



IGB Corporation Berhad (5745-A)



Annual Report 2005

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Second 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 Wednesday, 31 May 2006 at 3.00 p.m. for the transaction of the following businesses:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31 December 2005 and the Reports of the Directors and Auditors thereon. **Resolution 1**
2. To sanction the declaration and payment of a final dividend of 2.5% less tax and 2.5% tax exempt for the financial year ended 31 December 2005. **Resolution 2**
3. To re-elect the following Directors who retire in accordance with Article 85 of the Company's Articles of Association:
 - (a) Tan Boon Seng **Resolution 3**
 - (b) Pauline Tan Suat Ming **Resolution 4**
 - (c) Datuk Abdul Habib bin Mansur **Resolution 5**
4. To re-elect Harun bin Hashim Mohd who retires in accordance with Article 89 of the Company's Articles of Association. **Resolution 6**
5. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

AS SPECIAL BUSINESS

6. To consider and if thought fit, pass the following resolution in accordance with Section 129 of the Companies Act, 1965:

“THAT, Tan Sri Dato' Seri Khalid Ahmad bin Sulaiman, who retires in accordance with Section 129(2) of the Companies Act, 1965 (“Act”), be and is hereby re-appointed as a Director of the Company in accordance with Section 129(6) of the Act, to hold office until the next Annual General Meeting.” **Resolution 8**
7. To consider and if thought fit, pass the following as ordinary resolutions:

(a) Authority to Directors to issue shares

THAT, subject to the Companies Act, 1965 (“Act”), 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 Act 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**

(b) Proposed Renewal of Share Buy-Back Authority

THAT, subject to the Companies Act, 1965 (“Act”), 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:

- (i) the aggregate number of IGB Shares purchased does not exceed 10% of the issued and paid-up ordinary share capital of the Company at the time of purchase;

Notice of Annual General Meeting (cont'd)

- (ii) 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 2005; and
- (iii) the IGB Shares purchased are proposed to be cancelled and/or retained as treasury shares which may be distributed as dividends, resold on Bursa Securities and/or cancelled.

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 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 shareholders in a general meeting,

whichever occurs first, but not so 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.

AND THAT 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 full effect to the Proposed Renewal of Share Buy-Back Authority.

Resolution 10

(c) Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or 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 or trading nature and with specified classes of related parties as stated in Section 2.2.2 of the Circular to Shareholders dated 28 April 2006, which are necessary for the Group's day-to-day operations subject to the following:

- (i) 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
- (ii) 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:
 - (a) 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;
 - (b) 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
 - (c) revoked or varied by a resolution passed by shareholders in a general meeting,
 whichever is earlier.

AND THAT 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 full effect to the transactions contemplated and/or authorised by this resolution.

Resolution 11

By Order of the Board
Tina Chan
Company Secretary
MAICSA 7001659

Kuala Lumpur
28 April 2006

Notice of Annual General Meeting (cont'd)

Notes:

1. Appointment of Proxy

A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. To be valid, the proxy form duly completed must be deposited at the Registered Office of the Company at Penthouse, Menara IGB, No.1, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting, provided that the provisions of Section 149(1)(c) of the Act are complied with. Where a member appoints more than one (1) 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 proxy 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 15 June 2006 for purpose of preparing warrants for the final dividend which, if approved, will be paid on 14 July 2006 to every member who is entitled to receive the dividend as at 4.00 p.m. on 14 June 2006.

3. Re-election or re-appointment of Directors

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

4. Explanatory notes on Special Business:

Resolution 8 – Re-appointment of Director in accordance with Section 129(6) of the Act

The re-appointment of Tan Sri Dato' Seri Khalid Ahmad bin Sulaiman, a person over the age of 70 years as Director of the Company to hold office until the conclusion of the next annual general meeting of the Company shall take effect if the proposed Resolution 8 has been passed by a majority of not less than three-fourths (3/4) of such members as being entitled to vote in person or, where proxies are allowed, by proxy, at a general meeting of which not less than 21 days' notice specifying the intention to propose the resolution has been duly given.

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 Act 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 Renewal of Share Buy-Back Authority

The proposed resolution, if passed, will empower the Company to purchase IGB Shares of up to 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.

Resolution 11 - 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.

Further information on the Proposed Renewal of Share Buy-Back Authority and Proposed Shareholders' Mandate is set out in the Statement/Circular to Shareholders of the Company dated 28 April 2006, which is despatched with the Company's Annual Report 2005.

Statement accompanying Notice of AGM

1. Re-election or re-appointment of Directors

Directors retiring by rotation and seeking re-election pursuant to Article 85 of the Company's Articles of Association:

- Tan Boon Seng
- Pauline Tan Suat Ming
- Datuk Abdul Habib bin Mansur

Director appointed since the date of the last Annual General Meeting and seeking re-election pursuant to Article 89 of the Company's Articles of Association:

- Harun bin Hashim Mohd

Director seeking re-appointment under Section 129(6) of the Act:

- Tan Sri Dato' Seri Khalid Ahmad bin Sulaiman

Details of the Directors who are standing for re-election or re-appointment are set out in the Profile of the Board of Directors. Information relating to the Directors' interests in shares in the Company and its related corporation is presented in the Analysis of Shareholdings.

2. Board of Directors' Meetings

For the financial year ended 31 December 2005, a total of five (5) Board Meetings were held, details of which are set out in the Statement on Corporate Governance.

3. Forty-Second Annual General Meeting

Date : Wednesday, 31 May 2006

Time : 3.00 p.m.

Venue : Bintang Ballroom,
Level 5, Cititel Mid Valley,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur

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

Tan Sri 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

Harun bin Hashim Mohd

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

SHARE 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

Telephone: 03-26931077 Facsimile: 03-26930997

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad

Malayan Banking Berhad

RHB Bank Berhad

United Overseas Bank (Malaysia) Bhd

BOARD COMMITTEES

Executive Committee

Chairman

Tan Boon Seng

Members

Robert Tan Chung Meng

Tan Boon Lee

Pauline Tan Suat Ming

Audit Committee

Chairman

Tan Sri 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

Tan Sri 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

Profile of the Board of Directors

Tan Sri Abu Talib bin Othman **Independent Non-Executive Chairman**

Malaysian, aged 68, 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 54, 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 Chairman of Wah Seong Corporation Berhad and the Group Managing Director of KrisAssets Holdings Berhad (*formerly known as 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.

Tan Boon Seng **Executive Director**

Malaysian, aged 51, 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 Cruises 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 10 years.

Tan Boon Lee **Executive Director**

Malaysian, aged 42, 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.

Profile of the Board of Directors (cont'd)

He also sits on the Boards of KrisAssets Holdings Berhad, Goldis 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 10 years.

Tan Sri Dato' Seri Khalid Ahmad bin Sulaiman **Senior Independent Non-Executive Director**

Malaysian, aged 70, 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.

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 49, was appointed to the Board of IGB on 10 June 2003.

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 24 years of experience in the property industry and the corporate sector. She was the Chief Executive Officer of Tan & Tan Developments Berhad from March 1995, a property development company that was listed on Bursa Malaysia Securities Berhad until Goldis Berhad took over its listing on 8 May 2002, following the completion of the merger between IGB, Tan & Tan Developments Berhad and Goldis Berhad. She is presently the Executive Chairman and Chief Executive Officer of Goldis Berhad. She also sits on the Boards of KrisAssets Holdings Berhad and Macro Kiosk Berhad. She is a member of the Young Presidents' Organisation, Malaysia Chapter ("YPO"). 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 10 years.

Pauline Tan Suat Ming **Non-Independent Non-Executive Director**

Malaysian, aged 61, was appointed to the Board of IGB on 10 June 2003. 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 Goldis Berhad.

Profile of the Board of Directors (cont'd)

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.

Tony Tan @ Choon Keat **Non-Independent Non-Executive Director**

Malaysian, aged 57, was appointed to the Board of IGB on 15 July 2003.

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 was the founding Managing Director of Parkway Holdings Limited until 2000 and Deputy Chairman until 2005.

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 55, was appointed to the Board of IGB on 15 July 2003. 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, and was Finance Director.

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 62, 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 31 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.

Yeoh Chong Swee **Independent Non-Executive Director**

Malaysian, aged 63, 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 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.

Profile of the Board of Directors (cont'd)

Harun bin Hashim Mohd

Non-Independent Non-Executive Director

Malaysian, aged 57 was appointed as a Director of IGB on 3 June 2005, and is a representative of Permodalan Nasional Berhad, a Major Shareholder of IGB.

He holds a Master of Arts in Public Policy and Administration (Economics) from the University of Wisconsin, United States of America and a Bachelor of Arts (Economics) from the University of Malaya.

He started his career with the Ministry of Agriculture in 1972 for two years. Thereafter he joined the Economics Planning Unit of the Prime Minister's Department in 1974, whereby he held various senior positions in several divisions and sections. He left the Department in 1993 to join Perbadanan Usahawan Nasional Berhad where he held the position of General Manager of the Human Resource and Entrepreneur Development Division for two years. He is currently the Executive Director of Gunung Kabel Sdn Bhd.

He also sits on the Board of Goldis 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.

Chua Seng Yong

Alternate Director to Managing Director

Malaysian, aged 44, is the Executive Assistant to the Managing Director of IGB. He joined IGB as Financial Controller in 1994 and has more than 19 years experience in property and hotel industry. He was appointed the alternate Director to the Managing Director on 30 November 1999.

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



Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and the Audited Financial Statements of the Group for the financial year ended 31 December 2005.

FINANCIAL RESULTS

For the year under review, Group revenue was RM619.7 million, up 23% from RM504.6 million in 2004. Pre-tax profit of RM173.4 million was up 22% from the 2004 results. All three divisions: Property development, Property investment and holding and Hotel recorded increased revenue for financial year ended 31 December 2005, at RM283.7 million, RM190.9 million and RM95.7 million, respectively.

DIVIDENDS

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

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

CORPORATE DEVELOPMENTS

Kris Components Bhd, a listed subsidiary of the Company officially changed its name to KrisAssets Holdings Berhad ("KrisAssets") on 2 June 2005.

KrisAssets entered into an agreement with United Overseas Bank (Malaysia) Bhd and Hwang-DBS Securities Berhad to issue RM200 million nominal value AAA-rated bank guaranteed bonds ("Bonds") together with provisional rights to allotment of 110,134,166 warrants, which shall be offered for sale to the shareholders of KrisAssets. The Bonds were issued at coupon rate of 3.4% per annum on 23 December 2005. The proceeds from the Bonds were utilized to redeem 2 million of the outstanding 2.93 million redeemable preference shares issued by KrisAssets.

Bursa Securities approved the lifting of the suspension of trading in KrisAssets shares on 10 April 2006. Investor confidence in KrisAssets resulted in a strong performance of its shares on the first day of trading.

Chairman's Statement (cont'd)

OPERATIONAL HIGHLIGHTS

During the year, the Group launched Cendana at Jalan Sultan Ismail, a 42-storey luxury condominium; Northpoint which comprises office and residential suites; Savannah at Seri Maya in the 3rd quarter of 2005, the completion and handover of the Sri Bukit Persekutuan townhouses and condominiums and the Tanamera homes in USJ Subang. The Hotel division performed above expectations with the recovery in the tourism sector, in particular with the opening of the KLCC Convention Center and increased arrivals from the Middle East. The Gardens project at Mid Valley City with a gross development value of RM2 billion is progressing smoothly. 2005 was a benchmark year for Mid Valley Megamall as it recorded approximately 28 million visitors to the mall. The Construction division managed over RM1 billion of in-house projects, and continues to effectively implement the ISO9001:2000 quality management system. The Property Management division recorded healthy occupancy rates for the properties under its management, averaging 92% during the year in review.

PROSPECTS

As we face the new year ahead, we are well placed to face the challenges that lay before us. Our Group has diversified its interests, focusing on projects with more recurrent income. On our commercial projects, we will focus on retail and office development in the local market and also markets in the Asia Pacific, UK and Europe.

Tan & Tan, our stalwart subsidiary, will continue its concentration into the high-end residential property sector, with prestigious projects such as the Cendana on Sultan Ismail and condominium projects in Jalan Stonor and Jalan Madge.

In a very competitive and challenging market, we will push forward our brand of hotels – namely MiCasa and Cititel, with intention to own and operate hotels in each major Asian city.

As the Group pursues its sound investment strategies and increases its operating efficiencies, it is well placed to delivering its primary goal of providing consistent results across all asset groups.

BOARDROOM

On behalf of the Board, I would like to welcome Encik Harun bin Hashim Mohd, a representative of Permodalan Nasional Berhad to the Board. Encik Harun joined the Board as a non-independent non-executive director on 3 June 2005.

ACKNOWLEDGEMENT & APPRECIATION

I would also like to take this opportunity to record my deepest appreciation to the management and staff for their hard work and commitment, to the authorities for their guidance and assistance, to my fellow Directors, a special thank you for their advice and support.

TAN SRI ABU TALIB BIN OTHMAN

Chairman

25 April 2006

Review of Operations



Dear Shareholders,

Your company turned in a commendable performance for financial year ended 31 December 2005, with Group revenue at RM619.7 million, up 23% from RM504.6 million in 2004 and pre-tax profit at RM173.4 million, up 22% from RM141.7 million in 2004.

PROPERTY DEVELOPMENT

The Property Development division performed to expectations, accounting for 46% of Group turnover. For the year under review property development as a whole recorded an improvement of 27% over last year.

During the year, Cendana at Sultan Ismail, a 42-storey luxury condominium adjacent to the Renaissance Hotel was launched achieving sales of RM170 million as at the end of the year. The Savannah of Seri Maya, Ampang was launched in the third quarter of 2005. Sales have been brisk with 45% of units sold within five months of the launch. Sierramas West achieved a sold out situation for the Jemerlang townhouses launched in October 2005.

The Northpoint located at the northern end of Mid Valley City consisting of two blocks of exclusive 204 Office Suites and 228 Serviced Apartments have performed well with all the office suites fully sold since its launch in October 2004 while the take-up rate for the service apartments are at 50%. Project is expected to be completed and handed over in May 2006.

During the second half of the year, we completed and handed-over Sri Bukit Persekutuan's Westbank Terraces and Highbank Condominiums, Tanamera homes in USJ and part of Sierramas West.

RETAIL

Notwithstanding the challenges, patronage to the Megamall continued on its upward trend with approximately 28 million visitors in 2005. Tenant occupancy remained high at 99% with over 200 renewals and new tenancies during the year. Our aggressive and targeted promotional programs for the Megamall won the MAXI Merit Award 2005, an international award in recognition of excellence in Marketing Programs – a first for a Malaysian mall. The Megamall also received the Gold Award for the Retail World Excellence Awards 2006/2007. As a result, the Megamall generated a record total revenue of RM171 million, yielding a pre-tax profit of RM92 million.

Currently under construction is The Gardens at Mid Valley City which comprises a high-end shopping center, two class-one office towers, a five-star all suites hotel and a five-star hotel. The Gardens will offer world class shopping and dining experiences in a "garden" environment of contemporary architecture defined by the highest levels of hospitality. The Gardens will provide a total gross floor area of 5.9 million square feet with 800,000 square feet of net lettable space for the shopping center, with a gross development value of RM2 billion. The entire project is expected to be completed by 2008, with the opening of the shopping center in September 2007. The completion of The Gardens will complement the

Review of Operations (cont'd)

existing offer at Mid Valley City and cement our positioning as a complete alternative to the city center. The variety and quality of experiences available at the complete Mid Valley City will compete at an international level.

Continued upgrading works are being carried out within the Mid Valley City to enhance the retail and shopping experience, with improvements to the car parking and public transportation system. The recently completed Mid Valley KTM Komuter Station has been a runaway success with 2.13 million passengers in 2005, making it the second busiest station on the KTM Komuter network.

We have allocated RM150 million to upgrade the infrastructure with a new overpass and four new underpasses, which are expected to be completed and operational for the opening of The Gardens shopping center in September 2007. Car park spaces have been increased with an additional 600 parking bays at Northpoint and 4,300 parking bays at The Gardens. In addition to the existing KTM connection, discussions are being held with the relevant authorities for the connections with the Monorail and Putra LRT via The Gardens.

HOTEL

The year under review saw the hotel division perform above expectations. With the opening of the KLCC Convention Center and the increased tourist arrivals from the Middle East, 2005 was a better year for the tourism sector.

In July 2005, we soft-opened the 390 room Boulevard Hotel in Mid Valley City. During the year, we completed our upgrading exercise of our resort in Pangkor Island Beach Resort which is now poised to meet the anticipated pent-up demand for resort destinations as the effects of the December 2004 tsunami wears away.

In 2005, our overseas hotels also continued to enjoy brisk business with most hotels performing above expectations with the exception of our property in Yangon, which continues to under perform as a result of the international embargo and the Yangon government's decision to relocate its administrative center from Yangon to Pinyinana.

PROPERTY MANAGEMENT

The division continued to maintain a healthy occupancy rate for the various investment properties with Menara IGB; Ampwalk; Menara Tan & Tan and Plaza Permata enjoying 100%, 90%, 91% and 86% occupancy respectively.

Under construction are two class-one office towers, Centrepoint North and South, with an estimated net lettable area of 450,000 sq. ft. located adjacent to the existing Megamall. Upon completion in 2007, our total office inventory will increase to 1.2 million square feet.

CONSTRUCTION

The construction industry continued to remain soft during the year, with many players in the industry seeking opportunities overseas. Although our focus continues to be on in-house projects, the uncertainties in the prices of raw materials, particularly petroleum, and continued demand on resources from China and emerging Indian and Middle Eastern markets, suggest that the construction market would continue to be unpredictable with strong upward pressure on prices of basic resources. At year's end, Ensignia was managing over RM1.0 billion of in-house projects, an increase of over 100% from 2004.

MANPOWER DEVELOPMENT

With the continued push towards development of the Retail and Property Management components of our Group business profile, we envisage a greater concentration of human resource development efforts going toward developing people service excellence. Much more resources will be spent to recruit and train personnel specializing in customer service delivery. These front-line individuals would create new business opportunities for our organization by constantly reminding our customers of our unique product qualities and creating brand loyalty. Competition for these staff would be steep and our reward for performance culture would be the key motivator for them to grow and succeed in the Group. Our key strategies for retention and succession planning have been reviewed in line with our constant effort to meet with the demand of the industries concerned.

Throughout the year, our main focus has been to implement a host of training programs to enhance the collaborative team effort from all sections of the Group to ensure continued growth in improving productivity and efficiencies. Taking ownership of one's responsibility has been the key approach in ensuring that our employees are empowered with the initiative to perform to their best of their abilities under all circumstances.

The Gardens at Mid Valley City is approaching its height of construction activities and the recruitment of its key personnel has become increasingly important to bring forth the best of retail experience for our customers when the high-end shopping center opens. The group is keen to attract the best people in this industry, both locally and from overseas, to distinguish us from the rest of our competitors.

THE YEAR AHEAD

As we move into 2006, our continued focus on our strategic core businesses is bearing fruit as our recurrent income from retail and investment properties now accounts for 58% of our last year's earnings. We will also continue to concentrate on niche quality residential and commercial development projects through our recognized premium brand of Tan & Tan and IGB respectively.

For 2006, we expect competition to be keener and the property market to consolidate further. Measures have been undertaken to meet these challenges and we are confident of achieving another favorable performance.

For 2006, Tan & Tan will focus on a number of high-end residential projects, namely Stonor Residences and U-Thant Residences in the Kuala Lumpur city center. Outside the Kuala Lumpur city center, Sierramas West was launched with the unveiling of bungalows and semi-detached homes, to be followed in the third quarter with two other launches of townhouses, courtyard terrace houses and semi-detached units.

At the retail front, we remain optimistic on the domestic market, our primary market for the Megamall. With Tourism Malaysia aggressively pursuing the tourist market, both local and international, we aim to continuously support the tourism campaigns and position the Megamall as a much desired shopping destination.

We will continue to develop and strengthen the Company's own brand of hotels, namely Micasa and Cititel, with the intention to build, own and operate these hotels in each major Asian city. This is expected to further contribute towards enhancing our group's recurring income base. As we go into 2006, we are committed to deliver on our strategic goals and objectives with renewed focus and energy.

Review of Operations (cont'd)

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 businesses is acknowledged and appreciated.

Robert Tan Chung Meng

Managing Director

25 April 2006

Audit Committee Report

The Audit Committee ("AC") of IGB Corporation Berhad ("Company") is pleased to present the AC Report for the year ended 31 December 2005.

The AC was established by the Board of Directors ("Board") on 12 April 1994 to assist the Board to carry out its responsibilities. The AC is governed by its Terms of Reference.

MEMBERSHIP

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

Tan Sri 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
 Robert Tan Chung Meng, Managing Director

MEETINGS

During the financial year ended 31 December 2005, the AC met four (4) times. The attendance of each committee member is as follows:

Members	Number of AC Meetings	
	Held	Attended
Tan Sri Dato' Seri Khalid Ahmad bin Sulaiman	4	4
Tan Kai Seng	4	3
Yeoh Chong Swee	4	4
Robert Tan Chung Meng	4	4

SUMMARY OF ACTIVITIES

A summary of the activities performed by the AC during the financial year ended 31 December 2005 is set out below:

Financial Reporting

- Deliberated and recommended for Board approval the Quarterly and Annual Financial Statements and announcements.

External Audit

- Recommended to the Board the appointment and remuneration of the External Auditor.
- Approved the external audit plan and scope for the financial year.
- Deliberated the results of external audits.

Internal Audit

- Approved Audit Charters of Group Internal Audit ("GIA") functions in the Group.
- Reviewed GIA audit reports on the Group and ad hoc assignments.
- Reviewed GIA audit reports on the effectiveness and adequacy of risk management, compliance and governance processes.

Related Party Transactions

- Reviewed the disclosure of related party transactions of the Group.

Audit Committee Report (cont'd)

INTERNAL AUDIT FUNCTION

The internal audit function of the Company was carried out by the GIA Department. GIA is independent and reports directly to the AC.

Internal audits were undertaken to provide independent and objective assessment of the following:

- Existence, effectiveness and adequacy of the internal control system to manage operations and safeguard the Group's assets.
- Adequacy and effectiveness of the risk management, governance and compliance functions to manage and anticipate potential risks over key business processes.

The internal audit reports arising from assignments were issued to management for their response and corrective actions. The reports were subsequently tabled to the AC for their deliberation.

Further details of the activities of GIA are set out in the Statement of Internal Control.

TERMS OF REFERENCE

Membership

The members of the AC shall be appointed by the Board 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. Where the members for any reason fall below three (3), the Board 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 to 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 1 of the 1st Schedule of the Accountants Act 1967 or is a member of one (1) of the associations of accountants 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.

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 authorities as empowered by the Board:

- investigate any activity within its Terms of Reference or as directed by the Board;
- obtain the resources required to perform its duties;
- has full and unrestricted access to any information and personnel pertaining to the Group;
- has direct communication channels with external and internal auditors; and
- obtain independent professional advice as necessary.

Functions and Responsibilities

The functions and responsibilities of the AC are as follows:

- review the quarterly results and annual financial statements prior to submission to the Board for approval, focusing primarily on:
 - going concern assumptions;
 - changes in existing or implementation of new accounting policies;
 - major judgemental areas, significant and unusual events; and
 - compliance with accounting standards, regulatory and other legal requirements.
- review and discuss with the external auditors of the following:
 - external audit plans and scope of work;
 - external audit reports, management's response and actions taken;
 - external audit evaluation of the system of internal controls; and
 - problems and reservations arising out of external audits and any matters the external auditors may wish to discuss, in the absence of management, if necessary.
- review the following in respect of internal auditors:
 - adequacy of the scope and plan, functions and resources of internal audit function and that it has the necessary authority to carry out their 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 performance of internal audit staff;
 - approve any appointment or termination of senior staff member 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.
- review any related party transaction and conflict of interest situation that may arise within 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 via the annual report.
- 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 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.

Audit Committee Report (cont'd)

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 amongst the members present.

TAN SRI DATO' SERI KHALID AHMAD BIN SULAIMAN
Chairman of Audit Committee

This Report was approved by the Board of Directors on 23 March 2006.

Statement on Corporate Governance

The Board of Directors (“Board”) of IGB Corporation Berhad (“Company”) is committed to ensure that sound policies are in place and to direct the Company to achieve its objectives of enhancing shareholders’ value with corporate accountability and transparency. This Statement sets out the application of the principles of the Corporate Governance and compliance with the Best Practices of the Malaysian Code of Corporate Governance (“Code”) by the Company. 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 of Bursa Securities. 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 recognised 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 twelve (12) members, comprising nine (9) Non-Executive Directors and three (3) Executive Directors, with four (4) of the nine (9) 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 of 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 Directors fulfils a pivotal role in corporate accountability. Essentially, Independent Directors provide unbiased and independent view, 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.

The Board has identified and appointed Tan Sri Dato’ Seri Khalid Ahmad bin Sulaiman as the Senior Independent Non-Executive of the Board to whom any concerns on the Company may be conveyed.

Board meetings

The Board meets on a quarterly basis to review the Group’s quarterly performance and to discuss new policies and strategies. Additional meetings are called as and when necessary. During the financial year ended 31 December 2005, five (5) 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	5	5
Robert Tan Chung Meng	5	5
Tan Boon Seng	5	5
Tan Boon Lee	5	4
Tan Lei Cheng	5	5
Tan Sri Dato’ Seri Khalid Ahmad bin Sulaiman	5	5
Tan Kai Seng	5	4
Yeoh Chong Swee	5	5
Pauline Tan Suat Ming	5	5
Tony Tan @ Choon Keat	5	4
Datuk Abdul Habib bin Mansur	5	5
Harun bin Hashim Mohd (appointed on 3 June 2005)	3	3
Chua Seng Yong (Alternate to Managing Director)	5	5

Note: * No. of meetings held during the time the Director held office.

Statement on Corporate Governance (cont'd)

Supply of Information to the Board

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 Board meetings. 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. Minutes are prepared for all Board proceedings and are signed by the chairman of the meeting.

The Directors are also notified of any corporate announcement released to Bursa Securities 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.

Continuing Board Development

All members of the Board have attended and successfully completed the Continuing Education Programme. Apart from attending various conferences and seminars organized by external organizers, the Board also benefit from internal Board Development Programme which is conducted in-house. In 2005, the in-house Board Development Programmes comprised among others, those relating to Corporate Governance aspects and a special course in the New Financial Reporting Standards.

Re-election of Directors

An election of Directors takes place each year. One-third of the Board retires from office at each Annual General Meeting and they are eligible to offer themselves for re-election. Directors who are appointed by the Board in each financial year are subject to election by the shareholders at the next Annual General Meeting following their appointments.

Directors standing for re-election at the Forty Second Annual General Meeting ("42nd AGM") of the Company to be held on 31 May 2006 are Tan Boon Seng, Pauline Tan Suat Ming and Datuk Abdul Habib bin Mansur, who retire by rotation pursuant to Article 85 of the Company's Articles of Association and Harun bin Hashim Mohd, who retires by casual vacancy under Article 89 of the Company's Articles of Association. Tan Sri Dato' Seri Khalid Ahmad bin Sulaiman, who has attained the age of 70 years, is seeking for re-appointment under Section 129(6) of the Act.

Number of Directorships

In compliance with the Listing Requirements, the Directors 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 submitted and 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 components 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 would 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.

Statement on Corporate Governance (cont'd)

The aggregate remuneration paid to Directors in 2005 is as follows:

Category	Salaries RM'000	Fees RM'000	*Other Emoluments RM'000	**Benefits-in-kind RM'000	Total RM'000
Executive Directors	1,267	-	693	445	2,405
Non-Executive Directors	84	192	45	6	327
Total	1,351	192	738	451	2,732

Notes:

* Other emoluments include: bonuses, incentives, retirement benefits, provisions for leave and allowances.

** Benefits-in-kind include: rental payments, motor vehicle, club membership and personal expenses.

The Directors' remuneration are broadly categorized into the following bands:

Range of Remuneration	Executive	Non-Executive
Below RM50,000	-	8
RM50,001 to RM100,000	-	-
RM100,001 to RM150,000	-	-
RM150,001 to RM200,000	-	1
RM200,001 to RM250,000	1	-
RM250,001 to RM300,000	1	-
RM300,001 to RM350,000	1	-
RM350,001 to 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	1	-

BOARD COMMITTEES

The Board delegates certain responsibilities to several Board Committees that operate within clear defined terms of reference. The Chairmen of the various committees report the outcomes of their committee meetings to the Board, and any further deliberation is made at Board level if required. These reports and deliberations are incorporated into the minutes of the Board meetings. The various committees are listed below:

Executive Committee ("Exco")

The Exco comprises two (2) Executive Directors, the Managing Director and one (1) Non-Independent 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 results or matters that require the Exco's approval.

The Exco met six (6) times in 2005. The attendance of the members is as follows:

Members	No. of meetings attended
Tan Boon Seng, <i>Chairman</i>	6
Robert Tan Chung Meng	6
Tan Boon Lee	5
Pauline Tan Suat Ming	6

Statement on Corporate Governance (cont'd)

Audit Committee ("AC")

The AC comprises three (3) Independent 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.

Further details of the composition, the terms of reference and the activities of the AC during the financial year ended 31 December 2005 are set out in the Audit Committee Report.

Nomination Committee ("NC")

The NC comprises two (2) Independent Directors and one (1) Non-Independent 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 met twice in 2005 which was attended by all members. The NC members are:

Tan Sri Abu Talib bin Othman, *Chairman*
Tan Sri Dato' Seri Khalid Ahmad bin Othman
Pauline Tan Suat Ming

Remuneration Committee ("RC")

The RC comprises two (2) Independent 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 (1) meeting in 2005 which was attended by all members. The RC members are:

Tan Sri Abu Talib bin Othman, *Chairman*
Robert Tan Chung Meng
Yeoh Chong Swee

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 the Managing Director and two (2) Executive Directors. The Share & ESOS Committee is responsible for regulating and approving securities transactions and registrations, and for implementing and administering the ESOS and the Share Buy-Back of the Company. The members of the Share & ESOS Committee are:

Robert Tan Chung Meng
Tan Boon Seng
Tan Boon Lee

Statement on Corporate Governance (cont'd)

RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

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 Securities 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. A press conference is also held immediately after the AGM or EGM in order for the Directors and Management to meet members of the media for the purpose of clarifying or explaining any issues raised.

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.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The financial statements are prepared in accordance with the requirements of the Companies Act, 1965 and MASB approved accounting standards. In this Annual Report, an assessment is provided in the Directors' Report of the Audited Financial Statements.

The AC scrutinizes the financial, statutory compliance aspects of the Audited Financial Statements and Company's policies and procedures prior to full deliberation at the Board level. The Board ensures the integrity of the Company's financial reporting and fully recognized that accountability in financial disclosure form an integral part of the good corporate governance practices.

Internal Control

The Code requires the Board to maintain a sound system of internal controls to safeguard shareholders' investment and the Company's assets. The Company adheres to Bursa Securities guidelines on the Statement on Internal Control – Guidance for Directors of Public Listed Companies, as a guidance for compliance with these requirements.

The state of internal control of the Group, pursuant to paragraph 15.27(b) of the Listing Requirements 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 Audit Committee Report.

RESPONSIBILITY STATEMENT IN RESPECT OF THE FINANCIAL YEAR UNDER REVIEW

(pursuant to paragraph 15.27(a) of the Listing Requirements)

The Board is fully accountable to ensure that the financial statements are prepared in accordance with the Act and the applicable approved accounting standards set by Malaysian Accounting Standards Board so as to present a true and fair view, balanced and understandable assessment of the Group's financial position and prospects. In this Annual Report, an assessment is provided in the Directors' Report of the Audited Financial Statements.

The AC reviews the statutory compliance and scrutinises the financial aspects of the Audited Financial Statements prior to full deliberation at the Board level.

Statement on Corporate Governance (cont'd)

ADDITIONAL COMPLIANCE STATEMENT

(pursuant to paragraph 9.25 of the Listing Requirements)

Material Contracts

Save as disclosed below, neither the Company nor any of its subsidiary companies had entered into any material contract which involved Directors' and/or Major Shareholders' interests, either still subsisting at the end of the financial year ended 31 December 2005, or which were entered into since the end of the previous financial year.

Date	Parties	Nature	Consideration RM	Mode of settlement of consideration	Relationship
26.05.2005	Tan & Tan Developments Berhad ("Tan & Tan") and Dato' Tan Chin Nam ("Dato Tan")	Acquisition of 9.2% equity interest in Permata Efektif (M) Sdn Bhd	1,625,000	Cash	Tan & Tan is a wholly owned subsidiary of the Company and Dato Tan is a major shareholder of the Company.
16.08.2005	Intercontinental Aviation Services Sdn Bhd ("IAC") and Zali Capital Ltd ("ZCL")	Disposal of 16.81% equity interest in Lee Hing Development Limited ("LHDL")	35,624,534	Cash	IAC is a wholly owned subsidiary of the Company and Tan Boon Seng is a common Director and/or major shareholder of the Company, LHDL and ZCL.
31.10.2005	IGB Corporation Berhad and Madam Cheng Connie Wai-Ka ("Madam Cheng")	Acquisition of one unit of Cendana.	1,341,000	Cash	Madam Cheng is the spouse of Tan Boon Seng, a Director of the Company.

Share Buy-Back

On 26 May 2005, the shareholders of the Company had at the 41st AGM approved the resolution pertaining to the share buy-back authority granted to the Company. This authority from shareholders shall, in accordance with the Listing Requirements, expire at the conclusion of the 42nd AGM of the Company which will be held on 31 May 2006.

During the financial year, a total of 15,299,600 ordinary shares were purchased and retained as treasury shares. None of the treasury shares were resold or cancelled during the financial year.

Date	No. of IGB Shares bought back & retained as Treasury Shares	Buy Back Price Per Share (RM)		Average Cost Per Share RM	Total Cost RM
		Lowest	Highest		
December 2005	15,299,600	1.10	1.15	1.134	17,355,628.42
Total	15,299,600				17,355,628.42

Employees' Share Option Scheme

The Employees' Share Option Scheme ("Scheme") was approved by shareholders at an EGM on 13 May 2003. The Scheme was launched on 25 June 2003. As at 31 December 2005, two (2) offers have been made to eligible employees. Under the first offer, options representing 40,742,000 shares were offered at an option price of RM0.93 (being the 5 day weighted average market price from 8 August 2003 to 14 August 2003 net of 10% discount) to 640 eligible employees. Under the second offer, options representing 2,406,000 shares were offered at an option price of RM1.05 (being the 5 day weighted average market price from 2 June 2004 to 8 June 2004 net of 10% discount) to 105 eligible employees.

As at 31 December 2005, a total of 36,616,500 of the options had been exercised.

Statement on Corporate Governance (cont'd)

Sanction and/or penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year ended 31 December 2005.

Variation in Results

The Company did not issue any profit forecast for the financial year ended 31 December 2005. Hence, no variation in financial results.

Profit Guarantee

The Company did not issue any profit guarantee for the financial year ended 31 December 2005.

Non-audit Fees

For the financial year ended 31 December 2005, non-audit fees paid to PricewaterhouseCoopers Taxation Services Sdn Bhd amounted to RM215,251.00 relating to tax compliance and consultancy.

Revaluation Policy

The revaluation policy of the Company in relation to its landed properties and investments are set out in Notes to the Financial Statements of this Annual Report.

Recurrent related party transactions of a revenue or trading nature ("Recurrent Transactions")

(pursuant to paragraph 4.15 of Practice Note 12/2001 of the Listing Requirements)

The Company had on 26 May 2005 obtained approval for a renewal of general mandate from the shareholders to enter into Recurrent Transactions with related parties.

The nature and the contracting parties involved in the Recurrent Transactions during the financial year ended 31 December 2005 are as follows:

Nature of Recurrent Transactions	Transacting Parties	Interested Related Parties	Aggregate value RM'000
<ul style="list-style-type: none"> • Construction contracts • Leasing of retail space • Management, consultancy and/or support services • Mechanical and electrical works • Rental of office space 	KrisAssets Holdings Berhad Group of Companies (Kris Group) <ul style="list-style-type: none"> • Kris • Mid Valley City Sdn Bhd (MVC) 	Robert Tan Chung Meng ^a Tan Boon Seng ^b Tan Lei Cheng ^c Tan Boon Lee ^d Pauline Tan Suat Ming ^e Tony Tan @ Choon Keat ^f Dato' Tan Chin Nam ^g Daniel Yong Chen-I ^h Elizabeth Tan Hui Ning ⁱ Goldis Berhad (Goldis) ^j Tan Chin Nam Sdn Bhd (TCN) ^k Tan Kim Yeow Sdn Bhd (TKY) ^l Wah Seong (M) Trading Co Sdn Bhd (WST) ^m	11,378

Statement on Corporate Governance (cont'd)

Nature of Recurrent Transactions	Transacting Parties	Interested Related Parties	Aggregate value RM'000
<ul style="list-style-type: none"> Rental of office space Management, consultancy and/or support services 	Goldis Berhad Group of Companies (Goldis Group) <ul style="list-style-type: none"> Goldis Ecofen Marketing Sdn Bhd Gold Information Systems Sdn Bhd Hoe Pharmaceutical Sdn Bhd Macro Kiosk Berhad Macro Lynx Sdn Bhd Sweat Club Sdn Bhd 	Robert Tan Chung Meng ^a Tan Boon Seng ^b Tan Lei Cheng ^c Tan Boon Lee ^d Pauline Tan Suat Ming ^e Tony Tan @ Choon Keat ^f Dato' Tan Chin Nam ^g Goldis ⁱ TCN ^k TKY ^l WST ^m	1,430
<ul style="list-style-type: none"> Rental of office space Legal advisory services 	Jeyaratnam & Chong (J&C)	Tan Boon Seng ^b Tan Lei Cheng ^c Tan Boon Lee ^d Dato' Tan Chin Nam ^g	588
<ul style="list-style-type: none"> Sale and purchase of construction materials 	Wah Seong Corporation Berhad Group of Companies (WSCB Group) <ul style="list-style-type: none"> Petro-Pipe Concrete Piles Sdn Bhd PPSC Industries Sdn Bhd Syn Tai Hung Trading Sdn Bhd Wah Seong Industrial Holdings Sdn Bhd 	Robert Tan Chung Meng ^a Tan Boon Seng ^b Tan Lei Cheng ^c Tan Boon Lee ^d Pauline Tan Suat Ming ^e Tony Tan @ Choon Keat ^f Dato' Tan Chin Nam ^g TCN ^k TKY ^l WST ^m	9,591
<ul style="list-style-type: none"> Rental of office space 	WST	Robert Tan Chung Meng ^a Tan Boon Seng ^b Tan Lei Cheng ^c Tan Boon Lee ^d Pauline Tan Suat Ming ^e Tony Tan @ Choon Keat ^f Dato' Tan Chin Nam ^g TCN ^k TKY ^l WST ^m	40
<ul style="list-style-type: none"> Rental of office space 	TCN	Tan Boon Seng ^b Tan Lei Cheng ^c Tan Boon Lee ^d Dato' Tan Chin Nam ^g TCN ^k	7
<ul style="list-style-type: none"> Management, consultancy and/or support services 	Cahaya Utara Sdn. Bhd. (CU)	Robert Tan Chung Meng ^a Tan Boon Seng ^b Tan Lei Cheng ^c Tan Boon Lee ^d Pauline Tan Suat Ming ^e Tony Tan @ Choon Keat ^f Dato' Tan Chin Nam ^g TCN ^k TKY ^l WST ^m	1,280

Statement on Corporate Governance (cont'd)

Nature of Recurrent Transactions	Transacting Parties	Interested Related Parties	Aggregate value RM'000
<ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • Cititel Hotel Management Sdn. Bhd. (CHM) • Courtyard Sdn. Bhd. (CSB) • IST Building Products Sdn Bhd • 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) 	Robert Tan Chung Meng ^a Tan Boon Seng ^b Tan Lei Cheng ^c Tan Boon Lee ^d Pauline Tan Suat Ming ^e Tony Tan @ Choon Keat ^f Dato' Tan Chin Nam ^g TCN ^k TKY ^l WST ^m Chong Kim Chuan ⁿ Ivo R. Nekvapil ^o Antony Patrick Barragry ^p	8,143

Nature of Interest:

- ^a Robert Tan Chung Meng is a Director of IGB Group, Kris Group, WSCB Group, SGHL, CU, WST and TKY. He is a Major Shareholder of IGB, Kris, Goldis, WSCB and TKY. He is the father of Elizabeth Tan Hui Ning, and a brother of Pauline Tan Suat Ming and Tony Tan @ Choon Keat.
- ^b Tan Boon Seng is a Director of IGB and MVC. 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, a senior partner of J&C.
- ^c Tan Lei Cheng is a Director of IGB Group, Kris Group, Goldis Group, TCN and WST. She is a daughter of Dato' Tan Chin Nam, a sister of Tan Boon Seng and Tan Boon Lee; and the spouse of Chong Kim Weng, a senior partner of J&C.
- ^d Tan Boon Lee is a Director of IGB Group, Kris, Goldis 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, a senior partner of J&C.
- ^e Pauline Tan Suat Ming is a Director of IGB, Goldis, WSCB, WST and TKY. She is a Major Shareholder of IGB, Kris, Goldis, WSCB and TKY. She is the mother to Daniel Yong Chen-I and a sister of Robert Tan Chung Meng and Tony Tan @ Choon Keat.
- ^f Tony Tan @ Choon Keat is a Director of IGB and TKY. He is a Major Shareholder of IGB, Kris, Goldis, WSCB and TKY. He is a brother of Robert Tan Chung Meng and Pauline Tan Suat Ming.
- ^g Dato' Tan Chin Nam is a Director of MVC, TCN and WST. He is a Major Shareholder of IGB, Kris, Goldis, WSCB and TCN. 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, a senior partner of J&C.
- ^h Daniel Yong Chen-I is a Director of IGB Group and Kris Group. He is a son of Pauline Tan Suat Ming.
- ⁱ Elizabeth Tan Hui Ning is alternate to Robert Tan Chung Meng on the Board of Kris. She is a daughter to Robert Tan Chung Meng.
- ^j Goldis is a Major Shareholder of IGB and Kris 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.
- ^k TCN is a Major Shareholder of IGB, Kris, Goldis and WSCB and a Person Connected to Dato' Tan Chin Nam and WST.
- ^l TKY is a Major Shareholder of IGB, Kris, Goldis and WSCB and a Person Connected to Robert Tan Chung Meng, Pauline Tan Suat Ming, Tony Tan @ Choon Keat and WST.
- ^m WST is a Major Shareholder of IGB, Kris, Goldis, WSCB, CHM, SGHL, TTR and CU and a Person Connected to Robert Tan Chung Meng, Dato' Tan Chin Nam, Pauline Tan Suat Ming, Tony Tan @ Choon Keat, TCN and TKY.
- ⁿ Chong Kim Chuan is a Director and a Major Shareholder of CSB. He is a brother of Chong Kim Weng, the senior partner of J&C. CSB has ceased to be a subsidiary of IGB effective on 23 December 2005.
- ^o Ivo R. Nekvapil is a Director and a Major Shareholder of MIHR and MIHRC.
- ^p Antony Patrick Barragry is a Director of IGB Group and MVC. He is also a Director and Major Shareholder of ME.

This Statement was approved by the Board of Directors on 23 March 2006.

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 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 an ongoing process for identifying, evaluating, managing and reviewing significant risks faced by the businesses in the Group. The risk management process involved 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.

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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.

The main elements in the internal control framework include:

- An organizational 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 their performances;
- Review by operating divisions of their annual operating 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 review and improvement;
- Regular reporting of accounting and legal developments to the Board;
- Structured Limits 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.
- Appointment of employees of the necessary caliber to carry out the assigned responsibilities.

The Group Internal Audit function monitors compliance with policies and standards and the effectiveness of internal controls 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 have resulted in any material losses, contingencies, or uncertainties that would require disclosure in the Group's annual report.

This Statement was approved by the Board of Directors on 23 March 2006.

Analysis of Shareholdings/Irredeemable Convertible Preference Share 2002/2007 Holdings

as at 31 March 2006

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

No. of Holders	Size of Holding	No. of Shares	%#
232	Less than 100	8,500	0.00
3,742	100 – 1,000	2,720,961	0.19
13,984	1,001 – 10,000	56,374,065	3.90
3,706	10,001 - 100,000	95,963,431	6.63
417	100,001 to less than 5% of issued shares	917,271,371	63.42
3	5% and above of issued shares	374,004,224	25.86
22,084		1,446,342,552	100.00

Based on the issued and paid-up share capital of the Company excluding 15,299,600 treasury shares held by the Company as per Record of Depositors.

THIRTY LARGEST SHAREHOLDERS

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

Name	No. of Shares	%#
1. Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Goldis Berhad (KLC)	150,036,000	10.37
2. Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputra	121,500,000	8.40
3. Goldis Berhad	102,468,224	7.08
4. UOBM Nominees (Tempatan) Sdn Bhd - UOB Labuan for Goldis Berhad	71,000,000	4.91
5. Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Goldis Berhad (HKB)	44,900,000	3.10
6. IJM Corporation Berhad	44,523,000	3.08
7. Permodalan Nasional Berhad	42,571,998	2.94
8. Employees Provident Fund Board	41,696,325	2.88
9. Wah Seong (Malaya) Trading Co. Sdn Bhd	35,438,059	2.45
10. Tan Chin Nam Sendirian Berhad	34,676,070	2.40
11. M & A Nominee (Asing) Sdn Bhd - Montego Assets Limited	34,109,250	2.36
12. HSBC Nominees (Asing) Sdn Bhd - HPBS SG for Kenderlay Ltd	29,390,800	2.03
13. Multistock Sdn Bhd	27,715,575	1.92
14. Tan Kim Yeow Sendirian Berhad	25,871,432	1.79
15. Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	20,800,000	1.44
16. HK 28 Limited	19,636,996	1.36
17. HSBC Nominees (Asing) Sdn Bhd - Exempt AN for HSBC Private Bank (Suisse) S.A. (Nassau AC CL)	16,780,800	1.16
18. HSBC Nominees (Asing) Sdn Bhd - MSCO NY for Tiedemann Global Emerging Markets L.P.	13,893,800	0.96
19. Cartaban Nominees (Asing) Sdn Bhd - Government of Singapore Investment Corporation Pte Ltd for Government of Singapore (C)	13,562,100	0.94
20. Insas Plaza Sdn Bhd	12,096,825	0.84
21. Tan Chin Nam Sendirian Berhad	11,400,000	0.79
22. Mayban Nominees (Asing) Sdn Bhd - DBS Bank for Timbarra Services Limited (240262)	11,136,800	0.77
23. M & A Nominee (Asing) Sdn Bhd - Dawnfield Pte Ltd	9,750,000	0.67
24. HSBC Nominees (Tempatan) Sdn Bhd - Nomura Asset Management SG for Employees Provident Fund	9,692,600	0.67
25. Wah Seong Enterprises Sdn Bhd	9,551,714	0.66
26. Cartaban Nominees (Asing) Sdn Bhd - SSBT Fund G444 for Goldman Sachs Asia Portfolio	9,495,000	0.66
27. HSBC Nominees (Asing) Sdn Bhd - Exempt AN for Credit Suisse (SG BR-TST-Asing)	8,458,550	0.58
28. Citigroup Nominees (Asing) Sdn Bhd - CBNY for DFA Emerging Market Fund	8,443,900	0.58
29. BBL Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Dato' Tan Chin Nam (100171)	8,407,204	0.58
30. Citigroup Nominees (Asing) Sdn Bhd - UBS AG	8,346,400	0.58
Total	997,349,422	68.95

Analysis of Shareholdings/Irredeemable Convertible Preference Share 2002/2007 Holdings as at 31 March 2006 (cont'd)

SUBSTANTIAL SHAREHOLDERS

Name	No. of Shares			
	Direct	% √	Indirect	% √
Goldis Berhad	368,404,224	25.48	27,715,575*	1.92
Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputera	121,500,000	8.40	-	-
Dato' Tan Chin Nam	15,712,429	1.09	517,132,691*	35.77
Robert Tan Chung Meng	3,915,562	0.27	493,612,678*	34.14
Pauline Tan Suat Ming	996,777	0.07	493,612,678*	34.14
Tony Tan @ Choon Keat	-	-	493,612,678*	34.14
Tan Chin Nam Sdn Bhd	51,016,945	3.53	466,115,746*	32.24
Tan Kim Yeow Sdn Bhd	30,855,682	2.13	462,756,996*	32.01
Wah Seong (Malaya) Trading Co. Sdn Bhd	42,835,359	2.96	418,101,387*	28.92

√ Excluding a total of 15,969,100 IGB shares bought-back by IGB and retained as treasury shares as per Register of Substantial Shareholders.

* Deemed interest pursuant to Section 6A of the Companies Act, 1965.

Type of securities	: 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

No. of Holders	Size of Holding	No. of ICPS	%
5	Less than 100	225	0.00
2,750	100 – 1,000	1,847,424	5.94
1,049	1,001 – 10,000	3,397,711	10.93
80	10,001 - 100,000	2,020,988	6.50
11	100,001 to less than 5% of issued shares	2,849,635	9.17
1	5% and above of issued shares	20,964,500	67.45
3,896		31,080,483	100.00

THIRTY LARGEST ICPS HOLDERS

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

Name	No. of ICPS	%
1. Permodalan Nasional Berhad	20,964,500	67.45
2. HSBC Nominees (Asing) Sdn Bhd - Exempt AN for Credit Suisse (SG-BR-TST-Asing)	966,500	3.11
3. DB (Malaysia) Nominee (Asing) Sdn Bhd - Deutsche Bank AG Singapore PBD for Peabody Ventures Limited	541,500	1.74
4. BBL Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Cheu Leong (304273)	235,335	0.76
5. Employees Provident Fund Board	203,300	0.65
6. Aida binti Abdullah @ Lee Soon Neo	168,000	0.54
7. Siti Zaharah binti Mohd Shah	133,000	0.43
8. JF Apex Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Teo Kwee Hock (Margin)	125,500	0.40
9. Oriental Capital Assurance Berhad	125,000	0.40
10. Shen & Sons Sdn Bhd	125,000	0.40
11. Chan Cheu Leong	120,000	0.39
12. Ng Chwee Cheng	106,500	0.34
13. Dan Giap Liang	100,000	0.32
14. Affin Nominees (Asing) Sdn Bhd - UOB Kay Hian Pte Ltd for Tan Lian Ann	100,000	0.32
15. Ho Mein Leong @ Low Say Leong	87,000	0.28
16. Mayban Securities Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yusof bin Jusoh (REM 444)	73,000	0.23
17. Citigroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Siow Chih Pyng @ Siow Chih Peng (470184)	70,000	0.23
18. Foh Chong & Sons Sdn Bhd	62,500	0.20

Analysis of Shareholdings/Irredeemable Convertible Preference Share 2002/2007 Holdings as at 31 March 2006 (cont'd)

Name	No. of ICPS	%
19. Mayban Securities Nominees (Asing) Sdn Bhd - UOB-Kay Hian Pte Ltd for Ng Chwee Cheng	61,500	0.20
20. Menteri Kewangan Malaysia - Section 29 (SICDA)	58,688	0.19
21. Teoh Kok Lin	50,000	0.16
22. Patimah binti Mamat	50,000	0.16
23. Ng Chong Chee	50,000	0.16
24. Yeoh Way Cheng	42,500	0.14
25. Lim Jit Hai	40,000	0.13
26. Yee Yin Chong	38,100	0.12
27. Citigroup Nominees (Asing) Sdn Bhd - Exempt AN for Merrill Lynch Pierce Fenner & Smith Incorporated (Foreign)	35,500	0.11
28. HDM Nominees (Tempatan) Sdn Bhd - Rabeah binti Othman	35,000	0.11
29. Ng Ngoon Weng	30,000	0.10
30. Qin Chun Properties Sdn Bhd	30,000	0.10
Total	24,827,923	79.87

DIRECTORS' INTERESTS IN SHARES

The direct deemed interests of the Directors in the shares of the Company and its related corporation.

The Company IGB Corporation Berhad

Name	No. of Ordinary Shares of RM0.50 each			
	Direct	% √	Indirect	% √
Tan Sri Abu Talib bin Othman	2,000,000	0.14	-	-
Robert Tan Chung Meng	3,915,562	0.27	493,612,678*	34.14
Tan Boon Seng	616,192	0.04	19,636,996*	1.36
Tan Boon Lee	2,805,574	0.19	-	-
Tan Lei Cheng	1,812,667	0.13	1,690,137*	0.12
Pauline Tan Suat Ming	996,777	0.07	493,612,678*	34.14
Tony Tan @ Choon Keat	-	-	493,612,678*	34.14
Tan Kai Seng	89,000	0.01	-	-
Tan Sri Dato' Seri Khalid Ahmad Sulaiman	560,316	0.04	187,875*	0.01
Yeoh Chong Swee	-	-	121,500*	0.01
Datuk Abdul Habib bin Mansur	-	-	-	-
Harun bin Hashim Mohd	-	-	-	-
Chua Seng Yong	232	0.00	-	-

Name	No. of ICPS			
	Direct	%	Indirect	%
Tan Kai Seng	5,000	0.02	-	-
Chua Seng Yong	232	0.00	-	-

Subsidiary Company KrisAssets Holdings Berhad

Name	No. of Ordinary Shares of RM1.00 each			
	Direct	% α	Indirect	% α
Robert Tan Chung Meng	208,698	0.06	273,771,909*	82.86
Tan Boon Lee	149,536	0.05	-	-
Tan Lei Cheng	95,955	0.03	90,084*	0.03
Pauline Tan Suat Ming	46,732	0.01	273,771,909*	82.86
Tony Tan @ Choon Keat	-	-	273,771,909*	82.86

α Based on the issued and paid-up share capital of RM330,402,500 excluding 100,000 treasury shares held by the company as per Record of Depositors.

List of Properties

held by IGB Corporation Berhad & Group as at 31 December 2005

Location	Tenure	Year Lease Expiring	Age of Building (Years)	Titled Hectareage	Description/ Existing use	Date of Acquisition/ Revaluation	Net Book Value AsAt 31 Dec 2005 RM'000
<i>Commercial Properties</i>							
Lot 500 Sec 79 Kuala Lumpur	Freehold	-	22	0.33	25-storey office building known as Plaza Permata	1984	37,349
P.T. 1 Sec 44 Kuala Lumpur	Leasehold	2073	-	0.30	Land for future development	7-3-2000	7,632
Located on part of Lot PT 14 HS(D) 105027 Section 95A Kuala Lumpur	Leasehold	2103	6	-	646-room Cititel Hotel Mid Valley	27-3-2006	103,000
Located on part of Lot PT 14 HS(D) 105027 Section 95A Kuala Lumpur	Leasehold	2103	6	-	17-level office building and its annexe building known as Menara IGB	17-12-1999	38,951
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	-	20	45.14	250-room hotel known as "Pangkor Island Beach Resort"	1-11-2001	91,426
PT 11 HS(D) 105024 Section 95A Kuala Lumpur	Leasehold	2103	-	0.11	Mid Valley City Phase 5 land for LPG tank	17-12-1999	-
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	29-12-2003	57,123
Located on part of Lot PT 13 HS(D) 105026 Section 95A Kuala Lumpur	Leasehold	2103	-	-	Mid Valley City Phase 2 land currently under development	28-12-2004	104,368
Located on part of Lot PT 13 HS(D) 105026 Section 95A Kuala Lumpur	Leasehold	2103	-	-	Development rights for office tower at Mid Valley Phase 2	28-12-2004	18,164
Located on part of Lot PT 13 HS(D) 105026 Section 95A Kuala Lumpur	Leasehold	2103	-	-	Development rights for office tower at Mid Valley Phase 2	28-12-2004	17,936
Located on part of Lot PT 13 HS(D) 105026 Section 95A Kuala Lumpur	Leasehold	2103	-	-	Development rights for hotel at Mid Valley Phase 2	28-12-2004	10,340
Located on part of Lot PT 13 HS(D) 105026 Section 95A Kuala Lumpur	Leasehold	2103	-	-	Development rights for service apartments at Mid Valley Phase 2	28-12-2004	8,902
Located on part of Lot PT 14 HS(D) 105027 Section 95A Kuala Lumpur	Leasehold	2103	6	-	Shopping complex known as Mid Valley Megamall together with car parks	17-12-1999	569,083
Located on part of Lot PT 14 HS(D) 105027 Section 95A Kuala Lumpur	Leasehold	2103	1	-	Boulevard Hotel at Mid Valley City Phase 1 together with swimming pool	29-12-2003	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 1	29-12-2003	34,256
PT 15 HS(D) 105028 Section 95A Kuala Lumpur	Leasehold	2103	-	0.89	Mid Valley City Phase 3 land for future development	28-12-2004	39,008

List of Properties

held by IGB Corporation Berhad & Group as at 31 December 2005 (cont'd)

Location	Tenure	Year Lease Expiring	Age of Building (Years)	Titled Hectareage	Description/ Existing use	Date of Acquisition/ Revaluation	Net Book Value AsAt 31 Dec 2005 RM'000
<i>Commercial Properties</i>							
Micasa Hotel Apartments 386 Jalan Tun Razak Kuala Lumpur	Freehold	-	16	1.39	245-room hotel apartments	31-1-2002	100,000
207 Jalan Tun Razak Kuala Lumpur	Freehold	-	12	0.45	Office building known as Menara Tan & Tan	31-1-2002	90,596
Stanford Hotel Jalan Tuanku Abdul Rahman Kuala Lumpur	Freehold	-	12	0.11	145-room hotel with 4-level shopping podium	31-1-2002	29,000
Micasa Hotel Apartments 17 Kaba Aye Pagoda Road Yangon	Leasehold	2026	6	0.78	143-units 6-storey hotel apartment with hotel facilities and offices	31-1-2002	42,375
<i>Residential Properties</i>							
PT 29 HS(D) 106667 Sec 44 Kuala Lumpur	Freehold	-	-	0.40	Land currently under development (Cendana @ Sultan Ismail project)	29-4-1991	21,778
Grant 26068 Lot 15 Sec 88A Kuala Lumpur	Freehold	-	-	0.19	Land for future development	31-10-1994	3,817
Grant 27066 Lot 16 Sec 88A Kuala Lumpur	Freehold	-	-	0.19	Land for future development	16-1-1989	2,573
CT 16118 Lot No. 40 Sec 88A Kuala Lumpur	Freehold	-	-	0.15	Land for future development	18-5-1989	879
PT 290 Mukim Morib, Selangor	Leasehold	2094	-	8.09	Land for future development	21-10-1993	1,416
Lot 1743 Mukim Rawang, Selangor	Freehold	-	-	1.31	Land for future development	1-11-1991	656
6 Jalan Stonor Kuala Lumpur	Freehold	-	-	0.58	Land currently under development	31-1-2002	14,469
3 Lorong Stonor Kuala Lumpur	Freehold	-	36	0.32	Bungalow	31-1-2002	4,053
15 & 17 Jalan Damai Kuala Lumpur	Freehold	-	-	0.19	Land for future development	31-1-2002	2,600
31 & 33 Jalan Damai Kuala Lumpur	Freehold	-	-	0.19	Land currently under development (Damai 33 project)	31-1-2002	5,583
1 Lorong Damai Kiri 13 Kuala Lumpur	Freehold	-	36	0.21	Bungalow	31-1-2002	1,485
PT 6936 and PT 6937 Mukim of Kuala Lumpur Wilayah Persekutuan	Freehold	-	-	0.48	Bungalow plots (Kennyvale project)	31-1-2002	9,067
PT 144, PT 145, PT 332 to 336 and PT313 to 318 Mukim of Damansara Selangor	Freehold	-	-	1.25	Balance of development land and unsold completed units (Tanamera project)	31-1-2002	2,608
20, 20A, 20B & 20C Jalan Ampang Hilir Kuala Lumpur	Freehold	-	21	0.41	Linked houses	31-1-2002	9,233
85 Jalan Ampang Hilir Kuala Lumpur	Freehold	-	26	0.22	Bungalow	31-1-2002	4,330

List of Properties

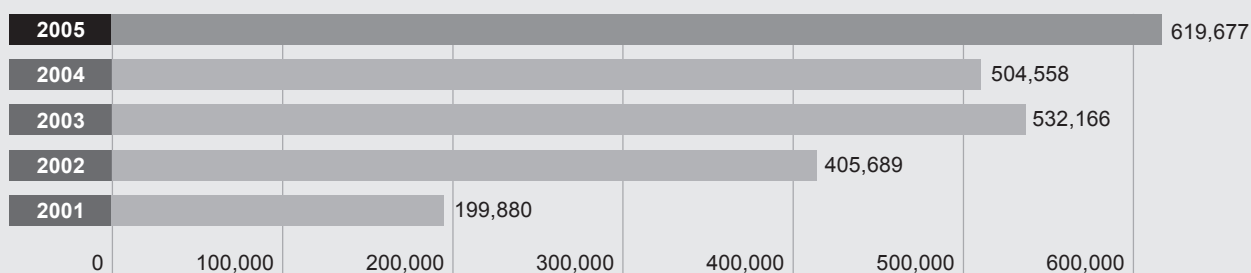
held by IGB Corporation Berhad & Group as at 31 December 2005 (cont'd)

Location	Tenure	Year Lease Expiring	Age of Building (Years)	Titled Hectareage	Description/ Existing use	Date of Acquisition/ Revaluation	Net Book Value AsAt 31 Dec 2005 RM'000
<i>Residential Properties</i>							
PT 1574 to 1576 along Jalan Jelatek Mukim Hulu Klang, Daerah Gombak, Selangor	Freehold	-	-	2.72	Land currently under development (Seri Maya project)	31-1-2002	59,575
PT 61 Mukim of Tanah 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	1,014
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	39,166
HS(D) 19460 PT4609, HS(D) 19461 PT4610, HS(D) 10462 PT4611 Taman Melawati, Mukim Setapak, Daerah Gombak, Selangor	Freehold	-	-	15.27	Land for future development	31-1-2002	30,929
PN 20219 Lot 26413 Mukim Setapak, District of Kuala Lumpur PN 11201 Lot 3538 Mukim of Ulu Kelang, District of Kuala Lumpur	Leasehold	2089 & 2090	-	52.48	Land for future development	6-3-2003	6,826
PT 1865 Mukim Ampang Daerah Wilayah Persekutuan	Leasehold	2085	-	1.49	Land for future development	31-1-2002	39,172
Lot 15256 Mukim of Labu, District of Seremban, Negeri Sembilan	Freehold	-	-	344.0	Approved mixed development for residential and commercial use	31-1-2002	131,256
Grant 35207 to 35210, Lots 185 to 188 Section 88A, Kuala Lumpur	Freehold	-	-	1.04	Land currently under development	5-5-2004	30,322
<i>Apartments</i>							
Seri Bulan Port Dickson	Freehold	-	10	-	2 units apartment	31-1-2002	282
Tanjung Biru Condominium Port Dickson	Freehold	-	24	-	2 units apartment	31-1-2002	487
Hatten, Yarra & low cost apartments Bukit Belimbing	Freehold	-	1	-	57 units apartment	31-1-2002	7,171
<i>Agricultural Properties</i>							
Bentong Hills Mukim of Tras District of Raub, Pahang	Freehold	-	-	266.43	Approved mixed development for orchard	31-1-2002	2,343
Bentong Hills Mukim of Tras District of Raub, Pahang	Freehold	-	-	32.78	Land for future development	31-1-2002	4,753
Lot 365 Mukim of Pasir Panjang District of Port Dickson	Freehold	-	-	3.58	Land for future development	31-1-2002	920

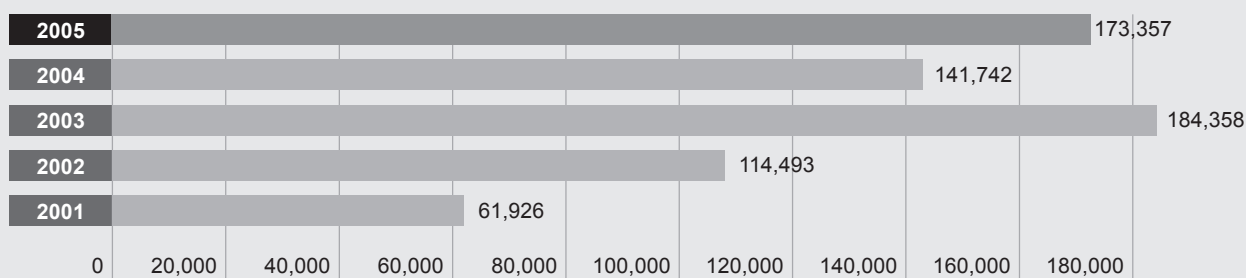
5-Year Group Financial Highlights

		2001	2002	2003	2004	2005
REVENUE	RM '000	199,880	405,689	532,166	504,558	619,677
PROFIT BEFORE TAXATION	RM '000	61,926	114,493	184,358	141,742	173,357
NET PROFIT FOR THE YEAR	RM '000	47,815	67,685	147,533	101,123	105,458
ISSUED SHARE CAPITAL (RM0.50)	RM '000	296,995	572,074	581,805	706,937	730,277
SHAREHOLDERS' FUNDS	RM '000	1,292,944	1,941,821	2,098,803	2,292,083	2,382,386
TOTAL ASSETS	RM '000	2,101,911	3,262,457	3,228,158	3,460,427	3,696,304
EARNINGS PER SHARE (Basic)	sen	4.9	6.2	12.9	8.2	7.2
NET ASSETS PER SHARE	RM	2.2	1.8	1.9	1.7	1.7
GROSS DIVIDENDS PER SHARE	sen	2.5	1.5	5.0	2.5	2.5
DIVIDEND RATE	%	5.0	3.0	10.0	5.0	5.0

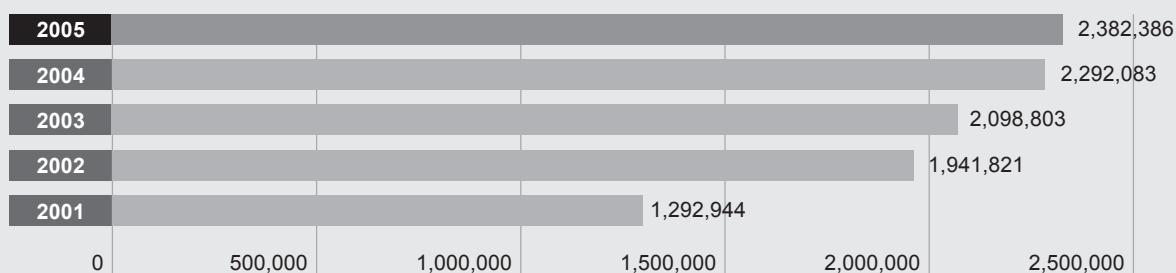
REVENUE (RM'000)



PROFIT BEFORE TAXATION (RM'000)



SHAREHOLDERS' FUNDS (RM'000)



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Directors' Report

for the financial year ended 31 December 2005

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 2005.

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 2,015 (2004: 1,729) employees in the Group and 185 (2004: 165) 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 Securities Berhad ('Bursa Securities').

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

Penthouse, Menara IGB
No. 1, The Boulevard, Mid Valley City
Lingkaran Syed Putra, 59200 Kuala Lumpur

Financial results

	Group RM '000	Company RM '000
Profit after taxation	113,229	47,281
Minority interests	(7,771)	0
Net profit for the financial year	105,458	47,281

Dividends

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

	RM '000
(a) In respect of the financial year ended 31 December 2004, as shown in the Directors' report of that financial year, a final dividend of 2.5% less tax at 28% and 2.5% tax exempt paid on 15 July 2005.	31,342
(b) In respect of the financial year ended 31 December 2005, an Irredeemable Convertible Preference Shares ('ICPS 2002/2007') dividend of 1% less tax at 28% paid on 27 May 2005.	254
(c) In respect of the financial year ended 31 December 2005, 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 31 May 2006, will be paid on 14 July 2006 to shareholders registered on the Company's Register of Members at the close of business on 14 June 2006.	31,425

Reserves and provisions

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

Directors' Report (cont'd)

for the financial year ended 31 December 2005

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 RM706,937,284 to RM730,277,104 by way of the following issue of shares:

Issue of shares	No. of shares '000	Nominal value RM'000
Exercise of ICPS 2002/2007	40,412	20,206
Exercise of ESOS (exercise prices RM0.93 - RM1.05)	6,268	3,134
	<u>46,680</u>	<u>23,340</u>

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) Treasury Shares

During the financial year, shareholders of the Company, by a special resolution passed at the Annual General Meeting on 26 May 2005, approved the Company's plan to purchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 15,299,600 of its own shares from the open market for RM17,412,498. The average purchase price for the shares repurchased was RM1.13 per share. The repurchase transaction was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 and carried at historical cost of repurchase. The Company has the right to reissue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended. None of the treasury shares repurchased has been sold as at 31 December 2005.

At the balance sheet date, the number of outstanding shares in issue after setting off treasury shares against equity is 1,445,254,608.

(c) IGB Group Employees 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 set out in note 11 to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia vide its letter dated 3 January 2006 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' interests 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

Directors' Report (cont'd)

for the financial year ended 31 December 2005

Directors (continued)

Pauline Tan Suat Ming
 Tan Sri Dato' Seri Khalid Ahmad Bin Sulaiman
 Datuk Abdul Habib Bin Mansur
 Tony Tan @ Choon Keat
 Tan Kai Seng
 Yeoh Chong Swee
 Harun Bin Hashim Mohd
 Chua Seng Yong (*alternate to Robert Tan Chung Meng*)

(Appointed on 3 June 2005)

In accordance with Article 85 of the Company's Articles of Association, Tan Boon Seng, Pauline Tan Suat Ming and Datuk Abdul Habib Bin Mansur 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, Harun Bin Hashim Mohd retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-election.

Tan Sri Dato' Seri Khalid Ahmad Bin Sulaiman, being over seventy years of age, retires in accordance with Section 129(6) of the Companies Act, 1965 and offers himself for re-appointment to hold office until the conclusion of the next Annual General Meeting.

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, ICPS 2002/2007 and share options in the Company and its related corporations are as follows:

In the Company	Number of ordinary shares of RM0.50 each			
	1 January	Addition	Disposal	31 December
Tan Sri Abu Talib Bin Othman				
Direct	436,000	1,564,000	0	2,000,000
Robert Tan Chung Meng				
Direct	1,915,562	2,000,000	0	3,915,562
Indirect	470,256,606	23,356,072	0	493,612,678
Tan Boon Seng				
Direct	616,192	0	0	616,192
Indirect	0	19,636,996	0	19,636,996
Tan Boon Lee				
Direct	1,805,574	1,000,000	0	2,805,574
Tan Sri Dato' Seri Khalid Ahmad Bin Sulaiman				
Direct	560,316	0	0	560,316
Indirect	187,875	0	0	187,875
Tan Lei Cheng				
Direct	1,512,667	300,000	0	1,812,667
Indirect	1,690,137	0	0	1,690,137
Pauline Tan Suat Ming				
Direct	876,777	120,000	0	996,777
Indirect	470,256,606	23,356,072	0	493,612,678
Tony Tan @ Choon Keat				
Indirect	470,256,606	23,356,072	0	493,612,678
Tan Kai Seng				
Direct	89,000	0	0	89,000
Yeoh Chong Swee				
Indirect	121,500	0	0	121,500
Chua Seng Yong				
Direct	26,732	0	(26,500)	232

Directors' Report (cont'd)

for the financial year ended 31 December 2005

Directors' interests (continued)

In the Company

	Number of ICPS 2002/2007			31 December
	1 January	Addition	Disposal/ Conversion	
Tan Sri Abu Talib Bin Othman				
Direct	2,000	0	(2,000)	0
Robert Tan Chung Meng				
Indirect	29,474,763	0	(29,474,763)	0
Pauline Tan Suat Ming				
Indirect	29,474,763	0	(29,474,763)	0
Tony Tan @ Choon Keat				
Indirect	29,474,763	0	(29,474,763)	0
Tan Kai Seng				
Direct	5,000	0	0	5,000
Chua Seng Yong				
Direct	232	0	0	232

In the Company

	Number of options (ESOS) over ordinary shares of RM0.50 each			
	1 January	Granted	Exercised	31 December
Robert Tan Chung Meng	2,000,000	0	(2,000,000)	0
Tan Boon Seng	1,000,000	0	0	1,000,000
Tan Boon Lee	1,000,000	0	(1,000,000)	0

In KrisAssets Holdings Berhad

(formerly known as Kris Components Bhd)

(subsidiary company)

	Number of ordinary shares of RM1.00 each			
	1 January	Addition	Disposal	31 December
Tan Sri Abu Talib Bin Othman				
Direct	0	106,600	0	106,600
Robert Tan Chung Meng				
Direct	0	208,698	0	208,698
Indirect	325,197,988	26,242,921	(77,669,000)	273,771,909
Tan Boon Seng				
Direct	0	32,843	0	32,843
Indirect	0	1,730,640	0	1,730,640
Tan Boon Lee				
Direct	0	149,536	0	149,536
Tan Sri Dato' Seri Khalid Ahmad Bin Sulaiman				
Direct	0	29,864	0	29,864
Tan Lei Cheng				
Direct	10,000	85,955	0	95,955
Indirect	0	90,084	0	90,084
Pauline Tan Suat Ming				
Direct	0	46,732	0	46,732
Indirect	325,197,988	26,242,921	(77,669,000)	273,771,909
Tony Tan @ Choon Keat				
Indirect	325,197,988	26,242,921	(77,669,000)	273,771,909
Tan Kai Seng				
Direct	0	4,743	0	4,743
Chua Seng Yong				
Direct	0	1,424	0	1,424

Directors' Report (cont'd)

for the financial year ended 31 December 2005

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.

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, ICPS 2002/2007 and share options in the Company or its related corporations during the financial year.

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 32 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.

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.

Directors' Report (cont'd)

for the financial year ended 31 December 2005

Statutory information on the financial statements (continued)

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 during the financial year

- (a) **The capital distribution-in-specie of Kris shares was completed on 6 April 2005.**
- (b) **Issuance of RM200 million bank guaranteed bonds with warrants by KrisAssets Holdings Berhad ('Kris')**

On 23 December 2005, Kris, a subsidiary of the Company issued RM200 million nominal value 7-year AAA rated bank guaranteed bonds together with detachable provisional rights to allot 110,134,166 5-year warrants of Kris. The proceeds were utilised to redeem 2,000,000 redeemable preference shares ('RPS') at a redemption price of RM100 per RPS on 30 December 2005. The warrants have yet to be issued pending lifting of suspension from trading in ordinary shares of Kris on Bursa Malaysia Securities Berhad.

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 2006.

Robert Tan Chung Meng
Managing Director

Tan Sri Dato' Seri Khalid Ahmad Bin Sulaiman
Director

Kuala Lumpur

Income Statements

for the financial year ended 31 December 2005

	Note	Group		Company	
		2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Revenue	4	619,677	504,558	99,054	8,648
Cost of sales		(379,140)	(307,191)	(23,523)	(1,957)
Gross profit		240,537	197,367	75,531	6,691
Other operating income		43,667	17,072	22,291	29,909
Gain from disposal of subsidiary		0	0	0	696,362
Administrative expenses		(103,480)	(86,915)	(33,347)	(14,397)
Other operating expenses		(23,462)	(15,675)	(3,463)	(1,442)
Profit from operations	5	157,262	111,849	61,012	717,123
Finance costs	7	(35,055)	(36,152)	(3,352)	(5,218)
Share of results of associates		51,198	66,045	0	0
Share of results of joint venture		1,147	0	0	0
Loss on disposal of an associate		(1,195)	0	(1,250)	0
Profit from ordinary activities before tax		173,357	141,742	56,410	711,905
Tax:	8				
- Company and subsidiaries		(43,100)	(24,160)	(9,129)	(5,118)
- Associates		(17,028)	(15,238)	0	0
		(60,128)	(39,398)	(9,129)	(5,118)
Profit from ordinary activities after tax		113,229	102,344	47,281	706,787
Minority interests		(7,771)	(1,221)	0	0
Net profit for the financial year		105,458	101,123	47,281	706,787
Earnings per ordinary share (sen)	9				
- Basic		7.2	8.2		
- Diluted		7.1	7.5		
Gross dividends per ordinary share (sen)	10	2.5	2.5	2.5	2.5
Gross dividends per Irredeemable Convertible Preference Share (sen)	10	1.0	1.0	1.0	1.0

Balance Sheets

as at 31 December 2005

	Note	Group		Company	
		2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Capital and reserves					
Share capital	11	730,277	706,937	730,277	706,937
1% Irredeemable Convertible Preference Shares	11	32,531	86,413	32,531	86,413
Share premium		383,497	549,608	383,497	549,608
Revaluation and other reserves	12	248,065	17,559	29,258	29,258
Treasury Shares		(17,412)	0	(17,412)	0
Retained earnings	13	1,005,428	931,566	1,198,083	1,182,398
Shareholders' equity					
		2,382,386	2,292,083	2,356,234	2,554,614
Minority interests		88,638	69,099	0	0
Non-current liabilities					
Term loans	14	130,251	153,803	50,000	50,000
Redeemable Secured and Bank Guaranteed Bonds	14	570,000	400,000	0	0
Deferred taxation	15	106,740	80,303	0	1,600
		806,991	634,106	50,000	51,600
		3,278,015	2,995,288	2,406,234	2,606,214
Represented by:					
Non-current assets					
Property, plant and equipment	16	1,619,180	1,435,671	3,113	3,130
Land held for property development	17	219,250	166,908	6,390	6,390
Subsidiaries	18	0	0	1,788,743	1,981,675
Associates	19	576,234	606,384	199,841	216,841
Other investments	20	15,810	46,061	3,900	3,900
Deferred taxation	15	2,786	2,500	520	0
		2,433,260	2,257,524	2,002,507	2,211,936
Current assets					
Property development costs	17	278,100	342,184	21,778	27,435
Inventories	21	69,038	67,355	37,348	37,348
Marketable securities	22	5,642	8,021	5,642	8,021
Trade and other receivables	23	191,392	216,468	25,350	14,875
Amounts owing by subsidiaries	24	0	0	588,039	794,962
Amounts owing by associates	25	118,325	133,631	92,912	96,594
Amount owing by joint venture		4,802	0	0	0
Deposits with licensed banks	26	381,098	186,382	259,549	68,620
Cash and bank balances	26	214,647	248,862	21,611	7,947
		1,263,044	1,202,903	1,052,229	1,055,802

Balance Sheets (cont'd)

as at 31 December 2005

	Note	Group		Company	
		2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Less: Current liabilities					
Trade and other payables	27	296,744	285,186	20,425	8,757
Amounts owing to subsidiaries	24	0	0	612,295	607,900
Amounts owing to associates	25	35,324	57,405	9,269	9,269
Bank balance	26	0	8,800	0	8,800
Bank borrowings	14				
- Bank overdrafts		2,017	389	2,017	0
- Others		65,364	101,532	0	20,000
Tax		18,840	11,827	4,496	6,798
		418,289	465,139	648,502	661,524
Net current assets		844,755	737,764	403,727	394,278
		3,278,015	2,995,288	2,406,234	2,606,214

Consolidated Statement Of Changes In Equity

for the financial year ended 31 December 2005

Group	Note	Issued and fully paid ordinary shares of RM0.50 each		Treasury Shares of RM0.50 each		1% Irredeemable Convertible Preference Shares of RM1.00 each		Non-distributable		Total RM '000	
		Number of shares '000	Nominal value RM '000	Number of shares '000	Nominal value RM '000	Number of shares '000	Nominal value RM '000	Share premium RM '000	Revaluation and other reserves RM '000		Retained earnings RM '000
At 1 January 2005		1,413,875	706,937	0	0	86,413	86,413	549,608	17,559	931,566	2,292,083
Net profit		0	0	0	0	0	0	0	0	105,458	105,458
Share buy back		0	0	(15,300)	(17,412)	0	0	0	0	0	(17,412)
Issue of shares:											
- ICPS 2002/2007	11	40,412	20,206	0	0	(53,882)	(53,882)	33,676	0	0	0
- Employees' share options	11	6,268	3,134	0	0	0	0	2,848	0	0	5,982
Currency translation differences		0	0	0	0	0	0	0	(2,400)	0	(2,400)
Surplus on revaluation of property		0	0	0	0	0	0	0	50,950	0	50,950
Capital distribution-in-specie of Kris Shares		0	0	0	0	0	0	(202,635)	183,019	0	(19,616)
Goodwill arising on acquisition of subsidiaries	33	0	0	0	0	0	0	0	(1,063)	0	(1,063)
Net (loss)/profit not recognised in income statement		0	0	0	0	0	0	(202,635)	230,506	0	27,871
Dividends for the financial year ended:											
- 31 December 2004	10	0	0	0	0	0	0	0	0	(31,342)	(31,342)
- 31 December 2005	10	0	0	0	0	0	0	0	0	(254)	(254)
At 31 December 2005		1,460,555	730,277	(15,300)	(17,412)	32,531	32,531	383,497	248,065	1,005,428	2,382,386

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2004

Group	Note	Issued and fully paid ordinary shares of RM0.50 each		1% Irredeemable Convertible Preference Shares of RM1.00 each		Non-distributable			Total RM '000
		Number of shares '000	Nominal value RM '000	Number of shares '000	Nominal value RM '000	Share premium RM '000	Revaluation and other reserves RM '000	Retained earnings RM '000	
At 1 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		170,354	85,177	0	0	85,177	0	0	170,354
- ICPS 2002/2007		69,024	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	60	0	60
Goodwill arising on acquisition of subsidiaries		0	0	0	0	0	(61,596)	0	(61,596)
Net loss not recognised in income statement		0	0	0	0	0	(61,536)	0	(61,536)
Dividends for the financial year ended:									
- 31 December 2003		0	0	0	0	0	0	(25,515)	(25,515)
- 31 December 2004	10	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

Company Statement of Changes in Equity

for the financial year ended 31 December 2005

Company	Note	Issued and fully paid ordinary shares of RM0.50 each		Treasury Shares of RM0.50 each		1% Irredeemable Convertible Preference Shares of RM1.00 each		Non-distributable		Distributable	Total
		Number of shares '000	Nominal value RM '000	Number of shares '000	Nominal value RM '000	Number of shares '000	Nominal value RM '000	Share premium RM '000	Revaluation reserves RM '000		
At 1 January 2005		1,413,875	706,937	0	0	86,413	86,413	549,608	29,258	1,182,398	2,554,614
Net profit										47,281	47,281
Share buy back		0	0	(15,300)	(17,412)	0	0	0	0	0	(17,412)
Issue of shares:											
- ICPS 2002/2007	11	40,412	20,206	0	0	(53,882)	(53,882)	33,676	0	0	0
- Employees' share options	11	6,268	3,134	0	0	0	0	2,848	0	0	5,982
Capital distribution-in-specie of Kris shares		0	0	0	0	0	0	(202,635)	0	0	(202,635)
Dividends for the financial year ended:											
- 31 December 2004	10	0	0	0	0	0	0	0	0	(31,342)	(31,342)
- 31 December 2005	10	0	0	0	0	0	0	0	0	(254)	(254)
At 31 December 2005		1,460,555	730,277	(15,300)	(17,412)	32,531	32,531	383,497	29,258	1,198,083	2,356,234

Company Statement of Changes in Equity

for the financial year ended 31 December 2004

Company	Note	Issued and fully paid ordinary shares of RM0.50 each		1% Irredeemable Convertible Preference Shares of RM1.00 each		Non-distributable			Total RM '000
		Number of shares '000	Nominal value RM '000	Number of shares '000	Nominal value RM '000	Share premium RM '000	Revaluation reserves RM '000	Retained earnings RM '000	
At 1 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
Issue of shares:									
- Warrants		170,354	85,177	0	0	85,177	0	0	170,354
- ICPS 2002/2007		69,024	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
Dividends for the financial year ended:									
- 31 December 2003		0	0	0	0	0	0	(25,515)	(25,515)
- 31 December 2004	10	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	29,258	1,182,398	2,554,614

Cash Flow Statements

for the financial year ended 31 December 2005

	Note	Group		Company	
		2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Operating activities					
Receipts from customers		671,886	499,188	34,925	1,528
Payment to contractors, suppliers and employees		(441,018)	(406,766)	(28,808)	(27,660)
Cash flow from/(used in) operations		230,868	92,422	6,117	(26,132)
Interest paid		(42,458)	(33,952)	(3,729)	(4,217)
Income taxes paid		(31,514)	(13,107)	(4,402)	(1,084)
Net cash generated from/(used in) operating activities		156,896	45,363	(2,014)	(31,433)
Investing activities					
Acquisition of subsidiaries	33	(3,041)	(92,123)	0	(162,718)
Proceeds from sale of shares in an associate		250	0	250	0
Proceeds from redemption of preference shares		34,990	0	215,500	0
Proceeds from sale of investments		36,182	0	0	0
Proceeds from disposal of subsidiaries		154	0	0	0
Interest received		17,389	5,323	4,612	1,485
Purchase of property, plant and equipment		(165,462)	(34,887)	(583)	(447)
Proceeds from sale of property, plant and equipment		1,119	6,157	0	156
Investment in associates		0	(2,565)	0	0
Investment in subsidiaries		0	0	(20,400)	0
Purchase of investment		(461)	0	0	(135,300)
Dividends received from subsidiaries		0	0	40,267	4,118
Dividends received from associates		20,748	18,580	10,958	813
Dividends received from investments		914	513	365	165
Repayments from subsidiaries		0	0	240,176	630,779
Repayments to subsidiaries		0	0	(2,442)	(12,695)
Advances from subsidiaries		0	0	6,837	33,421
Advances to subsidiaries		0	0	(220,074)	(473,907)
Repayments from associates		22,655	34,358	403	3,720
Repayments to associates		(21,564)	(12,710)	0	0
Advances from associates		132	0	0	0
Advances to associates		(8,754)	(4,362)	(7,835)	(4,294)
Net cash (used in)/generated from investing activities		(64,749)	(81,716)	268,034	(114,704)

Cash Flow Statements (cont'd)

for the financial year ended 31 December 2005

	Note	Group		Company	
		2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Financing activities					
Proceeds from shares issued by the Company	11	5,982	180,493	5,982	180,493
Repayments of bank borrowings		(97,020)	(378,862)	(20,000)	(49,711)
Receipts of bank borrowings		207,300	461,736	0	60,000
Purchase of treasury shares		(9,030)	0	(9,030)	0
Dividends paid		(31,596)	(47,744)	(31,596)	(47,744)
Fixed deposits withdrawn/(held) as security for bank guaranteed facility		0	17,928	0	6,500
Net cash generated from/(used in) financing activities		75,636	233,551	(54,644)	149,538
Foreign currencies exchange difference on opening balances		(110)	189	0	0
Net increase in cash and cash equivalents during the financial year		167,673	197,387	211,376	3,401
Cash and cash equivalents at beginning of financial year		426,055	228,668	67,767	64,366
Cash and cash equivalents at end of financial year	26	593,728	426,055	279,143	67,767

Notes To The Financial Statements

for the financial year ended 31 December 2005

1. 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 the MASB approved accounting standards in Malaysia.

The preparation of financial statements in conformity with the provisions of the Companies Act, 1965 and the 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 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(w) to the financial statements on impairment of assets.

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

(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(w) 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) Jointly controlled operation

A jointly controlled operation is a contractual arrangement between venturers to enter into construction contracts. The contractual arrangement establishes joint control over the joint venture.

In respect of its interest in the jointly controlled operation, the Company would recognised in its financial statements, its share of income or losses from the jointly controlled operation and amounts due from the jointly controlled operation.

(g) 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.

(h) 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.

(i) 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 Standard ('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 existing 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.

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

(i) Property, plant and equipment (continued)

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.

(j) 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 1/2 - 33 1/3

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

(k) 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.

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

(l) 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 tax 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.

(m) 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(w) 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 are 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.

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.

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

(m) Property development activities (continued)

(ii) Property development costs (continued)

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).

(n) Inventories

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

Costs of unsold properties comprise costs 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.

(o) 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.

(p) 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	2005 RM	2004 RM
1 US Dollar	3.780	3.800
1 Singapore Dollar	2.270	2.322
1 Sterling Pound	6.517	7.308
1 Hong Kong Dollar	0.488	0.489
1 Australian Dollar	2.768	2.961

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

(q) 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 tax 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.

(r) 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.

(s) 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.

(t) 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 2003 to be stated based on a predominant component part.

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

(t) Share capital (continued)

(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.

(iii) Dividends

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

(u) 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 borrowing costs

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.

(v) 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.

(w) 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.

(x) 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.

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

(x) Employee benefits (continued)

(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 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.

(y) 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 risks 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.

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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 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.

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

3. Financial risk management objectives and policies (continued)

(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 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 believes that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

(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 as 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

	Group		Company	
	2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Investment income	978	578	71,068	7,079
Rental and rent related income	197,194	180,632	2,157	1,569
Sale of properties	0	5,181	0	0
Sale of development properties billed to stages of completion	270,973	208,387	25,829	0
Rendering of services	84,275	69,277	0	0
Sale of food, beverages and other goods	53,350	28,061	0	0
Construction contract revenue	12,907	12,442	0	0
	619,677	504,558	99,054	8,648

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

5. Profit from operations

	Group		Company	
	2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Profit from operations is stated after charging:				
Allowance for doubtful debts of:				
- Trade and other receivables	917	165	0	0
- Subsidiaries	0	0	18,574	0
Auditors' remuneration:				
- Current financial year	479	474	123	127
- Overaccrual in prior year	(22)	0	(12)	0
Bad debts written off	2,906	831	73	0
Construction contract costs	9,671	12,134	0	0
Depreciation of property, plant and equipment	38,433	42,482	583	567
Hire of plant and equipment	1,020	711	0	0
Operating lease rental	816	820	0	0
Impairment losses:				
- Subsidiary	0	0	697	0
- Marketable securities	2,379	4,694	2,379	1,440
- Property, plant and equipment	13,000	0	0	0
- Land held for property development	4,000	0	0	0
Loss on disposal of property, plant and equipment	29	2	0	0
Office rent	729	694	1,682	1,601
Staff cost (includes Directors' remuneration as disclosed in note 6 to the financial statements but excludes defined contribution retirement plan)	62,548	55,610	10,027	9,138
Defined contribution retirement plan	6,387	5,289	1,130	972
Realised exchange losses	0	280	0	0
Unrealised exchange losses	817	0	387	0
Write off of property, plant and equipment	66	35	0	0
And crediting:				
Bad debts recovered	549	60	202	0
Dividends received (gross) from:				
- Quoted subsidiaries in Malaysia	0	0	38,392	0
- Unquoted subsidiaries in Malaysia	0	0	2,604	5,720
- Quoted associate in Malaysia	0	0	424	1,130
- Unquoted associates in Malaysia	0	0	14,797	0
- Quoted investments in Malaysia	629	229	229	229
- Quoted investments outside Malaysia	349	349	0	0
Interest income				
- Subsidiaries	0	0	16,556	27,794
- Others	17,389	5,323	4,612	1,485
Profit on disposal of property, plant and equipment	215	3,955	0	5
Realised exchange gain	79	622	0	0
Unrealised exchange gain	3,582	0	0	0
Rental income	97	123	0	0
Write back of allowance for doubtful debts	0	121	0	0

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

6. Directors' remuneration

	Group		Company	
	2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Fees:				
- Directors of the Company	192	69	192	69
- Other Directors	140	147	0	0
Other emoluments:				
- Directors of the Company	2,089	1,881	2,089	1,881
- Other Directors	2,883	3,696	0	0
Defined contribution retirement plan	538	520	233	207
Benefits-in-kind	513	145	451	100
	6,355	6,458	2,965	2,257

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:

Grant date	Expiry date	Exercise price RM/share	Number of shares				At 31 December '000
			At 1 January '000	Granted '000	Exercised '000	Lapsed '000	
2005							
15.8.2003	24.6.2008	0.93	3,000	0	(2,000)	0	1,000
10.6.2004	24.6.2008	1.05	1,000	0	(1,000)	0	0
	Total		4,000	0	(3,000)	0	1,000
2004							
15.8.2003	24.6.2008	0.93	3,000	0	0	0	3,000
10.6.2004	24.6.2008	1.05	0	1,000	0	0	1,000
	Total		3,000	1,000	0	0	4,000

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

Exercise date	Fair value of shares at share issue date RM/share	Exercise price RM/share	Number of shares	
			2005 '000	2004 '000
31.1.05 - 7.2.05	1.26 to 1.34	0.93	2,000	0
31.1.05 - 7.2.05	1.26 to 1.34	1.05	1,000	0
			3,000	0
			2005 RM'000	2004 RM'000
Ordinary share capital - at par			1,500	0
Share premium			1,410	0
Proceeds received on exercise of share options			2,910	0
Fair value			3,900	0

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

7. Finance costs

	Group		Company	
	2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Finance costs are stated after charging:				
Interest expense on borrowings	34,464	35,595	3,352	5,218
Other financing costs	591	557	0	0
	35,055	36,152	3,352	5,218

8. Tax

	Note	Group		Company	
		2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
In Malaysia					
Income tax - current					
- Company and subsidiaries		39,320	15,903	11,163	5,118
- Associates		7,204	8,479	0	0
Income tax - prior years		(413)	268	86	0
Deferred taxation	15	6,337	7,929	(2,120)	0
		52,448	32,579	9,129	5,118
Outside Malaysia					
Income tax - current					
- Subsidiaries		(72)	60	0	0
- Associates		7,752	6,759	0	0
		7,680	6,819	0	0
		60,128	39,398	9,129	5,118

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

	Group		Company	
	2005 %	2004 %	2005 %	2004 %
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	(1)	(3)	0	0
- expenses not deductible for tax purposes	16	12	14	0
- income not subject to tax	(9)	(5)	(22)	(27)
- current year's tax loss not recognised	2	0	0	0
- previously unrecognised tax losses	(1)	(4)	0	0
- overaccrual in prior years	0	0	(4)	0
Average effective tax rate	35	28	16	1

Tax savings of the Group during the financial year due to the recognition of previously unrecognised tax losses amounted to RM866,785 (2004: RM5,669,675).

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

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.

	2005	2004
Net profit for the financial year (RM'000)	105,458	101,123
ICPS 2002/2007 dividend paid for the financial year (RM'000)	(254)	(1,285)
Net profit for the financial year adjusted for ICPS 2002/2007 dividend paid for the financial year (RM '000)	105,204	99,838
Weighted average number of ordinary shares in issue ('000)	1,460,899	1,218,047
Basic earnings per ordinary share (sen)	7.2	8.2

(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. 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 conversion 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.

	2005	2004
Net profit for the financial year (RM'000)	105,458	101,123
Incremental earnings for ICPS 2002/2007 dividend (RM '000)	234	622
Net profit for the financial year adjusted for ICPS 2002/2007 dividend (RM'000)	105,692	101,745
Weighted average number of ordinary shares in issue ('000)	1,460,899	1,218,047
Adjustments for ICPS 2002/2007 ('000)	26,380	99,189
Adjustments for warrants ('000)	0	38,369
Adjustments for share options ('000)	1,181	3,984
Weighted average number of ordinary shares for diluted earnings per ordinary share ('000)	1,488,460	1,359,589
Diluted earnings per ordinary share (sen)	7.1	7.5

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

10. Dividends

Dividends paid, declared or proposed in respect of the financial year ended 31 December 2005 are as follows:

	Group and Company			
	2005		2004	
	Gross dividend per share Sen	Amount of dividend, net of tax RM '000	Gross dividend per share Sen	Amount of dividend, net of tax RM '000
Ordinary shares				
Paid final dividend of 2.5% less tax at 28% and 2.5% tax exempt (2004: final dividend of 2.5% less tax at 28% and 2.5% tax exempt)	2.50	31,342	2.50	25,515
ICPS 2002/2007				
Paid final dividend of 1% less tax at 28% (2004 : 1% less tax at 28%)	1.00	254	1.00	1,285

At the forthcoming Annual General Meeting on 31 May 2006, a final dividend in respect of the financial year ended 31 December 2005 of 2.5% less tax at 28% and 2.5% tax exempt amounting to RM31,425,306 will be proposed for shareholders' approval. These financial statements do not reflect this final dividend.

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11. Share capital

	Group and Company	
	2005 RM '000	2004 RM '000
Ordinary Shares of RM0.50 each:		
Authorised		
At 1 January/31 December	1,000,000	1,000,000
1% Irredeemable Convertible Preference Shares of RM1.00 each:		
Authorised		
At 1 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 RM706,937,284 to RM730,277,104 by way of the following issue of shares:

Issue of shares	No. of shares '000	Nominal value RM'000
Exercise of ICPS 2002/2007	40,412	20,206
Exercise of ESOS (exercise prices RM0.93 - RM1.05)	6,268	3,134
	46,680	23,340

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

11. Share capital (continued)

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

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) Treasury Shares

During the financial year, shareholders of the Company, by a special resolution passed at the Annual General Meeting on 26 May 2005, approved the Company's plan to purchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 15,299,600 of its own shares from the open market for RM17,412,498. The average purchase price for the shares repurchased was RM1.13 per share. The repurchase transaction was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 and carried at historical cost of repurchase. The Company has the right to reissue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended. None of the treasury shares repurchased has been sold as at 31 December 2005.

At the balance sheet date, the number of outstanding shares in issue after setting off treasury shares against equity is 1,445,254,608.

(c) 1% Irredeemable Convertible Preference Shares of RM1.00 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 is sufficient net profit 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
- (iv) The number of unexercised ICPS 2002/2007 as at 31 December 2005 is 32,531,075 (2004: 86,413,275). 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.

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

11. Share capital (continued)

(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.

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

Grant date	Expiry date	Exercise price RM/share	No. of shares				At 31 December '000
			At 1 January '000	Granted '000	Exercised '000	Lapsed '000	
2005							
15.8.2003	24.6.2008	0.93	9,864	0	(4,992)	(3)	4,869
10.6.2004	24.6.2008	1.05	2,251	0	(1,276)	(72)	903
Total			12,115	0	(6,268)	(75)	5,772
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

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

11. Share capital (continued)

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

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

Exercise date	Fair value of shares at share issue date RM/share		Exercise price RM/share	No. of shares issued	
				2005 '000	2004 '000
31.10.03 - 6.12.03	1.47	to 1.50	0.93	0	0
31.1.04 - 6.2.04	1.37	to 1.45	0.93	0	6,549
30.4.04 - 10.5.04	1.31	to 1.32	0.93	0	1,745
31.7.04 - 6.8.04	1.17	to 1.20	0.93	0	626
31.7.04 - 6.8.04	1.17	to 1.20	1.05	0	107
31.10.04 - 5.11.04	1.21	to 1.23	0.93	0	1,835
31.10.04 - 5.11.04	1.21	to 1.23	1.05	0	24
31.1.05 - 7.2.05	1.26	to 1.34	0.93	3,828	0
31.1.05 - 7.2.05	1.26	to 1.34	1.05	1,127	0
29.4.05 - 6.5.05	1.22	to 1.27	0.93	372	0
29.4.05 - 6.5.05	1.22	to 1.27	1.05	143	0
29.7.05 - 4.8.05	1.22	to 1.25	0.93	121	0
29.7.05 - 4.8.05	1.22	to 1.25	1.05	6	0
31.10.05 - 9.11.05	1.21	to 1.24	0.93	671	0
				6,268	10,886
				2005	2004
				RM '000	RM '000
Ordinary share capital - at par				3,134	5,443
Share premium				2,848	4,696
Proceeds received on exercise of share options				5,982	10,139
Fair value at exercise date of shares issued				8,061	14,665

12. Revaluation and other reserves

The revaluation and other reserves comprise:

Non-distributable	Group		Company	
	2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Exchange fluctuation reserves	15,179	17,579	0	0
Surplus on revaluation of properties	90,726	39,776	0	0
Surplus on revaluation of investment in an associate	29,258	29,258	29,258	29,258
Capital distribution-in-specie of Kris shares	183,019	0	0	0
Capitalisation of revenue reserves in an associate	686	686	0	0
	318,868	87,299	29,258	29,258
Goodwill arising on consolidation	(70,803)	(69,740)	0	0
	248,065	17,559	29,258	29,258

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

12. Revaluation and other reserves (continued)

Deferred tax on revaluation surplus of properties charged directly to equity during the financial year is RM19,814,000.

Non-distributable	Note	Group		Company	
		2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Total revaluation and other reserves:					
At 1 January		17,559	79,095	29,258	29,258
Exchange fluctuation reserves arising in the financial year		(2,400)	60	0	0
Capital distribution-in-specie of Kris shares		183,019	0	0	0
Surplus on revaluation of property		50,950	0	0	0
Goodwill arising on consolidation	33	(1,063)	(61,596)	0	0
At 31 December		248,065	17,559	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 RM73,394,000 (2004: RM63,426,000) out of its retained earnings of RM1,198,083,000 (2004: RM1,182,398,000) as at 31 December 2005 without incurring any additional tax liabilities. The extent of the retained earnings not covered at that date amounted to RM1,124,689,000 (2004: RM1,118,972,000). The Company also has tax exempt income as at 31 December 2005 amounting to RM96,634,000 (2004: RM112,432,000) available for distribution as tax exempt dividends to shareholders.

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14. Bank borrowings

	Group		Company	
	2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Current				
Unsecured				
Term loan	3,064	0	0	0
Short term loans	7,300	21,532	0	20,000
Bank overdrafts	0	389	0	0
Secured				
Current portion of term loans	25,000	0	0	0
Short term loans	0	80,000	0	0
Redeemable Secured Bonds	30,000	0	0	0
Bank overdrafts	2,017	0	2,017	0
	67,381	101,921	2,017	20,000
Non-current				
Unsecured				
Term loans	15,751	78,803	0	0
Secured				
Term loans	114,500	75,000	50,000	50,000
Redeemable Secured Bonds	370,000	400,000	0	0
Bank Guaranteed Bonds	200,000	0	0	0
	700,251	553,803	50,000	50,000
Total repayable	767,632	655,724	52,017	70,000

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

14. Bank borrowings (continued)

Currency exposure profile of bank borrowings is as follows:

	Group		Company	
	2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
- US Dollar	18,815	20,335	0	0
- Ringgit Malaysia	748,817	635,389	52,017	70,000
	767,632	655,724	52,017	70,000

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 and 21 to the financial statements respectively.

In September 2004, a subsidiary, Mid Valley Capital Sdn Bhd issued 2 classes of RM400 million nominal value Redeemable Secured Bonds ('Bonds'). Class 1 Bonds comprises 6 series with issue amount of up to RM285 million and Class 2 Bonds comprises 4 series with issue amount of up to RM115 million. The proceeds of the Bonds were utilised to repay existing bank borrowings and inter-company advances.

The Bonds are secured as follows:

- Legal assignment of all cashflows, tenancy agreements and insurance policies in relation to the Mid Valley Megamall; and
- 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 Mid Valley City Sdn Bhd 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.

In December 2005, KrisAssets Holdings Berhad ('Kris'), a subsidiary of the Company, issued RM200 million nominal value 7-year AAA-rated bank guaranteed bonds ('BG Bonds') with detachable provisional rights to allot 110,134,166 5-year warrants of Kris. The warrants have not been issued as at 31 December 2005 because Kris shares are suspended from trading in Bursa Malaysia Securities Berhad.

The BG Bonds are secured as follows:

- Third-party third legal charge over Mid Valley Megamall;
- Third-ranking legal assignment created by Mid Valley City Sdn Bhd over all its insurance policies; and
- Debenture to create a third-ranking fixed and floating charge over all of Mid Valley City Sdn Bhd's assets and undertakings, both present and future.

	Group		Company	
	2005 % per annum	2004 % per annum	2005 % per annum	2004 % per annum
Weighted average effective finance rates at balance sheet date:				
Bank overdrafts	7.00	7.49	7.00	7.08
Short term loans	4.14	4.45	0	4.75
Term loans	5.90	5.65	5.80	6.83
Redeemable Secured Bonds	5.80	5.80	0	0
Bank Guaranteed Bonds	4.00	0	0	0

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

14. Bank borrowings (continued)

Group borrowings : maturity and exposure to finance rate risk

Group	Not later than 1 year RM '000	Later than 1 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 2005					
Fixed finance rate					
- Term loans	23,564	69,812	60,439	0	153,815
- Redeemable Secured Bonds	30,000	40,000	130,000	200,000	400,000
- Bank Guaranteed Bonds	0	0	0	200,000	200,000
	53,564	109,812	190,439	400,000	753,815
Floating finance rate					
- Revolving Credit	11,800	0	0	0	11,800
- Overdraft	2,017	0	0	0	2,017
	13,817	0	0	0	13,817
	67,381	109,812	190,439	400,000	767,632
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
	1,532	85,803	178,000	290,000	555,335
Floating finance rate					
- Term loans	100,000	0	0	0	100,000
- Overdrafts	389	0	0	0	389
	100,389	0	0	0	100,389
	101,921	85,803	178,000	290,000	655,724

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

14. Bank borrowings (continued)

Company borrowings: maturity and exposure to finance rate risk

Company	Not later than 1 year RM '000	Later than 1 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 2005					
Fixed finance rate					
- Term loan	0	0	50,000	0	50,000
Floating finance rate					
- Overdraft	2,017	0	0	0	2,017
	2,017	0	50,000	0	52,017
At 31 December 2004					
Fixed finance rate					
- Term loan	0	0	50,000	0	50,000
Floating finance rate					
- Term loan	20,000	0	0	0	20,000
	20,000	0	50,000	0	70,000

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 values of other borrowings with fixed finance rate at balance sheet date are as follows:

	Group 2005		Group 2004	
	Carrying amount RM '000	Fair value RM '000	Carrying amount RM '000	Fair value RM '000
Term loans	153,815	107,757	155,335	150,377
Redeemable Secured Bonds	400,000	387,000	400,000	400,000
Bank Guaranteed Bonds	200,000	182,000	0	0
	753,815	676,757	555,335	550,377
	Company 2005		Company 2004	
	Carrying amount RM '000	Fair value RM '000	Carrying amount RM '000	Fair value RM '000
Term loan	50,000	49,143	50,000	49,271

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

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 :

	Group		Company	
	2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Deferred tax assets	2,786	2,500	520	0
Deferred tax liabilities:				
- subject to income tax	(85,993)	(59,556)	0	(1,600)
- subject to real property gains tax	(20,747)	(20,747)	0	0
	(106,740)	(80,303)	0	(1,600)
At 31 December	(103,954)	(77,803)	520	(1,600)

	Note	Group		Company	
		2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
At 1 January		(77,803)	(69,874)	(1,600)	(1,600)
(Charged)/credited to income statement:	8				
- property, plant and equipment		2,429	(819)	2,120	0
- property development costs		2,737	3,527	0	0
- tax losses		(11,465)	(10,546)	0	0
- others		(38)	(91)	0	0
		(6,337)	(7,929)	2,120	0
Arising from revaluation of hotel property		(19,814)	0	0	0
At 31 December		(103,954)	(77,803)	520	(1,600)

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

15. Deferred taxation (continued)

	Group		Company	
	2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Subject to income tax				
Deferred tax assets (before offsetting)				
- Tax losses	4,001	15,467	0	0
- Others	489	526	600	0
	4,490	15,993	600	0
Offsetting	(1,704)	(13,493)	(80)	0
Deferred tax assets (after offsetting)	2,786	2,500	520	0
Deferred tax liabilities (before offsetting)				
- Hotel property	(19,814)	0	0	0
- Property, plant and equipment	(42,479)	(44,908)	80	(1,600)
- Property development costs	(24,414)	(27,151)	0	0
- Land held for property development	(990)	(990)	0	0
	(87,697)	(73,049)	80	(1,600)
Offsetting	1,704	13,493	(80)	0
Deferred tax liabilities (after offsetting)	(85,993)	(59,556)	0	(1,600)
Subject to capital gains tax				
Deferred tax liabilities				
- Hotel property	(19,822)	(19,822)	0	0
- Others	(925)	(925)	0	0
	(20,747)	(20,747)	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 :

	Group		Company	
	2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Deductible temporary differences	640	545	0	0
Tax losses	63,139	58,844	0	0

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

16. Property, plant and equipment

Group	Freehold land RM '000	Short term leasehold land		Buildings RM '000	Hotel properties RM '000	Plant and machinery RM '000	Motor vehicles RM '000	Office furniture, fittings and equipment RM '000	Capital work in progress RM '000	Total RM '000
		RM '000	RM '000							
2005										
At 1 January	148,824	7,387	115,441	619,401	158,857	213,281	5,165	76,762	231,930	1,577,048
At cost	26,999	0	0	0	64,427	0	0	0	0	91,426
At valuation	580	0	0	33	44,863	310	1,528	8,440	109,708	165,462
Additions	0	0	0	0	70,764	0	0	0	0	70,764
Surplus on revaluation of property	0	0	0	0	0	0	0	0	0	0
of property										
Currency translation differences	0	(39)	0	(223)	0	(108)	(2)	(22)	0	(394)
Reclassification	0	0	1,432	(2,776)	36,450	(1,288)	0	3	(33,821)	0
Write off	0	0	0	0	0	(22)	0	(203)	0	(225)
Disposals	0	0	0	0	0	(159)	(859)	(2,087)	0	(3,105)
At 31 December	176,403	7,348	116,873	616,435	375,361	212,014	5,832	82,893	307,817	1,900,976
Accumulated Depreciation										
At 1 January	0	1,477	2,490	67,511	0	109,416	2,888	49,021	0	232,803
Charge for the financial year	0	245	521	8,512	0	19,779	1,081	8,295	0	38,433
Currency translation differences	0	(8)	0	(69)	0	(21)	(1)	(10)	0	(109)
Write off	0	0	0	0	0	(12)	0	(147)	0	(159)
Disposals	0	0	0	0	0	(135)	(839)	(1,198)	0	(2,172)
At 31 December	0	1,714	3,011	75,954	0	129,027	3,129	55,961	0	268,796
Impairment losses										
At 1 January	0	0	0	0	0	0	0	0	0	0
Charge for the financial year	0	0	0	7,000	6,000	0	0	0	0	13,000
At 31 December	0	0	0	7,000	6,000	0	0	0	0	13,000
Net Book Value										
At 31 December 2005	149,404	5,634	113,862	533,481	201,934	82,987	2,703	26,932	307,817	1,424,754
At cost	26,999	0	0	0	167,427	0	0	0	0	194,426
At valuation	176,403	5,634	113,862	533,481	369,361	82,987	2,703	26,932	307,817	1,619,180
Net Book Value										
At 31 December 2004	148,824	5,910	112,951	551,890	158,857	103,865	2,277	27,741	231,930	1,344,245
At cost	26,999	0	0	0	64,427	0	0	0	0	91,426
At valuation	175,823	5,910	112,951	551,890	223,284	103,865	2,277	27,741	231,930	1,435,671

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

16. Property, plant and equipment (continued)

Company	Buildings RM '000	Plant and machinery RM '000	Motor vehicles RM '000	Office furniture, fittings and equipment RM '000	Total RM '000
2005					
At Cost					
At 1 January	1,932	5,621	655	3,730	11,938
Additions	0	0	331	252	583
Disposals	0	0	0	(191)	(191)
At 31 December	1,932	5,621	986	3,791	12,330
Accumulated Depreciation					
At 1 January	348	5,386	466	2,608	8,808
Charge for the financial year	38	64	103	378	583
Disposals	0	0	0	(174)	(174)
At 31 December	386	5,450	569	2,812	9,217
Net Book Value					
At 31 December 2005	1,546	171	417	979	3,113
At 31 December 2004	1,584	235	189	1,122	3,130

(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 Standard ('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 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 (2004: RM3,419,000).

(ii) Building

The impairment loss of RM7,000,000 recognised in the income statement during the financial year is in respect of a building in a foreign country which is impaired. The amount was derived from the difference between value in use and the net book value of the building. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

(iii) Hotel properties

One of the hotel properties of the Group stated at valuation were last revalued on 1 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.

A leasehold hotel property was revalued on market value on 27 March 2006 by Mr Subramaniam A/L Arumugam, a registered valuer of the Colliers, Jordan Lee & Jaafar Sdn Bhd using the comparison method to reflect the market value of the leasehold hotel property. The profits method was used to counter check the comparison method.

The net book value of hotel properties that would have been included in the financial statements had they not been revalued are RM81,544,356 (2004: RM50,423,351).

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

16. Property, plant and equipment (continued)

(a) Valuation (continued)

(iii) Hotel properties (continued)

The impairment loss of RM6,000,000 recognised in the income statement during the financial year was derived from the difference between the market value and the net book value.

The hotel properties stated at valuation of RM64,427,000 (2004: RM64,427,000) have been charged as security for certain term loan facilities as disclosed in note 14 to the financial statements.

- (b) Land and buildings, plant and machinery and capital work in progress at a total net book value of RM496,006,000 (2004: RM700,979,000) 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

	Group		Company	
	2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Land	100,617	93,933	6,345	15,789
Development costs	66,291	72,684	45	9,436
	166,908	166,617	6,390	25,225
Add: Cost incurred during the financial year				
- Development costs	0	2,229	0	0
Add: Transfer from property development costs				
- Land	29,049	16,128	0	0
- Development costs	27,293	769	0	0
	223,250	185,743	6,390	25,225
Less: Impairment loss	(4,000)	0	0	0
Less: Transfer to property development costs				
- Land	0	(9,444)	0	(9,444)
- Development costs	0	(9,391)	0	(9,391)
	219,250	166,908	6,390	6,390

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

17. Property development activities (continued)

(b) Property development costs

	Group		Company	
	2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Land	187,456	225,253	9,444	0
Development costs	444,118	436,824	17,991	0
	631,574	662,077	27,435	0
Add: Cost incurred during the financial year				
- Land cost	11,706	4,241	0	0
- Development costs	182,333	214,885	16,686	8,600
Transfer from land held for property development				
- Land cost	0	9,444	0	9,444
- Development costs	0	9,391	0	9,391
	825,613	900,038	44,121	27,435
Less: Cost recognised as an expense in income statement				
- Previous financial years	(286,379)	(187,898)	0	0
- Current financial year	(196,334)	(157,567)	(22,343)	0
	342,900	554,573	21,778	27,435
Transfer to land held for property development				
- Land cost	(29,049)	(16,128)	0	0
- Development costs	(27,293)	(769)	0	0
Transfer to inventories	(8,458)	(16,719)	0	0
Reclassification to property, plant and equipment	0	(178,773)	0	0
	278,100	342,184	21,778	27,435

Land and property development costs of the Group amounting to RM53,236,043 (2004: RM63,621,659) 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 is interest capitalised during the financial year of RM22,397,374 (2004: RM16,182,838).

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

18. Subsidiaries

	Company	
	2005 RM '000	2004 RM '000
At cost		
- Quoted shares	738,793	1,141,428
- Unquoted shares	1,053,704	843,304
Less : Impairment losses	(3,754)	(3,057)
	1,788,743	1,981,675
Market value of quoted shares	0	0

During the financial year, the Company disposed off a subsidiary, Courtyard Sdn Bhd. No market value of quoted shares are disclosed as at 31 December 2005 and 31 December 2004 because the shares are suspended from trading on Bursa Malaysia Securities Berhad.

Details of subsidiaries are set out in note 36 to the financial statements.

19. Associates

	Group		Company	
	2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Quoted shares				
At cost				
- In Malaysia	66,239	66,239	38,841	38,841
Unquoted shares				
At cost				
- In Malaysia	269,141	315,939	111,000	128,000
- Outside Malaysia	125,944	125,981	0	0
At valuation				
- In Malaysia	50,000	50,000	50,000	50,000
	511,324	558,159	199,841	216,841
Group's share of post acquisition reserves less losses	91,341	74,079	0	0
	602,665	632,238	199,841	216,841
Less : Impairment losses	(26,431)	(25,854)	0	0
	576,234	606,384	199,841	216,841
Group's share of net assets	576,234	606,384		
Group's share of contingent liabilities	2,176	1,743		
Group's share of capital commitment	600	0		
Market value of quoted investments				
Shares				
- In Malaysia	49,559	60,862	40,243	49,421

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 (2004:RM29,258,000) 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 37 to the financial statements.

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

20. Other investments

	Group		Company	
	2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
At cost				
Quoted shares				
- Outside Malaysia	0	36,239	0	0
Unquoted shares				
- In Malaysia	11,784	11,786	3,900	3,900
- Outside Malaysia	46,792	46,329	0	0
	58,576	94,354	3,900	3,900
Less : Impairment losses	(42,766)	(48,293)	0	0
	15,810	46,061	3,900	3,900
Market value of quoted investments				
- Outside Malaysia	0	37,257		

21. Inventories

	Group		Company	
	2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
At cost				
Inventories of unsold properties	67,188	65,312	37,348	37,348
Consumables	25	25	0	0
Finished goods	621	1,077	0	0
Hotel operating supplies	1,204	941	0	0
	69,038	67,355	37,348	37,348

Inventories of unsold properties of the Group at cost of RM Nil (2004: RM5,128,019) have been charged as security for certain banking facilities as disclosed in note 14 to the financial statements.

22. Marketable securities

	Group		Company	
	2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
At cost				
Quoted shares:				
- In Malaysia	6,529	9,783	6,529	6,529
Quoted warrants:				
- In Malaysia	7,036	7,036	7,036	7,036
	13,565	16,819	13,565	13,565
Less : Impairment losses	(7,923)	(8,798)	(7,923)	(5,544)
	5,642	8,021	5,642	8,021

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

22. Marketable securities (continued)

	Group		Company	
	2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Market value of marketable securities				
Quoted shares				
- In Malaysia	5,408	7,161	5,408	7,161
Quoted warrants				
- In Malaysia	234	860	234	860
	5,642	8,021	5,642	8,021

23. Trade and other receivables

	Group		Company	
	2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Trade receivables	76,809	110,217	2,334	1,699
Less: Allowance for doubtful debts	(3,358)	(5,596)	(595)	(932)
	73,451	104,621	1,739	767
Other receivables	26,890	40,941	24,352	14,851
Less: Allowance for doubtful debts	(1,094)	(1,599)	(1,094)	(1,094)
	25,796	39,342	23,258	13,757
Accrued billings	71,309	61,203	0	0
Sundry deposits	3,243	3,353	353	351
Prepayments	8,805	989	0	0
Tax recoverable	8,788	6,960	0	0
	191,392	216,468	25,350	14,875
The currency exposure profile of trade receivables is as follows:				
- Ringgit Malaysia	72,957	104,036	1,739	767
- US Dollar	494	585	0	0
	73,451	104,621	1,739	767

Credit terms of trade receivables range from payment in advance to 45 days. (2004: Payment in advance to 45 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 believes that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

24. Amounts owing by/to subsidiaries

	Company	
	2005 RM '000	2004 RM '000
Amounts owing by subsidiaries	606,613	860,294
Less: Allowance for doubtful debts	(18,574)	(65,332)
	588,039	794,962
Amounts owing to subsidiaries	612,295	607,900

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 (2004: interest free) except for an amount of RM292,690,957 (2004: RM412,333,097) which carries interest at a rate of 5% (2004: 6%) per annum. The amounts owing to subsidiaries are interest free (2004: interest free).

25. Amounts owing by/to associates

	Group		Company	
	2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Amounts owing by associates	121,802	137,108	96,389	100,071
Less: Allowance for doubtful debts	(3,477)	(3,477)	(3,477)	(3,477)
	118,325	133,631	92,912	96,594
Amounts owing to associates	35,324	57,405	9,269	9,269

Amounts owing by/to associates represent advances and are unsecured and have no fixed terms of repayment. The amounts owing by/to associates are interest free (2004: interest free).

26. Cash and cash equivalents

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

	Note	Group		Company	
		2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Deposits with licensed banks		381,098	186,382	259,549	68,620
Cash and bank balances		214,647	248,862	21,611	7,947
Bank balance		0	(8,800)	0	(8,800)
Bank overdrafts	14	(2,017)	(389)	(2,017)	0
		593,728	426,055	279,143	67,767

The currency exposure profile of cash and cash equivalents is as follows:

- Ringgit Malaysia	471,960	349,605	200,094	(853)
- US Dollar	80,098	70,747	79,049	68,620
- Singapore Dollar	1,948	1,060	0	0
- Hong Kong Dollar	37,283	794	0	0
- Australian Dollar	2,439	3,849	0	0
	593,728	426,055	279,143	67,767

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

26. Cash and cash equivalents (continued)

Included in the above is cash at bank amounting to RM44,702,097 and RM16,820,139 for the Group and Company (2004: RM32,822,530 and RM88,765) 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 both have an average maturity period of 71 days (2004: 6 days). Bank balances are deposits held at call with banks and earns no interest.

The weighted average effective interest rates of deposits with licensed banks as at financial year end are as follows:

	Group		Company	
	2005 % per annum	2004 % per annum	2005 % per annum	2004 % per annum
Deposits with licensed banks				
- Ringgit Malaysia	2.69	2.46	2.71	0
- US Dollar	3.09	0.84	3.09	0.84
- Singapore Dollar	2.75	0.80	0	0
- Hong Kong Dollar	1.74	0.09	0	0
- Australian Dollar	4.71	4.68	0	0

27. Trade and other payables

	Note	Group		Company	
		2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Trade payables		188,191	171,731	8,099	10
Accruals		41,634	50,225	2,363	7,178
Other payables		56,936	47,883	8,594	491
Tenants' deposits received		10,124	7,058	1,369	1,078
Amounts due (from)/to customers on contracts	28	(141)	8,289	0	0
		296,744	285,186	20,425	8,757

The currency exposure profile of trade payables is as follows:

- Ringgit Malaysia	188,129	171,668	8,099	10
- US Dollar	62	63	0	0
	188,191	171,731	8,099	10

Credit terms of trade payables and amounts due to customers on contracts vary from no credit to 30 days. (2004: no credit to 30 days).

Included in the trade payables of the Group is retention on contract sum of RM22,897,116 (2004: RM11,019,038).

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

28. Construction contracts

		Group	
	Note	2005 RM '000	2004 RM '000
Costs incurred to-date		179	127,488
Attributable profit		0	3,929
		<u>179</u>	<u>131,417</u>
Progress billings		(38)	(139,706)
Amounts due from/(to) customers on contracts	27	141	(8,289)
Retention on contracts included in progress billings		0	12,099

29. 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 holding and property management	- rental income and service charge from retail and office buildings.
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.

Inter-segment 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.

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

29. Segment reporting - Group (continued)

(a) Primary reporting format - business segment

2005	Property development RM '000	Property investment, property holding and property management RM '000	Hotel RM '000	Construction RM '000	Others RM '000	Group RM '000
Revenue						
Total revenue	368,551	196,869	97,494	165,758	36,478	865,150
Intersegment revenue	(84,853)	(6,007)	(1,762)	(152,851)	0	(245,473)
External revenue	283,698	190,862	95,732	12,907	36,478	619,677
Results						
Segment results (external)	58,858	90,576	6,434	2,054	204	158,126
Unallocated corporate expenses						(18,253)
Unallocated income						17,389
Profit from operations						157,262
Finance costs						(35,055)
Share of results of associates	10,266	239	37,933	0	2,760	51,198
Share of results of joint venture	0	0	0	1,147	0	1,147
Loss on disposal of an associate	(1,195)	0	0	0	0	(1,195)
Profit from ordinary activities before tax						173,357
Tax						(60,128)
Profit from ordinary activities after tax						113,229
Minority interests						(7,771)
Net profit for the financial year						105,458
Other information						
Segment assets	823,479	1,100,292	581,479	18,699	376	2,524,325
Associates	212,921	17,487	285,328	0	60,498	576,234
Unallocated assets						595,745
Total assets						3,696,304
Segment liabilities	221,576	141,931	65,552	22,798	5,791	457,648
Unallocated liabilities						767,632
Total liabilities						1,225,280
Capital expenditure	105,343	5,584	53,855	598	82	165,462
Depreciation	924	27,479	8,986	1,013	31	38,433
Impairment losses	4,000	0	13,000	0	0	17,000

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).

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

29. Segment reporting - Group (continued)

2004	Property development RM '000	Property investment, property holding and property management RM '000	Hotel RM '000	Construction RM '000	Others RM '000	Group RM '000
Revenue						
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 expenses						(20,535)
Unallocated income						5,323
Profit from operations						111,849
Finance costs						(36,152)
Share of results of associates	27,627	454	32,464	0	5,500	66,045
Profit from ordinary activities 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

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

29. Segment reporting - Group (continued)

(b) Secondary reporting format - geographical segment

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*

	Revenue RM '000	Total assets RM '000	Capital expenditure RM '000
2005			
Malaysia	613,995	3,474,647	165,418
Asia Pacific	5,682	102,350	44
United Kingdom	0	119,307	0
	619,677	3,696,304	165,462
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

30. Contingent liabilities

	Company	
	2005 RM '000	2004 RM '000
Corporate guarantees issued for bank facilities granted to subsidiaries	98,165	57,522

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

31. Capital commitment

	Group	
	2005 RM '000	2004 RM '000
Capital expenditure authorized by Directors but not contracted		
- Property, plant and equipment	633,167	370,564

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

32. 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.

	Group	
	2005	2004
	RM '000	RM '000
(a) Associates		
Dividend income (gross):		
- Negara Properties (M) Berhad	521	1,391
- Hampshire Park Sdn Bhd	13,499	14,130
- Kumpulan Sierramas (M) Sdn Bhd	0	10,217
- Johan Kekal Sdn Bhd	14,797	0
(Repayments from)/Advances to:		
- Great Union Properties Sdn Bhd	7,835	4,294
- Istaron Limited	(12,601)	(30,169)
- Gunung Lang Developments Sdn Bhd	(9,165)	(3,720)
Repayments to:		
- Hampshire Park Sdn Bhd	21,149	4,174
- Kumpulan Sierramas (M) Sdn Bhd	415	8,536

(b) Other related parties

Relationship

Wah Seong (Malaya) Trading Co. Sdn Bhd	A company in which Robert Tan Chung Meng, a Director of the Company, has substantial financial interest
Wah Seong Corporation Berhad	A company in which Robert Tan Chung Meng, Pauline Tan Suat Ming, Tony Tan @ Choon Keat, Directors of the Company, are substantial shareholders
Cahaya Utara Sdn Bhd	An associate of Wah Seong (Malaya) Trading Co. Sdn Bhd
Syn Tai Hung 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 majority shareholders of the Company via corporations in which they have no less than 15% shareholding
Sweat Club Sdn Bhd	A subsidiary of Gold IS Berhad, a substantial shareholder of the Company
Macro Lynx Sdn Bhd	A subsidiary of Gold IS Berhad, a substantial shareholder of the Company

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

32. Significant related party disclosures (continued)

	Group	
	2005 RM '000	2004 RM '000
Net repayment of advances to:		
- Wah Seong (Malaya) Trading Co. Sdn Bhd	0	6,400
Management/Marketing fee income from:		
- Cahaya Utara Sdn Bhd	1,251	1,212
Purchases of building materials from:		
- Syn Tai Hung Trading Sdn Bhd	9,776	4,870
Rental income received/receivable from:		
- Sweat Club Sdn Bhd	0	1,317
Broadband purchase and website maintenance charged by:		
- Macro Lynx Sdn Bhd	1,195	0

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

	Type of transaction	Group	
		2005 RM '000	2004 RM '000
(i) Associate - Receivable			
- Great Union Properties Sdn Bhd	Advances	7,835	4,294

Other than disclosed above, there is no other significant outstanding balances arising from non-trade transactions during the financial year.

33. Acquisition of subsidiaries

Additional acquisition of additional share capital of Permata Efektif (M) Sdn Bhd ('PE')

The Company acquired additional 9.2% and 8% equity interest in PE on 22 June 2005 and 31 October 2005 respectively through its wholly owned subsidiary, Tan & Tan Developments Berhad. As a result the Company's shareholding in PE has increased from 82.8% to 100%.

The purchase consideration consists of cash consideration of RM1,625,000 and RM1,416,350 respectively.

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

	At date of acquisition RM'000
Non current assets	822
Current assets	1,630
Current liabilities	(474)
Fair value of net assets acquired	1,978
Goodwill on acquisition	1,063
Cost of acquisition	3,041
Purchase consideration discharged by cash	3,041

Goodwill arising on this acquisition has been written off to reserves.

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

34. Non-cash transaction

The principal non-cash transaction during the financial year is as follows:

Conversion of ICPS 2002/2007 to Ordinary Share Capital

During the financial year, 53,882,200 ICPS were converted to 40,411,643 ordinary shares at a conversion price of RM1.33 per ordinary share.

35. Significant events during the financial year

(a) The capital distribution-in-specie of Kris shares was completed on 6 April 2005.

(b) Issuance of RM200 million bank guaranteed bonds with warrants by KrisAssets Holdings Berhad ('Kris')

On 23 December 2005, Kris, a subsidiary of the Company issued RM200 million nominal value 7-year AAA rated bank guaranteed bonds together with detachable provisional rights to allot 110,134,166 5-year warrants of Kris. The proceeds were utilised to redeem 2,000,000 redeemable preference shares ('RPS') at a redemption price of RM100 per RPS on 30 December 2005. The warrants have yet to be issued pending lifting of suspension from trading in ordinary shares of Kris on Bursa Malaysia Securities Berhad.

36. Subsidiaries

Name of Company	Principal Activities	Place of Incorporation	Group's Interest (%)	
			2005	2004
Abad Flora Sdn. Bhd. ¹	Property Investment	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 Development	Malaysia	100.0	100.0
Aras Efektif Sdn. Bhd.	Property Investment	Malaysia	100.0	0.0
* 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 Operations and Management	Malaysia	100.0	100.0

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

36. Subsidiaries (continued)

Name of Company	Principal Activities	Place of Incorporation	Group's Interest (%)	
			2005	2004
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	0.0	70.0
Danau Bidara (M) Sdn. Bhd. ¹⁷	Property Holding	Malaysia	100.0	100.0
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	60.0

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

36. Subsidiaries (continued)

Name of Company	Principal Activities	Place of Incorporation	Group's Interest (%)	
			2005	2004
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
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 management services to condominiums	Malaysia	100.0	100.0
K Parking Sdn. Bhd.	Dormant	Malaysia	100.0	100.0
KrisAssets Holdings Berhad (formerly known as Kris Components Berhad)	Investment Holding	Malaysia	74.9	98.4
+ Lingame Company Limited	Investment Holding	Hong Kong	100.0	100.0
Lucrvest Holdings Sdn. Bhd.	Dormant	Malaysia	100.0	100.0
* MiCasa Hotel Limited ²⁷	Hotelier	Myanmar	65.0	65.0
Mid Valley Capital Sdn Bhd ²⁸	Special purpose vehicle for issuance of bonds	Malaysia	74.9	98.4
Mid Valley City Sdn. Bhd. ²⁹	Owner and operator of Mid Valley Megamall	Malaysia	74.9	98.4
Mid Valley City Convention Centre Sdn Bhd.	Investment Holding	Malaysia	100.0	100.0
Mid Valley City Developments Sdn. Bhd.	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 Management Sdn. Bhd.	Dormant	Malaysia	100.0	100.0
Mid Valley City Gardens Sdn Bhd	Property Investment	Malaysia	100.0	100.0
Mid Valley City Hotels Sdn Bhd	Property Investment	Malaysia	100.0	100.0
Mid Valley City North Tower Sdn Bhd	Property Investment	Malaysia	100.0	100.0
Mid Valley City Residences Sdn Bhd	Property Investment	Malaysia	100.0	100.0
Mid Valley City South Tower Sdn Bhd	Property Investment	Malaysia	100.0	100.0

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

36. Subsidiaries (continued)

Name of Company	Principal Activities	Place of Incorporation	Group's Interest (%)	
			2005	2004
Mid Valley MC Sdn. Bhd. ³⁰	Property Management	Malaysia	74.9	98.4
Mid Valley Mulia Sdn. Bhd. ³¹	Property Development	Malaysia	74.9	98.4
Mid Valley Properties Sdn. Bhd. ³²	Dormant	Malaysia	74.9	98.4
MIHR Sdn. Bhd. ³³	Provision of hotel management 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 (+ 1 share)	50.0 (+ 1 share)
OPT Ventures Sdn. Bhd. ³⁵	Property Development	Malaysia	70.0	70.0
Outline Avenue (M) Sdn. Bhd. ³⁶	Property Development	Malaysia	89.6	89.6
Pacific Land Sdn. Bhd.	Investment Holding	Malaysia	100.0	100.0
Pangkor Island Resort Sdn. Bhd.	Hotelier	Malaysia	100.0	100.0
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	100.0	83.0
Pesona Langit Sdn Bhd	Property Investment	Malaysia	100.0	0.0
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

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

36. Subsidiaries (continued)

Name of Company	Principal Activities	Place of Incorporation	Group's Interest (%)	
			2005	2004
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
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	74.9	98.4

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 KrisAssets Holdings Berhad

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 Limited which is a separate and independent legal entity from PricewaterhouseCoopers Malaysia.

* Companies audited by firms other than member firm of PricewaterhouseCoopers International Limited.

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

37. Associates

Name of Company	Principal Activities	Place of Incorporation	Group's Interest (%)	
			2005	2004
* 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 Bhd ³	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
* Gunung Lang Development Sdn Bhd	Property Development	Malaysia	0.0	30.0
Hampshire Park Sdn. Bhd. ⁷	Investment and Development of Residential and Commercial Properties	Malaysia	50.0	50.0
* Hicom Tan & Tan Sdn. Bhd. ⁸	Property Development	Malaysia	50.0	50.0
* Istaron Limited ⁹	Investment Holding	Hong Kong	50.0	50.0
Johan Kekal Sdn. Bhd.	Property Development	Malaysia	50.0	50.0
Kumpulan Sierramas (M) Sdn. Bhd. ¹⁰	Property Development	Malaysia	50.0	50.0
Kundang Properties Sdn. Bhd.	Property Development	Malaysia	50.0	50.0
* Kyami Pty. Ltd. ¹¹	Investment Holding	Australia	40.0	40.0
* MIHR Consulting Sdn. Bhd. ¹²	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 ¹³	Property Development and Investment Holding	Malaysia	24.6	24.6

Notes To The Financial Statements (cont'd)

for the financial year ended 31 December 2005

37. Associates (continued)

Name of Company	Principal Activities	Place of Incorporation	Group's Interest (%)	
			2005	2004
New Commercial Investments Ltd ¹⁴	Investment Holding	British Virgin Islands	49.6	49.6
Permata Alasan (M) Sdn Bhd ¹⁵	Property Development and Property Investment	Malaysia	50.0	50.0
Rapid Alpha Sdn. Bhd. ¹⁶	Construction	Malaysia	50.0	50.0
Ravencroft Investments Incorporated ¹⁷	Investment Holding	British Virgin Islands	49.5	49.5
* Saigon Inn Hotel Co. ¹⁸	Hotelier	Vietnam	33.8	33.8
* Sierramas Landscape Services Sdn Bhd ¹⁹	Landscaping and Horticulture	Malaysia	50.0	50.0
* St Giles Hotel Ltd. ²⁰	Hotels and Motels with Restaurants	United Kingdom	49.5	49.5
* St Giles Hotel (Heathrow) Ltd. ²¹	Hotels and Motels with Restaurants	United Kingdom	49.6	49.6
SuCasa Sdn. Bhd. ²²	Hotelier and Operator of Service Apartments	Malaysia	40.0	40.0
Sukatan Garisan Sdn. Bhd. ²³	Dormant	Malaysia	50.0	50.0
* Tentang Emas Sdn. Bhd. ²⁴	Investment Holding	Malaysia	49.0	49.0
* Weian Investments Pte. Ltd. ²⁵	Property Development and Trading	Singapore	49.0	49.0

Notes:

1, 4, 5, 7, 8, 10, 11, 15, 22, 24 - Held by Tan & Tan Developments Berhad.

2 - Held by Istaron Limited.

3 - Held by Tan & Tan Developments Bhd and IGB Corporation Bhd 26% and 13% respectively.

6, 25 - Held by Grapevine Investments Pte. Ltd.

9 - Held by Pacific Land Sdn. Bhd.

12 - Held by MIHR Sdn. Bhd.

13 - Held by IGB Corporation Berhad and Intercontinental Aviation Services Sdn. Bhd 20.0% and 4.6% respectively.

14 - Held by Pacific Land Sdn. Bhd. and TTD Sdn. Bhd. 31.53% and 18.02% respectively.

16 - Held by Ensignia Construction Sdn. Bhd.

17 - Held by Pacific Land Sdn. Bhd., Beswell Limited and TTD Sdn. Bhd. 27.72%, 7.65% and 14.10% respectively.

18 - Held by Crystal Centre Properties (International) Ltd.

19 - Held by Kumpulan Sierramas (M) Sdn. Bhd.

20 - Held by Pacific Land Sdn. Bhd., Beswell Limited and TTD Sdn. Bhd 27.72%, 7.65% and 14.10% respectively.

21 - Held by Pacific Land Sdn. Bhd. and TTD Sdn. Bhd 31.53% and 18.02% respectively.

23 - 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.

38. 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 2006.

Statement By Directors

pursuant to Section 169(15) of the Companies Act, 1965

We, Robert Tan Chung Meng and Tan Sri 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 045 to 098 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 2005 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 the MASB approved accounting standards in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 25 April 2006.

Robert Tan Chung Meng

Managing Director

Tan Sri Dato' Seri Khalid Ahmad Bin Sulaiman

Director

Statutory Declaration

pursuant to Section 169(16) of the Companies Act, 1965

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 045 to 098 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 Petaling Jaya on 25 April 2006.

Before me:

Chong Kim Chan

Commissioner for Oaths

Report Of The Auditors

to the members of IGB Corporation Berhad for the financial year ended 31 December 2005

We have audited the financial statements set out on pages 045 to 098. 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 the 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 the Company as at 31 December 2005 and of the results and cash flows of the Group and the 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.

The names of the subsidiaries of which we have not acted as auditors are indicated in note 36 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

(No. AF-1146)

Chartered Accountants

Lim Teong Kean

(No. 2499/12/07(J))

Partner of the firm

Kuala Lumpur

25 April 2006

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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) _____

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-Second 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 Wednesday, 31 May 2006 at 3.00 p.m. and at any adjournment thereof. My/Our proxy is to vote as indicated below:

No.	Resolution	For	Against
1.	Adoption of Audited Financial Statements and Reports		
2.	Declaration of Final Dividend		
3.	Re-election of Tan Boon Seng		
4.	Re-election of Pauline Tan Suat Ming		
5.	Re-election of Datuk Abdul Habib bin Mansur		
6.	Re-election of Harun bin Hashim Mohd		
7.	Appointment of PricewaterhouseCoopers as Auditors		
8.	Re-appointment of Tan Sri Dato' Seri Khalid Ahmad bin Sulaiman		
9.	Authority to Directors to issue shares		
10.	Proposed Renewal of Share Buy-Back Authority		
11.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature		

Dated this _____ day of _____ 2006

No. of shares held

Signature of shareholder

Notes:

A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. To be valid, this proxy form duly completed must be deposited at the Registered Office of the Company at Penthouse, Menara IGB, No. 1 The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting, provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are complied with. Where a member appoints more than one (1) 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 proxy 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. 1, The Boulevard,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur,
Malaysia

affix
stamp
here

IGB Corporation Berhad (5745-A)

Penthouse, Menara IGB, No.1, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia
Tel : 2289 8989 • Fax : 2289 8802

