

# Notes to and Forming Part of the Financial Statements | 81

for the year ended 31 December 2004

(b) Effect on consolidated financial position

|   | Subsidiaries<br>acquired in |               |
|---|-----------------------------|---------------|
|   | 2004<br>RM                  | 2003<br>RM    |
| Non-current assets                      | 4                           | 1,044,623     |
| Current assets                          | 657,902                     | 6,472,412     |
| Current liabilities                     | ( 74,531 )                  | ( 5,206,556 ) |
| Minority interest                       | ( 35,003 )                  | ( 823,908 )   |
| Net assets held prior to acquisition    | ( 285,853 )                 | -             |
| Increase in Group's share of net assets | 262,519                     | 1,486,571     |

(c) Effect on consolidated cash flow statement

|                                      | Subsidiaries<br>acquired in |               |
|--------------------------------------|-----------------------------|---------------|
|                                      | 2004<br>RM                  | 2003<br>RM    |
| Net assets acquired:                 |                             |               |
| Property, plant and equipment        | 4                           | 808,641       |
| Other investment                     | -                           | 235,982       |
| Current assets                       | 657,902                     | 6,472,412     |
| Current liabilities                  | ( 74,531 )                  | ( 5,206,556 ) |
| Minority interest                    | ( 35,003 )                  | ( 823,908 )   |
| Goodwill on acquisition              | -                           | 68,462        |
| Discount on acquisition              | ( 6,199 )                   | -             |
| Net assets held prior to acquisition | ( 285,853 )                 | -             |
| Total purchase consideration         | 256,320                     | 1,555,033     |
| Less:                                |                             |               |
| Cash and cash equivalents            | ( 130,621 )                 | ( 14,396 )    |
| Net cash flows on acquisition        | 125,699                     | 1,540,637     |

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for the year ended 31 December 2004

## (B) Disposal of a subsidiary company during the financial year

During the financial year, the Group disposed of Phili-Orient Lines (Johor) Sdn Bhd, a subsidiary company of Phili-Orient Lines (Penang) Sdn Bhd at a cash consideration of RM5,100. The Group incurred a loss of RM4,998 from the disposal of this subsidiary company.

### (a) Effect on consolidated net profit for the year

|                                     | --- Subsidiary ---<br>disposed in 2004 |             | Subsidiary<br>disposed in |
|-------------------------------------|--|-------------|---------------------------|
|                                     | 2004                                   | 2003        | 2003                      |
|                                     | RM                                     | RM          | RM                        |
| Gross revenue                       | 165,669                                | 1,082,440   | 193                       |
| Cost of sales                       | ( 146,510 )                            | ( 958,987 ) | -                         |
| Gross profit                        | 19,159                                 | 123,453     | 193                       |
| Other operating income              | 454                                    | 91          | -                         |
| Selling and distribution costs      | ( 24,587 )                             | ( 30,491 )  | -                         |
| Administrative and general expenses | ( 10,212 )                             | ( 121,260 ) | ( 277,344 )               |
| Loss before minority interest       | ( 15,186 )                             | ( 28,207 )  | ( 277,151 )               |
| Minority interest                   | 7,768                                  | 14,429      | 135,527                   |
| Decrease in Group's net profit      | ( 7,418 )                              | ( 13,778 )  | ( 141,624 )               |

### (b) Effect on consolidated financial position

|  | --- Subsidiary ---<br>disposed in 2004 |             | Subsidiary<br>disposed in |
|--|--|-------------|---------------------------|
|  | 2004                                   | 2003        | 2003                      |
|  | RM                                     | RM          | RM                        |
| Non-current assets                           | 77,820                                 | 80,974      | -                         |
| Current assets                               | 121,628                                | 149,120     | 37,419                    |
| Current liabilities                          | ( 220,087 )                            | ( 235,548 ) | ( 39,268 )                |
| Minority interest                            | 18,903                                 | 2,790       | ( 351,783 )               |
| Decrease in Group's share of net liabilities | ( 1,736 )                              | ( 2,664 )   | ( 353,632 )               |

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for the year ended 31 December 2004

(c) Effect on consolidated cash flow statement

|  | Subsidiary<br>disposed in<br>2004<br>RM | Subsidiary<br>disposed in<br>2003<br>RM |
|--|---|---|
| Net assets disposed:                               |   |   |
| Property, plant and equipment                      | 77,820                                  | -                                       |
| Current assets                                     | 121,628                                 | 37,419                                  |
| Current liabilities                                | (220,087)                               | (39,268)                                |
| Minority interest                                  | 18,903                                  | (351,783)                               |
| Goodwill on acquisition written off<br>on disposal | 11,834                                  | 129                                     |
| Discount on acquisition realised on<br>disposal    | -                                       | (10,866)                                |
| (Loss)/Gain on disposal of subsidiary<br>companies | (4,998)                                 | 364,370                                 |
| Sale proceeds                                      | 5,100                                   | 1                                       |
| Less:  |   |   |
| Cash and cash equivalents                          | (10,042)                                | 37,398                                  |
| Net cash flows on disposal                         | (4,942)                                 | (37,397)                                |

## 35. EMPLOYEES INFORMATION

|  | Group      |            |
|--|------------|------------|
|  | 2004<br>RM | 2003<br>RM |
| Staff costs:   |            |            |
| Salaries, wages, allowances, bonuses<br>and other staff related expenses | 92,247,771 | 90,151,135 |
| Defined contribution plans   | 3,790,018  | 3,568,828  |
|  | 96,037,789 | 93,719,963 |

|                                 | Group |       |
|---------------------------------|-------|-------|
|                                 | 2004  | 2003  |
| Number of employees at year end | 8,808 | 8,227 |

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for the year ended 31 December 2004

## 36. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Company has controlling related party relationship with its subsidiary companies.

The Group also has related party relationship with the following related parties:

- (a) Star Regent International Limited, a company in which two directors of PI International Holdings Ltd, namely Mr Ho Kwok Pun and Madam Tse Oi, have financial interests.
- (b) Associated companies
  - CNT Garments Sdn Bhd
  - USH Garment (Nibong Tebal) Sdn Bhd
  - USJ Embroidery Sdn Bhd

Transactions with related parties during the financial year are as follows:

|  | Group      |            |
|--|------------|------------|
|  | 2004<br>RM | 2003<br>RM |
| Interest charged to USH Garment<br>(Nibong Tebal) Sdn Bhd    | -          | 37,937     |
| Rental income from USH Garment<br>(Nibong Tebal) Sdn Bhd     | -          | 12,000     |
|  |            |            |
|  | Group      |            |
|  | 2004<br>RM | 2003<br>RM |
| Consultancy fee paid to Star Regent<br>International Limited | 1,349,841  | 976,254    |
| Workmanship charged by                                       |            |            |
| - CNT Garments Sdn Bhd                                       | 824,168    | 837,958    |
| - USH Garment (Nibong Tebal) Sdn Bhd                         | -          | 453,525    |
| - USJ Embroidery Sdn Bhd<br>(a former associated company)    | -          | 317,861    |

The directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business.

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## 37. COMMITMENTS

|   | Group      |            |
|---|------------|------------|
|   | 2004<br>RM | 2003<br>RM |
| Capital commitments   |            |            |
| Approved capital expenditure not provided for in the financial statements in respect of property, plant and equipment |            |            |
| - contracted  | 6,247,349  | 745,931    |
| - not contracted  | -          | 42,546     |
|   | 6,247,349  | 788,477    |
| Operating lease commitments   |            |            |
| Operating lease rentals payable   |            |            |
| - not later than one year   | 10,498,717 | 3,889,082  |
| - later than one year and not later than five years   | 37,690,403 | 8,886,321  |
| - later than five years   | 38,346,480 | 2,590,636  |
|   | 86,535,600 | 15,366,039 |
|   | 92,782,949 | 16,154,516 |

## 38. CONTINGENT LIABILITIES

|  | Group      |            | Company    |            |
|--|------------|------------|------------|------------|
|  | 2004<br>RM | 2003<br>RM | 2004<br>RM | 2003<br>RM |
| Unsecured corporate guarantees given to secure banking and other credit facilities granted to subsidiary companies   | -          | -          | 44,170,000 | 38,047,000 |
| Recourse against a subsidiary company in respect of loans granted by a financial institution to members of Monterez Golf and Country Club to finance licence fees payable by the latter to the said subsidiary company | 126,618    | 169,344    | -          | -          |
|  | 126,618    | 169,344    | 44,170,000 | 38,047,000 |

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for the year ended 31 December 2004

## 39. SEGMENT ANALYSIS

### Segmental reporting

#### (a) Primary reporting format - business segment

The Group's operations comprise the following business segments:

- |                                 |  |
|---------------------------------|--|
| (i) Textile and garments        | - Manufacturing and sale of yarn, garments, dyed knitted and woven fabrics   |
| (ii) Properties                 | - Property investment, construction and development  |
| (iii) Power conversion products | - Designing, manufacturing and sale of electronic power conversion products  |
| (iv) Lighting and pagers        | - Manufacturing and assembling electrical lightings and telecommunication products   |
| (v) Other operations            | - Assembling and distributing of trucks, investment holding, management of a golf course, trading in optical products, freight forwarding and warehousing services |

Transactions between segments were entered into in the normal course of business and were established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The effects of such inter-segmental transactions are eliminated on consolidation.

# Notes to and Forming Part of the Financial Statements | 87

for the year ended 31 December 2004

| Year ended<br>31 December 2004                 | Textile<br>&<br>garments<br>RM | Properties<br>RM | Power<br>conversion<br>products<br>RM | Lighting<br>&<br>pagers<br>RM | Other<br>operations<br>RM | Group<br>RM    |
|--|--------------------------------|------------------|---------------------------------------|-------------------------------|---------------------------|----------------|
| <b>Revenue</b>                                 |                                |                  |                                       |                               |                           |                |
| Sales  | 131,645,400                    | 41,645,746       | 252,783,165                           | 146,411,680                   | 75,565,852                | 648,051,843    |
| Less:  |                                |                  |                                       |                               |                           |                |
| Inter-segment sales                            | -                              | 329,352          | -                                     | 238,080                       | 2,188,473                 | 2,755,905      |
| External sales                                 | 131,645,400                    | 41,316,394       | 252,783,165                           | 146,173,600                   | 73,377,379                | 645,295,938    |
| <b>Results</b>                                 |                                |                  |                                       |                               |                           |                |
| Segment operating<br>profit/(loss)             | 5,216,326                      | 322,217          | 25,772,864                            | 16,445,734                    | ( 608,058 )               | 47,149,083     |
| Unallocated<br>corporate expenses              |                                |                  |                                       |                               |                           | ( 2,195,803 )  |
| Profit from operations                         |                                |                  |                                       |                               |                           | 44,953,280     |
| Add/(Less):                                    |                                |                  |                                       |                               |                           |                |
| Finance costs                                  |                                |                  |                                       |                               |                           | ( 7,578,568 )  |
| Gain on disposal of<br>investments             |                                |                  |                                       |                               |                           | 4,068,329      |
| Net impairment loss on<br>value of investments |                                |                  |                                       |                               |                           | ( 3,226,200 )  |
| Share of results in<br>associated companies    | ( 1,432 )                      | 2,739,481        | ( 1,310 )                             | -                             | 84,272                    | 2,821,011      |
| Profit from ordinary<br>activities before tax  |                                |                  |                                       |                               |                           | 41,037,852     |
| Less:  |                                |                  |                                       |                               |                           |                |
| Tax expense                                    |                                |                  |                                       |                               |                           | 7,698,639      |
| Profit from ordinary<br>activities after tax   |                                |                  |                                       |                               |                           | 33,339,213     |
| Minority interests                             |                                |                  |                                       |                               |                           | ( 15,033,221 ) |
| Net profit for the year                        |                                |                  |                                       |                               |                           | 18,305,992     |

# 88 | Notes to and Forming Part of the Financial Statements

for the year ended 31 December 2004

|   | Textile<br>&<br>garments<br>RM | Properties<br>RM | Power<br>conversion<br>products<br>RM | Lighting<br>&<br>pagers<br>RM | Other<br>operations<br>RM | Group<br>RM |
|---|--------------------------------|------------------|---------------------------------------|-------------------------------|---------------------------|-------------|
| <b>At 31 December 2004</b>                                |                                |                  |                                       |                               |                           |             |
| <b>Other Information</b>                                  |                                |                  |                                       |                               |                           |             |
| Segment assets  | 78,991,966                     | 163,312,641      | 143,523,732                           | 86,676,912                    | 116,760,123               | 589,265,374 |
| Associated companies                                      | 29,533                         | 3,102,448        | 89,979                                | -                             | 1                         | 3,221,961   |
|   | 79,021,499                     | 166,415,089      | 143,613,711                           | 86,676,912                    | 116,760,124               | 592,487,335 |
| Unallocated corporate assets                              |                                |                  |                                       |                               |                           | 30,644,200  |
| Total assets  |                                |                  |                                       |                               |                           | 623,131,535 |
| Segment liabilities                                       | 8,794,598                      | 14,358,947       | 47,891,547                            | 23,742,346                    | 42,171,933                | 136,959,371 |
| Unallocated corporate liabilities                         |                                |                  |                                       |                               |                           | 205,054,455 |
| Total liabilities   |                                |                  |                                       |                               |                           | 342,013,826 |
| Capital expenditure<br>- Property, plant and<br>equipment | 1,338,808                      | 520,587          | 6,049,699                             | 1,868,209                     | 1,827,845                 | 11,605,148  |
| - Goodwill on<br>acquisition                              |                                |                  |                                       |                               |                           | 3,955,260   |
| Depreciation  | 3,451,641                      | 881,209          | 5,371,204                             | 3,285,056                     | 1,709,504                 | 14,698,614  |
| Amortisation of<br>goodwill                               |                                |                  |                                       |                               |                           | 2,195,803   |



# Notes to and Forming Part of the Financial Statements | 89

for the year ended 31 December 2004

| Year ended<br>31 December 2003                 | Textile<br>&<br>garments<br>RM | Properties<br>RM | Power<br>conversion<br>products<br>RM | Lighting<br>&<br>pagers<br>RM | Other<br>operations<br>RM | Group<br>RM    |
|--|--------------------------------|------------------|---------------------------------------|-------------------------------|---------------------------|----------------|
| <b>Revenue</b>                                 |                                |                  |                                       |                               |                           |                |
| Sales  | 119,951,621                    | 28,416,079       | 208,580,412                           | 131,774,871                   | 70,031,332                | 558,754,315    |
| Less:  |                                |                  |                                       |                               |                           |                |
| Inter-segment sales                            | -                              | 329,352          | -                                     | 330,080                       | 1,797,294                 | 2,456,726      |
| External sales                                 | 119,951,621                    | 28,086,727       | 208,580,412                           | 131,444,791                   | 68,234,038                | 556,297,589    |
| <b>Results</b>                                 |                                |                  |                                       |                               |                           |                |
| Segment operating<br>profit/(loss)             | 6,464,567                      | 1,243,369        | 23,866,928                            | 14,745,061                    | ( 5,838,003 )             | 40,481,922     |
| Unallocated corporate<br>expenses              |                                |                  |                                       |                               |                           | ( 2,115,823 )  |
| Profit from operations                         |                                |                  |                                       |                               |                           | 38,366,099     |
| Add/(Less):                                    |                                |                  |                                       |                               |                           |                |
| Finance costs                                  |                                |                  |                                       |                               |                           | ( 8,947,010 )  |
| Gain on disposal<br>of investments             |                                |                  |                                       |                               |                           | 364,370        |
| Net impairment loss on<br>value of investments |                                |                  |                                       |                               |                           | ( 1,526,289 )  |
| Share of results in<br>associated companies    | 47,887                         | 917,589          | ( 1,420 )                             | -                             | 1,082,316                 | 2,046,372      |
| Profit from ordinary<br>activities before tax  |                                |                  |                                       |                               |                           | 30,303,542     |
| Less:  |                                |                  |                                       |                               |                           |                |
| Tax expense                                    |                                |                  |                                       |                               |                           | 4,966,856      |
| Profit from ordinary<br>activities after tax   |                                |                  |                                       |                               |                           | 25,336,686     |
| Minority interests                             |                                |                  |                                       |                               |                           | ( 16,982,511 ) |
| Net profit for the year                        |                                |                  |                                       |                               |                           | 8,354,175      |

# 90 | Notes to and Forming Part of the Financial Statements

for the year ended 31 December 2004

|                                   | Textile<br>&<br>garments<br>RM | Properties<br>RM | Power<br>conversion<br>products<br>RM | Lighting<br>&<br>pagers<br>RM | Other<br>operations<br>RM | Group<br>RM |
|-----------------------------------|--------------------------------|------------------|---------------------------------------|-------------------------------|---------------------------|-------------|
| <b>At 31 December 2003</b>        |                                |                  |                                       |                               |                           |             |
| <b>Other Information</b>          |                                |                  |                                       |                               |                           |             |
| Segment assets                    | 67,987,582                     | 168,612,163      | 138,845,943                           | 84,835,660                    | 125,401,100               | 585,682,448 |
| Associated companies              | 316,944                        | 1,128,469        | 91,289                                | -                             | 5,449,328                 | 6,986,030   |
|                                   | 68,304,526                     | 169,740,632      | 138,937,232                           | 84,835,660                    | 130,850,428               | 592,668,478 |
| Unallocated corporate assets      |                                |                  |                                       |                               |                           | 27,944,815  |
| Total assets                      |                                |                  |                                       |                               |                           | 620,613,293 |
| Segment liabilities               | 7,699,488                      | 14,978,139       | 58,232,889                            | 24,939,443                    | 46,079,200                | 151,929,159 |
| Unallocated corporate liabilities |                                |                  |                                       |                               |                           | 228,698,498 |
| Total liabilities                 |                                |                  |                                       |                               |                           | 380,627,657 |
| Capital expenditure               |                                |                  |                                       |                               |                           |             |
| - Property, plant and equipment   | 1,499,833                      | 184,419          | 7,777,005                             | 2,599,304                     | 9,859,095                 | 21,919,656  |
| - Goodwill on acquisition         |                                |                  |                                       |                               |                           | 641,486     |
| Depreciation                      | 4,706,280                      | 810,264          | 5,178,490                             | 3,202,804                     | 1,453,924                 | 15,351,762  |
| Amortisation of goodwill          |                                |                  |                                       |                               |                           | 2,115,823   |

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for the year ended 31 December 2004

(b) Secondary reporting format - geographical segment

The Group operates mainly in Asia. In determining the geographical segments of the Group, revenue is based on the geographical location of customers. Total assets and capital expenditure are based on the geographical locations of the assets.

|                      | Revenue<br>RM      | Capital<br>expenditure<br>RM | Total<br>assets<br>RM |
|----------------------|--------------------|------------------------------|-----------------------|
| <b>2004</b>          |                    |                              |                       |
| Malaysia             | 306,523,949        | 3,657,169                    | 361,085,893           |
| Asia Pacific         | 338,627,587        | 7,947,979                    | 201,434,240           |
| Others               | 144,402            | -                            | 26,745,241            |
|                      | <u>645,295,938</u> | <u>11,605,148</u>            | <u>589,265,374</u>    |
| Associated companies |                    |                              | 3,221,961             |
| Unallocated assets   |                    |                              | 30,644,200            |
|                      |                    |                              | <u>623,131,535</u>    |
| <b>2003</b>          |                    |                              |                       |
| Malaysia             | 236,283,410        | 12,833,272                   | 354,520,535           |
| Asia Pacific         | 319,942,549        | 9,086,384                    | 191,578,203           |
| Others               | 71,630             | -                            | 39,583,710            |
|                      | <u>556,297,589</u> | <u>21,919,656</u>            | <u>585,682,448</u>    |
| Associated companies |                    |                              | 6,986,030             |
| Unallocated assets   |                    |                              | 27,944,815            |
|                      |                    |                              | <u>620,613,293</u>    |

All inter-segment transactions have been carried out in the normal course of business and have been established under negotiated terms.

**40. FINANCIAL INSTRUMENTS****(a) Financial risk management objectives and policies**

The overall financial risk management objectives and policies of the Group are to ensure that they create value and maximise returns to its shareholders.

Financial risk management is carried out through risk reviews, internal control systems, benchmarking the industry's best practices and adherence to Group's financial management policies.

The Group has been financing its operations mainly from internally generated funds and bank borrowings.

The main risks arising from the financial instruments of the Group are stated below. The management of the Group monitors the financial position closely with an objective to minimise potential adverse effects on the performance of the Group. The management reviews and agrees on policies for managing each of these risks and they are summarised below. These policies have remained unchanged during the financial year.

**(i) Credit risk**

Credit risk arises when sales are made and services are rendered on deferred terms and when surplus cash is invested.

The entire financial assets of the Group are exposed to credit risk except for cash and bank balances, time deposit and fixed deposits which are placed with licensed financial institutions in Malaysia and in foreign banks. The Group's exposure to credit risk is monitored on an ongoing basis.

The Group has credit policies in place to manage the credit risk exposure. The risk is managed through the application of the Group's credit management procedures which include the application of credit approvals whereby credit evaluations are performed on all customers requiring credit over a certain amount and period, adherence to credit limits, regular monitoring and follow up procedures. Concentration of credit risk with respect to trade receivables is limited due to a wide spread of customers in various industries.

The Group does not require collateral in respect of financial assets and considers the risk of material loss from the non-performance on the part of a financial counter-party to be negligible.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

**(ii) Foreign currency exchange risk**

The Group is exposed to foreign currency exchange risk as a result of transactions entered into by the subsidiary companies which are denominated in currencies other than their functional currencies. Certain subsidiary companies entered into foreign currency forward contracts in the normal course of business in order to limit their exposure and to manage exposure to fluctuations in foreign currency exchange rates. These contracts are entered into with licensed financial institutions.

At 31 December 2004, the foreign currency amounts to be received or paid and contractual exchange rates of the Group's outstanding forward contracts are as follows:

|                               | Amounts to be<br>received/(paid)<br>RM | Average<br>Contractual<br>rate | Settlement<br>period<br>1 year<br>RM |
|-------------------------------|--|--------------------------------|--------------------------------------|
| Trade receivables             |  |                                |                                      |
| - AUD3,300,000                | 9,172,450                              | 2.78                           | 9,172,450                            |
| Trade payables                |  |                                |                                      |
| - Euro100,000                 | 499,900                                | 4.99                           | 499,900                              |
| Committed future transactions |  |                                |                                      |
| - USD6,692,893                | 25,438,815                             | 3.80                           | 25,438,815                           |
| - Euro799,427                 | 3,682,371                              | 4.61                           | 3,682,371                            |

The net unrecognised profit at 31 December 2004 on forward contracts for future sales and purchases amounted to RM196,093.

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## (iii) Interest rate risk

The Group is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. The Group is exposed to interest rate risk in respect of its fixed and time deposits placed with licensed financial institutions, bank borrowings, hire purchase and finance lease liabilities and advances owing by associated companies.

Interest rate risk arising from fixed and time deposits placed with financial institutions is managed through fixed rate financial instruments. Interest rate risk arising from bank term loans and bank overdraft facilities is managed through the use of fixed and floating rate financial instruments. Interest rate risk arising from bankers' acceptance and revolving credit facilities are subject to floating interest rate plus an acceptance commission charge which is agreed with the financial institutions before the facilities are accepted.

The Group considers interest rate risk arising from hire purchase financing and leasing to be insignificant as the interest rates and the repayment terms are fixed at inception. As for interest charged on advances granted to associated companies, the interest rate is agreed before the advances are granted. It is the Group's policy not to trade in interest rate swap agreements.

## (iv) Market risk

The Group is exposed to market risk, which is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

The Group's exposure to market risk arises mainly from changes in market prices of its quoted investments. The Group is exposed to significant market risk in respect of its quoted investments as it does not use derivatives to hedge these investments.

The financial assets which are exposed to market risk at balance sheet date are assessed for any potential impairment loss on their values and allowances are made for such impairment as disclosed in the notes to the financial statements.

## (v) Liquidity and cash flow risk

Prudent liquidity risk management implies maintaining sufficient cash, fixed deposits and the availability of funding through adequate amount of committed credit facilities. The Company's exposure to liquidity and cash flow risk is monitored on an ongoing basis. Due to the nature of the business, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

## (b) Fair values

The carrying amounts of the financial assets and liabilities of the Group and of the Company at 31 December 2004 approximated their fair values except for other investments as stated below.

|                            | Group                     |                      | Company                   |                      |
|----------------------------|---------------------------|----------------------|---------------------------|----------------------|
|                            | Carrying<br>amounts<br>RM | Fair<br>values<br>RM | Carrying<br>amounts<br>RM | Fair<br>values<br>RM |
| Other investments          |                           |                      |                           |                      |
| Quoted in Malaysia         | 10,726,070                | 11,004,300           | 5,100,170                 | 5,378,400            |
| Quoted outside<br>Malaysia | 9,128,217                 | 9,462,722            | 8,105                     | 70,175               |
| Unquoted shares            | 8,099,020                 | *                    | 3                         | *                    |

\* A reasonable estimate of fair values could not be made without incurring excessive costs. Such investments are stated at their carrying amounts subject to review for further impairment.

Notes to and Forming Part of  
the Financial Statements

for the year ended 31 December 2004

## (c) Currency exposure

| 2004 | Functional currencies<br>of the Group        | Transaction Currencies    |                               |            |                            |                           |                       |                |           | New Zealand<br>Dollar<br>RM | Others<br>RM |
|------|--|---------------------------|-------------------------------|------------|----------------------------|---------------------------|-----------------------|----------------|-----------|-----------------------------|--------------|
|      |  | Ringgit<br>Malaysia<br>RM | United States<br>Dollar<br>RM | Euro<br>RM | Australian<br>Dollar<br>RM | Singapore<br>Dollar<br>RM | Japanese<br>Yen<br>RM | Renminbi<br>RM |           |                             |              |
|      |  | 13,625,900                | -                             | -          | -                          | -                         | -                     | -              | -         | -                           | -            |
|      | Investments                                  |                           |                               | 8,825,337  |                            | 45,210                    |                       |                |           |                             |              |
|      | US Dollar                                    |                           |                               |            |                            |                           |                       |                |           |                             |              |
|      | Hong Kong Dollar                             |                           |                               |            |                            |                           |                       |                |           |                             |              |
|      | Trade receivables                            |                           |                               |            |                            |                           |                       |                |           |                             |              |
|      | Ringgit Malaysia                             | -                         | 13,928,194                    | -          | 132,587                    | 270                       | -                     | -              | -         | -                           | 285,955      |
|      | Singapore Dollar                             | -                         | 3,139,660                     | -          | -                          | -                         | -                     | -              | -         | -                           | -            |
|      | Hong Kong Dollar                             | -                         | 31,402,970                    | 4,955,212  | -                          | -                         | -                     | -              | -         | -                           | -            |
|      | New Taiwan Dollar                            | -                         | 14,312,674                    | -          | -                          | -                         | -                     | -              | -         | -                           | -            |
|      | Other receivables                            |                           |                               |            |                            |                           |                       |                |           |                             |              |
|      | Hong Kong Dollar                             | -                         | 1,118,304                     | -          | -                          | -                         | -                     | -              | -         | -                           | -            |
|      | US Dollar                                    | -                         | -                             | -          | -                          | -                         | -                     | -              | 8,289,401 | -                           | -            |
|      | Cash and bank balances<br>and fixed deposits |                           |                               |            |                            |                           |                       |                |           |                             |              |
|      | Ringgit Malaysia                             | -                         | 1,665,602                     | 2,211      | 122,935                    | 1,344                     | -                     | -              | -         | -                           | 2,729        |
|      | Singapore Dollar                             | -                         | 8,242,443                     | -          | -                          | -                         | -                     | -              | -         | -                           | -            |
|      | Hong Kong Dollar                             | -                         | 6,981,418                     | 15,741,363 | -                          | -                         | 43                    | -              | -         | -                           | -            |
|      | New Taiwan Dollar                            | -                         | 655,621                       | -          | -                          | -                         | -                     | -              | -         | -                           | -            |
|      | Trade payables                               |                           |                               |            |                            |                           |                       |                |           |                             |              |
|      | Ringgit Malaysia                             | -                         | 3,909,119                     | 6,578,541  | 236,180                    | 70,786                    | -                     | -              | -         | -                           | 619,296      |
|      | Singapore Dollar                             | -                         | 435,382                       | -          | -                          | -                         | -                     | -              | -         | -                           | -            |
|      | Hong Kong Dollar                             | -                         | 6,907,714                     | 52,224     | -                          | 31,662                    | 1,038,296             | 59,568         | -         | -                           | 5,503        |
|      | Other payables                               |                           |                               |            |                            |                           |                       |                |           |                             |              |
|      | Hong Kong Dollar                             | -                         | -                             | -          | -                          | -                         | -                     | 2,152,763      | -         | -                           | -            |
|      | Borrowings                                   |                           |                               |            |                            |                           |                       |                |           |                             |              |
|      | Ringgit Malaysia                             | -                         | 17,863,306                    | -          | 334,000                    | 850,000                   | -                     | -              | -         | -                           | -            |

# Notes to and Forming Part of the Financial Statements

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for the year ended 31 December 2004

| 2003   | Transaction Currencies    |                               |            |                            |                           |                       |                |              |
|--|---------------------------|-------------------------------|------------|----------------------------|---------------------------|-----------------------|----------------|--------------|
|  | Ringgit<br>Malaysia<br>RM | United States<br>Dollar<br>RM | Euro<br>RM | Australian<br>Dollar<br>RM | Singapore<br>Dollar<br>RM | Japanese<br>Yen<br>RM | Renminbi<br>RM | Others<br>RM |
| Functional currencies<br>of the Group        |                           |                               |            |                            |                           |                       |                |              |
| Investments                                  |                           |                               |            |                            |                           |                       |                |              |
| US Dollar                                    | 17,825,100                | -                             | -          | 3                          | 2,003,400                 | -                     | -              | 3            |
| Hong Kong Dollar                             | -                         | 5,223,124                     | 2,575,329  | -                          | 149,949                   | -                     | -              | -            |
| Trade receivables                            |                           |                               |            |                            |                           |                       |                |              |
| Ringgit Malaysia                             | -                         | 8,839,521                     | 927,401    | -                          | -                         | -                     | -              | 200,298      |
| Singapore Dollar                             | -                         | 10,615,535                    | -          | -                          | -                         | -                     | -              | -            |
| Hong Kong Dollar                             | -                         | 56,881,858                    | 5,362,346  | -                          | -                         | -                     | -              | -            |
| Other receivables                            |                           |                               |            |                            |                           |                       |                |              |
| Ringgit Malaysia                             | -                         | -                             | 2,201,187  | -                          | -                         | -                     | -              | -            |
| Cash and bank balances<br>and fixed deposits |                           |                               |            |                            |                           |                       |                |              |
| Ringgit Malaysia                             | -                         | 1,047,722                     | 1,057      | 34,312                     | 118,393                   | -                     | -              | 2,784        |
| Singapore Dollar                             | -                         | 3,559,975                     | -          | -                          | -                         | -                     | -              | -            |
| Hong Kong Dollar                             | -                         | 14,367,213                    | 6,014,751  | -                          | -                         | 43                    | -              | -            |
| Renminbi                                     | -                         | 1,082                         | -          | -                          | -                         | -                     | -              | -            |
| New Taiwan Dollar                            | -                         | 3,661                         | -          | -                          | -                         | -                     | 1,837          | 2,221        |
| Trade payables                               |                           |                               |            |                            |                           |                       |                |              |
| Ringgit Malaysia                             | -                         | 5,241,569                     | 12,381,174 | 177,778                    | 236,464                   | 672,452               | -              | 325,564      |
| Singapore Dollar                             | -                         | 283,001                       | -          | -                          | -                         | -                     | -              | -            |
| Hong Kong Dollar                             | -                         | 13,743,634                    | 171,061    | -                          | -                         | 1,112,817             | 277,370        | 11,361       |
| New Taiwan Dollar                            | -                         | -                             | -          | -                          | -                         | -                     | -              | 294,633      |
| Other payables                               |                           |                               |            |                            |                           |                       |                |              |
| US Dollar                                    | 58,627                    | -                             | -          | -                          | -                         | -                     | -              | 688,998      |
| Borrowings                                   |                           |                               |            |                            |                           |                       |                |              |
| Ringgit Malaysia                             | -                         | 6,276,540                     | -          | -                          | -                         | -                     | -              | -            |
| Singapore Dollar                             | -                         | 47,952                        | -          | -                          | -                         | -                     | -              | -            |

# 96 | Notes to and Forming Part of the Financial Statements

for the year ended 31 December 2004

## 41. COMPARATIVE FIGURES

Consequent to the adoption of MASB 32 : Property Development Activities during the financial year, the following comparative figures of the Group have been restated to conform with the current year's presentation:

|                                    | Group             |                              |
|------------------------------------|-------------------|------------------------------|
|                                    | As restated<br>RM | As previously reported<br>RM |
| Balance sheet at 31 December 2003  |                   |                              |
| Land held for property development | 23,156,700        | -                            |
| Development properties             | -                 | 25,556,347                   |
| Current assets                     |                   |                              |
| Property development costs         | 12,406,626        | -                            |
| Development properties             | -                 | 5,339,286                    |
| Current liabilities                |                   |                              |
| Trade and other payables           |                   |                              |
| - progress billings                | 4,667,693         | -                            |

## 42. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements of the Company and of the Group were authorised for issue by the Board of Directors on 26 April 2005.



# Properties Held by the Group | 97

| Particulars of Titles   | Tenure  | Land Area    | Description/<br>Existing Use                           | Net Book<br>Value as at<br>31.12.04<br>RM | Approximate<br>Age of<br>Building | Year of<br>Acquisition |
|---|---|--------------|--|---|-----------------------------------|------------------------|
| <b>PENANG</b>   |   |              |  |   |                                   |                        |
| Lot 468 Geran No.<br>39724 Mukim 12<br>Seberang Perai Selatan<br>Penang                                   | Leasehold<br>(999 years -<br>expiring on<br>31.12.2875) | 11.55 acres  | Office and<br>factory<br>building                      | 4,242,763                                 | 30 years                          | 1991                   |
| Lots 895, 896 & 1234<br>Mukim 15<br>Seberang Perai Tengah<br>Penang                                       | Freehold  | 3.95 acres   | Office and<br>factory<br>building                      | 2,699,617                                 | 39 years                          | 1998                   |
| Lot 1233<br>Grant (1st Grade) 11818<br>Section 1, Georgetown,<br>Daerah Timur Laut,<br>Penang             | Freehold  | 17,538 sq ft | 1 storey out of<br>8 storey office<br>block for rental | 2,064,249                                 | 11 years                          | 1988                   |
| Lots 198, 199, 200 & 201<br>Mukim 14, Central District<br>of Province Wellesley<br>Penang                 | Freehold  | 46,619 sq ft | Residential<br>house and land<br>for development       | 1,468,829                                 | -                                 | 1991                   |
| Lot 278<br>Bandar Bukit Bendera<br>Daerah Timur Laut,<br>Penang   | Leasehold<br>( 99 years -<br>expiring on<br>30.04.2030) | 0.64 acre    | Bungalow   | 1,125,426                                 | 73 years                          | 1989                   |
| Lots 426 & 348<br>Geran No. 63526 & 11256<br>Section 15 Bandar Georgetown<br>Daerah Timur Laut,<br>Penang | Freehold  | 0.54 acre    | 10 storey office<br>block for rental                   | 13,000,000                                | 11 years                          | 1991                   |
| H.S. (D) 3245<br>P.T. 2944, Mukim 11<br>Daerah Seberang Perai Tengah<br>Penang                            | Leasehold<br>(60 years -<br>expiring on<br>29.06.2052)  | 2.79 acres   | Factory building                                       | 3,888,105                                 | 12 years                          | 1991                   |
| Holding No. 243, T.S. 17<br>North East District<br>Penang   | Freehold  | 0.04 acre    | Shophouse  | 168,775                                   | 84 years                          | 1991                   |

# 98 | Properties Held by the Group

| Particulars of Titles  | Tenure   | Land Area    | Description/<br>Existing Use  | Net Book<br>Value as at<br>31.12.04<br>RM | Approximate<br>Age of<br>Building | Year of<br>Acquisition |
|--|--|--------------|---|---|-----------------------------------|------------------------|
| H.S.(D) 253<br>P.T.277, Seksyen 11E<br>Georgetown<br>Daerah Timur Laut<br>Penang             | Leasehold<br>(99 years -<br>expiring on<br>25.11.2089) | 5,255 sq ft  | 3 units of<br>shophouses -<br>office &<br>laboratory  | 749,735                                   | 10 years                          | 1995                   |
| H.S.(D) 578<br>P.T. No. 474, Mukim 6<br>Daerah Seberang Perai Tengah<br>Penang               | Leasehold<br>(60 years -<br>expiring on<br>23.09.2052) | 5.88 acres   | Office and<br>factory building  | 6,626,805                                 | 6 year                            | 1992                   |
| Lots 1337, 1334, 1181<br>1183, Mukim 7<br>Seberang Perai Utara<br>Penang                     | Freehold   | 10.64 acres  | Land for<br>development   | 3,326,079                                 | -                                 | 1990                   |
| Lot 788, Seksyen 19<br>Bandar Georgetown<br>Daerah Timur Laut<br>Penang                      | Freehold   | 37,703 sq ft | 20 storey out of 25<br>storey office block with<br>1 basement car park -<br>office & for rental | 45,495,873                                | 8 years                           | 1990                   |
| <b>KEDAH</b>   |  |              |   |   |                                   |                        |
| Lot 38, Kulim Industrial Estate<br>Mukim Sg Seluang<br>District of Kulim<br>Kedah Darul Aman | Leasehold<br>(60 years -<br>expiring on<br>28.01.2048) | 9.06 acres   | Factory building  | 3,518,334                                 | 15 years                          | 1988                   |
| H.S. (D) 85/92, P.T. 18863<br>Sg. Petani, Daerah Kuala Muda<br>Kedah Darul Aman              | Leasehold<br>(60 years -<br>expiring on<br>12.04.2052) | 3.02 acres   | Factory building  | 2,325,757                                 | 9 years                           | 1994                   |
| <b>SELANGOR</b>  |  |              |   |   |                                   |                        |
| H.S.(D) 57415, P.T. 541<br>Mukim of Bukit Raja<br>Daerah Petaling<br>Selangor Darul Ehsan    | Leasehold<br>(99 years -<br>expiring on<br>04.12.2090) | 209 acres    | Golf course &<br>Clubhouse and<br>residential<br>development                                    | 74,649,619                                | 10 years                          | 1992                   |

# Properties Held by the Group | 99

| Particulars of Titles   | Tenure   | Land Area    | Description/<br>Existing Use                                       | Net Book<br>Value as at<br>31.12.04<br>RM | Approximate<br>Age of<br>Building | Year of<br>Acquisition |
|---|--|--------------|--|---|-----------------------------------|------------------------|
| H.S. (D) 116225, P.T. 1880<br>Mukim Damansara<br>Daerah Petaling<br>Selangor Darul Ehsan              | Leasehold<br>(99 years -<br>expiring on<br>28.12.2096) | 1988 sq ft   | 1 1/2 Storey<br>terrace factory -<br>office & warehouse            | 234,568                                   | 13 years                          | 1990                   |
| Hakmilik No. 440, Lot 186,<br>Mukim of Bandar Selayang,<br>Dearah Gombak<br>Selangor Darul Ehsan      | Leasehold<br>(99 years -<br>expiring on<br>5.9.2074)   | 8625 sq. m.  | Office and<br>factory building                                     | 5,688,900                                 | 13 years                          | 1990                   |
| <b>JOHOR</b>  |  |              |  |   |                                   |                        |
| Lot 10867, Geran No. 48759<br>Mukim Simpang Kanan<br>Daerah Batu Pahat<br>Johor Darul Takzim          | Freehold   | 143 sq. m.   | Double storey<br>shophouse - tenanted                              | 165,502                                   | 17 years                          | 1986                   |
| <b>KUALA LUMPUR</b>   |  |              |  |   |                                   |                        |
| Lot 529, Seksyen 19<br>Bandar Kuala Lumpur<br>Wilayah Persekutuan                                     | Leasehold<br>(99 years -<br>expiring on<br>1.1.2079)   | 40,191 sq ft | 50 units of<br>penthouses and<br>condominiums for<br>sale & rental | 19,241,881                                | 11 years                          | 1991                   |
| Lots 1937-1939, 1947,<br>2507-2512, 2483<br>P.T. 41670, 41763, 41764,<br>42051 Kepong<br>Kuala Lumpur | Freehold   | 26.6 acres   | Joint venture<br>development<br>properties                         | 460,567                                   | -                                 | 1993                   |

# 100 | Analysis of Equity Securities

as at 28 April 2005

|                                 |                                  |
|---------------------------------|----------------------------------|
| Class of security               | : Ordinary Shares of RM1.00 each |
| Authorised Share Capital        | : RM500,000,000                  |
| Total Issue and Paid-up capital | : RM231,559,015                  |
| Voting right                    | : 1 vote per share               |
| Number of shareholders          | : 12,551                         |

| Size of Holdings     | No. of Holders | % of Holders  | No. of Shares      | % of Shares   |
|----------------------|----------------|---------------|--------------------|---------------|
| 1 – 99               | 65             | 0.52          | 1,499              | 0.00          |
| 100 – 1,000          | 3,389          | 27.00         | 3,255,274          | 1.41          |
| 1,001 – 10,000       | 7,701          | 61.36         | 31,026,070         | 13.40         |
| 10,001 – 100,000     | 1,257          | 10.01         | 31,379,890         | 13.55         |
| 100,001 – 11,577,951 | 138            | 1.10          | 117,882,560        | 50.91         |
| 11,577,952 and above | 1              | 0.01          | 48,013,722         | 20.73         |
| <b>Total</b>         | <b>12,551</b>  | <b>100.00</b> | <b>231,559,015</b> | <b>100.00</b> |

## Directors' Shareholding

| Name                               | No. of Shares Held |      |                |       |
|------------------------------------|--------------------|------|----------------|-------|
|                                    | Direct             | %    | Indirect       | %     |
| Dato' Surin Upatkoorn              | 786,630            | 0.34 | 54,877,522 (a) | 23.70 |
| Tang King Hua                      | 9,460,100          | 4.09 | 639,400 (b)    | 0.28  |
| Lawrence Lim Swee Lin              | 320,000            | 0.14 | -              | -     |
| Lim Kong Yow                       | 7,000              | (d)  | 4,000 (c)      | (d)   |
| Dato' Ahmad Hasmuni bin Hj Hussein | -                  | -    | -              | -     |
| Dato' Shahbudin bin Imam Mohamad   | -                  | -    | -              | -     |
| Tan Chor Teck                      | 350,000            | 0.15 | 9,704,680 (e)  | 4.19  |

## Notes:

- Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965 held through Casi Management Sdn Bhd.
- Deemed interested through his wife and by virtue of Section 6A(4) of the Companies Act, 1965 held through Idea Kosmo Sdn Bhd.
- Deemed interested in 4,000 MWE shares held by his spouse, Madam Yap Siew Chooi.
- Shareholding is insignificant.
- Deemed interested through family members and by virtue of Section 6A(4) of the Companies Act, 1965 held through Simansu Sdn Bhd.

# Analysis of Equity Securities | 101

as at 28 April 2005

## 30 LARGEST SHAREHOLDERS

| No. | Name of Shareholders  | No. of Shares Held | % of Share |
|-----|---|--------------------|------------|
| 1.  | <b>SOUTHERN NOMINEES (TEMPATAN) SDN BHD</b><br><i>Qualifier : Pledged Securities Account for Casi Management Sdn Bhd</i>                    | 48,013,722         | 20.74      |
| 2.  | <b>MAYBAN NOMINEES (TEMPATAN) SDN BHD</b><br><i>Qualifier : Pledged Securities Account for Pinjaya Sdn Bhd</i>                              | 10,656,000         | 4.60       |
| 3.  | <b>MAYBAN NOMINEES (TEMPATAN) SDN BHD</b><br><i>Qualifier : Pledged Securities Account for Tang King Hua</i>                                | 9,164,500          | 3.96       |
| 4.  | <b>EB NOMINEES (TEMPATAN) SDN BHD</b><br><i>Qualifier : Pledged Securities Account for E&amp;O Developers Sdn Bhd</i>                       | 8,418,000          | 3.64       |
| 5.  | <b>CIMSEC NOMINEES (TEMPATAN) SDN BHD</b><br><i>Qualifier : CIMB for Simansu Sdn Bhd</i>  | 8,058,000          | 3.48       |
| 6.  | <b>GREENLAND TIMBER INDUSTRIES (PRIVATE) LIMITED</b>  | 7,966,000          | 3.44       |
| 7.  | <b>CASI MANAGEMENT SDN BHD</b>  | 5,061,500          | 2.19       |
| 8.  | <b>AMMB NOMINEES (TEMPATAN) SDN BHD</b><br><i>Qualifier : Pledged Securities Account for E&amp;O Property Development Berhad</i>            | 4,510,000          | 1.95       |
| 9.  | <b>TIMELESS IMAGE SDN BHD</b>   | 4,100,000          | 1.77       |
| 10. | <b>E&amp;O PROPERTY DEVELOPMENT BERHAD</b>  | 3,690,000          | 1.59       |
| 11. | <b>EMPLOYEES PROVIDENT FUND BOARD</b>   | 3,239,000          | 1.40       |
| 12. | <b>BUMIPUTRA-COMMERCE NOMINEES (TEMPATAN) SDN BHD</b><br><i>Qualifier : Pledged Securities Account for A.A. Anthony Securities Sdn Bhd</i>  | 3,170,000          | 1.37       |
| 13. | <b>PINJAYA SDN BHD</b>  | 3,048,700          | 1.32       |
| 14. | <b>JB NOMINEES (TEMPATAN) SDN BHD</b><br><i>Qualifier : for New Kota Credit Sdn Bhd</i>   | 2,730,500          | 1.18       |
| 15. | <b>JB NOMINEES (TEMPATAN) SDN BHD</b><br><i>Qualifier : Pledged Securities Account for Bizurai Bijak (M) Sdn Bhd</i>                        | 2,580,000          | 1.11       |
| 16. | <b>EB NOMINEES (TEMPATAN) SDN BHD</b><br><i>Qualifier : Pledged Securities Account for Eastern &amp; Oriental Berhad</i>                    | 2,500,000          | 1.08       |
| 17. | <b>JB NOMINEES (ASING) SDN BHD</b><br><i>Qualifier : Pledged Securities Account for Citibase Limited</i>                                    | 1,660,000          | 0.72       |
| 18. | <b>JB NOMINEES (TEMPATAN) SDN BHD</b><br><i>Qualifier : Pledged Securities Account for MCC Credit Sdn Bhd</i>                               | 1,600,000          | 0.69       |
| 19. | <b>NG KWENG THEAM</b>   | 1,545,200          | 0.67       |
| 20. | <b>CIMSEC NOMINEES (TEMPATAN) SDN BHD</b><br><i>Qualifier : Pengurusan Danaharta Nasional Berhad for Raja Zainal Abidin Bin Raja Hussin</i> | 1,209,000          | 0.52       |
| 21. | <b>CASI MANAGEMENT SDN BHD</b>  | 1,121,500          | 0.48       |
| 22. | <b>TAN TOH HUA</b>  | 1,041,400          | 0.45       |
| 23. | <b>CARTABAN NOMINEES (ASING) SDN BHD</b><br><i>Qualifier : Bank of Tokyo Mitsubishi Luxembourg S.A. for Osterreichische Volksbanken AG</i>  | 1,000,000          | 0.43       |
| 24. | <b>HLB NOMINEES (TEMPATAN) SDN BHD</b><br><i>Qualifier : Pledged Securities Account for Lau Kwai</i>  | 1,000,000          | 0.43       |

# 102 | Analysis of Equity Securities

as at 28 April 2005

## 30 LARGEST SHAREHOLDERS

| No.          | Name of Shareholders  | No. of Shares Held | % of Share   |
|--------------|---|--------------------|--------------|
| 25.          | <b>ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD</b><br><i>Qualifier : Pledged Securities Account for Muhammad Marzuki bin A. Samad</i>   | 958,000            | 0.41         |
| 26.          | <b>HUANG PHANG LYE</b>  | 910,000            | 0.39         |
| 27.          | <b>JB NOMINEES (ASING) SDN BHD</b><br><i>Qualifier : Pledged Securities Account for Greenland Timber Industries (Private) Limited</i> | 907,800            | 0.39         |
| 28.          | <b>ABM HOLDINGS SDN BHD</b>   | 906,400            | 0.39         |
| 29.          | <b>PACIFIC &amp; ORIENT INSURANCE CO BERHAD</b>   | 900,000            | 0.39         |
| 30.          | <b>GOLDEN BAY HOLDING SDN BHD</b>   | 843,000            | 0.36         |
| <b>Total</b> |   | <b>142,508,222</b> | <b>61.54</b> |

## SUBSTANTIAL SHAREHOLDERS

| Name                      | Direct Interest<br>No. of Shares | %     | Indirect Interest<br>No. of Shares | %     |
|---------------------------|----------------------------------|-------|------------------------------------|-------|
| Pinjaya Sdn Bhd           | 13,966,280                       | 6.03  | -                                  | -     |
| Casi Management Sdn Bhd   | 54,877,522                       | 23.70 | -                                  | -     |
| Dato' Surin Upatkoorn     | 786,630                          | 0.34  | 54,877,522(a)                      | 23.70 |
| Dato' Tham Ka Hon         | -                                | -     | 19,118,000(b)                      | 8.26  |
| Eastern & Oriental Berhad | 10,918,000                       | 4.72  | 8,200,000(c)                       | 3.54  |

### Notes:

- (a) Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965 held through Casi Management Sdn Bhd.
- (b) Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965 held through Eastern & Oriental Berhad.
- (c) Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965 held through E & O Property Development Berhad.

| CDS ACCOUNT NO. | NO. OF SHARES HELD |
|-----------------|--------------------|
|                 |                    |

**Registered Office :** 846, Jalan Raya, 14209 Sungei Bakap, Seberang Perai Selatan, Pulau Pinang

I/We, \_\_\_\_\_ Tel No: \_\_\_\_\_  
(FULL NAME IN BLOCK CAPITALS)

NRIC No: \_\_\_\_\_ (old) \_\_\_\_\_ (new)/Co. Reg No: \_\_\_\_\_

of \_\_\_\_\_  
(ADDRESS)

being a member/members of MWE HOLDINGS BERHAD, hereby appoint \_\_\_\_\_

\_\_\_\_\_ NRIC No : \_\_\_\_\_  
(FULL NAME IN CAPITALS) (NEW & OLD IC NOS.)

of \_\_\_\_\_  
(ADDRESS)

or failing whom \_\_\_\_\_ NRIC No : \_\_\_\_\_  
(FULL NAME IN CAPITALS) (NEW & OLD IC NOS.)

of \_\_\_\_\_  
(ADDRESS)

or failing whom , THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at the Company's Registered Office at 846, Jalan Raya, 14209 Sungei Bakap, Seberang Perai Selatan, Pulau Pinang on Monday 06, June 2005 at 10.30 a.m. and at any adjournment thereof.

| RESOLUTIONS   | * FOR | * AGAINST |
|---|-------|-----------|
| 1. Adoption of Audited Financial Statements and Reports   |       |           |
| 2. Declaration of Final Dividend of 2% tax exempt   |       |           |
| 3. Re-election of Mr Lawrence Lim Swee Lin as Director  |       |           |
| 4. Re-election of Mr Tan Chor Teck as Director  |       |           |
| 5. Re-appointment of Dato' Ahmad Hasmuni Bin Hj Hussein   |       |           |
| 6. Approval of Directors' fees  |       |           |
| 7. Re-appointment of Auditors   |       |           |
| 8. To authorise Directors to grant options and to allot and issue shares pursuant to the Employees' Share Option Scheme |       |           |
| 9. To authorise Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965                 |       |           |

\* Please indicate with an "X" in the spaces provided how you wish your votes to be cast. (If you do not do so, the Proxy will vote or abstain from voting at his discretion)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2005

\_\_\_\_\_  
Signature of Witness

Name :

Address :

Occupation :

\_\_\_\_\_  
Signature of Shareholder (s)

**NOTES :**

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy or two proxies to attend and vote instead of him. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy need not be a member of the Company.
2. The form of proxy in the case of an individual shall be signed by the appointor or his attorney and in the case of a corporation, must be executed under seal or under the hand of an officer or attorney duly authorised.
3. The instrument appointing a proxy must be deposited at the Company's Registered Office at 846, Jalan Raya, 14209 Sungei Bakap, Seberang Perai Selatan, Pulau Pinang not less than 48 hours before the time appointed for holding the Meeting.

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AFFIX  
STAMP

The Company Secretary  
MWE HOLDINGS BERHAD  
846, Jalan Raya,  
14209 Sungei Bakap,  
Seberang Perai Selatan,  
Pulau Pinang.

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