

ANNUAL REPORT  
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GENERAL CORPORATION BERHAD  
(8622-X)

332A-19, 19th Floor, Plaza Ampang City, Jalan Ampang, 50450 Kuala Lumpur



GENERAL CORPORATION BERHAD  
(8622-X)

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# Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirty-Sixth Annual General Meeting of General Corporation Berhad will be held at Cempaka Room, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on Monday, 25 July 2005 at 10.00 a.m. for the following purposes:-

## AS ORDINARY BUSINESS

1. To receive and adopt the audited financial statements for the financial year ended 31 January 2005 and the Reports of the Directors and Auditors thereon; **(Resolution 1)**
2. To approve the payment of a first and final dividend of 3% less 28% tax in respect of the financial year ended 31 January 2005; **(Resolution 2)**
3. To approve the payment of Directors' fees of RM104,852-00 for the financial year ended 31 January 2005; **(Resolution 3)**
4. To re-elect the following Directors retiring pursuant to the Company's Articles of Association:-

### Article 74

Marco Low Peng Kiat  
Cheong Chee Leng

**(Resolution 4)**  
**(Resolution 5)**

### Article 79

Low Poh Kok

**(Resolution 6)**

5. To re-appoint Wong Bin Chen as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company pursuant to Section 129(6) of the Companies Act, 1965; **(Resolution 7)**
6. To re-appoint Tan Sri Dato' Low Keng Huat as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company pursuant to Section 129(6) of the Companies Act, 1965; **(Resolution 8)**
7. To re-appoint Raja Datuk Karib Shah bin Raja Shahrudin as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company pursuant to Section 129(6) of the Companies Act, 1965; **(Resolution 9)**
8. To re-appoint Ernst & Young as Auditors for the ensuing year and to authorise the Directors to fix their remuneration; **(Resolution 10)**
9. To transact any other business of the Company for which due notice shall have been given; and

## AS SPECIAL BUSINESS

10. To consider and, if thought fit, pass the following resolution as Ordinary Resolution:- **(Resolution 11)**

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and they are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting 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 does not exceed 10 per centum of the issued share capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such allotment and issue."

By Order of the Board

**Cheong Chee Leng (MAICSA 0722553)**  
**Lee Jeok Keim (MAICSA 0750350)**  
Secretaries

Kuala Lumpur  
29 June 2005

### Note:

A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on his behalf and such proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the registered office of the Company not less than 48 hours before the meeting.

### Explanatory Note On The Special Business

The proposed Ordinary Resolution 11, if passed, will empower the Directors of the Company, from the date of the Thirty-Sixth Annual General Meeting, to issue shares in the Company up to and not exceeding in total ten per centum (10%) of the issued share capital of the Company for the time being for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

# Statement Accompanying Notice Of Annual General Meeting

Directors standing for re-election under Article 74 of the Company's Articles of Association:-

Marco Low Peng Kiat  
Cheong Chee Leng

Director standing for re-election under Article 79 of the Company's Articles of Association:-

Low Poh Kok

Directors standing for re-appointment under Section 129(6) of the Companies Act, 1965:-

Wong Bin Chen  
Tan Sri Dato' Low Keng Huat  
Raja Datuk Karib Shah bin Raja Shahrudin

The Annual General Meeting will be held on 25 July 2005 at 10.00 a.m. at Cempaka Room, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur.

Further details of Directors who are standing for either re-election or re-appointment are set out on pages 5 and 6 of the Annual Report.

## Notice Of Book Closure For Payment Of Dividend

NOTICE IS HEREBY GIVEN that the register of members will be closed from 6 August 2005 to 8 August 2005 both dates inclusive to determine shareholders' entitlement to the dividend payment. The first and final dividend of 3% less tax for the financial year ended 31 January 2005, if approved at the forthcoming Annual General Meeting to be held on 25 July 2005, will be paid on 19 August 2005 to shareholders whose names appear in the register of members and record of depositors on 5 August 2005.

A depositor shall qualify for entitlement only in respect of:

- A. Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 3 August 2005 (in respect of shares which are exempted from mandatory deposit);
- B. Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 5 August 2005 in respect of ordinary transfers;
- C. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

**Cheong Chee Leng (MAICSA 0722553)**

**Lee Jeok Keim (MAICSA 0750350)**

Secretaries

Kuala Lumpur  
29 June 2005

# Corporate Information

## BOARD OF DIRECTORS

### **Tun Hj. Mohammed Hanif bin Omar**

SSM, PMN, SPTS, SPMJ, SIMP, SSSA, SPNS,  
DA, SPMP, DHMS, KMN, PPT, BKT  
Independent Non-Executive  
Chairman

### **Tan Sri Dato' Low Keng Huat**

PSM, SIMP, DIMP, DKBS  
Executive Deputy Chairman

### **Low Keng Boon**

Group Managing Director

### **Marco Low Peng Kiat**

Executive Director

### **Cheong Chee Leng**

Executive Director

### **Wong Bin Chen**

Independent Non-Executive  
Director

### **Raja Datuk Karib Shah bin Raja Raja Shahrudin**

PSD, SIMP, DSAP, SAP  
Independent Non-Executive  
Director

### **Wan Ismail bin Wan Nik**

Independent Non-Executive Director

### **Low Poh Kok**

Non-Independent Non-Executive Director

## AUDIT COMMITTEE

### **Wan Ismail bin Wan Nik**

Chairman  
Independent Non-Executive Director

### **Wong Bin Chen**

Independent Non-Executive Director

### **Cheong Chee Leng**

Executive Director

## NOMINATION COMMITTEE

### **Wong Bin Chen**

Chairman  
Independent Non-Executive Director

### **Raja Datuk Karib Shah bin Raja Shahrudin**

Independent Non-Executive Director

### **Wan Ismail bin Wan Nik**

Independent Non-Executive Director

## REMUNERATION COMMITTEE

### **Tan Sri Dato' Low Keng Huat**

Chairman  
Executive Deputy Chairman

### **Raja Datuk Karib Shah bin Raja Shahrudin**

Independent Non-Executive Director

### **Wan Ismail bin Wan Nik**

Independent Non-Executive Director

## COMPANY SECRETARIES

### **Cheong Chee Leng**

FCCA, FCIS, CA (M)

### **Lee Jeok Keim**

FCIS, FCSM

## REGISTERED OFFICE

332A-19, 19th Floor,  
Plaza Ampang City,  
Jalan Ampang,  
50450 Kuala Lumpur.  
Tel : 03-42564599  
Fax : 03-42578197  
Website : [www.gcorp.com.my](http://www.gcorp.com.my)

## REGISTRARS

### **Tenaga Koperat Sdn. Bhd.**

20th Floor, Plaza Permata,  
Jalan Kampar,  
Off Jalan Tun Razak,  
50400 Kuala Lumpur.  
Tel : 03-40416522  
Fax : 03-40426352

## AUDITORS

### **Ernst & Young**

Chartered Accountants  
Level 23A, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
50490 Kuala Lumpur.  
P.O. Box 11040,  
50734 Kuala Lumpur.  
Tel : 03-20877000  
Fax : 03-20955332 / 20959076 /  
20959078

## STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia

## Profile Of Board Of Directors

### **Tun Hj. Mohammed Hanif bin Omar**

Tun Hj. Mohammed Hanif bin Omar, a Malaysian, aged 66, was appointed Non-Executive Chairman of the Company on 25 March 1994. He holds a Bachelor of Arts Degree from University of Malaya (Singapore), an LLB from University of Buckingham, United Kingdom and a Certificate of Legal Practice from the Bar Council Qualifying Board. He was the Inspector-General of Police, Malaysia from 1974 until his retirement in 1994. He also holds the position of Deputy Chairman of Genting Berhad and Resorts World Berhad. In addition, he also sits on the Board of AMMB Holdings Berhad, AMFB Holdings Berhad, AMFinance Berhad and Fullmark Manufacturing Berhad and a number of private limited companies. He is also President of the Malaysian Institute of Management. He attended five out of the six Board meetings held for the financial year ended 31 January 2005. He has no conflict of interest with the Company and has no conviction for any offence within the past 10 years.

### **Tan Sri Dato' Low Keng Huat**

Tan Sri Dato' Low Keng Huat, a Malaysian, aged 72, who is the Executive Deputy Chairman, was appointed to the Board on 29 May 1969. A builder by profession, he has been responsible for the transformation of the Company from a manufacturer of ceramic wall tiles to an investment holding company. He is a former President of the Master Builders Association, Malaysia and is now its Honorary President. He has wide experience in business, property construction and development in a career spanning more than 40 years. He attended all the six Board meetings held for the financial year ended 31 January 2005. He has no conflict of interest with the Company and has no conviction for any offence within the past 10 years.

### **Low Keng Boon**

Mr. Low Keng Boon, a Malaysian, aged 64, was appointed to the Board on 6 September 1982. He is the Group Managing Director and also manages Low Keng Huat (Singapore) Limited as Managing Director. His wide experience in building and construction is evidenced by the handling of prestigious projects like the OCBC centre, UOB Plaza and the SIA Engineering Hangar in Singapore and the Sabah Foundation Building in Kota Kinabalu, Sabah. He was a member of the Singapore Construction Industry Development Board between March 1984 to March 1988. Mr. Low Keng Boon and Tan Sri Dato' Low Keng Huat are brothers. He attended four out of the six Board meetings held for the financial year ended 31 January 2005. He has no conflict of interest with the Company and has no conviction for any offence within the past 10 years.

### **Wong Bin Chen**

Mr. Wong Bin Chen, a Malaysian, aged 74, was appointed to the Board on 10 June 1975. He has wide experience in business and property development in a career spanning more than 40 years. He sits on the Board of RCE Capital Berhad (formerly known as Rediffusion Berhad), Asia Motor Berhad and AmAssurance Berhad. He is also an active committee member of a few educational and welfare organisations. He attended all the six Board meetings held for the financial year ended 31 January 2005. He has no conflict of interest with the Company and has no conviction for any offence within the past 10 years.

### **Raja Datuk Karib Shah bin Raja Shahrudin**

Raja Datuk Karib Shah bin Raja Shahrudin, a Malaysian, aged 70, was appointed to the Board on 27 May 1981. He holds a post graduate Diploma in Management Science from Robert Gordon University, Aberdeen, United Kingdom. He spent the early part of his career in Majlis Amanah Rakyat ("MARA") and Bank Negara Malaysia. He was until 31 May 2001 the Director of Common Forge Berhad (formerly known as Cempaka Finance Berhad). He is an Independent Non-Executive Director of Softbank Investment International (Strategic) Limited, a Hong Kong public-listed company. He attended all the six Board meetings held for the financial year ended 31 January 2005. He has no conflict of interest with the Company and has no conviction for any offence within the past 10 years.

## Profile Of Board Of Directors (Cont'd)

### **Wan Ismail bin Wan Nik**

Encik Wan Ismail bin Wan Nik, a Malaysian, aged 58, joined the Board on 17 February 1984. He holds a Bachelor of Economics Degree from University of Malaya. He completed the Chartered Institute of Secretary and Administrator examination in June 1970 and Securities Institute of Australia in 1972. He has over 30 years of diversified business experience including commercial banking investment, property development, manufacturing and trading. He was a director and later the Executive Chairman of CME Group, a second board company listed on Bursa Malaysia, until 31 August 2000. He is also an Executive Director of Grand United Holdings Berhad. In addition, he also sits on the Board of Leader Universal Holdings Berhad and a number of private limited companies. He attended all the six Board meetings held for the financial year ended 31 January 2005. He has no conflict of interest with the Company and has no conviction for any offence within the past 10 years.

### **Marco Low Peng Kiat**

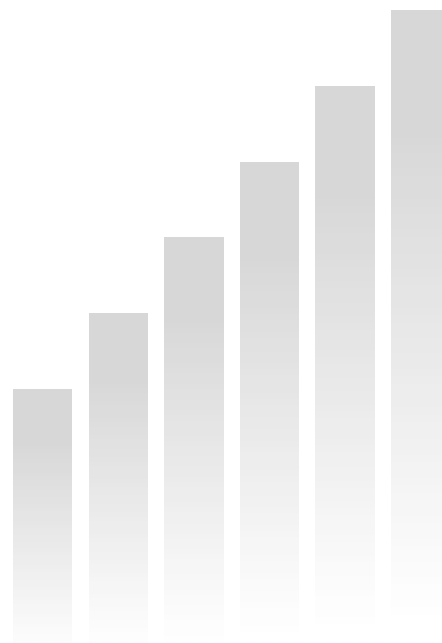
Mr. Marco Low Peng Kiat, a Malaysian, aged 33, is an Executive Director of the Company. He holds a Bachelor of Science in Management & Systems from City University, England. He had spent about two years in the corporate finance unit of one of the big four international accounting firms before joining Fung Keong Rubber Manufactory (Malaya) Sdn. Bhd. as Executive Director on 29 January 1997. He was appointed to the Board on 21 April 1998. Mr. Marco Low is the son of Tan Sri Dato' Low Keng Huat. He attended all the six Board meetings held for the financial year ended 31 January 2005. He has no conflict of interest with the Company and has no conviction for any offence within the past 10 years.

### **Cheong Chee Leng**

Mr. Cheong Chee Leng, a Malaysian, aged 53, was appointed Executive Director of the Company on 18 April 2001. He is a Fellow Member of both the Association of Chartered Certified Accountants and the Institute of Chartered Secretaries and Administrators, United Kingdom and a member of the Malaysian Institute of Accountants. Mr. Cheong joined the Company in 1986 and has worked in various capacities within the GCB Group. He attended all the six Board meetings held for the financial year ended 31 January 2005. He has no conflict of interest with the Company and has no conviction for any offence within the past 10 years.

### **Low Poh Kok**

Mr. Low Poh Kok, a Malaysian, aged 33, was appointed as a Non-Independent Non-Executive Director of the Company on 25 May 2005. He holds a Bachelor of Science, Computer Information System from Indiana University, Kelly School of Business, Bloomington, Indiana, USA. He had spent eight years as Information Technology Consultant in the United States of America before joining Low Keng Huat (Singapore) Limited as Manager of Property Development on July 2004. Mr. Low Poh Kok is the nephew of Tan Sri Dato' Low Keng Huat and Low Keng Boon. He has no conflict of interest with the Company and has no conviction for any offence within the past 10 years.



## Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Thirty-Sixth Annual Report and Financial Statements of your Company for the financial year ended 31 January 2005.



### Review of Results

The Group registered a pre-tax profit of RM7.9 million for the financial year ended 31 January 2005 compared to RM17.5 million in the previous financial year. The after tax profit was RM7.4 million compared to the previous financial year's after tax profit of RM11.4 million. The lower profit was mainly due to the smaller number of superlink houses completed under Phase 2 of the Group's Taman Esplanad, Bukit Jalil development.

### Corporate Development And Prospects

The completion and handing over of the superlink residential units at Taman Esplanad, Bukit Jalil leaves the Group with the present task of developing the commercial phase of Taman Esplanad. This will involve, in the current financial year, the proposed development of 66 freehold units of 2 ½ storey shopoffices. Pre-launch sales were again overwhelming with all units taken up.

Looking beyond the hugely successful Taman Esplanad development, the Group is currently in advanced planning stages for several residential and commercial property development projects in the Klang Valley. The Group is optimistic that with the strong demand for quality properties in choice locations, sales for the upcoming projects will be encouraging.



*Perspective view of shopoffices, Bukit Jalil.*

## Chairman's Statement (Cont'd)

Promatik Emas Sdn. Bhd. ("PE"), the Group's 45% joint venture company with United Overseas Land Limited, has completed the acquisition of a 1.13 acre freehold development site at Persiaran Hampshire in the vicinity of the Kuala Lumpur City Centre ("KLCC") complex. PE has submitted applications for the development of service apartments and sales launch is targeted for the latter part of the year. The growing popularity of inner city living and the close proximity of the KLCC are major factors that would contribute to the success of this project.

Low Keng Huat (Singapore) Limited ("LKHS"), the Group's 49% associated company reported an after tax profit of SGD 3 million. LKHS has been focusing on shedding non-core businesses as well as enhancing its financial position and efficiency. New construction jobs commenced in Singapore were the Twin Regency at Kim Tian Road, Domain 21 at Delta Road and the extension of Novena Square retail and commercial complex. Looking ahead, the construction industry in Singapore will continue to be beset by competitive tender prices and high building material prices. However, the general opinion of the Singapore property market is optimistic.

As announced to Bursa Malaysia Securities Berhad in July 2004, Fung Keong Rubber Manufactory (Malaya) Sdn. Bhd. ("FKRM") has ceased its loss incurring manufacturing activities with effect from January 2005. FKRM is now involved in the marketing of motorcycle tyres and tubes, sourcing its supplies from countries in the Asean region. This rationalisation move will reposition the Group firmly in its core business of property development and construction.



*Perspective view of service apartments, Persiaran Hampshire.*

### Dividend

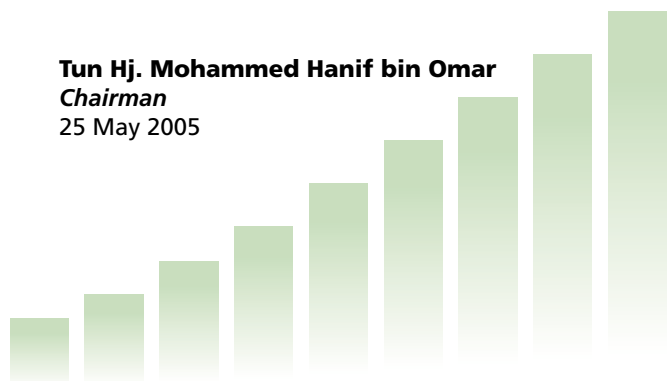
The Board is pleased to recommend a first and final dividend of 3% less tax (Last Year : 3% less tax) for the approval of shareholders at the Annual General Meeting of your Company to be held on 25 July 2005. Upon approval, the dividend will be paid on 19 August 2005.

### Appreciation

On behalf of the Board, I would like to welcome Mr. Low Poh Kok who was appointed to the Board on the 25 May 2005. Mr. Low has several years of project management experience gained in the United States of America.

Finally, on behalf of the Board, I take this opportunity to convey my sincere appreciation to Management and staff of the Group for their invaluable contributions and commitment to the Group and to thank all shareholders, business associates and customers of the Group for their valued support.

**Tun Hj. Mohammed Hanif bin Omar**  
 Chairman  
 25 May 2005



# Audit Committee Report

The Board of Directors is pleased to present the Audit Committee Report for the financial year ended 31 January 2005.

## SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year under review, a total of 5 Audit Committee meetings were held which were attended by all the Committee members.

Members of Management were invited to attend these meetings, whenever required.

The following activities were undertaken by the Committee during the financial year :

- (a) reviewed and ensured the adequacy of the scope and coverage of the audit plans proposed by the internal auditors and approved the audit plans for audit execution;
- (b) reviewed the audit report from external auditors in relation to their audit findings and the accounting issues arising from the audits conducted;
- (c) reviewed and recommended the Group's quarterly unaudited and annual audited results to the Board of Directors for approval prior to release to the Bursa Malaysia Securities Berhad;
- (d) reviewed the internal audit reports, audit findings, recommendations for improvement and corrective actions taken by Management on the audit findings;
- (e) considered and recommended to the Board for approval on the audit fees payable to the internal and external auditors; and
- (f) reviewed and approved new Group Policies and Procedures.

## SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

During the financial year, the outsourced internal audit function assisted the Audit Committee in discharging its duties and responsibilities by executing independent reviews to ensure the adequacy and effectiveness of the internal control systems of the Group. The activities performed by the internal auditors include:

- (a) internal audits reviews in accordance with the annual audit plan approved by the Audit Committee;
- (b) reporting the results of internal audits and making recommendations for improvements to the Committee on a periodic basis; and
- (c) follow-up on the implementation of audit recommendations and Management's agreed upon action plans.

The internal audits conducted did not reveal any weaknesses which would result in material losses, contingencies or uncertainties that would require separate disclosure in the Annual Report.

## TERMS OF REFERENCE

### Composition

The Committee shall be appointed from amongst the Board and:

- (a) comprises no fewer than 3 members;
- (b) a majority of the members must be independent directors;
- (c) at least one member of the Committee:
  - i) must be a member of the Malaysian Institute of Accountants ("MIA"); or
  - ii) if he is not a member of the MIA, he must meet the requirements of the Accountants Act 1967.

No Alternate Director may be appointed as a member of the Committee.

The Chairman, who shall be elected by the members of the Committee, shall be an Independent Director.

### Meetings

The Committee meetings shall be held not less than 4 times a year. The Chairman of the Committee may call a meeting of the Committee if requested by the internal or external auditors. In order to form a quorum for a meeting, the majority of members present must be Independent Directors.

## Audit Committee Report (Cont'd)

The Company Secretary shall be responsible for drawing up the agenda and circulating it to the Committee members prior to each meeting. The Company Secretary shall be responsible for keeping the minutes of meetings of the Committee, and circulating them to the members.

The Committee may, at their discretion, invite Executive Directors (non-member), members of management, auditors and representatives of the auditors to attend the Committee's meetings.

### Authority

The Committee is authorised by the Board to perform the following:

- (a) investigate any activity within its terms of reference;
- (b) seek any information it requires from the internal and external auditors, and any employee and all employees are directed to co-operate with any request made by the Committee; and
- (c) obtain external, legal or other independent professional advice and to secure the attendance of external parties with relevant experience and expertise, at the Group's expense if it considers necessary in discharging its duties.

### Duties and Responsibilities

The functions and duties of the Committee shall be to:

- (a) consider the appointment of the internal and external auditors, the audit fees and any questions of resignation or dismissal;
- (b) discuss with the internal and external auditors, their scope, procedures, audit results and reports;
- (c) review the effectiveness of the internal control systems and in particular review the internal audit reports and external auditors' management letters and management's response;
- (d) review the following and report to the Board of Directors:
  - i) audit plan;
  - ii) their evaluation of the system of internal control;
  - iii) the reports of auditors;
  - iv) the assistance and co-operation given by the employees of the Group to the auditors;
  - v) the adequacy of the scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work;
  - vi) the performance of internal audit function;
  - vii) the internal audit programme, processes, the results of internal audits, processes or investigation undertaken and whether or not appropriate action is taken by the management on the recommendations of the internal audit function;
  - viii) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:-
    - changes in or implementation of major accounting policy;
    - significant or unusual events;
    - compliance with accounting standards and other legal requirements; and
    - accuracy and adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Group;
  - ix) any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
  - x) any letter of resignation from the external auditors; and whether there is any reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment;
- (e) promptly report to the Bursa Malaysia Securities Berhad on any matter reported by it to the Board of the Company which has not been satisfactorily resolved resulting in a breach of the Listing Requirements;
- (f) submit to the Board a report on the summary of activities of the Committee in the discharge of its function and responsibilities in respect of each financial year; and
- (g) perform such other functions and duties as may be agreed to by the Committee and the Board.

# Corporate Governance Statement

## INTRODUCTION

The Board of Directors (“the Board”) of General Corporation Berhad (“the Company”) is pleased to report that during the financial year under review, the Company and its subsidiaries (“the Group”) continued to pursue its long-standing commitment to corporate governance and protection of shareholders’ interests.

The Board recognises that good corporate governance is important in protecting the interests of the Company, shareholders and other stakeholders. Towards achieving this, the Board continues to evaluate and undertakes measures in order to enhance its corporate governance practices with a view that the principles and best practices in corporate governance as promulgated by the Malaysian Code on Corporate Governance (“the Code”) is applied and adhered to.

The Board is therefore pleased to provide the following statement, which outlines the main corporate governance practices that were in place as at the financial year ended 31 January 2005.

This statement details the measures implemented by the Group to apply the Principles of the Code and the extent of compliance with Best Practices advocated therein pursuant to the Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements (“LR”).

## DIRECTORS

### 1. The Board

The Company is led by an effective and experienced Board comprising members with diversified backgrounds and experience in the relevant fields such as construction, property development, manufacturing, trading, finance and accounting. This broad spectrum of skills and experience gives added strength to the leadership in directing and managing the Group’s businesses.

The Board acknowledges its key responsibility in directing the strategic plans, development and control over the strategic plans of the Group and has taken steps to adopt the specific responsibilities listed by the Code.

#### Board Committees

The Board has delegated certain specific responsibilities to 3 committees, namely the Audit, Nomination and Remuneration Committees. All the Committees have written terms of reference to govern their responsibilities. The Board Committees will deliberate on and examine issues within their terms and reference and report to the Board.

#### Board Meetings

During the financial year, the Board met 6 times and the attendance record for each Director is as follows:

	Total Meetings Attended
Tun Hj. Mohammed Hanif bin Omar	5
Tan Sri Dato’ Low Keng Huat	6
Low Keng Boon	4
Low Wei Choong (resigned on 27 July 2004)	1
Marco Low Peng Kiat	6
Cheong Chee Leng	6
Wong Bin Chen	6
Raja Datuk Karib Shah bin Raja Shahrudin	6
Wan Ismail bin Wan Nik	6

To ensure the Group is managed effectively, additional Board meetings are convened, when necessary. Agenda and Board papers are circulated to the Board prior to the Board meetings so as to give the Directors time to consider and deliberate on the issues to be raised at Board meetings.

#### Directors’ Training

All the aforementioned members of the Board have attended and successfully completed the Mandatory Accreditation Programme. Directors will continue to undergo further continuous education programmes to keep abreast with the relevant developments on a continuous basis in compliance with Bursa Securities’ Practice Note No. 15/2003.

## Corporate Governance Statement (Cont'd)

### 2. Appointment to the Board

The Nomination Committee ("NC") is responsible for proposing candidates for directorship to the Board and assessing the directors on an on-going basis. The NC of the Company comprises exclusively of Independent Non-Executive Directors.

The Board through the NC reviews the Board composition and balance as well as assessing the effectiveness of Board members and Board Committees.

No meeting was held by the NC during the financial year. The NC, however, met subsequent to the financial year to recommend to the Board the appointment of Mr. Low Poh Kok as a Non-Independent Non-Executive Director of the Company.

### 3. Board Balance

With the appointment of Mr. Low Poh Kok as a Non-Independent Non-Executive Director of the Company on the 25 May 2005, the Board currently has 9 members of whom 4 are Independent Non-Executive Directors. The current composition of the Board is in compliance with the Bursa Securities' LR. The profile of each Director is entailed on pages 5 to 6 of this Annual Report.

The Board is satisfied with its current membership as it fairly reflects the investment of minority shareholders in the Company and represents the required mix of skills and experience required to discharge the Board's duties and responsibilities. No individual Director or group of Directors can dominate the Board's decision making.

The presence of Independent Non-Executive Directors on the Board provides objectivity as these Directors are of the calibre necessary to advise the Board on its decisions. The Independent Non-Executive Directors play their roles by giving objective and independent views, advice and judgement, taking into account the interests of all stakeholders.

There is a clear division of responsibilities between the Chairman, Executive Deputy Chairman and Group Managing Director to ensure that there is a balance of power and authority. The positions of the Chairman, Executive Deputy Chairman and Group Managing Director are separate and held by different members of the Board. The Chairman is responsible for the orderly conduct and working of the Board and for ensuring that members have timely access to relevant information, while the Executive Deputy Chairman and Group Managing Director are responsible for overseeing the day to day management of the Group's business operations and implementation of Board decisions.

Raja Datuk Karib Shah bin Raja Shahrudin is the senior Independent Non-Executive Director to whom concerns may be conveyed.

### 4. Supply of Information

The Directors have full and unrestricted access to all information pertaining to the Group's business and affairs. Such information includes all relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters by way of Board papers or upon specific request for informed and effective decision making. The meeting agenda together with Board papers are provided to the Directors in advance to enable them to consider the issues and facilitate informed decision making.

All Directors, whether as a full Board or in their individual capacity, have access to the advice and services of Company Secretaries, management representatives and, if deemed necessary, other independent professionals at the expense of the Company in the discharge of their duties.

### 5. Re-election

Pursuant to the Company's Articles of Association, all Directors appointed to the Board will hold office until the next Annual General Meeting and shall be eligible for re-election. The Articles also provide that at least one-third of the remaining Directors shall retire by rotation at each Annual General Meeting and these retiring Directors shall be eligible for re-election. Effectively, each Director shall retire from office at least once every 3 years.

# Corporate Governance Statement (Cont'd)

## DIRECTORS' REMUNERATION

### 1. Remuneration Policy

The Company has established a transparent procedure for developing the remuneration policy and fixing the remuneration packages of individual Directors. The remuneration policy for Directors is tailored to support the Company's overall objective of attracting and retaining Directors with the calibre needed to serve the Group successfully. The remuneration policy is also designed to support the Company's aspiration of delivering long-term value to its shareholders.

### 2. Remuneration Procedures

The Remuneration Committee is entrusted with the responsibility to recommend suitable remuneration policy and salary packages for Directors, with advice from external consultants where necessary. There has been no change in the remuneration policies and practices during the year.

It is the ultimate responsibility of the entire Board to approve the remuneration of these Directors. None of the Executive Directors participate in any way in determining their individual remuneration packages. The remuneration of Non-Executive Directors is determined by the Board as a whole with the individual Directors concerned abstaining from discussing their own remuneration.

The Remuneration Committee met once during the year to deliberate on key remuneration matters. Full attendance was recorded.

### 3. Directors' Remuneration

Details of Directors' Remuneration for the financial year ended 31 January 2005, distinguishing between Executive and Non-Executive Directors, categorised according the following appropriate components are as follows:

Category of Remuneration	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Salary	1,307	180
Bonus	234	15
Fees	54	51
Benefits-in-kind	151	5
Total	1,746	251

The number of Directors whose remuneration fell into each successive band is set out below:

Remuneration Band	Number of Directors		
	Executive	Non-Executive	Total
Less than RM50,000	1	3	4
RM200,001 to RM250,000	-	1	1
RM250,001 to RM300,000	1	-	1
RM300,001 to RM350,000	1	-	1
RM550,001 to RM600,000	1	-	1
RM600,001 to RM650,000	1	-	1
Total	5	4	9

The Board is of the view that the transparency and accountability aspects of corporate governance as applicable to Directors' Remuneration are appropriately served by the "band disclosure" in accordance with the Bursa Securities LR. Hence, the remuneration of individual Directors are not disclosed in this statement in accordance with the Best Practice of the Code.

# Corporate Governance Statement (Cont'd)

## SHAREHOLDERS

### 1. Dialogue between Company and Investors

The Board acknowledges the need for shareholders to be informed of all major developments affecting the Group. Information is disseminated to shareholders and the public through various disclosures and announcements made to Bursa Securities. This include the timely release of financial results on a quarterly basis, press releases, issuance of the Annual Report and circulars. The Group also hosts a web site at <http://www.gcorp.com.my> where financial and other information pertaining to the Group's operations are published.

On an ad-hoc basis, the Company also holds dialogue with institutional shareholders, analysts and members of the press to provide them with a better understanding of the Group's performance and direction. All queries from shareholders, members of public and news media received via telephone calls or written letters are handled by an Executive Director.

### 2. Annual General Meeting ("AGM")

The AGM is the principal forum for dialogue between the Company's Directors and individual shareholders and investors. Shareholders have direct access to the Directors and are provided with sufficient opportunity and time to participate in the question and answer session on the prospects, performance of the Group and other matters of concern. Members of the Board as well as the external auditors of the Company are present to answer questions raised at the meeting. Relevant suggestions and comments raised by shareholders are also noted for consideration. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf.

## ACCOUNTABILITY AND AUDIT

### 1. Financial Reporting

The Board strives to present a fair and understandable assessment of the Group's financial performance and prospects, primarily through its Annual Report, disclosures and quarterly announcement of financial results to shareholders.

The Board is assisted by the Audit Committee in overseeing the Group's financial reporting processes to ensure the accuracy, adequacy and completeness of its financial reporting.

### 2. Internal Control

The Group's Statement on Internal Control is set out on page 16 of the Annual Report.

### 3. Relationship with Auditors

The Board via the Audit Committee maintains a formal and transparent professional relationship with the Group's internal and external auditors. The role of the Audit Committee in relation to the auditors is described in the Audit Committee Report set out on pages 9 to 10 of this Annual Report.

# Statement Of Directors' Responsibility For The Preparation Of The Audited Financial Statements

The Directors are required by the Companies Act, 1965 ("the Act") to prepare financial statements which give a true and fair view of the state of affairs of the Company and the Group at the end of the financial year and of their results and cash flows in accordance with the provisions of the Act and applicable approved accounting standards in Malaysia.

In preparing the financial statements for financial year ended 31 January 2005, the Directors have considered and applied appropriate accounting policies and approved accounting standards on a consistent basis and made judgements and estimates that are reasonable and prudent.

The Directors are responsible for ensuring that proper accounting records are kept in accordance with the Act. The Directors also have overall responsibility in taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This Statement is made in accordance with a resolution of the Board of Directors dated 25 May 2005.

## Additional Compliance Information

The following disclosures are made pursuant to Paragraph 9.25 of Bursa Securities Listing Requirements

### **Corporate Proposals**

There were no corporate proposals and no proceeds raised.

### **Share Buyback**

The Company did not buy back any of its shares.

### **American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")**

The Company did not sponsor any ADR or GDR programme.

### **Sanctions / Penalties**

No sanctions or penalties were imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies.

### **Non-Audit Fees**

There were no non-audit fees paid or payable to the external auditors.

### **Variation in Results**

The variation between the audited results and the previously announced unaudited results of the Group did not amount to 10% or more.

### **Profit Guarantee**

There was no profit guarantee issued by the Company.

### **Material Contracts**

There were no material contracts of the Company and its subsidiaries involving directors and major shareholders, either still subsisting as at 31 January 2005 or entered into since the end of the previous financial year.

# Statement On Internal Control

This Statement on Internal Control is made pursuant to paragraph 15.27 (b) of the Bursa Malaysia Securities Berhad Listing Requirements. The Board of Directors ("the Board") of General Corporation Berhad is pleased to present below its Statement on Internal Control as a Group for the financial year ended 31 January 2005, prepared in accordance with the Statement on Internal Control: Guidance for Directors of Public Listed Companies.

## **BOARD RESPONSIBILITY**

The Board affirms its overall responsibility for maintaining a sound system of internal control and risk management practices for the Group, as well as for reviewing the adequacy and integrity of the internal control system.

Due to limitations that are inherent in any system of internal control, such system can only manage, rather than eliminate all risks that may impede the achievement of the Group's business objectives. Therefore, the internal control system established can only provide reasonable but not absolute assurance against material misstatement or loss.

## **RISK MANAGEMENT FRAMEWORK**

The Board remains firmly committed towards maintaining and strengthening the Group's control environment and processes. In this regard, the Board has initiated an ongoing process of identifying, evaluating and managing significant risks faced by the Group. This process includes incorporating or updating the relevant internal control in the event of changes to the business environment or regulatory requirements. Periodic reviews are conducted to identify any new risks and to determine if key risks previously identified remained relevant. Board and management meetings also deliberate and address risks which are associated with strategic, financial and operational issues. Further independent assurance is provided by the outsourced internal audit function.

Apart from the abovementioned, the Group has also adopted a structured risk management framework to identify and manage risks. The key risk profile of the Group will be reviewed and updated on a periodic basis.

All these initiatives would ensure that the Group has in place an ongoing process to identify, measure and manage the significant risks affecting the achievement of its objectives.

## **INTERNAL CONTROL**

The Board has delegated to the Audit Committee the responsibility for reviewing the adequacy and integrity of the internal control system. As empowered by its terms of reference, the Audit Committee obtains assurance on the adequacy and integrity of the internal control system through reviews of reports it receives from the internal audit function, external auditors and management.

The external auditors provide assurance in the form of their annual statutory audit of the financial statements of the Group. Additionally, any areas for improvement identified during the course of the statutory audit by the external auditors are brought to the attention of the Audit Committee through management letters, or are articulated at the Audit Committee meetings.

During the financial year under review, various internal audit visits were carried out in accordance with the Internal Audit Plan approved by the Audit Committee. The results of the internal audit reviews and recommendations for improvement were presented to the Audit Committee on a quarterly basis. Follow-up visits were conducted to ensure that recommendations for improvement have been properly implemented.

Based on the above, nothing has come to the attention of the Board which would result in material losses, contingencies or uncertainties requiring separate disclosure in the annual report. The system of internal control will continue to be reviewed and enhanced in line with changes in the business environment.

## **OTHER KEY ELEMENTS OF INTERNAL CONTROLS**

- There is a dedicated team of employees who are well conversant with their roles, responsibilities and authority levels within the Group
- There are clear and formal reporting lines up to the Board
- Structured management reporting procedures established for effective monitoring of the Group's operations
- Operational budgets are developed to guide work teams, while regular operational meetings were held between Executive Directors and divisional managers to report on any deviations in corporate strategy and to monitor the progress of the Group towards the achievement of its business objectives
- Certain new group policies and procedures were introduced and implemented during the year to enhance the existing system of internal control
- The internal audit function is independent and reports directly to the Audit Committee

## **ASSURANCE**

The Board is aware that the system of internal control and risk management practices must continuously evolve to support the Group's operations. In this regard, reviews of control procedures will be continuously carried out to ensure that the system of internal control continue to safeguard shareholders' interests and the Group's assets.

This Statement on Internal Control is made in accordance with the resolution adopted by the Board at its meeting held on 25 May 2005.

# Directors' Report

The Directors present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 January 2005.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, quarry operations and provision of management services.

The principal activities of the subsidiaries are investment holding, construction, property development, property investment, manufacturing, trading and provision of management services.

The associated companies are engaged in construction, project management, property investment, property development, hotel operations, trading, manufacturing, provision of management services and investment holding.

There have been no significant changes in the nature of these activities during the financial year.

## FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the year	6,137	376

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, except as disclosed in the financial statements.

## DIVIDENDS

The amount of dividends paid by the Company since 31 January 2004 were as follows:

	RM'000
In respect of the financial year ended 31 January 2004 as reported in the directors' report of that year:	
First and final dividend of 3% less 28% taxation, on 297,084,626 ordinary shares, declared on 27 July 2004 and paid on 23 August 2004.	6,417

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 31 January 2005, of 3% less 28% taxation on 297,084,626 ordinary shares, amounting to dividend payable of RM6,417,028 (2.16 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profit in the financial year ending 31 January 2006.

## DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Tun Hj. Mohammed Hanif bin Omar  
 Tan Sri Dato' Low Keng Huat  
 Low Keng Boon  
 Wong Bin Chen  
 Raja Datuk Karib Shah bin Raja Shahrudin  
 Wan Ismail bin Wan Nik  
 Marco Low Peng Kiat  
 Cheong Chee Leng  
 Low Poh Kok (appointed on 25 May 2005)  
 Low Wei Choong (resigned on 27 July 2004)

## Directors' Report (Cont'd)

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement, to which the Company is a party, whereby the directors might acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

### DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interest of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

### THE COMPANY

#### General Corporation Berhad

	Number of Ordinary Shares of RM1 each			As at 31.1.2005
	As at 1.2.2004	Acquired	Sold	
Direct:				
Tun Hj. Mohammed Hanif bin Omar	177,832	-	-	<b>177,832</b>
Tan Sri Dato' Low Keng Huat	19,944,695	-	-	<b>19,944,695</b>
Low Keng Boon	22,636,503	-	-	<b>22,636,503</b>
Wong Bin Chen	8,002	-	-	<b>8,002</b>
Wan Ismail bin Wan Nik	900,000	-	-	<b>900,000</b>
Marco Low Peng Kiat	10,000	-	-	<b>10,000</b>
Cheong Chee Leng	100,000	-	-	<b>100,000</b>
Indirect interest held through Body Corporate:				
Tan Sri Dato' Low Keng Huat	39,962,848	7,595,100	-	<b>47,557,948</b>
Low Keng Boon	33,081,831	8,307,700	-	<b>41,389,531</b>
Wong Bin Chen	1,310,000	-	-	<b>1,310,000</b>
Marco Low Peng Kiat	39,962,848	3,673,100	-	<b>43,635,948</b>

The directors are deemed to have an interest in the shares of the subsidiary companies to the extent that General Corporation Berhad has an interest by virtue of their interest in the Company as disclosed.

Since the end of the previous financial year and at the date of this report, no director has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the Group financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any 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.

### OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.





# Report of the Auditors

TO THE MEMBERS OF GENERAL CORPORATION BERHAD

We have audited the financial statements set out on pages 22 to 52. These financial statements are the responsibility of the Company's directors.

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

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB approved accounting standards in Malaysia so as to give a true and fair view of:
  - (i) the financial position of the Group and of the Company at 31 January 2005 and of the results and the cash flows of the Group and of the Company for the year then ended; and
  - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports thereon of the subsidiaries of which we have not acted as auditors, as indicated in Note 14 to the financial statements, being financial statements that have been included in the consolidated financial statements.

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

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

**Ernst & Young**  
AF: 0039  
Chartered Accountants

**Thomas Arundel Andrew Scott**  
No. 1060/03/06 (J/PH)  
Partner

Kuala Lumpur, Malaysia  
25 May 2005

# Income Statements

FOR THE YEAR ENDED 31 JANUARY 2005

	Note	Group		Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Revenue	3	<b>165,157</b>	236,754	<b>5,561</b>	7,370
Cost of sales	4	<b>(120,219)</b>	(176,688)	<b>(3,558)</b>	(5,330)
Gross profit		<b>44,938</b>	60,066	<b>2,003</b>	2,040
Other income		<b>3,723</b>	3,062	<b>7,703</b>	9,959
Distribution expenses		<b>(6,862)</b>	(6,986)	-	-
Administration expenses		<b>(21,988)</b>	(22,972)	<b>(2,256)</b>	(1,534)
Other operating expenses		<b>(12,222)</b>	(16,715)	<b>(5,717)</b>	(4,414)
Operating profit	6	<b>7,589</b>	16,455	<b>1,733</b>	6,051
Finance cost	7	<b>(4,124)</b>	(5,753)	<b>(920)</b>	(1,727)
Share of results of associates		<b>4,401</b>	6,783	-	-
Profit before taxation		<b>7,866</b>	17,485	<b>813</b>	4,324
Taxation	8	<b>(504)</b>	(6,048)	<b>(437)</b>	(254)
Profit after taxation		<b>7,362</b>	11,437	<b>376</b>	4,070
Minority interest		<b>(1,225)</b>	(1,270)	-	-
Profit for the year		<b>6,137</b>	10,167	<b>376</b>	4,070
Basic earnings per share (sen)	9	<b>2.07</b>	3.42	<b>0.13</b>	1.37
Net dividend per ordinary share (sen) Proposed	10	<b>2.16</b>	2.16	<b>2.16</b>	2.16

*The accompanying notes form an integral part of the financial statements.*

# Balance Sheets

AS AT 31 JANUARY 2005

	Note	Group		Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
<b>Non-Current Assets</b>					
Property, plant and equipment	11	<b>44,029</b>	52,414	<b>1,479</b>	1,531
Investment properties	12	<b>83,206</b>	83,199	-	-
Land held for property development	13	<b>159,854</b>	146,435	-	-
Subsidiary companies	14	-	-	<b>129,551</b>	130,551
Associated companies	15	<b>139,080</b>	136,945	<b>75,526</b>	75,076
Other investments	16	<b>3,201</b>	6,625	-	-
		<b>429,370</b>	425,618	<b>206,556</b>	207,158
<b>Current Assets</b>					
Inventories	17	<b>50,661</b>	54,925	<b>2,054</b>	1,405
Property development costs	13	<b>15,592</b>	36,447	-	-
Amount due from customers	18	<b>123</b>	-	-	-
Receivables	19	<b>63,490</b>	77,632	<b>314,507</b>	334,380
Deposits with licensed banks	26	<b>14,210</b>	2,697	<b>8,625</b>	434
Cash and bank balances	26	<b>16,398</b>	41,710	<b>734</b>	682
		<b>160,474</b>	213,411	<b>325,920</b>	336,901
<b>Current Liabilities</b>					
Payables	20	<b>36,015</b>	49,620	<b>58,362</b>	60,119
Bank borrowings	22	<b>37,391</b>	55,031	<b>79</b>	3,864
Taxation		<b>436</b>	2,016	<b>85</b>	85
		<b>73,842</b>	106,667	<b>58,526</b>	64,068
<b>Net Current Assets</b>					
		<b>86,632</b>	106,744	<b>267,394</b>	272,833
		<b>516,002</b>	532,362	<b>473,950</b>	479,991
<b>Financed By:</b>					
Share capital	23	<b>297,085</b>	297,085	<b>297,085</b>	297,085
Reserves	24	<b>178,883</b>	179,705	<b>176,865</b>	182,906
Shareholders' funds		<b>475,968</b>	476,790	<b>473,950</b>	479,991
Minority shareholders' interests		<b>7,598</b>	6,363	-	-
Long term and deferred liabilities	25	<b>32,436</b>	49,209	-	-
		<b>516,002</b>	532,362	<b>473,950</b>	479,991

The accompanying notes form an integral part of the financial statements.

# Statements of Changes in Equity

FOR THE YEAR ENDED 31 JANUARY 2005

	Non-distributable Reserves					Distributable Reserves		
	Share Capital RM'000	Share Premium RM'000	Asset		Goodwill on Consolidation RM'000	Asset		Total RM'000
			Revaluation Reserve RM'000	Exchange Reserve RM'000		Realisation Reserve RM'000	Retained Profit RM'000	
<b>Group</b>								
At 1 February 2003	297,085	59,426	10,737	31,272	(29,227)	12,862	86,507	468,662
Currency translation	-	-	-	4,378	-	-	-	4,378
Write off	-	-	-	-	29,227	-	(29,227)	-
Profit for the year	-	-	-	-	-	-	10,167	10,167
Dividend (Note 10)	-	-	-	-	-	-	(6,417)	(6,417)
At 31 January 2004	297,085	59,426	10,737	35,650	-	12,862	61,030	476,790
Currency translation	-	-	-	(542)	-	-	-	(542)
Profit for the year	-	-	-	-	-	-	6,137	6,137
Dividend (Note 10)	-	-	-	-	-	-	(6,417)	(6,417)
At 31 January 2005	<b>297,085</b>	<b>59,426</b>	<b>10,737</b>	<b>35,108</b>	<b>-</b>	<b>12,862</b>	<b>60,750</b>	<b>475,968</b>

	Non-distributable Reserves			Distributable Reserves		
	Share Capital RM'000	Merger Reserve RM'000	Share Premium RM'000	Asset		Total RM'000
				Realisation Reserve RM'000	Retained Profit RM'000	
<b>Company</b>						
At 1 February 2003	297,085	13,601	59,426	5,870	106,356	482,338
Profit for the year	-	-	-	-	4,070	4,070
Dividend (Note 10)	-	-	-	-	(6,417)	(6,417)
At 31 January 2004	297,085	13,601	59,426	5,870	104,009	479,991
Profit for the year	-	-	-	-	376	376
Dividend (Note 10)	-	-	-	-	(6,417)	(6,417)
At 31 January 2005	<b>297,085</b>	<b>13,601</b>	<b>59,426</b>	<b>5,870</b>	<b>97,968</b>	<b>473,950</b>

The accompanying notes form an integral part of the financial statements.

# Cash Flow Statements

FOR THE YEAR ENDED 31 JANUARY 2005

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
<b>Cash Flows From Operating Activities</b>				
Profit before taxation	<b>7,866</b>	17,485	<b>813</b>	4,324
Adjustments for:				
Share of associates' results	<b>(4,401)</b>	(6,783)	-	-
Depreciation	<b>3,085</b>	5,895	<b>504</b>	465
Provision for losses in development projects	<b>432</b>	394	-	-
Provision for impairment	-	2,551	<b>1,000</b>	-
Property, plant and equipment written off	<b>64</b>	72	-	-
Provision for stock obsolescence	-	469	-	-
Provision/(write-back) for doubtful debts	<b>479</b>	(168)	<b>(1)</b>	(183)
Gain on disposal of investment properties	-	(140)	-	-
Gain on disposal of development properties	<b>(232)</b>	-	-	-
Loss/(gain) on disposal of property, plant and equipment	<b>380</b>	(185)	<b>1</b>	-
Gain on disposal of other investment	<b>(276)</b>	(175)	-	-
Loss on disposal of investment in associated company	-	95	-	-
Gain on liquidation of investment in subsidiary company	<b>(481)</b>	-	-	-
Dividend income	<b>(82)</b>	(93)	<b>(2,993)</b>	(4,760)
Interest income	<b>(900)</b>	(265)	<b>(4,679)</b>	(5,167)
Interest expense	<b>4,124</b>	5,753	<b>920</b>	1,727
Operating profit/(loss) before working capital changes	<b>10,058</b>	24,905	<b>(4,435)</b>	(3,594)
Inventories	<b>4,141</b>	634	<b>(649)</b>	1,125
Receivables	<b>15,069</b>	(11,843)	<b>208</b>	7,787
Payables	<b>(7,051)</b>	11,756	<b>(139)</b>	736
Subsidiaries	-	-	<b>26,295</b>	6,587
Associated companies	<b>(9,033)</b>	1,031	<b>(8,247)</b>	(531)
Development properties	<b>12,084</b>	20,460	-	-
Cash generated from operations	<b>25,268</b>	46,943	<b>13,033</b>	12,110
Interest expense	<b>(4,124)</b>	(5,753)	<b>(920)</b>	(1,727)
Tax paid	<b>(2,136)</b>	(363)	<b>(437)</b>	(967)
Interest income	<b>900</b>	265	<b>4,679</b>	5,167
Net cash generated from operating activities	<b>19,908</b>	41,092	<b>16,355</b>	14,583

## Cash Flow Statements (Cont'd)

FOR THE YEAR ENDED 31 JANUARY 2005

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
<b>Cash Flows From Investing Activities</b>				
Purchase of property, plant and equipment	<b>(1,736)</b>	(2,521)	<b>(453)</b>	(287)
Investment in associated companies	<b>(450)</b>	(652)	<b>(450)</b>	-
Proceeds from disposal of property, plant and equipment	<b>6,893</b>	396	-	-
Expenditure on investment properties	<b>(7)</b>	(14)	-	-
Expenditure on development properties	<b>(11,862)</b>	(9,930)	-	-
Proceeds from disposal of investment properties	-	1,440	-	-
Proceeds from disposal of development properties	<b>7,475</b>	-	-	-
Proceeds from liquidation of subsidiary	<b>1,430</b>	-	-	-
Proceeds from sale of investments	<b>3,700</b>	2,154	-	-
Dividend received	<b>2,091</b>	2,719	<b>2,993</b>	4,760
Net cash generated from/(used in) investing activities	<b>7,534</b>	(6,408)	<b>2,090</b>	4,473
<b>Cash Flows From Financing Activities</b>				
Term loans	<b>(10,692)</b>	34,413	-	-
Other borrowings	<b>(6,868)</b>	(3,653)	-	-
Hire purchase	<b>284</b>	462	-	-
Dividend paid	<b>(6,417)</b>	(6,417)	<b>(6,417)</b>	(6,417)
Dividend paid to minority interests by subsidiary	<b>(75)</b>	(3,920)	-	-
Net cash (used in)/generated from financing activities	<b>(23,768)</b>	20,885	<b>(6,417)</b>	(6,417)
<b>Net increase in cash and cash equivalents</b>	<b>3,674</b>	55,569	<b>12,028</b>	12,639
<b>Cash and cash equivalents at beginning of year</b>	<b>29,602</b>	(25,967)	<b>(2,748)</b>	(15,387)
<b>Cash and cash equivalents at end of year (Note 26)</b>	<b>33,276</b>	29,602	<b>9,280</b>	(2,748)

The accompanying notes form an integral part of the financial statements.

# Notes to the Financial Statements

31 JANUARY 2005

## 1. CORPORATE INFORMATION

The principal activities of the Company comprise investment holding, quarry operations and provision of management services.

The principal activities of the subsidiaries consist of investment holding, construction, property development, property investment, manufacturing, trading and provision of management services.

The associated companies are engaged in construction, project management, property investment, property development, hotel operations, trading, manufacturing, provision of management services and investment holding.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the main Board of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 332A-19, 19th Floor, Plaza Ampang City, Jalan Ampang, 50450 Kuala Lumpur.

The numbers of employees of the Group and the Company at the end of the financial year were 307 (2004: 632) and 48 (2004: 51) respectively.

The financial statements are authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 May 2005.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Preparation

The financial statements of the Group and of the Company are prepared under the historical cost convention, unless otherwise disclosed in the other significant accounting policies, and comply with the provisions of the Companies Act, 1965 and applicable MASB approved accounting standards in Malaysia.

During the financial year ended 31 January 2005, the Group and the Company adopted MASB 32: Property Development Activities for the first time.

The adoption of MASB 32 has not given rise to any material adjustments to the opening balances of retained profits of the prior and current year.

### (b) Basis of Consolidation

#### (i) Subsidiaries

The consolidated financial statements include the financial statements of the Company and all its subsidiaries. Subsidiaries are those entities in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiaries acquired or disposed off during the financial year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of the subsidiaries are measured at their fair values at the date of acquisition. The difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or reserve arising on consolidation and is dealt with through reserves.

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

Minority interest in the consolidated balance sheet consists of the minorities' shares of the fair value of the identifiable assets and liabilities of the acquiree as at acquisition date and the minorities' shares of movements in the acquiree's equity since then.

Investment in subsidiaries is stated at cost less impairment losses.

## Notes to the Financial Statements (Cont'd)

31 JANUARY 2005

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (b) Basis of Consolidation (Cont'd)

##### (ii) Associates

Associates are those companies in which the Group exercises significant influence but not control, through participation in financial and operating policy decisions of the entities.

Investments in associates are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the associates. Under the equity method of accounting, the Group's share of profits less losses of associates during the year is included in the consolidated income statement. The Group's interest in associates is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves.

Unrealised gains on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated unless cost cannot be recovered.

Investment in associates is stated at cost less impairment losses.

#### (c) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

##### (i) Dividend income

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

##### (ii) Rental income

Rental income is recognised over the period of letting of properties.

##### (iii) Sale of properties

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2(f).

##### (iv) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2(i).

##### (v) Sale of goods

Revenue relating to sale of goods is recognised net of sales taxes and discounts upon the transfer of risks and rewards.

##### (vi) Revenue from services

Revenue from services rendered is recognised net of service taxes and discounts as and when the services are performed.

##### (vii) Interest Income

Interest income is recognised on a time proportion basis that reflects the effective yield of the asset.

# Notes to the Financial Statements (Cont'd)

31 JANUARY 2005

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (d) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Freehold land is not depreciated. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Freehold buildings	2% - 3%
Leasehold land	Amortised over period of lease
Leasehold buildings	50 years or period of lease whichever is shorter
Plant, machinery and equipment	10% - 20%
Motor vehicles	10% - 20%
Furniture and fittings	5% - 10%

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement.

### (e) Investment Properties

The Group regards as investment properties any land and buildings that are held for their investment potential and rental income. Investment properties are not depreciated as they are considered long term investments.

It is the policy of the Group to revalue its investment properties every five years or at such shorter period as may be considered to be appropriate, based upon the advice of Professional Valuers and Appraisers. An increase in carrying amount arising for the revaluation of investment properties is credited to equity as a revaluation surplus; any decrease is first offset against any available revaluation surplus on an earlier valuation in respect of the same investment property and is thereafter recognised as an expense. A revaluation increase is recognised as income to the extent that it reverses a revaluation decrease of the same property previously recognised as an expense.

Upon the disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement and the attributable portion of the revaluation surplus is taken directly to retained profit.

### (f) Land Held for Property Development and Property Development Costs

#### (i) Land Held for Property Development

Land held for property development consist of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

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

#### (ii) Property Development Costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

# Notes to the Financial Statements (Cont'd)

31 JANUARY 2005

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (f) Land Held for Property Development and Property Development Costs (Cont'd)

#### (ii) Property Development Costs (Cont'd)

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

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

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

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

### (g) Investments

Investments held on a long term basis are stated at cost less impairment losses.

### (h) Inventories

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

Cost is determined using the first in, first out method. The cost of raw materials comprises costs of purchase. The cost of finished goods and work-in-progress comprise raw materials, direct labour, other direct costs and appropriate proportions of production overheads. The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### (i) Construction Contracts

Where the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

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

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

# Notes to the Financial Statements (Cont'd)

31 JANUARY 2005

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (j) Employee Benefits

#### (i) Short Term Benefits

Wages, salaries, bonuses and social security contributions 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 Employer Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

### (k) Foreign Currencies

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the date of the transaction. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

All exchange rate differences are taken to the income statement with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These exchange differences are taken directly to equity until the disposal of the net investment, at which time they are recognised in the income statement.

Financial statements of foreign consolidated subsidiaries are translated at year-end exchange rates with respect to the assets and liabilities, and at exchange rates at the dates of the transactions with respect to the income statement. All resulting translation differences are recognised in equity.

The principal exchange rates used for each respective unit of foreign currency ruling at the balance sheet date are as follows:

	Year-End Rates	
	2005 RM	2004 RM
1 Singapore Dollar	<b>2.32</b>	2.23
1 US Dollar	<b>3.80</b>	3.80
1 AUS Dollar	<b>2.94</b>	2.89
1 HK Dollar	<b>0.49</b>	0.49

### (l) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

## Notes to the Financial Statements (Cont'd)

31 JANUARY 2005

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (l) Income Tax (Cont'd)

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. 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 when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

#### (m) Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents include cash on hand and at bank, net of outstanding bank overdrafts.

#### (n) Impairment of Assets

At each balance sheet date, the directors review the carrying amount of the Group's assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset.

#### (o) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

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

#### (i) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

#### (ii) Payables

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

# Notes to the Financial Statements (Cont'd)

31 JANUARY 2005

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (o) Financial Instruments (Cont'd)

#### (iii) Interest-bearing borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate which is the weighted average of the borrowing costs applicable to the Group's borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of obtaining another qualifying asset. For borrowings made specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of funds drawn down from that borrowing facility.

All other borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

#### (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.

## 3. REVENUE

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Rental income and service charges	11,630	12,018	-	-
Sale of development properties	67,553	131,686	-	-
Invoiced value of goods sold	85,471	88,329	5,561	7,370
Construction revenue	503	4,721	-	-
	<b>165,157</b>	236,754	<b>5,561</b>	7,370

## 4. COST OF SALES

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Land and development expenditure	50,949	107,306	-	-
Cost of goods sold	68,820	67,862	3,558	5,330
Construction cost	450	1,520	-	-
	<b>120,219</b>	176,688	<b>3,558</b>	5,330

## 5. DISCONTINUED OPERATION

The motorcycle tyres and tubes manufacturing operations of Fung Keong Rubber Manufactory (Malaya) Sdn. Bhd. ("FKRM") had suffered continual losses for the past few years amid the tough competitive environment posed by imports from low cost manufacturers in neighbouring countries.

The Group announced a rationalisation exercise on 9 July 2004 to dispose of FKRM's plant and machinery relating to its manufacturing operations and cessation of manufacturing operations in relation to motorcycle tyres and tubes at its Klang factory by 31 January 2005.

# Notes to the Financial Statements (Cont'd)

31 JANUARY 2005

## 5. DISCONTINUED OPERATION (CONT'D)

The results and cash flows of the manufacturing operation which ceased on the 8 January 2005 are as follows:

	2005 RM'000	2004 RM'000
Revenue	<b>28,682</b>	28,827
Other income	<b>2,086</b>	8,190
Restructuring costs	<b>(3,489)</b>	(5,031)
Operating expenses	<b>(34,197)</b>	(36,981)
Loss from operations	<b>(6,918)</b>	(4,995)
Finance costs	<b>(652)</b>	(1,812)
Loss before taxation	<b>(7,570)</b>	(6,807)
Taxation	-	27
Net loss for the year	<b>(7,570)</b>	(6,780)
Cash flows from operating activities	<b>(3,559)</b>	(1,401)
Cash flows from investing activities	<b>2,199</b>	1,256
Cash flows from financing activities	<b>(4,286)</b>	219
Total cash flows	<b>(5,646)</b>	74
The net assets attributable to the discontinued operations:		
Property, plant and equipment	<b>5,918</b>	9,609
Total disposal proceeds	<b>5,500</b>	
Loss on disposal to the Group	<b>(418)</b>	

## 6. OPERATING PROFIT

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
This is arrived at after charging/(crediting)				
Auditors' remuneration	<b>262</b>	260	<b>50</b>	50
Directors remuneration (Note a)	<b>2,238</b>	2,096	<b>1,997</b>	1,661
Depreciation	<b>3,085</b>	5,895	<b>504</b>	465
Provision/(writeback) for doubtful debts	<b>479</b>	(168)	<b>(1)</b>	(183)
Rent of premises	<b>43</b>	38	<b>269</b>	269
Hire of plant and machinery	<b>63</b>	55	-	-
Provision for losses in development projects	<b>432</b>	394	-	-
Provision for impairment	-	2,551	<b>1,000</b>	-
Property, plant and equipment written off	<b>64</b>	72	-	-
Provision for stock obsolescence	-	469	-	-
Gain on disposal of investment properties	-	(140)	-	-
Gain on disposal of development properties	<b>(232)</b>	-	-	-
Loss/(gain) on disposal of property, plant and equipment	<b>380</b>	(185)	<b>1</b>	-
Gain on disposal of other investment	<b>(276)</b>	(175)	-	-
Loss on disposal of investment in associated company	-	95	-	-
Gain on liquidation of investment in subsidiary company	<b>(481)</b>	-	-	-
Realised foreign exchange gain	<b>(88)</b>	-	<b>(120)</b>	(39)
Dividend income				
- unquoted subsidiaries	-	-	<b>(379)</b>	(2,217)
- other investment quoted in Malaysia	<b>(82)</b>	(93)	-	-
- associated company quoted outside Malaysia	-	-	<b>(2,614)</b>	(2,543)
Interest income				
- subsidiaries	-	-	<b>(4,621)</b>	(5,163)
- others	<b>(900)</b>	(265)	<b>(58)</b>	(4)
Management fees receivable from subsidiaries	-	-	<b>(29)</b>	(29)
Rental income	<b>(550)</b>	(413)	-	-
Staff costs (Note b)	<b>18,987</b>	20,061	<b>2,243</b>	2,360
Rationalisation costs	<b>2,295</b>	5,022	-	-

## Notes to the Financial Statements (Cont'd)

31 JANUARY 2005

## 6. OPERATING PROFIT (CONT'D)

	Executive 2005 RM'000	Non - executive 2005 RM'000	Executive 2004 RM'000	Non - executive 2004 RM'000
<b>(a) Directors' Remuneration</b>				
<b>Group</b>				
Directors' Remuneration:				
Directors' fees	54	51	72	51
Salaries	1,540	180	1,499	180
Bonus	234	15	200	15
Benefits-in-kind	159	5	74	5
The number of directors in each relevant remuneration band is as follows:				
Less than RM50,000	-	3	1	3
RM200,001 - RM250,000	1	1	-	1
RM250,001 - RM300,000	1	-	2	-
RM300,001 - RM350,000	1	-	-	-
RM350,001 - RM400,000	-	-	1	-
RM400,001 - RM450,000	-	-	1	-
RM500,001 - RM550,000	-	-	1	-
RM550,001 - RM600,000	1	-	-	-
RM600,001 - RM650,000	1	-	-	-
	5	4	6	4
<b>Company</b>				
Directors' Remuneration:				
Directors' fees	54	51	72	51
Salaries	1,307	180	1,077	180
Bonus	234	15	200	15
Benefits-in-kind	151	5	61	5
The number of directors in each relevant remuneration band is as follows:				
Less than RM50,000	1	3	2	3
RM200,001 - RM250,000	-	1	1	1
RM250,001 - RM300,000	1	-	1	-
RM300,001 - RM350,000	1	-	-	-
RM400,001 - RM450,000	-	-	1	-
RM500,001 - RM550,000	-	-	1	-
RM550,001 - RM600,000	1	-	-	-
RM600,001 - RM650,000	1	-	-	-
	5	4	6	4

**(b) Staff Costs**

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Salaries, bonus and allowances	17,453	18,066	1,951	1,978
Pension costs - defined contribution plan	1,449	1,486	234	225
Short term accumulating compensated absences	85	509	58	157
	18,987	20,061	2,243	2,360

## Notes to the Financial Statements (Cont'd)

31 JANUARY 2005

## 7. FINANCE COST

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Subsidiary/associated company	-	-	785	871
Term loans	1,013	1,107	-	-
Overdrafts and revolving credit	1,730	2,860	135	856
Others	1,381	1,786	-	-
	<b>4,124</b>	5,753	<b>920</b>	1,727

## 8. TAXATION

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Taxation based on results for the year:				
- Malaysian	1,595	1,389	-	739
- Foreign	325	225	523	559
- Deferred	(1,924)	(10)	-	(713)
Over provision in prior years	(117)	(732)	(86)	(331)
	(121)	872	437	254
Associated companies	625	5,176	-	-
	<b>504</b>	6,048	<b>437</b>	254

A reconciliation of income tax expense applicable to profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:

	2005 RM'000	2004 RM'000
<b>Group</b>		
Profit before taxation	7,866	17,485
Taxation at Malaysian statutory tax rate of 28%	2,202	4,896
Effect of different tax rate in other countries	544	(138)
Expenses not deductible for tax purposes	5,496	10,014
Income not subject to tax	(1,022)	(1,575)
Utilisation of previously unrecognised deferred tax assets	(8,107)	(7,771)
Deferred tax assets not recognised	3,187	1,361
Overprovision in prior years	(1,790)	(732)
Tax incentives	(6)	(7)
Tax expense for the year	<b>504</b>	6,048
<b>Company</b>		
Profit before taxation	813	4,324
Taxation at Malaysian statutory tax rate of 28%	228	1,211
Effect of different tax rate in other countries	523	(153)
Expenses not deductible for tax purposes	516	297
Income not subject to tax	(744)	(12)
Utilisation of previously unrecognised deferred tax assets	-	(45)
Overprovision in prior years	(86)	(1,044)
Tax expense for the year	<b>437</b>	254

# Notes to the Financial Statements (Cont'd)

31 JANUARY 2005

## 9. EARNINGS PER SHARE

This is calculated based on the profit after taxation and minority interests of the Group and the Company of RM6,137,000 (2004: RM10,167,000) and RM376,000 (2004: RM4,070,000) respectively, and on the number of shares in issue during the year.

## 10. DIVIDEND

	Amount		Group/Company Net Dividend per Ordinary Share	
	2005 RM'000	2004 RM'000	2005 Sen	2004 Sen
First and final dividend of 3% (2004: 3%) less 28% taxation, on 297,084,626 ordinary shares, declared on 27 July 2004 and paid on 23 August 2004.	<b>6,417</b>	6,417	<b>2.16</b>	2.16

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 31 January 2005, of 3% less 28% taxation on 297,084,626 ordinary shares, amounting to a dividend payable of RM6,417,028 (2.16 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profit in the financial year ending 31 January 2006.

## 11. PROPERTY, PLANT AND EQUIPMENT

	Freehold		Long Term Leasehold		Plant, Machinery, Furniture and Fittings, Motor Vehicles and Equipment RM'000	Total RM'000
	Land RM'000	Buildings RM'000	Land RM'000	Buildings RM'000		
<b>Group</b>						
<b>At Cost</b>						
At 1 February 2004	21,103	15,322	30	320	95,725	132,500
Exchange adjustment	25	137	-	-	195	357
	<b>21,128</b>	<b>15,459</b>	<b>30</b>	<b>320</b>	<b>95,920</b>	<b>132,857</b>
Additions	39	-	-	-	1,697	1,736
Disposals	-	-	-	-	(51,724)	(51,724)
Write-off	-	-	-	-	(617)	(617)
At 31 January 2005	<b>21,167</b>	<b>15,459</b>	<b>30</b>	<b>320</b>	<b>45,276</b>	<b>82,252</b>
<b>Accumulated Depreciation and Impairment Losses</b>						
At 1 February 2004	-	4,695	12	146	75,233	80,086
Exchange adjustment	-	6	-	-	50	56
	-	<b>4,701</b>	<b>12</b>	<b>146</b>	<b>75,283</b>	<b>80,142</b>
Charge for the year	-	314	1	7	2,763	3,085
Reversal of impairment loss	-	-	-	-	(2,013)	(2,013)
Disposals	-	-	-	-	(42,438)	(42,438)
Write-off	-	-	-	-	(553)	(553)
At 31 January 2005	-	<b>5,015</b>	<b>13</b>	<b>153</b>	<b>33,042</b>	<b>38,223</b>

## Notes to the Financial Statements (Cont'd)

31 JANUARY 2005

## 11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold		Long Term Leasehold		Plant, Machinery, Furniture and Fittings, Motor Vehicles and Equipment	Total
	Land RM'000	Buildings RM'000	Land RM'000	Buildings RM'000	RM'000	
<b>Net Book Value</b>						
At 31 January 2005	<b>21,167</b>	<b>10,444</b>	<b>17</b>	<b>167</b>	<b>12,234</b>	<b>44,029</b>
At 31 January 2004	21,103	10,627	18	174	20,492	52,414
<b>Details at 1 February 2003</b>						
Cost	21,103	15,322	30	320	98,047	134,822
Accumulated depreciation	-	3,846	11	139	72,204	76,200
Depreciation charge for 2004	-	311	1	7	5,576	5,895

Freehold land with net book value of RM9,728,000 (2004: RM9,751,000) and plant, machinery, equipment and motor vehicles with net book value of RM8,007,000 (2004: RM8,912,000) held by a subsidiary are pledged to licensed banks for banking facilities granted to the subsidiary.

Included in property, plant and equipment of the Group are motor vehicles with net book value of RM1,608,000 (2004: RM1,349,000) acquired under hire purchase.

	Leasehold Land	Plant and Machinery	Renovation, Furniture and Fittings and Equipment	Motor Vehicles	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Company</b>					
<b>At Cost</b>					
At 1 February 2004	30	9,649	2,198	1,221	13,098
Additions	-	268	185	-	453
Disposals	-	-	(1)	-	(1)
At 31 January 2005	<b>30</b>	<b>9,917</b>	<b>2,382</b>	<b>1,221</b>	<b>13,550</b>
<b>Accumulated Depreciation</b>					
At 1 February 2004	12	8,626	1,775	1,154	11,567
Charge for the year	1	368	99	36	504
At 31 January 2005	<b>13</b>	<b>8,994</b>	<b>1,874</b>	<b>1,190</b>	<b>12,071</b>
<b>Net Book Value</b>					
At 31 January 2005	<b>17</b>	<b>923</b>	<b>508</b>	<b>31</b>	<b>1,479</b>
At 31 January 2004	18	1,023	423	67	1,531
<b>Details at 1 February 2003</b>					
Cost	30	9,495	2,065	1,221	12,811
Accumulated depreciation	11	8,288	1,685	1,118	11,102
Depreciation charge for 2004	1	338	90	36	465

# Notes to the Financial Statements (Cont'd)

31 JANUARY 2005

## 12. INVESTMENT PROPERTIES

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Freehold land and buildings:				
- At cost	<b>68,591</b>	68,584	-	-
- At 1988 valuation	<b>15,312</b>	15,312	-	-
Long leasehold land and buildings:				
- At cost	<b>2,403</b>	2,403	-	-
Provision for impairment	<b>(3,100)</b>	(3,100)	-	-
	<b>83,206</b>	83,199	-	-

The investment properties carried at valuation were valued by the directors in 1988 based on independent professional valuation using an open market basis.

The Group had commissioned independent professional valuers to revalue its investment properties in December 2001 and noted that the value of the investment properties approximated the values of the last revaluation.

Investment property of a subsidiary at cost of RM40 million (2004: RM40 million) is charged to a bank for a term loan granted to the subsidiary.

## 13. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

### (a) Land Held for Property Development

	Freehold Land RM'000	Leasehold Land RM'000	Total RM'000
<b>Group</b>			
<b>At 31 January 2005</b>			
<b>Cost</b>			
At 1 February 2004	107,909	40,726	148,635
Additions	14,542	3,412	17,954
Transfer from property development costs	2,664	-	2,664
Disposals	(7,199)	-	(7,199)
At 31 January 2005	<b>117,916</b>	<b>44,138</b>	<b>162,054</b>
<b>Accumulated Impairment Losses</b>			
At 1 February 2004/31 January 2005	-	2,200	2,200
<b>Carrying Amount at 31 January 2005</b>	<b>117,916</b>	<b>41,938</b>	<b>159,854</b>
<b>At 31 January 2004</b>			
<b>Cost</b>			
At 1 February 2003	97,846	12,357	110,203
Additions	10,701	28,369	39,070
Disposals	(638)	-	(638)
At 31 January 2004	107,909	40,726	148,635
<b>Accumulated Impairment Losses</b>			
At 1 February 2003/31 January 2004	-	2,200	2,200
<b>Carrying Amount at 31 January 2004</b>	107,909	38,526	146,435

Development properties at cost of RM32 million (2004: RM19 million) of certain subsidiaries are charged to banks for banking facilities granted to the Company and certain subsidiaries.

## Notes to the Financial Statements (Cont'd)

31 JANUARY 2005

## 13. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D)

## (b) Property Development Costs

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Property development costs at 1 February				
Freehold land	<b>45,148</b>	45,148	-	-
Leasehold land	<b>3,381</b>	3,381	-	-
Development costs	<b>127,816</b>	40,792	-	-
	<b>176,345</b>	89,321	-	-
Costs incurred during year: Development expenditure	<b>34,467</b>	87,024	-	-
Reversal of development costs of completed projects:				
Freehold land	<b>(40,776)</b>	-	-	-
Development costs	<b>(136,950)</b>	-	-	-
	<b>(177,726)</b>	-	-	-
Costs recognised in income statement:				
At 1 February	<b>(139,898)</b>	(32,592)	-	-
Recognised during year	<b>(50,949)</b>	(107,306)	-	-
Reversal of cost recognised for completed projects	<b>177,726</b>	-	-	-
At 31 January	<b>(13,121)</b>	(139,898)	-	-
Transfers:				
To land held for property development	<b>(2,664)</b>	-	-	-
To inventories	<b>(1,709)</b>	-	-	-
	<b>(4,373)</b>	-	-	-
Property development costs at 31 January	<b>15,592</b>	36,447	-	-

## 14. SUBSIDIARY COMPANIES

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Unquoted shares at cost	-	-	<b>150,777</b>	150,777
Accumulated impairment losses	-	-	<b>(21,226)</b>	(20,226)
	-	-	<b>129,551</b>	130,551

# Notes to the Financial Statements (Cont'd)

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## 14. SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiaries are as follows:

	Principal activities	Effective interest	
		2005 %	2004 %
<b>Incorporated in Malaysia</b>			
Ampang Development Sdn. Bhd.*+	Property development	<b>100</b>	100
Anchor Corporation Sdn. Bhd. *	Property investment	<b>100</b>	100
Bandar Park Sdn. Bhd. *	Property development and investment	<b>100</b>	100
Binakawa Sdn. Bhd. *	Property development and investment	<b>71</b>	71
FK Realty Sdn. Bhd. *	Property development and investment	<b>100</b>	100
Fung Keong Rubber Manufactory (Malaya) Sdn. Bhd.	Trading	<b>100</b>	100
FKR Marketing Sdn. Bhd. *	Trading	<b>100</b>	100
GCB Equities Management Sdn. Bhd.	Inactive	<b>100</b>	100
GCB Properties Management Sdn. Bhd.*	Inactive	<b>100</b>	100
GCB Trading Sdn. Bhd. *	Trading	<b>100</b>	100
General Equities Sdn. Bhd.	Investment holding	<b>100</b>	100
General Factoring & Credit Sdn. Bhd.	Inactive	<b>100</b>	100
General Hotels Group Sdn. Bhd. *	Inactive	<b>100</b>	100
General Roof Tiles Sdn. Bhd. *	Inactive	<b>100</b>	100
General Sales and Services Sdn. Bhd. *+	Inactive	<b>100</b>	100
Housing Management & Development Sdn. Bhd. *	Property development	<b>100</b>	100
Huatland Development Sdn. Bhd.*	Property development and investment	<b>100</b>	100
Imbi Jaya Holdings Sdn. Bhd. *	Inactive	<b>100</b>	100
Inoac FKR (M) Sdn. Bhd. *	Manufacture of rubber products	<b>51</b>	51
Low Keng Huat Berhad	Construction and investment holding	<b>100</b>	100
Nilaikota (M) Sdn. Bhd. *	Property development and investment	<b>100</b>	100
Prudential Properties Sdn. Bhd. *	Inactive	<b>100</b>	100
Regional Agriculture Corporation Sdn. Bhd.	Inactive	<b>100</b>	100
Regional Equities Sdn. Bhd. *	Investment holding	<b>100</b>	100

## Notes to the Financial Statements (Cont'd)

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**14. SUBSIDIARY COMPANIES (CONT'D)**

Details of the subsidiaries are as follows:

	Principal activities	Effective interest	
		2005 %	2004 %
<b>Incorporated in Malaysia (Cont'd)</b>			
Regional Plantations Sdn. Bhd. * (under members' voluntary liquidation)	Inactive	<b>100</b>	100
Sunsoft Sdn. Bhd. *	Inactive	<b>100</b>	100
Trans-Crete Sdn. Bhd.	Provision of management services	<b>100</b>	100
Vredestein FKR (M'sia) Sdn. Bhd. *	Manufacture of rubber products	<b>60</b>	60
<b>Incorporated in Singapore</b>			
Transcrete Pte. Ltd. *+	Provision of management services	<b>100</b>	100
<b>Incorporated in Australia</b>			
English Style Confections Pty. Ltd. *+	Manufacture and sale of confectionery	<b>100</b>	100
Haryne Pty. Ltd. *+	Investment holding	<b>55</b>	55
<b>Incorporated in Hong Kong</b>			
Luen Hup Ltd. *+	Investment holding	-	75

\* Interest held through subsidiary companies

+ Audited by firms of auditors other than Ernst &amp; Young

**15. ASSOCIATED COMPANIES**

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Group's share of net assets upon acquisition of associated companies:				
- Quoted outside Malaysia	<b>72,773</b>	72,773	<b>72,773</b>	72,773
- Unquoted in Malaysia	<b>26,894</b>	26,444	<b>450</b>	-
	<b>99,667</b>	99,217	<b>73,223</b>	72,773
Premium on acquisition	<b>2,303</b>	2,303	<b>2,303</b>	2,303
	<b>101,970</b>	101,520	<b>75,526</b>	75,076
Share of profit (note a)	<b>37,110</b>	35,425	-	-
	<b>139,080</b>	136,945	<b>75,526</b>	75,076

## Notes to the Financial Statements (Cont'd)

31 JANUARY 2005

## 15. ASSOCIATED COMPANIES (CONT'D)

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
(a) Share of profit				
At 1 February	<b>35,425</b>	37,053	-	-
Profit for the year	<b>3,776</b>	997	-	-
Dividend received	<b>(2,091)</b>	(2,625)	-	-
At 31 January	<b>37,110</b>	35,425	-	-
Market value of quoted shares	<b>58,366</b>	57,554	<b>58,366</b>	57,554

Details of the associates are as follows:

	Principal activities	Effective interest	
		2005 %	2004 %
<b>Incorporated in Malaysia</b>			
Ampang Leisuremall Sdn. Bhd. +	Property development	<b>45</b>	45
Promatik Emas Sdn. Bhd. +	Property development	<b>45</b>	-
<b>Incorporated in Singapore</b>			
Asian Inoue Rubber Pte. Ltd.	Investment holding	<b>45.5</b>	45.5
Low Keng Huat (Singapore) Limited +	Construction, project management, property investment, property developer, hotelier, trading, provision of management services and investment holding	<b>49</b>	49
<b>Incorporated in Vietnam</b>			
Inoue Rubber Vietnam Company Ltd. +	Manufacture of rubber products	<b>23</b>	23

+ Audited by firms of auditors other than Ernst &amp; Young

## 16. OTHER INVESTMENTS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Shares quoted in Malaysia at cost	<b>6,411</b>	9,835	-	-
Provision for diminution in value	<b>(3,400)</b>	(3,400)	-	-
	<b>3,011</b>	6,435	-	-
Shares in unquoted corporations at cost	<b>925</b>	925	-	-
Provision for diminution in value	<b>(735)</b>	(735)	-	-
	<b>190</b>	190	-	-
	<b>3,201</b>	6,625	-	-
Market value of quoted investments	<b>4,969</b>	7,102	-	-

## Notes to the Financial Statements (Cont'd)

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## 17. INVENTORIES

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
At cost:				
Finished goods	<b>11,449</b>	14,999	<b>979</b>	598
Provision for stock obsolescence	<b>(469)</b>	(469)	-	-
	<b>10,980</b>	14,530	<b>979</b>	598
Completed houses and offices	<b>21,841</b>	20,255	-	-
Work-in-progress	<b>1,241</b>	1,800	-	-
Raw and indirect materials	<b>5,772</b>	6,368	<b>1,075</b>	807
At net realisable value:				
Completed apartments	<b>10,827</b>	11,972	-	-
	<b>50,661</b>	54,925	<b>2,054</b>	1,405

Completed offices of a subsidiary at cost of RM17 million (2004: RM17 million) are charged to a bank for a term loan granted to the subsidiary.

## 18. AMOUNT DUE FROM CUSTOMERS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Arising on contract work:				
- Construction costs	<b>29,327</b>	28,877	-	-
- Attributable profit	<b>111</b>	(65)	-	-
	<b>29,438</b>	28,812	-	-
Progress billings received and receivable	<b>(29,315)</b>	(28,812)	-	-
	<b>123</b>	-	-	-

The costs incurred to date on construction contracts include the following charges made during the financial year:

	GROUP	
	2005 RM'000	2004 RM'000
Hire of plant and machinery	<b>658</b>	3,091
Depreciation of property, plant and equipment	<b>161</b>	167
Interest expense	<b>108</b>	264

# Notes to the Financial Statements (Cont'd)

31 JANUARY 2005

## 19. RECEIVABLES

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Trade receivables	<b>30,958</b>	47,105	<b>1,940</b>	2,726
Provision for doubtful debts	<b>(7,924)</b>	(7,438)	<b>(143)</b>	(144)
	<b>23,034</b>	39,667	<b>1,797</b>	2,582
Other receivables	<b>9,339</b>	7,906	<b>3,874</b>	3,178
Provision for doubtful debts	<b>(1,153)</b>	(1,048)	<b>(320)</b>	(320)
	<b>8,186</b>	6,858	<b>3,554</b>	2,858
Accrued billings in respect of property development costs	<b>1,509</b>	-	-	-
Contract fees receivable	<b>10,327</b>	13,327	-	-
Loans receivable	<b>408</b>	408	-	-
Due from subsidiaries	-	-	<b>302,591</b>	324,733
Due from associates	<b>20,026</b>	17,372	<b>6,565</b>	4,207
	<b>63,490</b>	77,632	<b>314,507</b>	334,380

Included in contract fees receivable is retention sum of RM4,209,000 (2004: RM4,914,000).

The Group's normal trade credit term ranges for 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

Amounts due from subsidiaries and associates are unsecured and have no fixed terms of repayment.

## 20. PAYABLES

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Trade payables	<b>5,566</b>	13,384	<b>680</b>	402
Other payables	<b>24,862</b>	24,270	<b>2,052</b>	2,457
Due to subsidiaries	-	-	<b>55,630</b>	51,371
Due to associates	<b>5,587</b>	11,966	-	5,889
	<b>36,015</b>	49,620	<b>58,362</b>	60,119

The normal credit term granted to the Group ranges from 30 to 90 days.

Amounts due to subsidiaries and associates are unsecured and have no fixed terms of repayment.

## 21. HIRE PURCHASE PAYABLES

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Minimum lease payments:				
Not later than 1 year	<b>563</b>	380	-	-
Later than 1 year but not later than 2 years	<b>523</b>	380	-	-
Later than 2 years but not later than 5 years	<b>702</b>	703	-	-
	<b>1,788</b>	1,463	-	-
Less: Future finance charges	<b>(179)</b>	(177)	-	-
	<b>1,609</b>	1,286	-	-

# Notes to the Financial Statements (Cont'd)

31 JANUARY 2005

## 21. HIRE PURCHASE PAYABLES (CONT'D)

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Present value of hire purchase payables:				
Not later than 1 year	476	301	-	-
Later than 1 year and not later than 2 years	468	325	-	-
Later than 2 years and not later than 5 years	665	660	-	-
	<b>1,609</b>	1,286	-	-
Analysed as follows:				
Due within 12 months (note 22)	476	301	-	-
Due after 12 months (note 25)	1,133	985	-	-
	<b>1,609</b>	1,286	-	-

The hire purchase payables bear weighted average interest of 3.50% (2004: 3.70%) per annum.

## 22. BANK BORROWINGS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Term loans (Note 25)	21,082	16,669	-	-
Overdrafts				
- secured	-	3,892	-	-
- unsecured	1,297	12,764	79	3,864
Acceptances	8,036	14,405	-	-
Revolving credit				
- secured	5,000	5,000	-	-
- unsecured	1,500	2,000	-	-
Hire purchase payables (Note 21)	476	301	-	-
	<b>37,391</b>	55,031	<b>79</b>	3,864

The secured bank overdrafts, revolving credits and bankers' acceptances of the Group and of the Company are secured by certain properties, as disclosed in Notes 12, 13 and 17.

## 23. SHARE CAPITAL

	Group/Company	
	2005 RM'000	2004 RM'000
Authorised: 500,000,000 shares of RM1 each	500,000	500,000
Issued and fully paid: 297,084,626 shares of RM1 each	297,085	297,085

## 24. RESERVES

Based on estimated tax credits available, the retained profit of the Company is available for distribution by way of dividend without having to incur additional tax liability.

The Company has approximately RM24 million in its tax-exempt account for the distribution of tax-exempt dividend, subject to agreement by the Inland Revenue Board.

## Notes to the Financial Statements (Cont'd)

31 JANUARY 2005

## 25. LONG TERM AND DEFERRED LIABILITIES

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Term loans (Note a)	<b>51,961</b>	62,319	-	-
Repayable within one year (Note 22)	<b>(21,082)</b>	(16,669)	-	-
Repayable after one year	<b>30,879</b>	45,650	-	-
Employees' retirement benefits	<b>117</b>	343	-	-
Hire purchase payables (Note 21)	<b>1,133</b>	985	-	-
Deferred taxation (Note b)	<b>307</b>	2,231	-	-
	<b>32,436</b>	49,209	-	-
<b>(a) Term Loans</b>				
Secured over housing lots of a subsidiary. Repayment to commence after 55% of progress claims or lump sum repayment in August 2004, whichever is earlier.	-	1,920	-	-
Secured by a registered first charge over land and property and a charge over term deposit of a subsidiary with no fixed terms of repayment.	<b>11,762</b>	11,574	-	-
Unsecured loan repayable by quarterly instalments commencing March 2003.	<b>1,550</b>	3,150	-	-
Secured by a registered first fixed charge over freehold commercial and office units of a subsidiary. The loan is repayable by quarterly instalments commencing December 2003.	<b>23,333</b>	36,667	-	-
Secured by a legal charge over land and property, all other assets and uncalled capital of a subsidiary. The loan is repayable by quarterly instalments commencing December 2002.	<b>2,704</b>	3,241	-	-
Unsecured loan repayable by quarterly instalments commencing April 2004.	<b>4,612</b>	5,767	-	-
Secured by a legal charge over two plots of freehold commercial land of a subsidiary. The loan is repayable by quarterly instalments commencing September 2005.	<b>8,000</b>	-	-	-
	<b>51,961</b>	62,319	-	-
Term loans repayable as follows:				
Within 12 months	<b>21,082</b>	16,669	-	-
Between 1 and 2 years	<b>12,588</b>	18,539	-	-
Between 2 and 5 years	<b>5,588</b>	15,120	-	-
More than 5 years	<b>12,703</b>	11,991	-	-
	<b>51,961</b>	62,319	-	-

# Notes to the Financial Statements (Cont'd)

31 JANUARY 2005

## 25. LONG TERM AND DEFERRED LIABILITIES (CONT'D)

### (a) Term Loans (Cont'd)

The weighted average effective interest rates during the financial year for borrowings, excluding hire purchase and finance lease payables, were as follows:

	Group		Company	
	2005 %	2004 %	2005 %	2004 %
Bank overdrafts	<b>7.50</b>	8.44	<b>7.13</b>	7.00
Revolving credits	<b>4.88</b>	4.89	-	-
Bankers' acceptances	<b>2.65</b>	2.65	-	-
Term loans	<b>6.63</b>	5.06	-	-

### (b) Deferred taxation

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
At 1 February	<b>2,231</b>	2,241	-	713
Income statement	<b>(1,924)</b>	(10)	-	(713)
At 31 January	<b>307</b>	2,231	-	-

The Group and the Company has not accounted for the following timing differences which would result in a debit to the deferred tax balance:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Unutilised capital allowances	<b>6,628</b>	6,019	<b>1,723</b>	1,836
Unabsorbed tax losses	<b>67,694</b>	91,676	-	-
	<b>74,322</b>	97,695	<b>1,723</b>	1,836

## 26. CASH AND CASH EQUIVALENTS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash and bank balances	<b>16,398</b>	41,710	<b>734</b>	682
Deposits with licensed banks	<b>14,210</b>	2,697	<b>8,625</b>	434
Bank overdrafts	<b>(1,297)</b>	(16,656)	<b>(79)</b>	(3,864)
	<b>29,311</b>	27,751	<b>9,280</b>	(2,748)
Currency translation	<b>3,965</b>	1,851	-	-
	<b>33,276</b>	29,602	<b>9,280</b>	(2,748)

Included in the cash and bank balances are balances held under Housing Development Account of RM4,066,204 (2004: RM30,620,000) which represent monies received from purchasers of the Group's residential units held in accordance with the Housing Developers (Control and Licensing) Act 1966.

Deposits with licensed banks of the Group of RM350,000 (2004: RM1,697,000) are pledged for bank guarantees for facilities granted to a subsidiary.

The weighted average interest rates during the financial year and the average maturities of deposits as at 31 January 2005 were 3.10% (2004: 3.31%) and 97 days (2004: 30 days) respectively.

# Notes to the Financial Statements (Cont'd)

31 JANUARY 2005

## 27. CONTINGENT LIABILITIES

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Guarantees given to banks by the Company in respect of its subsidiaries - unsecured	-	-	<b>51,175</b>	79,174

## 28. RELATED PARTY TRANSACTIONS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
(a) Dividend received from subsidiary:				
- Regional Agriculture Corporation Sdn. Bhd.	-	-	-	2,217
- Low Keng Huat Berhad	-	-	<b>379</b>	-
(b) Interest charged to subsidiaries:				
- Low Keng Huat Berhad	-	-	<b>538</b>	185
- Huatland Development Sdn. Bhd.	-	-	<b>2,611</b>	4,000
- Bandar Park Sdn. Bhd.	-	-	<b>1,006</b>	686
- Fung Keong Rubber Manufactory (Malaya) Sdn. Bhd.	-	-	<b>466</b>	292
(c) Interest charged by subsidiary:				
- Regional Agriculture Corporation Sdn. Bhd.	-	-	<b>776</b>	669
(d) Management fees charged to subsidiary:				
- Fung Keong Rubber Manufactory (Malaya) Sdn. Bhd.	-	-	<b>29</b>	29
(e) Office rental charged by subsidiary:				
- Huatland Development Sdn. Bhd.	-	-	<b>269</b>	269
(f) Properties acquired by director from subsidiary, Huatland Development Sdn. Bhd.:				
- Pua Tat Hing, director of Huatland Development Sdn. Bhd.	-	679	-	-

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

## 29. SIGNIFICANT EVENTS

On 9 July 2004, the Company's subsidiary, Fung Keong Rubber Manufactory (Malaya) Sdn. Bhd., entered into an agreement with a third party to dispose of the plant and machinery relating to its manufacturing operations of motorcycle tyres and tubes for a cash consideration of RM5.5 million.

On 23 July 2004, the Company acquired a 45% equity interest in Promatik Emas Sdn. Bhd., a company incorporated in Malaysia, for a total cash consideration of RM45, representing 45 shares of RM1 each. As at the end of the financial year, the Company has increased its investment in Promatik Emas Sdn. Bhd. to RM450,000, representing 450,000 shares of RM1 each.

## Notes to the Financial Statements (Cont'd)

31 JANUARY 2005

## 30. SEGMENTAL INFORMATION

## (a) Business Segments:

The Group is organised into four major business segments:

- (i) Property development and investment and investment holding- the development and investment of residential and commercial properties and investment in quoted and unquoted securities.
- (ii) Rubber products manufacturing- manufacturing of tyres, inner tyres and other rubber products for industrial use.
- (iii) Confectionery manufacturing- manufacturing of confectionery products.
- (iv) Investment in associates.

Other business segments include construction of buildings, quarry operations, provision of management services, none of which are considered of a sufficient size to be reported separately.

The directors are of the opinion that all inter-segment transactions are entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

	Property Development and Investment and Investment Holding		Rubber Products Manufacturing		Confectionery Manufacturing		Investment in Associates		Others		Elimination		Consolidated	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>REVENUE AND RESULTS</b>														
<b>Revenue</b>														
External sales	79,183	143,656	58,732	58,454	21,177	22,485	-	-	6,065	12,159	-	-	165,157	236,754
Inter-segment sales	315	25,314	23,224	23,009	-	-	-	-	23,498	80,654	(47,037)	(128,977)	-	-
Total revenue	79,498	168,970	81,956	81,463	21,177	22,485	-	-	29,563	92,813	(47,037)	(128,977)	165,157	236,754
<b>Results</b>														
Profit from operations	12,401	21,351	(5,412)	(5,934)	(3,351)	(5,274)	-	-	(173)	559			3,465	10,702
Share of results of associates	-	-	-	-	-	-	4,401	6,783	-	-			4,401	6,783
Taxation													(504)	(6,048)
Profit after taxation													7,362	11,437
Minority interest													(1,225)	(1,270)
Net profit for the year													6,137	10,167
<b>ASSETS AND LIABILITIES</b>														
Consolidated total assets	359,862	399,503	41,696	48,850	24,734	26,276	139,079	137,615	24,473	26,785			589,844	639,029
Consolidated total liabilities	61,894	74,205	16,842	25,660	12,229	19,335	-	-	13,320	31,022			104,285	150,222
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-			1,993	5,654
													106,278	155,876
<b>OTHER INFORMATION</b>														
Capital expenditure	871	952	301	758	26	305	-	-	538	506			1,736	2,521
Depreciation	597	589	463	3,295	1,255	1,272	-	-	770	739			3,085	5,895
Impairment losses	-	-	-	2,551	-	-	-	-	-	-			-	2,551

# Notes to the Financial Statements (Cont'd)

31 JANUARY 2005

## 30. SEGMENTAL INFORMATION (CONT'D)

### (b) Geographical Segments:

Although the Group's four major business segments are managed on a worldwide basis, they operate in three principal geographical areas of the world. In Malaysia, its home country, the Group's area of operation are principally property development and investment. Additionally, all of the Group's rubber products manufacturing activities are also conducted in Malaysia. Other operations in Malaysia include construction of commercial and residential properties, quarry operations and provision of management services.

The Group also operates in other countries:

Singapore- property investment

Australia- property investment and manufacturing of confectionery

	Malaysia		Australia		Singapore		Others		Consolidated	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total revenue from external parties	<b>138,963</b>	209,844	<b>26,194</b>	26,910	-	-	-	-	<b>165,157</b>	236,754
Segment assets	<b>396,839</b>	443,659	<b>53,926</b>	55,841	<b>122,189</b>	121,164	<b>16,890</b>	18,365	<b>589,844</b>	639,029
Capital expenditure	<b>1,710</b>	2,216	<b>26</b>	305	-	-	-	-	<b>1,736</b>	2,521

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange, liquidity and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

### (a) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debt, as the Group held no substantial long-term interest-bearing assets at 31 January 2005. The investment in financial assets are mainly short term in nature and are mostly placed in fixed deposits.

### (b) Foreign Exchange Risk

The Group operates internationally and is exposed to various currencies, mainly United States Dollar, Singapore Dollar, Australia Dollar and Hong Kong Dollar. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

### (c) Liquidity Risk

The Group ensures that there are adequate funds to meet all their obligations in a timely and cost effective manner.

# Notes to the Financial Statements (Cont'd)

31 JANUARY 2005

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (d) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparty and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial losses from defaults. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

The carrying amount of financial assets recorded in the financial statements, net of any provision for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

## 32. FINANCIAL INSTRUMENTS

### Fair Value

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

#### (a) Cash and cash equivalents, receivables, payables and short term borrowings

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

#### (b) Marketable securities

The fair value of marketable securities is estimated by reference to their net tangible assets backing and to stock exchange quoted market bid prices at the close of the business on the balance sheet date.

#### (c) Borrowings

The fair value of borrowings is estimated using discounted cash flow analysis. Based on the prevailing borrowing rates of similar borrowings obtainable by the Group, the carrying values of the long term borrowings approximate their fair values.

It is not practical to estimate the fair value of the Group's non-current unquoted shares because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs. However, the Group believes that carrying amounts represent the recoverable values.

It is also not practical to estimate the fair values of amounts due to/from associates and minority shareholders due principally to a lack of fixed repayment term entered by the parties involved and without incurring excessive costs. However, the Group does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

# Analysis of Shareholdings

AT 1 JUNE 2005

## Share Capital

Authorised 500,000,000 Ordinary Shares of RM1.00 each  
 Issued and fully paid 297,084,626 Ordinary Shares of RM1.00 each  
 Voting Rights:

RM500,000,000  
 RM297,084,626  
 One Vote per ordinary share

## Distribution of Shareholdings

No. of Holders	Holdings	Total Holdings	%
15	Less than 100 shares	210	0.00
7,272	100 to 1,000 shares	7,240,872	2.44
14,981	1,001 to 10,000 shares	63,123,538	21.25
2,473	10,001 to 100,000 shares	67,405,884	22.69
166	100,001 to less than 5% of issued shares	106,408,706	35.82
2	5% and above of issued shares	52,905,416	17.80
<b>24,909</b>	<b>Total</b>	<b>297,084,626</b>	<b>100.00</b>

## Directors' Shareholdings

Names of Directors	← Direct →		← Indirect →	
	No. of Shares	%	No. of Shares	%
1. Tun Hj. Mohammed Hanif bin Omar	177,832	0.06	Nil	-
2. Tan Sri Dato' Low Keng Huat	19,944,695	6.72	49,044,548	16.50
3. Low Keng Boon	23,336,416	7.86	42,876,131	14.43
4. Marco Low Peng Kiat	10,000	0.01	45,122,548	15.18
5. Wan Ismail bin Wan Nik	900,000	0.30	Nil	-
6. Wong Bin Chen	8,002	0.00	1,310,000	0.44
7. Cheong Chee Leng	100,000	0.03	Nil	-

## Substantial Shareholders

Names of Shareholders	← Direct →		← Indirect →	
	No. of Shares	%	No. of Shares	%
1. Tan Sri Dato' Low Keng Huat	19,944,695	6.72	49,044,548	16.50
2. Low Keng Boon	23,336,416	7.86	42,876,131	14.43
3. Marco Low Peng Kiat	10,000	0.01	45,122,548	15.18
4. Seah Soh Seng	Nil	-	44,702,548	15.04
5. Lau Choy Lay	3,922,000	1.32	38,534,131	12.97
6. Low Chin Han	Nil	-	38,534,131	12.97
7. Low Wei Choong	62,000	0.02	37,591,000	12.65
8. Loh Lee Yen	Nil	-	37,171,000	12.51
9. Low Keng Hoo @ Lau Keeng Foo	12,136,680	4.09	41,722,906	14.04
10. Low Keng Huat Holdings Sdn. Bhd.	7,531,548	2.53	37,171,000	12.51
11. Low Keng Huat Brothers (Holdings) Sdn. Bhd.	37,041,000	12.47	130,000	0.04
12. Low Keng Boon Holdings Sdn. Bhd.	1,363,131	0.46	37,171,000	12.51
13. Low Keng Boon Investments Pte. Ltd.	Nil	-	38,534,131	12.97
14. Low Keng Hoo Holdings Sdn. Bhd.	629,906	0.21	37,171,000	12.51
15. Low Keng Seng Holdings Sdn. Bhd.	Nil	-	37,171,000	12.51

# Analysis of Shareholdings (Cont'd)

AT 1 JUNE 2005

## Thirty Largest Shareholders

Names of Shareholders	No. of Shares	% of Total
1. Low Keng Huat Brothers (Holdings) Sdn. Bhd.	29,599,000	9.96
2. Low Keng Boon @ Lau Boon Sen	23,336,416	7.86
3. Low Keng Hoo @ Lau Keeng Foo	12,136,680	4.09
4. UOBM Nominees (Tempatan) Sdn. Bhd. United Overseas Bank Nominees (Pte) Ltd. for Tan Sri Dato' Low Keng Huat (20468869-T279)	10,000,000	3.37
5. Tan Sri Dato' Low Keng Huat	6,358,621	2.14
6. Mayban Nominees (Tempatan) Sdn. Bhd. Pledged Securities A/C for CRSC Property Sdn. Bhd. (514347102178)	5,130,000	1.73
7. UOBM Nominees (Tempatan) Sdn. Bhd. Pledged Securities A/C for Low Keng Huat Holdings Sdn. Bhd. (6110558865-T273)	5,000,000	1.68
8. Lau Choy Lay	3,922,000	1.32
9. HLG Nominee (Tempatan) Sdn. Bhd. Pledged Securities A/C for Tan Sri Dato' Low Keng Huat	3,585,627	1.21
10. Ke-Zan Nominees (Asing) Sdn. Bhd. Kim Eng Securities Pte. Ltd. for Fong Siew Heng	3,382,026	1.14
11. Chia Hook Soo	2,639,026	0.89
12. Low Keng Huat Holdings Sdn. Bhd.	2,531,548	0.85
13. Low Keng Seng	2,361,061	0.79
14. Low Keng Huat Brothers (Holdings) Sdn. Bhd.	2,242,000	0.75
15. Koperasi Polis Diraja Malaysia Berhad	1,708,000	0.57
16. Menteri Kewangan Malaysia Section 29 (SICDA)	1,474,212	0.50
17. Low Keng Boon Holdings Sdn. Bhd.	1,363,131	0.46
18. JX Holdings Sdn. Berhad	1,310,000	0.44
19. Mayban Securities Nominees (Asing) Sdn. Bhd. Lim & Tan Securities Pte. Ltd. for Cheam Tat Hong	1,000,000	0.34
20. Wong Kem Chen	1,000,000	0.34
21. Ng Yit Swee Holdings Sdn. Bhd.	977,911	0.33
22. Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities A/C for Wan Ismail Bin Wan Nik	900,000	0.30
23. Yeh Elikh	840,300	0.28
24. Lembaga Tabung Angkatan Tentera	724,666	0.24
25. Wong Kon Lan	723,500	0.24
26. Mayban Nominees (Tempatan) Sdn. Bhd. Pledged Securities A/C for Yeoh Ah Tu (338AB3415)	692,100	0.23
27. Lim Soo Ka	670,000	0.23
28. RHB Nominees (Tempatan) Sdn. Bhd. GK Goh Spl for Chia Hook Soo (HM/103067)	666,000	0.22
29. Mayban Nominees (Tempatan) Sdn. Bhd. Pledged Securities A/C for Ng Hoo Kui (07255AP0539)	632,600	0.21
30. Low Keng Hoo Holdings Sdn. Bhd.	629,906	0.21
	127,536,331	42.92

## Five Years' Financial Statements

	2001 RM'000	2002 RM'000	2003 RM'000	2004 RM'000	2005 RM'000
Share Capital	297,085	297,085	297,085	297,085	<b>297,085</b>
Reserves	175,454	180,455	171,577	179,705	<b>178,883</b>
Total Share Capital and Reserves	472,539	477,540	468,662	476,790	<b>475,968</b>
Minority Interest	6,164	7,332	9,013	6,363	<b>7,598</b>
Deferred taxation	2,742	2,945	2,240	2,231	<b>307</b>
Deferred Liabilities	26,151	23,226	22,105	46,978	<b>32,129</b>
Current Liabilities	91,386	100,561	108,765	106,667	<b>73,842</b>
	598,982	611,604	610,785	639,029	<b>589,844</b>
Property, plant and equipment	84,306	81,754	54,068	52,414	<b>44,029</b>
Investments	150,724	151,872	145,798	143,570	<b>142,281</b>
Investment Properties	59,261	59,859	84,746	83,199	<b>83,206</b>
Development Properties	179,209	146,651	131,055	146,435	<b>159,854</b>
Current Assets	125,482	171,468	195,118	213,411	<b>160,474</b>
	598,982	611,604	610,785	639,029	<b>589,844</b>
Profit before taxation	4,098	6,254	3,087	17,485	<b>7,866</b>
Profit/(Loss) after taxation	392	2,544	(2,022)	11,437	<b>7,362</b>
Profit/(Loss) attributable to shareholders	(497)	1,366	(3,703)	10,167	<b>6,137</b>
Net Tangible Assets (per share)	RM 1.59	RM 1.61	RM 1.58	RM 1.60	<b>RM 1.60</b>

# Schedule of Properties

DESCRIPTION AND EXISTING USE	LOCATION	AREA	TENURE	APPROXIMATE AGE OF BUILDING (YEARS)	NET BOOK VALUE AS AT 31 JANUARY 2005 RM'000	DATE OF REVALUATION	DATE OF ACQUISITION
Plaza Ampang City 21 storey shopping cum office complex	4th Mile, Jalan Ampang, Kuala Lumpur	21,594 sq. metres of retained area	Freehold	18	59,172	2003	-
GCB Court 22 storey luxurious apartments	4th Mile, Jalan Ampang, Kuala Lumpur	7,053 sq. metres of retained area	Freehold	20	11,388	1998	-
Imbi Plaza 9 storey shopping cum office complex	Jalan Imbi, Kuala Lumpur	3,957 sq. metres of retained area	Freehold	24	15,387	2001	-
Lots 75,171,203-206 Industrial land	1st Mile, Jalan Kapar, Klang	16,009 sq. metres	Freehold	-	5,113	2001	-
Lots 932-935, 2518, 2519, 164, 1873 & 1875 Industrial land with office and factory complex	1st Mile, Jalan Kapar, Klang	118,075 sq. metres	Freehold	5 to 66	28,854	2001	-
Lot 6519, CT 26667 Vacant industrial land	6th Mile, Jalan Kapar, Klang	12.19 hectares	Freehold	-	24,971	2001	-
H.S. (D) 72255 P.T. 2255 Vacant industrial land	Mukim of Rantau, District of Seremban	40.23 hectares	99 years lease expiring 2091	-	20,879	2001	-
H.S. (D) 22046 PTD 15324 Quarry land with building and plant	Mukim of Plentong, Johor Bharu	33 hectares	Freehold	5 to 35	8,191	2001	-
Lots 1096, 1097, 1098 & 1898 Vacant land	Mukim of Kuala Kuantan, Pahang	5.7 hectares	Freehold	-	6,277	-	1999
Lots 1166, 2050, 2889, 2890, 3634, 3638, 3639, 3641, 3643, 3644, 3645 & 3646. Vacant mixed development land	Mukim of Kota Tinggi, Johore	59.44 hectares	Freehold	-	19,776	-	1999
Lots 333, 334 and 337 Vacant land	Mukim of Setapak, Kuala Lumpur	17,516 sq. metres	Freehold	-	4,154	2001	-
537 lots for housing, commercial and workshops	Bandar Baru Lahat, Ipoh	70,046 sq. metres	99 years lease expiring 2082	-	10,042	-	1995
Shops cum office lots	Kompleks Alor Setar, Kedah	3,029 sq. metres of retained area	99 years lease expiring 2083	20	2,317	1995	-
Industrial land with office and factory buildings	1029 and 1033, Mountain Highway, Boronia, Victoria, Australia	1.72 hectares	Freehold	2 to 25	9,604	2002	-
17 storey office building	251, Adelaide Terrace, Perth, Western Australia	9,903 sq. metres of retained area	Freehold	34	24,411	-	1995
Lot 37861 Land for mixed development	Bukit Jalil, Mukim of Petaling, Kuala Lumpur	3.95 hectares	Freehold	-	14,121	-	2000
Lot 19 Vacant development land	Section 89A, Jalan U-Thant, Kuala Lumpur	5,082 square metres	Freehold	-	9,635	-	2000
Lot 34070 Vacant development land	Jalan Kuchai Lama Mukim Petaling, Kuala Lumpur	20,067 square metres	99 years lease expiring 2086	-	10,357	-	2003
Lot 40 Vacant development land	Seksyen 65 Kuala Lumpur	3,286 square metres	Freehold	-	6,994	-	2004
Lot 44 Vacant development land	Seksyen 65 Kuala Lumpur	2,964 square metres	Freehold	-	6,347	-	2004

**GENERAL CORPORATION BERHAD** (8622-X)  
(Incorporated In Malaysia)

**Proxy Form**

NO. OF SHARES HELD

I/We \_\_\_\_\_  
being a member of General Corporation Berhad, hereby appoint \_\_\_\_\_  
of \_\_\_\_\_  
or failing him, \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Monday, 25 July 2005 at Cempaka Room, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur at 10.00 a.m..

This form is to be used as follows:-

	For	Against
Resolution 1		
Resolution 2		
Resolution 3		
Resolution 4		
Resolution 5		
Resolution 6		

	For	Against
Resolution 7		
Resolution 8		
Resolution 9		
Resolution 10		
Resolution 11		

Signature \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2005

**Notes:**

1. A member is entitled to appoint a proxy to attend and vote in his place. A proxy need not be a member of the Company.
2. To be valid, this form duly completed must be deposited at the Registered Office of the Company not less than forty-eight hours before the meeting.
3. In the case of a corporation, this proxy form must be executed by the hand of the attorney or under its common seal.
4. Unless indicated by a (✓) in the table above, the proxy may vote or abstain as he thinks fit.

Fold this flap for sealing

Affix  
Stamp

**GENERAL CORPORATION BERHAD** (8622-X)  
332A-19, 19TH FLOOR  
PLAZA AMPANG CITY  
JALAN AMPANG  
50450 KUALA LUMPUR

Then fold here

First fold here