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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Forty Third Annual General Meeting of stockholders of the Company will be held at Sri Perak, Level 4, The City Bayview Hotel, 25A Farquhar Street, 10200 Penang on Tuesday, 28 June 2005 at 12.00 noon for the following purposes:

- | | |
|---|----------------------|
| 1. To receive and adopt the audited Financial Statements for the year ended 31 December 2004 together with the Directors' Report and Auditors' Report thereon | Resolution 1 |
| 2. To declare a Final Dividend of 8% less tax and a Special Dividend of 2.5% less tax for the year ended 31 December 2004 | Resolution 2 |
| 3. (i) To re-elect the following Directors who retire in accordance with Section 129 of the Companies Act, 1965 : | |
| a) Dato' Loh Say Bee | Resolution 3 |
| b) YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen Bin Tengku Ismail | Resolution 4 |
| c) Puan Sharifah Intan Binti S M Aidid | Resolution 5 |
| (ii) To re-elect the following Directors who retire in accordance with Article 133 of the Company's Articles of Association : | |
| a) Tunku Dato' Dr Ismail Bin Mohammad Jawa | Resolution 6 |
| b) Dato' Wong Lum Kong | Resolution 7 |
| c) Mr Yasuhide Mizuno | Resolution 8 |
| 4. To approve the increase in Directors' Fees to RM60,000 each for the year ended 31 December 2004. | Resolution 9 |
| 5. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 10 |



6. As Special Business, to consider and if thought fit, to pass with or without any modification, the following Ordinary Resolutions :

A) Proposed Stockholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

“THAT pursuant to Chapter 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad, a general mandate of the Stockholders be and is hereby granted for the Company and/or its subsidiaries to enter into the recurrent arrangements or transactions of a revenue or trading nature, as set out in the Company's Circular to Stockholders dated 6 June 2005 (“the Circular”) with any person who is a related party as described in the Circular as follows, provided that such transactions are undertaken in the ordinary course of business, on an arm's length basis, on normal commercial terms, on terms not more favourable to the Related Party than those generally available to the public and are not, in the Company's opinion, detrimental to the minority stockholders; and that disclosure will be made in the annual report of the aggregate value of transactions conducted during the financial year; and that such approval, unless revoked or varied by the Company in general meeting, shall continue to be in force until the conclusion of the next Annual General Meeting of the Company :-

- | | |
|--|----------------------|
| a) Recurrent Related Party Transactions of a revenue or trading nature involving Boon Siew Sdn Bhd Group; | Resolution 11 |
| b) Recurrent Related Party Transactions of a revenue or trading nature involving Dato' Syed Mohamad Bin Syed Murtaza and family; | Resolution 12 |
| c) Recurrent Related Party Transactions of a revenue or trading nature involving Honda Motor Co., Ltd.; | Resolution 13 |
| d) Recurrent Related Party Transactions of a revenue or trading nature involving i-Logistics Corporation and Itochu Corporation; | Resolution 14 |



B) PROPOSED RENEWAL OF STOCK BUY-BACK

Resolution 15

“THAT, subject to compliance with Section 67A of the Companies Act, 1965 (as may be amended, modified or re-enacted from time to time) and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities, approval be and is hereby given to the Company to utilise up to RM305.6 million which represents the audited retained profits reserve of the Company as at 31 December 2004, otherwise available for dividend for the time being, to purchase on the Bursa Malaysia Securities Berhad ("Bursa Securities") its own stocks up to 51,700,000 ordinary stocks of RM1.00 each representing 10% of the issued and paid up share capital of the Company of 517,000,000 ordinary stocks of RM1.00 each as at 10 May 2005 (including 31,808 Stocks retained as Treasury Stocks) AND THAT upon completion of the purchase(s) of the Stocks by the Company, the Stocks shall be dealt with in the following manner :-

- i) to cancel the Stocks so purchased; or
- ii) to retain the Stocks so purchased as treasury shares for distribution as dividends to the stockholders and/or resell on the market of the Bursa Securities; or
- iii) to retain part of the Stocks so purchased as treasury stocks and cancel the remainder.

whereby an announcement regarding the intention of the Directors of the Company in relation to the proposed treatment of the shares purchased and rationale thereof will be made to the Bursa Securities AND THAT such authority from the stockholders would be effective immediately upon passing of this Ordinary Resolution up till the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next AGM is required by law to be held (unless earlier revoked or varied by Ordinary Resolution in a general meeting of stockholders of the Company) but not so as to prejudice the completion of a purchase by the Company or any person before the aforesaid expiry date, in any event, in accordance with the provisions of the guidelines issued by the Bursa Securities or any other relevant authorities; AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary or expedient to implement or to effect the purchase of OHB Stocks.”

7. To transact any other businesses of which due notice shall have been given in accordance with the Company's Articles of Association.



DIVIDEND ANNOUNCEMENT

NOTICE IS ALSO HEREBY GIVEN that a depositor shall qualify for entitlement to the dividend only in respect of :-

- a. Stocks transferred into the Depositor's Securities Account before 4:00 p.m. on 5 July 2005 in respect of ordinary transfers; and
- b. Stocks bought on the Bursa Malaysia Securities Berhad on a cum dividend entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

The Final Dividend, if approved, will be paid on 28 July 2005 to depositors registered in the Records of Depositors at the close of business on 5 July 2005.

Stockholders are reminded that pursuant to the Securities Industry (Central Depositories) (Amendment) (No.2) Act, 1998 which came into force on 1 November 1998, all shares not deposited with Malaysian Central Depository Sdn. Berhad by 12.30 p.m. on 1 December 1998 and not exempted from Mandatory Deposit, have been transferred to the MOF. Accordingly, the dividends for such undeposited shares will be paid to the MOF.

By Order of the Board

C. T. DIONG

(Secretary)

Penang 6 June 2005.

Notes :

1. A stockholder entitled to attend and vote at this Meeting may appoint a Proxy, who need not be a stockholder, to attend and to vote in his stead.
2. If the appointer is a corporation, the Proxy form must be executed under the Common Seal of the Company or under the hand of its attorney duly authorised in writing.
3. To be valid, the Proxy form must be deposited at the Company's Registered Office at Suite 2-1, 2nd Floor, Menara Penang Garden, 42A Jalan Sultan Ahmad Shah, 10050 Penang, not less than 48 hours before the time for holding the meeting or adjournment thereof.
4. Should you desire your Proxy to vote on the Resolutions set out in the Notice of Meeting, please indicate with an "X" in the appropriate space. If no specific direction as to voting is given, the Proxy will vote or abstain at his discretion.

Explanatory Notes on Special Business :

The proposed resolutions 11 to 14, if passed will renew the stockholders' mandate on Recurrent Related Party Transactions and allow the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions in accordance with Chapter 10 of the Listing Requirements of the Bursa Malaysia Securities Berhad. This approval shall continue to be in force until the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting is required by the law to be held or revoked/varied by resolution passed by the stockholders in general meeting whichever is the earlier.

The proposed resolution 15, if passed will allow the Company to purchase its own stocks. The total number of stocks purchased shall not exceed 51,700,000 stocks representing 10% of the issued and paid up share capital of the Company. This authority will, unless revoked or varied by the Company in general meeting, expires at the next Annual General Meeting of the Company.



BOARD OF DIRECTORS

Chairman

Dato' Loh Cheng Yean
D.S.P.N.

Managing Director

Dato' Wong Lum Kong
D.S.S.A., J.P.

Dato' Loh Say Bee
D.M.P.N., A.M.N., P.K.T., P.J.K.

Dato' Lim Su Tong @ Lim Chee Tong
D.S.P.N.

YM Tengku Tan Sri Dato' Seri Ahmad
Rithauddeen Bin Tengku Ismail
P.M.N., S.P.M.P., S.S.A.P., P.M.K.

Dato' Dr. Tan Chong Siang
D.S.P.N., D.J.N., P.K.T.

Dato' Prof. Dr Tunku Ismail Bin Tunku
Mohammad Jawa
D.S.D.K., K.M.N., P.K.T., P.K., P.P.A., Ph.D

Sharifah Intan Binti S. M. Aidid

Yasuhide Mizuno

SECRETARY

C. T. Diong, F.C.A. (Aust), Chartered Accountant

AUDIT COMMITTEE

Chairman

YM Tengku Tan Sri Dato' Seri Ahmad
Rithauddeen bin Tengku Ismail

Members

Dato' Wong Lum Kong
Dato' Loh Say Bee
Sharifah Intan Binti S. M. Aidid
Dato' Prof. Dr Tunku Ismail Bin Tunku
Mohammad Jawa

REGISTERED OFFICE

Suite 2-1, 2nd Floor
Menara Penang Garden
42A, Jalan Sultan Ahmad Shah
10050 Penang
Tel No : 04-2294390
Fax No : 04-2265860

REGISTRAR

AGRITEUM Share Registration
Services Sdn. Bhd.
2nd Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang
Tel No : 04-2282321
Fax No : 04-2272391

AUDITORS

KPMG, Penang
Chartered Accountants

BANKERS

Citibank Berhad
OCBC Bank (Malaysia) Berhad
HSBC Bank Malaysia Berhad
RHB Bank Berhad
Public Bank Berhad
Eon Bank Berhad
Maybank Berhad
United Overseas Bank (Malaysia) Bhd
AmBank Berhad

LISTING

Bursa Malaysia Securities Berhad
Main Board
Stock Code : 4006



PROFILE OF DIRECTORS

Dato' Loh Cheng Yean

Dato' Loh, aged 61, a Malaysian, is a Non-Independent Executive Director and appointed to the Board in 1987.

She completed her college education in England and worked for 2 years in London before returning to Malaysia. She began her career in 1974 working in Kah Motor Company Sdn Berhad in Singapore as Managing Director, in charge of Singapore operations, a post, she is still holding today. She also manages the overseas subsidiaries, Kah Australia and Kah New Zealand in their respective countries. She is also involved in the management and marketing arm of hotel division of Oriental Holdings Berhad, Bayview International Hotel & Resorts Sdn Bhd.

She was appointed Chairman of Oriental Holdings Berhad in 1995.

She is also the Chairman of Singapore Safety Driving Centre Ltd and a Director of Bukit Batok Driving Centre Ltd (Singapore), Tasek Corporation Berhad, Honda Malaysia Sdn Bhd, Tun Sardon Foundation and Asia Insurance (Malaysia) Berhad.

She attended all the 5 Board Meetings held in 2004.

She is a sister-in-law of Dato' Wong Lum Kong, Dato' Dr Tan Chong Siang and Dato' Lim Su Tong.

Dato' Wong Lum Kong, JP

Dato' Wong, aged 64, a Malaysian, is a Non-Independent Executive Director and was appointed to the Board on April 12, 1976.

An Australian trained Accountant with Cost Accounting background, Dato' Wong is a member of the Malaysian Institute of Accountants, the Malaysian Institute of Certified Public Accountants, the Australian Society of Accountants and the Malaysian Institute of Directors.

His working career started off in 1964 when he assumed the post of General Manager of a manufacturing and trading concern dealing in non-consumable products. From 1967 to 1971, he was attached to a local accounting firm as a Senior Accountant, and during this period, he was seconded to a stock broking firm for 1½ years to reorganise and manage the business.

Dato' Wong joined the Oriental Holdings Berhad Group in 1972 as General Manager and Advisor, with emphasis on the motor business. Since 1987, he has been the Group Managing Director, and because of his extensive years of experience in the motor trade spanning over four decades, he is to this day still overseeing the Group's overall business particularly four wheelers as well as the manufacturing of automotive and plastic parts both locally and abroad. In addition to the motor trade, he is also actively involved in other businesses, including serving as director in the Group's subsidiary companies involved in hotel, plantation and construction machinery. In 2001, he was appointed Managing Director and CEO of Oriental-Hyundai Sdn. Bhd; a subsidiary of Oriental Holdings Berhad formed to market and distribute Hyundai CKD vehicles in Malaysia. Past directorships' experiences were in leasing and finance.

Besides work, Dato' Wong is very much devoted to public services and has held some notable memberships and amongst them – Treasurer of the Council of Justices of the Peace of Selangor and is the Honorary Rotarian of the Rotary Club of Kuala Lumpur West and the Treasurer of the Selangor Volley Ball Association.

In addition to board membership, Dato' Wong is also a member of the Audit Committee.



He attended all the 5 Board Meetings held in 2004.

Dato' Wong is the eldest brother-in-law of Dato' Loh Cheng Yean, Dato' Dr Tan Chong Siang and Dato' Lim Su Tong.

Dato' Lim Su Tong

Dato' Lim, aged 60, a Malaysian, is a Non-Independent Executive Director and has been a board member since July 1, 1974.

Dato' Lim, a Bachelor of Arts (Hons.) Economics graduate has over 30 years of experience in business operations. He is in charge of finance, property development and plantation divisions of the Group. He is currently a director of Boon Siew Credit Berhad and Penang Yellow Bus Co. Bhd.

He attended all the 5 Board Meetings held in 2004.

He is a brother-in-law of Dato' Loh Cheng Yean, Dato' Wong Lum Kong, JP and Dato' Dr Tan Chong Siang.

Tengku Tan Sri Dato Seri Ahmad Rithauddeen Bin Tengku Ismail

YM Tengku, aged 73, a Malaysian, is an Independent Non-Executive Director and was appointed to the Board on February 9, 2000.

YM Tengku, a former Cabinet Minister, served with the government for 20 years in various ministries as Minister of Foreign Affairs, Minister of International Trade and Industry, Minister at the Prime Minister's Office and Minister of Defence before retiring in 1990.

Tengku holds a Bachelor of Law degree from the University of Nottingham, United Kingdom and is a Barrister-at-Law from Lincoln's Inn.

He is also currently the Pro-Chancellor of Universiti Kebangsaan Malaysia, Chairman of Road Builder (M) Holdings Berhad, University of Nottingham Malaysia Sdn Bhd and Yayasan Amal of Inti College.

In January 2002, YM Tengku was conferred Doctor of Laws (Honoris Causa) by the University of Nottingham.

He is the Chairman of the Audit Committee.

He attended all the 5 Board Meetings held in 2004.

YM Tengku does not have any family relationship with any other Director and/or major shareholder of the Company.



Dato' Loh Say Bee

Dato' Loh, aged 80, a Malaysian, is an Independent Non-Executive Director and has been a board member since September 11, 1964.

He completed his primary education in China before he came to Malaysia. He has over 50 years of experience in property development. He is the advisor to various development companies namely, Perumahan Concord Sdn Bhd, Seberang Perai Resort Berhad, Union Enterprise Sdn Bhd. He was also a Board Member of Southern Bank Berhad in the 1960's.

He is the Chairman of Loh Say Bee Sdn Bhd, the Managing Director of Sri Pinang Development Sdn Bhd and a director of The Corner Properties Berhad.

He is a member of the Audit Committee.

He attended all the 5 Board meetings held in 2004.

Dato' Loh does not have any family relationship with any other Director and/or major shareholder of the Company.

Dato' Prof. Dr. Tunku Ismail Bin Tunku Mohammad Jawa

Tunku, aged 67, a Malaysian, is an Independent Non-Executive Director and has been a board member since July 2, 2001

Tunku, an educationist and a former Professor, holds a Post Doctoral qualification from Harvard. He ventured into the business world after he retires from Universiti Sains Malaysia.

He is the Chairman of P.I.E. Industrial Berhad since 1997. He is also a director of Luster Industries Bhd and CAB Cakaran Corporation Berhad.

He is a member of the Audit Committee.

He attended all the 5 Board Meetings held in 2004.

Tunku does not have any family relationship with any other Director and/or major shareholder of the Company.

Dato' Dr Tan Chong Siang

Dato' Dr Tan, aged 64, a Malaysian, is a Non-Independent Non-Executive Director and has been a board member since April 7, 1995.

Dato' Dr Tan is a medical specialist by profession and a Chief Executive Officer of two private hospitals.

He attended all the 5 Board Meetings held in 2004.

He is a brother-in-law of Dato' Loh Cheng Yean, Dato' Wong Lum Kong and Dato' Lim Su Tong.



Sharifah Intan Binti S M Aidid

Puan Sharifah, aged 70, a Malaysian, is a Non-Independent Non-Executive Director. She was appointed a Director on 25 July 2002.

After 20 years in the teaching profession, she took up law in 1980, and was called to the Bar in 1985. She is currently a partner of Messrs. Lim Huck Aik & Co, Advocates & Solicitors.

She is not a board member of any other public listed company.

She is a member of the Audit Committee.

She attended all the 5 Board Meetings held in 2004.

Puan Sharifah does not have any family relationship with any other Director and/or major shareholder of the Company.

Yasuhide Mizuno

Mr Yasuhide Mizuno, aged 41, a Japanese, is a Non-Independent Non-Executive Director and has been a board member since 3 May 2005. Mr Yasuhide Mizuno graduated from Kansai University, Japan with a Degree in Law.

Mizuno is the Managing Director/CEO of Honda Malaysia Sdn. Bhd, a position that he holds since April, 2005. Prior to his current appointment, he was the General Manager in charge of Sales & Marketing in Honda Taiwan Co., Ltd for about 3 years. His other appointments since joining Honda Motor Co., Ltd in 1986 were the Assistant Manager in Automobile Sales Department (Asia & Oceania) in Honda HQ and General Manager in Honda Cars Thailand Co., Ltd.

He is not a board member of any other public listed company in Malaysia.

Mr Yasuhide Mizuno is the representative of Honda Motor Co., Ltd. He does not have any family relationship with any other Director and/or major shareholder of the Company.

Notes:

(a) *Conflict of Interest*

None of the Directors has any conflict of interest with the Group.

(b) *Convictions of Offences*

None of the Directors has been convicted of any offences within the past 10 years.



NAME OF SUBSIDIARIES AND ASSOCIATED COMPANIES

AAP	Armstrong Auto Parts Sdn. Berhad
ACP	Armstrong Cycle Parts (Sdn). Berhad
ACPV	Armstrong Component Parts (Vietnam) Co., Ltd
AI	Armstrong Industries Sdn. Bhd.
AR	Armstrong Realty Sdn. Bhd.
ATS	Armstrong Trading & Supplies Sdn. Bhd.
ATTS	AT-TS Marketing Sdn. Bhd.
BBDS	Bukit Batok Driving Centre Ltd.
Bint	Bayview International Sdn. Bhd.
BSB	Boon Siew (Borneo) Sendirian Berhad
BSKah	B. S. Kah Pte. Ltd.
CC	Compounding & Colouring Sdn. Bhd.
ChDev	Chainferry Development Sdn. Berhad
DF	Dragon Frontier Sdn. Bhd.
Gbay	Geographe Bay Motel Unit Trust
HAP	Honda Autoparts Manufacturing (M) Sdn. Bhd.
HM	Happy Motoring Company Sdn. Bhd.
HS	Hymold (Su Zhou) Co., Ltd
HTSM	Hicom Teck See Manufacturing Malaysia Sdn. Bhd.
Jasa	Jasabudi Sdn. Bhd.
Juta	Jutajati Sdn. Bhd.
Kah Assemblers	Kah Assemblers Sdn. Bhd.
Kah M	Kah Motor Company Sdn. Berhad
KAust	Kah Australia Pty. Ltd.
KBA	Kah Bintang Auto Sdn. Bhd.
Ken	Kenanga Mekar Sdn. Bhd.
KNZ	Kah New Zealand Limited
KWE	Kwong Wah Enterprise Sdn. Bhd.
LEM	Lipro Electrical Manufacturing Sdn. Bhd.
LKE	Lipro Kyowa Electronics Sdn. Bhd.
LMold	Lipro Mold Engineering Sdn. Bhd.
LSB	Lipro Sdn. Bhd.
LT	Lipro Trading Sdn. Bhd.
NME	North Malaya Engineers Trading Company Sdn. Berhad
NMEO	North Malaya Engineers Overseas Sdn. Bhd.
NMX	North Malaya (Xiamen) Steel Co. Ltd.
OA	Oriental Assemblers Sdn. Bhd.
OAM	Oriental Asia (Mauritius) Pte. Ltd.
OBSM	Oriental Boon Siew Mauritius Pte. Ltd.
OC	Syarikat Oriental Credit Berhad
OHCM	Oriental -Hitachi Construction Machinery Sdn. Bhd.
OHY	Oriental -Hyundai Sdn Bhd
OIM	Oriental International (Mauritius) Pte Ltd
OIW	Oriental Industries (Wuxi) Co. Ltd
OKI	P. T. Oriental Kyowa Industries
OKPI	Oriental Kyowa Plastic Industries (Shanghai Pudong New Area) Co. Ltd
OL	Onward Leasing & Credit Sdn. Bhd.
Olog	Oriental -Logistics Sdn Bhd
ONDE	Oriental Nichinan Design Engineering Sdn. Bhd.
OR	Oriental Realty Sdn. Berhad
ORPO	Oriental Rubber & Palm Oil Sdn. Berhad
OSI	Oriental San Industries Sdn. Bhd.
OTIC	Oriental Thai Industries Co. Ltd.
PgA	Penang Amusements Co. Sdn. Bhd.
PTGBina	PT Gunungsawit Binalestari
PTGML	PT Gunung Maras Lestari
PT OMI	P.T. Oriental Manufacturing Indonesia
PWR	Penang Wellesley Realty Sdn. Berhad
SO	Southern Oriental Sdn. Bhd.
SP	Selasih Permata Sdn. Bhd.
SPP	Southern Perak Plantations Sdn. Berhad
SSDC	Singapore Safety Driving Centre Ltd.
SU	Simen Utara Sdn. Bhd.
TSP	Teck See Plastic Sdn. Bhd.
UG	Ultra Green Sdn. Bhd.
UMix	Unique Mix (Penang) Sdn. Bhd.
UP	Unique Pave Sdn. Bhd.



ORIENTAL HOLDINGS BERHAD
(Company No. 5286-U)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

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CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Oriental Holdings Berhad, I am pleased to present the annual report for the year ended 31 December 2004.

The year 2004 marked another milestone for the Group. Despite difficult and unstable market conditions, the Group continued to maintain another year of good profits.

As the business environment becomes more challenging and competitive resulting in reduced margins, hence, the need to have efficient management to cater to customer demands and to manage costs. The Group continues its structured approach to pursuing growth, maintaining the Group's competitiveness and ensuring the long term growth and prospects by expanding into similar and/or complementary businesses whenever opportunities arise.

2005 brings new challenges and the decisions the Group makes today will determine its future success and profitability and how well positioned it will be to succeed in the increasingly competitive market place.

YEAR UNDER REVIEW

Currently, the Group sells Honda automobiles via its wholly owned subsidiary, Kah Motor Company Sdn Bhd as dealers in Malaysia and as distributors in both Singapore and Brunei. Oriental-Hyundai Sdn Bhd and Kah Bintang Auto Sdn Bhd distribute and sell certain models of the Hyundai automobiles in Malaysia, namely the Accent, Elantra and Sonata. Despite the intense competition from other automobile distributors and the thin margin already faced by the industry, the contribution from the Group's automotive and related subsidiaries were better than expected both in terms of revenue and operating profits due to prudent management.

The plantation sector benefited from the continued uptrend in commodity prices and the increase in matured trees available for harvesting by the overseas plantation subsidiaries, although contribution from the latter was affected by foreign currencies loss. The performance of the plantation subsidiaries is expected to improve further with the increase in crop production and assuming the CPO prices stay at the current levels.

Revenue from the overseas subsidiaries in the tourism and hospitality industry also showed substantial improvement during the year but margins were affected by competition.

CHANGES IN EQUITY

There was no further cancellation of the Treasury Stocks in 2004. The remaining 31,808 stocks repurchased are being held as Treasury Stocks in accordance with the requirement of Section 67A of the Companies Act, 1965.

DIVIDEND

Based on the share capital of RM516,968,192 (*after deducting 31,808 Treasury Stocks*), an interim payment of 10.0% less tax comprising an ordinary dividend of 5.0% less tax and a special dividend of 5.0% less tax, was paid on 28 January 2005.

Your Board is now recommending a final dividend of 8.0% less tax and a special dividend of 2.5% less tax, making a total dividend of 10.5% less tax. In total, the net-of-tax distribution for the year will amount to RM76,304,505 as compared to RM74,443,420 paid in the previous year.



OUTLOOK

The world economy is becoming more integrated than ever before and is increasingly vulnerable to international disruptions. External shocks have ripple effect and are easily transferred from one economy to another.

Fundamentally, the Malaysian economic prospects for the year 2005 appear good. However, the Malaysian economy is by no means sheltered from any economic shocks. The private sector is expected to play a bigger role in the Malaysian economy. The Malaysian economy is well positioned to withstand any uncertain global economic conditions.

To enhance the potential for significant value generation for our stockholders, the Group will continue to look for opportunities for expansion while maintaining prudent management by practising good corporate governance. The Group is looking forward to capitalising on the prevailing conducive business conditions and strong consumer confidence brought about by the strong economic fundamentals of the country and supportive Government policies.

ACKNOWLEDGEMENT

On behalf of the Board, I thank the Management and staff of all the companies in the Group, our dealers and customers for their loyal support, and our stockholders for their confidence, all of which have contributed to another successful year.

DATO' LOH CHENG YEAN

Chairman

28 April 2005



FIVE - YEAR GROUP FINANCIAL SUMMARY - RM'Million

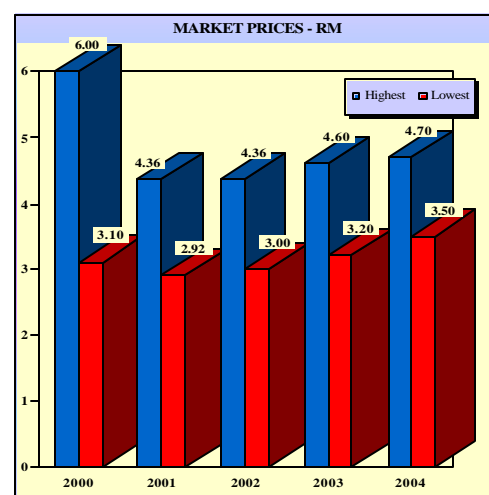
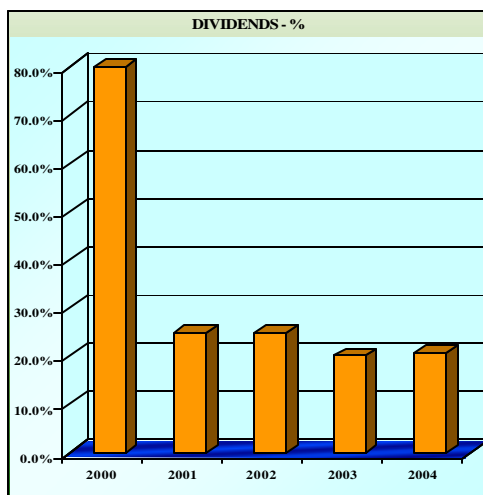
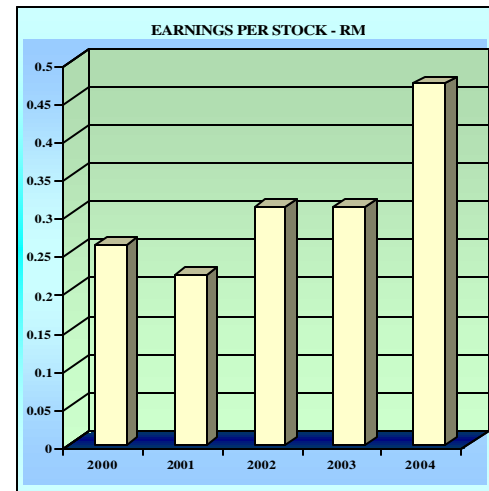
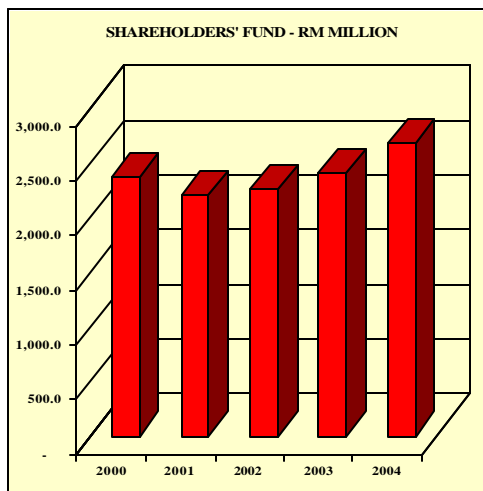
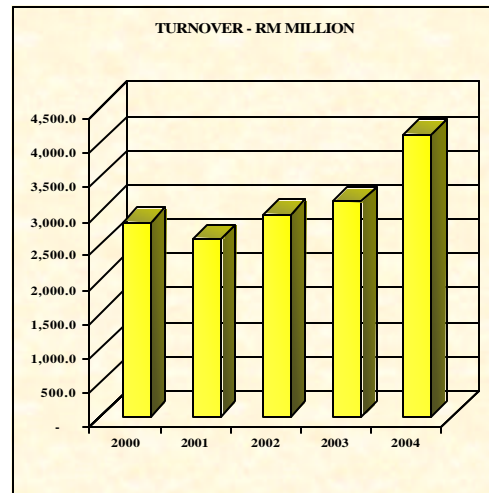
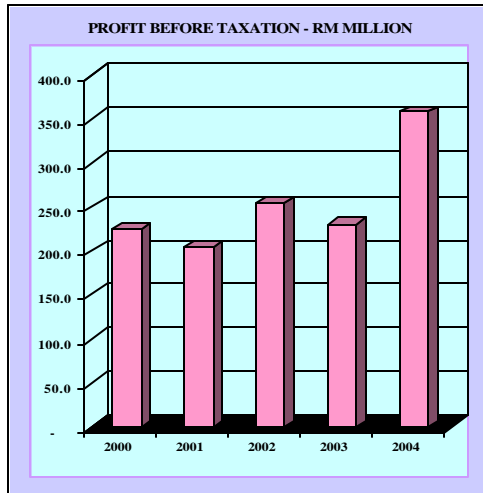
	2004	2003	2002	2001	2000
BALANCE SHEET ANALYSIS					
Issued capital	517.0	517.0	517.0	517.0	517.1
Reserves	364.0	271.0	189.2	202.9	291.0
Retained profits	1,812.8	1,642.8	1,565.2	1,497.2	1,577.2
Treasury stocks	(0.2)	(0.2)	(0.2)	(0.2)	(0.8)
STOCKHOLDERS' FUNDS	2,693.6	2,430.6	2,271.2	2,216.9	2,384.5
Property, plant and equipment	1,482.9	1,394.4	1,231.6	1,128.7	1,191.0
Development properties	55.4	57.7	57.6	57.2	57.4
Investments	384.3	327.1	311.6	239.7	212.1
Current assets	1,812.1	1,609.8	1,546.5	1,637.7	1,835.9
Deferred expenditure	5.9	11.3	6.0	5.2	0.8
Deferred tax assets	8.5	6.5	-	-	-
Goodwill on consolidation	20.4	19.2	17.1	15.3	15.3
TOTAL ASSETS	3,769.5	3,426.0	3,170.4	3,083.8	3,312.5
MINORITY INTERESTS	(279.6)	(253.3)	(249.6)	(235.8)	(204.2)
TOTAL LIABILITIES	(796.3)	(742.1)	(649.6)	(631.1)	(723.8)
	2,693.6	2,430.6	2,271.2	2,216.9	2,384.5

OTHER DATA

Profit before taxation	357.8	230.8	254.6	204.6	223.9
Taxation	(79.0)	(53.5)	(34.9)	(66.7)	(74.8)
	278.8	177.3	219.7	137.9	149.1
Minority interests	(34.4)	(15.2)	(58.7)	(21.9)	(15.9)
NET PROFIT	244.4	162.1	161.0	116.0	133.2
DIVIDEND					
Net - RM'million	76.3	74.4	93.1	93.1	241.9
Gross rate - %	20.5	20.0	25.0	25.0	80.0



FINANCIAL HIGHLIGHTS OF THE GROUP





FINANCIAL CALENDAR

FINANCIAL YEAR END	31 December 2004
ANNOUNCEMENT OF RESULTS	
Quarter ended 31 March 2004	27 May 2004
Quarter ended 30 June 2004	26 August 2004
Quarter ended 30 September 2004	25 November 2004
Quarter ended 31 December 2004	28 February 2005
DIVIDENDS	
Payment of Final Dividend for Year 2003	30 July 2004
Payment of Interim and Special Dividend for Year 2004	28 January 2005
Proposed Final Dividend for Year 2004	28 February 2005
POSTING OF ANNUAL REPORT AND FINANCIAL STATEMENTS TO STOCKHOLDERS	6 June 2005
ANNUAL GENERAL MEETING	28 June 2005



STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (the “Board”) recognises the importance of adopting high standards of corporate governance within the Group. The Board views corporate governance as synonymous with three key concepts, namely transparency, accountability and integrity.

As such, it strives to adopt the substance behind corporate governance prescriptions and not merely the form. The Board is fully committed to the maintenance of high standards of corporate governance by supporting and implementing the prescriptions of the Principles and Best Practices set out in Parts 1 and 2 of the Malaysian Code on Corporate Governance (the “Code”) respectively.

The Board is pleased to provide the following statements, which outline the main corporate governance practices that were in place throughout the financial year, unless otherwise stated.

Principles Statement

The following statement sets out how the Company has applied the Principles in Part 1 of the Code.

A. Directors

The Board

The Group recognises the vital role played by the Board in the stewardship of its direction and operations, and ultimately the enhancement of long-term shareholder value. To fulfill this role, the Board is responsible for the overall corporate governance of the Group, including strategic direction, establishing goals for Management and monitoring the achievement of these goals. Although it does not have a formal schedule of matters reserved to it for decision, the Board is normally involved in deciding the overall Group strategy and direction, acquisition and divestment policy, approval of capital expenditure, consideration of significant financial matters and the review of financial and operating performance of the Group.

Meetings

The Board ordinarily meets at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. During the financial year, the Board met on five (5) occasions, where it deliberated upon and considered a variety of matters including the Group’s financial results, major investments and strategic decisions on the direction of the Group.

The Board receives documents on matters requiring its consideration prior to and in advance of each meeting. All proceedings from the Board meetings are recorded and the minutes thereof signed by the Chairman of the meeting.



Details of each of the Director's meeting attendance during the financial year are as follows:

	Director	Attendance
Chairman (Executive)	Dato' Loh Cheng Yean	5/5
Managing Director (Executive)	Dato' Wong Lum Kong, JP	5/5
Executive	Dato' Lim Su Tong @ Lim Chee Tong	5/5
Non-Executive	Dato' Dr. Tan Chong Siang	5/5
Non-Executive	Sharifah Intan binti S.M.Aidid	5/5
Non-Executive	Seiji Kuraishi	4/5
Independent Non-Executive	YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen bin Tengku Ismail	5/5
Independent Non-Executive	Dato' Prof. Dr. Tunku Ismail bin Tunku Mohammad Jawa	5/5
Independent Non-Executive	Dato' Loh Say Bee	5/5

Board Committee

The Board delegates certain responsibilities to the Audit Committee, in order to enhance business and operational efficiency as well as efficacy.

The Audit Committee has written terms of reference to discharge its responsibilities and the Board receives reports of its proceedings and deliberations. The Chairman of the Audit Committee reports to the Board the outcome of the Committee meetings and matters from such reports are incorporated in the minutes of the full Board meeting.

Board Balance

At the date of this statement, the Board consists of nine (9) members comprising three (3) Independent Non-Executive Directors, three (3) Executive Directors and three (3) Non-Executive Directors. A brief profile of each Director is presented on pages 7 to 10 of this Annual Report.

The concept of independence adopted by the Board is in tandem with the definition of an independent Director in Section 1.01 of the Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The key elements of fulfilling the criteria are the appointment of Directors who are not members of Management (Non-Executive Directors) and who are free of any relationship which could interfere with the exercise of independent judgment or the ability to act in the interests of the Company. The Board complies with paragraph 15.02 of the Listing Requirements, which requires that at least two Directors or one-third of the Board of the Company, whichever is higher, are Independent Directors.

The Directors, with their different backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as finance, corporate and legal affairs, marketing and operations. The Executive Directors are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as coordinating the development and implementation of business and corporate strategies. The Independent Non-Executive Directors bring to bear objective and independent judgment to the decision making of the Board and provide a capable check and balance for the Executive Directors.

The Non-Executive Directors contribute significantly in areas such as policy and strategy and performance monitoring. Together with the Executive Directors who have an intimate knowledge of the business, the Board is constituted of individuals who are committed to business integrity and professionalism in all its activities.

There is a clear division of responsibilities at the head of the Company to ensure a balance of authority and power. The Board is led by Dato' Loh Cheng Yean as the Executive Chairman whilst the executive management of the Company is led by Dato' Wong Lum Kong, the Group Managing Director, and Dato' Lim Su Tong @ Lim Chee Tong, the Executive Director. The Board has also identified YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen Bin Tengku Ismail as the Senior Independent Non-Executive Director to whom concerns of Directors may be conveyed.



The Board is satisfied that the current Board composition fairly reflects the interests of all shareholders in the Company.

Supply of Information

The Board recognises that the decision-making process is highly contingent on the strength of information furnished. As such, Directors have unrestricted access to any information pertaining to the Group.

The Chairman, with the assistance of the Company Secretary, ensures that all Directors have full and timely access to information with Board papers distributed in advance of Board meetings. This ensures that Directors have sufficient time to appreciate issues deliberated at Board meeting and expedites the decision-making process.

Every Director also has unhindered access to the advice and services of the Company Secretary. The Board believes that the current Company Secretary is capable of carrying out his duties to ensure the effective functioning of the Board. The Articles of Association specify that the removal of the Company Secretary is a matter for the Board as a whole.

Prior to meetings of the Board and the Audit Committee, appropriate documents which include the agenda and reports relevant to the issues of the meetings covering the areas of strategic, financial, operational and regulatory compliance matters, are circulated to all members to obtain further explanation, where necessary, in order to be properly briefed before the meetings.

The Directors meet, review and approve all corporate announcements, including the announcement of the quarterly financial reports, before releasing them to Bursa Malaysia.

Although there are no agreed formal procedures in place, the Board as a whole will determine, whether as a full Board or in their individual capacity, to take independent professional advice on an ad-hoc basis, where necessary and under appropriate circumstances, in furtherance of their duties, at the Group's expense.



Directors' Training

The Board as a whole, ensures that it recruits to the Board only individuals of sufficient caliber, knowledge and experience to fulfill the duties of a Director appropriately. There is no formal training or orientation programme for Directors. However, at the date of this statement, all Directors have attended and successfully completed the Mandatory Accreditation Programme (MAP) conducted by KLSE Training Sdn Bhd. The Directors will also undergo other relevant training programmes like the Continuing Education Programme, amongst others to further their skills and knowledge, as appropriate.

Re-election

The Articles of Association provide that all Directors are subject to retirement and at least one third of the Board is subject to retirement by rotation at each Annual General Meeting ("AGM"). The Directors to retire in each year are those who have been longest in office since their appointment or re-appointment. A retiring Director is eligible for re-appointment. New Directors appointed to the Board shall also retire at the Annual General Meeting following their appointment. In any of the circumstances, the Directors are eligible for re-election. This provides an opportunity for shareholders to renew their mandate.

The election of each Director is voted on separately. To assist shareholders in their decision, sufficient information such as personal profile, meetings attendance and the shareholdings in the Group of each Director standing for election are furnished in the Annual Report accompanying the Notice of AGM.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

The Company Secretary ensures that all appointments are properly made, in that all necessary information is obtained and that all legal and regulatory obligations are met.

B Directors' Remuneration

The Company pays its Directors fees that are approved annually by shareholders at the AGM.

The Board, as a whole, approves the remuneration of Executive Directors and Non-Executive Directors with the Directors concerned abstaining from the decision in respect of their individual remuneration.

Details of Directors' remuneration for the financial year ended 31 December 2004 distinguished between Executive and Non-Executive Directors in aggregate are categorised as follows:

Type of remuneration	Executive Directors RM'000	Non-Executive Directors RM'000	Total RM'000
Fees	519	407	926
Salaries	1,572	-	1,572
Other emoluments	3,358	31	3,389
Total	5,449	438	5,887



The number of Directors of the Company whose total remuneration falls within bands of RM 50,000 for the financial year ended 31 December 2004 is as follows:

Band of Remuneration	Number of Directors	
	Executive Directors	Non-Executive Directors
Below RM 50,000	-	2
RM 50,001 to RM 100,000	-	4
RM 500,001 to RM 650,000	1	-
RM 1,400,001 to RM 1,450,000	1	-
RM 2,500,001 to RM 2,650,000	1	-
Total	3	6

C. Shareholders and Investors

The Board strives to maintain an active dialogue with shareholders and does this through the Annual Report, the AGM and Extraordinary General Meetings. It has been the Company's practice to send the Notice of AGM and related papers to shareholders at least twenty-one (21) working days before the meeting. At the AGM, the shareholders are encouraged to ask questions both about the resolutions being proposed or about the Group's operations in general.

In addition, the Company makes various announcements through Bursa Malaysia, in particular, the timely release of quarterly financial results within two months from the close of a particular financial quarter.

While the Company endeavours to provide pertinent information to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information. In any of the circumstances, the Directors are cautious not to provide undisclosed material information about the Group and frequently stress the importance of timely and equal dissemination of information to shareholders and stakeholders.

D. Accountability and Audit

Financial reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcements of results to Bursa Malaysia as well as the Chairman's statement and review of operations in the Annual Report. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

Directors' responsibility statement in respect of the preparation of the audited financial statements

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and their profit or loss and cash flows for the year then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been applied.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgments and estimates.

The Directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.



State of internal controls

The Statement on Internal Control furnished on pages 33 and 34 of this Annual Report provides an overview on the state of internal controls within the Group.

Relationship with the Auditors

Key features underlying the relationship of the Audit Committee with the internal and external auditors are included in the Audit Committee Report as detailed on pages 28 and 29 of this Annual Report .

A summary of the activities of the Audit Committee during the financial year, including the evaluation of the independent audit process, is set out in the Audit Committee Report on pages 28 and 29 of this Annual Report.

Compliance Statement

The Company has complied, throughout the financial year ended 31 December 2004, with all the Best Practices set out in Part 2 of the Code except for the following:

- (a) A Nominating Committee has not been formed as the Board is of the view that it is sufficient that the appointment of Directors comes under the purview of the entire Board. There was no formal assessment carried out on the present Directors, including those in the Audit Committee, as the Board is of the opinion that the mix of experience and expertise of the current number of Directors are considered adequate and optimum in addressing the issues affecting the Group. Moreover, a majority of the Directors have been with the Group for many years and have invariably contributed significantly to the Group;
- (b) The Board has not formally examined its size with the view to determine the impact of the number upon its effectiveness as required by Best Practices Provision AA XII. This is because the Board is always conscious of the ongoing contribution by the Directors towards the growth of the Group;
- (c) The Board does not have a formal schedule of matters specifically reserved to it for decision. However, it has been the practice for the Board to deliberate on matters that involve overall Group strategy and direction, acquisition and divestment policy, approval of capital expenditure, consideration of significant financial matters and the review of the financial and operating performance of the Group;
- (d) The Board, together with the Group Managing Director, has not developed position descriptions for the Board and the Group Managing Director. This is mainly due to the current set-up of the Board and the Audit Committee that are in place to facilitate the smooth functioning of the Group. Nevertheless, in order to enhance the existing corporate governance practice of the Company, the Board will consider adopting a Board Charter, which delineates the role and function of the Board as well as the differing roles of Executive Directors and Non-Executive Directors;
- (e) The Board currently does not have an agreed procedure for Directors, whether as a full Board or in their individual capacity, in furtherance of their duties, to take independent professional advice at the Group's expense. The Board is of the view that it is adequate for the matter to be brought before the whole Board for deliberation and decision whenever a need for independent professional advice arises;
- (f) A Remuneration Committee has not been established. The remuneration of Directors currently comes under the purview of the entire Board with the relevant Directors abstaining from discussing their individual remuneration. The Directors are of the view that the Board, as a whole, has been expeditiously handling the issue on Directors' remuneration.

This statement is issued in accordance with a resolution of the Directors dated 28 April 2005.



Other Information and Disclosure

Non-audit fees

Non-audit fees amounting to RM293,500 for the Group and RM104,000 for the Company were paid to the external auditors of the Company for the financial year ended 31 December 2004.

Loan Contracts involving interest of Related Party

- (a) Loan contract of USD 7 million and USD 24 million dated October 10, 2001 and May 8, 2002 respectively between the Company (“OHB”) and Oriental Boon Siew (Mauritius) Pte. Ltd. (“OBSM”); and
- (b) Loan contract of USD 15 million and USD 24 million dated October 10, 2001 and May 8, 2002 respectively between OBSM and PT Gunung Maras Lestari (“PT GML”) and PT Gunungsawit Binalestari (“PT GSBL”).

OBSM is a company 50.5% and 49.5% owned by OHB and the substantial shareholder, Boon Siew Sdn Bhd respectively.

The sub-subsidiary companies, namely PT GML and PT GSBL in Indonesia is 92.5% owned by Selasih Permata Sdn Bhd, which in turn is 50.5% and 49.5% owned by OHB and the substantial shareholder, Boon Siew Sdn Bhd respectively.

	Loan from OHB to OBSM	Loan from OBSM to PT GML and PT GSBL
Purpose	Onward lending	To reduce their overdrafts as well as for its day to day operations.
Interest rate	USD Libor + Spread of 1.0% per annum	USD Libor + Spread of 1.5% per annum
Terms as to payment of interest	Payable at end of tenor (1, 2 or 3 months) or quarterly (tenor more than 3 months) whichever is applicable	Payable at end of tenor (1, 2 or 3 months) or quarterly (tenor more than 3 months) whichever is applicable
Repayment of principle	On demand	On demand
Security	Unsecured	Unsecured

- (c) Loan drawdown contract for the sum of USD1.5 million and USD3.4 million dated December 6, 2004 and October 12, 2004 respectively between Selasih Permata Sdn Bhd (“Selasih”) and Oriental Asia (Mauritius) Pte. Ltd. (“OAM”); and
- (d) Loan drawdown contract for the sum of USD1.5 million and USD3.4 million dated December 8, 2004 and October 13, 2004 respectively between OAM and PT Gunung Maras Lestari (“PT GML”) and PT Gunungsawit Binalestari (“PT GSBL”).

Selasih is a company 50.5% and 49.5% owned by OHB and the substantial shareholder, Boon Siew Sdn Bhd respectively. OAM is a wholly owned subsidiary of Selasih.

The sub-subsidiary companies, namely PT GML and PT GSBL in Indonesia is 92.5% owned by Selasih, which in turn is 50.5% and 49.5% owned by OHB and the substantial shareholder of Boon Siew Sdn Bhd respectively.



	Loan from Selasih to OAM	Loan from OAM to PT GML and PT GSBL
Purpose	Onward lending	To reduce their overdrafts as well as for its day to day operations.
Interest rate	USD Libor + Spread of 1.0% per annum	USD Libor + Spread of 1.5% per annum
Terms as to payment of interest	Payable at end of tenor (1, 2 or 3 months) or quarterly (tenor more than 3 months) whichever is applicable	Payable at end of tenor (1, 2 or 3 months) or quarterly (tenor more than 3 months) whichever is applicable
Repayment of principle	On demand	On demand

- (e) Loan drawdown contract for the sum of USD500,000 and USD350,000 dated December 3, 2004 respectively between Oriental Boon Siew (Mauritius) Pte. Ltd. ("OBSM") and PT Gunung Maras Lestari ("PT GML") and PT Gunungsawit Binalestari ("PT GSBL").

OBSM is a company 50.5% and 49.5% owned by OHB and the substantial shareholder, Boon Siew Sdn Bhd respectively.

The sub-subsidiary companies, namely PT GML and PT GSBL in Indonesia is 92.5% owned by Selasih Permata Sdn Bhd, which in turn is 50.5% and 49.5% owned by OHB and the substantial shareholder, Boon Siew Sdn Bhd respectively.

	Loan from OBSM to PT GML and PT GSBL
Purpose	To reduce their overdrafts as well as for its day to day operations.
Interest rate	USD Libor + Spread of 1.5% per annum
Terms as to payment of interest	Payable at end of tenor (1, 2 or 3 months) or quarterly (tenor more than 3 months) whichever is applicable
Repayment of principle	On demand



Recurrent Related Party Transaction of Revenue Nature (“RRPT”) for the year ended 31 December 2004

a) Transactions involved interests of major stockholder of OHB, Boon Siew Sdn Bhd and its Group

	RM'000
Materials and spare parts of motor vehicles	146,274
Assembly charges	37,957
Honda cars & parts	2,715
Fresh fruit bunches	103
Forwarding charges	2,417
Office/showroom rental	368
Plastic parts for batteries	1,300
Provision of sales, corporate advertising and marketing of hotel	115
Provision of leasing line and hire purchase facilities	560
Building management charges	15
Plastic parts for television	1,210
Building materials	1,057
Materials for plastic parts	807
Spare parts and servicing and machinery	207
Prototype of plastic parts	42

b) Transactions involved interests of major shareholder of OHB subsidiaries, Honda Motor Co. Ltd

	RM'000
Hostel rental	50
Automotive control cables	5,638
Shock absorbers for motorcars	6,567

c) Transactions involved interests of director/major shareholder of OHB subsidiaries, Dato' Syed Mohamad Bin Syed Murtaza and family

	RM'000
Parts and shock absorbers and raw material for motor vehicles	11,794
Painting, spraying charges and plating services of mufflers & wheel rims	3,958
Welding wires for making motorcycles spokes	1,719
Tools and machinery	271

d) Transactions involved interests of director/major shareholder of OHB subsidiary, Yusuf Bin Jamil, Datin Nik Yasmin Dianara Bt Nik M F Kamil and Abdul Rahim Bin Hussain

	RM'000
Plastic resins and colour compound of plastic resins	7,331
Factory rental	264



Recurrent Related Party Transaction of Revenue Nature (“RRPT”) for the year ended 31 December 2004 (Cont’d)

- e) Transactions involved interests of major shareholders of OHB subsidiary, i-Logistics Group and Itochu Corporation Group

RM’000

Forwarding charges	982
Forwarding charges earned	4,524

- f) Transactions involved interests of major shareholders of OHB subsidiary, Daiei & Co. Ltd. and Itochu Corporation

RM’000

Plastic parts for automotive and motor cycle	1,586
Rental of machinery	317
Office rental	5

- g) Transactions involved interests of major shareholder of OHB subsidiary, Ikegami Mold Engineering Co., Ltd.

RM’000

New molds & mold repairs	1,755
Factory rental	120

- h) Transactions involved interests of major shareholder of OHB subsidiary, Nichinan Corporation

RM’000

Prototype of plastic parts	294
Factory rental	72

- i) Transactions involved interests of major shareholders of OHB subsidiary, Hyumal Motor Sdn Bhd and Loh Kian Chong

RM’000

Material and services for motor vehicles	60,636
New cars	382,190



AUDIT COMMITTEE REPORT

Membership

The present members of the Audit Committee (the “Committee”) comprise:

Name of member	Position
YM Tengku Tan Sri Dato’ Seri Ahmad Rithauddeen bin Tengku Ismail	Chairman, Independent Non-Executive Director
Dato’ Wong Lum Kong, J.P.	Group Managing Director
Dato’ Loh Say Bee	Independent Non -Executive Director
Dato’ Prof. Dr Tunku Ismail bin Tunku Mohammad Jawa	Independent Non -Executive Director
Sharifah Intan binti S.M. Aidid	Non-Executive Director

Terms of reference

The Committee was established to act as a Committee of the Board of Directors, with terms of reference as set out on pages 30 to 32 of this Annual Report.

Meetings

The Committee convened five (5) meetings during the financial year. Details of the attendance of members are as follows:

Name of member	Attendance
YM Tengku Tan Sri Dato’ Seri Ahmad Rithauddeen bin Tengku Ismail	5/5
Dato’ Wong Lum Kong, J.P.	5/5
Dato’ Loh Say Bee	5/5
Dato’ Prof. Dr Tunku Ismail bin Tunku Mohammad Jawa	5/5
Sharifah Intan binti S.M. Aidid	5/5

The meetings were appropriately structured through the use of agendas, which were distributed to members with sufficient notification.

The Company Secretary was present by invitation at all meetings. Representatives of the external auditors and the head of Internal Audit also attended the meetings upon invitation.



Summary of activities during the financial year

The Committee carried out its duties in accordance with its term of reference during the financial year. The main activities undertaken by the Committee were as follows:

- Reviewed the external auditors' scope of work and audit plan for the year. Prior to the audit, representatives of the external auditors presented their audit strategy and plan;
- Reviewed with the external auditors the results of the audit, the audit report and the management letter;
- Reviewed the internal audit department's resource requirements and plan for the financial year under review;
- Reviewed the internal audit reports, which highlighted the audit issues and Management's response;
- Reviewed the audited financial statements of the Group and of the Company, before submission to the Board for its consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies' Act, 1965 and the applicable approved accounting standards adopted by the Malaysian Accounting Standards Board;
- Reviewed the Company's compliance, in particular the quarterly and year-end financial statements, with the Listing Requirements of Bursa Malaysia Securities Berhad and other relevant legal and regulatory requirements;
- Reviewed pertinent issues of the Group which had a significant impact on the results of the Group; and
- Reviewed the quarterly unaudited financial results and announcements before recommending them for the Board's approval.

Internal audit function

The Group has an internal audit function that is independent of the activities and operations it audits. The principal role of the internal audit is to undertake independent, regular and systematic reviews of the systems of internal control in order to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. It is the responsibility of the internal audit function to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements.

Further details of the activities of the internal audit function are set out in the Statement on Internal Control on pages 33 and 34 of this Annual Report.



TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Objectives

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling the following oversight objectives on the Group activities:

- Assess the Group's processes relating to its risks and control environment;
- Oversee financial reporting; and
- Evaluate the internal and external audit processes.

Composition

The Board shall elect and appoint Committee members from amongst its numbers, comprising no fewer than three (3) Directors, the majority of whom shall be independent non-executive Directors of the Company.

The Board shall at all times ensure that at least one (1) member of the Committee shall be:

- A member of the Malaysian Institute of Accountants ("MIA"); or
- If he/she is not a member of MIA, he/she must have at least three (3) years of working experience and:
 - he/she must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - he/she must be a member of the associations of accountants specified in Part II of the Accountants Act 1967.

If a member of the Committee resigns, dies or for any reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall within three (3) months of the event appoint such number of new members as may be required to fill the vacancy.

The Chairman of the Committee shall be an independent non-executive Director. No alternate Director of the Board shall be appointed as a member of the Committee.

The Board shall review the terms of office of each of its members at least once (1) every three (3) years.

Quorum and Committee's procedures

Meetings shall be conducted at least four (4) times annually, or more frequently as circumstances dictate.

In order to form a quorum (subject to a minimum number of two members) for the meeting, the majority of the members present must be independent non-executive Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

The Company Secretary shall be appointed Secretary of the Committee (the "Secretary"). The Secretary, in conjunction with the Chairman, shall draw up an agenda, which shall be circulated together with the relevant support papers, at least one (1) week prior to each meeting to the members of the Committee. The minutes shall be circulated to members of the Board.



The Committee may, as and when deemed necessary, invite other Board members and senior management members to attend the meetings.

The Chairman shall submit an annual report to the Board summarising the Committee's activities during the financial year and the related significant results and findings thereof.

The Committee shall meet at least annually with the Management, and at least once every year with the Head of Internal Audit and external auditors in separate sessions to discuss any matters with the Committee without the presence of any executive member of the Board.

The Committee shall regulate the manner of proceeding of its meetings, having regard to normal conventions on such matter.

Authority

The Committee is authorised to seek any information it requires from employees, who are required to co-operate with any request made by the Committee.

The Committee shall have full and unlimited access to any information pertaining to the Group.

The Committee shall have direct communication channels with the internal and external auditors and with senior management of the Group and shall be able to convene meeting with the external auditors whenever deemed necessary.

Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in breach of the Bursa Malaysia Listing Requirements, the Committee shall promptly report such matter to Bursa Securities.



Responsibilities and duties

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

- Review with the external auditor, the audit scope and plan, including any changes to the planned scope of the audit plan,
- Review the adequacy of the internal audit scope and plan, functions and resources of the internal audit function and that it has the necessary authority to carry out its work;
- Review the external and internal audit reports to ensure that appropriate and prompt remedial action is taken by Management on major deficiencies in controls or procedures that have been identified;
- Review major audit findings and management's response during the financial year with Management, external auditors and internal auditors, including the status of previous audit recommendations;
- Review the assistance given by the Group's officers to the auditors, and any difficulties encountered in the course of audit work, including any restrictions on the scope of activities or access to required information;
- Review the independence and objectivity of the external auditors and their services, including non-audit services and the professional fees, so as to ensure a proper balance between objectivity and value for money;
- Review the appointment and performance of external auditors, the audit fee and any question of resignation or dismissal before making recommendations to the Board;
- Review the Internal Audit Charter, budget and staffing of the internal audit department;
- Review the adequacy and integrity of internal control systems, including management information system and the internal auditors' and/or external auditors' evaluation of the said systems;
- Direct and, where appropriate, supervise any special projects or investigations considered necessary, and review investigation reports on any major defalcations, frauds and thefts;
- Review the quarterly results and the year-end financial statements, prior to the approval by the Board focusing particularly on:
 - Changes in implementation of major accounting policy;
 - Significant or unusual events; and
 - Compliance with accounting standards and other legal requirements.
- Review procedures in place to ensure that the Group is in compliance with the Companies Act 1965, Bursa Malaysia Listing Requirements and other legislative and reporting requirements;
- Review any related party transaction and conflict of interest situation that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises question on management integrity;
- Prepare reports, if the circumstances arise or at least once (1) a year, to the Board summarising the work performed in fulfilling the Committee's primary responsibilities; and
- Any other activities, as authorised by the Board.



STATEMENT ON INTERNAL CONTROL

Introduction

Paragraph 15.27(b) of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) requires the Board of Directors of public listed companies to include in its Annual Report a statement about the “state of internal control of the listed issuer as a group”. The Board is committed to maintaining a sound system of internal control in the Group, comprising the Company and all its subsidiaries, and is pleased to provide the following statement, which outlines the nature and scope of internal control of the Group during the financial year.

Board responsibility

The Board is ultimately responsible for the Group’s system of internal control, which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. Because of the limitations that are inherent in any system of internal control, this system is designed to manage rather than eliminate the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss. The system of internal control covers, inter-alia, financial, organisational, operational and compliance controls and risk management.

Following the publication of the *Statement on Internal Control: Guidance for Directors of Public Listed Companies* (the “Internal Control Guidance”), the Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group. The Board also confirms that, going forward, this process will be reviewed periodically to ensure it accords with the Internal Control Guidance.

Enterprise risk management framework

The Board fully supports the contents of the Internal Control Guidance and accordingly, appointed a firm of consultants to carry out an Enterprise Risk Management (“ERM”) review of a pilot subsidiary, the assignment of which was completed in 2003. Consequent to this pilot review, the relevant personnel within the Group were deployed to roll out the entire ERM review to the other companies in the Group. The main objective of the ERM review is to assist Management to formalise and embed a structured risk management process across the Group in order to sensitise all employees within the Group more strongly to risk identification, evaluation, control, monitoring and reporting.

The ERM framework encompasses the following initiatives:

- Issuance of the Risk Management Policy and Procedure Document, which outlines the risk management framework for the Group and offers practical guidance to all employees on risk management issues;
- The Group Risk Management Committee (the “Committee”) was established with the responsibility of identifying and communicating to the Board the critical risks (present and potential) the Group faces, their changes and the management action plans to manage the risks. The Committee met on two (2) occasions where it deliberated on the progress of the roll out of the ERM methodology, the documentation, monitoring and the reporting requirements;
- The appointment of a dedicated Risk Officer to coordinate the ERM activities within the Group, to supervise the ERM policy implementation and documentation at Group level and to act as the central contact and guide for ERM issues within the Group;
- Holding of risk awareness sessions for key operational managers/officers of the various businesses units within the Group to inculcate an understanding of risks and controls as they relate to the businesses of the Group;



- Holding of a series of risk management workshops/interviews for the business units within the Group;
- Establishment and formalisation of the risk management reporting framework, including submission of the risk management reporting package to the Risk Management Committee;
- Consideration of the residue risk treatment options and preparation of the relevant management action plans to address the risk and control issues; and
- The appointment of a firm of consultants to review the risk parameters of the business units and assist in the compilation of the risk profile for the Group.

Internal audit function

The Group has in place an independent internal audit function, which provides the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal control.

The internal audit function adopted the risk-based methodology in its review of key processes of the various operating units in the Group and provided independent and objective reports on the state of internal control of the various operating units within the Group direct to the Audit Committee during the financial year.

The internal audit function also ensured that Management followed up in the implementation of action plans it recommended to improve areas where control deficiencies were noted during internal audit.

Internal control process

Apart from risk management and internal audit, the Board has put in place the following pertinent measures to strengthen the internal control system of the Group:

- The Audit Committee carries out diligent reviews of the quarterly financial results and reports and evaluates the explanations and reasons for significant unusual variances noted thereof;
- The close involvement of Executive Directors, who are hands-on in the day to day operations of the Group; and
- An organisational structure with formally defined lines of responsibility and delegation of authority has been put in place. A process of hierarchical reporting has been established which provides for a documented and auditable trail of accountability. The procedures include the establishment of limits of authority and policies on various operational areas. These procedures are relevant across the Group to provide for continuous assurance to be given at increasingly higher levels of Management and, finally, to the Board.

Weakness in internal controls that result in material losses

There were no material losses incurred during the current financial year as a result of weaknesses in internal control. The Board and Management continue to take pertinent measures to strengthen the control environment, as appropriate.

This statement is issued in accordance with a resolution of the Directors dated 28 April 2005.



DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

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

Principal activities

The principal activities of the Company are as follows :

- (a) investment holding;
- (b) commission agent; and
- (c) provision of management services.

The principal activities of its subsidiary companies and associated companies are set out in Note 34 and Note 5 to the financial statements respectively.

There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Net profit for the year	<u>244,429</u>	<u>55,327</u>

Reserves and provisions

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

Dividends

Based on issued capital of 516,968,192 stocks (after deducting 31,808 Treasury Stocks) of RM1 each

A final dividend of 8% less 28% tax, and a special dividend of 2.5% less 28% tax, making a total dividend of 10.5% less 28% tax, totalling RM39,082,795 have been recommended by the Directors in respect of the year ended 31 December 2004, subject to the approval of the stockholders at the forthcoming Annual General Meeting.

Since the end of the previous financial year, the Company paid :

- i) an interim dividend of 5% less 28% tax, and a special dividend of 5% less 28% tax, totalling RM37,221,710 in respect of the year ended 31 December 2004 on 28 January 2005;
- ii) a final dividend of 8% less 28% tax, and a special dividend of 2% less 28% tax, totalling RM37,221,710 in respect of the year ended 31 December 2003 on 30 July 2004; and
- iii) an interim dividend of 5% less 28% tax, and a special dividend of 5% less 28% tax, totalling RM37,221,710 in respect of the year ended 31 December 2003 on 28 January 2004.



Directors of the Company

Directors who served since the date of the last report are:

Dato' Loh Cheng Yean
Dato' Wong Lum Kong
Dato' Loh Say Bee
YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen Bin Tengku Ismail
Dato' Lim Su Tong @ Lim Chee Tong
Dato' Dr. Tan Chong Siang
Dato' Prof. Dr Tunku Ismail Bin Tunku Mohammad Jawa
Seiji Kuraishi
Sharifah Intan Binti S. M. Aidid

In accordance with Section 129 (2) of the Companies Act, 1965, Dato' Loh Say Bee, YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen Bin Tengku Ismail and Puan Sharifah Intan Binti S. M. Aidid retire at the forthcoming Annual General Meeting and, offer themselves for re-election as Directors of the Company until the conclusion of the next Annual General Meeting.

In accordance with Article 133 of the Company's Articles of Association, Dato' Prof. Dr Tunku Ismail Bin Tunku Mohammad Jawa and Dato' Wong Lum Kong retire by rotation from the Board at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Directors' shareholdings

The holdings in the stocks of the Company and shares of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows :

	Balance at 1.1.2004	Direct Interest		Balance at 31.12.2004
		Bought	(Sold)	
Stocks of RM1 each				
<u>The Company</u>				
Dato' Loh Cheng Yean	200,696	-	-	200,696
Dato' Wong Lum Kong	150,958	-	-	150,958
Dato' Loh Say Bee	44,642	-	-	44,642
Dato' Lim Su Tong @ Lim Chee Tong	2,472,422	-	-	2,472,422
Dato' Dr. Tan Chong Siang	31,923	-	-	31,923
Sharifah Intan Binti S. M. Aidid	15,000	-	-	15,000
Shares of RM1 each				
<u>Related companies</u>				
Sharifah Intan Binti S.M. Aidid				
- Armstrong Auto Parts Sdn. Berhad	227,318	-	-	227,318
- Teck See Plastic Sdn. Bhd.	100,000	-	-	100,000

None of the other Directors holding office at 31 December 2004 had any interest in the stocks of the Company and shares of its related corporations during the financial year.



Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of full time employees of related companies) by reason of a contract made by the Company or a related company with a Director or with a firm of which a Director is a member, or with a company in which the Director has a substantial financial interests apart from certain transactions entered in the ordinary course of business between the Group and companies in which certain Directors are also Directors of those companies as detailed in Note 30 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling 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.

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company and no debentures were issued by the Company during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.



Other statutory information (Cont'd)

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

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

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

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 31 December 2004 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors :

Dato' Loh Say Bee
Director

Dato' Lim Su Tong @ Lim Chee Tong
Director

Penang,

Date : 28 April 2005



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

In the opinion of the Directors, the financial statements set out on pages 41 to 90, are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2004 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors :

Dato' Loh Say Bee
Director

Dato' Lim Su Tong @ Lim Chee Tong
Director

Penang,

Date : 28 April 2005

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

I, **Dato' Loh Cheng Yean**, the Chairman primarily responsible for the financial management of Oriental Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 41 to 90 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Georgetown in the State of Penang on 28 April 2005.

.....
Dato' Loh Cheng Yean

Before me :

CHAI CHOON KIAT, PJM
Pesuruhjaya Sumpah
(Commissioner for Oaths)
Penang



Report of the auditors to the stockholders of Oriental Holdings Berhad

We have audited the financial statements set out on pages 41 to 90. The preparation of the financial statements is the responsibility of the Company's Directors.

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

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion :

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

The subsidiary companies in respect of which we have not acted as auditors are identified in Note 34 to the financial statements and we have considered their financial statements and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiary companies 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 subsidiary companies were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

KPMG
Firm Number : AF 0758
Chartered Accountants

Lee Kean Teong
Partner
Approval Number : 1857/02/06 (J)

Penang,

Date : 28 April 2005



Balance sheets at 31 December 2004

		Group		Company	
		2004	2003	2004	2003
	Note	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	2	1,482,954	1,394,379	16,034	16,097
Land held for property development	3	55,368	57,692	-	-
Investment in subsidiary companies	4	-	-	407,487	400,704
Investment in associated companies	5	171,597	166,720	14,548	14,548
Other investments	6	212,749	160,394	33,113	33,113
Goodwill	7	20,439	19,202	-	-
Deferred tax assets	8	8,485	6,524	-	-
Current assets					
Inventories	9	481,620	337,056	-	-
Property development costs	10	8,600	3,823	-	-
Trade and other receivables	11	431,992	325,932	401,328	440,505
Tax refundable		-	-	6,975	-
Cash and cash equivalents	12	889,845	943,020	13,138	5,861
		1,812,057	1,609,831	421,441	446,366
Current liabilities					
Trade and other payables	13	365,802	273,434	2,969	1,109
Borrowings	14	339,612	389,767	-	-
Taxation		33,954	21,314	-	948
Dividend payable		37,222	37,222	37,222	37,222
		776,590	721,737	40,191	39,279
Net current assets		1,035,467	888,094	381,250	407,087
Deferred expenditure	15	5,885	11,274	-	-
		2,992,944	2,704,279	852,432	871,549
Financed by :					
Capital and reserves					
Share capital	16	517,000	517,000	517,000	517,000
Reserves	17	364,055	271,016	30,060	30,060
Retained profits	18	1,812,830	1,642,845	305,621	324,738
		2,693,885	2,430,861	852,681	871,798
Treasury stocks	19	(249)	(249)	(249)	(249)
Stockholders' funds		2,693,636	2,430,612	852,432	871,549
Minority interests	20	279,616	253,274	-	-
Long term and deferred liabilities					
Deferred liabilities	21	19,692	20,393	-	-
		2,992,944	2,704,279	852,432	871,549

The financial statements were approved and authorised for issue by the Board of Directors on 28 April 2005.

The notes set out on pages 47 to 90 form an integral part of, and should be read in conjunction with, these financial statements.



INCOME STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

		Group		Company	
		2004	2003	2004	2003
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	22	4,111,743	3,133,713	61,630	82,187
Operating profit	22	340,535	222,842	60,620	80,270
Interest expense		(6,095)	(11,280)	-	-
Share of profits in associated companies		23,378	19,224	-	-
Profit before taxation		357,818	230,786	60,620	80,270
Tax - Company and subsidiary companies		(72,360)	(48,123)	(5,293)	(20,815)
- Associated companies		(6,648)	(5,398)	-	-
Tax expense	24	(79,008)	(53,521)	(5,293)	(20,815)
Profit after taxation		278,810	177,265	55,327	59,455
Less : Minority interests		(34,381)	(15,189)	-	-
Net profit for the year attributable to stockholders		244,429	162,076	55,327	59,455
Basic earnings per ordinary stock (sen)	25	47.28	31.35		
Dividends per ordinary stock - gross (sen)	26	20.50	20.00	20.50	20.00

The notes set out on pages 47 to 90 form an integral part of, and should be read in conjunction with, these financial statements.



**STATEMENT OF RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Exchange differences on translation of the financial statements of foreign operations (Note 17)	93,052	81,413	-	-
Net gain not recognised in the income statements	93,052	81,413	-	-
Net profit for the year	244,429	162,076	55,327	59,455
Total recognised gains for the year	<u>337,481</u>	<u>243,489</u>	<u>55,327</u>	<u>59,455</u>

The notes set out on pages 47 to 90 form an integral part of, and
should be read in conjunction with, these financial statements.



CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	357,818	230,786	60,620	80,270
Adjustments for :				
Reversal of allowance for diminution in value of other investments	-	(1,640)	-	-
Depreciation	98,464	90,224	66	66
Plant and equipment written off	120	118	-	-
Gain on disposal of plant and equipment	(9,749)	(2,816)	-	-
Share of profits in associated companies	(23,378)	(19,224)	-	-
Gain on disposal of land held for property development	(4,168)	(6,458)	-	-
Dividend income	(12,356)	(2,797)	(57,779)	(77,183)
Interest income	(18,947)	(24,018)	(3,327)	(4,946)
Interest expense	6,095	11,280	-	-
Loss/(Gain) on disposal of investments	1,988	(292)	-	-
Unrealised loss/(gain) on foreign exchange	4,727	(1,654)	(1,081)	-
Amortisation of deferred expenditure	5,770	2,539	-	-
Deferred expenditure written off	121	43	-	-
Operating profit/(loss) before working capital changes	406,505	276,091	(1,501)	(1,793)
Changes in working capital :				
Increase in inventories	(136,383)	(16,830)	-	-
(Increase)/Decrease in trade and other receivables	(92,638)	(77,630)	40,258	(32,535)
Decrease in amount due from associated companies	843	5,085	-	-
Increase in trade and other payables	84,869	22,581	1,860	182
	(143,309)	(66,794)	42,118	(32,353)
Cash generated from/(used in) operations	263,196	209,297	40,617	(34,146)
Dividends received	-	-	45,956	59,068
Interest paid	(6,095)	(11,280)	-	-
Tax paid	(66,762)	(47,971)	(1,393)	(2,139)
Interest received	461	711	-	-
Net cash generated from operating activities	190,800	150,757	85,180	22,783



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

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities				
Additions to deferred expenditure	(502)	(7,888)	-	-
Capital expenditure	(164,942)	(154,919)	(3)	(24)
Purchase of investments	(53,811)	(40,666)	(6,783)	(13,490)
Proceeds from disposal of plant and equipment	15,243	8,805	-	-
Additions to land held for property development	(370)	(224)	-	-
Interest received	19,999	23,307	3,327	4,946
Dividends received	26,155	17,827	-	-
Proceeds from disposal of other investments	9,512	23,780	-	-
Proceeds from disposal of land held for property development	10,803	-	-	-
Net cash outflow on acquisition of a subsidiary company (Note A)	-	(1,992)	-	-
Net cash used in investing activities	(137,913)	(131,970)	(3,459)	(8,568)
Cash flows from financing activities				
Repayments of hire purchase/lease obligations	(251)	(549)	-	-
Dividends paid to stockholders of the Company	(74,444)	(46,527)	(74,444)	(46,527)
Dividends paid to minority shareholders	(7,673)	(10,234)	-	-
Short term borrowings, net	(59,015)	(10,996)	-	-
Fixed deposit (pledged)/withdrawn for banking facilities	(20,003)	20,998	-	-
Proceeds from issue of shares to minority shareholders	-	1,200	-	-
Net cash used in financing activities	(161,386)	(46,108)	(74,444)	(46,527)
Net (decrease)/increase in cash and cash equivalents	(108,499)	(27,321)	7,277	(32,312)
Cash and cash equivalents at beginning of year	932,733	953,130	5,861	38,173
Effects of exchange rates on cash and cash equivalents	36,589	6,924	-	-
Cash and cash equivalents at end of year (Note B)	860,823	932,733	13,138	5,861



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

NOTES

A. Acquisition of a subsidiary company

In the previous financial year, the Group's 60% owned subsidiary company, Teck See Plastic Sdn Bhd ("TSP") acquired the remaining 50% equity interest in Lipro Kyowa Electronics Sdn Bhd ("Kyowa") not already owned by TSP for a total cash consideration of RM2 million comprising 2,500,000 ordinary shares of RM1.00 each, and accordingly Kyowa became a 60% owned subsidiary company of the Group.

The fair values of assets acquired and liabilities assumed were as follows :

	2004 RM'000	2003 RM'000
Property, plant and equipment	-	7,854
Current assets	-	200
Current liabilities	-	(4,681)
Minority interests	-	(1,324)
	-	2,049
Less : Share of net assets previously retained as an associated company	-	(231)
Net assets acquired	-	1,818
Add : Goodwill on acquisition	-	200
Consideration paid, satisfied in cash	-	2,018
Less : Cash and cash equivalents acquired	-	(26)
Net cash outflow on acquisition	-	1,992

B. Cash and cash equivalents

Cash and cash equivalents consist of :

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Cash and bank balances	208,302	188,111	5,695	1,391
Fixed deposits (excluding pledged deposits)	656,985	750,354	7,443	4,470
Bank overdrafts	(4,464)	(5,732)	-	-
	860,823	932,733	13,138	5,861

The Group's cash and cash equivalents are stated net of pledged deposits of RM24,558,000 (2003 : RM4,555,000) as disclosed in Note 12 to the financial statements.

The notes set out on pages 47 to 90 form an integral part of, and should be read in conjunction with, these financial statements.



NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

1. Summary of significant accounting policies

The following accounting policies are adopted by the Group and by the Company and are consistent with those adopted in previous years except for the adoption of FRS 201, Property Development Activities.

The adoption of FRS 201 has not given rise to any adjustments to the opening balances of retained profits of the prior and current year. Apart from the new policy and extended disclosures as required by this new standard, there is no effect on these financial statements.

1.1 Basis of accounting

The financial statements of the Group and of the Company are prepared on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia in all material respects.

1.2 Basis of consolidation

Subsidiary companies are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiary companies are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiary companies are consolidated using the acquisition method of accounting.

A subsidiary company is excluded from consolidation when either control is intended to be temporary if the subsidiary company is acquired and held exclusively with a view of its subsequent disposal in the near future and it has not previously been consolidated or it operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company. Subsidiary companies excluded on these grounds are accounted for as investments.

Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the financial statements of the Group. The difference between the acquisition cost and the fair values of the subsidiary companies' net assets is reflected as goodwill or negative goodwill as appropriate.

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

1.3 Associated companies

Associated companies are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies.

The consolidated financial statements include the total recognised gains and losses of associated companies on an equity accounted basis from the date that significant influence effectively commences until the date that significant influence effectively ceases.



1.3 Associated companies (Cont'd)

Unrealised profits arising on transactions between the Group and its associated companies which are included in the carrying amount of the related assets and liabilities are eliminated partially to the extent of the Group's interests in the associated companies. Unrealised losses on such transactions are also eliminated partially unless cost cannot be recovered.

Goodwill on acquisition is calculated based on the fair value of net assets acquired.

1.4 Property, plant and equipment

Freehold land, freehold land and plantations as well as capital work-in-progress are stated at cost/valuation less accumulated impairment losses, if any. All other property, plant and equipment are stated at cost/valuation less accumulated depreciation and accumulated impairment losses, if any.

Property, plant and equipment retired from active use and held for disposal, if any, are stated at the carrying amount at the date when the asset is retired from active use, less impairment losses, if any.

Depreciation

Freehold land, freehold land and plantations as well as capital work-in-progress are stated at cost/valuation and are not amortised. Leasehold land is amortised in equal instalments over the period of the leases which range from 30 years to 99 years. Special tools (included in plant and machinery) are amortised based on estimated unit of production.

On other assets, depreciation is calculated to write off the cost or amount of the valuation of property, plant and equipment on a straight line basis over the expected useful lives of the assets concerned at the following annual rates :

	%
Buildings	2 - 10
Assembly plant	5 - 20
Plant and machinery	7 - 33 1/3
Furniture, fixtures, fittings and equipment	5 - 50
Vehicles	20

The initial cost of hotel operating equipment (included under furniture, fixtures, fittings and equipment) such as linen, crockery, glassware, cutlery and kitchen utensils has been capitalised and is not depreciated. Subsequent acquisition to replace these operating assets are written off in the year in which they are incurred.

Capital work-in-progress are transferred to the respective categories of property, plant and equipment when the assets are ready for their intended use and depreciation will commence thereon.

1.5 Investments

Long term unquoted investments other than in subsidiary companies and associated companies are stated at cost/valuation. An allowance is made when the Directors are of the view that there is a diminution in their value which is other than temporary. Long term marketable equity securities are stated at the lower of cost and market value, determined on a portfolio basis.

Long term investments in subsidiary companies and associated companies are stated at cost/valuation in the Company, less impairment loss, where applicable.



1.6 Finance leases

Leases in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses.

In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is practicable to determine; if not, the Group's incremental borrowing rate is used.

1.7 Goodwill

Goodwill represents the excess of the cost of acquisition over the fair values of the net identifiable assets acquired and is stated at cost less accumulated impairment loss, if any. In respect of associated companies, the carrying amount of goodwill is included in the carrying amount of the investment in the associated companies.

Goodwill is not amortised and is assessed for impairment at the end of each balance sheet date in accordance with the Group's policy stated in Note 1.15 to the financial statements.

1.8 Deferred expenditure

Deferred expenditure is stated at cost less accumulated amortisation and accumulated impairment losses, if any.

This comprises expenditure incurred on new models of cars which is amortised over the estimated useful lives of the models concerned.

1.9 Inventories

i) Developed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost is determined on a specific identification basis and includes land, all direct building costs and appropriate proportions of common costs attributable to developing the properties to completion.

ii) Other inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of assembled motor vehicles and knocked-down units is determined on specific identification and cost of other inventories is principally determined on a first-in, first-out basis.

Cost in the case of work-in-progress and finished products includes materials, direct labour and an appropriate proportion of fixed and variable production overheads.

1.10 New planting expenditure and replanting expenditure

New planting expenditure represents total cost incurred from land clearing to the point of harvesting.

Expenditure on new planting and replanting and upkeep of immature areas are capitalised and amortised over the estimated economic useful lives of the trees. Amortisation is deferred until the planted areas attain maturity and the rate used is 5% per annum.



1.11 Trade and other receivables

Trade and other receivables are stated at cost less allowance for doubtful debts.

1.12 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

1.13 Liabilities

Borrowings and trade and other payables are stated at cost.

1.14 Provisions

A provision is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation (legal or constructive) as a result of a past event and a reliable estimate can be made of the amount.

1.15 Impairment

The carrying amount of assets, other than inventories, deferred tax assets, property development costs and financial assets (other than investments in subsidiary companies and associated companies), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the Income Statement unless the asset is carried at a revalued amount, in which case the impairment loss is charged to equity.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the Income Statement, unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.



1.16 Repurchase of shares

When shares are repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Shares repurchased and not cancelled are classified as Treasury Stocks and are presented as a deduction from total equity.

When shares are repurchased and cancelled, the nominal value of the shares repurchased is cancelled by a debit to share capital and an equivalent amount is transferred to capital redemption reserve. The consideration, including any acquisition cost and premium or discount arising from the shares repurchased, is adjusted to share premium or any other suitable reserve.

1.17 Capitalisation of borrowing costs

Borrowing costs incurred on planting expenditure are capitalised. Exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs, are also capitalised. Capitalisation of borrowing costs will cease when the plantation attains its maturity.

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of the borrowing costs applicable to the Group's borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of financing a specific planting expenditure, in which case the actual borrowing costs incurred on that borrowing less any investment income on the temporary investment of that borrowing will be capitalised.

Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

1.18 Income tax

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.



1.19 Foreign currency

i) *Foreign currency transactions*

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Ringgit Malaysia at the foreign exchange rates ruling at the date of the transactions.

ii) *Financial statements of foreign operations*

The Group's foreign operations are not considered an integral part of a company's operations. Accordingly, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Ringgit Malaysia at exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Ringgit Malaysia at average exchange rates applicable throughout the year. Foreign exchange differences arising on translation are recognised directly in equity.

The closing rates used in the translation of foreign currency monetary assets and liabilities and the financial statements of foreign operations as at 31 December 2004 are as follows :

Malaysian Ringgit per unit of foreign currency

	2004	2003
US dollar	3.80	3.80
Singapore dollar	2.24	2.04
Brunei dollar	2.24	2.04
Australian dollar	2.95	2.91
New Zealand dollar	2.72	2.54

Malaysian Ringgit per 100 units of foreign currency

Chinese renminbi	45.90	45.90
Indonesian rupiah	0.04	0.04
Japanese yen	3.56	3.11
Thai baht	9.50	8.31
Vietnam dollar	41.44	41.07

1.20 Financing costs

All interest and other costs incurred in connection with borrowings other than that capitalised in accordance with Note 1.17, are expensed as incurred. The interest component of finance lease payments is recognised in the Income Statement so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period.



1.21 Income recognition

i) Goods sold and services rendered

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the Income Statement when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from the rendering of services is recognised when the service is rendered. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods. Where the outcome of the transaction cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

ii) Property development

Revenue from property development activities is recognised based on the stage of completion measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated property development costs.

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

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised immediately in the income statement.

iii) Developed properties held for sale

Revenue relating to sale of developed properties held for sale is recognised net of discounts when transfer of risks and rewards have been transferred.

iv) Dividend income

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

v) Interest and rental income

Interest and rental income are recognised in the income statement as they accrue, taking into account the effective yield on the assets.

1.22 Employee benefits

i) Short term employee benefits

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

ii) Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.



1.23 Property development costs

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

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.

1.24 Land held for property development

Land held for property development consist of land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle of 2 to 3 years. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 1.15.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle of 2 to 3 years.

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.



2. Property, plant and equipment

Group	Cost/ Valuation RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000	Depreciation For The Year RM'000
2004				
Freehold land :				
At valuation - 1978	15,437	-	15,437	-
At cost	150,148	-	150,148	-
Long term leasehold land :				
At valuation - 1978	2,054	707	1,347	25
At cost	29,204	2,507	26,697	330
Short term leasehold land :				
At valuation - 1976	1,374	811	563	41
- 1978	255	96	159	7
At cost	102,487	22,469	80,018	2,517
Buildings :				
At valuation - 1976	2,037	1,986	51	253
- 1978	1,125	562	563	21
At cost	873,712	209,166	664,546	20,796
Assembly plant :				
At valuation - 1978	1,370	1,358	12	-
At cost	3,432	3,418	14	19
<i>Other assets at cost :</i>				
Freehold land and plantations	27,311	-	27,311	-
Plant and machinery	579,019	351,575	227,444	40,712
Furniture, fixtures, fittings, equipment and vehicles	240,397	159,255	81,142	23,194
Planting and replanting expenditure	222,858	48,079	174,779	10,550
Capital work -in-progress	32,723	-	32,723	-
	2,284,943	801,989	1,482,954	98,465

Less : Amount capitalised under land
held for property development (Note 3) (1)

98,464



2. Property, plant and equipment (Cont'd)

	Cost/ Valuation RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000	Depreciation For The Year RM'000
2003				
Freehold land :				
At valuation - 1978	15,437	-	15,437	-
At cost	145,118	-	145,118	-
Long term leasehold land :				
At valuation - 1978	2,054	682	1,372	25
At cost	30,189	2,481	27,708	333
Short term leasehold land :				
At valuation - 1976	1,374	770	604	22
- 1978	255	89	166	6
At cost	92,919	18,525	74,394	2,396
Buildings :				
At valuation - 1976	2,037	1,733	304	235
- 1978	1,125	541	584	22
At cost	792,168	183,226	608,942	19,609
Assembly plant :				
At valuation - 1978	1,370	1,358	12	-
At cost	3,432	3,399	33	20
<i>Other assets at cost :</i>				
Freehold land and plantations	27,311	-	27,311	-
Plant and machinery	546,746	317,903	228,843	37,549
Furniture, fixtures, fittings, equipment and vehicles	213,832	140,178	73,654	20,108
Planting and replanting expenditure	203,838	37,540	166,298	9,900
Capital work -in-progress	23,599	-	23,599	-
	<u>2,102,804</u>	<u>708,425</u>	<u>1,394,379</u>	<u>90,225</u>
Less : Amount capitalised under land held for property development (Note 3)				(1)
				<u><u>90,224</u></u>



2. Property, plant and equipment (Cont'd)

Company	Cost/ Valuation RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000	Depreciation For The Year RM'000
2004				
Freehold land :				
At valuation - 1978	10,519	-	10,519	-
At cost	4,883	-	4,883	-
Buildings :				
At valuation - 1978	788	426	362	16
At cost	175	35	140	3
Other assets at cost :				
Furniture, fixtures, fittings, equipment and vehicles	300	198	102	47
Capital work -in-progress	28	-	28	-
	16,693	659	16,034	66
2003				
Freehold land :				
At valuation - 1978	10,519	-	10,519	-
At cost	4,883	-	4,883	-
Buildings :				
At valuation - 1978	788	410	378	16
At cost	175	32	143	4
Other assets at cost :				
Furniture, fixtures, fittings, equipment and vehicles	297	151	146	46
Capital work -in-progress	28	-	28	-
	16,690	593	16,097	66

Please refer Notes 2.1 and 2.2 for detailed movement of cost/valuation and accumulated depreciation of property, plant and equipment of the Group and of the Company.



2. Property, plant and equipment (Cont'd)

2.1 Detailed movement in cost/valuation of the Company/Group are as follows:

	At 1 January 2004 RM'000	Additions RM'000	Disposal/ Write-off RM'000	Transfers RM'000	Exchange differences RM'000	At 31 December 2004 RM'000
Held by the Company						
At valuation 1978 :						
Freehold land	10,519	-	-	-	-	10,519
Buildings	788	-	-	-	-	788
At cost						
Freehold land	4,883	-	-	-	-	4,883
Buildings	175	-	-	-	-	175
Furniture, fixtures, fittings, equipment and vehicles	297	3	-	-	-	300
Capital work-in-progress	28	-	-	-	-	28
	16,690	3	-	-	-	16,693
Held by the subsidiary companies of the Group						
At valuation 1978 :						
Freehold land	4,918	-	-	-	-	4,918
Long term leasehold land	2,054	-	-	-	-	2,054
Short term leasehold land	255	-	-	-	-	255
Buildings	337	-	-	-	-	337
Assembly plant	1,370	-	-	-	-	1,370
At valuation 1976 :						
Short term leasehold land	1,374	-	-	-	-	1,374
Buildings	2,037	-	-	-	-	2,037
At cost						
Freehold land	140,235	1,348	(7)	-	3,689	145,265
Long term leasehold land	30,189	-	(962)	-	(23)	29,204
Short term leasehold land	92,919	2,770	(67)	-	6,865	102,487
Freehold land and plantations	27,311	-	-	-	-	27,311
Buildings	791,993	46,936	(1,414)	12,112	23,910	873,537
Assembly plant	3,432	-	-	-	-	3,432
Plant and machinery	546,746	44,022	(11,506)	(1,673)	1,430	579,019
Furniture, fixtures, fittings, equipment and vehicles	213,535	27,731	(10,330)	3,596	5,565	240,097
Planting and replanting expenditure	203,838	19,020	-	-	-	222,858
Capital work-in-progress	23,571	23,112	-	(14,035)	47	32,695
	2,102,804	164,942	(24,286)	-	41,483	2,284,943



2. Property, plant and equipment (Cont'd)

2.2 Detailed movement in accumulated depreciation of the Company/Group are as follows:

	At 1 January 2004 RM'000	Depreciation for the year RM'000	Disposal/ Write-off RM'000	Transfers RM'000	Exchange differences RM'000	At 31 December 2004 RM'000
Held by the Company						
At valuation 1978 :						
Buildings	410	16	-	-	-	426
At cost						
Buildings	32	3	-	-	-	35
Furniture, fixtures, fittings, equipment and vehicles	151	47	-	-	-	198
	593	66	-	-	-	659
Held by the subsidiary companies of the Group						
At valuation 1978 :						
Long term leasehold land	682	25	-	-	-	707
Short term leasehold land	89	7	-	-	-	96
Buildings	131	5	-	-	-	136
Assembly plant	1,358	-	-	-	-	1,358
At valuation 1976 :						
Short term leasehold land	770	41	-	-	-	811
Buildings	1,733	253	-	-	-	1,986
At cost						
Long term leasehold land	2,481	330	(285)	(19)	-	2,507
Short term leasehold land	18,525	2,517	(25)	-	1,452	22,469
Buildings	183,194	20,793	(3,264)	1,287	7,121	209,131
Assembly plant	3,399	19	-	-	-	3,418
Plant and machinery	317,903	40,712	(6,512)	(2,086)	1,558	351,575
Furniture, fixtures, fittings, equipment and vehicles	140,027	23,146	(8,586)	827	3,643	159,057
Planting and replanting expenditure	37,540	10,550	-	(9)	(2)	48,079
	708,425	98,464	(18,672)	-	13,772	801,989



2. Property, plant and equipment (Cont'd)

Additions to replanting expenditure during the year include :

	Group	
	2004	2003
	RM'000	RM'000
- Interest expense	836	1,064
- Unrealised loss on foreign exchange	-	1,324

Interest is capitalised under replanting expenditure at an average rate of 2.08% (2003 : 2.08%) per annum.

The property, plant and equipment are shown at Directors' valuation in the years indicated based on the following valuation exercises carried out :

- In 1976 - By a firm of professional valuers on a 'replacement cost' basis.
- In 1978 - By Government Valuers on an 'open market value' basis.

Subsequent acquisitions are shown at cost while deletions are at valuation or cost as appropriate.

Included in the net book value of property, plant and equipment of the Group is an amount of RM885,000 (2003 : RM1,772,000) representing assets financed under leasing instalment plans.

Included in the net book value of the buildings of the Group stated at cost is an amount of RM408,000 (2003 : RM439,000) representing the cost of construction of three units of shop houses on land belonging to a third party.

Certain title deeds to the land and buildings of the Group are in the process of issuance by the relevant authorities.

It is the Group's policy to state property, plant and equipment at cost. Revaluation of certain properties in 1976 and 1978 (including those properties classified under Development Properties) were carried out primarily for the purpose of reflecting a fairer worth of properties then and were not intended to effect a change in accounting policy to one of revaluation of properties. It is envisaged that the current market values of the revalued properties are no less than their net book values. In accordance with the transitional provisions issued by the Malaysian Accounting Standards Board ("MASB") upon adoption of International Accounting Standard No 16 (Revised), Property, Plant and Equipment, the valuation of these assets has not been updated, and they continue to be stated at their existing carrying amounts less accumulated depreciation.



2. Property, plant and equipment (Cont'd)

The carrying amounts of the revalued assets (under property, plant and equipment) had they been stated at cost less accumulated depreciation are as follows :

	Cost RM'000	Accumulated Depre ciation RM'000	Net Book Value RM'000
2004			
At Valuation 1976 :			
<i>Held by the subsidiary companies of the Group</i>			
Short term leasehold land	187	112	75
Buildings	1,713	1,195	518
	1,900	1,307	593
At Valuation 1978 :			
<i>Held by the Company</i>			
Freehold land	865	-	865
Buildings	65	33	32
	930	33	897
<i>Held by the subsidiary companies of the Group</i>			
Freehold land	5,147	-	5,147
Long term leasehold land	1,400	617	783
Short term leasehold land	23	12	11
Buildings	1,687	667	1,020
Assembly plant	691	691	-
	8,948	1,987	6,961
	11,778	3,327	8,451
2003			
At Valuation 1976 :			
<i>Held by the subsidiary companies of the Group</i>			
Short term leasehold land	187	108	79
Buildings	1,713	1,170	543
	1,900	1,278	622
At Valuation 1978 :			
<i>Held by the Company</i>			
Freehold land	865	-	865
Buildings	65	32	33
	930	32	898
<i>Held by the subsidiary companies of the Group</i>			
Freehold land	5,147	-	5,147
Long term leasehold land	1,400	612	788
Short term leasehold land	23	11	12
Buildings	1,687	664	1,023
Assembly plant	691	691	-
	8,948	1,978	6,970
	11,778	3,288	8,490



3. Land held for property development

	Group	
	2004	2003
	RM'000	RM'000
Balance at 1 January	57,692	57,579
Add : Additions during the year	370	224
Less : Compulsory acquisition of development properties by Government	(66)	(111)
Transfer to property development costs (Note 10)	(2,628)	-
Balance at 31 December *	<u>55,368</u>	<u>57,692</u>
* This amount comprises :		
At valuation (1978)		
Freehold land	1,751	1,816
At cost		
Freehold land	43,991	43,991
Other outgoings	9,626	11,885
	<u>55,368</u>	<u>57,692</u>

The freehold land is shown at Directors' valuation based on a valuation exercise carried out by Government Valuers on an 'open market value' basis in 1978.

The carrying amount of the revalued land had it been stated at cost is RM1,227,000 (2003 : RM1,257,000).

Included in other outgoings are the following :

- i) Depreciation amounting to RM1,000 (2003 : RM1,000).
- ii) Land premium of RM5,625,000 (2003 : RM5,625,000) representing payment made pursuant to a conditional agreement entered into between the State Government of Malacca and one of the subsidiary companies, Ultra Green Sdn Bhd ("UGSB"), whereby UGSB has been granted exclusive right to reclaim and develop approximately 1,125 acres of foreshore land. The approval from the State Government of Malacca includes the granting of leasehold tenancy for a period of 99 years and the entitlement of the State Government of Malacca, after reclamation, to one-sixth of the total net saleable area or one-sixth of the paid up capital of UGSB in lieu thereof.

As at the date of this financial statements, UGSB has commenced the reclamation works after obtaining the approval from the Department of Environment Melaka.



4. Investment in subsidiary companies

	Company	
	2004	2003
	RM'000	RM'000
Unquoted shares		
- at cost	383,964	377,181
- at valuation	23,523	23,523
	<u>407,487</u>	<u>400,704</u>

The shares in two of the subsidiary companies are shown at Directors' valuation based on their net worth in 1979.

Details of the subsidiary companies are listed under Note 34.

5. Investment in associated companies

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost	54,379	54,052	24,548	24,548
Share of post-acquisition reserves	117,218	112,668	-	-
	<u>171,597</u>	<u>166,720</u>	<u>24,548</u>	<u>24,548</u>
Less : Impairment losses	-	-	(10,000)	(10,000)
	<u>* 171,597</u>	<u>* 166,720</u>	<u>14,548</u>	<u>14,548</u>
<i>* This is represented by :</i>				
Share of net tangible assets	167,218	162,341		
Goodwill	4,379	4,379		
	<u>171,597</u>	<u>166,720</u>		

List of Associated Companies :

	Group's Interest		Principal Activities
	2004	2003	
	%	%	
Incorporated in Malaysia :			
Chainferry Development Sdn. Berhad	32.8	32.8	Property development
Penang Wellesley Realty Sdn. Berhad	39.8	39.8	Property development
Southern Perak Plantations Sdn. Berhad	39.5	39.5	Production and sale of oil palm fruits, palm oil and kernel
Penang Amusements Co. Sdn. Bhd.	25.0	25.0	Operation of a bowling alley
Jasabudi Sdn Bhd	20.0	20.0	Dealer in machinery and spare parts
Honda Autoparts Manufacturing (M) Sdn. Bhd.	49.0	49.0	Manufacturing and sale of motor vehicle parts
Unique Mix (Penang) Sdn. Bhd.	25.8	25.8	Manufacturer and dealer of concrete products



5. Investment in associated companies (Cont'd)

	Group's Interest		Principal Activities
	2004	2003	
	%	%	
Southern Oriental Sdn. Bhd.	50.0	50.0	Investment holding
Hicom Teck See Manufacturing Malaysia Sdn Bhd	29.4	29.4	Manufacture of thermo plastic and thermo setting products

Incorporated in Singapore :

Singapore Safety Driving Centre Ltd	27.5	27.5	Operation of a driving school
B.S. Kah Pte. Ltd	40.0	40.0	Property management
Bukit Batok Driving Centre Ltd	21.9	21.9	Operation of a driving school

The accounting year end of all the associated companies is 31 December except for Hicom Teck See Manufacturing Malaysia Sdn Bhd, Jasabudi Sdn Bhd and Unique Mix (Penang) Sdn Bhd whose accounting years end on 31 March, 31 May and 30 June respectively.

6. Other investments, at cost

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Quoted shares				
- in Malaysia	7,586	7,503	-	-
- outside Malaysia	32,679	27,400	-	-
Quoted bonds	114,627	70,256	-	-
Quoted unit trusts and warrants	9,770	8,688		
	164,662	113,847	-	-
Unquoted shares	28,190	27,600	33,113	33,113
Unquoted bonds	18,395	17,401		
Others	1,502	1,546	-	-
	212,749	160,394	33,113	33,113
Market value of :				
- Quoted shares	61,270	46,200	-	-
- Quoted bonds	112,591	70,078	-	-
- Quoted unit trusts and warrants	10,163	9,174		
	184,024	125,452	-	-

The Group's foreign government and public bonds and the unquoted shares have been stated after allowance for diminution in value of Nil (2003 : RM1,778,000) and RM211,000 (2003 : RM148,000) respectively.



7. Goodwill

	Group	
<i>At cost</i>	2004 RM'000	2003 RM'000
Balance at 1 January	19,202	17,052
Additions through acquisition of a subsidiary company	-	200
Goodwill arising from additional investments in subsidiary companies	1,237	1,950
Balance at 31 December	<u>20,439</u>	<u>19,202</u>

8. Deferred tax assets

The recognised deferred tax assets for the Group are in respect of the following :

	Group	
	2004 RM'000	2003 RM'000
Property, plant and equipment		
- capital allowances	27	(639)
Provisions	(2,587)	(755)
Unabsorbed capital allowances	(931)	(294)
Unutilised tax losses	(4,994)	(4,836)
	<u>(8,485)</u>	<u>(6,524)</u>

No deferred tax has been recognised in respect of the following items as it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

	Group	
	2004 RM'000	2003 RM'000
Taxable temporary differences	13,536	8,821
Unabsorbed capital allowances	(13,537)	(8,911)
Unutilised tax losses	(24,843)	(13,525)
Unutilised tax credits	(5,893)	(6,425)
	<u>(30,737)</u>	<u>(20,040)</u>

The unutilised tax losses, unabsorbed capital allowances and unutilised investment tax allowances do not expire under the Malaysian tax legislation. Tax losses in respect of certain foreign subsidiaries that may be credited against income for eight (8) years beginning with the first year after such losses occur are as follows :

	Group	
	2004 RM'000	2003 RM'000
Fiscal loss carry forward		
2000	-	3,008
2001	3,576	6,818
	<u>3,576</u>	<u>9,826</u>



9. Inventories

	Group	
	2004 RM'000	2003 RM'000
Developed properties held for sale	2,954	5,798
Finished products		
Manufactured goods	46,797	27,414
Assembled motor vehicles	173,980	114,320
Trading inventories	46,560	29,595
	267,337	171,329
Work-in-progress	18,745	17,077
Raw materials	75,128	62,135
Knocked-down units	39,203	40,234
Consumable stores and spares	74,666	37,255
Hotel stocks	3,587	3,228
	481,620	337,056

Included in the above are certain inventories carried at net realisable value :

	Group	
	2004 RM'000	2003 RM'000
Manufactured goods	7,089	-
Assembled motor vehicles	3	173
Consumable stores and spares	15,405	5,550
Trading inventories	182	81
	22,679	5,804

10. Property development costs

	Group	
	2004 RM'000	2003 RM'000
Balance at 1 January	3,823	5,088
Add :		
Development costs incurred during the year	4,373	3,860
Transfer from land held for property development (Note 3)	2,628	-
	10,824	8,948
Less :		
Cost of completed units transferred to inventories of completed properties	-	(5,125)
Cost charged to income statement	(2,224)	-
Balance at 31 December *	8,600	3,823



10. Property development costs (Cont'd)

	Group	
	2004 RM'000	2003 RM'000
* This amount comprises :		
Freehold land, at cost	2,957	329
Development costs	5,643	3,494
	<u>8,600</u>	<u>3,823</u>

11. Trade and other receivables

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Trade receivables				
Amount due :				
- within 1 year	369,580	260,544	-	-
- after 1 year	939	1,828	-	-
	<u>370,519</u>	<u>262,372</u>	<u>-</u>	<u>-</u>
Allowance for doubtful debts	(7,298)	(7,596)	-	-
Unearned income	(1,217)	(1,501)	-	-
	<u>(8,515)</u>	<u>(9,097)</u>	<u>-</u>	<u>-</u>
	<u>362,004</u>	<u>253,275</u>	<u>-</u>	<u>-</u>
Amount due from subsidiary companies	-	-	401,290	440,477
Amount due from associated companies	5,479	6,128	-	-
Other receivables, deposits and prepayments	64,509	66,529	38	28
	<u>431,992</u>	<u>325,932</u>	<u>401,328</u>	<u>440,505</u>

Included in other receivables, deposits and prepayments of the Group as at end of last year was an amount of RM6,569,000 due from state government for the compulsory acquisition of development properties subsequently received during the year.



12. Cash and cash equivalents

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Fixed deposits :				
With licensed banks	576,064	588,882	7,443	4,470
With licensed finance companies	105,479	166,027	-	-
	<u>681,543</u>	<u>754,909</u>	<u>7,443</u>	<u>4,470</u>
Cash and bank balances	208,302	188,111	5,695	1,391
	<u>889,845</u>	<u>943,020</u>	<u>13,138</u>	<u>5,861</u>

Included in the fixed deposits of the Group is an amount of RM24,558,000 (2003 : RM4,555,000) which is pledged for banking/financing facilities granted to certain subsidiary companies.

Included in cash and bank balances of the Group is an amount of RM476,000 (2003 : RM148,000), the utilisation of which is subject to the Housing Development (Housing Development Account) (Amendments) Regulations 2002.

13. Trade and other payables

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Trade payables	247,660	163,455	-	-
Other payables and accruals	117,884	109,789	1,069	1,109
Amount due to associated companies	258	190	-	-
Amount due to subsidiary companies	-	-	1,900	-
	<u>365,802</u>	<u>273,434</u>	<u>2,969</u>	<u>1,109</u>

14. Borrowings

	Group	
	2004	2003
	RM'000	RM'000
Secured :		
Bank overdraft	-	380
Other bank borrowings	18,282	-
Unsecured :		
Bank overdrafts	4,464	5,352
Other bank borrowings	316,833	383,722
Lease obligations (Note 21)	33	313
	<u>339,612</u>	<u>389,767</u>

The bank borrowings carry interest at rates which vary according to prevailing base lending rates.

The secured bank borrowings are secured by way of fixed deposit pledged (see Note 12).



15. Deferred expenditure

	Group	
	2004 RM'000	2003 RM'000
Cost		
Balance at 1 January	26,985	19,097
Additions during the year	502	7,888
Balance at 31 December	27,487	26,985
Accumulated Amortisation		
Balance at 1 January	(15,711)	(13,129)
Amortisation charge for the year (Note 22)	(5,770)	(2,539)
Write off during the year (Note 22)	(121)	(43)
Balance at 31 December	(21,602)	(15,711)
Net book value	5,885	11,274

16. Share capital

	Group/Company	
	2004 RM'000	2003 RM'000
Authorised :		
Stocks of RM1 each	1,000,000	1,000,000
Issued and fully paid :		
Stocks of RM1 each	517,000	517,000



17. Reserves

Group	At 1 January 2004 RM'000	Additions through additional investment in subsidiaries RM'000	Transfer to Income Statement RM'000	Currency translation differences RM'000	At 31 December 2004 RM'000
<i>Distributable</i>					
Capital Reserves	40,237	-	-	-	40,237
<i>Non-distributable</i>					
Share Premium	1,099	-	-	-	1,099
Asset Revaluation Reserve	474	-	-	-	474
Exchange Fluctuation Reserves	228,052	136	-	92,916	321,104
Capital Reserves	1,086	-	(13)	-	1,073
Capital Redemption Reserve	68	-	-	-	68
	230,779	136	(13)	92,916	323,818
	271,016	136	(13)	92,916	364,055

Company

<i>Distributable</i>					
Capital Reserves	29,992	-	-	-	29,992
<i>Non-distributable</i>					
Capital Redemption Reserve	68	-	-	-	68
	30,060	-	-	-	30,060

Group	At 1 January 2003 RM'000	Additions through additional investment in subsidiaries RM'000	Transfer from Income Statement RM'000	Transfer to deferred tax liabilities RM'000	Currency translation differences RM'000	At 31 December 2003 RM'000
<i>Distributable</i>						
Capital Reserves	39,552	-	685	-	-	40,237
<i>Non-distributable</i>						
Share Premium	1,099	-	-	-	-	1,099
Asset Revaluation Reserve	474	-	-	-	-	474
Exchange Fluctuation Reserves	146,639	(67)	-	-	81,480	228,052
Capital Reserves	1,344	-	-	(258)	-	1,086
Capital Redemption Reserve	68	-	-	-	-	68
	149,624	(67)	-	(258)	81,480	230,779
	189,176	(67)	685	(258)	81,480	271,016

Company

<i>Distributable</i>						
Capital Reserves	29,992	-	-	-	-	29,992
<i>Non-distributable</i>						
Capital Redemption Reserve	68	-	-	-	-	68
	30,060	-	-	-	-	30,060



17. Reserves (Cont'd)

The Capital Reserves comprise :

- (a) surplus on sale of land and building and long term investments; and
- (b) reserve fund provided at 10% of net profit of a subsidiary in China.

18. Retained profits

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Balance at 1 January	1,642,845	1,565,203	324,738	349,032
Net profit for the year attributable to stockholders	244,429	162,076	55,327	59,455
	1,887,274	1,727,279	380,065	408,487
Less : Appropriations				
Dividends (Note 26)	(74,444)	(83,749)	(74,444)	(83,749)
Transfer to reserve fund (Note 17)	-	(685)	-	-
	(74,444)	(84,434)	(74,444)	(83,749)
Balance at 31 December	1,812,830	1,642,845	305,621	324,738

19. Treasury stocks - Group/Company

In year 2000, the Company purchased 100,000 of its issued stocks from the open market. The average price paid for the stocks purchased was RM7.84 per stock. The repurchased stocks are held as treasury stocks and carried at cost.

On 2 March 2001, 68,192 of the treasury stocks were cancelled which reduced the issued capital of the Company to 517,000,000 stocks of RM1 each and an amount equivalent to their nominal value was transferred to Capital Redemption Reserve. Treasury stocks have no rights to voting, dividends and participation in other distribution.

20. Minority interests

This consists of the minority shareholders' proportion of share capital and reserves of subsidiaries, net of their share of subsidiary companies' goodwill on consolidation



21. Deferred liabilities

	Group	
	2004	2003
	RM'000	RM'000
Deferred tax liabilities		
Balance at 1 January	20,297	20,158
Exchange differences	19	2
Transfer to Income Statement	(749)	(121)
Transfer from Capital Reserve (Note 17)	-	258
Balance at 31 December	19,567	20,297
Lease/Hire purchase obligations		
Total amount payable	158	409
Portion payable within 12 months included under Borrowings (Note 14)	(33)	(313)
Amount payable after 12 months	125	96
	19,692	20,393

The recognised deferred tax liabilities for the Group are in respect of the following :

	Group	
	2004	2003
	RM'000	RM'000
Deferred tax liabilities		
Property, plant and equipment		
- capital allowances	19,813	24,070
- revaluation	326	178
Unabsorbed capital allowances	(131)	(103)
Other deductible temporary differences	(441)	(3,848)
	19,567	20,297



22. Operating profit

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Sale of goods and services	4,075,375	3,101,425	411	34
- Interest income	18,947	24,018	3,327	4,946
- Rental income	5,065	5,473	113	24
- Dividend income	12,356	2,797	57,779	77,183
	4,111,743	3,133,713	61,630	82,187
Cost of sales	(3,419,188)	(2,605,991)	-	-
Gross Profit	692,555	527,722	61,630	82,187
Distribution costs	(63,575)	(50,870)	-	-
Administration expenses	(180,740)	(170,362)	(2,091)	(1,917)
Other operating expenses	(127,037)	(100,176)	-	-
Other operating income	19,332	16,528	1,081	-
	(352,020)	(304,880)	(1,010)	(1,917)
Operating profit	340,535	222,842	60,620	80,270

This has been arrived at

After charging :

Directors' emoluments

Directors of the Company

- Fees	926	835	540	360
- Others	4,957	4,124	45	49
- Benefits-in-kind	4	4	-	-

Directors of subsidiary companies

- Fees	1,020	1,004	-	-
- Others	5,469	5,366	-	-
- Benefits-in-kind	165	171	-	-

Past Directors

- Others	20	-	-	-
- Benefits-in-kind	10	-	-	-

Auditors' remuneration

- current year	967	809	9	9
- prior year	26	180	-	9

Depreciation (Note 2)

	98,464	90,224	66	66
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Rental of land and buildings

	3,316	4,604	-	-
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Hire of equipment

	1,682	921	-	-
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Plant and equipment written off

	120	118	-	-
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Deferred expenditure written off (Note 15)

	121	43	-	-
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Realised loss on foreign exchange

	-	-	2	-
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Bad and doubtful debts

	32	72	-	-
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Write down of inventories

	1,394	1,402	-	-
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Amortisation of deferred expenditure

(Note 15)	5,770	2,539	-	-
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Inventories written off

	28	903	-	-
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Loss on disposal of investments

	1,988	-	-	-
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Unrealised loss on foreign exchange

	4,727	-	-	-
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22. Operating profit (Cont'd)

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
and crediting :				
Dividends (gross) received from:				
Unquoted investments	3,006	605	4,289	1,822
Unquoted subsidiary companies	-	-	45,463	68,368
Unquoted associated companies	-	-	8,027	6,993
Investments quoted in Malaysia	195	-	-	-
Investments quoted outside Malaysia	9,155	2,192	-	-
Rental income	5,065	5,473	113	24
Realised gain on foreign exchange	1,718	2,927	-	-
Interest received from subsidiary companies	-	-	3,169	4,203
Other interest income	18,947	24,018	158	743
Gain on disposal of property, plant and equipment	9,748	2,816	-	-
Gain on disposal of investments	-	292	-	-
Gain on disposal of development properties arising from compulsory acquisition	4,168	6,458	-	-
Reversal of allowance for diminution in value of other investments	-	1,640	-	-
Unrealised gain on foreign exchange	-	1,654	1,081	-
Reversal of allowance for doubtful debts	-	-	-	-
	588	719	-	-

23. Employee information

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Staff costs	269,535	215,734	830	584

Included in staff costs of the Group and of the Company is an amount of RM17,688,000 (2003 : RM15,858,000) and RM146,000 (2003 : RM137,000) respectively representing contributions made to defined contribution plans.

The number of employees of the Group and of the Company (including salaried Directors) at the end of the year was 9,359 (2003 : 8,362) and 8 (2003 : 11) respectively.



24. Tax expense

Details of the tax expense are as follows :

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian tax expense				
- Based on profit for the year	38,963	25,426	7,600	20,815
- (Over)/Under provision in respect of prior years	(2,425)	1,255	(2,307)	-
	36,538	26,681	5,293	20,815
Foreign tax expense				
- Based on profit for the year	38,498	27,653	-	-
- Under provision in respect of prior year	34	431	-	-
	38,532	28,084	-	-
	75,070	54,765	5,293	20,815
Deferred tax expense				
Transfer (from)/to Deferred Taxation Account				
- current year	(3,004)	(3,342)	-	-
- prior year	294	(3,300)	-	-
	(2,710)	(6,642)	-	-
On share of results of associated companies	6,648	5,398	-	-
	<u>79,008</u>	<u>53,521</u>	<u>5,293</u>	<u>20,815</u>



24. Tax expense (Cont'd)

Reconciliation of effective tax expense

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	357,818	230,786	60,620	80,270
Income tax using Malaysian tax rates	100,189	64,620	16,974	22,475
Effect of different tax rates in foreign jurisdictions	(11,341)	(6,309)	-	-
Effect of changes in foreign tax rates	(104)	-	-	-
Non-deductible expenses	6,646	4,209	130	149
Income not subject to tax	(6,738)	(2,214)	(9,494)	(2,055)
Tax incentives	(4,210)	(2,762)	-	-
Deferred tax assets not recognised	891	675	-	-
Recognition of previously unrecognised deferred tax asset	(3,884)	(4,516)	-	-
Losses not available for set-off	945	2,596	-	-
Others	(1,289)	(1,164)	(10)	246
	81,105	55,135	7,600	20,815
Under/(Over) provision in prior years	(2,097)	(1,614)	(2,307)	-
	79,008	53,521	5,293	20,815

Company

Subject to agreement by the Inland Revenue Board, the Company has sufficient tax credits and exempt income to frank/distribute dividends out of all its distributable reserves at balance sheet date.

25. Basic earnings per ordinary stock

The basic earnings per ordinary stock unit have been calculated based on the net profit for the year attributable to the stockholders of the Company and the number of stocks in issue of 516,968,192 (2003 : 516,968,192), after deducting the Treasury Stocks of 31,808 (2003 : 31,808).



26. Dividends

	Group/Company	
	2004	2003
	RM'000	RM'000
Interim declared/paid :		
Interim dividend of 5% (2003 : 5%) less 28% tax	18,611	18,611
Special dividend of 5% (2003 : 5%) less 28% tax	18,611	18,611
	37,222	37,222
Final paid - 2003		
Final dividend of 8% (2002 : 8%) less 28% tax	29,778	29,778
Special dividend of 2% (2002 : 4.5%) less 28% tax	7,444	16,749
	37,222	46,527
	74,444	83,749

The Directors proposed a final dividend of 8% less 28% tax, and a special dividend of 2.5% less 28% tax, making a total dividend of 10.5% less 28% tax, totalling RM39,082,795 in respect of the year ended 31 December 2004, subject to the approval of the stockholders at the forthcoming Annual General Meeting. The financial statements do not reflect this proposed final dividend and special dividend, which will be accounted for as an appropriation of retained profits in the year ending 31 December 2005.

The gross dividends per ordinary stock as disclosed in the Income Statements take into account the total interim and final dividend for the financial year.

27. Commitments

	Group	
	2004	2003
	RM'000	RM'000
(i) Non-cancellable operating lease commitments		
Within 1 year	1,985	6,768
Between 1 to 5 years	4,424	4,541
Above 5 years	4,290	4,895
	10,699	16,204
(ii) Capital expenditure		
- approved and contracted for	14,237	11,497
- approved but not contracted for	109,516	261,965
	123,753	273,462



28. Segmental reporting

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segments

The Group comprises the following main business segments :

<i>Automotive and related products</i>	Retailer, assembly and distributor of motor vehicles; manufacture of engines, seats and other related parts as well as traders of spare parts, accessories and related component parts
<i>Plastic products</i>	Manufacture, assembly and distribution of plastic component parts; manufacture of plastic technical and industrial goods and equipment
<i>Hotels and resorts</i>	Hotelier
<i>Investment holding and financial services</i>	Investment in shares and bonds, letting of properties and leasing companies
<i>Plantation</i>	Cultivation of oil palm
<i>Others including property development</i>	<ul style="list-style-type: none">a) Development of residential and commercial properties;b) provision of management, marketing, advertisement and central reservation services;c) freight forwarding, shipping agents and commission agents;d) manufacture of wire netting, wire mesh, barbed wire, weld mesh, nails and building materials;e) distributor of cement and manufacturer and dealer of concrete products

Geographical segments

The Group's business are mainly carried out in two geographical areas, Malaysia and Singapore.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are also based on the geographical location of assets.



28. Segmental reporting (Cont'd)

Business segments

	Automotive and related products RM'000	Plastic products RM'000	Hotels and resorts RM'000	Plantation RM'000	Investment holding and financial services RM'000	Others including property development RM'000	Elimination RM'000	Consolidated RM'000
2004								
Revenue from external customers	294,211	449,672	166,497	178,250	29,066	346,139	-	4,111,743
Inter-segment revenue	150	3,895	-	-	8,167	11,087	(23,299)	-
Total revenue	2,942,269	453,567	166,497	178,250	37,233	357,226	(23,299)	4,111,743
Segment results	192,980	11,983	15,408	46,932	23,740	36,646	12,846	340,535
Interest expense								(6,095)
Share of profits in associated companies								23,378
Profit before taxation								357,818
Tax expense								(79,008)
Minority interests								(34,381)
Net profit for the year								244,429
Segment assets	1,783,290	528,545	478,011	457,145	87,259	255,202	-	3,589,452
Investment in associated companies	48,373	45,127	-	15,779	-	62,318	-	171,597
Total assets								3,761,049
Segment liabilities	151,350	116,410	24,509	16,572	2,650	54,311	-	365,802
Unallocated liabilities								430,480
Total liabilities								796,282
Capital expenditure	31,053	75,619	31,413	23,358	6	3,493	-	164,942
Depreciation and amortisation	38,374	28,468	12,976	20,232	68	4,116	-	104,234
Non-cash expenses other than depreciation and amortisation	1,127	56	68	18,773	-	4,715	-	25,239



28. Segmental reporting (Cont'd)

	Automotive and related products RM'000	Plastic products RM'000	Hotels and resorts RM'000	Plantation RM'000	Investment holding and financial services RM'000	Others including property development RM'000	Elimination RM'000	Consolidated RM'000
2003								
Revenue from external customers	2,204,090	337,934	138,772	141,933	31,162	279,822		3,133,713
Inter-segment revenue	322	2,845	5	-	88	10,676	(13,936)	-
Total revenue	2,204,412	340,779	138,777	141,933	31,250	290,498	(13,936)	3,133,713
Segment results	138,917	4,247	20,998	36,742	22,056	17,960	(18,078)	222,842
Interest expense								(11,280)
Share of profits in associated companies								19,224
Profit before taxation								230,786
Tax expense								(53,521)
Minority interests								(15,189)
Net profit for the year								162,076
Segment assets	1,566,210	449,300	438,208	461,877	93,268	243,909	-	3,252,772
Investment in associated companies	46,762	43,464	-	15,839	-	60,655	-	166,720
Total assets								3,419,492
Segment liabilities	97,621	83,694	32,699	15,034	2,513	41,873	-	273,434
Unallocated liabilities								468,696
Total liabilities								742,130
Capital expenditure	34,262	54,257	17,751	44,828	24	3,797	-	154,919
Depreciation and amortisation	28,561	26,699	15,224	17,697	68	4,514	-	92,763
Non-cash expenses other than depreciation and amortisation	903	2,456	337	33	2,426	5,011	-	11,166



28. Segmental reporting (Cont'd)

Geographical segments

	Malaysia RM'000	Singapore RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
2004					
Revenue from external customers by location of customers	1,837,290	1,744,167	530,286	-	4,111,743
Segment assets by location of assets	1,472,167	1,082,382	1,034,903	-	3,589,452
Capital expenditure by location of assets	48,384	15,222	101,336	-	164,942
2003					
Revenue from external customers by location of customers	1,367,124	1,380,102	386,487	-	3,133,713
Segment assets by location of assets	1,450,282	853,322	949,168	-	3,252,772
Capital expenditure by location of assets	49,889	3,974	101,056	-	154,919

29. Contingent liabilities, unsecured - Company

- i) The Company has issued corporate guarantees to financial institutions for banking facilities granted to certain subsidiary companies up to a limit of **RM684.6 million** (2003 : RM616.3 million) of which **RM367.4 million** (2003 : RM484.1 million) was utilised as at balance sheet date.
- ii) The Company has also issued corporate guarantees to certain non-financial institutions for the supply of goods and services provided to certain subsidiary companies up to a limit of **RM32.5 million** (2003 : RM30.5 million) of which **RM2.8 million** (2003 : RM2.1 million) was utilised as at balance sheet date.
- iii) The Company also undertakes to provide financial support for certain subsidiary companies to enable them to continue as a going concern.

30. Related parties

30.1 Identity of related parties

- a) The Company has a controlling related party relationship with its direct and indirect subsidiary companies and the associated companies of the Group as disclosed in the financial statements;
- b) The Company also has a related party relationship with :
 - i) the substantial shareholder, Boon Siew Sdn Berhad which holds a 43% interest in the Company and presumed to exercise significant influence over the Company;
 - ii) the subsidiary companies of Boon Siew Sdn Berhad and the direct and indirect associated companies of Boon Siew Sdn Berhad

(hereinafter referred as "Boon Siew Group of Companies"); and



30. Related parties (Cont'd)

iii) The key Directors and key management personnel of the Group

- Dato' Loh Cheng Yean
- Dato' Wong Lum Kong, JP
- Dato' Lim Su Tong @ Lim Chee Tong
- Dato' Dr. Tan Chong Siang

30.2 *Significant transactions with related parties other than those disclosed elsewhere in the financial statements are as follows :*

a) With associated companies of the Group

	Group	
	2004 RM'000	2003 RM'000
i) Sale of goods	20,916	34,675
ii) Purchase of goods	164	152
iii) Lease finance charges receivable	11	306
iv) Management fee and commission payable	533	470

b) With Boon Siew Group of Companies

	Group	
	2004 RM'000	2003 RM'000
i) Commission receivable in respect of advertising, marketing and hotel reservation services	2,654	2,495
ii) Sale of goods	143,659	66,603
iii) Charges for the assembly of motor cycles	37,277	26,069
iv) Purchase of goods	11,385	6,959
v) Rental charges receivable (net)	168	168

c) There were no transactions with the Directors and key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment.

The Directors of the Company are of the opinion that the above transactions were entered in the normal course of business and the terms of which have been established on a negotiated basis.

30.3 *Significant non-trade related party balances*

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Amount due from				
- subsidiary companies	-	-	401,290	440,477
- associated companies	5,479	6,128	-	-
	<u>5,479</u>	<u>6,128</u>	<u>401,290</u>	<u>440,477</u>
Amount due to				
- associated companies	258	190	-	-
- subsidiary companies	-	-	1,900	-



31. Financial instruments

The Group's financial risk management policy seeks to ascertain that adequate financial resources are available for the development of the Group's businesses whilst managing its risks. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group financial risk management policies. The Group operates within clearly defined guidelines that are approved by the Board.

It is the Group's policy not to engage in speculative transactions. As and when the Group undertakes significant transactions with risk exposure, the Group evaluates its exposure and the necessity to hedge such exposure taking into consideration the availability and cost of such hedging instruments. Financial instruments such as trade receivables, trade and other payables arise directly from the Group's operations.

The main risks arising from financial instruments and policies for controlling these risks are set out below :

Credit risk

The Group controls its credit risk by the application of credit approvals, limits and monitoring procedures. Credit evaluations are performed on all customers requiring credit over a certain amount and strictly limiting the Group's associations to business partners with high credit worthiness. Trade receivables are monitored on an ongoing basis.

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

Interest rate risk

The Group is exposed to the fluctuating interest rate risk in respect of deposits placed with the licensed financial institutions, borrowings and investment portfolio. These risks are managed through the use of fixed and floating rate financial instruments.

Foreign currency risk

Foreign exchange risk arises as the Group engages in transactions that are denominated in foreign currencies, mainly in US Dollars, Singapore Dollars, Brunei Dollars, Australian Dollars, New Zealand Dollars, Chinese Renminbi, Japanese Yen, Thai Baht, Vietnam dollars and Indonesian Rupiah. In addition, the Group is exposed to foreign currency movements on its investments in foreign subsidiary companies and associated companies. Foreign currency risk is mitigated as it is managed as far as possible by natural hedges of matching assets and liabilities in the same foreign currency.



31. Financial instruments (Cont'd)

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice or mature, whichever is earlier.

Group	Effective interest rate %	Total RM'000	Within 1 year RM'000	1 - 5 years RM'000	After 5 years RM'000
2004					
Financial assets					
Bonds, unit trusts and warrants	1.50 - 6.00	142,792	50,492	45,812	46,488
Fixed deposits	0.75 - 6.55	681,543	681,543	-	-
Financial liabilities					
Bank overdrafts	6.00	4,464	4,464	-	-
Other borrowings	0.29 - 5.62	335,115	335,115	-	-
2003					
Financial assets					
Bonds, unit trusts and warrants	4.60	96,345	58,460	17,957	19,928
Fixed deposits	0.72 - 7.75	754,909	754,909	-	-
Financial liabilities					
Bank overdrafts	3.60 - 7.80	5,732	5,732	-	-
Other borrowings	1.04 - 6.63	383,722	383,722	-	-
Company					
Financial assets					
2004					
Amount due from subsidiary companies	3.08	138,855	138,855	-	-
Fixed deposits	3.00 - 4.00	7,443	7,443	-	-
2003					
Amount due from subsidiary companies	7.00	148,002	148,002	-	-
Fixed deposits	3.00 - 4.00	4,470	4,470	-	-

Fair values

Recognised financial instruments

The carrying amounts approximate fair value due to the relatively short term nature of these financial instruments in respect of cash and cash equivalents, trade and other receivables, trade and other payables and short term borrowings.



31. Financial instruments (Cont'd)

The aggregate fair value of the other financial assets carried on the balance sheet as at 31 December are shown below :

Group	2004		2003	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial assets				
Quoted shares	40,265	61,270	34,903	46,200
Bonds, unit trusts and warrants	142,792	141,149	96,345	96,561
Unquoted shares	28,190	#	27,600	#

The fair value of quoted securities is their quoted bid price at the balance sheet date.

For unquoted investments held, the fair value has not been disclosed as it is not practicable within constraints of timeliness and cost to determine with sufficient reliability.

32. Significant events during the year

- i) Armstrong Auto Parts Sdn. Berhad ("AAP"), a 60.7% owned subsidiary of Oriental Holdings Berhad had injected RM2.846 million (USD749,020) in the capital of Armstrong Component Parts (Vietnam) Co., Ltd. ("ACPV"), a fellow subsidiary company incorporated in Vietnam, which increases the Group's equity interest in ACPV from 58.1% to 58.9%.
- ii) The 100% subsidiary of OHB, Oriental Realty Sdn. Bhd. acquired 1,470,000 ordinary shares of RM1.00 each in Kenanga Mekar Sdn. Bhd. ("Ken") from Yayasan Bumiputra Pulau Pinang Bhd.. Ken is now a wholly-owned subsidiary of Oriental Realty Sdn. Bhd..
- iii) The incorporation of a wholly-owned subsidiary company, known as Kah Assemblers Sdn. Bhd. ("Kah Assemblers") by the Company on 30 December 2004 with initial authorised share capital of RM100,000 and paid-up capital of RM2. The intended principal activity of the Kah Assemblers is to carry on all or any of the businesses of manufacturers, assemblers of, dealers in motorcycles, spare parts, accessories and all related components.
- iv) The incorporation of a new subsidiary company in Indonesia, P.T. Oriental Manufacturing Indonesia ("PT OMI") through the Company's wholly-owned subsidiary, Oriental International (Mauritius) Pte. Ltd. and its 60% owned subsidiary, Teck See Plastic Sdn. Bhd.. The intended principal activities of PT OMI are manufacturing and distribution of plastic articles and products in automotive and electrical sectors.

33. Significant post balance sheet event - Company

Subsequent to balance sheet date,

- (i) the subsidiary of the Company, Ultra Green Sdn. Bhd. ("UG") has commenced its reclamation work after obtaining the approval from the Department of Environment Melaka; and
- (ii) the Company has entered into a Share Sale Agreement to dispose 9,299,400 ordinary shares of RM1 each, representing 35.6% of the total issued and paid-up share capital in Oriental-Hitachi Construction Machinery Sdn. Bhd. ("OHCM") owned by the Group, at a cash consideration of RM15,504,808 to Hitachi Construction Machinery Co. Ltd..



34. Details of subsidiary companies

Name of Subsidiary Companies and Principal Activities	Group's Effective Interest	
	2004 %	2003 %
Oriental Realty Sdn. Berhad <i>Property development and investment holding</i>	100.0	100.0
Subsidiary company of Oriental Realty Sdn. Bhd. - Kenanga Mekar Sdn. Bhd. <i>Property development</i>	100.0	51.0
Syarikat Oriental Credit Berhad <i>Money lending</i>	100.0	100.0
Bay view International Sdn. Bhd. <i>Provision of management, marketing, advertisement and central reservation services</i>	100.0	100.0
Dragon Frontier Sdn Bhd <i>Manufacture of plastic moulded parts for electrical, electronics and automotive industries</i>	100.0	100.0
Oriental Rubber & Palm Oil Sdn. Berhad <i>Cultivation of oil palm, investment holding and letting of parking lots</i>	100.0	100.0
Compounding and Colouring Sdn Bhd <i>Manufacture of polypropylene compounds</i>	70.0	70.0
Oriental Assemblers Sdn. Bhd. <i>Assembly of motor vehicles and manufacture of engines</i>	74.7	74.7
Oriental Nichinan Design Engineering Sdn Bhd <i>Design, manufacture and sale of prototype plastic models</i>	70.0	70.0
Oriental San Industries Sdn. Bhd. <i>Letting of properties</i>	100.0	100.0
Oriental-Hitachi Construction Machinery Sdn. Bhd. <i>Sale of construction machinery, attachments and spare parts</i>	65.6	65.6
Kah Assemblers Sdn Bhd <i>Manufacture, assemblers of, dealer in motorcycles, spare parts, accessories and all related components</i>	100.0	-



34. Details of subsidiary companies (Cont'd)

Name of Subsidiary Companies and Principal Activities	Group's Effective Interest	
	2004 %	2003 %
Armstrong Cycle Parts (Sdn.) Berhad * <i>Manufacture of automotive control cables and spokes, nipples and control cables for motor cycles and bicycles</i>	57.1	57.1
Subsidiary company of Armstrong Cycle Parts (Sdn.) Berhad - Armstrong Component Parts (Vietnam) Co., Ltd # <i>Manufacturing and assembly of parts and components for automobiles, motorcycle and others</i>	58.9	58.1
Onward Leasing & Credit Sdn Bhd <i>Leasing company</i>	51.2	51.2
Kah Bintang Auto Sdn Bhd <i>Retailer of motor vehicles and traders of spare parts, accessories and related component parts</i>	100.0	100.0
Oriental-Hyundai Sdn Bhd <i>Distributor of motor vehicles</i>	60.0	60.0
Oriental Boon Siew (Mauritius) Pte Ltd # <i>Investment holding</i>	50.5	50.5
Oriental International (Mauritius) Pte Ltd # <i>Investment holding</i>	100.0	100.0
Subsidiary companies of Oriental International (Mauritius) Pte Ltd - Hymold (Su Zhou) Co., Ltd * <i>Manufacture of plastic products</i>	85.8	85.8
- Oriental Industries (Wuxi) Co. Ltd * <i>Manufacture of precision moulds, standard moulds, printed circuit boards and injection moulding</i>	100.0	100.0
- P.T. Oriental Manufacturing Indonesia * <i>Manufacturing and distribution of plastic articles and products in automotive and electrical sectors</i>	80.0	-
Kah Motor Company Sdn Berhad <i>Assembly of Honda motor cycles and dealer of Honda vehicles and hotelier</i>	100.0	100.0
Subsidiary companies of Kah Motor Company Sdn Berhad - Boon Siew (Borneo) Sendirian Berhad * <i>Distribution of Honda motor cars and motor cycles</i>	99.0	99.0
- Ultra Green Sdn Bhd <i>Land reclamation – no activity yet</i>	100.0	100.0
- Happy Motoring Company Sdn. Bhd. * <i>Distribution of Honda motor cars and motor cycles and sale of spare parts</i>	51.0	51.0
- Kah New Zealand Limited # <i>Hotelier (with golf course)</i>	100.0	100.0



34. Details of subsidiary companies (Cont'd)

Name of Subsidiary Companies and Principal Activities	Group's Effective Interest	
	2004 %	2003 %
Subsidiary companies of Kah Motor Company Sdn Berhad		
- Kah Australia Pty Ltd # <i>Hotelier and Investment holding</i>	100.0	100.0
Subsidiary company of Kah Australia Pty Ltd		
- Geographe Bay Motel Unit Trust <i>Hotelier</i>	51.0	51.0
Teck See Plastic Sdn. Bhd. <i>Manufacture and distribution of plastic articles and products</i>	60.0	60.0
Subsidiary companies of Teck See Plastic Sdn Bhd		
- Lipro Sdn Bhd <i>Manufacture and assembly of plastic component parts</i>	30.6	30.6
- Lipro Electrical Manufacturing Sdn Bhd <i>Manufacture of electrical parts</i>	60.0	60.0
- Lipro Mold Engineering Sdn. Bhd. <i>Manufacture and repair of moulds, jigs and fixtures</i>	51.0	51.0
- AT-TS Marketing Sdn Bhd <i>Consultancy and management services in plastic and metal industry and trading in gas equipment spare parts</i>	60.0	60.0
- Armstrong Industries Sdn. Bhd. <i>Letting of properties</i>	60.0	60.0
- Lipro Kyowa Electronics Sdn Bhd * <i>Dormant</i>	60.0	60.0
Armstrong Auto Parts Sdn. Berhad <i>Manufacture of seats, press, diecasts parts, shock absorbers, suspension and electrical components for motor cycles and motor vehicles</i>	60.7	60.7
Subsidiary companies of Armstrong Auto Parts Sdn. Berhad		
- Armstrong Realty Sdn. Bhd. <i>Letting of properties</i>	60.7	60.7
- Armstrong Trading & Supplies Sdn. Bhd. <i>General trading of related automotive parts</i>	60.7	60.7



34. Details of subsidiary companies (Cont'd)

Name of Subsidiary Companies and Principal Activities	Group's Effective Interest	
	2004 %	2003 %
Jutajati Sdn Bhd <i>Investment holding</i>	100.0	100.0
Subsidiary companies of Jutajati Sdn Bhd		
- Oriental Thai Industries Co Ltd * <i>Manufacturing of plastic products</i>	100.0	100.0
- Oriental-Logistics Sdn Bhd <i>Freight forwarding, shipping agents and commission agents</i>	60.6	60.6
- Kwong Wah Enterprise Sdn Bhd <i>Investment holding</i>	100.0	100.0
Subsidiary companies of Kwong Wah Enterprise Sdn Bhd		
- North Malaya Engineers Trading Company Sdn. Berhad * <i>Manufacture of wire netting, wire mesh, barbed wire, weld mesh, nails and building materials</i>	100.0	100.0
- Lipro Trading Sdn Bhd <i>Distributor of cement</i>	100.0	100.0
- Simen Utara Sdn Bhd * <i>Trading agent</i>	91.0	91.0
Subsidiary company of Simen Utara Sdn Bhd		
- Unique Pave Sdn Bhd <i>Manufacturer of and dealer of concrete products</i>	44.1	44.1
Selasih Permata Sdn Bhd <i>Investment holding</i>	50.5	50.5
Subsidiary companies of Selasih Permata Sdn Bhd		
- PT Gunung Maras Lestari * <i>Oil palm plantation</i>	46.7	46.7
- PT Gunungsawit Binalestari * <i>Oil palm plantation</i>	46.7	46.7
- PT Oriental Kyowa Industries * <i>Manufacture of plastic technical and industrial goods and equipment</i>	72.8	72.8
- Oriental Kyowa Plastic Industries (Shanghai Pudong New Area) Co Ltd * <i>Manufacture of plastic technical and industrial goods and equipment</i>	65.4	65.4
- Oriental Asia (Mauritius) Pte Ltd # <i>Investment holding</i>	100.0	100.0



34. Details of subsidiary companies (Cont'd)

Name of Subsidiary Companies and Principal Activities	Group's Effective Interest	
	2004 %	2003 %
North Malaya Engineers Overseas Sdn Bhd <i>Investment holding</i>	100.0	100.0
Subsidiary company of North Malaya Engineers Overseas Sdn Bhd		
- North Malaya (Xiamen) Steel Co Ltd * <i>Production of steel wire and its related product, and automobile spare parts</i>	100.0	100.0

All the subsidiary companies are incorporated in Malaysia except for :

	<u>Country of Incorporation</u>
- Happy Motoring Company Sdn. Bhd.	Brunei Darusalam
- Kah Australia Pty Ltd	Australia
- Geographe Bay Motel Unit Trust	Australia
- Kah New Zealand Limited	New Zealand
- PT Oriental Kyowa Industries	Republic of Indonesia
- PT Gunung Maras Lestari	Republic of Indonesia
- PT Gunungsawit Binalestari	Republic of Indonesia
- PT Oriental Manufacturing Indonesia	Republic of Indonesia
- Oriental Kyowa Plastic Industries (Shanghai Pudong New Area) Co Ltd	China
- North Malaya (Xiamen) Steel Co Ltd	China
- Oriental International (Mauritius) Pte Ltd	Mauritius
- Oriental Boon Siew (Mauritius) Pte Ltd	Mauritius
- Hymold (Su Zhou) Co., Ltd	China
- Oriental Thai Industries Co Ltd	Thailand
- Armstrong Component Parts (Vietnam) Co., Ltd	Vietnam
- Oriental Industries (Wuxi) Co. Ltd	China
- Oriental Asia (Mauritius) Pte Ltd	Mauritius

* not audited by KPMG.

audited by member firms of KPMG International



LIST OF PROPERTIES OWNED BY THE GROUP

Location	Description	Land Area (sq.metres)	Tenure	Age of Building (Years)	Net Book Value (RM million)
Company :					
Lot 31, 1541, 1542 & 1550, Section 2 Town of Tanjong Tokong Penang	Land and building	17,500	Freehold	54	3.1
Lot 1196 & 440, Section 13, North East District, Penang	Vacant land	9,000	Freehold	-	3.8
Lot 243 & 244, Mukim 1, Province Wellesley Central Penang	Land and building	325,600	Freehold	10	7.2
Lot 1000, 1001, 1004, 1005, 1008, 1915, 1916 & 1917, Section 3 Town of Butterworth Province Wellesley North Penang	Motor assembly plant	47,200	Freehold	-	1.4
Lot 320, Town Area XXI Town of Melaka Melaka	Hotel	1,200	Freehold	17	0.3
Lot 2714 Chainferry Road Prai	Shoplot	297	Freehold	10	0.2
Subsidiary Companies :					
Lot 214, Section 2 Province Wellesley North Butterworth	Vacant land	1,000	Freehold	-	0.6
Mukim 13 and 14 Paya Terubong North East District Penang	Vacant land	58,010	Freehold	-	3.1
Lot 504 & 508, Section 15 North East District Penang	Vacant land	1,300	Freehold	-	0.8
Lot 3389 & 3390, Mukim 18, Tanjung Bungah North East District Penang	Vacant land	40,004	Freehold	-	3.1



LIST OF PROPERTIES OWNED BY THE GROUP (Cont'd)

<u>Location</u>	<u>Description</u>	<u>Land Area (sq.metres)</u>	<u>Tenure</u>	<u>Age of Building (Years)</u>	<u>Net Book Value (RM million)</u>
10, Jalan Burma Penang	Building	14,078	Freehold	32	0.8
Lot 60, 117, 119, 3388 & 3391, Tanjung Bungah North East District Penang	Vacant land	69,780	Freehold	-	6.7
Lot 904, 905, 906, 908, 910, 911, 914, 917, 1682, 1684 & 1705 Mukim 15, Province Wellesley Central Penang	Vacant land	90,240	Freehold	-	5.1
Lot 116, Mukim 18 Tanjung Bungah Daerah Timur Laut Penang	Vacant land	50,200	Freehold	-	3.3
Mukim 16, Jalan Bagan Lallang Province Wellesley North Penang	Housing scheme in progress	26,300	Freehold	-	2.4
Lot 3263 – 3384 & 4133 – 4268 Section 3, Chainferry Road, Daerah Perai Utara Penang	Vacant land	42,000	Freehold	-	6.6
Lot 607 & 608, Mukim 12, Bayan Lepas, Daerah Barat Daya Penang	Vacant land	22,400	Freehold	-	0.3
Lot 64, Mukim G, Lot 457, 458, 731, 735 & 736, Mukim 6, Daerah Barat Daya Penang	Vacant land	193,100	Freehold	-	0.6
Lot 241 and 575, Mukim 9, Teluk Kumbar, Daerah Barat Daya Penang.	Vacant land	16,700	Freehold	-	5.3



LIST OF PROPERTIES OWNED BY THE GROUP (Cont'd)

Location	Description	Land Area (sq.metres)	Tenure	Age of Building (Years)	Net Book Value (RM million)
8-G-07 & 8-G-08 Jalan Batu Uban, Sunny Point Gelugor Penang	Office Showroom	189	Freehold	2	0.9
2624 Mukim 1 Taman Perindustrian Prai, Prai Penang	Factory and office building	38,568	Leasehold (60 years expiring 2064)	9 & 14	3.9
HS (D) 5408, PT BM/A/090 Mukim 1, Daerah Seberang Perai Tengah Penang	Factory and administrative office	12,793	Leasehold (60years expiring 2034)	31	5.3
HS (D) 69, PT No. PTBM/A/68/70 Mukim 1, Kawasan Perusahaan Perai Tengah Penang.	Factory and administrative office	4,046	Leasehold (99 years expiring 2072)	32	1.3
HS (D) 37, PT No. PTBM/A/65/70 Mukim 1, Kawasan Perusahaan Perai Tengah Penang.	Factory and administrative office	4,046	Leasehold (99 years expiring 2071)	33	3.4
Mak Mandin Industrial Estate Mukim 14, Town of Butterworth Province Wellesley North Penang	Factory and administrative office	40,300	Leasehold (86 years expiring 2063)	32	2.0
HS (D) 2830, PT 1553, Mukim 1, Daerah Seberang Perai Tengah Penang	Factory and office	38,600	Leasehold (60 years expiring 2064)	14	4.0
Lot 1145, Section 13, Daerah Timur Laut Penang	Vacant land	12,000	Freehold	-	3.7
Lot 536, 537 & 832 Daerah Timur Laut, Penang	Vacant land	25,629	Freehold	-	27.4



LIST OF PROPERTIES OWNED BY THE GROUP (Cont'd)

<u>Location</u>	<u>Description</u>	<u>Land Area (sq.metres)</u>	<u>Tenure</u>	<u>Age of Building (Years)</u>	<u>Net Book Value (RM million)</u>
HS(D) 2720, PT 1461 Mukim 1, Daerah Seberang Perai Tengah Penang	Factory and administrative office	40,440	Leasehold (60 years expiring 2045)	18	2.2
Plot No. 327 Sungai Petani Industrial Estate Kedah	Vacant land	72,841	Leasehold (60 years expiring 2045)	-	4.2
HS (M) 5/1985, PT 9, Tikam Batu, Mukim Pehula, Kedah	Factory and administrative office	6,000	Leasehold (99 years expiring 2085)	22	0.5
Tikam Batu Industrial Estate Mukim of Pehula Kuala Muda Kedah	Factory and administrative office	48,100	Leasehold (99 years expiring 2077)	25	7.1
PT 340, HSM 5/1996 Kelang Lama (Taman Haruan) Mukim Padang Cina Kulim, Kedah	Shophouse	130	Leasehold (99 years expiring 2095)	4	0.2
Lot 4317 ^N & 4318 ^N District of Kinta, Ipoh, Perak	Office building	2,600	Freehold	24	2.6
Lot 14702 ^S , District of Kinta, Ipoh, Perak	Vacant land	9,730	Freehold	-	5.5
Lot 2223, GM 204, Padang Lalang Mukim Jebong, Perak	Vacant land	8,570	Freehold	-	0.6
Lot 2841 S Title No. 20123 District of Kinta, Ipoh Perak	Vacant land	4,047	Freehold	-	1.1
QT (R) 2467 & QT (R) 548 Town of Petaling Jaya, Selangor	Office, showroom and workshop	9,100	Leasehold (99 years expiring 2063)	30	1.7



LIST OF PROPERTIES OWNED BY THE GROUP (Cont'd)

Location	Description	Land Area (sq.metres)	Tenure	Age of Building (Years)	Net Book Value (RM million)
Lot 305, Section 92, Jalan Chan Sow Lin, Kuala Lumpur	Office, showroom and workshop	1,500	Leasehold (42 years expiring 2011)	36	0.2
HS (D) 12452 of PT 1, Section 15, District of Petaling Selangor	Factory and administrative office	18,748	Leasehold (99 years expiring 2080)	20	8.0
Lot 114 & 565, Section 83, 3 rd & 3 1/4 Mile Batu Road, Mukim Kuala Lumpur, Wilayah Persekutuan,	Vacant land	8,220	Freehold	-	6.0
Lot 3907, GM 1648, Mukim Batu 3 1/2 Mile Batu Road Mukim Kuala Lumpur Wilayah Persekutuan	Vacant land	4,040	Freehold	-	4.5
Lot 564, GM 2395, Section 83, 3 1/4 Mile Batu Road, Mukim Batu Wilayah Persekutuan	Vacant land	5,440	Freehold	-	4.0
Lot 308, Section 41, Jalan Dang Wangi Wilayah Persekutuan	Vacant land	6,640	Freehold	-	25.0
Lot 3655, 4 th Mile Pahang Road Mukim Setapak Kuala Lumpur	Office	3,300	Freehold	12	1.4
Lot 1708 & 1856, Section 41 Wilayah Persekutuan	6 ½ storey Building	4,802	Freehold	-	11.3
Lot 1855 Section 41 Wilayah Persukutuan	6 ½ storey Building	2,173	Freehold	-	6.8
Lot 4883, HS (D) 4627 Mukim Damansara Daerah Petaling, Selangor	Office and workshop	9,923	Freehold	11	7.2



LIST OF PROPERTIES OWNED BY THE GROUP (Cont'd)

<u>Location</u>	<u>Description</u>	<u>Land Area (sq.metres)</u>	<u>Tenure</u>	<u>Age of Building (Years)</u>	<u>Net Book Value (RM million)</u>
GM 197, Lot 4267 Mukim Ampang Ampang Road Daerah Kuala Lumpur Selangor	Vacant land	138	Freehold	-	4.4
HS (D) 110210 PT No 11442 Mukim Damansara Daerah Petaling Selangor	Office Showroom	282	Freehold	2	2.3
HS (D) 120448 PT No 249 Pekan Desa Pucung Daerah Petaling Selangor	Vacant Land	17,117	Freehold	-	4.6
Lot 3, Jalan P/10, Section 10 Kawasan Perusahaan Bandar Baru Bangi Selangor	Office and factory buildings	65,628	Leasehold (99 years expiring 2098)	9	34.6
HS (D) 3604 - 3608, PT No. 17587 – 17591 Mukim Klang Selangor	Vacant land	109,900	Freehold	-	2.2
HS (D) 7617, PT6A, Jalan 227, Section 20A, Petaling Jaya, Selangor	Office, showroom and workshop	900	Leasehold (99 years expiring 2063)	21	2.9
Lot 24393 Grant 3297 Batu Road, Mukim Batu Wilayah Persekutuan	Office, Showroom and workshop	11,050	Freehold	6	33.3
Lot 14885, Grant 18616 Mukim Kuala Lumpur Wilayah Persekutuan	Office showroom	573	Freehold	19	2.9
Lot 51 & 59, Selaman Industrial Park Bandar Baru Bangi Selangor	1 ½ storey building	1,220	Freehold	1	1.6
30981 PT17411 Mukim Kapar Daerah Klang	Factory and administrative office	12,140	Freehold	8	7.7



LIST OF PROPERTIES OWNED BY THE GROUP (Cont'd)

Location	Description	Land Area (sq.metres)	Tenure	Age of Building (Years)	Net Book Value (RM million)
Lot 18123, HSD (T) 10 Daerah Petaling Selangor	Service centre	1,484	Freehold	1	1.5
Lot 17353 & 17354 HM 21164 & 21165 Daerah Petaling Selangor	Showroom & office	446	Freehold	8	4.6
Lot 43, 274, 275, 277 -279 & 320 Town of TA XXI Melaka.	- Hotel - Showroom	4,100 500	Freehold	16	22.2
HS (M) 843/78 PT No PTMT A2/01/3436 Lot 18, Mukim Bachang, District of Melaka Tengah Melaka	Workshop	940	Leasehold (99 years expiring 2077)	14	0.3
Plot 342, 343 HS (M) No. 1142/78 & 1143/78 Mukim Bacang Daerah Melaka Tengah Melaka	Shoplots	535	Leasehold (99 years expiring 2077)	14	0.4
HS (M) 844/78, PT No 19 (New Lot 2219) Mukim of Bacang, Malim, Melaka	Worksh op parking area	1,100	Leasehold (99 years Expiring 2077)	10	0.5
Lot 627 & 628, 637 & 638, Town of XXI, Daerah Melaka Tengah Melaka	Showroom	219	Freehold	21	0.2
Lot 683, HS (D) 504 & 505 Town of V Daerah Melaka Tengah Melaka	Showroom	450	Freehold	36	0.3
Lot 66, 67 & 68 Kawasan Bandar XL Daerah Melaka Tengah Melaka	Office Showroom	429	Freehold	3	1.7
HS (D) 75378 PT 2486 Mukim Setul, Daerah 6, Seremban Negeri Sembilan	Factory and administrative office	22,670	Leasehold (99 years Expiring 2092)	9	6.3



LIST OF PROPERTIES OWNED BY THE GROUP (Cont'd)

<u>Location</u>	<u>Description</u>	<u>Land Area (sq.metres)</u>	<u>Tenure</u>	<u>Age of Building (Years)</u>	<u>Net Book Value (RM million)</u>
Lot 4219, 4640, 4648, 464 & 6279, Mukim of Johol District of Kuala Pilah Negeri Sembilan	Oil palm & rubber plantation and administrative office	2,375 (hectare)	Freehold	27	21.2
Lot 3, Section 20 Kuantan, Pahang	building	10,570	Freehold	1	1.0
Kuala Reman Estate Mukim of Kuala Kuantan Kuantan, Pahang	Oil palm & rubber plantation & administrative office	1,498 (hectare)	Freehold	27	10.1
Lot 5583 - 5585, Mukim of Kuala Kuantan Kuantan, Pahang.	Vacant land	500	Freehold	-	0.4
Mukim of Triang District of Temerloh Pahang	Oil palm and rubber plantation & administrative office	1,120 (hectare)	Freehold))))	1	17.8
Lot 2 & 3, Section 4 Village of Mengkarak District of Temerloh Pahang	Oil palm and rubber plantation and administrative office	16,901	Freehold)))))		
Lot 15301 TLO 2121 Bandar Johor Baru Daerah Johor Baru	Multi-storey car park	21,710	Leasehold (60 years expiring 2031)	8	6.9
Batu 2, Jalan Tampoi HS (D) 16608 TLO 2013 Johore Bahru	Assembly plant and administrative office	45,200	Leasehold (60 years expiring 2025)	37	7.8
Lot 6487 Jalan Scudai Johore Bahru	Office & showroom	8,200	Freehold	12	3.6
HS (D) 12569 & 12570, PT No 10168 & 10169 Johor Bahru, Johor	Vacant land	352	Freehold	-	0.4



LIST OF PROPERTIES OWNED BY THE GROUP (Cont'd)

<u>Location</u>	<u>Description</u>	<u>Land Area (sq.metres)</u>	<u>Tenure</u>	<u>Age of Building (Years)</u>	<u>Net Book Value (RM million)</u>
Block 1, 4, 5 & 9 Jalan TG Puteri TG Puteri Resort Pasir Gudang Johor	Apartment	435	Freehold	8	0.4
Title No 015472607 Inanam, Kota Kinabalu Sabah	Showroom and office Building	8,100	Leasehold (60 years expiring 2042)	10	3.6
Lot 39 Muara Tabuan Light Industrial Park Kuching	Vacant land	7,312	Freehold	-	2.3
TS XIX Bukit Timah Road, Singapore.	Office and Showroom	3,000	Freehold	18	14.3
Lot 402 T.S. II Bencoolen Street, Singapore.	Hotel	1,700	Freehold	18	52.9
Lot 2737 PT Mukim 23 Eunos Link Singapore 1440	Body -repair and paint-shop	5,000	Leasehold (30 years expiring 2015)	17	2.0
Lot 238 & 239 Mukim 14 6A Mandai Estate Singapore	Warehouse	6,100	Freehold	16	25.3
Lot 244 and 245 Mukim 14, Mandai Estate Singapore	Warehouse	6,530	Freehold	12	30.0
Lot 3801, PT Mukim 23 Ubi Road 3, Eunos Link Singapore 1440	Showroom, Workshop and Office	9,480	Leasehold (30 years expiring 2022)	10	44.5
Plot 2, 255 Alexandra Road Singapore	Car storage space	9,600	Leasehold (99 years expiring 2051)	45	43.0
Lot 20733 Kampong Pengkalan KM6, Jalan Gadong Brunei Darulsalam	Light Industrial Building	1,500	Freehold	18	0.4



LIST OF PROPERTIES OWNED BY THE GROUP (Cont'd)

<u>Location</u>	<u>Description</u>	<u>Land Area (sq.metres)</u>	<u>Tenure</u>	<u>Age of Building (Years)</u>	<u>Net Book Value (RM million)</u>
Lot 1 to 7, MT Ruapheau Tongariro National Park Ruapheau Surrey District Wellington Land Registry New Zealand	Hotel with golf course	260,700	Leasehold (30 years expiring 2020)	14	28.7
Section 1 and 25 Block XIV State Highway 1, Wairakei Lake Taupo Region Tatua Surrey District South Auckland Registry, New Zealand.	Hotel with golf course	634,200	Freehold	14	35.4
Lot 1, Block XIV Tatua Survey District South Auckland Registry New Zealand	Access land	4,319	Freehold	-	0.1
561 Bussel Highway Sussex Location 256 and Lot 8 Busselton, West Australia Australia	Hotel	56,900	Freehold	33	27.1
90, William Street Sydney, N.S.W. 2011 Australia	Hotel	1,300	Freehold	32	38.1
6 & 8 Queens Road Melbourne Victoria 3004 Australia Sydney NSW 2011 Australia	Hotel	4,600	Freehold	16	31.5
100 William Street Sydney NSW 2011 Australia	Office building	1,300	Freehold	32	82.3
9 Queens Road Melbourne Victoria 3004 Australia	Office building	2,300	Freehold	16	15.7
52 Queens Road Melbourne Victoria 3004 Australia	Hotel	7,000	Freehold	40	34.5



LIST OF PROPERTIES OWNED BY THE GROUP (Cont'd)

Location	Description	Land Area (sq.metres)	Tenure	Age of Building (Years)	Net Book Value (RM million)
Plot 15 Wang Qiao Industries Zone Pudong New Area, Shanghai Peoples' Republic of China	Factory	17,123	Leasehold (50 years expiring 2046)	8	18.1
696, Jian Ye Road, Wang Qiao Industries Zone Pudong New Area, Shanghai	Factory	30,000	Leasehold (50 years Expiring 2049)	6	22.0
Lot 500203-9, Xinyang Industrial Zone Haichang, Xiamen, Fujian Province Peoples' Republic of China	Land and building	49,099	Leasehold (50 years expiring 2045)	7	4.2
HSE C21 Primrose Spring City Kunming Peoples' Republic of China	Holiday Resort (for staff use)	145	Leasehold (70 years expiring 2064)	10	0.7
12 th & 16 th , Garden Mansion San Xiang Road Suzhou City	2 apartments	280	Leasehold (50 years expiring 2042)	11	0.4
Yidong Garden, Gui Long Garden Dong Fang Lu Pudong New Area, Shanghai	3 apartments	344	Leasehold (70 years expiring 2069)	4	1.0
88-B of Wuxi Municipal National New & High Tech Development Zone, Wuxi	Factory land	33,014	Leasehold (50 years expiring 2052)	1	1.2
No 2, Jingshan Road Feng Qiao Town Su Zhou New District Jiangsu Province	Factory and administrative office	33,806	Leasehold (50 years expiring 2044)	12	2.2
Desa Kundi, Mayang, Belolaut Kecamatan Mentok and Kecamatan Perwakilan, Simpang Tritip Kabupaten Sumatera South Sumatera Republic of Indonesia	Oil palm plantation and administrative office	12,000 (hectare)	Leasehold (30 years expiring 2025)	7	79.7



LIST OF PROPERTIES OWNED BY THE GROUP (Cont'd)

<u>Location</u>	<u>Description</u>	<u>Land Area (sq.metres)</u>	<u>Tenure</u>	<u>Age of Building (Years)</u>	<u>Net Book Value (RM million)</u>
Kecamatan Perwakilan Bakem Kecamatan Sungai Liat Kecamatan Perwakilan Puding Besar Kecamatan Merawang Kabupaten Pulau Bangka South Sumatera Republic of Indonesia	Oil palm plantation and administrative office	12,704 (hectare)	Leasehold (30 years Expiring 2028)	8	121.8
Propinsi Sumatera Selatan Kotamadya Pangkal Pinang, Kecamatan Pangkal Balam, Kelurahan Lontong Pancur	Bulking facility with residential quarters and administrative office	3.66 (hectare)	Leasehold (20 years expiring 2017 & 2020)	4	1.3
Plot No. 5 – 16 MM 2100 Industrial Town Cibitung Bekasi West Java Republic of Indonesia	Factory and administrative office	24,000	Leasehold (25 years expiring 2021)	10	8.3
Lot C4B -KIIC, Karawang Republic of Indonesia	Factory building	15,000	Leasehold (30 years expiring 2026)	9	2.3
Lot C4B -KIIC, Karawang Republic of Indonesia	Factory building	14,575	Leasehold (30 years expiring 2026)	9	8.3
G8/18, G8/19, G8/22 & G8/23 123, 124 & 131 MU1 Hi-Tech Industrial Estate Bangpa-In, Ayudhya Thailand	Factory land and building	10,936	Freehold	4	4.2
136, 137 Hi Tech Industrial Estate M001, Tambol Baanpo, Amphur Bangpa-In, Ayutthaya Thailand	Factory land and building	10,500	Freehold	3	9.2
Lot 23, Noi Bai Industrial Zone Quang Tien Soc Son District Hanoi, Vietnam	Factory and administrative office	5,325	Leasehold (30 years expiring 2032)	3	0.6



STOCKHOLDING STATISTICS AS AT 10 MAY 2005

AUTHORISED STOCK CAPITAL	: RM1,000,000,000/=
ISSUED AND FULLY PAID-UP CAPITAL	: RM517,000,000/= (including 31,808 treasury stocks)
CLASS OF STOCK	: Ordinary Stocks of RM1/= each
VOTING RIGHTS	: On a show of hands - One vote for every stockholder On a poll - One vote for every ordinary stock held

ANALYSIS OF STOCKHOLDINGS

Size of Stockholding	No of Stockholders/ Depositors	No. of Stocks	% of Issued Capital
1 - 99	261	9,146	0.0018
100 - 1,000	1,475	1,202,984	0.2327
1,001 - 10,000	3,579	14,811,985	2.8649
10,001 - 100,000	1,113	31,396,950	6.0729
100,001 to less than 5% of issued stocks	112	28,069,588	5.4293
5% and above of issued stocks	25	441,509,347	85.3984
Total	6,565	517,000,000	100.0000

SUBSTANTIAL STOCKHOLDERS

Name	No of stocks	% of Issued Capital	No of stock	% of Issued Capital
1. Boon Siew Sdn Bhd ^	222,274,125	43.0	47,317,399	9.2
2. Employees Provident Fund Board	67,104,080	13.0	-	-
3. Permodalan Nasional Berhad	39,192,022	7.6	-	-
4. Penang Yellow Bus Company Bhd	27,373,731	5.3	-	-
5. Yayasan Pelaburan Bumiputera *	-	-	39,192,022	7.6
6. Loh Kian Chong #	1,000	-	278,478,697	53.9

^ Deemed interested via Penang Yellow Bus Company Bhd, Bayview Hotel Sdn Bhd, Boon Siew Development Sdn Bhd and Boontong Estates Sdn Bhd

* Deemed interested via Permodalan Nasional Berhad

Deemed interested via Boon Siew Sdn Bhd, Penang Yellow Bus Company Bhd, Bayview Hotel Sdn Bhd, Loh Boon Siew Holdings Sdn Bhd, Loh Kar Bee Holdings Sdn Bhd, Boon Siew Development Sdn Bhd and Boontong Estates Sdn Bhd



THIRTY LARGEST STOCKHOLDERS AS AT 10 MAY 2005

	Name	No. of Stocks	% of Issued Capital
1.	Malaysia Nominees (Tempatan) Sendirian Berhad Boon Siew Sdn Bhd	111,137,063	21.4965
2.	Citicorp Nominees (Tempatan) Sdn Bhd Boon Siew Sdn Bhd	111,137,062	21.4965
3.	Employees Provident Fund Board	66,727,680	12.9067
4.	Permodalan Nasional Berhad	39,192,022	7.5807
5.	Citicorp Nominees (Tempatan) Sdn Bhd Penang Yellow Bus Company Bhd	27,373,731	5.2947
6.	Citicorp Nominees (Asing) Sdn Bhd Honda Motor Co., Ltd	20,932,854	4.0489
7.	Citicorp Nominees (Tempatan) Sdn Bhd Bayview Hotel Sdn Bhd	18,207,006	3.5217
8.	Valuecap Sdn Bhd	8,834,700	1.7088
9.	Citicorp Nominees (Tempatan) Sdn Bhd Loh Boon Siew Holdings Sdn Bhd	6,306,693	1.2199
10.	Amsec Nominees (Asing) Sdn Bhd Fraser Securities Pte Ltd for Asia General Hldgs Ltd	3,878,400	0.7502
11.	Citicorp Nominees (Asing) Sdn Bhd CBNY For DFA Emerging Markets Fund	2,837,416	0.5488
12.	Amanah Raya Nominees (Tempatan) Sdn Bhd Sekim Amanah Saham Nasional	2,824,400	0.5463
13.	Chinchoo Investment Sdn Berhad	2,663,000	0.5151
14.	Citicorp Nominees (Tempatan) Sdn Bhd Loh Kar Bee Holdings Sdn Bhd	2,580,480	0.4991
15.	Citicorp Nominees (Tempatan) Sdn Bhd Lim Su Tong	2,472,422	0.4782
16.	Key Development Sdn Berhad	2,280,000	0.4410
17.	Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Nasional 2	2,155,600	0.4169
18.	Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Malaysia	1,591,000	0.3077
19.	Malaysia Nominees (Tempatan) Sendirian Berhad Tong Yen Sdn Bhd	1,423,565	0.2754
20.	AMSEC Nominees (Asing) Sdn Bhd Fraser Securities Pte Ltd For Tan Eng Chin Holdings (Pte) Limited	1,238,630	0.2396
21.	Asia Life (M) Berhad As Beneficial Owner (PF)	1,201,680	0.2324
22.	Citicorp Nominees (Tempatan) Sdn Bhd Boon Siew Development Sdn Bhd	1,199,923	0.2321
23.	Pertubuhan Keselamatan Sosial	1,162,100	0.2248
24.	Cartaban Nominees (Asing) Sdn Bhd Investors Bank And Trust Company For Ishares, Inc.	1,148,000	0.2220
25.	Foo Loke Weng	1,003,920	0.1942
26.	Menteri Kewangan Malaysia Section 29 (SICDA)	970,181	0.1876
27.	Chong Thuah Realty Sdn Bhd	966,600	0.1870
28.	Malaysia Nominees (Tempatan) Sendirian Berhad Loh Phoy Yen Holdings Sdn Bhd	813,888	0.1574
29.	Tasek Corporation Berhad	805,580	0.1558
30.	Golden Fresh Sdn Bhd	720,000	0.1393
		<u>445,785,596</u>	<u>86.2253</u>



DIRECTORS' STOCK HOLDINGS AS AT 10 MAY 2005

	Name of Directors	Direct Interest	Indirect Interest	%
1.	Dato' Loh Cheng Yean	200,696	-	0.0388
2.	Dato' Wong Lum Kong, JP	150,958	-	0.0292
3.	YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen Bin Tengku Ismail	-	-	-
4.	Dato' Loh Say Bee	44,642	-	0.0086
5.	Dato' Lim Su Tong @ Lim Chee Tong	2,472,422	-	0.4782
6.	Dato' Dr Tan Chong Siang	31,923	-	0.0062
7.	Dato' Prof. Dr Tunku Ismail Bin Tunku Mohammad Jawa	-	-	-
8.	Yasuhide Mizuno	-	-	-
9.	Sharifah Intan Binti S. M. Aidid (*)	15,000	-	0.0029

* She also holds 227,318 shares and 100,000 shares in Armstrong Auto Parts Sdn Bhd and Teck See Plastic Sdn Bhd respectively.



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PROXY FORM

No. of stocks held

I/We, _____
NRIC No _____
of _____

being a stockholder/stockholders of Oriental Holdings Berhad hereby appoint _____

of _____
or failing him _____
of _____

as my/our proxy, to vote for me/us and on my/our behalf at the FORTY THIRD ANNUAL GENERAL MEETING of the Company to be held on Tuesday, 28 June 2005 at 12:00 noon at Sri Perak, Level 4, The City Bayview Hotel , 25A Farquhar Street, 10200 Penang or at any adjournment thereof.

My/our proxy is to vote on either on a show of hands or on a poll as indicated below with an "X"

RESOLUTIONS		FOR	AGAINST
1.	To receive and adopt the audited Financial Statements		
2.	To declare a Final and a Special Dividend		
3.	To re-elect Dato' Loh Say Bee		
4.	To re-elect Tengku Tan Sri Dato' Seri Ahmad Rithauddeen Bin Tengku Ismail		
5.	To re-elect Puan Sharifah Intan Binti S M Aidid		
6.	To re-elect Tunku Dato' Dr Ismail Bin Mohammad Jawa		
7.	To re-elect Dato' Wong Lum Kong, JP		
8.	To re-elect Mr Yasuhide Mizuno		
9.	To approve the Directors' Fees		
10.	To re-appoint Messrs KPMG		
11.	To approve Recurrent Related Party Transactions with:- a) Boon Siew Sdn Bhd Group b) Dato' Syed Mohamad Bin Syed Murtaza and family c) Honda Motor Co., Ltd. d) i-Logistics Corporation and Itochu Corporation		
12.			
13.			
14.			
15.	To approve the Proposed Renewal of Stock Buy-Back		

Signed this _____ day of June 2005.

Signature of Stockholder

NOTES :

1. A stockholder entitled to attend and vote at this Meeting may appoint a Proxy, who need not be a stockholder, to attend and to vote in his stead.
2. If the appointer is a corporation, the Proxy form must be executed under the Common Seal of the Company or under the hand of its attorney duly authorised in writing.
3. To be valid, the Proxy form must be deposited at the Company's Registered Office at Suite 21, 2nd Floor, Menara Penang Garden, 42A Jalan Sultan Ahmad Shah, 10050 Penang, not less than 48 hours before the time for holding the meeting or adjournment thereof.
4. Should you desire your Proxy to vote on the Resolutions set out in the Notice of Meeting, please indicate with an "X" in the appropriate space. If no specific direction as to voting is given, the Proxy will vote or abstain at his discretion.



ORIENTAL HOLDINGS BERHAD
(Company No. 5286-U)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

..... *Fold Along this line*

AFFIX
POSTAGE
STAMP

Oriental Holdings Berhad
c/o Suite 2-1, 2nd Floor
Menara Penang Garden
42A Jalan Sultan Ahmad Shah
10050 Penang

..... *Fold Along this line*