

ANALYSIS OF SHAREHOLDINGS

As at 25 April 2005

Class of Share: Ordinary share of RM1 each

Voting Rights: 1 vote per ordinary share

Substantial Shareholders as per Register of Substantial Shareholders

Name	Direct interest		Deemed interest	
	No. of Shares	%	No. of Shares	%
1. Pan Malaysian Industries Berhad	199,490,000	10.28	704,002,500	36.28
2. KKP Holdings Sdn Bhd	–	–	903,492,500	46.56
3. Soo Lay Holdings Sdn Bhd	–	–	903,492,500	46.56
4. Tan Sri Dato' Dr Khoo Kay Peng	–	–	903,492,500	46.56
5. Serveast Trading Sdn Bhd	260,022,400	13.40	–	–
6. Favourmark Corporation Sdn Bhd	155,900,000	8.03	–	–

Directors' Shareholdings In The Company And Related Corporations as per Register of Directors' Shareholdings

	Direct interest		Deemed interest	
	No. of Shares	%	No. of Shares	%
Ordinary shares of RM1 each in Malayan United Industries Berhad				
Tan Sri Dato' Dr Khoo Kay Peng	–	–	903,492,500	46.56
Yong Ming Sang	1,981,800	0.10	549,640	0.03
Ang Guan Seng	–	–	68,353,800	3.52
Ordinary shares of 50 sen each in MUI Properties Berhad				
Tan Sri Dato' Dr Khoo Kay Peng	–	–	550,862,661	72.25
Ordinary shares of 50 sen each in Pan Malaysia Corporation Berhad				
Tan Sri Dato' Dr Khoo Kay Peng	–	–	428,524,500	52.44
Tan Sri Dato' Md Khir Johari	94,082	0.01	219,000	0.03
Ordinary shares of RM1 each in Pan Malaysia Holdings Berhad				
Tan Sri Dato' Dr Khoo Kay Peng	–	–	623,814,310	67.16
Ordinary shares of RM1 each in MUI Continental Insurance Berhad				
Tan Sri Dato' Dr Khoo Kay Peng	–	–	52,226,568	52.21

Distribution of Shareholders

Holdings	No. of Holders	%	No. of Shares	%
Less than 100 shares	100	0.18	2,606	0.00
100 - 1,000 shares	7,705	13.72	7,568,001	0.39
1,001 - 10,000 shares	36,471	64.95	170,874,753	8.80
10,001 - 100,000 shares	10,949	19.50	322,072,359	16.60
100,001 to less than 5% of issued shares	925	1.65	826,571,659	42.60
5% and above of issued shares	3	0.00	613,442,400	31.61
Total	56,153	100.00	1,940,531,778	100.00



Thirty (30) Largest Registered Shareholders

Name	No. of Shares	%
1. Mayban Nominees (Tempatan) Sdn Bhd - Maybank International (L) Ltd, Labuan for Serveast Trading Sdn Bhd	258,054,400	13.30
2. Pan Malaysian Industries Berhad	199,490,000	10.28
3. Mayban Nominees (Tempatan) Sdn Bhd - Maybank International (L) Ltd, Labuan for Favourmark Corporation Sdn Bhd	155,898,000	8.03
4. Mayban Nominees (Asing) Sdn Bhd - Maybank International (L) Ltd, Labuan for Pamford Limited	88,392,000	4.56
5. Plenary Investments Pte Ltd	67,038,800	3.45
6. Permodalan Nasional Berhad	64,000,000	3.30
7. Rigap Prima Sdn Bhd	46,000,000	2.37
8. Peak Meadow Sdn Bhd	45,846,100	2.36
9. Mayban Nominees (Tempatan) Sdn Bhd - Maybank International (L) Ltd, Labuan for Good Proffer Sdn Bhd	34,083,000	1.76
10. PM Nominees (Asing) Sdn Bhd - Morning Star Securities Limited for Morning Star Financial Services Limited	23,584,000	1.21
11. Nada Saujana Sdn Bhd	22,830,000	1.18
12. Mayban Nominees (Tempatan) Sdn Bhd - Maybank International (L) Ltd, Labuan for Kiwiton Sdn Bhd	20,000,000	1.03
13. Mayban Nominees (Tempatan) Sdn Bhd - Maybank International (L) Ltd, Labuan for Scopebright (M) Sdn Bhd	20,000,000	1.03
14. RC Nominees (Tempatan) Sdn Bhd - Hope Foundation	19,370,000	1.00
15. PM Nominees (Tempatan) Sdn Bhd - Morning Star Securities Limited for Hope Foundation	11,550,000	0.60
16. UOBM Nominees (Asing) Sdn Bhd - Securities account for Prime View International Limited	10,000,000	0.52
17. PAB Nominee (Tempatan) Sdn Bhd - Securities account for Kop Mantap Sdn Bhd	10,000,000	0.52
18. Lembaga Tabung Angkatan Tentera	9,069,900	0.47
19. UOBM Nominees (Tempatan) Sdn Bhd - Securities account for Hope Foundation	8,500,000	0.44
20. PM Nominees (Asing) Sdn Bhd - Morning Star Securities Limited for Prime View International Limited	8,040,000	0.41
21. True Benefits Sdn Bhd	7,432,000	0.38
22. Gan Thian Chin	6,774,400	0.35
23. Employees Provident Fund Board	6,204,000	0.32
24. Milikita Sdn Bhd	5,279,000	0.27
25. Ke-Zan Nominees (Asing) Sdn Bhd - Kim Eng Securities Pte. Ltd. for Glen Holdings (Pte) Ltd	4,674,000	0.24
26. Menteri Kewangan Malaysia	4,112,417	0.21
27. Youn-Wen & Brothers Sdn Bhd	3,750,000	0.19
28. Lee Hong Choon	3,650,000	0.19
29. Amanah Ikhtiar Malaysia	3,000,000	0.15
30. Wang Wei	2,900,000	0.15
Total	1,169,522,017	60.27

ANALYSIS OF IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS HOLDINGS

As at 25 April 2005

Class of Securities	: Class A1, 8-year Irredeemable Convertible Unsecured Loan Stocks ("ICULS")
Nominal value of ICULS issued and outstanding	: RM443,662,030
Conversion Price	: RM1.00 nominal value of ICULS for every one (1) new fully paid-up ordinary share in the Company, subject to any adjustment as may be made pursuant to the Trust Deed executed by the Company. The minimum value for conversion required is RM100 nominal value of ICULS.
Conversion Period	: The Class A1 ICULS holders may exercise their rights to convert their ICULS into new ordinary shares in the Company during the first conversion period which is the period of six (6) months from the expiry of the fifth year of the date of issue (i.e. 30 December 2009 to 30 June 2010). Any Class A1 ICULS not converted then shall be convertible into new ordinary shares in the Company during the second conversion period which is the period of the last six (6) months of the eighth year from the date of issue (i.e. 27 June 2012 to 27 December 2012).
Voting Rights at Meeting of ICULS Holders	: On a show of hands, one (1) vote per ICULS holder On a poll, one (1) vote for every RM1.00 nominal value of ICULS held by the holder

Directors' Interests In Class A1 ICULS as per Register of Directors' Shareholdings

	Direct interest		Deemed interest	
	Nominal value of ICULS (RM)	%	Nominal value of ICULS (RM)	%
Tan Sri Dato' Dr Khoo Kay Peng	-	-	56,891,278	12.82
Tan Sri Dato' Md Khir Johari	70,727	0.02	164,636	0.04

Distribution Of Class A1 ICULS Holdings

Holdings	No. of Holders		Nominal value of ICULS (RM)	
		%		%
Less than 100	309	1.39	9,874	0.00
100 to 1,000	5,142	23.03	3,471,833	0.78
1,001 to 10,000	13,479	60.38	48,053,147	10.83
10,001 to 100,000	3,110	13.93	78,623,656	17.72
100,001 to less than 5% of issued ICULS	281	1.26	212,278,290	47.85
5% and above of issued ICULS	2	0.01	101,225,230	22.82
Total	22,323	100.00	443,662,030	100.00



Thirty (30) Largest Registered Class A1 ICULS Holders

<i>Name</i>	<i>Nominal value of ICULS (RM)</i>	<i>%</i>
1. Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputera	78,935,382	17.79
2. PM Nominees (Asing) Sdn Bhd - For Lim Maria Yosita	22,289,848	5.02
3. Bahtera Muhibbah Sdn Bhd	16,483,212	3.72
4. Permodalan Nasional Berhad	15,371,340	3.47
5. United Pace Sdn Bhd	15,035,311	3.39
6. Pan Malaysia Corporation Berhad	11,008,550	2.48
7. CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB for Mohd Ariffin Bin Mohd Yusuf	9,021,186	2.03
8. Yap Lim Sen	7,517,655	1.70
9. Med-Bumikar Mara Sdn Bhd	7,517,655	1.70
10. PM Nominees (Asing) Sdn Bhd - Morning Star Securities Limited for Noble Faith Foundation Inc	7,134,856	1.61
11. Appreplex (M) Sdn Bhd	5,953,983	1.34
12. RC Nominees (Tempatan) Sdn Bhd - Hope Foundation	4,672,974	1.05
13. Lembaga Tabung Angkatan Tentera	3,865,747	0.87
14. Chua Ah Moi @ Chua Sai Peng	3,847,939	0.87
15. MUI Properties Berhad	3,783,671	0.85
16. Ding Choo King	3,377,963	0.76
17. Kim Hin Joo Private Limited	3,157,415	0.71
18. UOBM Nominees (Asing) Sdn Bhd - Securities account for Prime View International Limited	3,036,381	0.68
19. PM Nominees (Tempatan) Sdn Bhd - PCB Asset Management Sdn Bhd for Millionmart Sdn Bhd	2,602,612	0.59
20. Mayban Nominees (Tempatan) Sdn Bhd - Securities account for Koperasi Polis DiRaja Malaysia Bhd	2,168,843	0.49
21. Yu Kok Ann	2,000,000	0.45
22. PM Nominees (Asing) Sdn Bhd - For Morning Star Securities Limited	1,879,413	0.42
23. Hope Foundation	1,821,461	0.41
24. Lim Kian Siong	1,775,396	0.40
25. UOBM Nominees (Tempatan) Sdn Bhd - Securities account for Lee Soon Huat	1,745,612	0.40
26. HDM Nominees (Tempatan) Sdn Bhd - Securities account for Lawrence Lee	1,709,700	0.39
27. HDM Nominees (Asing) Sdn Bhd - UOB Kay Hian Pte Ltd for Neo Aik Soo	1,692,932	0.38
28. Menteri Kewangan Malaysia	1,655,932	0.37
29. Citicorp Nominees (Asing) Sdn Bhd - CBNY for DFA Emerging Markets Fund	1,526,067	0.34
30. Jomuda Sdn Bhd	1,518,190	0.34
Total	244,107,226	55.02

Class of Securities	: Class A2, 8-year Irredeemable Convertible Unsecured Loan Stocks (“ICULS”)
Nominal value of ICULS issued and outstanding	: RM443,662,030
Conversion Price	: RM1.00 nominal value of ICULS for every one (1) new fully paid-up ordinary share in the Company, subject to any adjustment as may be made pursuant to the Trust Deed executed by the Company. The minimum value for conversion required is RM100 nominal value of ICULS.
Conversion Period	: The Class A2 ICULS holders may exercise their rights to convert their ICULS into new ordinary shares in the Company at any time during the last six (6) months of the eighth year from the date of issue (i.e. 27 June 2012 to 27 December 2012).
Voting Rights at Meeting of ICULS Holders	: On a show of hands, one (1) vote per ICULS holder On a poll, one (1) vote for every RM1.00 nominal value of ICULS held by the holder

Directors’ Interests In Class A2 ICULS
as per Register of Directors’ Shareholdings

	Direct interest		Deemed interest	
	Nominal value of ICULS (RM)	%	Nominal value of ICULS (RM)	%
Tan Sri Dato’ Dr Khoo Kay Peng	–	–	56,891,278	12.82
Tan Sri Dato’ Md Khir Johari	70,727	0.02	164,636	0.04

Distribution Of Class A2 ICULS Holdings

Holdings	No. of Holders		Nominal value of ICULS (RM)	
		%		%
Less than 100	305	1.36	9,795	0.00
100 to 1,000	5,140	22.99	3,471,313	0.78
1,001 to 10,000	13,489	60.32	48,109,155	10.84
10,001 to 100,000	3,140	14.04	80,401,303	18.12
100,001 to less than 5% of issued ICULS	286	1.28	210,445,234	47.44
5% and above of issued ICULS	2	0.01	101,225,230	22.82
Total	22,362	100.00	443,662,030	100.00



Thirty (30) Largest Registered Class A2 ICULS Holders

<i>Name</i>	<i>Nominal value of ICULS (RM)</i>	<i>%</i>
1. Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputera	78,935,382	17.79
2. PM Nominees (Asing) Sdn Bhd - For Lim Maria Yosita	22,289,848	5.02
3. Bahtera Muhibbah Sdn Bhd	16,483,212	3.72
4. Permodalan Nasional Berhad	15,371,340	3.47
5. United Pace Sdn Bhd	15,035,311	3.39
6. Pan Malaysia Corporation Berhad	11,008,550	2.48
7. CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB for Mohd Ariffin Bin Mohd Yusuf	9,021,186	2.03
8. Yap Lim Sen	7,517,655	1.70
9. Med-Bumikar Mara Sdn Bhd	7,517,655	1.70
10. PM Nominees (Asing) Sdn Bhd - Morning Star Securities Limited for Noble Faith Foundation Inc	7,134,856	1.61
11. Appreplex (M) Sdn Bhd	5,953,983	1.34
12. RC Nominees (Tempatan) Sdn Bhd - Hope Foundation	4,672,974	1.05
13. Ding Choo King	4,285,063	0.97
14. Lembaga Tabung Angkatan Tentera	3,865,747	0.87
15. Chua Ah Moi @ Chua Sai Peng	3,847,939	0.87
16. MUI Properties Berhad	3,783,671	0.85
17. Kim Hin Joo Private Limited	3,157,415	0.71
18. UOBM Nominees (Asing) Sdn Bhd - Securities account for Prime View International Limited	3,036,381	0.68
19. PM Nominees (Tempatan) Sdn Bhd - PCB Asset Management Sdn Bhd for Millionmart Sdn Bhd	2,602,612	0.59
20. Mayban Nominees (Tempatan) Sdn Bhd - Securities account for Koperasi Polis DiRaja Malaysia Bhd	2,168,843	0.49
21. UOBM Nominees (Tempatan) Sdn Bhd - Securities account for Lee Soon Huat	1,910,612	0.43
22. PM Nominees (Asing) Sdn Bhd - For Morning Star Securities Limited	1,879,413	0.42
23. Hope Foundation	1,821,461	0.41
24. Lim Kian Siong	1,775,396	0.40
25. Menteri Kewangan Malaysia	1,655,932	0.37
26. Citicorp Nominees (Asing) Sdn Bhd - CBNY for DFA Emerging Markets Fund	1,526,067	0.34
27. Jomuda Sdn Bhd	1,518,190	0.34
28. Citicorp Nominees (Asing) Sdn Bhd - MLPFS for Princeton Capital Limited	1,503,531	0.34
29. Zulkifli Bin Hussain	1,477,151	0.33
30. Universiti Malaya	1,229,575	0.28
Total	243,986,951	54.99

GROUP FINANCIAL HIGHLIGHTS FIVE-YEAR SUMMARY

As at 31 December	2004 RM'000	2003 RM'000	2002 RM'000	2001 RM'000	2000 RM'000
Property, Plant & Equipment And Land Held For Property Development	2,948,873	3,037,105	2,962,033	2,908,350	668,075
Investment Properties	–	141,000	141,000	141,000	141,000
Investments	1,081,185	1,181,577	1,265,110	1,747,790	1,830,515
Net Current Assets	272,860	253,025	185,525	299,058	566,310
Intangibles & Goodwill	120,673	604,291	618,256	1,114,646	1,023,080
Deferred Tax Assets	8,715	15,456	14,111	14,111	14,111
	4,432,306	5,232,454	5,186,035	6,224,955	4,243,091
Financed By :-					
Share Capital	1,940,532	1,940,532	1,940,532	1,940,532	1,940,532
Reserves	(1,254,759)	(892,714)	(750,083)	166,543	205,224
Minority Interests	1,384,033	1,593,042	1,553,130	1,704,981	1,814,771
Other Reserves And Deferred & Long Term Liabilities	2,362,500	2,591,594	2,442,456	2,412,899	282,564
	4,432,306	5,232,454	5,186,035	6,224,955	4,243,091
Financial year ended 31 December	2004 RM'000	2003 RM'000	2002 RM'000	2001 RM'000	2000 RM'000
Revenue	1,462,746	1,393,946	1,358,885	692,839	705,111
Operating Profit Before Exceptional Items	105,511	152,970	137,489	96,507	70,126
Exceptional Items	(294,546)*	(111,954)	(835,767)#	81,339	35,911
(Loss) / Profit Before Taxation	(387,123)	(160,394)	(1,063,111)	35,257	(12,263)
(Loss) / Profit After Taxation	(365,375)	(168,936)	(1,094,866)	(8,281)	(49,321)
Net (Loss) / Profit For The Financial Year	(405,474)	(174,043)	(996,893)	(35,700)	(71,086)

* In conjunction with the rationalisation exercise and in compliance with MASB 23 "Impairment of Assets", the Group has taken the necessary steps to review again the carrying value of its investments and other assets. Exceptional items included the recognition of impairment of assets and allowances made amounting to RM645,383,000 as disclosed in Note 6 of the Notes to Financial Statements.

Exceptional items included the recognition of impairment of assets in compliance with MASB 23 "Impairment of Assets" which was effective in the financial year ended 31 December 2002 and allowances made totalling RM875,455,000.



DIRECTORS' REPORT

The Directors present herewith their report and audited financial statements of the Company and of the Group for the financial year ended 31 December 2004.

Principal Activities

The Company is an investment holding company. The principal activities of its subsidiary and associated companies are retailing, hotels, food and confectionery, property, financial services, and travel and tourism.

There have been no significant changes in the Group's activities during the financial year except for the disposal of the Group's major investment properties as mentioned in Note 38(c) of the Notes to the Financial Statements.

Financial Results

	Group	Company
	RM'000	RM'000
Profit from operations before exceptional items	105,511	8,850
Exceptional Items		
- Impairment of assets	(466,141)*	-
- Allowance for diminution in value of long term investments	(75,676)*	-
- Others	247,271	(122,878)
	(294,546)	(122,878)
Loss from operations after exceptional items	(189,035)	(114,028)
Finance cost	(235,733)	(967)
Share of results of associated companies	35,204	-
Share of results of joint venture	2,441	-
Loss before taxation	(387,123)	(114,995)
Taxation	21,748	(1,998)
Loss after taxation	(365,375)	(116,993)
Minority interests	(40,099)	-
Net loss for the financial year	(405,474)	(116,993)

* In conjunction with the rationalisation exercise and in compliance with MASB 23 on Impairment of Assets, the Group has taken the necessary steps to review again the carrying value of its investments and other assets. The details of the impairment and allowances are included in Note 6 of the Notes to the Financial Statements.

Movements In Reserves And Provisions

Material movements in reserves and provisions during the financial year are shown in the financial statements.

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend payment in respect of the financial year ended 31 December 2004.

DIRECTORS' REPORT (Cont'd)

Directors

The Directors of the Company in office since the date of the last report and at the date of this report are:-

Tan Sri Dato' Dr Khoo Kay Peng (Chairman & Chief Executive)
 Tan Sri Dato' Md Khir Johari
 Yong Ming Sang
 Ang Guan Seng
 Dato' Paduka Nik Hashim Nik Yusoff
 Loy Yet King
 Khet Kok Yin (resigned on 4 June 2004, re-appointed on 3 March 2005)
 Mohamad Faiz bin Abdul Hamid (Alternate to Yong Ming Sang)
 Dr Ngui Chon Hee (resigned on 4 June 2004)

None of the Directors who held office at the end of the financial year had, according to the Register of Directors' Shareholdings, any interest in the shares of the Company and its related corporations except as stated below:

Ordinary shares of RM1 each in Malayan United Industries Berhad	Number of shares			Balance at 31.12.2004
	Balance at 1.1.2004	Bought	Sold	
Tan Sri Dato' Dr Khoo Kay Peng Indirect	903,492,500	-	-	903,492,500
Yong Ming Sang Direct	1,981,800	-	-	1,981,800
Indirect	549,640	-	-	549,640
Ang Guan Seng Indirect	68,353,800	-	-	68,353,800
Ordinary shares of 50 sen each in MUI Properties Berhad	Number of shares			Balance at 31.12.2004
Balance at 1.1.2004	Bought	Sold		
Tan Sri Dato' Dr Khoo Kay Peng Indirect	540,612,661	19,722,700	47,472,700	512,862,661
Ordinary shares of 50 sen each in Pan Malaysia Corporation Berhad	Number of shares			Balance at 31.12.2004
Balance at 1.1.2004	Bought	Sold		
Tan Sri Dato' Dr Khoo Kay Peng Indirect	420,364,500	16,059,100	7,899,100	428,524,500
Tan Sri Dato' Md Khir Johari Direct	94,082	-	-	94,082
Indirect	219,000	-	-	219,000



Ordinary shares of RM1 each in Pan Malaysia Holdings Berhad	Number of shares			Balance at 31.12.2004
	Balance at 1.1.2004	Bought	Sold	
Tan Sri Dato' Dr Khoo Kay Peng Indirect	588,109,498	20,000,000	–	608,109,498

Ordinary shares of RM1 each in MUI Continental Insurance Berhad	Number of shares			Balance at 31.12.2004
	Balance at 1.1.2004	Bought	Sold	
Tan Sri Dato' Dr Khoo Kay Peng Indirect	81,733,500	–	29,506,932	52,226,568

By virtue of his deemed interests in the shares of the Company, Tan Sri Dato' Dr Khoo Kay Peng is deemed to have an interest in the shares of all the other subsidiary companies of the Company to the extent that the Company has an interest.

In accordance with Section 129(2) of the Companies Act, 1965, Tan Sri Dato' Md Khir Johari and Mr Yong Ming Sang retire from the Board at the forthcoming Annual General Meeting, and the Directors recommend their re-appointment under Section 129(6) of the said Act.

Pursuant to Article 109 of the Company's Articles of Association, Mr Ang Guan Seng retires from the Board at the forthcoming Annual General Meeting, and he being eligible, offers himself for re-election.

Pursuant to Article 90 of the Company's Articles of Association, Mr Khet Kok Yin retires from the Board at the forthcoming Annual General Meeting, and he being eligible, offers himself for re-election.

Since the end of the previous financial year, no director has received or become entitled to receive any benefits (other than as disclosed in the financial statements) 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.

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

DIRECTORS' REPORT (Cont'd)

Other Statutory Information

- (a) In the opinion of the Directors:-
- (i) the results of the operations of the Company and of the Group during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in Note 6 of the Notes to the Financial Statements;
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company or of the Group for the financial year in which this report is made; and
 - (iii) no contingent liability or other liability has become enforceable or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Company or of the Group to meet their obligations as and when they fall due.
- (b) Before the income statements and balance sheets of the Company and of the Group were made out, the Directors took reasonable steps:-
- (i) to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and have 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 have been written down to an amount which they might be expected so to realise.
- (c) At the date of this report, the Directors are not aware of any circumstances which would render:-
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Company and of the Group inadequate to any material extent; and
 - (ii) the values attributed to current assets in the financial statements of the Company and of the Group misleading.
- (d) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company and of the Group misleading or inappropriate.
- (e) At the date of this report there does not exist:-
- (i) any charge on the assets of the Company or of the Group which has arisen since the end of the financial year to secure the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Company or of the Group which has arisen since the end of the financial year.



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

Significant Corporate Developments

The significant corporate developments are disclosed in Note 38 of the Notes to the Financial Statements.

Auditors

The auditors, BDO Binder, have expressed their willingness to accept re-appointment as auditors.

Signed on behalf of the Board in accordance
with a resolution by the Directors

Yong Ming Sang

Khet Kok Yin

Kuala Lumpur
29 April 2005

INCOME STATEMENTS

For the financial year ended 31 December 2004

	Note	Group		Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Revenue	5	1,462,746	1,393,946	10,756	19,963
Cost of sales		(948,213)	(915,894)	-	-
Gross profit		514,533	478,052	10,756	19,963
Other operating income		44,186	43,334	-	-
Distribution costs		(24,857)	(22,753)	-	-
Administrative expenses		(370,581)	(303,886)	(1,906)	(1,359)
Other operating expenses		(57,770)	(41,777)	-	-
Profit from operations before exceptional items		105,511	152,970	8,850	18,604
Exceptional items	6				
- Impairment of assets		(466,141)*	(43,841)	-	-
- Allowance for diminution in value of long term investments		(75,676)*	(34,821)	-	-
- Others		247,271	(33,292)	(122,878)	(115,590)
(Loss) / Profit from operations after exceptional items		(189,035)	41,016	(114,028)	(96,986)
Finance cost		(235,733)	(238,761)	(967)	(3,313)
Share of results of associated companies		35,204	32,787	-	-
Share of results in joint venture	14	2,441	4,564	-	-
Loss before taxation	7	(387,123)	(160,394)	(114,995)	(100,299)
Taxation	8	21,748	(8,542)	(1,998)	146
Loss after taxation		(365,375)	(168,936)	(116,993)	(100,153)
Minority interests		(40,099)	(5,107)	-	-
Net Loss For The Financial Year		(405,474)	(174,043)	(116,993)	(100,153)
Loss Per Share	9	Sen (20.89)	Sen (8.97)		

* In conjunction with the rationalisation exercise and in compliance with MASB 23 on Impairment of Assets, the Group has taken the necessary steps to review again the carrying value of its investments and other assets. The details of the impairment and allowances are included in Note 6 of the Notes to the Financial Statements.

The attached notes form an integral part of these financial statements.



BALANCE SHEETS

As at 31 December 2004

	Note	Group		Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Property, Plant And Equipment	10	2,912,724	2,981,989	-	-
Investment Properties	11	-	141,000	-	-
Subsidiary Companies	12	-	-	1,110,415	1,116,858
Associated Companies	13	689,962	708,848	-	-
Joint Venture	14	1,728	18,376	-	-
Investments	15	389,495	454,353	-	-
Land Held for Property Development	16	36,149	55,116	-	-
Intangible Assets		-	144,037	-	-
Goodwill On Consolidation	17	120,673	460,254	-	-
Deferred Tax Assets	32	8,715	15,456	-	-
Current Assets					
Property development costs	16	89,408	105,066	-	-
Inventories	18	83,596	68,633	-	-
Trade and other receivables	19	620,818	655,164	2,221,794	744,043
Amounts owing by brokers and clients	20	-	187,354	-	-
Government securities and bonds	21	24,589	28,041	-	-
Short term investments	22	26,715	34,167	-	-
Tax recoverable		26,904	23,704	-	-
Deposits, bank balances and cash	23	857,606	910,578	250	264
		1,729,636	2,012,707	2,222,044	744,307
Less: Current Liabilities					
Trade and other payables	24	219,487	420,953	108	104
Provisions	25	44,343	46,947	-	-
ICULS *	29	-	-	517,799	-
Borrowings	26	1,170,070	1,266,599	20,000	20,000
Redeemable convertible bond	30	-	1,000	-	-
Provision for taxation		22,876	24,183	16,551	16,848
		1,456,776	1,759,682	554,458	36,952
Net Current Assets		272,860	253,025	1,667,586	707,355
		4,432,306	5,232,454	2,778,001	1,824,213
Financed by:-					
Share Capital	27	1,940,532	1,940,532	1,940,532	1,940,532
ICULS * (Equity component)	29	-	-	1,105,175	-
Reserves	28	(1,254,759)	(892,714)	(267,706)	(150,713)
Shareholders' Funds		685,773	1,047,818	2,778,001	1,789,819
Minority Interests		1,384,033	1,593,042	-	-
Reserves For Unearned Premium		25,948	25,659	-	-
Deferred And Long Term Liabilities					
Borrowings	26	2,171,869	2,383,468	-	-
Employee benefits	31	3,985	2,862	-	-
Deferred taxation	32	160,698	179,605	-	-
Amount owing to subsidiary company	33	-	-	-	34,394
		2,336,552	2,565,935	-	34,394
		4,432,306	5,232,454	2,778,001	1,824,213

* ICULS refers to Class A1 and Class A2, 8-year Irredeemable Convertible Unsecured Loan Stocks issued by the Company.

The attached notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2004

Group

Note	Non-Distributable				Distributable			Total RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Exchange Fluctuation Reserve RM'000	Capital Reserve RM'000	General Reserve RM'000	Accumulated Losses RM'000	
At 1 January 2003								
- as previously stated	1,940,532	220,305	27,430	88,064	73,968	25,257	(1,185,777)	1,189,779
- prior year adjustments	39	-	(8,061)	-	(295)	-	9,024	668
- as restated	1,940,532	220,305	19,369	88,064	73,673	25,257	(1,176,753)	1,190,447
Group's share of post-acquisition reserves of associated companies	-	-	-	5,166	-	-	-	5,166
Difference on translation of net assets of overseas subsidiary and associated companies	-	-	-	27,349	-	-	-	27,349
Impairment on property	-	-	(1,530)	-	-	-	-	(1,530)
Reversal of deferred tax	-	-	429	-	-	-	-	429
Net profit/(loss) not recognised in income statement	-	-	(1,101)	32,515	-	-	-	31,414
Net loss for the financial year	-	-	-	-	-	-	(174,043)	(174,043)
At 31 December 2003	1,940,532	220,305	18,268	120,579	73,673	25,257	(1,350,796)	1,047,818
At 1 January 2004	1,940,532	220,305	18,268	120,579	73,673	25,257	(1,350,796)	1,047,818
Group's share of post-acquisition reserves of associated companies	-	-	-	(277)	(2,624)	-	-	(2,901)
Difference on translation of net assets of overseas subsidiary and associated companies	-	-	-	36,136	-	-	-	36,136
Net profit/(loss) not recognised in income statement	-	-	-	35,859	(2,624)	-	-	33,235
Reserve realised on dilution of equity interest in a subsidiary company	-	-	-	-	(77,145)	-	77,145	-
Reserve realised on winding-up of a subsidiary company	-	-	-	77,145	-	-	(77,145)	-
Minority share of capital reserve	-	-	-	-	(2,209)	-	-	(2,209)
Reserve realised on disposal of shares in subsidiary companies	-	-	-	(697)	(2,306)	-	3,003	-
Reserve arising from investment in a subsidiary company's ICPS *	-	-	-	-	12,403	-	-	12,403
Net loss for the financial year	-	-	-	-	-	-	(405,474)	(405,474)
At 31 December 2004	1,940,532	220,305	18,268	232,886	1,792	25,257	(1,753,267)	685,773

* ICPS refers to Irredeemable Convertible Preference Shares.

Company

	Share Capital RM'000	ICULS # RM'000	Non-Distributable		Accumulated Losses RM'000	Total RM'000
			Share Premium RM'000	Revaluation Reserves RM'000		
At 1 January 2003	1,940,532	-	220,305	26,264	(297,129)	1,889,972
Net loss for the financial year	-	-	-	-	(100,153)	(100,153)
At 31 December 2003	1,940,532	-	220,305	26,264	(397,282)	1,789,819
At 1 January 2004	1,940,532	-	220,305	26,264	(397,282)	1,789,819
Issuance of Class A1 ICULS #	-	665,768	-	-	-	665,768
Issuance of Class A2 ICULS #	-	665,768	-	-	-	665,768
Discounts on ICULS - unamortised	-	(226,361)	-	-	-	(226,361)
Net loss for the financial year	-	-	-	-	(116,993)	(116,993)
At 31 December 2004	1,940,532	1,105,175	220,305	26,264	(514,275)	2,778,001

ICULS refers to 8-year Irredeemable Convertible Uncensored Loan Stocks.

The attached notes form an integral part of these financial statements.



CASH FLOW STATEMENTS

For the financial year ended 31 December 2004

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Cash Flows From Operating Activities				
Loss before taxation	(387,123)	(160,394)	(114,995)	(100,299)
Adjustments for:-				
Exceptional items <i>[See (b) below]</i>	294,652	118,157	122,878	115,590
Amortisation of / (Accretion of discounts) of premiums on government securities and bonds	367	(210)	-	-
Allowance for / (Writeback of) diminution in value of short term investments	6,964	(4,931)	-	-
Depreciation	79,923	78,459	-	-
Plant and equipment written off	112	1,059	-	-
Interest expense	235,733	238,761	967	3,313
Dividend income	(4,400)	(5,282)	(9,709)	(14,736)
Interest income	(62,178)	(61,761)	(1,047)	(5,227)
Gain on disposal of plant and equipment	(199)	(44)	-	-
Gain on disposal of long term investments	(185)	-	-	-
Gain on disposal of short term investments	(3,967)	(1,738)	-	-
Provision for employee benefits	3,764	1,101	-	-
Reserves for unearned premiums	289	5,785	-	-
Share of results of associated companies	(35,204)	(32,787)	-	-
Share of results of joint venture	(2,441)	(4,564)	-	-
Writeback of doubtful debts	-	(4,935)	-	-
Operating profit / (loss) before working capital changes	126,107	166,676	(1,906)	(1,359)
Increase in short term investments	(32,920)	(15,794)	-	-
Increase in inventories	(4,776)	(633)	-	-
(Increase) / Decrease in receivables and amounts owing by brokers and clients	(81,521)	(206,519)	15,000	(16,992)
Decrease / (Increase) in property development cost	2,437	(253)	-	-
Increase / (Decrease) in payables	61,951	120,400	4	(21)
Cash generated from / (used in) operations	71,278	63,877	13,098	(18,372)
Deposits received from dealers and remisiers maintained as trust monies	(1,941)	(5,234)	-	-
Interest paid	(235,733)	(204,682)	(967)	(1,513)
Interest received	62,178	61,761	13	2,731
Employee benefits paid	(911)	(683)	-	-
Tax refund	15,102	6,910	-	-
Tax paid	(27,253)	(49,988)	(260)	(11,560)
Net cash (used in) / generated from operating activities	(117,280)	(128,039)	11,884	(28,714)

CASH FLOW STATEMENTS (Cont'd)

For the financial year ended 31 December 2004

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Cash Flows From Investing Activities				
Advances to subsidiary companies	-	-	(49,166)	(24,151)
Repayments from subsidiary companies	-	-	19,627	39,222
Dividends received	33,394	16,196	3,982	13,598
Purchase of investments in subsidiary companies	(22,752)	(11,164)	-	-
Purchase of government bonds and securities	(34,703)	(19,385)	-	-
Purchase of long term investments	(6,333)	-	-	-
Purchase of property, plant and equipment	(53,374)	(33,138)	-	-
Proceeds from disposal of shares in subsidiary companies	79,181	-	13,659	-
Proceeds from disposal of an associated company	6,094	-	-	-
Proceeds from disposal of other investments	29,422	142,236	-	-
Proceeds from disposal of government bonds and securities	37,787	21,138	-	-
Proceeds from disposal of property, plant and equipment and investment property	383,801	160,092	-	-
Proceeds from disposal of development properties	19,000	-	-	-
Proceeds from disposal of subsidiary company [See (d) below]	-	247	-	-
Proceeds from winding up of an associated company	-	61	-	-
Subscription of rights issue of an associated company	-	(78,746)	-	-
Withdrawal / (Placement) of term deposits with licensed companies as sinking funds	120,790	(192,768)	-	-
Capital distribution from investments	-	898	-	-
Bank overdrafts net of deposits, bank balances and cash disposed of on disposal of subsidiary companies [See (d) below]	-	812	-	-
Bank balances and cash of subsidiary companies not consolidated upon dilution into associated companies [See (e) below]	(29,049)	-	-	-
Bank balances and cash of subsidiary company not consolidated [See (c) below]	(320)	-	-	-
Net cash generated from / (used in) investing activities	562,938	6,479	(11,898)	28,669



	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Cash Flows From Financing Activities				
Proceeds from issue of shares to minority shareholders in subsidiary companies	54,298	16,122	-	-
Proceeds from drawdown of term loans and utilisation of revolving credits	419,432	281,953	-	-
Repayment of bank borrowings	(811,259)	(371,143)	-	-
Redemption of bonds	(1,000)	-	-	-
Dividends paid to minority shareholders of subsidiary companies	(6,197)	(4,869)	-	-
Share issue expenses of a subsidiary company	-	(145)	-	-
Net cash used in financing activities	(344,726)	(78,082)	-	-
Effects of exchange rate changes	(18,715)	19,479	-	-
Net increase / (decrease) in cash and cash equivalents	82,217	(180,163)	(14)	(45)
Cash and cash equivalents as at 1 January:-				
As previously stated	305,406	464,242	264	309
Effect of exchange rate changes on cash and cash equivalents	29,530	21,327	-	-
As restated	334,936	485,569	264	309
Cash and cash equivalents as at 31 December <i>[See (a) below]</i>	417,153	305,406	250	264

(a) Cash and cash equivalents consist of the following:-

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Deposits, bank balances and cash	857,606	910,578	250	264
Bank overdrafts	(138,400)	(200,484)	-	-
	719,206	710,094	250	264
Less: Term deposits with licensed companies as sinking funds	(302,053)	(390,905)	-	-
Less: Dealers and remisiers' deposits maintained as trust monies included in:-				
- bank balances and cash	-	(2,475)	-	-
- term and call deposits	-	(11,308)	-	-
	-	(13,783)	-	-
	417,153	305,406	250	264

CASH FLOW STATEMENTS (Cont'd)

For the financial year ended 31 December 2004

(b) Exceptional items as presented in the cash flow statements comprise:-

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Impairment of assets				
- goodwill	(378,615)	(18,334)	-	-
- investments in associated companies	(84,900)	(8,380)	-	-
- property, plant and equipment	(2,626)	(10,157)	-	-
- development property	-	(6,970)	-	-
	(466,141)	(43,841)	-	-
Allowance for diminution in value of long term investments	(75,676)	(34,821)	-	-
Allowance for doubtful debts on amounts owing by subsidiary companies	-	-	(126,404)	(115,590)
Allowance for doubtful debts	(103,566)	(122,103)	-	-
Bad debts written off	(103)	(1,640)	-	-
Capital gain arising from the receipt of shares in Bursa Malaysia Berhad	25,000	-	-	-
Unrealised gain in foreign exchange	54,825	94,540	-	-
Gain on dilution of interest in a subsidiary company	262,255	-	-	-
Gain on disposal of an associated company	3,727	-	-	-
Gain on disposal of investment property	25,000	-	-	-
Interest waived	-	34,354	-	-
Investments written off	(331)	-	-	-
Loss on dilution of interest in an associated company	(641)	(9,346)	-	-
Loss on disposal of other investments	-	(34,945)	-	-
(Loss) / Gain on disposal of interests in subsidiary companies	(10,214)	(2,582)	3,526	-
(Loss) / Gain on disposal of properties	(11,233)	5,666	-	-
Provision for corporate guarantee no longer required	1,141	-	-	-
Surplus on winding up of an associated company	-	61	-	-
Surplus arising from subsidiary company not consolidated	4,305	-	-	-
Writing down of property development costs to its net realisable value	(3,000)	(3,500)	-	-
	(294,652)	(118,157)	(122,878)	(115,590)

(c) The effects of subsidiary company under winding up not consolidated are analysed as follows:-

	<i>Group</i>
	<i>2004</i>
	<i>RM'000</i>
Assets and liabilities not consolidated	
Investments	12
Current assets	38
Current liabilities	(8,467)
Minority interests	3,792
Surplus arising from subsidiary company not consolidated	4,305
Bank balances and cash of subsidiary company not consolidated	(320)



(d) The effects of the disposal of subsidiary companies are analysed as follows:-

	<i>Group 2003 RM'000</i>
Assets and liabilities disposed	
Property, plant and equipment	5,411
Inventories	1,091
Trade and other receivables	1,912
Deposits, bank balances and cash	34
Tax recoverable	56
Trade and other payables	(2,031)
Bank overdrafts	(846)
Deferred and long term liabilities	(2,798)
Net assets disposed	2,829
Loss on disposal of subsidiary companies	(2,582)
Net proceeds received	<u>247</u>

(e) The effects of dilution of equity interest in subsidiary companies during the financial year are analysed as follows:-

	<i>Group 2004 RM'000</i>
Effects of dilution on assets and liabilities	
Property, plant and equipment	14,302
Intangible assets	144,037
Goodwill on consolidation	7,809
Investments	26,691
Deferred tax assets	11,000
Short term investments	8,138
Trade and other receivables	169,071
Deposits, bank balances and cash	44,773
Trade and other payables	(258,201)
Bank borrowings	(5,003)
Taxation	(370)
Minority interests	(370,491)
Gain on dilution of equity interest in subsidiary companies	262,255
	54,011
Less: Group share of net assets accounted for as an associated company	(54,011)
	-
Less: Cash and cash equivalents of subsidiary companies diluted net of monies held in trust (Dealers' and remisiers' deposits)	(29,049)
Net cash outflow on dilution of equity interest in subsidiary companies	(29,049)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2004

1. Principal Activities And General Information

The principal activity of the Company is investment holding whilst that of its subsidiary and associated companies are primarily engaged in retailing, hotels, food and confectionery, property, financial services, and travel and tourism. There have been no significant changes in the Group's principal activities during the financial year except for the disposal of the Group's major investment properties as mentioned in Note 38 (c).

The number of employees in the Group as at 31 December 2004 is approximately 10,500 (2003 : 11,000).

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

The registered office of the Company is at 14th Floor, MUI Plaza, Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia.

The Financial Statements are presented in Ringgit Malaysia.

2. Financial Risk Management 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 financial risks. The Board reviews and adopts policies for managing the financial risks and the Group's policy is generally not to engage in speculative transactions.

The main areas of the financial risks faced by the Group and the policy in respect of the major areas of treasury activities are set out as follows:-

(a) Foreign Currency Risk

The Group is exposed to foreign currency risk as a result of its normal operations, both external and intra-Group where the currency denomination differs from the local currency, Ringgit Malaysia (RM). The Group's policy is to minimise the exposure of overseas operating subsidiary companies to transaction risk by matching local currency income against local currency costs.

(b) Interest Rate Risk

The Group's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

(c) Credit Risk

This is the risk that a counter party is unable to pay its debts or meet its obligations. The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Term and call deposits and bank balances are held with financial institutions of good standing.

The management believes that concentration of credit risk is limited due to ongoing credit evaluations on all customers and maintaining an allowance for doubtful debts, which management believes will adequately provide for potential credit risks.

(d) Market Risk

The Group's principal exposure to market risk arises mainly from the changes in equity prices. Equity investments classified as current assets are available for sale and the Group manages disposal of its investments to optimise returns on realisation.



(e) Liquidity And Cash Flow Risks

The Group seeks to achieve a balance between certainty of funding and a flexible, cost-effective borrowing structure. This is to ensure that at the minimum, all projected borrowing needs are covered by committed facilities and also to ensure that the amount of debt maturing in any one year is within the Group's means to repay and refinance.

3. Significant Accounting Policies

(a) Basis Of Preparation

The financial statements of the Company and of the Group have been prepared under the historical cost convention (as modified by the revaluation of land and buildings, investment properties and investments in certain subsidiary companies) unless otherwise indicated in the accounting policies.

The preparation of financial statements in conformity with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The new accounting standard adopted in these financial statements is MASB 32 "Property Development Activities". Adoption of this new accounting standard has not given rise to any material adjustments to the net profit or shareholders' fund or changes in comparatives.

(b) Basis Of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies for the financial year ended 31 December 2004, with the exception of those subsidiary companies referred to in Note 12. Subsidiary companies are those companies in which the Group has a long term equity interest and where it has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiary companies are consolidated using the acquisition method of accounting. Under this method, the results of the subsidiary companies acquired or disposed of during the financial year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the consolidated financial statements. The excess of the cost of acquisition over the fair value of the Group's share of the subsidiary companies' identifiable net assets at the date of acquisition is reflected as goodwill on consolidation. Any negative goodwill arises from consolidation shall be deducted against the goodwill on consolidation. Goodwill on consolidation is stated at cost less impairment losses, if any.

Minority interest is measured at the minorities' share of net results and of net assets of subsidiary companies attributable to interests which are not owned, directly or indirectly through subsidiary companies, by the Company.

All intercompany transactions, balances and unrealised gains or transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered.

3. Significant Accounting Policies (Cont'd)

(c) Associated Companies

Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting. Associated companies are companies in which the Group has a long term equity interest and exercises significant influence over the financial and operating policies of the investee company.

Equity accounting involves recognising in the income statement the Group's share of the results of associated companies for the period. The Group's investments in associated companies are carried in the balance sheet at an amount that includes the Group's share of post-acquisition reserves and retained earnings less losses which reflects the Group's share of the net assets of the associated companies and goodwill on acquisition. The goodwill on acquisition of associated companies is the difference between the cost of acquisition over the fair values of the Group's share of the net assets of the associated companies at the date of acquisition.

The results and reserves of the associated companies are based on the latest available audited or management financial statements.

(d) Joint Ventures

Investments in joint ventures are accounted for in the consolidated financial statements by the equity method of accounting. The joint ventures are jointly controlled entities over which there is contractually agreed sharing of control by the Group with one or more parties.

Equity accounting involves recognising in the income statement the Group's share of the results of joint ventures for the period. The Group's investments in joint ventures are carried in the balance sheet at an amount that reflects its share of the net assets of the joint ventures and includes goodwill or reserves on acquisition.

(e) Ordinary Shares

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly to the issuance of shares are accounted for as a deduction from share premium. Otherwise they are charged to the income statement. Dividends to shareholders are recognised in equity in the period in which they are declared.

(f) Intangible Assets

Intangible assets relate to cost incurred on acquisition of stockbroking licences to enable the stockbroking subsidiary company to fulfil the requisite criteria of a "Universal Broker". Intangible assets are stated at cost less impairment losses, if any.

(g) Trade And Other Receivables

Trade and other receivables are carried at anticipated realisable value. Bad debts are written off when known. Specific allowance is made for those debts considered doubtful. In respect of the stockbroking subsidiary companies, allowance for doubtful debts is made in accordance with the Rules of Bursa Securities.



(h) Investments

Investments in subsidiary companies, associated companies and joint ventures held on a long term basis are stated at cost, except for certain investments in subsidiary companies which are stated at valuation, less impairment losses, if any.

Investments in other long term investments are stated at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments.

Malaysian Government Securities and Bonds are stated at cost adjusted for amortisation of premiums or accretion of discounts to maturity date.

(i) Investment Properties

Investment properties, principally comprising office buildings, are held for long term rental yields.

The Group has not adopted a policy of regular revaluation. However, the Directors periodically assess the carrying value of its investment properties based upon the advice of professional valuers. Where an indication of impairment exists, the carrying value of an investment property is assessed and written down to its recoverable amount.

(j) Property, Plant and Equipment

The gross carrying amounts of property, plant and equipment are initially measured at cost. Land and buildings which have been subsequently revalued, are stated at valuation less accumulated depreciation and impairment losses, if any. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land is not depreciated. Leasehold land is amortised in equal instalments over the period of the lease ranging from 11 to 150 years.

All other property, plant and equipment are depreciated on a straight line basis to write off the costs of the assets over their estimated useful lives at the following annual rates: -

	%
Buildings	0.7 to 2.5
Plant & machinery	4 to 10
Motor vehicles	15 to 30
Furniture, fittings & equipment	5 to 33.3
Renovation	5 to 20

Depreciation on assets under construction commences when the assets are ready for their intended use.

Where an indication of impairment exists, the carrying amount of an asset is assessed and written down immediately to its recoverable amount.

(k) Liabilities

Trade and other payables are stated at costs which is the fair value of the consideration to be paid in the future for goods and services received. Borrowings are interests-bearing and are recorded at the amount of proceeds received, net of transaction costs.

3. Significant Accounting Policies (Cont'd)

(l) Leases And Hire-purchase Commitments

Assets under finance leases and hire-purchase contracts which in substance transfer the risks and benefits of ownership of the assets to the Group have been capitalised under property, plant and equipment and the corresponding liabilities are taken up under lease and hire-purchase creditors. The assets are depreciated on the same basis as that of the Group's other assets. The finance charges are allocated to the income statement so as to give a constant periodic rate of charge on the remaining leases and hire-purchase liabilities.

Leases which do not meet such criteria are classified as operating leases and the related rentals are charged to the income statement as incurred.

(m) General Insurance Underwriting Results

The general insurance underwriting results, other than those arising from inward treaty business, are determined for each class of business after taking into account inter alia reinsurances, commissions, unearned premiums and claims incurred.

Premium is recognised in a financial period in respect of risks assumed during that particular financial period. Inward treaty reinsurance premiums are recognised on the basis of periodic advices received from ceding insurers while facultative reinsurance premiums are recognised on inception date.

Underwriting results relating to reinsurance inward treaty transactions, regardless of the underwriting years to which they pertain, are included in current operations to the extent that such transactions are reported by the brokers and reinsurers in their statements of accounts received by the Group as at the end of the financial year.

The unearned premium reserve ("UPR") represent the portion of net premium of insurance policies written that relate to the unexpired period of the policies at the end of the financial year. UPR is computed on the 25% method for marine business; 1/24th method for all other classes of general Malaysian business; and 1/8th method for all other classes of overseas inward treaty business. The UPR calculation is adjusted for additional UPR as required under the guidelines issued by Bank Negara Malaysia in respect of premium ceded to overseas reinsurers.

A liability for outstanding claims is recognised in respect of both direct insurance and inward reinsurance. The amount of outstanding claims is the best estimate of the expenditure required together with the related expenses less recoveries to settle the present obligation at the balance sheet date.

Provision is also made for the cost of claims, together with related expenses incurred but not reported ("IBNR") at balance sheet date, using a mathematical method of estimation.

The cost of acquiring and renewing insurance policies net of income derived from ceding reinsurance premiums is recognised as incurred and properly allocated to the periods in which it is probable they give rise to income.

(n) Provisions

Provisions, other than provision for outstanding insurance claims, are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.



(o) Employee Benefits

(i) Short term benefits

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

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) Defined contribution plans

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

(p) Income Taxes

Income tax on the profit or loss for the financial 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.

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 principal, 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 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.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and the deferred tax liabilities relate to the same taxation authority.

(q) Short Term Investments

Short term investments are stated at the lower of cost and market value.

(r) Cash And Cash Equivalents

Cash and cash equivalents comprise bank balances and cash, deposits, bank overdrafts and other short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of changes in value.

3. Significant Accounting Policies (Cont'd)

(s) Currency Translation

In the consolidated financial statements, assets and liabilities of overseas subsidiary companies are translated at exchange rates ruling at the balance sheet date. Income statement items are translated at average exchange rates for the financial year. All exchange differences are dealt with through the exchange fluctuation reserve account.

Foreign currency transactions in Group companies are accounted for at exchange rates ruling at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates ruling at the balance sheet date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the income statement.

The principal closing rates used in translation of foreign currency amounts are as follows:-

Foreign Currencies	31.12.2004	31.12.2003
1 US Dollar	RM3.800	RM3.800
1 Singapore Dollar	RM2.322	RM2.232
1 Sterling Pound	RM7.308	RM6.756
1 Australian Dollar	RM2.961	RM2.845
1 Hong Kong Dollar	RM0.489	RM0.490

(t) Revenue Recognition

Revenue from sale of goods and rendering of services is recognised upon delivery of products and customer acceptance, if any, or performance of service, net of sales taxes and discounts.

Revenue from hotels is recognised upon occupancy of rooms and delivery of food and beverages.

Brokerage fees are recognised on accrual basis upon completion of the trading contract.

Interest income is recognised on an accrual basis. For the stockbroking subsidiary companies, where margin accounts and contra losses of share trading accounts are considered non-performing in accordance with the Rules of Bursa Securities, the recognition of interest income is suspended. In this case, interest income is recognised upon receipt until all arrears have been paid.

Revenue from development properties is recognised on percentage of completion method as described in Note 3 (u).

Property rental income is recognised on an accrual basis.

Dividends from subsidiary and associated companies and other investments are included in the income statements of the Company and the Group when the shareholder's right to receive payment is established.

Underwriting commission is recognised on an accrual basis once the underwriting exercise is concluded.

Corporate finance and advisory fees are recognised progressively in accordance with the terms of engagement.

(u) Land Held For Property Development And Property Development Costs

Land held for property development consists 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 accumulated impairment, if any.

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.



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.

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.

(v) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and includes all cost of purchase, costs of conversion and other costs incurred in bringing the inventories to its present location and condition. Net realisable value is the estimated selling price at which the inventories can be realised in the normal course of business after allowing for the costs of realisation.

Completed properties held for resale are stated at the lower of cost and net realisable value. Cost is determined on a specific identification basis and comprises cost of land, construction and appropriate development overheads.

(w) Impairment Of Assets

The carrying amounts of the Group's assets, other than deferred tax assets, inventories and financial assets (other than investments in subsidiaries, associated companies and joint ventures), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount is less than the carrying amount of the asset. The impairment loss is recognised in the income statement immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation surplus account to the extent of the surplus credited from the previous revaluation for the same assets with the excess of the impairment loss charged to the income statement. All reversals of an impairment loss are recognised as income immediately in the income statement except for the reversal of an impairment loss on a revalued assets where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation surplus account of the same asset.

The impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and subsequent external events have occurred that reverse the effect of the specific event. In respect of other assets, an impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount.

An impairment is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3. Significant Accounting Policies (Cont'd)

(x) Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

ICULS are regarded as equity instrument except for those ICULS to be held by wholly-owned subsidiary companies which are to be acquired by the Company for subsequent cancellation in which case the said ICULS are recorded as liability instrument. ICULS are stated at the nominal value net of discount upon issuance. The discount on the ICULS under equity instrument will be debited to retained profits when the ICULS are converted into new ordinary shares of the Company. The ICULS that have been recorded under liability instrument were cancelled subsequent to the balance sheet date.

(y) Capitalisation Of Borrowing Costs

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. Borrowing costs incurred to finance property development activities are accounted for in a similar manner. All other borrowing costs are expensed as and when incurred.

(z) Financial Instruments

Financial instruments carried on the balance sheet include cash and bank balances, investments, receivables, payables and bank borrowings. The particular recognition methods adopted are disclosed in the individual accounting policy associated with each item.

4. Authorisation Of Issue Of Financial Statements

The financial statements are authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 29 April 2005.

5. Revenue

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Revenue of the Group and the Company comprises the following:-				
Revenue from hotel operations	875,041	819,114	-	-
Sales of goods	348,760	348,786	-	-
Gross written insurance premium	110,190	103,535	-	-
Brokerage fees	39,278	27,510	-	-
Income from sales of tickets and travel related services	27,383	25,024	-	-
Income recognised on property development	27,225	28,352	-	-
Interest income	25,326	25,508	1,047	5,227
Corporate advisory fees, underwriting commission & other commissions	3,239	3,429	-	-
Property rental income	3,074	8,132	-	-
Dividend income	3,119	4,470	9,709	14,736
Others *	111	86	-	-
	1,462,746	1,393,946	10,756	19,963

* Comprise mainly revenue from share registration and secretarial services, computer related services and equipment rental.



6. Exceptional Items

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Impairment of assets				
- goodwill	(378,615)	(18,334)	-	-
- investments in associated companies	(84,900)	(8,380)	-	-
- property, plant and equipment	(2,626)	(6,970)	-	-
- development properties	-	(10,157)	-	-
	(466,141)	(43,841)	-	-
Allowance for diminution in value of long term investments	(75,676)	(34,821)	-	-
Allowance for doubtful debts	(103,566)	(122,103)	(126,404)	(115,590)
Bad debts written off	(103)	(1,640)	-	-
Bad debts recovered	-	6,460	-	-
Capital gain arising from the receipt of shares in Bursa Malaysia Berhad	25,000	-	-	-
Gain / (Loss) in foreign exchange				
- unrealised	54,825	94,540	-	-
- realised	106	(257)	-	-
Gain on dilution of interest in subsidiary companies	262,255	-	-	-
Gain on disposal of an associated company	3,727	-	-	-
Gain on disposal of investment property	25,000	-	-	-
Interest waived	-	34,354	-	-
Investments written off	(331)	-	-	-
Provision for corporate guarantee no longer required	1,141	-	-	-
(Loss) / Gain on disposal of properties	(11,233)	5,666	-	-
(Loss) / Gain on disposal of subsidiary companies	(10,214)	(2,582)	3,526	-
Loss on dilution of interest in an associated company	(641)	(9,346)	-	-
Loss on disposal of other investments	-	(34,945)	-	-
Surplus arising from subsidiary company not consolidated	4,305	-	-	-
Surplus on winding up of an associated company	-	61	-	-
Writing down of property development costs to its net realisable value	(3,000)	(3,500)	-	-
	(294,546)	(111,954)	(122,878)	(115,590)

7. Loss Before Taxation

Loss before taxation is stated after charging:-

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration				
- current	2,584	2,434	51	51
- under / (over) provision in prior years	28	(12)	-	1
Allowance for diminution in value of short term investments	6,964	191	-	-
Amortisation of premiums net of accretion of discounts on government securities and bonds	367	-	-	-
Depreciation	79,923	78,459	-	-
Directors' remuneration:-				
Directors of the Company				
- fees	145	197	-	-
- other emoluments	4,191	4,650	257	255
- defined contribution plan	175	119	-	-
Other Directors				
- fees	76	573	-	-
- other emoluments	4,345	3,177	-	-
Interest expense				
- bank overdrafts	13,097	13,817	-	-
- term loans	76,652	71,856	-	-
- other borrowings	145,984	153,088	967	1,513
- subsidiary company	-	-	-	1,800
Plant and equipment written off	112	1,059	-	-
Provision for employee benefits (<i>net</i>)	3,764	1,101	-	-
Rental of buildings	5,773	3,270	-	-
Rental of equipment	2,830	1,734	-	-
Staff costs				
- Defined contribution plan	9,034	7,347	-	-
- Salary, wages and other costs	351,780	350,842	-	-



	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
and after crediting:-				
Accretion of discounts net of amortisation of premiums on government securities and bonds	-	210	-	-
Gross dividends				
Subsidiary companies				
- quoted in Malaysia	-	-	9,669	4,028
- unquoted	-	-	40	10,708
Other investments				
- quoted in Malaysia	1,090	714	-	-
- quoted overseas	3,265	4,523	-	-
- unquoted	45	45	-	-
Interest income				
- subsidiary companies	-	-	1,034	5,226
- government securities	1,817	1,749	-	-
- others	60,361	60,012	13	1
Gain on disposal of long term investments	185	-	-	-
Gain on disposal of short term investments	3,967	1,738	-	-
Gain on disposal of plant and equipment	199	44	-	-
Property rental income	4,216	6,369	-	-
Writeback of diminution in value of short term investments	-	5,122	-	-
Writeback of doubtful debts	-	4,935	-	-

The estimated monetary value of benefits-in-kind received by the Directors of the Company, otherwise than in cash from the Group and the Company, amounted to RM38,000 and RM3,000 (2003 : RM67,000 and RM3,000) respectively.

The number of Directors of the Company whose remuneration during the financial year fell within the following bands is analysed as below:-

	<i>Number of Directors</i>	
	<i>2004</i>	<i>2003</i>
Executive		
RM2,350,001 to RM2,400,000	1	-
RM2,900,000 to RM2,950,000	-	1
Non-executive		
Below RM50,000	3	2
RM50,001 to RM100,000	-	1
RM300,001 to RM350,000	1	-
RM500,001 to RM550,000	-	1
RM1,400,001 to RM1,450,000	-	1
RM1,750,001 to RM1,800,000	1	-

8. Taxation

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Current taxation				
- Malaysia	9,220	23,428	2,047	1,157
- Foreign	2,177	2,726	-	-
Recoverable effect of tax credit in respect of dividends received from subsidiary companies	(5,594)	(3,991)	-	-
Deferred taxation (Note 32)	(33,768)	(14,821)	-	-
	(27,965)	7,342	2,047	1,157
Group's share of taxation of associated companies	4,698	2,465	-	-
Group's share of taxation of joint venture	587	(2,764)	-	-
	(22,680)	7,043	2,047	1,157
Under / (Over) provision in respect of prior years	932	1,499	(49)	(1,303)
	(21,748)	8,542	1,998	(146)

A reconciliation between the average effective tax rate and the applicable tax rate to the loss before taxation of the Group and the Company is as follows:-

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
Tax at applicable tax rate on loss before taxation	(28.00)	(28.00)	(28.00)	(28.00)
Tax effects of:				
Different tax rates	2.60	3.28	-	-
Changes in tax rates on opening deferred tax assets	-	(0.09)	-	-
Tax exempt income	(3.19)	(1.68)	(0.59)	-
Utilisation of current year's tax losses, capital allowances and reinvestment allowances	(1.58)	(0.14)	-	-
Movement in deferred tax assets not recognised during the financial year	17.13	(17.73)	-	-
Non-allowable expenses	44.84	72.51	31.23	32.80
Losses not available to set-off	0.77	6.96	-	-
Income not subject to tax	(38.43)	(30.72)	(0.86)	(3.65)
	(5.86)	4.39	1.78	1.15
Under / (Over) provision in respect of prior years	0.24	0.94	(0.04)	(1.30)
	(5.62)	5.33	1.74	(0.15)

9. Loss Per Share

Loss per share of the Group is calculated by dividing the net loss for the financial year of RM405,474,000 (2003: RM174,043,000) by the number of ordinary shares in issue during the financial year of 1,940,531,778 (2003 : 1,940,531,778).



10. Property, Plant And Equipment

Group

Cost or valuation	Freehold Land		Long Term Leasehold Land		Short Term Leasehold Land		Buildings		Plant & Machinery		Motor Vehicles		Furniture Fittings & Equipment		Construction Work-In Progress		Renovation		Total	
	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	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January	840,268	21,756	1,203	1,905,969	57,763	15,922	788,366	8,034	21,476	3,660,757	3,487,775	241,415	341,297	-	-	-	-	-	-	-
Exchange difference	58,493	(16)	14	126,276	51	117	56,455	25	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	(2,225)	-	-	2,225	-	-	-	-	-	-	-	-	-	-	-	-	-
	898,761	21,740	1,217	2,032,245	55,589	16,039	847,046	8,059	21,476	3,902,172	3,829,072	241,415	341,297	-	-	-	-	-	-	-
Additions	10,448	-	-	16,052	1,474	307	24,990	-	103	53,374	33,138	-	-	-	-	-	-	-	-	-
Disposals	(68,755)	(917)	-	(145,730)	(11,170)	(1,791)	(54,640)	(7,348)	-	(290,351)	(187,220)	-	-	-	-	-	-	-	-	-
Written off	-	-	-	(58)	(7)	(7)	(1,226)	-	-	(1,291)	(6,196)	-	-	-	-	-	-	-	-	-
Transfer from development properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subsidiary companies not consolidated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
upon dilution into associated companies	(2,410)	(1,580)	-	(9,896)	-	(3,441)	(19,938)	-	-	(5,666)	(42,931)	-	-	-	-	-	-	-	-	-
Subsidiary companies under winding up not consolidated	-	-	-	-	-	-	(184)	-	-	(69)	(253)	-	-	-	-	-	-	-	-	-
Disposal of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,764)
At 31 December	838,044	19,243	1,217	1,892,671	45,835	11,107	796,048	711	15,844	3,620,720	3,660,757	241,415	341,297	-	-	-	-	-	-	-
Accumulated Depreciation																				
At 1 January	-	1,393	162	172,777	43,838	14,686	402,022	-	15,557	650,435	570,789	-	-	-	-	-	-	-	-	-
Exchange difference	-	(8)	7	8,838	(25)	68	29,376	-	-	38,256	52,299	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	(2,305)	-	2,305	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	1,385	169	181,615	41,508	14,754	433,703	-	15,557	688,691	623,088	-	-	-	-	-	-	-	-	-
Charge for the financial year	-	242	15	8,521	2,377	530	65,640	-	2,598	79,923	78,459	-	-	-	-	-	-	-	-	-
Disposals	-	(121)	-	(8,360)	(7,537)	(1,787)	(38,711)	-	(56,516)	(38,622)	(38,622)	-	-	-	-	-	-	-	-	-
Written off	-	-	-	-	-	(7)	(1,172)	-	-	(1,179)	(5,137)	-	-	-	-	-	-	-	-	-
Subsidiary companies not consolidated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
upon dilution into associated companies	(46)	-	-	(5,734)	-	(3,375)	(15,556)	-	(3,918)	(28,629)	-	-	-	-	-	-	-	-	-	-
Subsidiary companies under winding up not consolidated	-	-	-	-	-	-	(184)	-	(69)	(253)	-	-	-	-	-	-	-	-	-	-
Disposal of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,353)
At 31 December	-	1,460	184	176,042	36,348	10,115	443,720	-	14,168	682,037	650,435	-	-	-	-	-	-	-	-	-
Accumulated Impairment																				
At 1 January	7,242	-	-	16,091	3,630	-	1,370	-	-	28,333	19,832	-	-	-	-	-	-	-	-	-
Addition	-	-	-	2,626	-	-	-	-	-	2,626	8,501	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(3,630)	-	(1,370)	-	-	(5,000)	-	-	-	-	-	-	-	-	-	-
At 31 December	7,242	-	-	18,717	-	-	-	-	-	25,959	28,333	-	-	-	-	-	-	-	-	-
Net Book Value																				
At 31 December 2004	830,802	17,783	1,033	1,697,912	9,487	992	352,328	711	1,676	2,912,724	-	-	-	-	-	-	-	-	-	-
At 31 December 2003	833,026	20,363	1,041	1,717,101	10,295	1,236	384,974	8,034	5,919	-	2,981,989	-	-	-	-	-	-	-	-	-

10. Property, Plant And Equipment (Cont'd)

(a) Property, plant and equipment stated at valuation are as follows:-

	<i>Group</i>	
	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>
<i>Freehold land and buildings</i>		
Valuation in 1982	150	150
Valuation in 1983	91,413	91,413
Valuation in 1986	16,960	16,960
	108,523	108,523

The valuations for 1982 and 1983 were based on valuations by independent professional valuers whilst that for 1986 was based on valuation by the Directors then. All valuations were on the basis of open market. The valuations have not been updated as the Group has not adopted a policy of regular revaluation. The said assets are stated at their valuation less accumulated depreciation. The carrying amounts of the said assets that would have carried at cost less accumulated depreciation cannot be determined from available records.

- (b) The impairment of the property, plant and equipment of the Group is recognised during the financial year to reflect its recoverable amount which is based on the estimated market value.
- (c) Certain land and buildings, furniture, fittings and equipment, and plant and machinery of the subsidiary companies with net book value totalling RM2,522,849,000 (2003: RM2,596,893,000) are pledged to financial institutions for banking facilities granted to these subsidiary companies.
- (d) Plant and equipment of the Group with net book value totalling RM1,551,000 (2003: RM193,000) have been acquired under hire-purchase and lease arrangements.

11. Investment Properties

	<i>Group</i>	
	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>
At Directors' valuation (1983)		
Freehold land	-	56,004
Building	-	84,996
	-	141,000

The valuation in 1983 was on the basis of open market.

The Group has not adopted a policy of regular revaluation. However, the Directors periodically assess the carrying value of the Group's investment properties based upon the advice of professional valuers. The investment properties are stated at valuation less impairment losses, if any.

During the financial year, the investment properties were disposed of for a cash consideration of RM166,000,000. The details of the disposal are disclosed in the Note 38 (c).



12. Subsidiary Companies

	<i>Company</i>	
	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>
Investments in subsidiary companies		
Quoted shares		
At cost	500,098	500,098
At Directors' valuation (1983)	46,396	56,529
	546,494	556,627
Unquoted shares		
At cost	696,064	692,374
At Directors' valuation:-		
-1983	38,718	38,718
-1987	6,900	6,900
	741,682	737,992
Total investments	1,288,176	1,294,619
Less: Impairment	(177,761)	(177,761)
	1,110,415	1,116,858
Market value of quoted shares	138,890	181,729

- (a) Certain investments in subsidiary companies are carried at revalued amounts based on valuations made by Directors in 1983 and 1987. The valuation of the quoted investments in subsidiary companies were based on the market values of the shares in the relevant subsidiary companies at that point in time, whereas the valuations of the unquoted investments in subsidiary companies were based on the adjusted net tangible assets of the relevant subsidiary companies. The valuations have not been updated as the Company has not adopted a policy of regular revaluation. As IAS 25 "Accounting For Investments" became operative in Malaysia for financial statements covering period beginning on or after 1 January 1993, the investments in subsidiary companies are stated at its previous valuations less impairment losses, if any.
- (b) The impairment of certain investments in subsidiary companies is recognised to reflect their recoverable amounts which are based on the adjusted net assets of each subsidiary company.
- (c) The consolidated financial statements do not deal with the following subsidiary companies:-

Asia Entertainment Network Sdn Bhd
Cocoa Specialities (Malaysia) Sdn Bhd
Fibercorp (Sarawak) Sdn Bhd
Grand Union Insurance Company Limited
Office Business Systems (Malacca) Sdn Bhd
Office Business Systems (Penang) Sdn Bhd
Office Business Systems Sdn Bhd
Pengkalen Building Materials Sdn Bhd
Pengkalen Electronics Industries Sdn Bhd
Pengkalen Engineering & Construction Sdn Bhd

12. Subsidiary Companies (Cont'd)

(c) The consolidated financial statements do not deal with the following subsidiary companies:- (Cont'd)

Pengkalen Heights Sdn Bhd
Pengkalen Pasar Borong Sdn Bhd
Pengkalen Raya Sdn Bhd
Sensor Equipment Sdn Bhd
Technitone (M) Sdn Bhd

These companies are subsidiary companies of Pan Malaysia Holdings Berhad ("PM Holdings") and were placed under winding-up or receivership prior to 2003.

(d) The consolidated financial statements of the Group do not deal with the following subsidiary companies from the date its control in these subsidiary companies ceased:-

2004

(i) Pengkalen (UK) Plc ("PUK") and its subsidiary companies

As part of the continuing rationalisation efforts to divest or wind-up unprofitable businesses, PUK, a subsidiary company of PM Holdings, was placed under creditors' voluntary winding-up on 26 August 2004. Accordingly, for accounting purpose, the consolidated financial statements of the Group did not include PUK and its subsidiary companies with effect from the date when PUK was placed under winding-up. PUK was an investment holding company and its subsidiary companies are listed on page 117.

The effects of the non-consolidation of PUK and its subsidiary companies on the financial results of the Group are as follows:-

	Group	
	2004	2003*
	Up to the date of non-consolidation	
	RM'000	RM'000
Revenue	-	418
Operating costs	(88)	(1,574)
Other operating income	1,321	17,309
Surplus arising from subsidiary companies not consolidated	4,305	-
Profit before taxation	5,538	16,153
Taxation	2	1,110
Decrease in Group net loss	5,540	17,263



The effects of the non-consolidation of PUK and its subsidiary companies on the financial position of the Group are as follows:-

	Group	
	2004	2003*
	At the date of non-consolidation	
	RM'000	RM'000
Assets and liabilities not consolidated		
Investments	12	38
Current assets	358	301
Trade and other payables	(8,467)	(81,339)
Minority interests	3,792	3,792
	<hr/>	<hr/>
Decrease in Group net liabilities	(4,305)	(77,208)

The effects of the non-consolidation of PUK and its subsidiary companies on the cash flows of the Group are disclosed in Note (c) to the cash flow statements.

* *These are the comparative financial results/position for the financial year ended/as at 31 December 2003 in respect of the above subsidiary companies not consolidated.*

2003

(i) Marcel's Patisserie (S) Pte Ltd ("MP(S)") and MUI Internet (Singapore) Pte Ltd ("MI(S)")

MP(S) and MI(S) were wholly-owned subsidiary companies of Network Foods International Ltd and were de-registered on 5 May 2003 from the Registrar of Companies and Business of Singapore following the applications by the said companies for de-registration as MP(S) and MI(S) had been dormant since 1987 and 1981 respectively. There were no financial effects arising on the de-registration.

(e) Disposals of subsidiary companies

In 2003, the Group disposed of Lotus Chocolate Company Limited ("Lotus").

The effects of the disposal of Lotus on the financial results of the Group for the financial year ended 31 December 2003 were as follows:-

	2003
	Up to the date of disposal
	RM'000
Revenue	3,734
Operating costs	(4,420)
	<hr/>
Loss from operations	(686)
Loss on disposal of subsidiary company	(2,582)
Finance cost	(320)
	<hr/>
Loss before taxation	(3,588)
Taxation	-
	<hr/>
Increase in Group net loss	(3,588)

12. Subsidiary Companies (Cont'd)

The effects of the disposal of Lotus on the financial position of the Group as at 31 December 2003 were as follows:-

	<i>2003</i> <i>At the date of disposal</i> <i>RM'000</i>
Assets and liabilities disposed	
Property, plant and equipment	5,411
Inventories	1,091
Trade and other receivables	1,912
Bank balances and cash	34
Tax recoverable	56
Trade and other payables	(2,031)
Bank borrowings	(3,644)
Net assets disposed	<u>2,829</u>

The effects of the disposal of Lotus on the cash flow of the Group at the date of disposal are disclosed in Note (d) to the cash flow statements.

(f) Dilution of interests in subsidiary companies

During the financial year, Pan Malaysia Corporation Berhad ("PMC") issued in total 100,510,000 new ordinary shares pursuant to the Private Placements as detailed in Note 38(d) and (e). The Group's shareholding in PMC was diluted from 56.84% to 50.04%.

On 29 December 2004, the 562,221,711 Irredeemable Convertible Preference Shares ("ICPS") in Pan Malaysia Capital Berhad ("PM Capital") were automatically converted into 562,221,711 new ordinary shares of RM1.00 each in the capital of PM Capital pursuant to the terms of the ICPS. The total issued and paid-up shares capital of PM Capital increased to RM815,308,845 comprising of 815,308,845 ordinary shares of RM1.00 each. Arising from the said conversion of the ICPS, PM Holdings's equity interest in PM Capital was diluted from 73.89% to 34.84%.

The effects of the dilution of equity interests in the above subsidiary companies on the financial results of the Group are as follows:-

	Group	
	2004	2003*
	Up to the date	
	of dilution	
	RM'000	RM'000
Revenue	34,633	11,715
Operating costs	(47,561)	(26,697)
Other operating income	33,605	5,167
Gain on dilution of interest in subsidiary companies	262,255	-
Profit before taxation	282,932	(9,815)
Taxation	(1,780)	(305)
Profit after taxation	281,152	(10,120)
Minority interests	-	-
Decrease / (Increase) in Group net loss	281,152	(10,120)



The effects of the dilution in equity interests in the above subsidiary companies on the financial position of the Group are as follows:-

	Group	
	2004	2003*
	At the date of dilution	
	RM'000	RM'000
Effects of dilution on assets and liabilities		
Property, plant and equipment	14,302	16,231
Intangible assets	144,037	144,037
Goodwill on consolidation	7,809	7,809
Investments	26,691	9,113
Deferred tax assets	11,000	11,000
Short term investments	8,138	10,043
Trade and other receivables	169,071	173,127
Deposits, bank balances and cash	-	49,389
Trade and other payables	(258,201)	(275,413)
Bank borrowings	(5,003)	(3,003)
Taxation	(370)	(427)
Minority interests	(370,491)	(465,162)
Share of net assets now accounted for as an associated company	(54,011)	-
	(307,028)	(323,256)

The effects of the dilution of equity interest in the above subsidiary companies on the cash flows of the Group are disclosed in Note (e) to the cash flow statements.

* These are the comparative financial results/position for the financial year ended/as at 31 December 2003 in respect of the dilution in equity interests in the above subsidiary companies.

(g) The subsidiary companies consolidated are listed on pages 109 to 119.

13. Associated Companies

	Group	
	2004	2003
	RM'000	RM'000
Investments in associated companies:-		
Quoted shares, at cost		
Malaysian	875,367	821,356
Overseas	336,279	336,278
	1,211,646	1,157,634
Unquoted shares, at cost	111,114	123,771
	1,322,760	1,281,405
Group's share of post-acquisition reserves and retained profits less losses	(317,525)	(342,184)
	1,005,235	939,221
Less : Impairment of investments	(315,273)	(230,373)
	689,962	708,848

13. Associated Companies (Cont'd)

	<i>Group</i>	
	<i>2004</i> <i>RM'000</i>	<i>2003</i> <i>RM'000</i>
Market value of quoted shares		
Malaysian	319,595	320,707
Overseas	244,185	186,960
	563,780	507,667
<hr/>		
(a) The Group's interests in associated companies comprises:-		
Group share of net assets	443,168	460,685
Goodwill on acquisition	246,794	248,163
	689,962	708,848
<hr/>		
(b) Certain quoted shares in an overseas associated company held by an overseas subsidiary company were pledged to overseas financial institutions for credit facilities of HK\$801.2 million (RM391.7 million) (which are included in the credit facilities as mentioned in Note 26) granted to another overseas subsidiary company.		
(c) The impairment of certain investments in associated companies is recognised during the financial year to reflect their recoverable amounts based on the market prices of the shares or net assets of the associated companies.		
(d) The associated companies are listed on pages 110 to 117.		

14. Joint Venture

	<i>Group</i>	
	<i>2004</i> <i>RM'000</i>	<i>2003</i> <i>RM'000</i>
Investment in joint venture		
Unquoted shares, at cost	2,377	2,197
Group's share of post-acquisition reserves and retained profits less losses	(649)	16,179
	1,728	18,376
<hr/>		
(a) The Group's share of the assets, liabilities and capital commitments of the joint venture are as follows:		
Property, plant and equipment	129,498	121,322
Current assets	11,004	2,947
Current liabilities	(88,585)	(10,624)
Non-current liabilities	(50,189)	(95,269)
	1,728	18,376
Net assets	1,728	18,376
<hr/>		
Capital commitments	-	-
<hr/>		



	Group	
	2004	2003
	RM'000	RM'000
(b) The Group's share of the revenue and expenses of the joint venture are as follows:-		
Revenue	49,239	41,456
Expenses	(46,798)	(36,892)
Profit before taxation	2,441	4,564
Taxation	(587)	2,764
Profit after taxation	1,854	7,328

(c) The joint venture is listed on page 119.

15. Investments

	Group	
	2004	2003
	RM'000	RM'000
Quoted shares		
Malaysian, at cost	90,476	93,612
Overseas, at cost	256,826	256,095
	347,302	349,707
Less : Allowance for diminution in value	(182,750)	(129,117)
	164,552	220,590
Unquoted shares, at cost	400,127	484,142
Less : Allowance for diminution in value	(175,184)	(250,379)
	224,943	233,763
Net amount	389,495	454,353
Market value of quoted shares		
Malaysian	18,901	36,663
Overseas	117,990	127,368
	136,891	164,031

Certain overseas quoted investments held by overseas subsidiary companies are pledged to overseas financial institutions for credit facilities of HK\$801.2 million (RM391.7 million) (which are included in the credit facilities as mentioned in Note 26) granted to another overseas subsidiary company.

16. Land Held For Property Development And Property Development Costs

	<i>Group</i>	
	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>
(a) Land held for property development		
Freehold land, at cost		
At 1 January	65,273	64,879
Addition	33	394
Disposal	(29,157)	-
At 31 December	36,149	65,273
Accumulated Impairment		
At 1 January	10,157	-
Addition	-	10,157
Disposal	(10,157)	-
At 31 December	-	10,157
Net amount	36,149	55,116
(b) Property development costs		
At 1 January		
Freehold Land, at cost	41,714	41,166
Development costs	200,389	187,892
Exchange differences	2	-
	242,105	229,058
Costs incurred during the financial year		
Development costs	17,079	21,271
	17,079	21,271
Costs recognised in income statement		
At 1 January	(122,556)	(101,419)
Addition	(19,553)	(21,137)
At 31 December	(142,109)	(122,556)
Writing down to net realisable value	(3,000)	(3,500)
Transfers at 31 December:-		
To Property, Plant and Equipment	-	(4,727)
To Inventories	(24,667)	(14,480)
	(24,667)	(19,207)
Property Development Costs at 31 December	89,408	105,066
Included in property development costs incurred during the financial year is:-		
Interest expense	14,004	16,088



17. Goodwill On Consolidation

	<i>Group</i>	
	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>
Positive goodwill, at cost	1,129,162	1,090,571
Less: Impairment	(897,506)	(518,891)
	231,656	571,680
Negative goodwill, at cost	(110,983)	(111,426)
	120,673	460,254

The impairment of goodwill in certain subsidiary companies is recognised to reflect their recoverable amounts being the higher of their value in use and the net realisable value.

18. Inventories

Inventories are stated at cost and comprise the following:-

	<i>Group</i>	
	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>
Food, beverages and hotel supplies	5,901	7,467
Sundry stores and consumables	1,486	1,295
Raw materials	4,974	4,057
Finished goods	45,474	40,901
Completed development property units	24,667	14,480
Work-in-progress	1,094	433
	83,596	68,633

19. Trade And Other Receivables

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Trade receivables	636,331	567,980	-	-
Less: Allowance for doubtful debts net of bad debts written off of RM221,000 (2003: RM2,000) for the Group	(248,051)	(130,010)	-	-
	388,280	437,970	-	-
Other receivables	92,651	148,926	2,062	61
Less: Allowance for doubtful debts	(3,189)	(50,728)	-	-
	89,462	98,198	2,062	61
Amounts owing by associated companies	114,534	25,099	-	-
Less: Allowance for doubtful debts	(26)	(1,120)	-	-
	114,508	23,979	-	-
Amounts owing by subsidiary companies	-	-	3,015,026	1,395,872
Less: Allowance for doubtful debts	-	-	(795,294)	(668,890)
	-	-	2,219,732	726,982
Sundry deposits & prepayments	28,568	40,048	-	17,000
Amounts owing by joint venture	-	54,969	-	-
	620,818	655,164	2,221,794	744,043

19. Trade And Other Receivables (Cont'd)

- (a) The foreign currency exposure profile of trade receivables is as follows:-

	<i>Group</i>	
	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>
Sterling Pound	69,866	40,673
Australian Dollar	26,084	25,939
US Dollar	7,251	5,367
Hong Kong Dollar	2,877	3,108
Singapore Dollar	2,334	803
Brunei Dollar	-	40
	108,412	75,930

- (b) The amounts owing by associated companies represent balances arising from advances, which are unsecured, bear interest at 6.75% to 6.8% (2003 : 6.8%) per annum and are repayable on demand.
- (c) The amounts owing by subsidiary companies, which represent balances arising from advances and payments made on behalf by the Company, are unsecured, have no fixed terms of repayment and are interest-free except for amounts totalling RM20,310,000 (2003 : RM136,118,000) which bear interest at 3.2% to 5% per annum (2003 : 2% to 8% per annum).

It is not practical to estimate the fair value of the amounts owing by subsidiary companies principally due to the lack of fixed repayment terms entered into by the parties involved and without involving excessive costs. However, the Company does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received.

- (d) The amount owing by joint venture as at 31 December 2003, which represented balances arising from advances by overseas subsidiary companies, were secured, and bore interest at 3.5% per annum above LIBOR.
- (e) Normal trade credit terms ranges from 7 days to 130 days. Other credit terms are assessed and approved on a case-by-case basis.

Concentration of credit risk with respect to trade receivables are limited due to the Group's large number of customers, who are internationally dispersed.

20. Amounts Owning By Brokers And Clients

The amounts owing by brokers and clients as at 31 December 2003 were stated net of allowance for doubtful debts amounting to RM441,413,000 after netting of bad debts written off amounting to RM80,000. The settlement term for the amount owing to brokers and clients was transaction date plus three market days.



21. Government Securities And Bonds

	Group	
	2004	2003
	RM'000	RM'000
At Cost		
Malaysian Government Securities - quoted	18,477	18,456
Cagamas Bonds - quoted	-	3,040
Corporate Bonds - unquoted	7,022	7,022
	25,499	28,518
Accretion of discounts / (Amortisation of premiums)		
Malaysian Government Securities	(1,004)	(546)
Cagamas Bonds	-	(34)
Corporate Bonds	94	103
	(910)	(477)
	24,589	28,041
Market value of quoted securities and bonds		
Malaysian Government Securities	17,927	17,910
Cagamas Bonds	-	3,005
	17,927	20,915

	Effective annual interest rate %	Amount RM'000	Maturity		
			1 year RM'000	1 to 5 years RM'000	After 5 years RM'000
2004					
Debt securities held to maturity:-					
Malaysian Government Securities	5.78	17,473	3,127	14,346	-
Corporate Bonds	6.94	7,116	1,000	1,016	5,100
2003					
Debt securities held to maturity:-					
Malaysian Government Securities	6.26	17,910	2,621	15,289	-
Cagamas Bonds	6.00	3,006	3,006	-	-
Corporate Bonds	6.94	7,125	-	2,025	5,100

22. Short Term Investments

	Group	
	2004	2003
	RM'000	RM'000
Quoted shares, at cost less allowance for diminution in value of RM5,441,006 (2003 : RM12,317,671)	26,715	34,167
Market value of quoted shares	26,798	34,167

23. Deposits, Bank Balances And Cash

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Term deposits with:-				
- Licensed banks	340,818	373,006	220	223
- Licensed finance companies	433,781	505,439	-	-
- Other corporations	250	250	-	-
Call deposits	220	3,013	-	-
Bank balances and cash	82,537	28,870	30	41
	857,606	910,578	250	264

- (a) The foreign currency exposure profile of deposits, bank balances and cash is as follows:-

Sterling Pound	346,979	381,523	9	-
Singapore Dollar	16,620	31,033	-	-
Australian Dollar	29,086	30,508	-	-
Hong Kong Dollar	2,487	629	200	201
US Dollar	493	173	22	22
Canadian Dollar	42	80	-	-
	395,707	443,946	231	223

- (b) The weighted effective average interest rates of deposits, bank balances and cash during the financial year are as follows:-

	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
Term and call deposits with licensed banks	2.38	2.83	0.19	0.21
Term and call deposits with licensed finance companies	4.11	3.68	-	-
Term and call deposits with other corporations	2.70	2.70	-	-
Bank balances & cash	0.44	0.49	-	-

The average maturity for deposits ranges from 1 day to 30 days.

- (c) Included in deposits, bank balances and cash of the Group are the following:-

- (i) Amounts totalling RM7,117,000 (2003: RM4,866,000) held under the Housing Development Accounts which are interest bearing pursuant to Section 7A of the Housing Developers Act, 1966.
- (ii) Amounts totalling Nil (2003 : RM36,024,000) maintained as trust monies in accordance with the requirement of Bursa Securities and the Security Industry Act, 1983.
- (iii) Amounts totalling RM302,053,000 (2003 : RM390,905,000) of certain overseas subsidiary companies are placed as sinking funds.



24. Trade And Other Payables

	<i>Group</i>		<i>Company</i>	
	<i>2004</i> <i>RM'000</i>	<i>2003</i> <i>RM'000</i>	<i>2004</i> <i>RM'000</i>	<i>2003</i> <i>RM'000</i>
Trade payables	92,411	226,543	-	-
Other payables	66,046	76,200	108	104
Accrued administrative & other expenses	50,869	70,760	-	-
Dealers' and remisiers' commission & deposits	-	12,438	-	-
Tenant deposits	429	4,010	-	-
Amounts owing to associated companies	9,732	31,002	-	-
	219,487	420,953	108	104

- (a) The amounts owing to associated companies represent balances arising from advances received by overseas subsidiary companies and are unsecured, have no fixed terms of repayment and interest-free.

It is not practical to estimate the fair value of the amounts owing to associated companies principally due to the lack of fixed repayment terms entered into by the parties involved and without involving 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 settled.

- (b) The foreign currency exposure profile of trade payables is as follows:-

	<i>Group</i>	
	<i>2004</i> <i>RM'000</i>	<i>2003</i> <i>RM'000</i>
Sterling Pound	29,229	41,904
Australian Dollar	22,471	18,597
Hong Kong Dollar	1,266	1,875
US Dollar	1,199	1,070
Singapore Dollar	88	413
New Zealand Dollar	644	240
Euro Dollar	274	58
Others	11	10
	55,182	64,167

- (c) The normal trade credit term ranges from 14 to 90 days.

25. Provisions

	<i>Group</i>	
	<i>2004</i> <i>RM'000</i>	<i>2003</i> <i>RM'000</i>
Provision for outstanding insurance claims		
At 1 January	39,161	37,224
Net claims incurred	30,878	29,085
Less: Net claims paid	(30,085)	(27,148)
Net outstanding claims	39,954	39,161
Provision for corporate guarantees		
At 1 January	5,184	5,184
Settlement	(4,043)	-
Writeback of provision no longer required (refer Note 6)	(1,141)	-
Net outstanding claims	-	5,184
Employee benefits (refer Note 31)	4,389	2,602
	44,343	46,947

26. Borrowings

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Current				
Bank overdrafts				
- secured	6,558	-	-	-
- unsecured	131,842	200,484	-	-
Bills payable				
- secured	14,352	6,884	-	-
- unsecured	2,924	4,168	-	-
Bank revolving credits				
- secured	64,799	50,000	-	-
- unsecured	898,850	907,976	20,000	20,000
Current portion of term loans	50,152	96,978	-	-
Hire-purchase and lease liabilities	593	109	-	-
	1,170,070	1,266,599	20,000	20,000
			<i>Group</i>	
			<i>2004</i>	<i>2003</i>
			<i>RM'000</i>	<i>RM'000</i>
Non-Current				
Term loans				
- secured			1,356,678	1,117,994
- unsecured			23,960	193,581
Debenture and loan notes			840,420	1,168,788
Hire-purchase and lease liabilities			963	83
Current portion of term loans			(50,152)	(96,978)
			2,171,869	2,383,468
(a) The maturities of non-current term loans, debenture and loan notes are as follows:-				
Between 1 year to 5 years			2,059,442	2,173,527
More than 5 years			111,463	209,858
			2,170,905	2,383,385
(b) Details of hire-purchase and finance lease liabilities are as follows:-				
Hire-purchase and minimum lease payments				
Within 1 year			620	132
Between 1 year to 5 years			978	110
			1,598	242
Future finance charges			(42)	(50)
Present value of hire-purchase and finance lease liabilities			1,556	192
Portion payable:-				
Within 1 year (current)			593	109
Between 1 year to 5 years (non-current)			963	83
			1,556	192



(c) The foreign currency exposure profile of borrowings is as follows:-

	Group	
	2004	2003
	RM'000	RM'000
Sterling Pound	1,755,359	1,897,024
Hong Kong Dollar	390,727	396,199
Australian Dollar	46,881	43,764
Singapore Dollar	1,526	257
Others	409	-
	2,194,902	2,337,244

(d) The weighted effective annual interest rates of borrowings during the financial year are as follows:-

	Group		Company	
	2004	2003	2004	2003
	%	%	%	%
Bank overdrafts	7.4	7.1	-	-
Bills payable	6.3	6.5	-	-
Bank revolving credits	4.7	4.8	4.7	4.6
Term loans	5.0	5.2	-	-
Debenture & loan notes	9.5	8.8	-	-
Hire-purchase and lease liabilities	5.6	7.2	-	-

(e) The interest risk exposure of the above borrowings (excluding hire-purchase and lease liabilities) is as follows:-

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Fixed rate borrowings	909,380	1,296,441	-	-
Floating rate borrowings	2,431,002	2,353,626	20,000	20,000
	3,340,382	3,650,067	20,000	20,000

(f) Bills payable, bank overdrafts and bank revolving credits bear interests at between 0.5% to 3.4% per annum (2003: 0.5% to 2.5% per annum) above base lending rates/cost of funds of the lending institutions.

(g) The banking facilities of certain subsidiary companies are secured by the following:-

(i) fixed charges over certain landed properties, fixed deposits, marketable securities and plant and machinery of the subsidiary companies.

(ii) floating charges over all the other assets of these subsidiary companies.

(h) Term loans in respect of certain subsidiary companies amounting to RM87,324,000 (2003 : RM120,577,000) bear interests at between 6.7% to 8.0% per annum (2003: 6.7% to 9.0% per annum). The other term loans bear interests at between 1.25% to 3.5% per annum (2003 : 1.25% to 2.5% per annum) above the base lending rates/cost of funds of the lending institutions.

(i) The debenture is secured by fixed and floating charges over the assets of certain overseas subsidiary companies and bears interest at 9% (2003: 9%) per annum. The debenture is repayable at par in June 2006 if not already previously redeemed. The loan notes, which were secured by fixed and floating charges over the assets of certain overseas subsidiary companies and bore interest at 8.5% per annum, were redeemed during the financial year.

27. Share Capital

	<i>Group/Company</i>	
	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>
Authorised		
3,000,000,000 ordinary shares of RM1 each	3,000,000	3,000,000
Issued & fully paid		
1,940,531,778 ordinary shares of RM1 each	1,940,532	1,940,532

28. Reserves

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Non-Distributable				
Share premium	220,305	220,305	220,305	220,305
Revaluation reserve	18,268	18,268	26,264	26,264
Exchange fluctuation reserve	232,886	120,579	-	-
Capital reserve	1,792	73,673	-	-
Distributable				
General reserve	25,257	25,257	-	-
Accumulated losses	(1,753,267)	(1,350,796)	(514,275)	(397,282)
	(1,254,759)	(892,714)	(267,706)	(150,713)

- (a) The capital reserve comprises mainly the Group's portion of the share premium arising from special issues to approved Bumiputera investors by subsidiary companies in previous years.

The general reserve comprises mainly gains from disposal of property, plant and equipment by subsidiary companies in previous years.

- (b) Accumulated losses are absorbed by:-

	<i>Group</i>	
	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>
The Company	(514,275)	(397,282)
Subsidiary companies	(947,819)	(644,347)
Associated companies	(291,173)	(309,167)
	(1,753,267)	(1,350,796)

- (c) As at 31 December 2004, the Company has tax credit under Section 108 of the Income Tax Act, 1967 and tax exempt accounts of approximately RM16.5 million and RM49.2 million respectively, subject to agreement by the Inland Revenue Board.



29. Irredeemable Convertible Unsecured Loan Stocks (“ICULS”)

	<i>Group</i>	
	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>
<i>Equity Instrument</i>		
At nominal value		
Class A1, 8-year ICULS (“Class A1 ICULS”)	665,768	–
Class A2, 8-year ICULS (“Class A2 ICULS”)	665,768	–
	<hr/>	
Total	1,331,536	–
Less: Discount portion of ICULS	(226,361)	–
	<hr/>	
Net value of ICULS	1,105,175	–
	<hr/>	
<i>Liability Instrument</i>		
At nominal value		
Class A1 ICULS	311,927	–
Class A2 ICULS	311,927	–
	<hr/>	
Total	623,854	–
Less: Discount portion of ICULS	(106,055)	–
	<hr/>	
Net value of ICULS	517,799	–
	<hr/>	

The details of the issuance of the ICULS are disclosed in Note 38 (a).

The portion of the ICULS classified as equity instrument is classified in accordance with the provision of MASB 24 "Financial Instruments: Disclosure and Presentation" where the instrument includes no contractual obligation to deliver cash or another financial asset to another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer.

The portion of the ICULS classified as liability instrument are those ICULS to be held by wholly-owned subsidiary companies which will be acquired by the Company for subsequent cancellation as detailed in Note 38 (a).

The salient features of the ICULS are as follows:-

- (i) The ICULS are non-interest bearing for their entire tenures;
- (ii) The ICULS which were issued on 30 December 2004 (“Issue Date”) shall mature on the day immediately preceding the eighth (8th) anniversary of their Issue Date. The maturity date shall be 28 December 2012. (“Maturity Date”)
- (iii) The holders of the Class A1 ICULS may exercise their rights to convert their Class A1 ICULS into New MUIB Shares during the period of six (6) months from the expiry of the fifth (5th) year from the Issue Date (“First Conversion Period”). Any Class A1 ICULS not converted then shall be convertible into New MUIB Shares during the period being the last six (6) months of the eighth (8th) year from Issue Date (“Second Conversion Period”);
- (iv) The holders of Class A2 ICULS may exercise their rights to convert their ICULS into New MUIB Shares at any time during the Second Conversion Period;
- (v) The ICULS shall be convertible into New MUIB Shares on the basis of RM1.00 nominal value of ICULS for one (1) new fully paid-up ordinary share in MUIB;

29. Irredeemable Convertible Unsecured Loan Stocks (“ICULS”) (Cont’d)

- (vi) All outstanding ICULS on Maturity Date shall be automatically and mandatorily converted into New MUIB Shares;
- (vii) The Company shall issue additional ICULS designated as Class A3, 2¹/₂-year ICULS at nominal value upfront in year 6 as compensation in place of interest in cash for the 3-year period from years 6 to 8 on the outstanding unconverted Class A1 ICULS and Class A2 ICULS as at the end of the First Conversion Period. The amount of Class A3, 2¹/₂-year ICULS to be issued is calculated by reference to an implied interest rate of 5% per annum for the 3 year period for years 6 to 8, discounted to net present value by applying a discount rate of 7% per annum. The Board shall also retain the sole discretion to pay interest in cash for years 6 to 8 instead of the compensation as referred to above on the remaining unconverted Class A1 ICULS and Class A2 ICULS. If the Board so decides to pay interest in cash, then such interest shall be paid annually in arrears from years 6 to 8; and
- (viii) The New MUIB Shares to be allotted and issued upon conversion of the ICULS shall rank pari passu in all respects with existing MUIB Shares except that they will not rank for any dividends or other distributions declared or to be declared in respect of the financial period prior to the date of conversion into New MUIB Shares or any interim dividend or distribution, the declaration date of which is on or before the conversion date.

30. Redeemable Convertible Bond

The principal terms of the redeemable convertible bond (“Bond”) were as follows:-

- (a) convertible up to 1,000,000 ordinary shares of RM1 each in Pan Malaysia Capital Berhad (“PM Capital”) within a five (5) year period to 28 December 2004 or redeemable for cash at maturity on 29 December 2004; and
- (b) no coupon rate is attached to and no interest is payable on the Bond.

On 29 December 2004, the Bond has been redeemed for cash at the issue price.

31. Employee Benefits

	<i>Group</i>	
	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>
At 1 January		
- as previously stated	5,464	2,157
- prior year adjustments (<i>refer Note 39</i>)	-	2,730
- as restated	5,464	4,887
Exchange adjustments	57	295
Provision for the financial year	3,764	1,101
Paid during the financial year	(911)	(683)
Disposal of subsidiary companies	-	(136)
At 31 December	8,374	5,464
Less : Current portion included in provision (<i>refer Note 25</i>)	(4,389)	(2,602)
	3,985	2,862



32. Deferred Taxation

	Group	
	2004	2003
	RM'000	RM'000
At 1 January		
- as previously stated	164,149	166,564
- prior year adjustments (<i>refer Note 39</i>)	-	(3,829)
- as restated	164,149	162,735
Exchange adjustments	11,984	16,986
Subsidiary companies not consolidated upon dilution into associated companies	11,000	-
Transfer to tax provision account	(1,382)	(322)
Transfer to income statement (<i>refer Note 8</i>)	(33,768)	(14,821)
Transfer to revaluation reserve	-	(429)
At 31 December	151,983	164,149
(a) The amounts, determined after appropriate offsetting, are as follows:		
Deferred tax liabilities	160,698	179,605
Deferred tax assets	(8,715)	(15,456)
	151,983	164,149
(b) The component of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:		
Deferred Tax Liabilities		
Property, plant and equipment		
- Capital allowance in excess of depreciation	165,994	170,284
- Revaluation, net of related depreciation	61,481	59,199
	227,475	229,483
Deferred Tax Assets		
Unutilised tax losses and capital allowances	(53,063)	(42,811)
Advance corporate taxation	(19,739)	(18,248)
Provisions	(1,978)	(2,730)
Others	(712)	(1,546)
	(75,492)	(65,335)

32. Deferred Taxation (Cont'd)

	<i>Group</i>	
	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>
(c) The Group has not recognised the following deferred tax assets in the financial statements:-		
Unutilised tax losses	202,616	254,920
Unutilised capital allowances	98,564	6,411
Deductible temporary differences	1,011	1,364
	302,191	262,695

The deferred tax assets are not recognised in the balance sheets as the Group is uncertain of the extent that is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

33. Amount Owing To Subsidiary Company

The amount owing to subsidiary company represented advance from a subsidiary company which was unsecured, bore interest at 6.0% per annum. The amount was settled during the financial year.

34. Segment Information Of The Group

Segment information is presented in respect of the Group's business and geographical segments. The primary reporting segment information is in respect of business segments while the secondary information is reported geographically.

(i) Business Segments

The Group's operations comprise the following segments:

- Retailing - Design, manufacture, sourcing, distribution & sale of garments, accessories & home furnishings
- Hotels - Holding of hotel properties and hotel operations
- Food & confectionery - Manufacturing, marketing & distribution of confectionery and other food products
- Property - Property development and investment
- Financial services - Stockbroking and general insurance
- Travel & Tourism - Travel agent & provision of travel-related services
- Investment holding - Investment activities

The inter-segment transactions were entered in the normal course of business and at terms mutually agreed between the parties.



34. Segment Information Of The Group (Cont'd)

(i) Business Segment (Cont'd)

2004

	Retailing RM'000	Hotels RM'000	Foods & Confectionery RM'000	Financial Services RM'000	Property RM'000	Travel & Investment Tourism RM'000	Travel & Investment Holding RM'000	Total RM'000	Elimination RM'000	Group RM'000
REVENUE										
External revenue	528,550	924,436	345,005	178,031	37,420	47,163	269,927	2,330,532	-	2,330,532
Inter-segment revenue	-	106	10	1,196	2,213	601	309	4,435	(4,435)	-
Total revenue	528,550	924,542	345,015	179,227	39,633	47,764	270,236	2,334,967		2,330,532
Less: Group's share of associated companies' revenue										(818,547)
Less: Group's share of joint venture's revenue										(49,239)
										1,462,746
RESULTS										
Segment results (external)	-	71,010	795	6,668	306	269	(10,098)	68,950		68,950
Interest income	-	18,716	636	5,546	1,360	13	10,290	36,561		36,561
Profit from operations before exceptional items	-	89,726	1,431	12,214	1,666	282	192	105,511		105,511
Exceptional items (refer note 6)	-	(17,010)	42	24,440	33,583	-	(335,601)	(294,546)		(294,546)
Profit/(Loss) from operations after exceptional items	-	72,716	1,473	36,654	35,249	282	(335,409)	(189,035)		(189,035)
Finance cost	-	(130,382)	(1,795)	(5,163)	(4,414)	(44)	(93,935)	(235,733)		(235,733)
Share of results of associated companies	7,693	(113)	-	275	(145)	(686)	28,180	35,204		35,204
Share of results of joint venture	-	2,441	-	-	-	-	-	2,441		2,441
Profit/(Loss) before taxation	7,693	(55,358)	(322)	31,766	30,690	(448)	(401,164)	(387,123)		(387,123)
Income tax										21,748
Loss after taxation before minority interests										(365,375)
Minority interests										(40,099)
Net loss for the financial year										(405,474)
OTHER INFORMATION										
Segment assets	-	3,143,746	257,252	472,856	188,074	3,468	1,096,377	5,161,773		5,161,773
Investments in associated companies	226,644	95	-	55,483	670	52,524	354,546	689,962		689,962
Joint venture	-	1,728	-	-	-	-	-	1,728		1,728
Unallocated corporate assets	-	-	-	-	-	-	-	-		35,619
Consolidated total assets										5,889,082
Segment liabilities	-	1,610,771	79,255	60,172	21,244	1,906	1,836,406	3,609,754		3,609,754
Unallocated corporate liabilities										183,574
Consolidated corporate liabilities										3,793,328
Capital expenditure	-	38,146	12,479	2,635	35	10	69	53,374		53,374
Depreciation	-	69,880	3,132	4,432	557	63	1,859	79,923		79,923
Non-cash expenses other than depreciation	-	2,642	114	10,101	3,060	-	646,210	662,127		662,127

34. Segment Information Of The Group (Cont'd)

(i) Business Segment (Cont'd)

2003

	Retailing RM'000	Hotels RM'000	Foods & Confectionery RM'000	Financial Services RM'000	Property RM'000	Travel & Investment Tourism RM'000	Investment Holding RM'000	Total RM'000	Elimination RM'000	Group RM'000
REVENUE										
External revenue	642,529	862,321	346,645	162,149	40,583	42,914	262,886	2,360,027		2,360,027
Inter-segment revenue	-	724	41	1,375	3,078	600	1,041	6,859	(6,859)	-
Total revenue	642,529	863,045	346,686	163,524	43,661	43,514	263,927	2,366,886		2,360,027
Less: Group's share of associated companies' revenue										(924,625)
Less: Group's share of joint ventures' revenue										(41,456)
										1,393,946
RESULTS										
Segment results (external)	-	90,017	(661)	2,545	23,306	(87)	1,623	116,743		116,743
Interest income	-	17,697	441	5,122	340	5	12,620	36,225		36,225
Profit/(Loss) from operations before exceptional items	-	107,714	(220)	7,667	23,646	(82)	14,243	152,968		152,968
Exceptional items (refer note 6)	-	2,491	(3,233)	6,436	(18,662)	-	(98,985)	(111,953)		(111,953)
Profit/(Loss) from operations after exceptional items	-	110,205	(3,453)	14,103	4,984	(82)	(84,742)	41,015		41,015
Finance cost	-	(131,551)	(2,411)	(4,105)	(8,145)	(49)	(92,499)	(238,760)		(238,760)
Share of results of associated companies	6,761	208	-	57	(271)	(264)	26,296	32,787		32,787
Share of results of joint ventures	-	4,564	-	-	-	-	-	4,564		4,564
Profit/(Loss) before taxation	6,761	(16,574)	(5,864)	10,055	(3,432)	(395)	(150,945)	(160,394)		(160,394)
Income tax										(8,542)
Loss after taxation before minority interests										(168,936)
Minority interests										(5,107)
Net loss for the financial year										(174,043)
OTHER INFORMATION										
Segment assets	-	3,236,673	173,088	906,194	690,718	4,351	1,214,729	6,225,753		6,225,753
Investments in associated companies	221,642	208	-	1,197	815	68,599	416,386	708,847		708,847
Joint venture	-	18,376	-	-	-	-	-	18,376		18,376
Unallocated corporate assets	-	-	-	-	-	-	-	39,160		39,160
Consolidated total assets								6,992,136		6,992,136
Segment liabilities	-	1,833,283	66,874	690,242	168,014	3,217	1,360,199	4,121,829		4,121,829
Unallocated corporate liabilities								203,788		203,788
Consolidated corporate liabilities								4,325,617		4,325,617
Capital expenditure	-	30,038	1,536	1,105	50	271	138	33,138		33,138
Depreciation	-	66,337	4,209	4,023	1,081	60	2,749	78,459		78,459
Non-cash expenses other than depreciation	-	2,247	3,756	2,714	13,754	-	230,967	253,438		253,438



34. Segment Information of the Group (Cont'd)

(ii) Geographical segments

	<i>Revenue</i>		<i>Assets Employed</i>		<i>Capital Expenditure</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Malaysia	521,334	464,203	1,927,733	2,581,485	2,961	1,834
Asia-Pacific	123,486	122,924	502,472	794,867	12,283	1,005
Australia	296,371	286,502	218,561	214,052	598	1,086
North America	13,340	60,420	209,861	133,981	1	–
United Kingdom	1,376,001	1,425,978	3,030,455	3,267,751	37,531	29,213
	2,330,532	2,360,027	5,889,082	6,992,136	53,374	33,138
Less: Group's share of associated companies' revenue	(818,547)	(924,625)	–	–	–	–
Less: Group's share of joint ventures' revenue	(49,239)	(41,456)	–	–	–	–
	1,462,746	1,393,946	5,889,082	6,992,136	53,374	33,138

35. Financial Instruments

(a) Recognised financial instruments

Fair values

The carrying amounts of financial assets and financial liabilities of the Group and the Company as at balance sheet date approximate their fair values except as set out below.

	<i>Group</i>	
	<i>Carrying amount</i>	<i>Fair value</i>
	<i>RM'000</i>	<i>RM'000</i>
2004		
Unquoted investments	224,943	*
2003		
Unquoted investments	233,763	*

* A reasonable estimate of fair value could not be made without incurring excessive costs. However, the Group believes that the carrying amount represents the recoverable value. Such investments are stated at cost less diminution in value, if any.

The fair values of the financial assets and liabilities maturing within 12 months approximate their values due to the relatively short term maturity of these financial instruments.

The fair values of quoted investments are estimated based on its recoverable amount by reference to its adjusted net assets.

The fair values of the borrowings of the Group are estimated based on the quoted market prices for the similar issues or on the current rates offered to the Group for loans of the same remaining maturities and are not significantly different from the carrying amounts recorded at the balance sheet date.

The fair value of equity component of ICULS is determined by deducting the fair value of the liability component from the nominal amount of the ICULS and is included in shareholders' equity.

35. Financial Instruments (Cont'd)

(b) Off balance sheet financial instruments

In accordance with the scheme of arrangement by Pan Malaysia Holdings Berhad ("PM Holdings"), the indebtedness to the class of creditors referred to as the secured creditors and unsecured guarantee creditors were settled by issuance of new ordinary shares of RM1 each in PM Holdings ("New Shares") at par on a Ringgit-to-Ringgit basis.

Also, in accordance with the scheme, the Company and Loyal Design Sdn Bhd ("LDSB"), a wholly-owned subsidiary company, have on 27 December 1999 entered into put option agreements with the said creditors whereby the Company and LDSB granted put options to buy these New Shares at a maximum of RM1 per share. These New Shares were issued on 29 December 1999. The details of the put options are as follows:-

Put Options Granted By	No. Of New Shares Under The Put Options	Exercise Period
The Company	23,500,000	Commencing thirty-six (36) months from the date of issuance of the New Shares and ending on the day falling fourteen (14) trading days thereafter (inclusive of the commencement date and the day it ends), unless otherwise extended by the Company.
LDSB	32,961,431	Commencing thirty-six (36) months from the date of issuance of the New Shares and ending on the day falling on the second anniversary thereafter (inclusive of the commencement date and the day it ends).

The Company and LDSB are in the process of finalising new arrangements on the put option matters with the said creditors. In the event that the put options are exercised, a potential loss would arise from the impairment of the carrying value of the additional investment in PM Holdings of approximately RM17.7 million based on its net realisable value as at 31 December 2004.

36. Capital And Other Commitments

(a) At 31 December 2004, the Group has commitments in respect of capital expenditure contracted but not provided for amounting to RM0.4 million (2003 : RM32.8 million) and capital expenditure authorised but not contracted for amounting to RM4.7 million (2003 : RM10.3 million).

(b) Operating Lease Commitments

	<i>Group</i>	
	<i>2004</i> <i>RM'000</i>	<i>2003</i> <i>RM'000</i>
Non cancellable operating lease commitments not provided for in the financial statements:		
Within 1 year	2,757	1,509
Between 1 year to 5 years	3,929	2,512
More than 5 years	13,676	12,749
	20,362	16,770



37. Contingent Liabilities - Unsecured

Group

- (a) A suit was filed on 17 May 1996, in the High Court of Kuala Lumpur by LDSB against PM Holdings and all its former directors for breach of directors' duties in conducting the affairs of PM Holdings during the period involved with the takeover offer by the Company for PM Holdings. The suit also seeks to declare, inter alia, that various options granted by PM Holdings under the PM Holdings' Executive Share Option Scheme are void. The case has now been fixed for further case management on 28 July 2005. The Group's solicitors are of the opinion, based on the documents available, that LDSB's chance of success on the claim is good.
- (b) London Vista Hotel Limited ("LVH"), a subsidiary company, has an Inland Revenue ("IR") enquiry in the United Kingdom ("UK") which is unresolved. The enquiry relates to interest payments by LVH and the IR has suggested tax up to £2.1 million (RM14.6 million) is due in respect of previous years. This has not been accepted by LVH. It is likely to be some time before this matter is resolved. The eventual outcome is uncertain. As advised by tax adviser, the Directors are of the opinion that they have valid grounds to defend the claim made by IR and accordingly, no additional provision for tax liability is provided in the financial statements.

Company

At 31 December 2004, the Company has guaranteed bank credit facilities of subsidiary companies for a total of RM656.0 million (2003 : RM808.1 million). The guarantees are unsecured.

38. Significant Corporate Developments

The significant corporate developments of the Group during and subsequent to the financial year ended 31 December 2004 are as follows:-

- (a) On 16 January 2004, the Company entered into two settlement agreements with MUI Properties Berhad ("MPB") and Pan Malaysia Corporation Berhad ("PMC") respectively whereby the Company proposed to settle the inter-company amounts owing to MPB Group and PMC Group amounting to approximately RM556.4 million and RM1,066.5 million respectively as at 31 December 2003 by the issuance of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") on the basis of RM1.00 nominal value of Class A1 and Class A2, 8-year ICULS for every RM0.83 of inter-company amounts owing. ("Settlement")

The details of the Settlement are contained in the Company's Circular to Shareholders dated 15 September 2004. The Settlement was approved by Securities Commission ("SC") on 24 March 2004, the shareholders of the Company on 30 September 2004, and the shareholders of MPB and PMC respectively on 28 October 2004.

On 30 December 2004, pursuant to the Settlement, the Company issued a total of RM1,955.4 million nominal value of Class A1 and Class A2, 8-year ICULS to Resona Resources Berhad ("RRB"), a subsidiary company of MPB, and Syahdu Pinta Berhad ("SPB"), a subsidiary company of PMC, for the settlement of the inter-company amounts owing.

On 31 January 2005, MPB and PMC announced the winding-ups of RRB and SPB respectively by way of members' voluntary winding-up. The members' voluntary winding ups of RRB and SPB constituted part of the process under the arrangement of the Settlement to distribute the ICULS to the shareholders of RRB and SPB at no cost to them. The shareholders of RRB and SPB comprised substantially entitled shareholders of MPB and PMC. The ICULS were distributed on 28 February 2005.

MUIB and its wholly-owned subsidiaries, being shareholders of both RRB and SPB, received in aggregate up to RM1,068,066,410 nominal value of Class A1 and Class A2, 8-year ICULS. Upon receipt of the said ICULS, MUIB cancelled the ICULS.

The balance of RM887,324,060 nominal value of Class A1 and Class A2, 8-year ICULS were listed on Bursa Securities on 8 March 2005.

38. Significant Corporate Developments (Cont'd)

(b) In 1997, MPB implemented a special issue of 78,977,000 new ordinary shares of RM0.50 each at an issue price of RM1.00 per share to Bumiputera investors approved by the MITI. A total of 71,899,934 shares were applied for and issued to the approved Bumiputera investors. The issuance of the balance 7,077,066 shares is still pending completion in view of the prevailing market conditions. On 21 July 2004, SC had vide its letter approved a further extension of time to 31 December 2004 to fully complete the special issue. As the prevailing market conditions has remained the same, MPB decided not to seek further extension.

(c) On 25 March 2004, MUI Plaza Sdn Bhd ("MPSB"), a wholly-owned subsidiary of MPB, entered into a sale and purchase agreement with Menara Hap Seng Sdn Bhd (formerly known as Euro-Asia Agrochemicals Sdn Bhd) (the "Purchaser") for the disposal of two pieces of freehold land held under Lot Nos. 593 and 594 of Section 57, Town and District of Kuala Lumpur, Wilayah Persekutuan together with a building erected thereon and known as MUI Plaza for a cash consideration of RM166.0 million.

On the same date, Ming Fung Sendirian Berhad ("Ming Fung") and Shun Fung Sendirian Berhad ("Shun Fung"), both wholly-owned subsidiary companies of MPSB, entered into a sale and purchase agreement with Ski Star Sdn Bhd (formerly known as Oriental Horticulture (Malaysia) Sdn Bhd) (the "Purchaser") for the disposal of two pieces of freehold vacant land held under the Geran No. 26089 No. 1246 and Geran No. 1031 Lot No. 546 both situated at Section 57, Town and District of Kuala Lumpur, Wilayah Persekutuan for a cash consideration of RM24.0 million.

The disposals were completed on 23 June 2004 in accordance with the terms and conditions contained in the sale and purchase agreements.

(d) On 21 October 2003, PMC proposed to undertake a private placement of up to 73,950,000 new ordinary shares of RM0.50 each in PMC representing 10% of the then existing issued and paid-up share capital of PMC ("Private Placement"). The Private Placement was to raise additional working capital for PMC. The Private Placement was approved by SC on 16 February 2004. All the placement shares were issued at placement price of RM0.50 per share and the Private Placement was fully completed on 11 June 2004.

(e) On 1 July 2004, PMC proposed to undertake a private placement of up to 81,345,000 new ordinary shares of RM0.50 each in PMC representing 10% of the existing issued and paid-up share capital of PMC ("New Private Placement"). The New Private Placement is to raise additional working capital for PMC and its subsidiaries. The SC, vide its letter dated 28 July 2004, approved the New Private Placement. During the period from 5 October 2004 to 15 October 2004, PMC issued placement shares comprising 26,560,000 new ordinary shares of RM0.50 each at placement price of RM0.50 per ordinary share pursuant to the New Private Placement. PMC has written to seek SC's approval for an extension of time to 28 January 2006 to fully place out the remaining placement shares and the said approval is pending.

(f) As part of continuing rationalisation exercise to divest and wind-up non-core businesses and focus on financial services activities, Pan Malaysia Holdings Berhad ("PM Holdings") had placed Pengkalen (UK) Plc, a subsidiary company, under creditors' voluntary winding-up on 26 August 2004.

(g) On 20 December 2004, Novimax (M) Sdn Bhd, a wholly-owned subsidiary, entered into a share sale agreement for the disposal of 29,506,932 ordinary shares representing 29.5% of issued and paid-up share capital of MUI Continental Insurance Berhad ("MCI") for an aggregate consideration of RM55.3 million. The disposal was completed on 31 December 2004 and the Group's shareholdings in MCI reduced from 81.71% to 52.21%.



- (h) On 29 December 2004, 562,221,711 Irredeemable Convertible Preference Shares ("ICPS") in Pan Malaysia Capital Berhad ("PM Capital") were automatically converted into 562,221,711 new ordinary shares of RM1.00 each in the capital of PM Capital pursuant to the term of the ICPS. The total issued and paid-up shares capital of PM Capital increased to RM815,308,845 comprising 815,308,845 ordinary shares of RM1.00 each. Arising from the said conversion of the ICPS, Pan Malaysia Holdings Berhad's ("PM Holdings") equity interest in PM Capital was diluted from 73.89% to 34.84%. As such, PM Capital ceased to be a subsidiary and became an associated company of PM Holdings.
- (i) On 7 January 2005, Lembaran Megah Sdn Bhd ("LMSB"), a wholly-owned subsidiary of PMC, disposed of its entire shareholding of 82,303,000 ordinary shares of RM1.00 each representing 21.8% of the issued and paid-up share capital of Chemical Company of Malaysia Berhad ("CCM") as at 31 December 2004 for a total gross consideration of RM193.4 million. With the disposal, CCM ceases to be an associated company of the Group.

39. Prior Year Adjustments

During the financial year ended 31 December 2003, the Group adopted MASB 25 "Income Taxes" and MASB 29 "Employee Benefits", which became effective from 1 January 2003 and accordingly, the said accounting policies had been modified as described in Note 3(o) and (p). The changes in accounting policies had been applied retrospectively and the comparatives had been restated.

40. Significant Related Party Transactions

The significant related party transactions undertaken by the Group during the financial year and the respective balances outstanding as at the financial year end are as follows:-

	<i>Transactions</i>		<i>Balance Outstanding</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Insurance premium income from:-				
- Pan Malaysian Industries Berhad ("PMI")	1	163	-	-
- Metrojaya Berhad ("MJ") and its subsidiary companies	93	343	-	-
Travel related revenue from:-				
- Laura Ashley Holdings plc	486	388	-	-
- Morning Star Travel Services Ltd	3,136	3,058	-	-
- MJ and its subsidiary companies	177	155	-	-
- Morning Star Resources Limited	15	-	-	-
Office rental income from:-				
- PMI	48	104	-	-
- MJ	616	1,287	-	-
Corporate advisory services fee income from:-				
- PMI	17	175	-	-
- MJ	-	25	-	-
Provision of asset management services to MJ	18	-	-	-
Share registration fee income from MJ	7	13	7	13
Interest income from Regent Corporation	656	654	-	654

40. Significant Related Party Transactions (Cont'd)

	Transactions		Balance Outstanding	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Hotel management fees charged by:-				
Vista Hotel Management Sdn Bhd	-	589	-	-
Vista International Hotels Pty Ltd	1,093	750	970	564
Advance to Regent Corporation	-	11,755	-	11,755
Advance from Firstway International Investment Limited	-	3,916	-	3,916

The relationship between the Group and the related parties are as follows:-

Related parties

Relationship with the Group

Pan Malaysian Industries Berhad ("PMI")
Metrojaya Berhad ("MJ")

} PMI is a major shareholder of the Company.
MJ is a subsidiary company of PMI.

Laura Ashley Holdings plc
Regent Corporation
Morning Star Travel Services Ltd
Morning Star Resources Limited
Vista Hotel Management Sdn Bhd
Vista International Hotels Pty Ltd
Firstway International Investment Limited

} These companies are associated companies of the Group.

The related party transactions are in the normal course of business and at terms mutually agreed between the parties.



STATEMENT BY DIRECTORS

We, Yong Ming Sang and Khet Kok Yin, being two of the Directors of Malayan United Industries Berhad, state that in the opinion of the Directors, the financial statements set out on pages 56 to 106 are drawn up in accordance with the applicable approved accounting standards in Malaysia so as to give a true and fair view of:-

- (i) the state of affairs of the Company and of the Group as at 31 December 2004; and
- (ii) the results and cash flows of the Company and of the Group for the financial year ended 31 December 2004.

Signed on behalf of the Board in accordance
with a resolution by the Directors

Yong Ming Sang

Khet Kok Yin

Kuala Lumpur
29 April 2005

STATUTORY DECLARATION

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

I, Lai Chee Leong, the person primarily responsible for the financial management of Malayan United Industries Berhad, do solemnly and sincerely declare that the financial statements set out on pages 56 to 106 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Lai Chee Leong at Kuala Lumpur in the Federal Territory on 29 April 2005.

Lai Chee Leong

Before me

Robert Lim Hock Kee
Commissioner for Oaths

REPORT OF THE AUDITORS

To the Members of Malayan United Industries Berhad

We have audited the financial statements set out on pages 56 to 106.

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 towards any other person for the content of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:-

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

We have considered the financial statements and the auditors' reports of the subsidiary companies of which we have not acted as auditors as indicated on pages 109 to 119 being financial statements that have been included in the consolidated financial statements.

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

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

BDO Binder

AF: 0206

Chartered Accountants

Tan Kim Leong, JP

235/06/05 (J/PH)

Partner

Kuala Lumpur

29 April 2005



SUBSIDIARY AND ASSOCIATED COMPANIES OF MALAYAN UNITED INDUSTRIES BERHAD

At 31 December 2004

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2004</i>	<i>2003</i>		
	<i>%</i>	<i>%</i>		
1. Acquiline Sdn Bhd	100	100	Investment holding	Malaysia
2. Alameda Enterprises Limited	100	100	Investment holding	British Virgin Islands
3. Ample Line Sdn Bhd	100	100	Investment holding	Malaysia
4. Ascada Sdn Bhd	100	100	Investment holding	Malaysia
5. Carulli Holdings Sdn Bhd	100	100	Investment holding	Malaysia
6. Continental Capitals Sdn Bhd	100	100	Investment holding	Malaysia
7. Creative Vest (M) Sdn Bhd	100	100	Investment holding	Malaysia
+ 8. CSB-Canada Trading Ltd	100	100	Investment holding	Canada
+ 9. Davson Limited	100	100	Investment holding	Hong Kong
10. Farrago Sdn Bhd	100	100	Investment holding	Malaysia
11. Fuchsia Enterprises Limited	100	100	Investment holding	British Virgin Islands
12. Grand Oak Sdn Bhd	100	100	Investment holding	Malaysia
13. Honoraire Sdn Bhd	100	100	Inactive	Malaysia
14. Libertyray (M) Sdn Bhd	100	100	Investment holding	Malaysia
* 15. London Vista Hotel Limited	100	100	Investment holding	United Kingdom
16. Loyal Design Sdn Bhd	100	100	Investment holding	Malaysia
17. Malayan United Management Sdn Bhd	100	100	Management services	Malaysia
18. Malayan United Nominees (Asing) Sdn Bhd	100	100	Dormant	Malaysia
19. Malayan United Nominees (Tempatan) Sdn Bhd	100	100	Inactive	Malaysia
20. Malayan United Security Services Sdn Bhd	100	100	Security services	Malaysia
21. Malayan United Trading Sdn Bhd	100	100	Investment holding	Malaysia
22. Marco Polo Trading Sdn Bhd	100	100	Investment holding	Malaysia
23. Mayang Unggul Sdn Bhd	100	100	Investment holding	Malaysia
24. Megah Nominees (Tempatan) Sdn Bhd	100	100	Inactive	Malaysia
25. Merchant Network Sdn Bhd	100	100	Investment holding	Malaysia
26. Ming Court Beach Hotel (P.D.) Sdn Bhd	100	100	Hotel ownership	Malaysia
27. Ming Court Hotel (KL) Sdn Bhd	100	100	Hotel operations	Malaysia
28. Ming Court Inn (Penang) Sdn Bhd	100	100	Inactive	Malaysia
+ 29. Ming Court Hotels International Limited	100	100	Dormant	Hong Kong
30. Ming Court Hotels International Sdn Bhd	100	100	Inactive	Malaysia
+ 31. MUI Asia Limited	100	100	Investment holding	Hong Kong
32. MUI Capital Sdn Bhd	100	100	Moneylending	Malaysia
+ 33. MUI China Limited	100	100	Investment holding	Hong Kong
* 34. MUI Continental Insurance Berhad	52.21	81.71	General insurance	Malaysia
35. MUI dotCom Sdn Bhd	100	100	Information technology	Malaysia
+ 36. MUI Enterprises Limited	100	100	Investment holding	Hong Kong
37. MUI Enterprises Sdn Bhd	100	100	Investment holding	Malaysia
+ 38. MUI Resources Limited	100	100	Investment holding	Hong Kong
+ 39. MUI Media Limited	100	100	Dormant	United Kingdom
40. MUI Media Ltd	100	100	Investment holding	British Virgin Islands

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2004</i>	<i>2003</i>		
	<i>%</i>	<i>%</i>		
+ 41. MUI Philippines, Inc	100	100	Investment holding	Philippines
* 42. MUI Properties Berhad	66.34	70.75	Investment holding	Malaysia
43. MUI Property Management Sdn Bhd	100	100	Dormant	Malaysia
44. MUI Security Services Sdn Bhd	100	100	Dormant	Malaysia
45. MUI Sdn Bhd	100	100	Investment holding	Malaysia
+ 46. MUI Singapore Pte Ltd	100	100	Dormant	Singapore
+ 47. MUI (UK) Limited	100	100	Investment holding	United Kingdom
48. Natloyal (M) Sdn Bhd	100	100	Property investment	Malaysia
49. Novimax (M) Sdn Bhd	100	100	Investment holding	Malaysia
50. Oriental Omega Sdn Bhd	100	100	Investment holding	Malaysia
* 51. Pan Malaysia Corporation Berhad	51.01	56.84	Investment holding	Malaysia
52. Pan Malaysia Holdings Berhad	65.40	63.52	Investment, property holding & management company	Malaysia
53. Prizewood Sdn Bhd	100	100	Investment holding	Malaysia
54. Pure Capital Sdn Bhd	100	100	Investment holding	Malaysia
55. Regal Classic Sdn Bhd	100	100	Investment holding	Malaysia
56. Sergap Makmur Sdn Bhd	100	100	Investment holding	Malaysia
57. Southern Challenger (M) Sdn Bhd	100	100	Investment holding & trading	Malaysia
58. Tarrega Holdings Sdn Bhd	100	100	Investment holding	Malaysia
59. United Continental Properties Sdn Berhad	52.21	81.71	Property investment	Malaysia
60. United Review (M) Sdn Bhd	100	100	Investment holding	Malaysia
61. Universal Growth Limited	100	100	Investment holding	British Virgin Islands
62. Vista Hotels Sdn Bhd	100	100	Investment holding	Malaysia
<i>Associated Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2004</i>	<i>2003</i>		
	<i>%</i>	<i>%</i>		
1. Asia Pacific Media Corporation	50	50	Inactive	U.S.A.
2. Asian Capital Equities, Inc	20	20	Inactive	Philippines
3. Farrago Holdings, Inc	40	40	Investment holding	Philippines
4. Firstway International Investment Limited	25	25	Investment holding	Hong Kong
5. Laura Ashley Holdings plc	34.31	34.31	Design, manufacture, sourcing, distribution & sale of garments, accessories & home furnishings	United Kingdom
6. Mansara International Limited	35	35	Investment holding	British Virgin Islands
7. Porchlight Entertainment, Inc	-	50	Development & production of animation entertainment	U.S.A.
8. Regent Corporation	49	49	Investment holding	U.S.A.
9. Zhaodaola Limited	26.25	26.25	Inactive	Bermuda



Subsidiary Companies of Regent Corporation

(The list comprises major subsidiary companies only)

At 31 December 2004

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2004</i>	<i>2003</i>		
	<i>%</i>	<i>%</i>		
1. Laura Ashley (North America), Inc	69.01	69.01	Licensing and sub-licensing trademarks and copyright designs	U.S.A.
2. Regent Carolina Corporation	100	100	Resort operation & property investment	U.S.A.
3. Regent Park Corporation	100	100	Golf course operation & property investment	U.S.A.

SUBSIDIARY COMPANIES OF MUI PROPERTIES BERHAD

At 31 December 2004

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2004</i>	<i>2003</i>		
	<i>%</i>	<i>%</i>		
* 1. AIGM Sdn Bhd	100	100	Inactive	Malaysia
* 2. Appreplex (M) Sdn Bhd	100	100	Investment holding	Malaysia
* 3. Bahtera Muhibbah Sdn Bhd	100	100	Investment holding	Malaysia
* 4. Bashan Sdn Bhd	100	100	Inactive	Malaysia
* 5. Cesuco Trading Limited	100	100	Investment holding	Hong Kong
* 6. C.S. Investments Private Limited	100	100	Inactive	Singapore
* 7. CSB Sdn Bhd	100	100	Investment holding	Malaysia
* 8. CSB Holdings Sdn Bhd	100	100	Investment holding	Malaysia
* 9. Delray Sdn Bhd	100	100	Property investment	Malaysia
* 10. Dirnavy Pty Limited	100	100	Hotel operations	Australia
* 11. Dondang Sayang Holdings Sdn Bhd	100	100	Investment holding	Malaysia
* 12. Elegantplex (M) Sdn Bhd	100	100	Investment holding	Malaysia
* 13. Green Nominees (Tempatan) Sdn Bhd	100	100	Inactive	Malaysia
* 14. Heritage Challenger (M) Sdn Bhd	100	100	Investment holding	Malaysia
* 15. Indanas Sdn Bhd	100	100	Investment holding	Malaysia
* 16. Integrated Mark (M) Sdn Bhd	100	100	Investment holding	Malaysia
* 17. Intercontinental Properties Sdn Bhd	100	100	Investment holding	Malaysia
* 18. Lambaian Maju Sdn Bhd	100	100	Investment holding	Malaysia
* 19. Lembaran Makmur Sdn Bhd	100	100	Investment holding & trading	Malaysia
* 20. Lunula Pty Limited	100	100	Hotel operations	Australia

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2004</i>	<i>2003</i>		
	<i>%</i>	<i>%</i>		
* 21. Malayan United Properties Sdn Bhd	100	100	Inactive	Malaysia
* 22. Malayan United Realty Sdn Bhd	100	100	Property investment & investment holding	Malaysia
* 23. Mecomas Pty Limited	100	100	Hotel operations	Australia
+ 24. Ming Court Hotel (Vancouver) Ltd	100	100	Investment holding	Canada
* 25. Ming Fung Sendirian Berhad	100	100	Property investment	Malaysia
* 26. Miranex Sdn Bhd	100	100	Moneylending	Malaysia
* 27. MUI Australia Pty Ltd	100	100	Investment holding	Australia
+ 28. MUI Investments (Canada) Ltd	100	100	Investment holding	Canada
* 29. MUI Plaza Sdn Bhd	100	100	Property investment	Malaysia
* 30. MUI Property Services Sdn Bhd	100	100	Property services	Malaysia
* 31. MUI Resorts Sdn Bhd	100	100	Investment holding	Malaysia
* 32. MUP Sdn Bhd	100	100	Property investment	Malaysia
* 33. MUR Sdn Bhd	100	100	Inactive	Malaysia
* 34. Peristal Enterprise Sdn Bhd	100	100	Investment holding	Malaysia
* 35. Pistole Holdings Sdn Bhd	100	100	Inactive	Malaysia
* 36. Polacre Sdn Bhd	100	100	Property development	Malaysia
* 37. Portico Sdn Bhd	100	100	Property development	Malaysia
* 38. Prescada Sdn Bhd	100	100	Investment holding	Malaysia
^* 39. Resona Resources Berhad (formerly known as Resona Resources Sdn Bhd and prior to that, Peters Ice Cream (M) Sdn Bhd)	100	100	Investment holding	Malaysia
* 40. Resort & Leisure Homes Sdn Bhd	100	100	Property development	Malaysia
* 41. Shun Fung Sendirian Berhad	100	100	Property investment	Malaysia
* 42. Superex Sdn Bhd	100	100	Property investment	Malaysia
* 43. Two Holdings Sdn Bhd	100	100	Property investment	Malaysia
* 44. Unique Octagon Sdn Bhd	100	100	Investment holding	Malaysia
* 45. West Synergy Sdn Bhd	60	60	Property investment & development	Malaysia



SUBSIDIARY AND ASSOCIATED COMPANIES OF PAN MALAYSIA CORPORATION BERHAD

At 31 December 2004

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2004</i>	<i>2003</i>		
	<i>%</i>	<i>%</i>		
* 1. Acmes Investment Limited	100	100	Investment holding	Hong Kong
* 2. Baiduri Pertama Sdn Bhd	100	100	Investment holding	Malaysia
* 3. Bidou Holdings Sdn Bhd	100	100	Investment holding	Malaysia
* 4. Chalpillar (M) Sdn Bhd	100	100	Property management	Malaysia
* 5. Cherubim Nominees (Tempatan) Sdn Bhd	100	100	Inactive	Malaysia
* 6. Clacton Holdings Sdn Bhd	100	100	Investment holding	Malaysia
* 7. Delight Consolidated Sdn Bhd	100	100	Investment holding	Malaysia
* 8. Faith Nominees (Tempatan) Sdn Bhd	100	100	Inactive	Malaysia
+ 9. GCIH Trademarks Limited	100	100	Licensing of trademarks	Hong Kong
* 10. Gelombang Sinar Sdn Bhd	100	100	Investment holding	Malaysia
* 11. Jaguh Padu Sdn Bhd	100	100	Investment holding	Malaysia
* 12. Jerico Sdn Bhd	100	100	Investment holding	Malaysia
* 13. Jomuda Sdn Bhd	100	100	Investment holding	Malaysia
* 14. Lembaran Megah Sdn Bhd	100	100	Investment holding	Malaysia
* 15. Megafine Nominees (Asing) Sdn Bhd	100	100	Inactive	Malaysia
* 16. Megafort Sdn Bhd	100	100	Investment holding	Malaysia
* 17. Megawise Sdn Bhd	100	100	Moneylending	Malaysia
* 18. Mikonwadi Sdn Bhd	100	100	Investment holding	Malaysia
+ 19. Network Foods International Ltd	79.09	79.09	Investment holding	Singapore
+ 20. Network Foods Limited	92.92	92.92	Marketing & distribution of confectionery & other food products	Australia
* 21. Pan Malaysia Management Sdn Bhd	100	100	Management services	Malaysia
+ 22. Pan Malaysia-Singapore Holdings (Pte) Ltd	100	100	Investment holding	Singapore
* 23. Panorama Scope Sdn Bhd	100	100	Investment holding	Malaysia
* 24. Plumblin Sdn Bhd	100	100	Investment holding	Malaysia
* 25. PMCW Enterprises Sdn Bhd	100	100	Investment holding	Malaysia
* 26. PMCW Holdings Sdn Bhd	100	100	Investment holding	Malaysia
+ 27. PMRI Investments (Singapore) Pte Ltd	100	100	Investment holding	Singapore
^* 28. Syahdu Pinta Berhad (formerly known as Syahdu Pinta Sdn Bhd)	100	100	Investment holding	Malaysia
* 29. Taraf Sanjung (M) Sdn Bhd	100	100	Investment holding	Malaysia
* 30. Tunas Juara Sdn Bhd	100	100	Investment holding	Malaysia
* 31. Ultipac Sdn Bhd	100	100	Inactive	Malaysia
* 32. United Pace Sdn Bhd	100	100	Investment holding	Malaysia
* 33. Uniwell Nominees (Tempatan) Sdn Bhd	100	100	Inactive	Malaysia
<i>Associated Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2004</i>	<i>2003</i>		
	<i>%</i>	<i>%</i>		
@ 1. Pan Malaysian Industries Berhad	32.90	32.90	Investment holding	Malaysia
2. Chemical Company of Malaysia Berhad	21.78	22.65	Investment holding and management company	Malaysia

Subsidiary Companies of Network Foods Limited

At 31 December 2004

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2004</i>	<i>2003</i>		
	<i>%</i>	<i>%</i>		
+ 1. Balfour Grange Pty Ltd	100	100	Property investment	Australia
+ 2. Dinnie Rundle Pty Ltd	100	100	Dormant	Australia
+ 3. Universal Confectionery Pty Ltd	100	100	Dormant	Australia

Subsidiary Companies of Network Foods International Limited

At 31 December 2004

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2004</i>	<i>2003</i>		
	<i>%</i>	<i>%</i>		
1. Danau Gelombang Sdn Bhd	100	100	Inactive	Malaysia
+ 2. Network Foods Distribution Pte Ltd	100	100	Warehousing and distribution of frozen/chilled products, confectionery products and snack foods	Singapore
+ 3. Network Foods (Hong Kong) Limited	100	100	Distribution of chocolates and other food and beverage products	Hong Kong
4. Network Foods Industries Sdn Bhd	81.54	81.54	Manufacturing and trading of consumer chocolate products	Malaysia
5. Network Foods (Malaysia) Sdn Bhd	100	100	Marketing and distribution of chocolates, confectionery and beverage products	Malaysia
+ 6. Quintrinox Pte Ltd	100	100	Investment holding	Singapore
+ 7. Specialist Food Retailers Pte Ltd	100	100	Inactive	Singapore
8. Tiffany Enterprise Sdn Bhd	100	100	Dormant	Malaysia
+ 9. Tiffany Hampers & Gifts Pte Ltd	100	100	Inactive	Singapore



SUBSIDIARY AND ASSOCIATED COMPANIES OF PAN MALAYSIA HOLDINGS BERHAD

At 31 December 2004

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2004</i>	<i>2003</i>		
	<i>%</i>	<i>%</i>		
1. Destiny Aims Sdn Bhd (a wholly-owned subsidiary company of Pan Malaysia Travel & Tours Sdn. Bhd.)	80	80	Dormant	Malaysia
+ 2. Golden Carps Pte Ltd	100	100	Inactive	Singapore
+ 3. Grandvestment Company Limited	100	100	Investment holding	Hong Kong
4. Kayangan Makmur Sdn Bhd	100	100	Investment holding	Malaysia
+ 5. Pengkalen Company Limited	100	100	Dormant	United Kingdom
6. Pengkalen Equities Sdn Bhd	100	100	Investment holding & dealing	Malaysia
7. Pengkalen Foodservices Sdn Bhd	100	100	Inactive	Malaysia
8. Pengkalen Holiday Resort Sdn Bhd	100	100	Operating a hotel	Malaysia
9. Pengkalen Properties Sdn Bhd	100	100	Inactive	Malaysia
10. Pan Malaysia Travel & Tours Sdn Bhd	80	80	Travel agent & provision of travel-related services	Malaysia
11. Twin Phoenix Sdn Bhd	100	100	Dormant	Malaysia
<i>Associated Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2004</i>	<i>2003</i>		
	<i>%</i>	<i>%</i>		
1. Pan Malaysia Capital Berhad	34.84	73.89	Investment holding	Malaysia
2. Excelpac Industries Sdn Bhd (a 25% associated company of Pan Malaysia Travel & Tours Sdn Bhd)	20	20	Inactive	Malaysia

Subsidiary Companies of Pan Malaysia Capital Berhad

At 31 December 2004

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2004</i>	<i>2003</i>		
	<i>%</i>	<i>%</i>		
1. Bayan Niaga Sdn Bhd	100	100	Inactive	Malaysia
2. KESB Nominees (Asing) Sdn Bhd	99.99	99.99	Dormant	Malaysia
3. KESB Nominees (Tempatan) Sdn Bhd	99.99	99.99	Nominee & custodian services	Malaysia
4. Meridian Nominees (Tempatan) Sdn Bhd	99.99	99.99	Share registration, nominee & custodian services	Malaysia
5. Pan Malaysia Equities Sdn Bhd	99.99	99.99	Property & investment holding	Malaysia
6. PCB Asset Management Sdn Bhd	100	100	Research & fund management services	Malaysia
7. PM Asset Management Sdn Bhd	100	100	Investment holding	Malaysia
8. PM Nominees (Asing) Sdn Bhd	99.99	99.99	Nominee & custodian services	Malaysia
9. PM Nominees (Tempatan) Sdn Bhd	99.99	99.99	Nominee & custodian services	Malaysia
10. PM Options & Futures Sdn Bhd	100	100	Inactive	Malaysia
11. PM Securities Sdn Bhd	99.99	99.99	Stock and sharebroking and corporate advisory services	Malaysia

Subsidiary and Associated Companies of Pan Malaysia Holdings Berhad which are under liquidation

At 31 December 2004

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2004</i>	<i>2003</i>	
	<i>%</i>	<i>%</i>	
1. Asia Entertainment Network Sdn Bhd	60	60	Malaysia
2. Cocoa Specialities (Malaysia) Sdn Bhd	84.12	84.12	Malaysia
3. Grand Union Insurance Company Limited	55	55	Hong Kong
4. Office Business Systems (Malacca) Sdn Bhd	41.67	41.67	Malaysia
5. Office Business Systems (Penang) Sdn Bhd	64.10	64.10	Malaysia
6. Office Business Systems Sdn Bhd	64.10	64.10	Malaysia
7. Pengkalen Building Materials Sdn Bhd	100	100	Malaysia
8. Pengkalen Electronics Industries Sdn Bhd	67	67	Malaysia
9. Pengkalen Engineering & Construction Sdn Bhd	100	100	Malaysia
10. Pengkalen Heights Sdn Bhd	70	70	Malaysia
11. Pengkalen Pasar Borong Sdn Bhd	80	80	Malaysia
12. Pengkalen Raya Sdn Bhd	100	100	Malaysia
+ 13. Pengkalen (UK) Plc	84.12	84.12	United Kingdom
14. Sensor Equipment Sdn Bhd	64.10	64.10	Malaysia
15. Technitone (M) Sdn Bhd	64.10	64.10	Malaysia
<i>Associated Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2004</i>	<i>2003</i>	
	<i>%</i>	<i>%</i>	
1. Schwartau (Far East) Sdn Bhd	42.06	42.06	Malaysia
++2. Pufrut Preserving Works (Malaysia) Sdn Bhd	-	42.06	Malaysia



Subsidiary and Associated Companies of Pengkalen (UK) Plc which are not consolidated

At 31 December 2004

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2004</i>	<i>2003</i>	
	<i>%</i>	<i>%</i>	
1. Anglo Pacific Corporation (Malaysia) Sdn Bhd	100	100	Malaysia
2. Anglo Pacific Holdings (Malaysia) Sdn Bhd	100	100	Malaysia
* 3. Aqua Lanka (Private) Limited	100	100	Sri Lanka
+ 4. Central Cocoa Pte Ltd	100	100	Singapore
+ 5. GCIH Property Limited	100	100	Hong Kong
* 6. Grand Central (Ceylon) Rubber Estates, Limited	100	100	United Kingdom
* 7. Grand Central Limited	100	100	Sri Lanka
* 8. Highland Tea Company of Ceylon, Limited	100	100	United Kingdom
9. Kuril Plantations Sdn Berhad	100	100	Malaysia
+ 10. Meltis Holdings Limited	84	84	United Kingdom
* 11. Nagolle Holdings Limited	100	100	United Kingdom
* 12. Nagolle (Ceylon) Rubber and Tea Plantations, Limited	100	100	United Kingdom
* 13. Network Foods International Limited	100	100	United Kingdom
* 14. The Panawatte Tea and Rubber Estates, Limited	100	100	United Kingdom
* 15. The Yatiyantota Ceylon Rubber Company Limited	100	100	United Kingdom
16. Upali Group Sdn Bhd	100	100	Malaysia
+ 17. Wellon Distribution Pte Ltd	100	100	Singapore

<i>Associated Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2004</i>	<i>2003</i>	
	<i>%</i>	<i>%</i>	
1. Desa Kuril Sdn Berhad	50	50	Malaysia

SUBSIDIARY COMPANIES AND JOINT VENTURE OF LONDON VISTA HOTEL LIMITED

At 31 December 2004

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2004</i>	<i>2003</i>		
	<i>%</i>	<i>%</i>		
* 1. Belsfield Hotels Limited	99.99	99.99	Dormant	United Kingdom
* 2. Bistro Bistrot Limited	62.49	62.49	Dormant	United Kingdom
* 3. Catermax Limited	99.99	99.99	Dormant	United Kingdom
* 4. Corus Hotels plc	99.99	99.99	Investment holding and hotel operations	United Kingdom
* 5. Corus Corporation UK Limited	99.99	99.99	Dormant	United Kingdom
* 6. Regal Hotels Limited	99.99	99.99	Dormant	United Kingdom
* 7. County Hotels Group Plc	99.99	99.99	Investment holding and hotel operations	United Kingdom
* 8. County Hotels Limited	99.99	99.99	Hotel operations	United Kingdom
* 9. Delaquest Limited	99.99	99.99	Investment holding and hotel operations	United Kingdom
* 10. Dionball Limited	99.99	99.99	Investment holding and hotel operations	United Kingdom
* 11. Dudley Hotels Limited	99.99	99.99	Hotel operations	United Kingdom
* 12. Earl Grey Tea Rooms Limited	62.49	62.49	Dormant	United Kingdom
* 13. Echostand Limited	99.99	99.99	Hotel operations	United Kingdom
* 14. Etrop Grange Limited	99.99	99.99	Hotel operations	United Kingdom
* 15. Experience Inns Limited	62.49	62.49	Dormant	United Kingdom
* 16. Flamepro Limited	99.99	99.99	Hotel operations	United Kingdom
* 17. Historic Country Inns Limited	62.49	62.49	Dormant	United Kingdom
* [^] 18. No. 1 Cigar Club Limited	36.83	36.75	Restaurant operations	United Kingdom
* 19. Patrolmake Limited	99.99	99.99	Investment holding and hotel operations	United Kingdom
**20. Plaza On Hyde Park Limited	51.00	60.00	Hotel operations	United Kingdom
* 21. Pub (Nico) Limited	62.49	62.49	Dormant	United Kingdom
* 22. Rose & Crown VCT Limited	99.99	99.99	Hotel operations	United Kingdom
* 23. Shandwick Leisure Limited	99.99	99.99	Hotel operations	United Kingdom
* 24. Simply Nico Limited	62.49	62.49	Dormant	United Kingdom
* 25. Styletune Limited	99.99	99.99	Hotel operations	United Kingdom
* 26. The Bowler Hat Limited	99.99	99.99	Hotel operations	United Kingdom
* 27. The Imperial Crown Hotel Limited	99.99	99.99	Hotel operations	United Kingdom
* 28. The Reservation Company Limited	99.99	99.99	Reservation bookings	United Kingdom
* 29. The Restaurant Partnership plc	62.49	62.49	Restaurant operations	United Kingdom
* 30. TRP Belgium S.A. NV	62.49	62.49	Restaurant operations	Belgium
* 31. TRP (Langan's) Limited	62.49	62.49	Dormant	United Kingdom
* 32. TRP (Nico) Limited	62.49	62.49	Dormant	United Kingdom
* 33. Woodmount Limited	99.99	99.99	Dormant	United Kingdom
* 34. Wright Hotels (North Queensferry) Limited	99.99	99.99	Hotel operations	United Kingdom
* 35. Wright Hotels Limited	99.99	99.99	Investment holding and hotel operations	United Kingdom



Joint Venture	Equity Interest		Principal Activities	Country of Incorporation
	2004	2003		
	%	%		
1. Elmsville Limited	50.00	50.00	Hotel and leisure club operations	United Kingdom

+ Subsidiary companies audited by overseas member firms associated with BDO Binder, Malaysia.

* Subsidiary and associated companies not audited by member firms associated with BDO Binder, Malaysia.

London Vista Hotel Limited has a direct equity interest of 2% whilst Corus Hotels plc has a direct equity interest of 49%.

^ The Restaurant Partnership plc held 58.81% equity interest in No. 1 Cigar Club Limited.

@ Pan Malaysian Industries Berhad held 46.56% equity interest in Malayan United Industries Berhad as at 31 December 2004.

^ These subsidiaries are under members' voluntary winding-up as disclosed in Note 38 (a) to the financial statements.

++ Pufрут Preserving Works (Malaysia) Sdn Bhd ("PPW") which was under winding-up, was dissolved on 29 July 2004. Prior to its dissolution, PPW was an associated company of Pan Malaysia Holdings Berhad.

PROPERTIES OWNED BY THE MUI GROUP

At 31 December 2004

<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM'000</i>
M A L A Y S I A			
Federal Territory of Kuala Lumpur			
1 lot of freehold land with a 13-storey hotel, known as Corus hotel Kuala Lumpur, Jalan Ampang, Kuala Lumpur (Date of last valuation: December 1982)	7,289	20	69,084
1 lot of freehold land at Section 43, Jalan Mayang, Kuala Lumpur, held for proposed condominium development (Date of acquisition: May 1981)	1,478	–	886
3 lots of leasehold land with a 4-storey shophouse each at nos.14, 16 & 18, Taman Indrahana, Jalan Kuchai Lama, Kuala Lumpur (Lease expires in 2077) (Date of acquisition: June/November 1990)	468	21	1,480
1 lot of freehold land with two units of double-storey buildings at 189, Jalan Ampang, Kuala Lumpur (Date of acquisition: August 1991)	3,540	12	9,383
1 lot of freehold land with a 15-storey office building known as Menara Pengkalen at No. 2, Jalan Changkat Ceylon, Kuala Lumpur (Date of acquisition: September 1996)	2,459	18	31,594
State of Selangor Darul Ehsan			
6 lots of freehold land with 1 unit 2-storey pre-war shophouse at Seksyen 3, Pekan Satu Tiga, Mukim Damansara, Selangor Darul Ehsan, held for future development (Date of acquisition: December 1982)	771	*	165
Balance of freehold land held for residential development known as Vila Sri Ukay at Mukim Ulu Kelang, Selangor Darul Ehsan (Date of acquisition: April 1995)	12,380	–	15,116
1 lot of leasehold industrial land with a factory and office building at Persiaran Raja Muda, Shah Alam, Selangor Darul Ehsan (Lease expires in 2071) (Date of acquisition: September 1996)	10,800	34	10,004
1 lot of freehold industrial land for proposed development into a factory with warehouse and office building at Mukim of Kapar, District of Klang, Selangor Darul Ehsan (Date of Acquisition: June 2004)	40,300	–	10,448



<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM'000</i>
1 lot of freehold industrial land at lot 1811, Mukim Cheras, Daerah Ulu Langat, Selangor Darul Ehsan, held for development into a factory building (Date of acquisition: April 1996)	7,333	–	2,095
State of Pulau Pinang			
1 lot of freehold land at Lot 773, TS 12 NED, Jalan Macalister, Pulau Pinang (Date of acquisition: 6 November 1974)	380	*	215
1 lot of leasehold land with an office and warehouse at No. 101-G, Lintang Kampong Jawa, Lot 4, Kawasan MIEL, Bayan Baru, Pulau Pinang (Lease expires in 2041) (Date of acquisition: September 1996)	976	23	1,234
State of Johor Darul Takzim			
1 lot of freehold land with a warehouse at No. 35, Jalan Mashyur 3, Taman Perindustrian Cemerlang, Ulu Tiram, Johor Bahru, Johor Darul Takzim (Date of acquisition: September 1996)	446	11	554
State of Negeri Sembilan Darul Khusus			
3 lots of freehold land with a 4-storey hotel building, at 7 ¹ / ₂ Mile, Jalan Pantai, Teluk Kemang, Port Dickson, Negeri Sembilan Darul Khusus (Year of last valuation: 1983)	11,892	30	12,868
1 lot of freehold land at 5 ¹ / ₂ Mile, Jalan Pantai, Port Dickson, Negeri Sembilan Darul Khusus held for development into 366 units of resort condominiums known as Pasirindu (Date of acquisition: June 1980)	20,259	–	6,474
Balance of freehold land held for township development known as Bandar Springhill at Mukim of Jimah, District of Port Dickson, Negeri Sembilan Darul Khusus (Date of acquisition: January 1995)	5,927,199	–	119,151
3 lots of leasehold land with a hotel known as Corus Paradise resort Port Dickson at Lots 286, 288 & 289, PT 5855 Batu 2 1/2, Jalan Pantai, Port Dickson, Negeri Sembilan Darul Khusus (Lease expires in 2059/2087) (Date of acquisition: September 1996)	55,745	9	59,905

<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM'000</i>
State of Pahang Darul Makmur			
1 lot of freehold bungalow land at HS 10468 PT 11291, Bentong, Pahang Darul Makmur (Date of acquisition: September 1996)	1,115	–	180
A U S T R A L I A			
1 lot of freehold land with a 27-storey 268-room deluxe hotel known as Corus hotel Sydney at nos. 7-9, York Street, Sydney, New South Wales (Date of acquisition: July 1995)	1,011	35	93,045
1 lot of freehold land with a factory and office building at no. 31, Fargo Way, Welshpool, Perth, Western Australia (Date of acquisition: September 1996)	4,000	22	2,530
1 lot of freehold land with a factory and office building at nos. 57-61, Meadow Avenue, Coopers Plains, Queensland (Date of acquisition: September 1996)	4,113	25	2,505
1 lot of freehold land with a 60-room hotel known as Pacific Vista Hotel at no. 20, Kirby Court, West Hobart, Tasmania, currently undergoing redevelopment into a luxurious boutique hotel (Date of acquisition: October 1996)	24,970	27	6,152
1 lot of freehold land with a 140-room hotel known as Corus hotel Hobart at no. 156, Bathurst Street, Hobart, Tasmania (Date of acquisition: September 1996)	3,569	28	24,316
U N I T E D S T A T E S O F A M E R I C A			
A condominium complex with 110 units in a freehold 7-storey residential building located within the Regent Park Complex in Fort Mill, South Carolina (Date of acquisition: December 1990)	33,913	9	8,596
H O N G K O N G			
1 unit of leasehold warehouse at Block 1, Unit C, 23rd Floor, Kingsford Industrial Building, nos. 26-32 Kwai Hei Street, Kwai Chung, New Territories (Lease expires in 2038) (Date of acquisition: September 1996)	771	26	1,367



<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM'000</i>
S I N G A P O R E			
1 lot of leasehold land with a warehouse and office at no. 12, Woodlands Link, Singapore (Lease expires in 2055) (Date of acquisition: September 1996)	7,442	7	17,703
1 unit of leasehold residential apartment at no. 152, Prince Charles Crescent, Singapore (Lease expires in 2096) (Date of acquisition: July 1999)	194	–	4,009
U N I T E D K I N G D O M			
1 lot of leasehold apartment at Flat 53, 5th Floor, Park Mansion, 141-149, Knightsbridge, London (Lease expires in 2252) (Date of acquisition: September 1996)	111	11	1,013
1 lot of freehold land with a 48-room hotel known as The Barns Hotel, Bedford at Cardington Road, Bedford MK44 3SA (Date of acquisition: November 2001)	12,800	903	31,429
1 lot of freehold land with a 56-room hotel known as The Beverley Arms Hotel, Beverley at North Bar Within, Beverley HU17 8DD (Date of acquisition: November 2001)	3,227	203	26,502
1 lot of freehold land with a 58-room hotel known as Westmead Hotel at Redditch Road, Hopwood, Birmingham B48 7AL (Date of acquisition: November 2001)	17,700	78	30,479
1 lot of leasehold land with a 44-room hotel known as The Plough & Harrow Hotel at 135, Hagley Road, Edgbaston, Birmingham B16 8LS (Leases expires in 2141) (Date of acquisition: November 2001)	6,769	153	26,007
1 lot of freehold land with a 112-room hotel known as Redwood Lodge Hotel & Country Club at Beggar Bush Lane, Failand, Bristol BS8 3TG (Date of acquisition: November 2001)	62,840	63	142,232
1 lot of freehold land with a 56-room hotel known as The Roman Way Hotel at Watling Street, Hatherton, Cannock, Staffordshire WS11 1SH (Date of acquisition: November 2001)	11,570	78	29,562

<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM'000</i>
1 lot of freehold land with 48-room hotel known as The Falstaff Hotel at 8-10 St Dunstan Street, Canterbury, Kent CT2 8AF (Date of acquisition: November 2001)	10,000	403	21,056
1 lot of freehold land with a 57-room hotel known as Hotel de la Bere at Southam, Cheltenham, Gloucestershire GL52 3NH (Date of acquisition: November 2001)	54,250	203	26,694
1 lot of freehold land with a 97-room hotel known as Hoole Hall Hotel at Warrington Road, Hoole, Chester, Cheshire CH2 3PD (Date of acquisition: November 2001)	26,660	153	51,492
1 lot of freehold land with a 66-room hotel known as The Chace Hotel at London Road, Toll Bar End, Coventry CV3 4EQ (Date of acquisition: November 2001)	13,240	153	24,266
1 lot of freehold land with a 58-room hotel known as Corus Bracknell at Duke's Ride, Crowthorne, Berkshire RG45 6DW (Date of acquisition: November 2001)	5,530	153	40,804
1 lot of freehold land with a 41-room hotel known as Hall Garth Golf & Country Club Hotel at Coatham Mundeville, Darlington, Co. Durham DL1 3LU (Date of acquisition: November 2001)	265,310	403	40,055
1 lot of leasehold land with a 73-room hotel known as The Himley Country Hotel at School Road, Himley, Dudley, West Midlands DY3 4LG (Leases expires in 2018) (Date of acquisition: November 2001)	15,000	78	8,009
1 lot of freehold land with a 62-room hotel known as The West Retford Hotel at 24, North Road, East Retford, Nottinghamshire DN22 7XG (Date of acquisition: November 2001)	14,540	83	22,782
1 lot of freehold land with a 121-room hotel known as Corus Glasgow at 377 Argyle Street, Glasgow G2 8LL (Date of acquisition: November 2001)	928	53	52,391



<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM'000</i>
1 lot of leasehold land with a 124-room hotel known as The St James' Hotel at St James Square, Grimsby DN31 1EP (Leases expires in 2071) (Date of acquisition: November 2001)	3,709	53	1,596
1 lot of freehold land with a 56-room hotel known as Imperial Crown Hotel at 42-46 Horton Street, Halifax, West Yorkshire HX1 1QE (Date of acquisition: November 2001)	1,001	253	20,476
1 lot of freehold land with a 55-room hotel known as The Green Man Hotel at Mulberry Green, Old Harlow, Essex CM17 0ET (Date of acquisition: November 2001)	5,227	603	22,515
1 lot of freehold land with a 121-room hotel known as The Crown Hotel at Crown Place, Harrogate HG1 2RZ (Date of acquisition: November 2001)	6,631	153	43,367
1 lot of freehold land with a 52-room hotel known as The Old Golf House Hotel at New Hey Road, Outlane, Near Huddersfield, West Yorkshire HD3 3YP (Date of acquisition: November 2001)	15,040	63	30,418
1 lot of freehold land with a 48-room hotel known as Time Out at Enderby Road, Blady, Leicester LE8 4GD (Date of acquisition: November 2001)	6,824	53	24,325
1 lot of freehold land with a 47-room hotel known as Edgwarebury Hotel at Barnet Lane, Elstree, Hertfordshire WD6 3RE (Date of acquisition: November 2001)	40,000	153	43,473
1 lot of freehold land with a 91-room hotel known as The Chiltern Hotel at Waller Avenue, Luton, Bedfordshire LU4 9RU (Date of acquisition: November 2001)	6,958	53	33,397
1 lot of freehold land with a 52-room hotel known as Larkfield Priory Hotel at London Road, Larkfield, near Maidstone, Kent ME20 6HJ (Date of acquisition: November 2001)	7,086	103	23,143
1 lot of freehold land with a 57-room hotel known as The Chequers Hotel at Oxford Street, Newbury, Berkshire RG14 1JB (Date of acquisition: November 2001)	3,772	203	24,547

<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM'000</i>
1 lot of freehold land with a 77-room hotel known as Queensferry Lodge Hotel at St Margaret's Head, North Queensferry, Fife KY11 1HP (Date of acquisition: November 2001)	27,880	53	40,081
1 lot of freehold land with a 54-room hotel known as The Potters Heron Hotel at Ampfield, Nr. Romsey, Hampshire SO51 9ZF (Date of acquisition: November 2001)	13,200	253	31,634
1 lot of freehold land with a 47-room hotel known as Brownsover Hall Hotel at Brownsover Lane, Old Brownsover, Rugby CV21 1HU (Date of acquisition: November 2001)	20,000	153	22,819
1 lot of freehold land with a 48-room hotel known as The Chimney House Hotel at Congleton Road, Sandbach, Cheshire CW11 4ST (Date of acquisition: November 2001)	28,360	53	32,599
1 lot of freehold land with a 50-room hotel known as The Beauchief Hotel at 161 Abbeydale Road South, Sheffield, South Yorkshire S7 2QW (Date of acquisition: November 2001)	16,940	53	40,379
1 lot of leasehold land with a 103-room hotel known as Grosvenor House Hotel at Charter Square, Sheffield, South Yorkshire S1 3EH (Leases expires in 2065) (Date of acquisition: November 2001)	1,500	53	19,948
1 lot of freehold land with a 59-room hotel known as The Lion Hotel at Wyle Cop, Shrewsbury, Shropshire SY1 1UY (Date of acquisition: November 2001)	1,000	303	29,120
1 lot of freehold land with a 112-room hotel known as The Regency Hotel at Stratford Road, Shirley, Solihull B90 4EB (Date of acquisition: November 2001)	16,400	53	100,667
1 lot of freehold land with a 60-room hotel known as The Garth Hotel at Wolverhampton Road, Stafford ST17 9JR (Date of acquisition: November 2001)	15,560	53	29,552
1 lot of freehold land with a 50-room hotel known as Stone House Hotel at Stafford Road, Stone, Staffordshire ST15 0BQ (Date of acquisition: November 2001)	40,990	53	35,025



<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM'000</i>
1 lot of freehold land with a 94-room hotel known as The Madison Inn at Oxford Road, Stratton St Margaret, Swindon, Wiltshire SN3 4TL (Date of acquisition: November 2001)	19,330	53	42,722
1 lot of freehold land with a 78-room hotel known as Tewkesbury Park Hotel Golf & Country Club at Lincoln Green Lane, Tewkesbury, Gloucestershire GL20 7DN (Date of acquisition: November 2001)	689,610	53	74,188
1 lot of freehold land with a 62-room hotel known as Corus Warwick at Meer End Road, Honiley, Nr. Warwick, Warwickshire CV8 1NP (Date of acquisition: November 2001)	15,040	53	28,426
1 lot of freehold land with a 50-room hotel known as The Hillcrest Hotel at Cronton Lane, Widnes, Cheshire WA8 9AR (Date of acquisition: November 2001)	2,000	53	28,106
1 lot of freehold land with a 64-room hotel known as The Belsfield Hotel at Kendal Road, Bowness-on Windermere, Cumbria LA23 3EL (Date of acquisition: November 2001)	28,050	153	35,960
1 lot of freehold land with a 48-room hotel known as Clumber Park Hotel at Clumber Park, near Worksop, Nottinghamshire S80 3PA (Date of acquisition: November 2001)	28,210	53	25,646
1 lot of freehold land with a 64-Room hotel known as The County Hotel at Bramhall Lane South, Bramhall, Stockport, Cheshire SK7 2EB (Date of acquisition: November 2001)	6,441	53	30,843
1 lot of freehold land with a 82-room hotel known as Burnham Beeches Hotel at Grove Road, Burnham, Buckinghamshire SL1 8DP (Date of acquisition: November 2001)	31,830	53	90,853
1 lot of freehold land with a 110-room hotel known as The Blackwell Grange Hotel at Blackwell Grange, Darlington, Co. Durham DL3 8QH (Date of acquisition: November 2001)	26,830	53	43,314

<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM'000</i>
1 lot of freehold land with a 108-room hotel known as The Forth Bridges Hotel at 1 Ferrymuir Gait, South Queensferry, Edinburgh, West Lothian EH30 9SF (Date of acquisition: November 2001)	40,940	53	30,442
1 lot of freehold land with a 99-room hotel known as The County Hotel at Epping Forest, Oak Hill, Woodford Green, Essex IG8 9NY (Date of acquisition: November 2001)	7,214	53	38,273
1 lot of freehold land with a 76-room hotel known as Harpenden House at 18 Southdown Road, Harpenden, Hertfordshire AL5 1PE (Date of acquisition: November 2001)	11,700	253	54,793
1 lot of freehold land with a 84-room hotel known as The Maids Head Hotel at Tombland, Norwich, Norfolk NR3 1LB (Date of acquisition: November 2001)	12,000	603	52,718
1 lot of freehold land with a 28-room hotel known as The Rose & Crown Hotel at Harnham Road, Salisbury, Wiltshire SP2 8JQ (Date of acquisition: November 2001)	4,911	603	20,457
1 lot of freehold land with a 54-room hotel known as Briggens House Hotel at Briggens Park, Stanstead Road (A414), Stanstead Abbots, Nr. Harlow, Herts SG12 8LD (Date of acquisition: November 2001)	294,510	303	54,245
1 lot of freehold land with a 76-room hotel known as The Cromwell Hotel at High Street, Old Town, Stevenage, Hertfordshire SG1 3AZ (Date of acquisition: November 2001)	5,626	303	37,352
1 lot of freehold land with a 84-room hotel known as The Falcon Hotel at Chapel Street, Stratford-upon-Avon, Warwickshire CV37 6HA (Date of acquisition: November 2001)	4,407	503	53,533
1 lot of freehold land with a 70-room hotel known as The Charlecote Pheasant Hotel at Charlecote, Nr. Stratford - upon - Avon, Warwickshire CV35 9EW (Date of acquisition: November 2001)	37,070	103	31,411



<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM'000</i>
1 lot of freehold land with a 96-room hotel known as Telford Golf & Country Club at Great Hay Drive, Sutton Heights, Telford, Shropshire TF7 4DT (Date of acquisition: November 2001)	579,420	53	50,950
1 lot of freehold land with 1 45-room hotel known as Windlestrae Hotel, The Muirs, Kinross, KY13 8AS (Date of acquisition: November 2001)	30,000	63	24,776
1 lot of freehold land with a 401-room hotel known as The Plaza on Hyde Park Hotel at Lancaster Gate, London W2 3LG (Date of acquisition: February 2001)	2,010	103	385,805
1 lot of freehold land with a 64-room hotel known as Etrop Grange at Thorley Lane, Manchester Airport M90 4EG (Date of acquisition: November 2001)	4,773	203	56,532
1 lot of leasehold land with a 4-storey restaurant at 30 Charlott Street, London W1 1HP (Lease expires in 2019) (Date of acquisition: November 2001)	87	103	2,521
1 lot of leasehold land with a 3-storey restaurant at 2 Greek Street, London W1V 6NB (Lease expires in 2021) (Date of acquisition: November 2001)	36	103	1,034
1 lot of leasehold land with a 2-storey restaurant at 342 Kings Road, London SW3 5UR (Lease expires in 2012) (Date of acquisition: November 2001)	30	83	1,039
1 lot of leasehold land with a single storey restaurant at 48a Rochester Row, London SW1P 1JU (Lease expires in 2011) (Date of acquisition: November 2001)	57	83	3,402
1 lot of leasehold land with a 2 storey restaurant at 35 Great Portland Street, London W1N 5NN (Lease expires in 2008) (Date of acquisition: November 2001)	149	32	895
1 lot of leasehold land with a single storey restaurant at Midland Hotel Conference Centre Mount Street, Manchester M60 20S (Lease expires in 2008) (Date of acquisition: November 2001)	377	102	369
1 lot of leasehold land with a single storey restaurant at Crown Plaza, Heathrow Stockley Road, West Drayton Middlesex UB7 9NA (Lease expires in 2008) (Date of acquisition: November 2001)	213	28	253



FORM OF PROXY

No. of Shares Held

I/We _____ NRIC No. _____
of _____ Tel. No. _____

being a member of MALAYAN UNITED INDUSTRIES BERHAD, hereby appoint * THE CHAIRMAN
OF THE MEETING or _____ NRIC No. _____

of _____ Occupation _____

or failing him, _____ NRIC No. _____

of _____ Occupation _____

as my/our proxy to vote for me/us and on my/our behalf at the Thirty-Fourth Annual General Meeting of the Company to be held at Crystal Ballroom, Corus hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Friday, 24 June 2005 at 4.00 p.m. and at any adjournment thereof, and to vote as indicated below:-

Resolutions	For	Against
1. To receive the audited financial statements for the financial year ended 31 December 2004 and the Reports of the Directors and the Auditors thereon.		
2. To re-appoint Tan Sri Dato' Md Khir Johari as Director of the Company pursuant to Section 129(6) of the Companies Act, 1965.		
3. To re-appoint Mr Yong Ming Sang as Director of the Company pursuant to Section 129(6) of the Companies Act, 1965.		
4. To re-elect Mr Ang Guan Seng as Director of the Company.		
5. To re-elect Mr Khet Kok Yin as Director of the Company.		
6. To re-appoint Messrs BDO Binder as auditors of the Company and to authorise the Directors to fix their remuneration.		
7. As special business:- Approval of Ordinary Resolution pursuant to Section 132D of the Companies Act, 1965.		

* If you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "the Chairman of the Meeting" and insert the name(s) of the person(s) desired.

(Please indicate with (X) how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Signature

Seal

Date:

Notes:-

1. A member of the Company entitled to attend and vote at the meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company but if he is not a member, he must be a qualified legal practitioner, approved company auditor, a person approved by the Companies Commission of Malaysia in the particular case or a person approved by the Directors prior to the appointment.
2. A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint one proxy only in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member, other than an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, appoints two proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. The Form of Proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of the attorney.
4. The Form of Proxy must be deposited at the registered office of the Company at 14th Floor, MUI Plaza, Jalan P. Ramlee, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

Stamp

The Company Secretary
Malayan United Industries Berhad
14th Floor, MUI Plaza
Jalan P. Ramlee
50250 Kuala Lumpur
Malaysia
