM112,292,507.

(b) Acquisition of IST Building Products Sdn Bhd

The Company also acquired 60% interest in IST Building Products Sdn Bhd on 21 May 2004 at no cost.

(c) Effects of acquisition of subsidiaries

The effect of these acquisitions on the financial results of the Group during the financial year is as follows.

	acquisition to 31.12.2004
	RM'000
Other operating income	888
Administrative expenses	(77)
Profit from operations	811
Finance cost	(645)
Profit from ordinary activities before tax	166
Tax	0
Profit from ordinary activities after tax	166

The effect of these acquisitions on the Group's financial position at the financial year end is as follows:

	31.12.2004 RM'000
Current assets	177,594
Current liabilities	(265)
Group share of net assets	177,329

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34. Acquisition of subsidiaries (continued)

Details of net assets acquired, goodwill and cash flow arising from the acquisitions are as follows :

	At the date of
	acquisition
	RM'000
Net assets of subsidiaries acquired	177,163
Add: Fair value of net assets transferred from MVC to Kris	907,237
Fair value of net assets acquired	1,084,400
Goodwill on acquisition	61,596
Cost of acquisition	1,145,996
Total purchase consideration	1,014,198
Purchase consideration discharged by shares issued	(923,000)
Purchase consideration discharged by cash	91,198
Expenses attributable to the acquisition, paid and payable in cash	19,505
Less : cash and cash equivalent of subsidiary acquired	(177,163)
	(66,460)
Add : cash paid and payable for MGO	112,293
Cash outflow of the Group on acquisition during the financial year	45,833
Cash outflow in respect of acquisition of subsidiaries in the last financial year	46,290
Total cash outflow of the Group on acquisition	92,123
Cash outflow of the Company on acquisition	162,718

35. Non-cash transactions

The principal non-cash transactions during the financial year are as follows:

(a) Acquisition of MVC by KRIS

The issue of shares by Kris for RM923,000,000 as partial discharge of purchase consideration for acquisition of Mid Valley City Sdn Bhd.

(b) Conversion of ICPS 2002/2007 to Ordinary Share Capital

During the financial year, 91,801,482 ICPS were converted to 69,023,671 ordinary shares at a conversion price of RM1.33 per ordinary share.

36. Significant events

a) Corporate exercise of Mid Valley City Sdn Bhd ('MVC')

The acquisition by the Company of 32,805,000 ordinary shares of RMI.00 each in Kris Components Bhd ('Kris') representing approximately 41.84% equity interest from Amtek Engineering Ltd ('Amtek') for a cash consideration of RM91,197,900 or RM2.78 per Kris share and disposal of approximately 99.5% equity interest in Mid Valley City Sdn Bhd by the Company to Kris for a disposal consideration of RM1,025,000,000 were completed on 3 August 2004.

On 3 September 2004, it was announced to Bursa Securities that the Offer Document in relation to the Unconditional Mandatory Offer ('the Offer') for all the remaining ordinary shares of RMI.00 each in Kris not already owned by the Company and the persons acting in concert with the Company for a cash consideration of RM2.78 per Kris share has been dispatched to shareholders of Kris on 3 September 2004.

Subsequently, on 24 September 2004 (closing date of the Offer), it was announced to Bursa Securities, the total acceptances of 39,574,488 Kris shares pursuant to the Offer. Pursuant to the Company holding more than 90% equity interest in Kris, on 28 September 2004, the Company had despatched the notice to the remaining shareholders of Kris who have not accepted the Offer, offering to acquire from them the remaining Kris shares as required under Section 34A(2) of the Securities Commission Act. The offer was valid for 3 months from the date of notice up to 28 December 2004. Pursuant thereto, the Company has received a further 818,500 Kris shares as valid acceptances from 25 September 2004 up to 28 December 2004.

b) Proposed capital distribution-in-specie of Kris shares

On 6 October 2004, it was announced to Bursa Securities that the Company proposed to undertake a capital distribution-in-specie of 77,669,000 Kris shares via a reduction of share premium account to be effected pursuant to Section 64 of the Companies Act, 1965 ('Proposed Distribution').

The Proposed Distribution was subject to approvals being obtained from the following:

- i) the Securities Commission ('SC'), which approval was obtained on 12 January 2005;
- ii) Bursa Malaysia Depository Sdn Bhd, which approval was obtained on 14 March 2005;
- iii) the shareholders of the Company, which approval was obtained at an Extraordinary General Meeting held on 28 February 2005;
- iv) the High Court of Malaya, which approval was obtained on 7 March 2005; and
- v) any other relevant authorities and/or parties.

Subsequently, it was announced to Bursa Securities that the books close date to determine entitlements to the Proposed Distribution was 25 March 2005. The Proposed Distribution was completed on 6 April 2005, except for the transfer of 53 Kris shares and 2 Kris shares which are currently pending further instructions from the Enforcement Division and the Share Recovery Unit of the SC, respectively.

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37. Subsidiaries

	Name of Company	Principal Activities	Place of Incorporation	Group's Inter 2004	est (%) 2003
_	Abad Flora Sdn. Bhd. ¹	Property Investment and provision of related services	Malaysia	100.0	100.0
	Amanbest Sdn. Bhd. ²	Property Development	Malaysia	51.0	51.0
	Amandamai Dua Sdn. Bhd. ³	Property Holding	Malaysia	100.0	100.0
	Amandamai Satu Sdn. Bhd. ⁴	Property Development	Malaysia	100.0	100.0
	Angkasa Gagah Sdn. Bhd. ⁵	Property Investment	Malaysia	100.0	100.0
*	Asian Equity Limited ⁶	Investment Holding	British Virgin Islands	55.0	55.0
	Atar Deras Sdn. Bhd. ⁷	Property Development	Malaysia	100.0	100.0
*	Auspicious Prospects Ltd. ⁸	Investment Holding	Liberia	100.0	100.0
	Belimbing Hills Sdn. Bhd. ⁹	Property Development	Malaysia	100.0	100.0
*	Bellegrove Pte. Ltd. 10	Investment Holding	Singapore	100.0	100.0
*	Beswell Limited ¹¹	Investment Holding	Hong Kong	100.0	100.0
	Bintang Buana Sdn. Bhd. 12	Property Development	Malaysia	90.0	90.0
	Central Review (M) Sdn. Bhd. 13	Property investment and hotel operation and management	Malaysia	100.0	100.0
	Cipta Klasik (M) Sdn. Bhd. 14	Property Investment	Malaysia	100.0	100.0
	Cititel Hotel Management Sdn. Bhd.	Provision of hotel management services	Malaysia	60.0	60.0
	City Beauty Sdn. Bhd. 15	Landscaping and its related business	Malaysia	100.0	100.0
	Corpool Holdings Sdn. Bhd.	Dormant	Malaysia	100.0	100.0
	Courtyard Sdn. Bhd. ¹⁶	Home Furnishing	Malaysia	70.0	70.0
	Danau Bidara (M) Sdn. Bhd. 17	Property Holding	Malaysia	100.0	100.0

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37.	Subsidiaries	(continued)	١
J/.	Subsidialies	(COntinued)	

37. Subsidiaries (continued)				
Name of Company	Principal Activities	Place of Incorporation	Group's Inte 2004	erest (%) 2003
Dian Rezki Sdn. Bhd.	Dormant	Malaysia	100.0	100.0
Earning Edge Sdn. Bhd. 18	Investment Holding	Malaysia	65.0	65.0
Ensignia Construction Sdn. Bhd.	Investment Holding and Construction	Malaysia	100.0	100.0
Express Management Consultants Sdn. Bhd. ¹⁹	Dormant	Malaysia	100.0	100.0
* Grapevine Investments Pte. Ltd.	Investment Holding	Singapore	100.0	100.0
Harta Villa Sdn. Bhd. ²⁰	Property Holding	Malaysia	100.0	100.0
ICDC Holdings Sdn. Bhd.	Investment Holding	Malaysia	100.0	100.0
ICDC Management Sdn. Bhd. ²¹	Dormant	Malaysia	100.0	100.0
IGB Project Management Services Sdn. Bhd.	Project Management Services	Malaysia	100.0	100.0
IGB Properties Sdn. Bhd.	Property Investment and Management	Malaysia	100.0	100.0
IGB Real Estate Sdn. Bhd. ²²	Dormant	Malaysia	100.0	100.0
Innovation & Concept Development Co. Sdn. Bhd. ²³	Property Development	Malaysia	100.0	100.0
Intercontinental Aviation Services Sdn. Bhd.	Investment Holding	Malaysia	100.0	100.0
Ipoh Garden Shopping Complex Sdn. Bhd.	Dormant	Malaysia	100.0	100.0
IST Building Products Sdn Bhd	Procurement of building materials	Malaysia	60.0	0.0
IT&T Engineering & Construction Sdn. Bhd.	Investment Holding	Malaysia	100.0	100.0
Kemas Muhibbah Sdn. Bhd. ²⁴	Property Development	Malaysia	100.0	100.0

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37. Subsidiaries (continued)

Name of Company	Principal Activities	Place of Incorporation	Group's Into 2004	erest (%) 2003
KennyVale Sdn. Bhd. ²⁵	Property Development	. Malaysia	100.0	100.0
Kilat Security Sdn. Bhd.	Dormant	Malaysia	100.0	100.0
Kondoservis Sdn. Bhd. ²⁶	Provision of manageme services to condominium		100.0	100.0
K Parking Sdn. Bhd.	Dormant	Malaysia	100.0	100.0
Kris Components Bhd	Investment Holding	Malaysia	98.4	0.0
+ Lingame Company Limited	Investment Holding	Hong Kong	100.0	100.0
Lucravest Holdings Sdn. Bho	d. Dormant	Malaysia	100.0	100.0
* MiCasa Hotel Limited ²⁷	Hotelier	Myanmar	65.0	65.0
Mid Valley Capital Sdn Bhd ³ (formerly known as Euro Bo Sdn Bhd)		Malaysia	98.4	0.0
Mid Valley City Sdn. Bhd. ²⁹	Property Investment ar Management	nd Malaysia	98.4	99.5
Mid Valley City Convention Sdn Bhd (formerly known a Point Fields (M) Sdn Bhd)		Malaysia	100.0	0.0
Mid Valley City Developmer Sdn. Bhd.	nts Property Development	. Malaysia	100.0	100.0
Mid Valley City Enterprise Sdn. Bhd.	Hotel operator and owner	Malaysia	100.0	100.0
Mid Valley Food Managemer Sdn. Bhd.	nt Dormant	Malaysia	100.0	100.0
Mid Valley City Gardens Sdr (formerly known as IEH Corporation Sdn. Bhd)	n Bhd Dormant	Malaysia	100.0	100.0

37. Subsidiaries (continued)

Name of Company	Principal Activities	Place of Incorporation	Group's 2004	Interest (%) 2003
Mid Valley City Hotels Sdn Bhd (formerly known as Bagan Ajam Estate Sendirian Berhad)	Property Development	Malaysia	100.0	100.0
Mid Valley City North Tower Sdn Bhd (formerly known as Tanah Alam Sdn. Bhd)	Dormant	Malaysia	100.0	100.0
Mid Valley City Residences Sdn Bhd (formerly known as Macro Square Sdn Bhd)	Investment Holding	Malaysia	100.0	0.0
Mid Valley City South Tower Sdn Bhd (formerly known as Bidmap (M) Sdn Bhd)	General Trading	Malaysia	100.0	0.0
Mid Valley MC Sdn. Bhd. 30	Dormant	Malaysia	98.4	99.5
Mid Valley Mulia Sdn. Bhd. 31	Dormant	Malaysia	98.4	99.5
Mid Valley Properties Sdn. Bhd. 32	Dormant	Malaysia	98.4	99.5
MIHR Sdn. Bhd. ³³	Provision of hotel management and consultancy services	Malaysia	90.0	90.0
Murni Properties Sdn. Bhd.	Property Development	Malaysia	100.0	100.0
MVEC Exhibition and Event Services Sdn. Bhd.	Provision of Exhibition Services	Malaysia	100.0	100.0
Nova Pesona Sdn Bhd ³⁴	Property Development	Malaysia	50.0 (+ I share)	50.0 (+ share)
OPT Ventures Sdn. Bhd. 35	Property Development	Malaysia	70.0	70.0
Outline Avenue (M) Sdn. Bhd. 36	Property Development	Malaysia	89.6	90.0
Pacific Land Sdn. Bhd.	Investment Holding	Malaysia	100.0	100.0
Pangkor Island Resort Sdn. Bhd.	Hotelier	Malaysia	100.0	100.0

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37. Subsidiaries (continued)

Name of Company	Principal Activities	Place of Incorporation	Group's Int 2004	zerest (%) 2003
Pekeliling Land Sdn. Bhd.	Property Holding	Malaysia	100.0	100.0
Pekeliling Property Sdn. Bhd.	Dormant	Malaysia	100.0	100.0
Penang Garden Sdn. Bhd.	Dormant	Malaysia	100.0	100.0
Permata Dunia Sdn. Bhd. ³⁷	Investment Holding	Malaysia	100.0	100.0
Permata Efektif (M) Sdn. Bhd. ³⁸	Property Development	Malaysia	83.0	83.0
Pinex Sdn. Bhd. ³⁹	Property Development	Malaysia	100.0	100.0
PIR Management Services Sdn. Bhd. ⁴⁰	Dormant	Malaysia	100.0	100.0
Plaza Permata Management Services Sdn. Bhd.	Property Management Services	Malaysia	100.0	100.0
Prima Condominium Sdn. Bhd.	Investment Holding	Malaysia	100.0	100.0
Primanah Property Sdn. Bhd.	Property Development	Malaysia	100.0	100.0
Puncak Megah (M) Sdn. Bhd.	Property Investment	Malaysia	100.0	100.0
Reka Handal Sdn. Bhd. 41	Property Development	Malaysia	75.0	75.0
Riraiance Enterprise Sdn. Bhd.	Dormant	Malaysia	100.0	100.0
Tanah Permata Sdn. Bhd. 42	Hotelier	Malaysia	100.0	100.0
Tanobi Sdn. Bhd. ⁴³	Property Holding	Malaysia	100.0	100.0
Tan & Tan Developments Berhad	Property Development, Provision of Project Management Services and Investment Holding	Malaysia	100.0	100.0
Tan & Tan Realty Sdn. Bhd. 44	Property Investment and Provision of Related Services and Operating of Food Court	Malaysia	80.0	80.0

37. Subsidiaries (continued)

			Place of	Group's Inte	rest (%)
_	Name of Company	Principal Activities	Incorporation	2004	2003
	T-Bond Construction Sdn. Bhd. 45	Building Contractor	Malaysia	100.0	100.0
	Technoltic Engineering Sdn Bhd	Servicing & Maintenance of Elevators	Malaysia	60.0	60.0
	Teamwork M&E Sdn. Bhd. 46	Provision of Consultation on Mechanical and Electrical Services to Condominiums and Apartments	Malaysia	100.0	100.0
	TTD Sdn. Bhd. ⁴⁷	Hotelier	Malaysia	100.0	100.0
	X-Speed Sdn. Bhd.	Dormant	Malaysia	100.0	100.0
	X-Speed Skatepark Sdn. Bhd. 48	Dormant	Malaysia	98.4	99.5

Notes:

- 1-5, 7, 9, 12-17, 20, 25, 26, 33-36, 38,39, 41, 43-47 Held by Tan & Tan Developments Berhad.
- 6 Held by Pacific Land Sdn. Bhd. and TTD Sdn. Bhd. 35.0% and 20.0% respectively.
- 8 Held by Lingame Company Limited.
- 10 Held by Auspicious Prospects Ltd.
- 11, 42 Held by Pacific Land Sdn. Bhd.
- 18 Held by Pacific Land Sdn. Bhd. and TTD Sdn. Bhd. 45.0% and 20.0% respectively.
- 19, 21, 23 Held by ICDC Holdings Sdn. Bhd.
- 22 Held by IT & T Engineering & Construction Sdn. Bhd.
- 24 Held by IGB Project Management Services Sdn. Bhd.
- 27 Held by Earning Edge Sdn. Bhd.
- 28, 29 Held by Kris Components Bhd
- 30-32, 48 Held by Mid Valley City Sdn Bhd
- 37 Held by Corpool Holdings Sdn. Bhd.
- 40 Held by Pangkor Island Resort Sdn. Bhd.
- + Companies audited by member firms of PricewaterhouseCoopers International
- * Companies not audited by PricewaterhouseCoopers

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38. Associates

3	3. Associates		Place of	Group's Interest	
	Name of Company	Principal Activities	Incorporation	2004	2003
*	Aroma Laundry and Dry Cleaners Sdn. Bhd. ¹	Provision of Laundry and Dry Cleaning Services	Malaysia	20.0	20.0
*	Crystal Centre Properties (International) Ltd. ²	Investment Holding	Hong Kong	45.0	45.0
	DMV Sdn Bhd³	Property Development	Malaysia	39.0	39.0
	Gleneagles Hospital (Kuala Lumpur) Sdn. Bhd. ⁴	Investment in and Management of a Private Hospital	Malaysia	30.0	30.0
	Gleneagles Medical Centre (Kuala Lumpur) Sdn. Bhd. ⁵	Property Development and Investment Holding in Medical Centres	Malaysia	30.0	30.0
+	Grapevine Investments (Hong Kong) Limited ⁶	Investment Holding	Hong Kong	50.0	50.0
	Great Union Properties Sdn. Bhd.	Hotelier	Malaysia	50.0	50.0
*	Great Union Properties (S) Pte. Ltd. ⁷	Marketing Services	Singapore	50.0	50.0
*	Gunung Lang Development Sdn Bhd	Property Development	Malaysia	30.0	30.0
	Hampshire Park Sdn. Bhd. ⁸	Investment and Development of Residential and Commercial Properties	Malaysia	50.0	50.0
*	Hicom Tan & Tan Sdn. Bhd. 9	Property Development	Malaysia	50.0	50.0
*	Istaron Limited ¹⁰	Investment Holding	Hong Kong	50.0	50.0
	Johan Kekal Sdn. Bhd.	Property Development	Malaysia	50.0	50.0
	Kumpulan Sierramas (M) Sdn. Bhd. 11	Property Development	Malaysia	50.0	47.0
	Kundang Properties Sdn. Bhd.	Property Development	Malaysia	50.0	50.0

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38. Associates (continued)

8. Associates (continued)			Group's Int	` '
Name of Company	Principal Activities	Incorporation	2004	2003
Kyami Pty. Ltd. 12	Investment Holding	Australia	40.0	40.0
MIHR Consulting Sdn. Bhd. 13	Provision of advertisement, Hospitality Consultancy, Executive Recruitment and Other Hospitality Related Services	Malaysia	31.5	31.5
Macroland Holdings Sdn Bhd	Property Development	Malaysia	30.0	30.0
Negara Properties (M) Berhad ¹⁴	Property Development and Investment Holding	Malaysia	24.6	24.6
New Commercial Investments Ltd	15 Investment Holding	British Virgin Island	s 49.6	49.6
Permata Alasan (M) Sdn Bhd ¹⁶	Property Development and Property Investment	Malaysia	50.0	50.0
Rapid Alpha Sdn. Bhd. 17	Construction	Malaysia	50.0	50.0
Ravencroft Investments Incorporated ¹⁸	Investment Holding	British Virgin Island	s 49.5	49.5
Saigon Inn Hotel Co. 19	Hotelier	Vietnam	33.8	33.8
Sierramas Landscape Services Sdn Bhd ²⁰	Landscaping and Horticulture	Malaysia	50.0	47.0
St Giles Hotel Ltd. ²¹	Hotels and Motels with Restaurants	United Kingdom	49.5	49.5
St Giles Hotel (Heathrow) Ltd. ²²	Hotels and Motels with Restaurants	United Kingdom	49.6	49.6
SuCasa Sdn. Bhd. ²³	Hotelier and Operator of Service Apartments	Malaysia	40.0	40.0
Sukatan Garisan Sdn. Bhd. ²⁴	Dormant	Malaysia	50.0	50.0

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38. Associates (continued)

		Place of	Group's Int	erest (%)
Name of Company	Principal Activities	Incorporation	2004	2003
* Tentang Emas Sdn. Bhd. ²⁵	Investment Holding	Malaysia	49.0	49.0
* Weian Investments Pte. Ltd. ²⁶	Property Development and Trading	Singapore	49.0	49.0

Notes:

- 1, 4, 5, 8, 9, 11, 12, 16, 23, 25 Held by Tan & Tan Developments Berhad.
- 2 Held by Istaron Limited.
- 3 Held by Tan & Tan Developments Berhad and IGB Corporation Berhad 26% and 13% respectively.
- 6, 26 Held by Grapevine Investments Pte. Ltd.
- 7 Held by Great Union Properties Sdn. Bhd.
- 10 Held by Pacific Land Sdn. Bhd.
- 13 Held by MIHR Sdn. Bhd.
- 14 Held by IGB Corporation Berhad and Intercontinental Aviation Services Sdn. Bhd 20.0% and 4.6% respectively.
- 15 Held by Pacific Land Sdn. Bhd. and TTD Sdn. Bhd. 31.53% and 18.02% respectively.
- 17 Held by Ensignia Construction Sdn. Bhd.
- 18 Held by Pacific Land Sdn. Bhd., Beswell Limited and TTD Sdn. Bhd. 27.72%, 7.65% and 14.10% respectively.
- 19 Held by Crystal Centre Properties (International) Ltd.
- 20 Held by Kumpulan Sierramas (M) Sdn. Bhd.
- 21 Held by Pacific Land Sdn. Bhd., Beswell Limited and TTD Sdn. Bhd 27.72%, 7.65% and 14.10% respectively.
- 22 Held by Pacific Land Sdn. Bhd. and TTD Sdn. Bhd 31.53% and 18.02% respectively.
- 24 Held by Johan Kekal Sdn. Bhd.
- + Companies audited by member firms of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers Malaysia.
- * Companies audited by firms other than member firm of PricewaterhouseCoopers International Limited.

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39. Approval of financial statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 25 April 2005

STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

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We, Robert Tan Chung Meng and Dato' Seri Khalid Ahmad Bin Sulaiman, two of the Directors of IGB Corporation Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 68 to 131 are drawn up so as to exhibit a true and fair view of the state of affairs of the Group and Company as at 31 December 2004 and of the results and cash flows of the Group and Company for the financial year ended on that date in accordance with the provisions of the Companies Act, 1965 and MASB approved accounting standards in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 25 April 2005.

Robert Tan Chung Meng

Managing Director

Dato' Seri Khalid Ahmad Bin Sulaiman

Director

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

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I, Chai Lai Sim, the officer primarily responsible for the financial management of IGB Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 68 to 131 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Chai Lai Sim

Subscribed and solemnly declared by the abovenamed Chai Lai Sim at Kuala Lumpur on 25 April 2005.

Before me:

Phang Yoke Lin

Commissioner for Oaths

REPORT OF THE AUDITORS TO THE MEMBERS OF IGB CORPORATION BERHAD FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

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We have audited the financial statements set out on pages 68 to 131. These financial statements are the responsibility of the Company's Directors. It is our responsibility to form an independent opinion, based on our audit, on these 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 auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and MASB approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Group and Company as at 31 December 2004 and of the results and cash flows of the Group and Company for the financial year ended on that date;

and

(b) the accounting and other records and the registers required by the Act 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 Act.

REPORT OF THE AUDITORS TO THE MEMBERS OF IGB CORPORATION BERHAD FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 (cont'd)

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The names of the subsidiaries of which we have not acted as auditors are indicated in note 37 to the financial statements. We have considered the financial statements of these subsidiaries and the auditors' reports thereon.

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

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

PricewaterhouseCoopers

(AF: 1146)

Chartered Accountants

Lim Teong Kean (No. 2499/12/05(J)) Partner of the firm

Kuala Lumpur 25 April 2005 This page is intentionally left blank

ADDITIONAL COMPLIANCE INFORMATION

ADDITIONAL COMPLIANCE INFORMATION

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The following information is presented in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad:

Sanction and/or penalties

There were no sanctions and/or penalties imposed on IGB and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

Non Audit Fees

The amount of non-audit fees paid and payable to the external auditors by IGB and its subsidiaries for the financial year ended 31 December 2004 are as follows:

	RM
PWC Taxation Services Sdn Bhd	273,690
PricewaterhouseCoopers	100,000
	373,690

Material Contracts

Neither the Company nor any of its subsidiaries had entered into any material contracts (not being contracts entered into the ordinary course of business) which involved Directors and/or Major Shareholders' interests, either still subsisting at the end of the financial year ended 31 December 2004, or which were entered into since the end of the previous financial year.

Recurrent Related Party Transactions ('Recurrent RPTs')

The Company had on 31 May 2004 obtained approval for a renewal of general mandate from the shareholders to enter into Recurrent RPTs of a revenue and trading nature with related parties.

The nature and the contracting parties involved in the Recurrent RPTs during the financial year ended 31 December 2004 are set out below:

Nature of Transactions	Transacting Parties	Interested Related Parties	Aggregate value RM'000
Rental of office space Management, consultancy and/or support services	Gold IS Berhad group of companies (Gold IS Group) * Gold IS Berhad * Hoe Pharmaceuticals Sdn. Bhd. * Sweat Club Sdn Bhd	Interested Directors Robert Tan Chung Menga Tan Boon Sengb Tan Lei Cheng c Tan Boon Lee d Pauline Tan Suat Minge Tony Tan @ Choon Keat f Interested Major Shareholders Robert Tan Chung Menga Dato' Tan Chin Nama Pauline Tan Suat Minge Tony Tan @ Choon Keat f Wah Seong (M) Trading Co. Sdn Bhd (WST)h Gold IS Berhad (Gold IS)i Tan Kim Yeow Sdn Bhd (TKY)i Tan Chin Nam Sdn Bhd (TCN)k	1,510

Nature of Transactions	Transacting Parties	Interested Related Parties	Aggregate value RM'000
Rental of office space	TCN	Interested Directors Dato' Tan Chin Nam ^g Tan Boon Seng ^b Tan Lei Cheng ^c Tan Boon Lee ^d Interested Major Shareholders Dato' Tan Chin Nam ^g TCN ^k	7
Sale and purchase of construction materials	Syn Tai Hung Trading Sdn Bhd, a sub-subsidiary of Wah Seong Corporation Berhad (WSCB)	Interested Directors Robert Tan Chung Menga Tan Boon Sengb Tan Lei Chengc Tan Boon Leed Pauline Tan Suat Minge Tony Tan @ Choon Keatf Interested Major Shareholders Robert Tan Chung Menga Dato' Tan Chin Nama Pauline Tan Suat Minge Tony Tan @ Choon Keatf WSTh Gold ISi TKYi TCNk	4,912
Rental of office space Legal advisory services	Jeyaratnam & Chong (J&C)	Interested Directors Dato' Tan Chin Nam ^g Tan Boon Seng ^b Tan Lei Cheng ^c Tan Boon Lee ^d Interested Major Shareholders Dato' Tan Chin Nam ^g TCN ^K	310

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Nature of Transactions	Transacting Parties	Interested Related Parties	Aggregate value RM'000
Rental of office space	WST	Interested Directors Robert Tan Chung Menga Tan Boon Sengb Tan Lei Chengc Tan Boon Leed Pauline Tan Suat Mingc Tony Tan @ Choon Keatf Interested Major Shareholders Robert Tan Chung Menga Dato' Tan Chin Nama Pauline Tan Suat Mingc Tony Tan @ Choon Keatf WSTh Gold ISi TKYi TCNk	54
Management, consultancy and/or support services	Cahaya Utara Sdn. Bhd. (CU)	Interested Directors Robert Tan Chung Menga Tan Boon Sengb Tan Lei Chengc Tan Boon Leed Pauline Tan Suat Minge Tony Tan @ Choon Keatf Interested Major Shareholders Robert Tan Chung Menga Dato' Tan Chin Nama Pauline Tan Suat Minge Tony Tan @ Choon Keatf WSTh Gold ISi TKYi TCNk	1,257

Nature of Transactions	Transacting Parties	Interested Related Parties	Aggregate value RM'000
Construction contracts Financial assistance Home furnishing Leasing of retail space Management, consultancy and/or support services Mechanical and electrical works Rental of office space Sale & purchase construction materials	Subsidiaries and Associates of IGB * Cititel Hotel Management Sdn. Bhd. (CHM) * Courtyard Sdn. Bhd. (CSB) * IST Building Products Sdn Bhd (an associate of WSCB) * Mayside Engineering S.A. (ME) * MIHR Sdn. Bhd. (MIHR) * MIHR Consulting Sdn. Bhd. (MIHRC) * St. Giles Hotel Limited (SGHL) * Tan & Tan Realty Sdn. Bhd. (TTR) * Technoltic Engineering Sdn. Bhd. (TE)	Interested Directors Robert Tan Chung Menga Tan Boon Sengb Tan Lei Chengc Tan Boon Leed Pauline Tan Suat Minge Tony Tan @ Choon Keatf Chong Kim Chuanl (a Director of CSB) Ivo R. Nekvapilm (a Director of MIHR and MIHRC) Antony Patrick Barragryn (a Director of MVC, TE and ME) Interested Major Shareholders Robert Tan Chung Menga Dato' Tan Chin Nama Pauline Tan Suat Minge Tony Tan @ Choon Keatf WSTh Gold ISi TKYi TCNk Chong Kim Chuanl (a Major Shareholder of CSB) Ivo R. Nekvapilm (a Major Shareholder of MIHR and MIHRC) Antony Patrick Barragryn (a Major Shareholder of ME)	7,001

Nature of Interest

- ^a Robert Tan Chung Meng is a Director of IGB Group, WSCB, SGHL, CU, WST and TKY. He is a Major Shareholder of IGB, Gold IS, WSCB, TKY and WST. He is the father of Elizabeth Tan Hui Ning and a brother of Pauline Tan Suat Ming and Tony Tan @ Choon Keat.
- Tan Boon Seng is a Director of IGB Group. He is a son of Dato'Tan Chin Nam and a brother of Tan Lei Cheng and Tan Boon Lee and a brother-in-law to Chong Kim Weng, the senior partner of J&C.
- ^c Tan Lei Cheng is a Director of IGB Group, Gold IS Group, TCN, and WST. She is a daughter of Dato' Tan Chin Nam, a sister of Tan Boon Seng and Tan Boon Lee, and is the spouse of Chong Kim Weng, the senior partner of J&C.
- ^d Tan Boon Lee is a Director of IGB Group, Gold IS Group and TCN. He is a son of Dato' Tan Chin Nam, a brother of Tan Boon Seng and Tan Lei Cheng and a brother-in-law to Chong Kim Weng, the senior partner of I&C.
- e Pauline Tan Suat Ming is a Director of IGB, Gold IS, WSCB, WST, CU and TKY. She is a Major Shareholder of IGB, Gold IS, WSCB, WST and TKY She is a sister of Robert Tan Chung Meng and Tony Tan @ Choon Keat.
- Tony Tan @ Choon Keat is a Director of IGB and TKY. He is a Major Shareholder of IGB, Gold IS, WSCB, WST and TKY. He is a brother of Robert Tan Chung Meng and Pauline Tan Suat Ming.

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- Dato'Tan Chin Nam is a Director of TCN and WST. He is a Major Shareholder of IGB, Gold IS, WSCB, TCN and WST. Dato'Tan Chin Nam is the father of Tan Boon Seng, Tan Lei Cheng and Tan Boon Lee and the father-in-law to Chong Kim Weng, the senior partner of J&C.
- ^h WST is a Major Shareholder of IGB, Gold IS, WSCB, CHM, CU, TTR and SGHL and a Person Connected to Robert Tan Chung Meng, Dato' Tan Chin Nam, Pauline Tan Suat Ming, Tony Tan @ Choon Keat, TCN and TKY.
- Gold IS is a Major Shareholder of IGB and a Person Connected to Robert Tan Chung Meng, Dato' Tan Chin Nam, Pauline Tan Suat Ming, Tony Tan @ Choon Keat, TKY, TCN and WST.
- TKY is a Major Shareholder of IGB and Gold IS and a Person Connected to Robert Tan Chung Meng, Pauline Tan Suat Ming, Tony Tan @ Choon Keat and WST.
- ^k TCN is a Major Shareholder of IGB and Gold IS and a Person Connected to Dato' Tan Chin Nam and WST.
- Chong Kim Chuan is a Director and Major Shareholder of CSB. He is a brother of Chong Kim Weng, the senior partner of J&C.
- ^m Ivo R. Nekvapil is a Director and a Major Shareholder of MIHR and MIHRC.
- ⁿ Antony Patrick Barragry is a Director of MVC and TE. He is also a Director and a Major Shareholder of ME.

IGB CORPORATION BERHAD (5745-A)

PROXY FORM

I/We (full name in block capitals)
NRIC No. (new and old)/Company No
CDS Account No
of (full address)
Of (full address)
being a member of IGB CORPORATION BERHAD hereby appoint (full name as per NRIC in block capitals)
NRIC No. (new and old)
of (full address)
or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Forty First Annual General Meeting of the Company to be held at Bintang Ballroom, Level 5, Cititel Mid Valley, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur on Thursday, 26 May 2005 at 3.00 p.m. and at any adjournment thereof. My/Our proxy is to vote as indicated below:

No.	Resolution For			
1.	Adoption of Reports and Audited Financial Statements			
2.	Declaration of Final Dividend			
3.	Re-election of Tan Sri Abu Talib bin Othman			
4.	Re-election of Dato' Seri Khalid Ahmad bin Sulaiman			
5.	Re-election of Robert Tan Chung Meng			
6.	Re-election of Yeoh Chong Swee			
7.	Approval of Directors' fees			
8.	Appointment of PricewaterhouseCoopers as Auditors			
9.	Authority to Directors to issue shares			
10.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions of			
	a revenue or trading nature			
11.	Proposed Share Buy-Back			

Dated this	day of	2005	Signature of shareholder	No. of shares held

Notes:

A proxy may but need not be a member of the Company and the provisions of Section 149(1) of the Companies Act, 1965 shall not apply to the Company. To be valid, this proxy form duly completed must be deposited at the Registered Office not less than 48 hours before the time for holding the meeting. A member shall be entitled to appoint more than one proxy to attend and vote at the same meeting, provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are complied with. Where a member appoints more than one proxy, the appointment shall be invalid unless the member specifies the proportions of holdings to be represented by each proxy. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.

The Company Secretary

IGB CORPORATION BERHAD (5745-A)

Penthouse, Menara IGB, No. I, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur,

Malaysia

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