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CORPORATE INFORMATION



BOARD OF DIRECTORS

Datuk Haji Jaafar bin Abu Bakar
Chairman

Tan Sri Dr Chen Lip Keong
Chief Executive Officer

Datuk Wan Kassim bin Ahmed

Dato' Nik Kamaruddin bin Ismail

Mr Lee Wai Tuck, Philip

Mr Tiang Chong Seong

Mr John Pius Shuman Chong

COMPANY SECRETARIES

Mr Lam Hoi Khong
MIA 18848

Mdm Wong Poh Choo
MAICSA 7013838

AUDIT COMMITTEE

Datuk Haji Jaafar bin Abu Bakar
Chairman

Datuk Wan Kassim bin Ahmed

Mr Lee Wai Tuck, Philip

NOMINATION COMMITTEE

Datuk Haji Jaafar bin Abu Bakar
Chairman

Datuk Wan Kassim bin Ahmed

REMUNERATION COMMITTEE

Datuk Haji Jaafar bin Abu Bakar
Chairman

Datuk Wan Kassim bin Ahmed

Mr Lee Wai Tuck, Philip

AUDITORS

Moore Stephens
8A, Jalan Sri Semantan Satu
Damansara Heights
50490 Kuala Lumpur

BANKERS

Malayan Banking Berhad
Alliance Bank Malaysia Berhad
Bumiputra-Commerce Bank Berhad
United Overseas Bank (Malaysia) Berhad

SOLICITORS

Zaid Ibrahim & Co.
Zul Rafique & Partners
KH Tan & Chua
Megat Najmuddin Leong & Co.

PRINCIPAL PLACE OF BUSINESS

1st Floor, No. 118, Jalan Semangat
46300 Petaling Jaya
Selangor Darul Ehsan
Telephone : 603 7968 1222
Facsimile : 603 7954 1155

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia
Securities Berhad

REGISTERED OFFICE

1st Floor, No. 118, Jalan Semangat
46300 Petaling Jaya
Selangor Darul Ehsan
Telephone : 603 7968 1222
Facsimile : 603 7954 1155

SHARE REGISTRAR

Semangat Corporate Resources Sdn Bhd
2nd Floor, No. 118, Jalan Semangat
46300 Petaling Jaya
Selangor Darul Ehsan
Telephone : 603 7968 1001
Facsimile : 603 7958 8013

CORPORATE STRUCTURE

as at 22 February 2005

Petaling Tin Berhad

Investment Holding & Management Services

Golden Domain Holdings Sdn Bhd
Investment Holding

Ukaylake Country Club Bhd
Dormant

Petaling Ventures Sdn Bhd
Dormant

PTB Clay Products Sdn Bhd
Dormant

Fandison Resources Management Ltd
Investment Holding

Golden Domain Development Sdn Bhd
Investment Holding,
Property Investment &
Development
(Bandar Domain Project)

Lembah Langat Development Sdn Bhd
Property Investment
& Development
(Ulu Kelang Project)

PTB Development Sdn Bhd
Property Development
(Ulu Yam Project)

PTB Horticulture Farm Sdn Bhd
Property Investment &
Development
(Bukit Ceylon Project)

Magilds Park Sdn Bhd
Property Development
*(Magilds Industrial Park
& Desa Bukit Indah Projects)*

Majurama Developments Sdn Bhd
Property Development
(Senawang Town Centre Project)

All the above companies are wholly-owned subsidiaries of Petaling Tin Berhad except for Fandison Resources Management Ltd which is a 40% owned associated company.

CHAIRMAN'S STATEMENT



Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present the Annual Report and Audited Financial Statements of Petaling Tin Berhad ("PTB" or "the Company" or "the Group") for the financial year ended 31 October 2004.

FINANCIAL RESULTS

For the financial year under review, the Group registered an operating revenue of RM3.7 million and a loss before taxation of RM5.0 million as compared to previous year's revenue of RM18.3 million and RM4.2 million loss before taxation.

The decline in the Group's financial results was mainly due to rationalisation

of the Group's property development projects and as such, no new launches of development properties were recorded during the year under review.

DIVIDEND

No dividend was paid during the year and the Board does not recommend any dividend payment for the financial year under review.

SUBSEQUENT EVENT

On 13 January 2005, the Company announced that it is an affected listed issuer pursuant to Practice Note 17/2005 ("PN17/2005") of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB"), where the Group was categorised as having insignificant business operations as the revenue on a consolidated basis amounted to RM3.7 million which is

less than 5% of the issued and paid up capital of the Company.

Since then, from the period up to February 2005, the Group has successfully launched the upscale Double Storey Terrace Houses project in Taman Kelab Ukay, Ulu Kelang, Selangor where all the 71 units have been sold. Upon completion, these sales will generate a total revenue of RM29.4 million which exceeds 5% of the issued and paid up capital of the Company.

Due to the successful launch of the Double Storey Terrace Houses, the Group intends to launch a further 26 units of Townhouses soon to capitalise on the strong demand for quality residential product in Taman Kelab Ukay.

FUTURE OUTLOOK

Supported by stronger growth in the country's Gross Domestic Products of 7.1% in 2004, the Board envisaged that the economic outlook in the coming financial year 2005 will continue to be positive in view of the country's rekindled economic activity and overall renewed consumer and business confidence.

Capitalising on the continued consumer interest in the residential developments, the Group has rationalised its property development projects and intends to concentrate on residential properties on choice locations targeted at higher-end and foreign consumers.

ACKNOWLEDGEMENT

On behalf of the Board and the Company, I wish to record my appreciation to the former Directors, namely Mr Lai Gin Nyap and Mr Chin Yit Kong, for their invaluable contributions during their tenure of service. I would also like to take this opportunity to welcome Dato' Nik Kamaruddin bin Ismail, Mr Lee Wai Tuck, Philip and Mr John Pius Shuman Chong to the Board. With their wealth of experience and knowledge, I am confident that they will contribute positively to the growth and progress of the Group.

The Board would like to take this opportunity to express its sincere appreciation and gratitude to the management and staff of the Group for their contribution, undivided dedication and loyalty to the Group during the financial year.

Last but not least, the Board also wishes to extend its heartiest appreciation to all shareholders, valued customers, bankers, business associates and various regulatory authorities for their continued support and confidence in the Group.

DATUK HAJI JAAFAR BIN ABU BAKAR

Chairman

3 March 2005



CHIEF EXECUTIVE OFFICER'S STATEMENT



Dear Shareholders,
It is my pleasure to report on the Group's performance and operations for the financial year ended 31 October 2004.

FINANCIAL REVIEW

The Group recorded a lower operating revenue of RM3.7 million as compared to the previous year's result of RM18.3 million. The overall decrease in revenue in turn registered a higher loss before taxation of RM5.0 million as compared to the preceding year's loss of RM4.2 million. The overall lacklustre figures were due to no new launch of development properties recorded by the Group during the year under review.

In addition, the Group's shareholders' funds have also declined from RM388.8 million to RM383.5 million, with a marginal drop in net tangible assets backing per share from RM1.12 to RM1.11.

OPERATIONAL REVIEW

For the year under review, the Group had successfully completed the construction of 235 units double storey link houses in Desa Bukit

Indah, Sungai Buloh, Selangor with vacant possession delivered to the purchasers in November 2003.

There were no new launches of development properties during the financial year under review as the Group was undergoing rationalisation of its' property development projects. In spite of this, the Group had managed to secure purchasers for some of its previously completed unsold properties. These properties comprising double storey semi-

detached house, bungalow lots, semi-detached lots and industrial lots had contributed a total sales value of RM3.7 million to the Group.

PROSPECTS IN 2005

With the residential sector continuing to be the prime mover in the current property market, the Group's current rationalisation plan has placed emphasis on developing high-end residential projects in strategic locations. With that in mind, in January 2005, the Group has successfully launched and sold all its upscale 71 units of Double Storey Terrace Houses in Taman Kelab Ukay, Ulu Kelang, Selangor, which is expected to generate RM29.4 million in revenue.

In addition, the Group is also embarking on developing 600 acres of its land in Karambunai, Sabah into hillside resort residential homes. This planned exclusive and luxurious residential development is situated within half an hour's drive from the city of Kota Kinabalu.

The Group's developments in Karambunai are expected to contribute significantly to its earnings in future years.

CONCLUSION

On behalf of the Board, I express my sincere thanks and appreciation to our management and staff for their loyalty, support and dedication, and to our shareholders, customers and business associates for their confidence and strong support to the Group throughout the financial year.

TAN SRI DR CHEN LIP KEONG

Chief Executive Officer

1 March 2005



DIRECTORS' PROFILES

as at 22 February 2005



DATUK HAJI JAAFAR BIN ABU BAKAR

Independent Non-Executive Chairman

- Aged 58, Malaysian
- Appointed to the Board on 1 August 1997
- Appointed as Chairman on 25 September 2001
- Chairman of the Audit, Nomination and Remuneration Committees
- Graduated with a Bachelor of Arts (Honours) from University of Malaya in 1969; obtained a Masters in Public Policy and Administration from University of Wisconsin, Madison, U.S.A. in 1980 and is a Fellow member of the Economic Development Institute of the World Bank, Washington D.C.

- Started his career as a Land Administrator in FELDA before joining the Malaysian civil service in 1970; has since served in various senior positions within the Government Departments which included State Development Officer in Penang, Pahang and Kelantan, Deputy General Manager of Central Terengganu Development Authority and South Kelantan Development Authority, Director of Kelantan Land Development Board, General Manager of Kelantan State Economic Development Corporation, Deputy Secretary General of the Ministry of Domestic Trade and Consumer Affairs and Council Member of Malaysian Industrial Development Authority; opted for early retirement from the civil service in 1991; joined Koperasi Usaha Bersatu as Group General Manager of KUB Holdings Berhad; subsequently took up a position as Executive Director of Damansara Realty Berhad and a year later, served as Managing Director; served as Executive Chairman of Cold Storage (Malaysia) Berhad from 1996 to 1998
- Currently, he is also the President, Chief Executive Officer and director of Uniphoenix Corporation Berhad and a director of FELCRA Berhad

TAN SRI DR CHEN LIP KEONG

Chief Executive Officer

- Aged 57, Malaysian
- Appointed to the Board as Chief Executive Officer on 15 April 1997
- A major shareholder of Petaling Tin Berhad. His brother, Mr Chin Chee Kuang is deemed a major shareholder of PTB by virtue of his interest in Emden Investment Limited
- Graduated in medicine and surgery from University of Malaya

in 1973 (M.B.B.S. Malaya)

- Has more than 25 years of corporate, managerial and business experience since 1976
- Currently, he is also the President, Chief Executive Officer and director of Karambunai Corp Berhad and FACB Industries Incorporated Berhad which are also listed on Bursa Malaysia Securities Berhad

DATUK WAN KASSIM BIN AHMED

Independent Non-Executive Director

- Aged 56, Malaysian
- Appointed to the Board on 2 July 2001
- A member of the Audit, Nomination and Remuneration Committees
- Graduated with a Bachelor of Economics (Honours) from University of Malaya in 1973
- Began his career with Messrs Kassim Chan, an audit firm in 1973 before joining Bank Bumiputra Malaysia Berhad; joined Shamelin Berhad for 10 years before starting his own management consultancy firm, United Kadila Sdn Bhd in 1984; served as a Councillor for the Petaling Jaya Town Council between 1987 and 1991; served as a Board member of the Malaysian Tourist Development Board from 1991 to 1995; served as an Executive Chairman of Inter-Fresh (Malaysia) Sdn Bhd between 1988 to 2001; worked as a Consultant and Advisor for several companies due to his experience in financial, marketing, management and wide business contacts and served as Chairman of Kawalan Warisan Rantau Sdn Bhd from 1993 to 2001
- Currently, he is also an independent and non-executive director of Karambunai Corp Berhad, FACB Industries

Incorporated Berhad and Octagon Consolidated Berhad which are also listed on Bursa Malaysia Securities Berhad

DATO' NIK KAMARUDDIN BIN ISMAIL

*Non-Independent
Non-Executive Director*

- Aged 51, Malaysian
- Appointed to the Board on 1 December 2004
- Graduated with a Bachelor of Science (Finance)
- Worked for a period of 14 years (1973-1987) in 3M Corporation. He served as a director of 3M Corporation from 1983 to 1987, being the first Malaysian appointed to its Board. He was also a director of TV3 from 1987 to 1991, an Executive Director of Karambunai Corp Bhd from November 1994 to November 2004 and a Non-Executive Director of Tebrau Teguh Berhad from December 2002 to November 2004.
- Currently, he also serves on the board of trustee of Yayasan Pemadam

MR LEE WAI TUCK, PHILIP

Executive Director

- Aged 43, Malaysian
- Appointed to the Board on 1 October 2004
- A member of the Audit and Remuneration Committees
- A qualified accountant and a member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants
- Has extensive experience in the fields of external auditing, financial accounting and property development, having worked in Price Waterhouse, Olympia Industries Berhad, Hong Leong Bank Berhad and Karambunai Corp Bhd

- Currently, he is also a director of Karambunai Corp Berhad and Ukaylake Country Club Bhd, a wholly-owned subsidiary of Petaling Tin Berhad

MR TIANG CHONG SEONG

Executive Director

- Aged 49, Malaysian
- Appointed to the Board on 28 October 2002
- Graduated with a Diploma in building technology from Tunku Abdul Rahman College in 1979
- Has served as Managing Director of the Property Division of Petaling Tin Berhad group of companies since January 2000. Prior to joining Petaling Tin Berhad, he had a total of 13 years' experience in property development and another 6 years as a manager in charge of project management services in an international management consulting firm
- Currently, he is also a director of Ukaylake Country Club Bhd, a wholly-owned subsidiary of Petaling Tin Berhad

MR JOHN PIUS SHUMAN CHONG

Executive Director

- Aged 43, American Chinese
- Appointed to the Board on 1 December 2004
- Graduated with Bachelor of Science from University of Southern California
- Started his career with MCI, Inc., and has seen his career grow along with major US firms such as Merrill Lynch and Arthur Andersen. Subsequent to that, in the capacity as a management consultant, he consulted with major American and Asian corporations, and advised numerous governments and government linked companies

Other Information

1. Saved as disclosed, none of the directors have any family relationship with any director and/or major shareholder.
2. Except for the following directors, none of the directors have any conflict of interest with the Group:
 - Tan Sri Dr Chen Lip Keong by virtue of his interests in privately owned companies and in Karambunai Corp Berhad, of which some of its subsidiaries are also involved in property development.
 - Datuk Haji Jaafar bin Abu Bakar by virtue of his interests in privately owned companies and in Uniphoenix Corporation Berhad, of which some of its subsidiaries are also involved in property development.However, the said companies are not in direct competition with the business of the Group.
3. None of the directors have been convicted for any offences within the past 10 years other than traffic offences.



STATEMENT ON CORPORATE GOVERNANCE

This statement sets out the commitment of the Board to ensure good corporate governance principles within Petaling Tin Berhad, the recommendations of which are set out in the Malaysian Code on Corporate Governance (“the Code”). The Company has complied with the Best Practices in Corporate Governance embodied in Part 2 of the Code and the statement below narrates how the Company has throughout the financial year ended 31 October 2004 applied the principles set out in Part 1 of the Code.

DIRECTORS

The Board

The Company is led and managed by an experienced Board with a wide range of expertise. The Board has the overall responsibility for corporate governance, charting strategic direction and overseeing the operations of the Group. The Board meets at least four (4) times a year with additional meetings convened as and when necessary. During the financial year, the Board met five (5) times and the attendance record for each director is as follows:-

<i>Directors</i>	<i>Attendance</i>
Datuk Haji Jaafar bin Abu Bakar	5/5
Tan Sri Dr Chen Lip Keong	4/5
Datuk Wan Kassim bin Ahmed	4/5
Mr Lai Gin Nyap <i>(Resigned on 30.04.2004)</i>	3/3
Mr Tiang Chong Seong	5/5
Mr Chin Yit Kong <i>(Appointed on 01.05.2004, Resigned on 01.12.2004)</i>	1/2
Mr Lee Wai Tuck, Philip <i>(Appointed on 01.10.2004)</i>	N/A [#]

[#] There were no Board Meetings held subsequent to Mr Lee Wai Tuck, Philip's appointment to the Board.

Board Balance

The Board currently has seven (7) members comprising four (4) executive directors and three (3) non-executive directors of whom two (2) are independent. Hence, the Board's composition meets the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”) of having at least one third (1/3) of the membership of the Board comprising independent directors.

Executive directors have direct responsibilities for business operations whilst non-executive directors have the necessary skill and experience to bring an independent judgement to bear on the issues relating to strategy, performance and resources. Collectively, the Board possesses a wide range of business, commercial and financial experience essential in the management and direction of the Group and the number of directors fairly reflect the investment of the shareholders in the Company. The profile of each Director is set out on pages 8 and 9 of the Annual Report.

The roles of the Chairman and the Chief Executive Officer are distinct and separate with their responsibilities clearly defined to ensure a balance of power and authority.

Datuk Haji Jaafar bin Abu Bakar has been identified as the senior independent non-executive director to whom any concerns may be conveyed.

Supply of Information

The directors have full and unrestricted access to all information pertaining to the Group's business and affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties. There are matters specially reserved for the Board's decision to ensure that the direction and control of the Group is firmly in its hands. Prior to the Board meetings, the directors are provided with the agenda together with Board papers containing reports and information relevant to the business of the meeting.

All directors have access to the advice and the services of the company secretaries and under appropriate circumstances may obtain independent professional advice at the Company's expense, in furtherance of their duties.

Appointments to the Board

The Board had established a Nomination Committee which is responsible for the assessment of the

mix of skills and experience possessed by the Board members and the review of the Board size and composition on an ongoing basis to ensure effectiveness of the Board and the contribution of each director. The Nomination Committee is also responsible for assessing the suitability of proposed candidates for directorships and making recommendations to the Board on new appointments including Board Committees.

The Nomination Committee consists wholly of non-executive and independent directors. The Committee is chaired by Datuk Haji Jaafar bin Abu Bakar and the other member is Datuk Wan Kassim bin Ahmed. The Committee met three (3) times during the financial year.

Re-election

In accordance with the provisions of the Articles of Association of the Company, all directors are subject to retirement from office at least once in every three (3) years, but shall be eligible for re-election. The Articles also provide that any director appointed during the year is required to retire and seek re-election at the following Annual General Meeting immediately after such appointment.

DIRECTORS' REMUNERATION

The Level and Make-up of Remuneration

The remuneration framework for executive directors has an underlying objective of attracting and retaining directors needed to run the Company successfully. Remuneration packages of executive directors are structured to commensurate with corporate and the individual's performance. In respect of non-executive directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual concerned.

Procedure

The Board had established a Remuneration Committee to review and recommend to the Board the remuneration package of the executive directors and the determination of remuneration packages of non-executives is a matter for consideration by the Board as a whole. The individuals concerned are required to abstain from discussions pertaining to their own remuneration packages.

The Remuneration Committee comprises mainly non-executive directors. The composition of the Committee is as follows:-

Chairman

Datuk Haji Jaafar bin Abu Bakar

Members

Datuk Wan Kassim bin Ahmed

Mr Lai Gin Nyap

(Resigned on 30.04.2004)

Mr Chin Yit Kong

(Appointed on 01.05.2004, Resigned on 01.12.2004)

Mr Lee Wai Tuck, Philip

(Appointed on 01.12.2004)

The Remuneration Committee considers information available from surveys conducted by human resource consultants in reviewing the individual elements of remuneration packages and has also considered packages offered by comparable companies.

The Committee shall meet at least once a year. Additional meetings shall be scheduled if considered necessary by the Committee or Chairman. During the financial year, the Committee met once.

Disclosure

Details of the directors' remuneration for the financial year are as follows:-

The aggregate remuneration of directors categorised into appropriate components:-

	<i>Fees</i>	<i>Salaries</i>	<i>Others</i>	<i>Total</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Executive	–	801,900	189,914	991,814
Non-executive	180,000	–	–	180,000
	<u>180,000</u>	<u>801,900</u>	<u>189,914</u>	<u>1,171,814</u>

STATEMENT ON CORPORATE GOVERNANCE cont'd

The number of directors whose total remuneration falls within the following bands:-

Range of Remuneration (RM)	Executive	Non-executive
0 - 50,000	1	–
50,001 - 100,000	–	1
100,001 - 150,000	1	1
150,001 - 200,000	1	–
200,001 - 250,000	–	–
250,001 - 300,000	–	–
300,001 - 350,000	1	–
350,001 - 400,000	1	–
	<hr/>	<hr/>
	5	2

The above disclosure is in compliance with the Listing Requirements of BMSB. Nevertheless, it represents a departure from the Principles of Corporate Governance of the Code which prescribes individual disclosure of directors' remuneration packages. The Board is of the view that the transparency and accountability aspects of corporate governance in respect of directors' remuneration have been appropriately served by the band disclosure made.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible for ensuring a balanced and understandable assessment of the Group's position and prospects through the annual financial statements and quarterly announcements to shareholders. The Audit Committee assists the Board by reviewing the disclosure information to ensure completeness, accuracy and validity. A full Directors' Responsibility Statement is set out on page 13 of the Annual Report.

Internal Control

The Statement on Internal Control set out on pages 14 and 15 of this Annual Report provides an overview of the Company's approach in maintaining a sound system of internal control to safeguard shareholders' investment and the Company's assets.

Relationship with the Auditors

The Board via the establishment of an Audit Committee, maintains a formal and transparent relationship with the Company's auditors. The roles of the Audit Committee in relation to the auditors are detailed on pages 16 and 17 of the Audit Committee Report in this Annual Report.

SHAREHOLDERS

Dialogue between Company and Investors

The Company recognises the importance of keeping shareholders and investors informed of the Group's business and corporate developments. Such information is disseminated via annual reports, quarterly financial results, circulars to shareholders and the various announcements released from time to time.

The Annual General Meeting ("AGM")

The AGM serves as a principal forum for dialogues with shareholders where the Board presents the operations and performance of the Group. During the meeting, shareholders are given every opportunity to enquire and comment on matters relating to the Group's business and performance. The Chairman and members of the Board are available to respond to shareholders' queries during the AGM.

This statement is made in accordance with a resolution of the Board passed on 28 February 2005.

STATEMENT OF DIRECTORS' RESPONSIBILITY

This statement is made pursuant to paragraph 15.27(a) of Chapter 15 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The provisions of the Companies Act, 1965 requires the directors to be responsible in preparing the financial statements for each financial year which gives a true and fair view of the state of affairs of the Group and the Company and of the results and cash flows of the Group and of the Company for the financial year ended 31 October 2004. In complying with these requirements, the directors are responsible for ensuring that proper accounting records are maintained and suitable accounting policies are

adopted and applied consistently. In cases whereby judgement and estimates were required, the directors have ensured that these were made prudently and reasonably.

The directors also ensured that all applicable accounting standards have been followed and confirmed that the financial statements have been prepared on a going concern basis.

In addition, the directors are also responsible for safeguarding the assets of the Company by taking reasonable steps to prevent and detect fraud and other irregularities.



OTHER INFORMATION

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving directors' and major shareholders' interests during the financial year.

SHARE BUY-BACK

During the financial year, there was no share buy-back by the Company.

NON-AUDIT FEES

Non-audit fees amounting to RM6,300 were paid to external auditors for the financial year ended 31 October 2004

in respect of their attendance in the Company's Audit Committee Meetings and review of the Statement on Internal Control.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

There were no material recurrent related party transactions of a revenue nature during the year other than those disclosed in the financial statements.

These statements are made in accordance with a resolution of the Board passed on 28 February 2005.

STATEMENT ON INTERNAL CONTROL

PREAMBLE

Pursuant to paragraph 15.27(b) of the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”), the Board is required to include in its Annual Report, a statement on the state of internal control of the Group. The Malaysian Code on Corporate Governance states that the Board of listed companies should maintain a sound system of internal control to safeguard shareholders’ investment and the Company’s assets. In making this Statement on Internal Control, it is essential to address the Principles and Best Practices in the Malaysian Code on Corporate Governance which relate to internal control.

RESPONSIBILITY

The Board has overall stewardship responsibility for the Company’s system of internal control and for reviewing its adequacy and integrity to safeguard shareholders’ investment and the Company’s assets. However, it should be noted that in any system of internal control, it 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 associated company has not been dealt with as part of the Group for the purpose of this statement.

INTERNAL CONTROL SYSTEM

The embedded control system is designed to facilitate achievement of the Group’s corporate objectives. It comprises the underlying control

environment, control processes, communication and monitoring system which manifest themselves as follows:-

- Organisational structure with formally defined lines of responsibility, delegation of authority, segregation of duties and information flow. The Board has delegated to Executive Management the implementation of the system of internal control but still maintain full control and direction over appropriate strategic, financial, organisational and compliance issues. The Executive Management convenes meetings regularly to discuss its strategic business agenda while ensuring that the Board is properly apprised in order to maintain effective supervision over the entire operations.
- Well documented internal operating policies and procedures have been established, periodically reviewed and kept updated in accordance with changes in the operating environment.
- Comprehensive budgeting process for major operating units with periodical monitoring of performance so that major variances are followed up and management action taken.
- Functional limits of authority for revenue and capital expenditure of all operating units. These commitment authority thresholds, working in tandem with budgeting and payment control, serves to facilitate the approval process whilst keeping potential exposure in check.
- Detailed justification and approval process for major expenditures to ensure congruence with Company’s strategic objectives.



- Framework for computerised information system spearheaded by an IT Steering Committee to streamline hardware and software regulations and guidelines for system integrity, effectiveness and efficiency.
- Independent appraisals by internal auditors to ensure ongoing compliance with policies, procedures and legislation whilst assessing the effectiveness of the Group's system of financial, compliance and operational control.

RISK MANAGEMENT FRAMEWORK

Besides primary ownership over effectiveness of the Group's internal control system, the Board recognises its responsibility over the principal risk of various aspects of the Group's business. For long term viability of the Group, it is crucial to achieve a critical balance between risks incurred and potential returns.

In response to the above challenge, the Group has, during the year under review, completed an in-house structured risk management framework thereby, laying the foundation for an ongoing process for identifying, evaluating, treating, reporting and monitoring the significant risks faced by the Group.

Taking cognisance of the control and cultural environment, the Group has adopted an approach which involves the creation of an adequately mandated Risk Advisory Committee to drive the process whilst focusing on the critical business agenda on the Board's behalf. The Risk Advisory Committee comprising senior

management personnel responsible, inter alia, for internal policy communications, acquiring risk management skills, developing skills through education and training, and ensuring adequate scale of recognition, rewards and sanctions was set up on 26 March 2002.

With the above foundation in place, the Risk Advisory Committee commenced formal establishment of key business units' objectives supporting the Group's strategic mission. Brainstorming sessions were held to assess the risks affecting its business objectives. In particular, the Risk Advisory Committee identified and categorised the key business risks to highlight its source, event and consequences thereafter, scored the risks to reflect both, the likelihood of its occurrence and the magnitude of its impact. These were captured in a risk register to facilitate subsequent treatment and monitoring.

During the year, quarterly monitoring reviews were conducted to reassess risk and the effectiveness of controls to manage such risk and its results, duly reported to the Board.

INTERNAL AUDIT

An in-house Internal Audit function supports the Audit Committee, and by extension, the Board, by providing reasonable independent assurance on the effectiveness of the Group's system of internal control.

In particular, Internal Audit appraises and contributes towards improving the Group's risk management and control system and reports to the Audit Committee on a quarterly

basis. The Internal Audit work plan, which reflects the risk profile of the Group's major business sectors, is routinely reviewed and approved by the Audit Committee.

INTERNAL CONTROL ISSUES

Management maintains an ongoing commitment to strengthen the Group's control environment and processes. During the year, there were no material losses caused by breakdown in internal control.

This statement is made in accordance with a resolution of the Board passed on 28 February 2005.

AUDIT COMMITTEE REPORT

COMPOSITION

Members of the Audit Committee, their respective designations and directorships are as follows:-

Datuk Haji Jaafar bin Abu Bakar
Chairman, Independent Non-Executive

Datuk Wan Kassim bin Ahmed
Member, Independent Non-Executive

Mr Lai Gin Nyap
(Resigned on 30.04.2004)
Member, Executive

Mr Chin Yit Kong
*(Appointed on 01.05.2004,
Resigned on 01.12.2004)*
Member, Executive

Mr Lee Wai Tuck, Philip
(Appointed on 01.12.2004)
Member, Executive



that are incorporated into the agenda. The Company Secretary shall be the secretary of the Committee.

Frequency Of Meetings

The Audit Committee shall meet at least four (4) times in a financial year with due notice of issues to be discussed and shall record its conclusions in discharging its duties and responsibilities. The Committee may meet with the external auditor without the executive board members present, whenever deemed necessary.

During the financial year ended 31 October 2004, the Audit Committee held a total of five (5) meetings. The details of attendance of the Committee members are as follows:-

<i>Committee Members</i>	<i>Attendance</i>
Datuk Haji Jaafar bin Abu Bakar	5/5
Datuk Wan Kassim bin Ahmed	5/5
Mr Lai Gin Nyap <i>(Resigned on 30.04.2004)</i>	3/3
Mr Chin Yit Kong <i>(Appointed on 01.05.2004, Resigned on 01.12.2004)</i>	2/2

TERMS OF REFERENCE

Purpose

The primary objective of the Audit Committee (as a standing committee of the Board) is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting and internal control.

Reporting Responsibilities

The Audit Committee will report to the Board on the nature and extent of the functions performed by it and may make such recommendations to the Board on any audit and financial reporting matters as it may think fit.

Attendance At Meetings

The Head of Finance, Head of Internal Audit and a representative of the External Audit shall normally attend meetings. Other officers may be invited to brief the Audit Committee on issues

Quorum

The quorum for a meeting shall be two (2) members of whom a majority shall be independent directors.

Authority

The Audit Committee shall have the authority to investigate any matter within its Terms of Reference. The Committee shall have full and unrestricted access to both internal and external auditors and to all employees of the Group. The Committee may, with the approval of the Board, obtain independent professional or other advice, if necessary.

Duties

The duties of the Audit Committee include the following:-

- to consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal
- to discuss with the external auditor before the audit commences, the nature and scope of the audit
- to review the quarterly and year end financial statements of the Company, focusing on:-
 - any changes in accounting policies and practices
 - major judgemental areas
 - significant adjustments arising from the audit
 - the going concern assumption
 - compliance with accounting standards and other legal requirements
- to discuss problems and reservations arising from the interim and final audits and any matter the auditor may wish to discuss (in the absence of management, where necessary)
- to review the external auditor's management letter and management's response
- to review the adequacy of the scope, functions and resources of the internal audit function
- to review the internal audit programmes and results of the internal audit process and when necessary ensure that appropriate action is taken on the recommendations of the internal audit function
- to review any appraisal or assessment of the performance of members of the internal audit function
- to approve any appointment or termination of senior staff members of the internal audit function
- to inform itself of resignations of internal audit staff members and provide the resigning staff member

an opportunity to submit his reasons for resigning

- to consider any related party transactions that may arise within the Company or Group
- to consider the major findings of internal investigations and management's response
- to consider other topics, as defined by the Board
- where the Audit Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB"), the Audit Committee must promptly report such matter to BMSB

SUMMARY OF AUDIT COMMITTEE ACTIVITIES

In discharging its responsibilities for the financial year, the Audit Committee, in particular:-

- reviewed the quarterly and year end financial statements and made recommendations to the Board
- deliberated over the internal audit and compliance reports
- reviewed and assisted in the development and implementation of sound and effective internal control and business system within the Group
- discussed and reviewed with the external auditors the results of their examination, their auditors' report and management letters in relation to the audit and accounting issues arising from the audit
- reviewed the Company's compliance with regards to the Listing Requirements of BMSB and compliance with updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board

INTERNAL AUDIT FUNCTION

The Audit Committee is supported by an Internal Audit Department which reports functionally to the Committee and is independent of the activities they audit.

During the financial year, the Internal Audit Department carried out, inter alia, the following activities:-

- formulated and agreed with the Audit Committee on the audit plan, strategy and scope of work
- reviewed compliance with internal policies, procedures and standards, relevant external rules and regulations, as well as assessed the adequacy and effectiveness of the Group's internal control system
- analysed and assessed certain key business processes, report findings, and made recommendations to improve their effectiveness and efficiency
- assisted the Board and management on the implementation of the Malaysian Code on Corporate Governance
- other ongoing assurance and advisory work to the Board and management

This statement is made in accordance with a resolution of the Board passed on 28 February 2005.

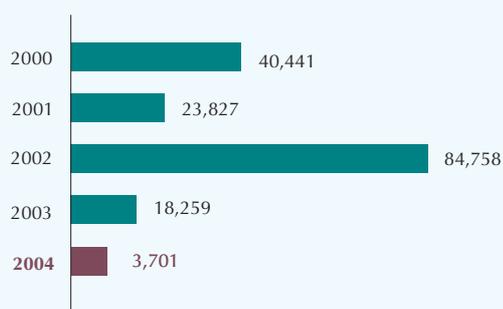
FIVE YEARS' COMPARATIVE RESULTS

	2004	2003	2002	2001	2000
Operating revenue (RM'000)	3,701	18,259	84,758	23,827	40,441
(Loss) / Profit before taxation (RM'000)	(4,982)	(4,187)	24,824	2,506	7,311
(Loss) / Profit after taxation (RM'000)	(5,248)	(3,521)	15,453	589	4,331
Shareholders' funds (RM'000)	383,521	388,769	384,731	257,091	86,702
Total assets employed (RM'000)	469,038	476,247	476,840	449,791	476,242
Net tangible assets (RM'000)	380,997	385,965	381,647	257,091	86,702
Gearing ratio (times)*	– **	– **	– **	– **	0.04
Net tangible assets per share (RM)	1.11	1.12	1.11	1.04	0.86
(Loss) / Earnings per share (sen)					
Basic	(1.5)	(1.0)	5.9	0.4	5.3
Fully diluted	–	–	4.5	0.2	1.9

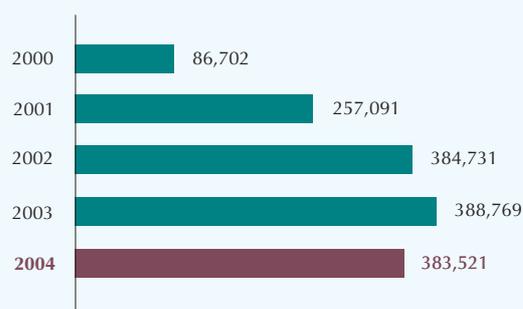
* calculated based on bank borrowings (excluding ICULS) over shareholders' funds

** negligible

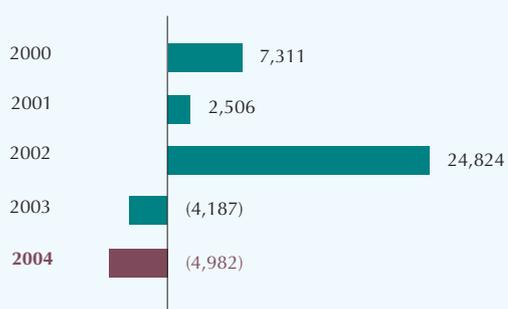
Operating Revenue (RM'000)



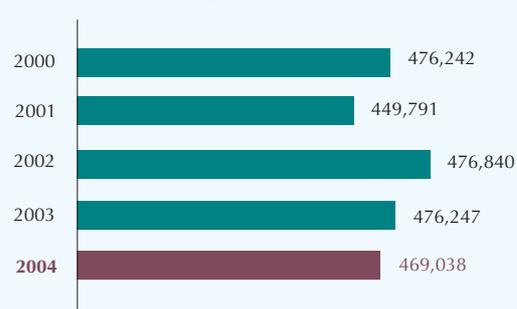
Shareholders' Funds (RM'000)



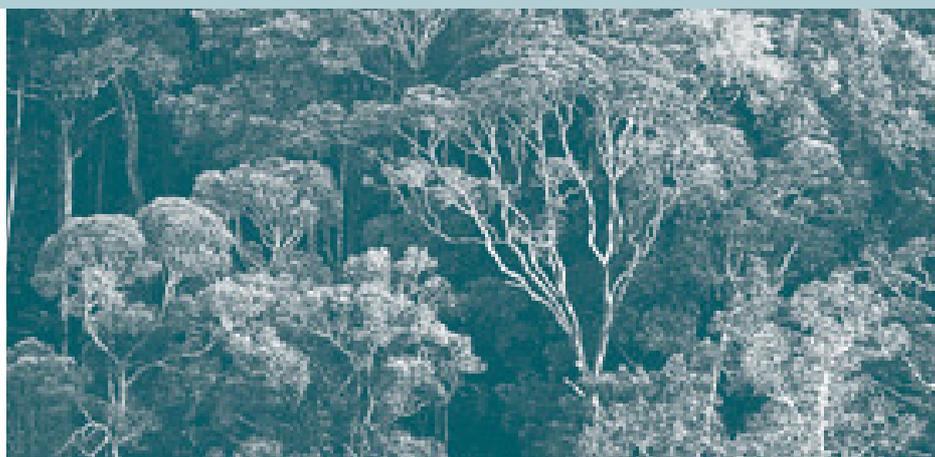
(Loss) / Profit Before Taxation (RM'000)



Total Assets Employed (RM'000)



FINANCIAL STATEMENTS



20	Directors' Report
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DIRECTORS' REPORT

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 October 2004.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and providing management services. The principal activities of the subsidiary companies are disclosed in note 3 to the financial statements. There have been no significant changes in the nature of these activities during the year.

RESULTS

	GROUP RM	COMPANY RM
Net loss after taxation	<u>(5,248,112)</u>	<u>(1,394,239)</u>

DIVIDENDS

No dividend has been paid or declared by the Company since the end of previous financial year and the Directors do not recommend any dividend payment for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the year other than those mentioned in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts, and have satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would require the writing off of bad debts, or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps to ensure that any current assets which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

At the date of this report there does not exist:

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

In the opinion of the Directors:

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES

During the year, no new issue of shares was made by the Company.

IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2000/2010 ("ICULS")

There were no ICULS converted into new ordinary shares of the Company during the financial year.

The terms of issue of the ICULS are as disclosed in note 23 to the financial statements.

DIRECTORS' REPORT cont'd

DETACHABLE WARRANTS 2000/2010 ("WARRANTS")

The Detachable Warrants 2000/2010 of the Company were issued on 2 February 2000 and are constituted by a Deed Poll dated 18 January 2000 executed by the Company. The salient features of the Warrants are as follows:

- (a) each Warrant will entitle its registered holder to subscribe for one new ordinary share of RM1.00 each in the Company at the exercise price of RM1.16 per new ordinary share by payment in cash during the exercise period;
- (b) exercise of the Warrants will be allowed at any time up to the expiry of 10 years following the date of issue; and
- (c) the new ordinary shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respect with the existing ordinary shares in the Company except that they shall not be entitled to any rights allotment or other distribution declared or distributed, the record date of which is on or before the date of exercise of the Warrants. In addition, these new shares shall not be entitled to any dividends declared in respect of a prior financial year or interim dividends the record date of which is on or before the date of exercise of the Warrants. For the purpose hereof, record date means the date as at the close of business on which shareholders must be registered as members of the Company in order to participate in any dividends, rights, allotments or any other distributions.

As at financial year end, the number of unexercised detachable warrants 2000/2010 of the Company were 40,334,824 (2003: 40,334,824). There were no warrants exercised during the financial year.

DIRECTORS OF THE COMPANY

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

DATUK HAJI JAAFAR BIN ABU BAKAR
TAN SRI DR. CHEN LIP KEONG
DATUK WAN KASSIM BIN AHMED
LAI GIN NYAP (*Resigned on 30.04.2004*)
TIANG CHONG SEONG
CHIN YIT KONG (*Appointed on 01.05.2004; Resigned on 01.12.2004*)
LEE WAI TUCK, PHILIP (*Appointed on 01.10.2004*)
DATO' NIK KAMARUDDIN BIN ISMAIL (*Appointed on 01.12.2004*)
JOHN PIUS SHUMAN CHONG (*Appointed on 01.12.2004*)

DIRECTORS' INTEREST IN SHARES AND WARRANTS

Particular of Directors' interest in the shares and Warrants of the Company during the financial year according to the registers required to be kept under Section 134 of the Companies Act, 1965 are as follows:

	Number of Ordinary Shares of RM1.00 Each			
	At 01.11.2003	Acquired	Disposed	At 31.10.2004
Direct Interest				
Datuk Haji Jaafar bin Abu Bakar	5,000	–	–	5,000
Tan Sri Dr. Chen Lip Keong	100,104,243	–	(14,560,000)	85,544,243
Indirect Interest Held Through Persons Connected to Directors and Corporations In Which The Directors Have Interests				
Tan Sri Dr. Chen Lip Keong	30,537,179	–	(1,155,000)	29,382,179

	At	Number of Warrants		At
	01.11.2003	Allotted	Disposed	31.10.2004
Direct Interest				
Datuk Haji Jaafar bin Abu Bakar	2,000	–	–	2,000
Tan Sri Dr. Chen Lip Keong	10,217,048	–	–	10,217,048

The Directors who have substantial interests in the shares of the Company are also deemed to have interest in the shares of the subsidiary companies to the extent that the Company has an interest.

In accordance with Article 80 of the Company's Articles of Association, Datuk Wan Kassim bin Ahmed retires from the board at the forthcoming annual general meeting and being eligible offers himself for re-election.

In accordance with Article 82(c) of the Company's Articles of Association, Mr. Lee Wai Tuck, Philip, Dato' Nik Kamaruddin bin Ismail and Mr. John Pius Shuman Chong retire from the board at the forthcoming annual general meeting and being eligible offer themselves for re-election.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than the Directors' remuneration disclosed in note 27(a)(i) to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

AUDITORS

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

On Behalf of the Board

DATUK HAJI JAAFAR BIN ABU BAKAR

Director

LEE WAI TUCK, PHILIP

Director

Petaling Jaya
16 February 2005

STATEMENT BY DIRECTORS

We, the undersigned, being two of the Directors of the Company, state that in the opinion of the Directors, the accompanying financial statements as set out on pages 26 to 63, 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 as at 31 October 2004 and of the results of the operations, changes in equity and cash flows of the Group and of the Company for the year ended on that date.

On Behalf of the Board

DATUK HAJI JAAFAR BIN ABU BAKAR

Director

LEE WAI TUCK, PHILIP

Director

Petaling Jaya

16 February 2005

STATUTORY DECLARATION

I, Lee Wai Tuck, Philip, NRIC No.: 620906-10-6539, being the Director primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 26 to 63 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.

LEE WAI TUCK, PHILIP

Director

Subscribed and solemnly declared at
Kuala Lumpur in the Federal Territory
this 16th day of February 2005

Before me

NORDIN BIN HASSAN

No: W321

Commissioner for Oaths

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements set out on pages 26 to 63.

The preparation of the financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with the 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 considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatement. Our audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. Our audit 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 have been prepared 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 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
 - (ii) the state of affairs of the Group and of the Company as at 31 October 2004 and of the results of the operations, changes in equity and cash flows of the Group and of the Company for the year ended on that date;

and

- (b) the accounting and other records and the registers required by the Companies Act, 1965, to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the said Act.

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 these purposes.

Our auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Section 174(3) of the Companies Act, 1965.

MOORE STEPHENS
Chartered Accountants
(AF.0282)

CHONG KWONG CHIN
707/04/06 (J/PH)
Partner

Kuala Lumpur
16 February 2005

BALANCE SHEETS

as at 31 October 2004

	NOTE	GROUP		COMPANY	
		2004 RM	2003 RM	2004 RM	2003 RM
NON-CURRENT ASSETS					
Property, plant and equipment	2	5,047,240	5,844,445	120,624	115,344
Investments in subsidiary companies	3	–	–	186,555,003	186,555,003
Interest in associated companies	4	–	–	–	–
Investment properties	5	93,385,500	93,385,500	–	–
Deferred land and development expenditure	6	185,426,938	152,284,065	–	–
Capital work-in-progress	7	10,140,981	10,140,981	–	–
Goodwill on consolidation	8	2,523,600	2,804,000	–	–
		296,524,259	264,458,991	186,675,627	186,670,347
CURRENT ASSETS					
Land and development expenditure	6	67,695,071	105,093,518	–	–
Inventories	9	12,357,404	13,224,266	–	–
Short term investments	10	444,592	444,592	442,611	442,611
Trade receivables	11	85,027,682	85,783,341	–	–
Other receivables, deposits and prepayments		4,713,133	1,566,473	613,050	142,531
Tax assets	12	41,266	36,359	22,674	17,751
Amount owing by subsidiary companies	13	–	–	160,968,859	163,349,283
Amount owing by an associated company	14	–	–	–	–
Fixed deposits with licensed banks	15	788,449	619,028	50,000	50,000
Cash and bank balances	16	1,446,023	5,020,425	100,598	98,926
		172,513,620	211,788,002	162,197,792	164,101,102

	NOTE	GROUP		COMPANY	
		2004 RM	2003 RM	2004 RM	2003 RM
CURRENT LIABILITIES					
Trade payables	17	3,733,333	6,160,512	5,009	5,009
Provisions	18	5,790,446	6,496,496	–	–
Other payables and accruals	19	10,102,516	10,890,220	3,712,621	4,198,103
Amount owing to subsidiary company	13	–	–	989,118	990,173
Hire purchase payable	20	19,072	17,254	19,072	17,254
Taxation		29,892,040	28,083,889	–	–
		49,537,407	51,648,371	4,725,820	5,210,539
NET CURRENT ASSETS					
		122,976,213	160,139,631	157,471,972	158,890,563
		419,500,472	424,598,622	344,147,599	345,560,910
CAPITAL AND RESERVES					
Share capital	21	344,292,335	344,292,335	344,292,335	344,292,335
Reserves	22	37,128,525	42,376,637	(2,262,018)	(867,779)
Irredeemable Convertible Unsecured Loan Stocks	23	2,100,000	2,100,000	2,100,000	2,100,000
		383,520,860	388,768,972	344,130,317	345,524,556
SHAREHOLDERS' EQUITY					
NON-CURRENT LIABILITIES					
Hire purchase payable	20	17,282	36,354	17,282	36,354
Deferred taxation	24	35,962,330	35,793,296	–	–
		35,979,612	35,829,650	17,282	36,354
		419,500,472	424,598,622	344,147,599	345,560,910

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

INCOME STATEMENTS

for the year ended 31 October 2004

	NOTE	GROUP		COMPANY	
		2004 RM	2003 RM	2004 RM	2003 RM
OPERATING REVENUE	25	3,701,177	18,259,008	1,938,860	1,762,435
COST OF SALES	26	(1,907,677)	(16,150,959)	–	–
GROSS PROFIT		1,793,500	2,108,049	1,938,860	1,762,435
OTHER OPERATING REVENUE		1,110,924	323,970	965,434	46,781
DISTRIBUTION COSTS		(88,008)	(89,327)	–	–
ADMINISTRATIVE COSTS		(5,467,515)	(5,229,880)	(4,105,462)	(4,142,140)
OTHER OPERATING COSTS		(2,323,596)	(1,291,258)	(173,960)	(165,613)
		(7,879,119)	(6,610,465)	(4,279,422)	(4,307,753)
LOSS FROM OPERATIONS		(4,974,695)	(4,178,446)	(1,375,128)	(2,498,537)
FINANCE COSTS		(7,376)	(8,374)	(7,376)	(8,374)
LOSS BEFORE TAXATION	27	(4,982,071)	(4,186,820)	(1,382,504)	(2,506,911)
TAXATION	28	(266,041)	665,389	(11,735)	5,633
NET LOSS FOR THE YEAR		(5,248,112)	(3,521,431)	(1,394,239)	(2,501,278)
LOSS PER SHARE (SEN)	29				
– Basic		(1.52)	(1.02)		
– Fully diluted		–	–		

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 October 2004

	SHARE CAPITAL RM	SHARE PREMIUM RM	RESERVES RM	ICULS - EQUITY INSTRUMENT RM	ACCUMULATED LOSSES RM	TOTAL SHAREHOLDERS' EQUITY RM
GROUP						
At 01.11.2002	344,292,335	43,664,342	3,738,986	–	(6,964,720)	384,730,943
Reclassification of ICULS - equity instrument (note 23)	–	–	–	2,100,000	–	2,100,000
Revaluation surplus on investment properties	–	–	*5,459,460	–	–	5,459,460
Net loss for the year	–	–	–	–	(3,521,431)	(3,521,431)
At 31.10.2003	344,292,335	43,664,342	9,198,446	2,100,000	(10,486,151)	388,768,972
Net loss for the year	–	–	–	–	(5,248,112)	(5,248,112)
At 31.10.2004	344,292,335	43,664,342	9,198,446	2,100,000	(15,734,263)	383,520,860
COMPANY						
At 01.11.2002	344,292,335	43,664,342	4,519,264	–	(46,550,107)	345,925,834
Reclassification of ICULS - equity instrument (note 23)	–	–	–	2,100,000	–	2,100,000
Net loss for the year	–	–	–	–	(2,501,278)	(2,501,278)
At 31.10.2003	344,292,335	43,664,342	4,519,264	2,100,000	(49,051,385)	345,524,556
Net loss for the year	–	–	–	–	(1,394,239)	(1,394,239)
At 31.10.2004	344,292,335	43,664,342	4,519,264	2,100,000	(50,445,624)	344,130,317

* Net gain not recognised in the income statements.

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

CASH FLOW STATEMENTS

for the year ended 31 October 2004

	NOTE	GROUP		COMPANY	
		2004 RM	2003 RM	2004 RM	2003 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss Before Taxation		(4,982,071)	(4,186,820)	(1,382,504)	(2,506,911)
Adjustments for:					
Amortisation of goodwill on consolidation		280,400	280,400	–	–
Depreciation of property, plant and equipment		861,053	936,320	58,568	133,790
Dividend revenue		(18,841)	(10,882)	(18,701)	(10,742)
Gain on disposal of quoted investments		–	(120)	–	(120)
Gain on disposal of property, plant and equipment		–	(173)	–	(173)
Interest expenses		4,166	5,983	4,166	5,983
Interest revenue		(70,982)	(250,713)	(1,501)	(2,291)
Provision for infrastructure and development costs		66,147	–	–	–
Write down inventories to net realisable value		–	2,803	–	–
Operating Loss Before Working Capital Changes		(3,860,128)	(3,223,202)	(1,339,972)	(2,380,464)
Decrease in inventories		866,862	4,517,909	–	–
Decrease in land and development expenditure		4,255,574	1,962,394	–	–
(Increase)/Decrease in receivables		(2,391,001)	1,058,649	(470,519)	67,715
Decrease in payables		(2,207,328)	(2,027,025)	(485,482)	(58,436)
Cash (Used In)/Generated From Operations Carried Down		(3,336,021)	2,288,725	(2,295,973)	(2,371,185)

NOTE	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Cash (Used In)/Generated From Operations Brought Down	(3,336,021)	2,288,725	(2,295,973)	(2,371,185)
Interest paid	(4,166)	(5,983)	(4,166)	(5,983)
Interest received	70,982	250,713	1,501	2,291
Income tax paid	(56,818)	(30,837)	–	(2,976)
Real Property Gain Tax paid	(11,735)	(100,816)	(11,735)	(82,224)
Net Cash (Used In)/Generated From Operating Activities	(3,337,758)	2,401,802	(2,310,373)	(2,460,077)
CASH FLOWS FROM INVESTING ACTIVITIES				
Advances to subsidiary companies	–	–	(3,421,181)	(849,432)
Dividend received	13,879	10,882	13,778	10,742
Capital work-in-progress incurred	–	(689)	–	–
Proceeds from disposal of property, plant and equipment	–	3,500	–	3,500
Purchase of property, plant and equipment	(63,848)	(27,418)	(63,848)	(27,418)
Placement of fixed deposits	(169,421)	(88,178)	–	–
Proceeds from disposal of quoted investments	–	3,200	–	3,200
Repayments from subsidiary companies	–	–	5,801,605	3,028,484
Net Cash (Used In)/Generated From Investing Activities	(219,390)	(98,703)	2,330,354	2,169,076
Balance Carried Down	(3,557,148)	2,303,099	19,981	(291,001)

CASH FLOW STATEMENTS cont'd

for the year ended 31 October 2004

	NOTE	GROUP		COMPANY	
		2004 RM	2003 RM	2004 RM	2003 RM
Balance Brought Down		(3,557,148)	2,303,099	19,981	(291,001)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayments to subsidiary company		–	–	(1,055)	(1,146)
Payment to hire purchase payables		(17,254)	(15,437)	(17,254)	(15,437)
Net Cash Used In Financing Activities		(17,254)	(15,437)	(18,309)	(16,583)
NET (DECREASE)/INCREASE IN CASH AND BANK BALANCES		(3,574,402)	2,287,662	1,672	(307,584)
CASH AND BANK BALANCES AT BEGINNING OF THE YEAR		5,020,425	2,732,763	98,926	406,510
CASH AND BANK BALANCES AT END OF THE YEAR	16	1,446,023	5,020,425	100,598	98,926

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 October 2004

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Group and the Company are consistent with those adopted in previous years except for the adoption of new applicable accounting standards as follows:

Retrospective application

MASB 29 : Employee Benefits

No prior year adjustment is recognised as there is no material impact on the prior years' financial statements.

Arising from adoption of this new standard, the accounting policy on employee benefits is disclosed in note 1(q) to the financial statements.

(a) Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention modified by the revaluation of investment properties unless otherwise indicated in this summary of significant accounting policies. Certain development and investment properties of the subsidiary companies are stated in the consolidated financial statements at values reflecting the effective acquisition costs to the Group (Group Cost) of these assets.

(b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary companies which are disclosed in note 3 to the financial statements made up to the end of the financial year.

Intragroup balances, transactions and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless cost cannot be recovered.

The financial statements of subsidiary companies acquired or disposed off during the financial year are included in the consolidated financial statements based on the acquisition method from the effective date of acquisition or up to the effective date of disposal respectively.

Gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill on acquisition and exchange differences.

(c) Subsidiary Company

A subsidiary company is a company in which the Group has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Investment in subsidiary companies, which are eliminated on consolidation, are stated at cost less accumulated impairment losses, if any, in the Company's financial statements. An impairment loss is recognised when there is an impairment in the value of the investment determined on an individual basis and is charged to income statement as an expense. The difference between net disposal proceeds and its carrying amount is charged or credited to income statement upon disposal of the investment.

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 October 2004

(d) Associated Company

An associated company is an enterprise, neither a subsidiary company nor a joint venture entity, in which the Group has a long term equity interest and exercises significant influence over its financial and operating policy decisions.

Investments in associated companies are stated at cost less accumulated impairment losses, if any, in the Company's financial statements. Impairment loss is made when there is a permanent impairment in the value of the investment determined on individual basis.

The Group's interest in associated companies is stated at cost plus adjustments for post-acquisition changes in the Group's share of net assets of the associated companies using the equity method of accounting in the consolidated financial statements.

The Group's share of post-acquisition losses is restricted to the carrying value of the investment in that associated company. Should the associated company subsequently reports profits, the Group will only resume to recognise its share of profits after its share of cumulative profits equals to its share of cumulative losses previously not recognised.

Where audited financial statements of the associated companies are not co-terminous with those of the Group, the share of results is based on the unaudited management financial statements made up to the financial year end of the Group.

(e) Goodwill or Reserve On Consolidation

Goodwill or reserve on consolidation represents the difference between the purchase consideration and the fair value of the Group's share of net assets of subsidiary companies or associated companies at the date of their acquisition.

Goodwill is stated at cost less accumulated amortisation and accumulated impairment losses, if any. Goodwill on consolidation is amortised through the income statement over a period of 15 years. Reserve on consolidation is not amortised.

(f) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is not amortised.

Leasehold land and mines' development costs are amortised on a straight line basis over the expected working lives of the mines. Dredge is depreciated on a straight line basis so as to write down its cost to its estimated net residual value by the end of its expected useful life. Since the cessation of the mining operations in 1997, these property, plant and equipment have been fully amortised or depreciated to the income statement.

All other property, plant and equipment are depreciated on the straight line method to write off the cost of the assets over their estimated useful lives.

The principal annual rates used for this purpose are:

Buildings	2%
Plant and equipment	10% - 33%
Motor vehicles	20%

Fully depreciated property, plant and equipment are retained in the financial statements at a nominal value of RM1.00 each until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

(g) Impairment of Assets

The carrying amounts of assets other than inventories, assets arising from construction contracts, deferred tax assets, assets arising from employee benefits and financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of net selling price and the value in use, which is measured by reference to discounted future cash flows. An impairment loss is recognised whenever the carrying amount of an item of assets exceeds its recoverable amount.

An impairment loss is recognised as an expense in the income statement. However, an impairment loss on a revalued asset will be treated as a revaluation deficit to the extent that the loss does not exceed the amount held in revaluation reserve in respect of the same asset.

Any subsequent reversal of impairment loss due to an increase in recoverable amount is restricted to the carrying amount that would have been determined (net of accumulated depreciation, where applicable) had no impairment loss been recognised in prior years. The reversal of impairment loss will be recognised as revenue in the income statement. However, the reversal of impairment loss on a revalued asset will be treated as revaluation surplus to the extent that the reversal does not exceed the amount previously held in revaluation reserve in respect of the same asset.

(h) Investment Properties

Investment properties comprise properties which are held for investment potential. In the subsidiary Company's financial statements, these investment properties are stated at valuation and addition subsequent to the date of last valuation will be stated at cost. In the consolidated financial statements, these properties are initially stated at the Group Cost and would be revalued subsequently in accordance with the Group's revaluation policy in respect of investment properties. It is the Group's policy to maintain these properties in a high standard and condition. As such, these properties maintain their residual value of not less than their respective book value such that depreciation would be negligible. In view of this, no depreciation is provided for these properties. The related maintenance expenditure is dealt with in the income statement.

It is the Group's policy to appraise the investment properties at least once in every five years by independent professional valuation based on open market values. A surplus arising therefrom will be credited to revaluation reserve. However, a surplus will be recognised as revenue to the extent that it reverses a revaluation deficit of the same asset previously recognised as an expense. A deficit arising therefrom will be recognised as an expense. However, a deficit will be set-off against any related revaluation surplus to the extent that the deficit does not exceed the amount held in revaluation reserve in respect of the same asset.

On disposal of these properties, any surplus in revaluation reserve relating to these assets will be transferred to retained earnings.

(i) Deferred Land and Development Expenditure

In the consolidated financial statements, deferred land and development expenditure consist of cost or Group Cost of land, incidental costs of acquisition and other development expenditure incurred to-date necessary to maintain properties which are currently not under active development.

In certain subsidiary companies' financial statements, the leased and leasehold land are stated at their market value based on valuation carried out by independent professional valuers since the last valuation exercises of that subsidiary companies. The valuations of the revalued assets in these subsidiary companies have not been updated and they continue to be stated at their last revalued amounts as allowed under the transitional provision issued by the Malaysian Accounting Standards Board in respect of the Malaysian Accounting Standard No. 7 on Accounting For Property Development Activities.

These assets will be transferred to land and development expenditure when significant development work is ready to be undertaken and is expected to be completed within the normal operating cycles.

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 October 2004

(j) Land and Development Expenditure

In the consolidated financial statements, land and development expenditure consists of cost or Group Cost of land or properties which are currently under active development and are expected to be completed within the normal operating cycles, development expenditure incurred to date and a proportion of estimated profit attributable to development work performed to date, less progress billings and allowance for foreseeable losses, if any.

Development expenditure includes direct material, labour, sub-contract costs, attributable development overheads and borrowing costs.

In certain subsidiary companies' financial statements, the leasehold land are stated at their market value based on valuation carried out by independent professional valuers since the last valuation exercises of that subsidiary companies. The valuations of the revalued assets in these subsidiary companies have not been updated and they continue to be stated at their last revalued amounts as allowed under the transitional provision issued by the Malaysian Accounting Standards Board in respect of the Malaysian Accounting Standard No. 7 on Accounting For Property Development Activities.

Adjustment to Group Cost arising from acquisition of property development subsidiary companies is amortised over the period of development by reference to the percentage of completion of the development properties.

Where foreseeable losses on development projects are anticipated, full allowance for these losses is made in the financial statements.

(k) Capital Work-In-Progress

Capital work-in-progress consists of expenditure stated at cost, including borrowing costs incurred on construction of property, plant and equipment which take a substantial period of time to be ready for their intended uses.

Depreciation is not provided and upon completion of construction, the cost will be transferred to property, plant and equipment.

(l) Inventories

Inventories of unsold completed properties are stated at the lower of cost and net realisable value. Cost of unsold completed properties is determined on specific identification basis and comprises attributable land and development expenditure incurred up to completion of the properties.

In arriving at net realisable value, due allowance has been made for all obsolete and slow-moving inventories.

(m) Provisions

Liabilities of uncertain timing and amount arising from present legal or constructive obligations of the Group as a result of past events are recognised as provisions in the financial statements when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and when a reliable estimate of the amount of these liabilities can be made.

(n) Hire Purchase

Hire purchase instalment plans are agreements whereby the lender conveys to the hirer, in return for a series of instalment payments, the rights to use the assets involved with an option for hirer to purchase the assets upon full settlement of the instalment payments.

Cost of property, plant and equipment acquired under the hire purchase instalment plans are capitalised as property, plant and equipment and depreciated in accordance with the Group's policy on depreciation of property, plant and equipment. The related finance charges are allocated to the income statement over the period of the instalment plans based on the sum-of-digit method. The total outstanding instalment payments after deducting the unexpired finance charge are included in hire purchase payables.

(o) Transactions In Foreign Currencies

Transactions in foreign currencies are translated into Ringgit Malaysia at the rates of exchange ruling at the dates of the transactions and where settlement had not taken place by 31 October 2004, at the approximate rates ruling as at that date. All gains and losses on exchange are included in the income statement.

The principal exchange rate (denominated in unit of Ringgit Malaysia per foreign currency) used in translating unsettled foreign currency amounts at the financial year end is as follows:

	2004	2003
	RM	RM
United States Dollar	3.80	3.80

(p) Taxation

Taxation in the income statement represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the year and any adjustments recognised in the year for current tax of prior years.

Deferred tax is recognised, using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled.

Deferred tax is recognised in equity when it relates to items recognised directly in equity. When deferred tax arises from business combination that is an acquisition, the deferred tax is included in the resulting goodwill or negative goodwill.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxation authority to offset or when it is probable that future taxable income will be available against which the assets can be utilised.

(q) Employee Benefits

(i) Short Term Employee Benefits

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

(ii) Defined Contribution Plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund. Such contributions are recognised as an expense in the income statement as incurred.

(r) Capitalisation of Borrowing Costs

Interest incurred on borrowings related to qualifying assets is capitalised during the period when activities to plan, develop and construct these assets are in progress. Capitalisation of borrowing costs ceases when these assets are ready for their intended uses or sales.

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 October 2004

(s) Revenue Recognition

Revenue from sale of development properties is recognised in the income statement based on the percentage of completion method where the outcome of the development can be reliably estimated. Percentage of completion is determined based on the proportion of which total expenditure incurred for development work performed to date bears to the total estimated expenditure of the development projects.

Revenue from sale of developed land and completed landed properties is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risk and reward of ownership have been transferred to the buyer.

Sale of goods are recognised when goods are delivered.

Dividend revenue from short term investments is recognised when the right to receive the dividend is established.

Interest revenue is recognised on time proportion basis that reflect the effective yield of the asset.

Revenue from rental and management fee are recognised on receivable basis.

(t) Cash and Cash Equivalents

Cash and cash equivalents consists of cash and bank balances, demand deposits, bank overdrafts and short term, highly liquid investments that are readily convertible to known amount of cash and are subject to an insignificant risk of change in value.

(u) Financial Instruments

Financial instruments are classified as assets, liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to financial instruments classified as assets or liabilities are reported as expense or revenue. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The recognised financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables, short term investments, hire purchase payable, Irredeemable Convertible Unsecured Loan Stocks and ordinary shares. These instruments are recognised in the financial statements when a contract or contractual arrangement has been entered into with the counter-parties.

The unrecognised financial instruments comprise financial guarantees given to financial institution for a subsidiary company's banking facilities. The financial guarantees would be recognised as liabilities when obligations to pay the counter-parties are assessed as being probable.

(i) Pledged Fixed Deposits with Licensed Banks

Pledged fixed deposits with licensed banks are stated at cost.

(ii) Receivables

Receivables are stated at cost less allowance for doubtful debts, if any, which are the anticipated realisable values. Known bad debts are written off and specific allowance is made for those debts considered to be doubtful of collection. In addition, general allowances are made to cover possible losses which are not specifically identified.

(iii) Payables

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

(iv) **Short Term Investments**

Short term investments in quoted shares are stated at the lower of cost or market value on an aggregate basis.

(v) **Irredeemable Convertible Unsecured Loan Stocks**

As permitted under the transitional provision of MASB 24 : Financial Instruments : Disclosure and Presentation, the ICULS are classified as equity instruments in accordance with the substance of the contractual arrangement.

(vi) **Equity Instruments**

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction, other than in the context of a business combination, are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those external costs directly attributable to the equity transaction which would otherwise have been avoided. Costs of issuing equity securities in connection with a business combination are included in the cost of acquisition.

2. PROPERTY, PLANT AND EQUIPMENT

	LEASEHOLD LAND RM	MINE'S DEVELOPMENT COSTS & DREDGE RM	BUILDINGS RM	PLANT & EQUIPMENT RM	MOTOR VEHICLES RM	TOTAL RM
GROUP						
COST						
At 01.11.2003	3,431,398	26,481,516	6,016,192	17,495,843	283,617	53,708,566
Additions	–	–	–	63,848	–	63,848
Written off	(1,702,496)	(26,481,516)	–	–	–	(28,184,012)
At 31.10.2004	1,728,902	–	6,016,192	17,559,691	283,617	25,588,402
ACCUMULATED DEPRECIATION						
At 01.11.2003	3,431,396	26,481,516	1,321,992	10,024,603	217,614	41,477,121
Charge for the year	–	–	63,073	773,980	24,000	861,053
Written off	(1,702,496)	(26,481,516)	–	–	–	(28,184,012)
At 31.10.2004	1,728,900	–	1,385,065	10,798,583	241,614	14,154,162
ACCUMULATED IMPAIRMENT LOSSES						
At 31.10.2004	–	–	1,919,000	4,468,000	–	6,387,000
At 31.10.2003	–	–	1,919,000	4,468,000	–	6,387,000

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 October 2004

	LEASEHOLD LAND RM	MINE'S DEVELOPMENT COSTS & DREDGE RM	BUILDINGS RM	PLANT & EQUIPMENT RM	MOTOR VEHICLES RM	TOTAL RM
GROUP						
NET CARRYING VALUE						
At 31.10.2004	2	–	2,712,127	2,293,108	42,003	5,047,240
At 31.10.2003	2	–	2,775,200	3,003,240	66,003	5,844,445
Depreciation charge for the year ended 31.10.2003	–	–	63,073	849,247	24,000	936,320
COMPANY						
COST						
At 01.11.2003	3,431,398	26,481,516	730,344	1,667,430	120,000	32,430,688
Additions	–	–	–	63,848	–	63,848
Written off	(1,702,496)	(26,481,516)	–	–	–	(28,184,012)
At 31.10.2004	1,728,902	–	730,344	1,731,278	120,000	4,310,524
ACCUMULATED DEPRECIATION						
At 01.11.2003	3,431,396	26,481,516	730,341	1,618,092	53,999	32,315,344
Charge for the year	–	–	–	34,568	24,000	58,568
Written off	(1,702,496)	(26,481,516)	–	–	–	(28,184,012)
At 31.10.2004	1,728,900	–	730,341	1,652,660	77,999	4,189,900
NET BOOK VALUE						
At 31.10.2004	2	–	3	78,618	42,001	120,624
At 31.10.2003	2	–	3	49,338	66,001	115,344
Depreciation charge for the year ended 31.10.2003	–	–	–	109,790	24,000	133,790

ANALYSIS OF LEASEHOLD LAND

GROUP/COMPANY	LONG TERM LEASEHOLD LAND RM	SHORT TERM LEASEHOLD LAND RM	TOTAL RM
2004			
Cost	1,728,902	–	1,728,902
Net book value	2	–	2
2003			
Cost	1,728,902	1,702,496	3,431,398
Net book value	2	–	2

Long term lease refers to lease period with unexpired periods of fifty years or more.

Short term lease refers to lease period with unexpired periods of less than fifty years.

The costs and accumulated depreciation of short term leasehold land, mine's development costs and dredge were written off as a result of the expiry of the lease of the said land.

The carrying amount of the buildings, plant and equipment of a subsidiary company, PTB Clay Products Sdn. Bhd. which has discontinued its operations, are determined based on the recoverable amounts estimated by a firm of independent professional valuers based on forced sale value carried out on 30 November 2004.

Included in the above property, plant and equipment is a motor vehicle acquired under the hire purchase instalment plan as follows:

	GROUP/COMPANY	
	2004 RM	2003 RM
Cost	120,000	120,000
Net book value	42,001	66,000

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 October 2004

3. INVESTMENTS IN SUBSIDIARY COMPANIES

	COMPANY	
	2004 RM	2003 RM
Unquoted shares, at cost	188,555,002	188,555,002
Less: Accumulated impairment losses on investment in PTB Clay Products Sdn. Bhd.	(1,999,999)	(1,999,999)
	186,555,003	186,555,003

The particulars of the subsidiary companies are as follows:

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2004	2003	
PTB Clay Products Sdn. Bhd.	Malaysia	100%	100%	Dormant
Ukaylake Country Club Bhd.	Malaysia	100%	100%	Dormant
Golden Domain Holdings Sdn. Bhd.	Malaysia	100%	100%	Investment holding
Petaling Ventures Sdn. Bhd.	Malaysia	100%	100%	Dormant
<u>Interest Held Through Golden Domain Holdings Sdn. Bhd.</u>				
Lembah Langat Development Sdn. Bhd.	Malaysia	100%	100%	Property investment and development
PTB Development Sdn. Bhd.	Malaysia	100%	100%	Property development
PTB Horticulture Farm Sdn. Bhd.	Malaysia	100%	100%	Property investment and development
Golden Domain Development Sdn. Bhd.	Malaysia	100%	100%	Investment holding, property investment and development
<u>Interest Held Through Golden Domain Development Sdn. Bhd.</u>				
Majurama Developments Sdn. Bhd.	Malaysia	100%	100%	Property development
Magilds Park Sdn. Bhd.	Malaysia	100%	100%	Property development

4. INTEREST IN ASSOCIATED COMPANIES

	GROUP/COMPANY	
	2004 RM	2003 RM
Unquoted shares, at cost	114	114
Less: Impairment losses	(114)	(114)
	-	-

	GROUP	
	2004 RM	2003 RM
Represented By:		
Share of net liabilities of associated companies	3,717,555	3,828,406
Share of cumulative losses not recognised	(2,997,456)	(3,108,307)
Share of exchange fluctuation reserve not recognised	(720,099)	(720,099)
	-	-

The Group's share of cumulative losses and exchange losses in the associated companies totalling RM3,717,555 (2003 : RM3,828,406) are not recognised as the share of post-acquisition losses in the associated companies are limited to the carrying value of the investments.

The particulars of the associated companies are as follows:

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2004	2003	
Fandison Resources Management Limited	Hong Kong	40%	40%	Investment holding
<u>Subsidiary company of Fandison Resources Management Limited</u>				
Hainan Wansing Mineral Development Limited *	People's Republic of China	34%	34%	Production of mineral sand products

* Fandison Resources Management Limited owns 85% equity interest in Hainan Wansing Mineral Development Limited.

The share of net liabilities and share of results in associated companies not recognised are based on unaudited management financial statements.

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 October 2004

5. INVESTMENT PROPERTIES

	GROUP	
	2004 RM	2003 RM
Long term leased land, at valuation		
At beginning of the year	93,385,500	87,638,700
Add: Adjustment on revaluation	–	5,746,800
At end of the year	<u>93,385,500</u>	<u>93,385,500</u>

The long term leased land has an unexpired lease period of more than 50 years and is stated at valuation based on valuation by a firm of independent professional valuers on open market value basis carried out on 17 December 2003.

6. LAND AND DEVELOPMENT EXPENDITURE

	GROUP	
	2004 RM	2003 RM
Freehold land, at cost		
At beginning of the year	77,138,031	77,138,031
Less: Disposed during the year	(551,225)	–
At end of the year	76,586,806	77,138,031
Long term leased land, at Group Cost	70,961,300	70,961,300
Long term leasehold land, at cost	15,500,000	15,500,000
Long term leasehold land, at Group Cost	65,919,141	65,919,141
Less: Adjustment on completion of project	(5,352,927)	–
	<u>60,566,214</u>	<u>65,919,141</u>
Total land	223,614,320	229,518,472
Development expenditure, at cost		
At beginning of the year	53,334,108	33,730,885
Additions	3,896,904	19,603,223
Adjustment on completion of project	(14,526,823)	–
At end of the year	42,704,189	53,334,108
Total land and development expenditure	<u>266,318,509</u>	<u>282,852,580</u>
Transfer to long term portion (disclosed in deferred land and expenditure)		
– Land	165,726,109	145,164,896
– Development expenditure	19,700,829	7,119,169
	<u>(185,426,938)</u>	<u>(152,284,065)</u>
Balance carried down	80,891,571	130,568,515

	GROUP	
	2004	2003
	RM	RM
Balance brought down	80,891,571	130,568,515
Add: Profit attributable to development work performed to date		
At beginning of the year	5,518,690	5,858,306
Additions/(Over recognition)	147,169	(339,616)
Adjustment on completion of project	(3,532,047)	–
At end of the year	2,133,812	5,518,690
	83,025,383	136,087,205
Less: Progress billings		
At beginning of the year	30,993,687	9,767,686
Additions	7,748,422	21,226,001
Adjustment on completion of project	(23,411,797)	–
At end of the year	(15,330,312)	(30,993,687)
	67,695,071	105,093,518

- (a) The long term leased and leasehold land have unexpired lease period of more than 50 years.
- (b) The leased and leasehold land carried at the Group Cost are based on independent valuation on open market value basis carried out in 1999.
- (c) Land and development expenditure amounting to RM62,459,893 (2003 : RM79,299,239) are pledged as securities for the banking facilities of a subsidiary company, Magilds Park Sdn. Bhd., as disclosed in note 30 to the financial statements.

7. CAPITAL WORK-IN-PROGRESS

	GROUP	
	2004	2003
	RM	RM
At cost:		
At beginning of the year	10,140,981	10,140,292
Additions	–	689
At end of the year	10,140,981	10,140,981

This is in respect of the construction of a club house to be operated by a subsidiary company namely Ukaylake Country Club Bhd..

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 October 2004

8. GOODWILL ON CONSOLIDATION

	GROUP	
	2004 RM	2003 RM
Goodwill on consolidation, at cost	4,206,000	4,206,000
Less: Accumulated amortisation		
At beginning of the year	1,402,000	1,121,600
Amortisation during the year	280,400	280,400
At end of the year	<u>(1,682,400)</u>	<u>(1,402,000)</u>
	<u>2,523,600</u>	<u>2,804,000</u>

9. INVENTORIES

	GROUP	
	2004 RM	2003 RM
Unsold completed properties		
At cost	11,613,608	12,190,870
At net realisable value	743,796	1,033,396
	<u>12,357,404</u>	<u>13,224,266</u>

Inventories include unsold completed properties amounting to RM5,851,812 (2003 : RM6,429,074) which have been pledged as securities for banking facilities granted to a subsidiary company, Magilds Park Sdn. Bhd., as disclosed in note 30 to the financial statements.

10. SHORT TERM INVESTMENTS

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Quoted investments in Malaysia, at cost				
At beginning of the year	1,144,380	1,152,400	1,142,399	1,150,419
Less: Disposal	–	(8,020)	–	(8,020)
At end of the year	1,144,380	1,144,380	1,142,399	1,142,399
Less: Allowance for diminution in value				
At beginning of the year	699,788	704,728	699,788	704,728
Less: Disposal	–	(4,940)	–	(4,940)
At end of the year	<u>(699,788)</u>	<u>(699,788)</u>	<u>(699,788)</u>	<u>(699,788)</u>
	<u>444,592</u>	<u>444,592</u>	<u>442,611</u>	<u>442,611</u>
Market value of quoted investments	<u>533,775</u>	<u>531,296</u>	<u>528,287</u>	<u>523,911</u>

11. TRADE RECEIVABLES

The Group's normal trade credit term ranges from 14 to 90 days.

12. TAX ASSETS

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Tax recoverable	22,674	17,767	22,674	17,751
Tax paid in advance	18,592	18,592	–	–
	41,266	36,359	22,674	17,751

13. AMOUNT OWING BY/(TO) SUBSIDIARY COMPANIES

	COMPANY	
	2004 RM	2003 RM
Amount owing by:		
– PTB Clay Products Sdn. Bhd.	6,327,604	6,235,029
– Golden Domain Holdings Sdn. Bhd.	2,522,935	2,518,917
– Petaling Ventures Sdn. Bhd.	3,597	2,774
– Lembah Langat Development Sdn. Bhd.	43,158,552	43,966,649
– PTB Development Sdn. Bhd.	14,211,735	14,230,803
– PTB Horticulture Farm Sdn. Bhd.	60,165,837	60,165,697
– Golden Domain Development Sdn. Bhd.	26,799,026	27,038,732
– Majurama Developments Sdn. Bhd.	6,704,541	6,168,535
– Magilds Park Sdn. Bhd.	1,075,032	3,022,147
	160,968,859	163,349,283
Amount owing to:		
– Ukaylake Country Club Bhd.	(989,118)	(990,173)

Included in the amount owing by subsidiary companies are amounts totalling RM141,370,287 (2003 : RM142,197,452) being balance of total purchase consideration of RM152,735,000 paid by the Company on behalf of Golden Domain Holdings Sdn. Bhd. and its subsidiary companies, for the acquisition of the Ulu Kelang Project, Ulu Yam Project, Bukit Ceylon Project and all of the preference shares in Golden Domain Development Sdn. Bhd., Magilds Park Sdn. Bhd. and Majurama Developments Sdn. Bhd.. The purchase consideration was satisfied by the Company via the issuance of ICULS and proceeds from a rights issue of RM99,500,000 and RM53,235,000 respectively.

These amounts are non-trade in nature, unsecured, interest free and have no fixed term of repayment.

NOTES TO THE FINANCIAL STATEMENTS cont'd

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14. AMOUNT OWING BY AN ASSOCIATED COMPANY

	GROUP/COMPANY	
	2004 RM	2003 RM
Amount owing by Fandison Resources Management Limited	8,004,752	8,004,752
Less: Allowance for doubtful debts	(8,004,752)	(8,004,752)
	<u>—</u>	<u>—</u>

This amount is non-trade in nature, unsecured, interest free and has no fixed term of repayment.

15. FIXED DEPOSITS WITH LICENSED BANKS

These fixed deposits are pledged as securities for bank guarantee facilities granted to the Group and the Company. The maturity profile and effective interest rates are disclosed in note 34 to the financial statements.

16. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Cash and bank balances	1,218,023	2,414,176	100,598	98,926
Cash held under housing development accounts	228,000	2,606,249	—	—
	<u>1,446,023</u>	<u>5,020,425</u>	<u>100,598</u>	<u>98,926</u>

The cash held under housing development accounts maintained pursuant to the requirements of the Housing Developers (Housing Development Account) Regulations, 1991 are not freely available for the Group's use.

17. TRADE PAYABLES

Included in trade payables are:

	GROUP	
	2004 RM	2003 RM
Amount owing to companies in which a director of the Company, Tan Sri Dr. Chen Lip Keong, has substantial indirect financial interest as disclosed in note 31(ii) to the financial statements		
<u>Subsidiary companies of Karambunai Corp Bhd.</u> (formerly known as FACB Resorts Berhad):		
Arosa Builders Sdn. Bhd.	—	491,103
FACB Construction Sdn. Bhd.	—	12,375
	<u>—</u>	<u>503,478</u>

The normal trade credit term granted to the Group and the Company is 30 to 90 days.

18. PROVISIONS

	2004 RM	GROUP 2003 RM
Provision for Infrastructure and Development Costs		
At beginning of the year	6,496,496	7,720,173
Add: Additions	66,147	–
Less: Incurred during the year	(772,197)	(1,223,677)
	5,790,446	6,496,496

The provision for infrastructure and development costs is made based on the Management's best estimates in respect of development properties sold by certain subsidiary companies of which these subsidiary companies have either constructive or contractual obligation to incur the said expenses. These expenses are expected to be incurred within the normal operating cycles of the relevant development.

19. OTHER PAYABLES AND ACCRUALS

Included in the other payables and accruals are related party balances are as follows:

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Amount owing to companies in which a director, Tan Sri Dr. Chen Lip Keong, has substantial direct and indirect financial interest:				
Karambunai Corp Bhd. (formerly known as FACB Resorts Berhad)	225,221	60,532	225,221	59,515
FACB Industries Incorporated Berhad	68,654	68,654	68,654	68,654
<u>Subsidiary companies of Karambunai Corp Bhd. (formerly known as FACB Resorts Berhad):</u>				
First Travel And Tours (M) Sdn. Bhd.	2,170	1,269	2,170	1,269
Karambunai Resorts Sdn. Bhd.	–	100,369	–	–
	2,170	101,638	2,170	1,269

The above amounts are unsecured, interest free and are repayable at terms mutually agreed upon between the parties involved.

NOTES TO THE FINANCIAL STATEMENTS cont'd

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20. HIRE PURCHASE PAYABLE

	GROUP/COMPANY	
	2004 RM	2003 RM
Gross instalment payments	39,270	60,690
Less: Future finance charges	(2,916)	(7,082)
Present value of hire purchase liability	<u>36,354</u>	<u>53,608</u>
Payable within 1 year		
Gross instalment payments	21,420	21,420
Less: Future finance charges	(2,348)	(4,166)
Present value of hire purchase liability	19,072	17,254
Payable after 1 year but not later than 5 years		
Gross instalment payments	17,850	39,270
Less: Future finance charges	(568)	(2,916)
Present value of hire purchase liability	17,282	36,354
	<u>36,354</u>	<u>53,608</u>

The maturity profile and effective interest rates are disclosed in note 34 to the financial statements.

21. SHARE CAPITAL

	GROUP/COMPANY	
	2004 RM	2003 RM
Authorised: 500,000,000 ordinary shares of RM1.00 each	<u>500,000,000</u>	500,000,000
Issued and fully paid: 344,292,335 ordinary shares of RM1.00 each	<u>344,292,335</u>	344,292,335

As at financial year end, the number of unexercised detachable warrants 2000/2010 of the Company were 40,334,824 (2003 : 40,334,824). These warrants entitle its registered holders to subscribe for one new ordinary share of RM1.00 each in the Company at the exercise price of RM1.16 per new ordinary share.

22. RESERVES

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
NON-DISTRIBUTABLE				
Revaluation reserve	5,459,460	5,459,460	–	–
Reserve on consolidation	212,472	212,472	–	–
Share premium	43,664,342	43,664,342	43,664,342	43,664,342
	49,336,274	49,336,274	43,664,342	43,664,342
DISTRIBUTABLE				
Accumulated losses	(15,734,263)	(10,486,151)	(50,445,624)	(49,051,385)
Retained profits on sales of properties held under property, plant and equipment	3,526,514	3,526,514	4,519,264	4,519,264
	(12,207,749)	(6,959,637)	(45,926,360)	(44,532,121)
	37,128,525	42,376,637	(2,262,018)	(867,779)

23. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS

	GROUP/COMPANY	
	2004 RM	2003 RM
Equity Instrument		
Being ICULS reclassified from liability instrument	2,100,000	2,100,000
Liability Instrument		
At beginning of the year	–	2,100,000
Being ICULS reclassified to equity instrument	–	(2,100,000)
At end of the year	–	–

NOTES TO THE FINANCIAL STATEMENTS cont'd

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The Irredeemable Convertible Unsecured Loan Stocks 2000/2010 ("ICULS") at nominal value of RM1.00 each were issued on 2 February 2000 and are constituted by a Trust Deed dated 28 January 2000 made between the Company and the trustee for the holders of the ICULS. The main features of the ICULS are as follows:

- (a) the ICULS may be convertible at a conversion price of RM1.16 nominal value of ICULS for each new ordinary share of RM1.00 each in the Company on the following staggered conversion period:

Year Of ICULS In Issue	Percentage Convertible
First	Up to maximum of 30% of their holding
Second	Up to maximum of 30% of their holding
Third	Up to maximum of 40% of their holding

- (b) the remaining ICULS shall be converted into fully paid ordinary shares of RM1.00 each in the Company on the maturity date of ten years from the date of issue of the ICULS at the rate of RM1.16 nominal value of the ICULS; and
- (c) upon conversion of the ICULS into new ordinary shares, such shares should rank pari passu in all respect with the existing ordinary shares of the Company in issue at the time of conversion except that they would not be entitled to any rights allotment, dividends or other distributions declared in respect of a financial year on or before the financial year in which the ICULS are converted or any interim dividend declared on or before the date of conversion of the ICULS.

There were no ICULS converted into new ordinary share of the Company during the financial year.

24. DEFERRED TAXATION

	GROUP	
	2004	2003
	RM	RM
At beginning of the year	35,793,296	35,827,337
Deferred tax arising from revaluation of investment properties	–	287,340
Transfer from/(to) income statements (note 28)	169,034	(321,381)
At end of the year	35,962,330	35,793,296
The above deferred tax liabilities/(assets) are in respect of:		
Deferred tax liability on temporary differences arising from revaluation surplus as a result of revaluation of investment properties in a subsidiary company	4,493,340	4,493,340
Deferred tax liability on temporary differences arising from revaluation surplus as a result of revaluation of development properties in the subsidiary companies to group cost	32,621,990	32,671,056
Others	(1,153,000)	(1,371,100)
Net deferred tax liabilities provided	35,962,330	35,793,296

The estimated deferred tax liabilities/(assets) arising from temporary differences not recognised in the financial statements are as follows:

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Differences between the carrying amount of property, plant and equipment and its tax base	4,000	1,000	4,000	1,000
Unrelieved tax losses	(6,310,200)	(6,065,400)	(5,306,000)	(5,071,000)
Unabsorbed capital allowance	(2,758,000)	(2,741,000)	(209,000)	(192,000)
Impairment loss on property, plant and equipment	(1,788,000)	(1,788,000)	–	–
Net deferred tax assets not recognised	(10,852,200)	(10,593,400)	(5,511,000)	(5,262,000)

The estimated unrelieved tax losses and unabsorbed capital allowances are subject to agreement by the Inland Revenue Board and are not available for set-off within the Group.

25. OPERATING REVENUE

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Operating revenue comprises the following:				
Revenue from sales of completed and uncompleted development properties including leased land, commercial and residential lots	3,701,177	18,259,008	–	–
Management fees received and receivable	–	–	1,938,860	1,762,435
	3,701,177	18,259,008	1,938,860	1,762,435

26. COST OF SALES

Cost of sales of the Group comprises the following:

	GROUP	
	2004 RM	2003 RM
Attributable land and development expenditure	734,668	11,648,282
Cost of completed properties sold	1,106,862	4,502,677
Provision for infrastructure and development costs	66,147	–
	1,907,677	16,150,959

In previous financial year, attributable land and development expenditure included an amount of RM2,919,010 in respect of additional attributable property development costs arising from an upward revision in the total estimated costs for the development project upon the finalisation of the revised development plan.

NOTES TO THE FINANCIAL STATEMENTS cont'd

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27. LOSS BEFORE TAXATION

(a) Loss before taxation are arrived at after charging/(crediting):

(i) Directors' remuneration

	GROUP/COMPANY	
	2004	2003
	RM	RM
Executive Directors:		
Tan Sri Dr. Chen Lip Keong		
Lai Gin Nyap (Resigned on 30.04.2004)		
Tiang Chong Seong		
Lee Wai Tuck, Philip		
Chin Yit Kong		
– Other emoluments	991,814	980,630
Non-Executive Directors:		
Datuk Haji Jaafar bin Abu Bakar		
Datuk Wan Kassim bin Ahmed		
– Directors' fees	180,000	180,000
– Overprovision in prior year	(160,000)	–
Former Director:		
Lai Gin Nyap		
– Other emoluments paid to former director	155,577	–

(ii) Other items

	GROUP		COMPANY	
	2004	2003	2004	2003
	RM	RM	RM	RM
Amortisation of goodwill				
on consolidation	280,400	280,400	–	–
Auditors' remuneration	48,500	48,500	20,000	20,000
Depreciation of property, plant and equipment	861,053	936,320	58,568	133,790
Hire purchase interest	4,166	5,983	4,166	5,983
Provision for infrastructure and development costs	66,147	–	–	–
Rental of office equipment	10,520	–	10,520	–
Rental of premises	282,008	261,360	282,008	261,360
Write down of inventories to net realisable value	–	2,803	–	–
Gain on disposal of property, plant and equipment	–	(173)	–	(173)
Gain on disposal of quoted investments	–	(120)	–	(120)
Dividend revenue	(18,841)	(10,882)	(18,701)	(10,742)
Interest revenue	(62,492)	(250,713)	(1,501)	(2,291)
Late payment interest revenue	(8,490)	–	–	–
Rental revenue	(91,540)	(39,955)	(22,540)	(30,455)

(b) Employees information

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Staff costs	3,075,626	2,956,687	3,026,506	2,908,183

The number of employees of the Group and of the Company as at financial year end were 62 (2003 : 50) and 60 (2003 : 48) respectively.

28. TAXATION

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Based on results for the year	305,600	348,427	–	–
Originating and reversal of temporary differences (note 24)	169,034	(321,381)	–	–
	474,634	27,046	–	–
Overprovision in prior years	(220,328)	(692,435)	–	(5,633)
Real Property Gain Tax	11,735	–	11,735	–
Tax expense/(credit)	266,041	(665,389)	11,735	(5,633)

The reconciliations from the tax amount at statutory tax rate to the Group's and the Company's tax expense/(credit) are as follows:

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Loss before taxation	(4,982,071)	(4,186,820)	(1,382,504)	(2,506,911)
Taxation at Malaysian statutory tax rate of 28%	(1,395,000)	(1,172,300)	(387,000)	(702,000)
Effect of lower tax rate for Malaysian subsidiary company with issued and paid-up shares capital of RM2.5 million and below	28,900	9,300	–	–
Tax effect of non-taxable revenue	–	(2,000)	–	–
Tax effect of non-deductible expenses	1,458,334	605,046	138,000	115,000
Deferred tax liabilities under provided in prior year	126,400	–	–	–
Deferred tax assets not recognised during the year	256,000	587,000	249,000	587,000
Over provision in prior year	(220,328)	(692,435)	–	(5,633)
Real Property Gain Tax	11,735	–	11,735	–
Tax expense/(credit)	266,041	(665,389)	11,735	(5,633)

The above Real Property Gain Tax is attributable to disposal of shares in a real property company by the Company in previous financial years.

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The Group and the Company have the following estimated unrelieved tax losses and unabsorbed capital allowances available for set off against future taxable profits, subject to agreement by the Inland Revenue Board:

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Unrelieved tax losses	23,628,400	22,703,000	18,950,000	18,111,000
Unabsorbed capital allowances	9,856,600	9,795,000	748,000	687,000
	33,485,000	32,498,000	19,698,000	18,798,000

The Company has estimated tax credits of RM6,440,000 (2003 : RM6,440,000) under Section 108 of the Income Tax Act, 1967, available to frank future payment of dividends up to approximately RM16,560,000 (2003 : RM16,560,000) without incurring additional tax liability, subject to agreement by Inland Revenue Board.

The Company has approximately RM109,000 (2003 : RM109,000) tax exempt income available for distribution by way of tax exempt dividend, subject to agreement by the Inland Revenue Board. The tax exempt income is in respect of chargeable income for the year ended 31 October 1999 of which income tax had been waived.

29. LOSS PER SHARE

The basic loss per share of the Group is calculated by dividing the Group's loss for the financial year of RM5,248,112 (2003 : RM3,521,431) with the number of ordinary shares in issue during the financial year of 344,292,335 (2003 : 344,292,335) ordinary shares of RM1.00 each.

The diluted loss per share for the current financial year are not presented as the assumed conversion of the ICULS and exercise of warrants are anti-dilutive.

30. BANK BORROWING - SECURED

On 25 February 2002, a licensed financial institution has granted one of the subsidiary companies, Magilds Park Sdn. Bhd., term loan and bridging loan facilities with approved limits of RM1,000,000 and RM9,000,000 respectively. The term loan and the bridging loan facilities are repayable by way of redemption of development properties sold. These facilities, which bear interest at a rate of 2% per annum above the prevailing base lending rate, are secured and supported as follows:

- (a) first and second legal charges over the inventories, deferred land and development expenditure and land and development expenditure of the subsidiary company; and
- (b) corporate guarantee and indemnity provided by the Company.

During the financial year, this subsidiary company has settled the facility by way of redemption of development properties sold. The subsidiary company did not have any outstanding bank borrowings as at the financial year end (2003 : Nil). The applicable interest rate is 8% (2003: 8%) per annum.

31. SIGNIFICANT RELATED PARTIES TRANSACTIONS

- (i) Significant intra-group transactions are as follows:

	COMPANY	
	2004	2003
	RM	RM
Management fees charged to subsidiary companies		
Magilds Park Sdn. Bhd.	(887,153)	(1,618,947)
Majurama Developments Sdn. Bhd.	(86,269)	(27,375)
Lembah Langat Development Sdn. Bhd.	(965,438)	(116,113)
	<u>(1,938,860)</u>	<u>(1,762,435)</u>

- (ii) Significant transactions with a company in which a director of the Company, Tan Sri Dr. Chen Lip Keong, has substantial direct and indirect financial interest as follows:

	GROUP/COMPANY	
	2004	2003
	RM	RM
Office rental paid and payable to Karambunai Corp Bhd. (formerly known as FACB Resorts Berhad)	<u>125,000</u>	<u>261,360</u>

The above transactions have been entered in the normal course of business under terms mutually agreed upon between the parties concerned.

32. SEGMENT INFORMATION - GROUP

Segment information is presented in respect of the Group's business segments. 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 corporate assets, liabilities and expenses.

Segment assets and liabilities do not include income tax assets and tax liabilities respectively. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one accounting period.

Inter-segment transactions have been entered into in the normal course of business under terms mutually agreed upon between the parties concerned.

Business Segments

The Group comprises the following two major business segments:

- (i) Property development - property development.
- (ii) Other operations - investment holding, provision of management and secretarial services and others.

Geographical Segments

As the Group operates within one geographical segment, geographical segment analysis is not applicable.

NOTES TO THE FINANCIAL STATEMENTS cont'd

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Major Business Segments

	Property Development RM	Other Operations RM	Eliminations RM	Consolidated RM
2004				
Revenue				
External revenue	3,701,177	–	–	3,701,177
Inter-segment revenue	–	1,938,860	(1,938,860)	–
Total revenue	<u>3,701,177</u>	<u>1,938,860</u>	<u>(1,938,860)</u>	<u>3,701,177</u>
Results				
Segment result	(820,622)	(4,247,106)	–	(5,067,728)
Dividend revenue				18,841
Interest revenue				70,982
Interest expenses				(4,166)
Taxation				(266,041)
Loss after taxation				<u>(5,248,112)</u>
Other Information				
Segment assets	464,253,689	167,972,735	(166,986,452)	465,239,972
Unallocated corporate assets				3,756,641
Tax assets				41,266
Consolidated total assets				<u>469,037,879</u>
Segment liabilities	172,453,359	14,159,388	(166,986,452)	19,626,295
Unallocated corporate liabilities				36,354
Taxation	29,892,040	–	–	29,892,040
Deferred taxation	35,962,330	–	–	35,962,330
Consolidated total liabilities				<u>85,517,019</u>
Capital expenditure	–	63,848	–	63,848
Amortisation of goodwill on consolidation	280,400	–	–	280,400
Depreciation of property, plant and equipment	1,826	859,227	–	861,053

	Property Development RM	Other Operations RM	Eliminations RM	Consolidated RM
2003				
Revenue				
External revenue	18,259,008	–	–	18,259,008
Inter-segment revenue	–	1,762,435	(1,762,435)	–
Total revenue	18,259,008	1,762,435	(1,762,435)	18,259,008
Results				
Segment result	(1,016,288)	(3,426,264)	–	(4,442,552)
Dividend revenue				10,882
Gain on disposal of quoted investments				120
Interest revenue				250,713
Interest expenses				(5,983)
Taxation				665,389
Loss after taxation				(3,521,431)
Other Information				
Segment assets	490,683,185	149,291,288	(167,631,459)	472,343,014
Unallocated corporate assets				3,867,620
Tax assets				36,359
Consolidated total assets				476,246,993
Segment liabilities	177,630,868	13,547,819	(167,631,459)	23,547,228
Unallocated corporate liabilities				53,608
Taxation	28,083,889	–	–	28,083,889
Deferred taxation	35,793,296	–	–	35,793,296
Consolidated total liabilities				87,478,021
Capital expenditure	–	27,418	–	27,418
Amortisation of goodwill on consolidation	280,400	–	–	280,400
Depreciation of property, plant and equipment	1,849	934,471	–	936,320

NOTES TO THE FINANCIAL STATEMENTS cont'd

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33. CONTINGENT LIABILITIES - UNSECURED

(a) GROUP

Certain purchasers have instituted legal proceedings against the subsidiary company, Magilds Park Sdn. Bhd., for the recovery of progressive payments paid to the subsidiary company amounting to RM713,268 (2003: RM713,268) and liquidated ascertained damages of RM93,682 (2003 : RM93,682) of which RM713,268 (2003 : RM713,268) have been accrued for in the financial statements.

No additional provision has been made as the legal proceedings are still pending.

(b) COMPANY

	2004 RM	2003 RM
Corporate guarantee given by the Company to financial institution for banking facilities granted to a subsidiary company, Magilds Park Sdn. Bhd.		
– total amount guaranteed with nil outstanding at financial year end	<u>10,000,000</u>	<u>10,000,000</u>

34. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Policies

The Group is exposed to a variety of risks in the normal course of business. The Group's risk management seeks to minimise the potential adverse effects from these exposures. The management reviews and agrees policies for managing each of these risks as follows:

- (i) Interest Rate Risk
- Interest bearing financial assets

Fixed deposits with licensed bank are short term in nature and are placed to satisfy conditions for bank facilities granted to the Group and for better yield returns than cash at banks.

- Interest bearing financial liability

The Group's interest rate risk relates to interest bearing liability such as hire purchase payable which is minimal as this financial liability is to finance the acquisition of property, plant and equipment.

The effective interest rates as at balance sheet date and the periods in which the financial assets and financial liability, reprice or mature, whichever is earlier, are as follows:

	Effective Interest Rate %	Total RM	<----- Maturities ----->	
			Within 1 Year RM	After 1 Year Less Than 5 Years RM
2004				
GROUP				
Financial Assets				
Fixed deposits with licensed banks	3.00	788,449	788,449	-
Financial Liability				
Hire purchase payable	10.01	36,354	19,072	17,282
COMPANY				
Financial Asset				
Fixed deposit with licensed bank	3.00	50,000	50,000	-
Financial Liability				
Hire purchase payable	10.01	36,354	19,072	17,282
2003				
GROUP				
Financial Assets				
Fixed deposits with licensed banks	3.00	619,028	619,028	-
Financial Liability				
Hire purchase payable	10.01	53,608	17,254	36,354
COMPANY				
Financial Asset				
Fixed deposit with licensed bank	3.00	50,000	50,000	-
Financial Liability				
Hire purchase payable	10.01	53,608	17,254	36,354

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 October 2004

(ii) Market Risk

The Group's principal exposure to market risk arises from the quoted investments held for short term purposes. As the amount held is not significant, exposure to market risk is minimal.

(iii) Credit Risk

The Group's exposure to credit risk arises from its receivables and the maximum risk associated with recognised financial assets is the carrying amounts as presented in the balance sheet.

The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit assessments, approvals, credit limits and monitoring procedures.

The Group does not have any significant exposure to any individual customer.

(iv) Liquidity and Cash Flow Risks

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met.

(b) Fair Values

The methods and assumptions used to estimate the fair value of the following classes of financial assets and liabilities are as follows:

(i) Cash and Bank Balances, Trade and Other Receivables and Payables

The carrying amounts of these financial assets and liabilities approximate fair values as they are easily realisable and liquid in nature.

(ii) Quoted Investments

The fair values of quoted investments are determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date.

(iii) Borrowings

The fair value of hire purchase payable is estimated using discounted cash flow analysis, based on current lending rates for similar types of borrowing arrangements.

The carrying amounts of financial assets and liabilities recognised in the balance sheet approximate their fair values except for the following:

	GROUP		COMPANY	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
2004				
Financial Assets				
Short term investments				
– Quoted investments	444,592	533,775	442,611	528,287
Financial Liability				
Hire purchase payable	36,354	35,052	36,354	35,052

	GROUP		COMPANY	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
2003				
Financial Assets				
Short term investments – Quoted investments	444,592	531,296	442,611	523,911
Financial Liability				
Hire purchase payable	53,608	51,310	53,608	51,310

The notional amounts and fair values of financial liabilities not recognised in the balance sheets are as follows:

	Notional Amount RM	Fair Value RM
COMPANY		
2004		
Contingent liability	10,000,000	* –
2003		
Contingent liability	10,000,000	* –

* *It is not practical to estimate the fair value of the contingent liabilities reliable due to uncertainties of timing, costs and eventual outcome.*

35. GENERAL INFORMATION

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

The registered office and principal place of business of the Company is located at 1st Floor, No. 118, Jalan Semangat, 46300 Petaling Jaya, Selangor Darul Ehsan.

The Company is principally engaged in the business of investment holding and providing management services. The principal activities of the subsidiary companies are disclosed in note 3 to the financial statements. There have been no significant changes in the nature of these activities during the year.

The financial statements were authorised for issue in accordance with a resolution of the Board passed on 16 February 2005.

LIST OF GROUP PROPERTIES

as at 31 October 2004

LOCATION	DESCRIPTION	DATE OF EXPIRY	AREA (HECTARES)
H.S. (M) Title No. 2375, 2376 & 2377 Lot P.T. 546, 547 & 548 Mukim of Tanjong Dua Belas District of Kuala Langat Selangor Darul Ehsan	Leasehold land & building	23.09.2076	4.5
H.S. (D) Title No. 39909 Lot P.T. 19694, Mukim of Batu District of Gombak Selangor Darul Ehsan	Leasehold land	08.03.2064	62.3
H.S. (D) Title No. 63199 to 63312, 63314 to 63670 and 63734 to 63750 Lot Nos. 9557 to 9670, 9672 to 10028 and 10092 to 10108 Mukim of Ampangan, District of Seremban Negeri Sembilan Darul Khusus	Leasehold land	04.12.2088	24.9
Part of Parent Title No. C.L. 045091174 Lot No. 2878, Mukim of Menggatal District of Tuaran, Kota Kinabalu Sabah	Leasehold land	05.04.2093	607.0
Part of Parent Lot No. 171, 202, 377, 411 & 412 Mukim of Hulu Klang, District of Gombak Selangor Darul Ehsan	Freehold land	–	9.8
Lot P.T. 697, 698, 699, 700 & 701 Mukim of Ulu Yam, District of Ulu Selangor Selangor Darul Ehsan	Leasehold land	12.03.2083	47.0
GRN 49875 Lot 1315, Section 57 Kuala Lumpur Wilayah Persekutuan	Freehold land	–	1.0

AGE OF BUILDING	EXISTING USE	NET BOOK VALUE (RM'000)	DATE OF ACQUISITION / REVALUATION*
8	Factory premises	2,712	30.11.2004*
–	Under development	41,101	02.02.2000
–	Under development	39,347	02.02.2000
–	Under development	169,360	17.12.2003*
–	Under development	19,765	17.02.2000
–	Development land	15,625	02.02.2000
–	Development land	61,309	02.02.2000

SHAREHOLDINGS STATISTICS

as at 22 February 2005

ANALYSIS OF SHAREHOLDINGS

Authorised Share Capital	:	RM500,000,000
Issued and Paid-up Share Capital	:	RM344,292,335
Class of securities	:	Ordinary Shares of RM1.00 each
Voting Rights	:	Every member present in person or by proxy has one (1) vote on a show of hands and on a poll, every member present in person or by proxy has one (1) vote for each share he holds.

Holdings	No. of Holders	Total Holdings	%
Less than 100	26	462	*
100 to 1,000	1,503	1,474,306	0.43
1,001 to 10,000	3,919	18,298,634	5.31
10,001 to 100,000	727	18,588,200	5.40
100,001 to less than 5% of issued shares	71	120,979,938	35.14
5% and above of issued shares	3	184,950,795	53.72
Total	6,249	344,292,335	100.00

* Negligible

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	No. of Shares Held	%
1.	Bumiputra-Commerce Nominees (Asing) Sdn Bhd <i>Pledged securities account for Emden Investment Ltd</i>	107,146,552	31.12
2.	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tan Sri Dr Chen Lip Keong</i>	46,804,243	13.59
3.	UOBM Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tan Sri Dr Chen Lip Keong</i>	31,000,000	9.00
4.	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for The K.L. Regency Sdn Bhd</i>	15,517,241	4.51
5.	Bumiputra-Commerce Nominees (Asing) Sdn Bhd <i>Pledged securities account for Fastrack Investments Limited</i>	10,344,828	3.00
6.	Bumiputra-Commerce Nominees (Asing) Sdn Bhd <i>Pledged securities account for Profitline Worldwide Ltd</i>	10,344,828	3.00
7.	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Quantum Symbol Sdn Bhd</i>	7,388,000	2.15
8.	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Importex Sdn Bhd</i>	5,913,793	1.72
9.	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Star Combination Sdn Bhd</i>	5,581,033	1.62
10.	HDM Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Win Radiant Sdn Bhd</i>	5,086,000	1.48

No.	Name	No. of Shares Held	%
11.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lim Kim Hock</i>	5,050,000	1.47
12.	HSBC Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lim Kim Hock</i>	4,848,300	1.41
13.	SFB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tan Sri Dr Chen Lip Keong</i>	4,600,000	1.34
14.	Mayban Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Stuart Saw Teik Siew</i>	4,400,000	1.28
15.	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Asali Developments Sdn Bhd</i>	4,008,621	1.16
16.	EB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Chong Chee Keong</i>	2,841,700	0.83
17.	Tan Sri Dr Chen Lip Keong	2,749,700	0.80
18.	Citicorp Nominees (Asing) Sdn Bhd <i>UBS AG Singapore for Rubilton Holdings Inc</i>	2,738,000	0.79
19.	Mayban Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lim Kim Hock</i>	2,653,500	0.77
20.	Mayban Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Ho Khim Taik</i>	2,400,000	0.70
21.	Mayban Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tan Aing Joo</i>	2,400,000	0.70
22.	SFB Nominees (Asing) Sdn Bhd <i>Pledged securities account for Cayuga Investments Corp</i>	2,000,000	0.58
23.	Mayban Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Roseley bin Omar</i>	2,000,000	0.58
24.	EB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tian Toh Seng</i>	1,722,800	0.50
25.	EB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Wong Tow Fock</i>	1,515,400	0.44
26.	EB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tan Aing Joo</i>	1,008,500	0.29
27.	EB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Stuart Saw Teik Siew</i>	1,002,700	0.29
28.	Tan She Hoo	1,000,000	0.29
29.	EB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Ong Kien Wah</i>	852,800	0.25
30.	EB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tan Hong Siang</i>	770,700	0.22
Total		295,689,239	85.88

SHAREHOLDINGS STATISTICS cont'd

as at 22 February 2005

ANALYSIS OF WARRANT HOLDINGS

No. of Warrants Issued	:	40,336,824
No. of Warrants Exercised to date	:	2,000 (No Warrant was exercised during the year)
No. of Warrants Outstanding	:	40,334,824
Class of Securities	:	Warrants 2000/2010
Voting Rights	:	Every Warrant holder present in person or by proxy shall be entitled on a show of hands to one (1) vote and every Warrant holder present in person or by proxy shall be entitled on a poll to one (1) vote for each share to which such holder would be entitled at the exercise price on the exercise in full of the subscription rights represented by such holder's Warrant.

Holdings	No. of Holders	Total Holdings	%
Less than 100	13	411	*
100 to 1,000	498	455,735	1.13
1,001 to 10,000	2,359	9,607,894	23.82
10,001 to 100,000	395	11,170,784	27.70
100,001 to less than 5% of outstanding warrants	28	5,406,000	13.40
5% and above of outstanding warrants	2	13,694,000	33.95
Total	3,295	40,334,824	100.00

* *Negligible*

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS

No.	Name	No. of Warrants Held	%
1.	HDM Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tan Sri Dr Chen Lip Keong</i>	10,000,000	24.79
2.	Quantum Symbol Sdn Bhd	3,694,000	9.16
3.	HSBC Nominees (Asing) Sdn Bhd <i>BCV for Blue Velvet Property Corp</i>	434,000	1.08
4.	EB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tian Toh Seng</i>	371,000	0.92
5.	Tan Yu Wei	369,100	0.91
6.	EB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Wong Tow Fock</i>	250,300	0.62
7.	HLB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lee Ang Ee</i>	250,000	0.62
8.	HLB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tan Teck Heng</i>	250,000	0.62

No.	Name	No. of Warrants Held	%
9.	Asia Life (M) Berhad <i>As Beneficial Owner (PF)</i>	220,000	0.54
10.	Tan Sri Dr Chen Lip Keong	215,048	0.53
11.	Mayban Nominees (Asing) Sdn Bhd <i>The Straits Trading Company Limited</i>	208,000	0.52
12.	Yio Kim Sim	204,200	0.51
13.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Pek Kiam Kek</i>	199,000	0.49
14.	Lim Siak Kuang	180,000	0.45
15.	Gan Hong Chai	180,000	0.45
16.	Lee Kam Fook	180,000	0.45
17.	Cheah Boon Kiat	167,000	0.41
18.	HDM Nominees (Asing) Sdn Bhd <i>Malaysia Penny Stocks Fund</i>	162,600	0.40
19.	Poon Sook Fun	162,000	0.40
20.	Syarikat Senky Dredging Sdn Bhd	150,952	0.37
21.	OSK Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Teoh Siew Eng</i>	143,000	0.35
22.	Ang Tun Cheong	137,000	0.34
23.	Foo Sin Chok	136,000	0.34
24.	Mayban Securities Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Chaw Kam Yeng @ Chow Kum Yin</i>	135,000	0.33
25.	TCL Nominees (Asing) Sdn Bhd <i>OCBC Securities Private Limited for Lee Boon Siong</i>	129,800	0.32
26.	TA Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Gan Hong Chai</i>	120,000	0.30
27.	Malacca Equity Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Gau Hing Kau @ Goh Hing Pin</i>	120,000	0.30
28.	Mayban Securities Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tin Siew Wah</i>	118,000	0.29
29.	Tan Wai Kiong	111,000	0.28
30.	AllianceGroup Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Sii Lik Kung</i>	103,000	0.26
Total		19,100,000	47.35

SHAREHOLDINGS STATISTICS cont'd

as at 22 February 2005

ANALYSIS OF ICULS HOLDINGS

No. of ICULS Issued	:	284,500,000
No. of ICULS Converted	:	282,400,000
No. of ICULS Outstanding	:	2,100,000
Class of Securities	:	Zero Coupon Irredeemable Convertible Unsecured Loan Stocks 2000/2010 ("ICULS"). The ICULS are not listed on Bursa Malaysia Securities Berhad.
Voting Rights	:	Every ICULS holder who (being an individual) is present in person or by proxy or (being a corporation) is present by its duly authorised representative or by its proxy shall have one (1) vote on a show of hands and on a poll, every ICULS holder present in person or by proxy shall have one (1) vote for every RM1.00 nominal amount of ICULS of which he is the holder.

Holdings	No. of Holders	Total Holdings	%
Less than 100	–	–	–
100 to 1,000	–	–	–
1,001 to 10,000	–	–	–
10,001 to 100,000	–	–	–
100,001 to less than 5% of outstanding ICULS	–	–	–
5% and above of outstanding ICULS	2	2,100,000	100.00
Total	2	2,100,000	100.00

LIST OF ICULS HOLDERS

No.	Name	No. of ICULS Held	%
1.	Chan Peng Leong	1,470,000	70.00
2.	Dato' Dr Abdul Razak bin Abdul	630,000	30.00
Total		2,100,000	100.00

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	Number of Ordinary Shares of RM1.00 Each Held				Total Interest	%
		%	Deemed Interest	%			
Tan Sri Dr Chen Lip Keong	88,293,943 ^(a)	25.65	29,382,179 ^(b)	8.53	117,679,122	34.18	
Emden Investment Limited	107,146,552 ^(c)	31.12	–	–	107,146,552	31.12	
Chin Chee Kuang	–	–	107,146,552 ^(d)	31.12	107,146,552	31.12	

Notes

- (a) Held as registered owner and through Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd, HSBC Nominees (Tempatan) Sdn Bhd, SFB Nominees (Tempatan) Sdn Bhd and UOBM Nominees (Tempatan) Sdn Bhd.
- (b) Deemed interested by virtue of his interest in Asali Developments Sdn Bhd, Importex Sdn Bhd and The K.L. Regency Sdn Bhd and his deemed interest in Anchor Peak Sdn Bhd.
- (c) Held through Bumiputra-Commerce Nominees (Asing) Sdn Bhd.
- (d) Deemed interested by virtue of his interest in Emden Investment Limited.

DIRECTORS' INTERESTS IN THE COMPANY AND RELATED CORPORATIONS

In Petaling Tin Berhad

Name	Direct Interest	Number of Ordinary Shares of RM1.00 Each Held				Total Interest	%
		%	Deemed Interest	%			
Datuk Haji Jaafar bin Abu Bakar	5,000	*	—	—	5,000	*	
Tan Sri Dr Chen Lip Keong	88,293,943 ^(a)	25.65	29,382,179 ^(b)	8.53	117,679,122	34.18	
Datuk Wan Kassim bin Ahmed	—	—	—	—	—	—	
Dato' Nik Kamaruddin bin Ismail	—	—	—	—	—	—	
Lee Wai Tuck, Philip	—	—	—	—	—	—	
Tiang Chong Seong	—	—	—	—	—	—	
John Pius Shuman Chong	—	—	—	—	—	—	

In Petaling Tin Berhad

Name	Direct Interest	Number of Warrants Held				Total Interest	%
		%	Deemed Interest	%			
Datuk Haji Jaafar bin Abu Bakar	2,000	*	—	—	2,000	*	
Tan Sri Dr Chen Lip Keong	10,217,048	25.33	—	—	10,217,048	25.33	
Datuk Wan Kassim bin Ahmed	—	—	—	—	—	—	
Dato' Nik Kamaruddin bin Ismail	—	—	—	—	—	—	
Lee Wai Tuck, Philip	—	—	—	—	—	—	
Tiang Chong Seong	—	—	—	—	—	—	
John Pius Shuman Chong	—	—	—	—	—	—	

Notes

- (a) Held as registered owner and through Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd, HSBC Nominees (Tempatan) Sdn Bhd, SFB Nominees (Tempatan) Sdn Bhd and UOBM Nominees (Tempatan) Sdn Bhd.
- (b) Deemed interested by virtue of his interest in Asali Developments Sdn Bhd, Importex Sdn Bhd and The K.L. Regency Sdn Bhd and his deemed interest in Anchor Peak Sdn Bhd.
- (c) By virtue of his substantial interests in the Company, Tan Sri Dr Chen Lip Keong is deemed to have an interest in all shares held by the Company in its related corporations.
- (d) Save as disclosed, none of the directors have any interests in the shares, warrants and ICULS of the Company or its related corporations as at 22 February 2005.

* Negligible

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventy-Ninth Annual General Meeting of Petaling Tin Berhad will be held at Crown Hall, Level 1, Crystal Crown Hotel, No. 12, Lorong Utara A, off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 20 April 2005 at 10.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 October 2004 together with the Reports of Directors and Auditors thereon. **Resolution 1**
2. To approve the payment of directors' fees of RM180,000 for the financial year ended 31 October 2004. **Resolution 2**
3. To re-elect Datuk Wan Kassim bin Ahmed who is retiring pursuant to Article 80 of the Company's Articles of Association and, being eligible, offer himself for re-election. **Resolution 3**
4. To re-elect the following Directors who are retiring pursuant to Article 82 (c) of the Company's Articles of Association, and being eligible, offer themselves for re-election:-
 - (a) Dato' Nik Kamaruddin bin Ismail **Resolution 4**
 - (b) Mr Lee Wai Tuck, Philip **Resolution 5**
 - (c) Mr John Pius Shuman Chong **Resolution 6**
5. To re-appoint Messrs Moore Stephens as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

As Special Business

6. To consider and, if thought fit, to pass the following Ordinary Resolutions:-
 - (a) Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965 **Resolution 8**

"THAT the Directors of the Company be and are hereby authorised, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company at any time subject to Section 132D(3) and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being."
 - (b) Proposed Renewal of Authority for Share Buy-Back **Resolution 9**

(The text of the above resolution together with the details of the Proposal are set out in the Circular to Shareholders dated 29 March 2005 which is enclosed together with the Annual Report.)

7. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

Lam Hoi Khong
Wong Poh Choo
Company Secretaries

Petaling Jaya
29 March 2005

Notes

1. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote, in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.*
2. *Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
3. *The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if such appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised.*
4. *The instrument appointing a proxy and the power of attorney or other authority (if any) under which the instrument is signed or a notarily certified copy of that power or authority, shall be deposited at the Share Registrar of the Company, Semangat Corporate Resources Sdn Bhd at 2nd Floor, No.118, Jalan Semangat, 46300 Petaling Jaya, Selangor Darul Ehsan at least forty-eight (48) hours before the time for holding the meeting or adjourned meeting.*
5. *Particulars of the Directors (together with their attendance in Board Meetings and their shareholdings in the Company) standing for re-election or re-appointment as Directors of the Company for Resolutions 3, 4, 5 and 6 are shown on pages 8, 9, 10 & 72 of the Annual Report 2004.*
6. *Ordinary Resolution 8 is proposed pursuant to Section 132D of the Companies Act, 1965 and if passed, will empower the Directors to issue shares up to 10% of the issued capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next Annual General Meeting of the Company.*
7. *Ordinary Resolution 9, if passed, is to give authority to the Directors to purchase the Company's own shares. This authority will expire at the next Annual General Meeting of the Company unless earlier revoked or varied by an ordinary resolution of the Company at a general meeting. Further information is set out in the Circular to Shareholders which is despatched together with the Annual Report 2004.*

PROXY FORM

No. of Shares	CDS Account

I/We _____
(Full Name of Shareholder)

of _____
(Full Address of Shareholder)

being a member of Petaling
Tin Berhad, hereby appoint _____
(Full Name of Proxy)

of _____
(Full Address of Proxy)

or failing him/her, _____
(Full Name of Proxy)

of _____
(Full Address of Proxy)

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us on my/our behalf, at the Seventy-Ninth Annual General Meeting of the Company to be held at Crown Hall, Level 1, Crystal Crown Hotel, No. 12, Lorong Utara A, off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 20 April 2005 at 10.00 a.m. and at any adjournment thereof.

No.	Ordinary Resolutions	For	Against
1	Adoption of audited financial statements and reports.		
2	Approval of the payment of directors' fees.		
3	Re-election of Datuk Wan Kassim bin Ahmed as director.		
4	Re-election of Dato' Nik Kamaruddin bin Ismail as director.		
5	Re-election of Mr Lee Wai Tuck, Philip as director.		
6	Re-election of Mr John Pius Shuman Chong as director.		
7	Re-appointment of Messrs Moore Stephens as auditors.		
8	Authority pursuant to Section 132D of the Companies Act, 1965.		
9	Proposed Renewal of Authority for Share Buy-Back		

(Please indicate with an "X" in the appropriate box how you wish your vote to be cast. If this Proxy Form is returned without any indication as how the proxy shall vote, the proxy will vote or abstain from voting as he thinks fit).

Signed this day of, 2005

Signature / Seal of Shareholder :

Telephone No. (during office hours):

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote, in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if such appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which the instrument is signed or a notarily certified copy of that power or authority, shall be deposited at the Share Registrar of the Company, Semangat Corporate Resources Sdn Bhd at 2nd Floor, No.118, Jalan Semangat, 46300 Petaling Jaya, Selangor Darul Ehsan at least forty-eight (48) hours before the time for holding the meeting or adjourned meeting.

Fold this flap for sealing

affix stamp

The Share Registrar of Petaling Tin Berhad

Semangat Corporate Resources Sdn Bhd
2nd Floor, No. 118, Jalan Semangat
46300 Petaling Jaya
Selangor Darul Ehsan

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