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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Ninth Annual General Meeting of AMDB Berhad will be held at Dewan AmBank Group, 7th Floor, Bangunan AmBank Group, 55 Jalan Raja Chulan, 50200 KUALA LUMPUR on **Thursday, 22 September 2005 at 10.30 a.m.** for the following purposes:-

AGENDA

1. To receive and adopt the Audited Financial Statements for the year ended 31 March 2005 and the Reports of the Directors and Auditors thereon. **(Resolution No. 1)**
2. To approve the payment of Directors' fees of RM192,000 for the year ended 31 March 2005. **(Resolution No. 2)**
3. To re-elect the following Directors who retire pursuant to Article 136 of the Company's Articles of Association :
 - (a) Y.Bhg. Datuk Mohd Saufi bin Haji Abdullah **(Resolution No. 3)**
 - (b) Y.Bhg. Dato' Azlan Hashim **(Resolution No. 4)**
 - (c) Y.Bhg. Dato' Azhar Hashim **(Resolution No. 5)**
4. To consider and, if thought fit, pass the following resolution :-

"THAT pursuant to Section 129 (6) of the Companies Act, 1965, Y.Bhg. Tan Sri Dato' Chen Wing Sum be re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting."

(Resolution No. 6)
5. To re-appoint Messrs. Folks DFK & Co., the retiring Auditors and to authorise the Directors to determine their remuneration. **(Resolution No. 7)**
6. As Special Business :-

To consider and if thought fit, pass the following ordinary resolutions with or without modifications :-

 - a. **Ordinary Resolution 1 - Authority to Allot Shares**

THAT subject always to the Companies Act, 1965 and the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares and options in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit, provided that the aggregate number of shares and options issued in any one financial year of the Company pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company. **(Resolution No. 8)**
 - b. **Ordinary Resolution 2 – Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

THAT, approval be and is hereby given to the Company and its subsidiaries to enter into any of the category of recurrent related party transactions of a revenue or trading nature as set out in Paragraph 2.2.1 of the Circular to the shareholders of the Company dated 30 August 2005 with the related parties mentioned therein which are necessary for AMDB Berhad ("AMDB") Group's day-to-day operations subject further to the following:

- (a) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those available to the public and are not to the detriment of the minority shareholders; and
- (b) disclosure is made in the annual report of a breakdown of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year, amongst others, based on the following information :
 - i) the type of the recurrent transactions made; and
 - ii) the names of the related parties involved in each type of the recurrent transactions made and their relationship with the Company;

AND THAT, such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company following the forthcoming Annual General Meeting at which such Proposed Shareholders' Mandate was passed, at which time it will lapse, unless by resolution passed at the meeting whereby the authority is renewed;
- (b) the expiration of the period within which the next Annual General Meeting of AMDB subsequent to the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in an Annual General Meeting or Extraordinary General Meeting,

whichever is the earlier;

AND THAT the Directors of the Company be authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate and transactions contemplated and/or authorised by this Ordinary Resolution.

(Resolution No. 9)

c. Ordinary Resolution 3 – Proposed Renewal of Share Buy-Back Authority

THAT subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such amount of ordinary shares of RM0.50 each in the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this Resolution does not exceed ten (10) per centum of the total issued and paid-up share capital for the time being of the Company AND THAT an amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the sum of audited share premium account of the Company as at 31 March 2005 of RM142,269,592 AND THAT any purchase exercised shall not result in the number of shares in the hands of the public falling below 25% of the issued and paid-up share capital of the Company AND THAT authority be and is hereby given to the Directors to take all such steps as are necessary (including the appointment of stockbroker and the opening and maintaining of Central Depository Account designated as a Share Buy-Back Account) and to enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give effect to the aforesaid with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the interests of the Company for the Proposed Share Buy-Back AND THAT upon such purchase by the Company of its own shares, the purchased shares will be cancelled or retained as treasury shares or a combination of both and/or dealt with in accordance with the relevant prevailing statutory provisions AND THAT the authority conferred by this Resolution shall commence immediately upon the passing of this Resolution and shall continue to be in force until :

- (a) the conclusion of the next Annual General Meeting of the Company;
 - (b) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholders in General Meeting,
- whichever is earlier.

(Resolution No. 10)

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

By Order of the Board

Azian Hashim
Chung Mei Cheng
Company Secretaries

Kuala Lumpur
30 August 2005

Notes :

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy/proxies to attend and vote in his stead. A proxy may but need not be a member of the Company.
2. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the Meeting and a member who appoints two (2) proxies shall specify the proportion of his shareholdings to be represented by each proxy.
3. Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each Securities Account it holds to which ordinary shares in the Company are credited.
4. The instrument appointing a proxy in the case of an individual, shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under its common seal or under the hand of an officer or attorney duly authorised in writing.
5. The instrument appointing a proxy must be completed, signed and deposited at the Registered Office of the Company situated at 20th Floor, Bangunan AMDB, No 1 Jalan Lumut, 50400 Kuala Lumpur **not less than forty-eight (48) hours** before the time appointed for the meeting or any adjournment thereof, and in default, the instrument of proxy shall not be treated as valid.
6. Explanatory Notes on Special Business :
 - a) **Resolution No. 8**

The Ordinary Resolution proposed under Item 6a, if passed, will enable the Directors to issue up to a maximum ten per cent of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority unless revoked or varied by the Company at a General Meeting will expire at the conclusion of the next Annual General Meeting.

b) **Resolution Nos 9 and 10**

Please refer to the Circulars dated 30 August 2005.

Statement Accompanying Notice of Annual General Meeting

1. Directors who are standing for re-election or re-appointment at the Thirty-Ninth Annual General Meeting of the Company

- a. Y.Bhg. Datuk Mohd Saufi bin Haji Abdullah;
- b. Y.Bhg. Dato' Azlan Hashim; and
- c. Y.Bhg. Dato' Azhar Hashim
(retiring by rotation pursuant to Article 136 of the Articles of Association of the Company)

- d. Y.Bhg. Tan Sri Dato' Chen Wing Sum
(retiring pursuant to Section 129(2) of the Companies Act, 1965)

Details of the above Directors are set out in the Directors' Profile on pages 7 to 9 of the Annual Report.

2. Details of attendance of Directors at Board Meetings

Four (4) Board Meetings were held during the financial year ended 31 March 2005. Details of attendance of the Directors at the Board Meetings are set out on page 15 of the Annual Report.

3. Thirty-Ninth Annual General Meeting of AMDB

VENUE

Dewan AmBank Group
7th Floor, Bangunan AmBank Group
55 Jalan Raja Chulan
50200 Kuala Lumpur

DATE AND TIME

Thursday, 22 September 2005 at 10.30 a.m.

Corporate Structure

PROPERTY DEVELOPMENT & INVESTMENT

100%	AMDB INDUSTRIAL CITY SDN BHD	58%	SEBANA FACILITIES MANAGEMENT SERVICES SDN BHD
100%	AMDB PROPERTY MANAGEMENT CO. SDN BHD	58%	SEBANA HOLDINGS SDN BHD
100%	AMDB REALTY SDN BHD	58%	SEBANA PROPERTIES SDN BHD
100%	ARNICA CORPORATION SDN BHD	100%	SEJATI PELITA SDN BHD
23%	CENTRAL SPECTRUM (M) SDN BHD	40%	SELAMAN SDN BHD
60%	MAWAR DELIMA (M) SDN BHD	100%	SYARIKAT KOMPLEKS DAMAI SDN BHD
100%	MEDAN DELIMA SDN BHD	100%	PERUMAHAN TAMAN PINJI SDN BHD
70%	MAYANG ZAMAN SDN BHD	100%	TAIFAB PROPERTIES SDN BHD
60%	PULAU INDAH MARINA RESORT SDN BHD	100%	TAMAN AMAN SDN BHD
100%	RICH AVENUE SDN BHD	100%	WALLENG ENTERPRISES SDN BHD

INFRASTRUCTURE

20%	KESAS HOLDINGS BERHAD
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ENGINEERING & CONSTRUCTION

54%	AMBC CONTROLS SDN BHD	51%	BLUE STAR M&E ENGINEERING SDN BHD
80%	AMBC TRANSMISSION SDN BHD	30%	SUPERMIX CONCRETE (MALAYSIA) SDN BHD
70%	AMCE BUILDERS SDN BHD		

FINANCIAL SERVICES

100%	AMDB COMMERCIAL SERVICES SDN BHD	20%	AMTRUSTEE BERHAD
100%	AMDB FACTORING SDN BHD	50%	SOGELEASE (MALAYSIA) BERHAD

TRAVEL & LEISURE

40%	AUGUSTLAND HOTEL SDN BHD	41%	PRISMA TULIN SDN BHD
20%	BANGI HOTEL SDN BHD	100%	RESTORAN SERI MELAYU SDN BHD
100%	HARPERS TRAVEL (MALAYSIA) SDN BHD	100%	RESTORAN SERI MELAYU (LANGKAWI) SDN BHD
100%	HARPERS TOURS (MALAYSIA) SDN BHD	58%	SEBANA GOLF & MARINA RESORT BERHAD
20%	PLANERGO (PTE) LTD	58%	SEBANA RESORT PTE LTD

MANUFACTURING

100%	AMDB TEXTILES DIVISION	35%	AM SGB SDN BHD
70%	JELAS WARNA SDN BHD		

OTHERS

100%	AMDB EQUIPMENT TRADING SDN BHD	37%	J. WALTER THOMPSON SDN BHD
100%	AMDB MANAGEMENT SERVICES SDN BHD	32%	SENTOSA MEDICAL CENTRE SDN BHD
100%	IT CONNECT SDN BHD		

Board of Directors

Y.Bhg. Tan Sri Dato' Azman Hashim

PSM, DPMS, JMN, KMN

Chairman

Aged 66, has been Chairman of AMDB since 19 June 1981. He is also Chairman of five companies listed on the Bursa Malaysia Securities Berhad – AMMB Holdings Berhad, Arab-Malaysian Corporation Berhad, RCE Capital Berhad, AmInvestment Group Berhad and MCM Technologies Berhad, which is listed on the Mesdaq Market.

He also sits on the Boards of AmProperty Trust Management Berhad, AMFB Holdings Berhad, AmBank (M) Berhad, (formerly known as AmFinance Berhad), AmBank Berhad, AmMerchant Bank Berhad, Cagamas Berhad, Pembangunan MasMelayu Berhad and AmAssurance Berhad.

Tan Sri Dato' Azman, a Chartered Accountant and also a Fellow of the Malaysian Institute of Chartered Secretaries & Administrators and a Fellow of the Institute of Bankers Malaysia, has been involved in banking since 1960 when joined the Bank Negara Malaysia and served there until 1964. He practised as a Chartered Accountant in Azman Wong Salleh & Co. from 1964 to 1971 and joined the Board of Malayan Banking Berhad in 1966 and was its Executive Director from 1971 to 1980. He became Executive Chairman of Kwong Yik Bank Berhad (now "RHB Bank Berhad") from 1980 until 1982 when he became Chairman of the AmBank Group which he still is today.

Tan Sri Dato' Azman is the Chairman of Association of Merchant Banks in Malaysia, the National Productivity Corporation, Pacific Basin Economic Council ("PBEC") Malaysia, East Asia Business Council and Co-Chairman of Malaysia-Singapore Roundtable. He is President of Malaysia South-South Association, Malaysian South-South Corporation Berhad, Malaysia-Japan Economic Association, Malaysian Prison FRIENDS Club and Non-Aligned Movement's Business Council and Vice Chairman of PBEC International.

He also serves as the Treasurer for the Malaysia-US Private Sector Consultative Group and the Malaysia-Australia Foundation and also Vice-Chairman of Malaysian Business Council. He is a Member of the National Economic Consultative Council II, the Business Advisory Council of APEC ("ABAC"), The Trilateral Commission (Asia-Pacific Group), the Malaysian-British Business Council, the Malaysia-China Business Council and the UNESCAP Business Advisory Council. He is also the Leader of the ASEAN-Japanese Business Meeting (Malaysia Committee, Keizai Doiyukai) and sits on the Board of Advisors of AIM Centre for Corporate Social Responsibility.

Tan Sri Dato' Azman has a direct interest in 475,077 ordinary shares; an indirect interest in 354,450,212 ordinary shares and 75,900,000 Irredeemable Convertible Unsecured Loan Stocks 2003 / 2010 in the Company via Arab-Malaysian Corporation Berhad.

Y.Bhg. Dato' Azlan Hashim *#

DSNS, DSSA

Deputy Chairman

Aged 63, a Non-Executive Director and Deputy Chairman of AMDB since 16 October 1991 is also Deputy Chairman of AMMB Holdings Berhad, AMFB Holdings Berhad, AmProperty Trust Management Berhad and AmAssurance Berhad. He is the Chairman of AmSecurities Sdn Bhd.

Dato' Azlan, a Certified Public Accountant, served with Malayan Railways from 1966 to 1971 and was its Chief Accountant for two years. In 1972 he became a Partner in Azman Wong Salleh & Co. and was a Senior Partner of the firm prior to joining AMDB as Managing Director in 19 June 1981. Also sits on the Boards of various companies including as Executive Vice Chairman of Arab-Malaysian Corporation Berhad, Director of Kumpulan Perangsang Selangor Berhad, Kesas Holdings Berhad, Paramount Corporation Berhad, Metrod (M) Berhad, Sapura Industrial Berhad, Global Carriers Berhad and Syarikat Permodalan & Perusahaan Selangor Berhad.

He is also a Fellow of the Institute of Chartered Accountants (Ireland), Fellow of the Economic Development Institute, World Bank, Washington DC, U.S.A., and a Fellow of Institute of Bankers Malaysia.

Dato' Azlan has a direct interest in 1,867,625 ordinary shares in the Company.

Encik Azmi Hashim #

Chief Executive Officer

Aged 56, is the Chief Executive Officer of AMDB since 1 February 2003.

En Azmi, an accountant by training, has worked in various professional accounting firms both internationally and locally. In AMDB, he has held the position of General Manager and subsequently on 16 October 1991 and 1 January 1998 was appointed Managing Director and Director / Adviser of AMDB prior to present position. Also sits on the Boards of Arab-Malaysian Corporation Berhad, RCE Capital Berhad, Sapura Industrial Berhad, Seban Golf & Marina Resort Berhad, Sogelease (Malaysia) Berhad, Kesas Holdings Berhad and AMDB Construction & Engineering Berhad.

Encik Azmi has a direct interest in 53,000 ordinary shares in the Company and an option to subscribe for 500,000 ordinary shares in the Company pursuant to the Company's Employees' Share Option Scheme 2.

Y.Bhg. Datuk Mohd Saufi Bin Haji Abdullah *

DMSM, JSM, SMP, PJK

Independent Director

Aged 67, an Independent Non-Executive Director of AMDB since 1 October 1996. Graduated with a Bachelor of Arts (Honours) degree from University of Malaya and a Master of Science degree in Business Administration from London Business School.

Retired from the Government service where he held various senior positions including Principal Assistant Secretary at the Federal Treasury, Coordinator of the Pahang Tenggara Regional Masterplanning study and was selected to head the then newly formed Pahang Tenggara Authority as its first General Manager. His last position with the Government was as Deputy Secretary General in the Ministry of Defence.

Has served as Executive Director, Vice President and Senior Vice President in The Heavy Industries Corporation of Malaysia Berhad (now Hicom Holdings Berhad) before retiring.

Has also served on the Boards of Edaran Otomobil Nasional, Perusahaan Otomobil Nasional, Kedah Cement Holding Berhad, Uniphoenix Corporation Berhad and Mechmar Corporation Berhad prior to present position.

Presently he is sitting in the Board of Kurnia Asia Berhad and subsidiaries of Wah Seong Corporation Berhad.

Datuk Saufi has a direct interest in 500,000 ordinary shares in the Company.

Y.Bhg. Tan Sri Dato' Chen Wing Sum *

PSM, DPMS

Independent Director

Aged 73, Tan Sri Dato' Chen has been a director of AMDB Berhad from 8 August 1997 to 8 December 2000. He resigned from the Board when he was elected President of the Senate. Re-appointed as Independent Non-Executive Director of AMDB on 29 May 2003 after retiring as President of the Senate.

Tan Sri Dato' Chen is by profession, an advocate & solicitor. He read law in Lincoln's Inn, London and has practised in Messrs Michael Chen, Gan, Muzafar & Azwar of which he was a senior partner. Also read Philosophy & Education in the Chinese University of Hong Kong.

He has been involved in politics and Government service since 1964 and has served as a member of Parliament from 1964-1986 and a member of the Senate from 1997 to 2003. Also held the position of Parliamentary Secretary, Secretary General of

Alliance, Minister with Special Function, Vice-President of MCA, Deputy President of MCA, Minister of Housing, Local Government and New Village, Treasurer General of Barisan Nasional, Deputy President of the Senate and President of the Senate during his tenure as a member of Parliament and the Senate.

He has held positions of Chairman and Director in various corporations during 1972 to 2000. He also has vast experience on international affairs and during his term of office as President of the Senate, he had officially been invited to visit Japan, China, Middle East, Latin America, India and Eastern Europe.

Tan Sri Dato' Chen is the Vice Chairman of Malaysian South-South Corporation Berhad and presently, he is also sitting in the Board of Road Builder (M) Holdings Berhad and Pan Pacific Asia Berhad.

Tan Sri Dato' Chen has no shareholding in the Company.

Y.Bhg. Dato' Haji Yaacob @ Yaakub Bin A Hamid *

DPMS, DSPN, DJN, AMS, JP

Independent Director

Aged 59, an Independent Non-Executive Director of AMDB since 1 July 1998. Graduated with a Bachelor of Economics (Honours) degree from University of Malaya and a Master of Science (Urban and Regional Planning) degree from University of Wisconsin, Madison U.S.A.

Retired from the Government service in 1994 where he held various senior positions including State Financial Officer, Penang, Director of the Klang Valley Planning Secretariat of the Prime Minister Department, Secretary Tax Division of the Ministry of Finance and State Secretary of Selangor. After retirement, served as President for Kumpulan Darul Ehsan Berhad, an investment holding company of the Selangor State Government until July 1997.

Presently not sitting in any Board of other public companies.

Dato' Haji Yaacob has no shareholding in the Company.

Y.Bhg. Dato' Azhar Hashim #

DSNS

Director

Aged 55, a Director of AMDB since 1 September 1993 is an engineer by profession. Graduated with a Bachelor of Science (Honours) degree majoring in Electronic and Electrical Engineering.

Has worked in National Electricity Board (now known as Tenaga Nasional Berhad) as a Construction Engineer for 8 years prior to joining AMDB. In AMDB has held various senior management positions and was Executive Director from 1 September 1993 to 1 September 1995. Also sits on the Boards of Country Heights Holdings Berhad, Zecon Engineering Berhad, Century Logistics Holdings Berhad and Sarawak Concrete Industries Berhad.

Dato' Azhar has no shareholding in the Company.

Y.Bhg. Tan Sri Dato' Dr Lee Lam Thye

PSM, DPMS, DPMP
Independent Director

Aged 59, an Independent Non-Executive Director of AMDB since 1 March 2004.

Has worked as a Temporary School Teacher after completing his secondary education at St. Michael's Institution, Ipoh and a Trade Unionist before entering politics in 1969. He was elected State Legislative Assemblyman for Bukit Nenas, Selangor from 1969 to 1974 and served as a Member of Parliament for Kuala Lumpur Bandar / Bukit Bintang from 1974 to 1990. He retired from politics in 1990.

Has served as Chairman of the Working Committee on National Unity under the National Economic Consultative Council (NECC) as member of the Malaysian Human Rights Commission from 2000 to 2002 and as a member of the Royal Commission to enhance the operation and management of the Royal Malaysian Police from February 2004 till May 2005.

Presently, Tan Sri Dato' Dr Lee is the Chairman of the National Institute of Occupational Safety and Health (NIOSH), Vice

Chairman of the Malaysia Crime Prevention Foundation and the Vice President of PEMADAM. He is also a member of Kuala Lumpur City Hall Advisory Board.

He also served as Chairman and member of Trustee Board of various foundations and charitable organizations. From 1986 to 2002 he has received various awards for his contribution to the Nation.

He also sits on the Boards of Arab-Malaysian Corporation Berhad as its Independent Non-Executive Director, SIME UEP Properties Berhad, MBM Resources Berhad and Media Prima Berhad.

Tan Sri Dato' Dr Lee has no shareholding in the Company.

Dr. Mohan Thirunavukarasu

Director

Aged 51, a Non-Independent Non-Executive Director of AMDB since 1 December 2003, is a Doctor by profession.

Has completed his medical studies in 1978 and thereafter continued to practice as a Houseman and Medical Officer from 1978 to December 1981. He practiced as a Physician from 1981 to 1986 in various hospital including General Hospital, Lady Templer Hospital and Tung Shin Hospital before joining Sentosa Medical Centre Sdn Bhd ("SMC") in 1986 as a Consultant Physician. In 1987, he was appointed as Director of SMC and later in 1990 appointed as Managing Director.

Presently not sitting in any Board of other public companies.

Dr. Mohan has no shareholding in the Company.

* Member of Audit Committee

Brother to Y.Bhg. Tan Sri Dato' Azman Hashim

Notes to Directors' Profile

1. Conflict of Interest

The Directors' personal interests in material business arrangement, If any, with the Company are set out in Note 41 to the Financial Statements under "Significant Related Party Transactions and Balances" on page 81 of this Annual Report.

2. Conviction for Offences

None of the Directors have any conviction for offences within the past 10 years.

3. Attendance at Board Meetings

The details of Directors' attendance at Board Meetings are set out on page 15 of this Annual Report.

Corporate Information

COMPANY SECRETARIES

Pn Azian Hashim
Ms Chung Mei Cheng

AUDITORS

FOLKS DFK & CO.
Suite 4024, 4th Floor, President House
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03-2141 2555
Fax : 03-2142 6355

REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 26, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 03-2721 2222
Fax : 03-2721 2530

REGISTERED OFFICE

20th Floor, Bangunan AMDB
1, Jalan Lumut
50400 Kuala Lumpur
Tel : 03-4043 2311
Fax : 03-4043 0311

TEXTILE MANUFACTURING COMPLEX

Kamunting Industrial Estate
34600 Kamunting
Taiping
Perak Darul Ridzuan
Tel : 05-891 4000
Fax : 05-891 2900

Chairman's Statement



On behalf of the Board of Directors of AMDB Berhad, I present the 39th Annual Report and audited Financial Statements of the Group and the Company for the financial year ended 31 March 2005.

OVERVIEW

The calendar year 2004 was a period of robust growth in global trade and domestic demand. As a result, Malaysia experienced its most rapid economic growth in four years, expanding by 7.1% for the year [5.2% in 2003]. The first half of the year saw the strong rebound from the economic uncertainties in 2003 related to the war in Iraq and the outbreak of Severe Acute Respiratory Syndrome (SARS) in Asia. In the second half of the year the growth momentum continued despite the occurrence of the tsunami disaster and the dampening effects of sharply higher oil prices.

The improvement in the economy was reflected by positive growth across all sectors except the construction industry. The Malaysian economy remained resilient with strong domestic demand providing the impetus for sustained expansion.

The Group recorded a pre-tax profit of RM6.4 million compared to a pre-tax loss of RM2.0 million in the previous year. The profit realised was mainly attributable to improved performances by most subsidiary and associated companies. Group revenue increased by another 7.0% from RM231.4 million last year to RM247.7 million.

PROPERTIES

The country's construction sector contracted by 1.9% in 2004 due mainly to fewer projects, arising from the completion of many privatized projects and lower Government spending on new large infrastructure. However, during the year, overall activity in the residential and non-residential sector expanded. Rising disposable income and attractive financing packages helped to stimulate demand for new residential properties.



Single storey semi-D Suriana 1 at Desaria Nilai

The financial year ended 31 March 2005 saw the Property Division registering a profit of RM12.3 million on a total revenue of RM31.5 million compared to a profit of RM6.2 million and a total revenue of RM25.3 million for the previous year. Share of profits of associated companies amounted to RM0.4 million, compared to a profit of RM4.4 million in the previous year.

The **Residential** sector has remained active, underpinned by firm demand for affordable homes in choice locations. The demand is supported by low interest rates, attractive housing loan packages as well as incentives provided under the 2003 Economic Package which ended in May 2004. With improving demand, prices of houses trended upwards in 2004. The first half of 2004 reflected an increase of 5.7% in the Malaysian House Index.

Desaria Nilai housing development is nearing completion. Phase 4A(2)B comprising 48 units single storey semi-detached houses and 7 units 1¹/₂ storey shops, together with Phase 4B(B) comprising of 44 units double storey terrace houses, launched in late 2003, are due for completion in July 2005. Work on the final package, Phase 4A5 comprising 142 units single storey terrace houses, began in May 2005.

Located on a 61-acre site in Bukit Tengah, Seberang Prai, the latest development named Bayu Mutiara offers shops, terraced and semi-detached as well as low-cost houses. Sale began in May 2005 with project completion scheduled to spread over 5 years.

The 181-acre Pajam Jaya housing scheme, located near the Pajam exit of the Kajang-Seremban Highway (KASEH), is slated for launch towards the end of 2005.

The Commercial property sector remained competitive. Rental of office space remained resilient with the market adjusting to the move of government offices to Putrajaya. More businesses and corporate institutions are seeking better-managed and better city addresses at the expense of older buildings. Bangunan AMDB managed to secure 95% occupancy of its total lettable area of 163,988 square feet. In the soft Seremban market, Arab-Malaysian Business Centre, Seremban managed to maintain relatively good occupancy, with 13 of the 34 office modules owned being rented out.

The Property Division, under its strategy to enhance its standing in the market, is focusing on more popular areas of the Klang Valley, Penang and Johor Bahru and efforts to seek more landbank in these growth areas are continually made.

TEXTILES



Computerised colour matching

For the financial year ended 31 March 2005, the Textiles Division recorded a loss of RM2.1 million against revenue of RM41.8 million in contrast to the previous year's RM2.2 million loss on a turnover of RM40.3 million. Even though higher Government sales in 2004 were recorded compared

to that of the previous year and with the export sector remaining steady, there was still insufficient volume to fill the required production capacity.

Amidst strong competition from lower cost producing countries namely PR China, India and Vietnam, efforts are being made to find ways to make operations profitable. The factory ceased its weaving operations to cut operational costs and all its greige fabric requirements outsourced. In line with the Governments' procurement policy change, a garment unit within the Division was formed to implement the supply of made-up uniforms for government requirements and subsequently for other local and export sectors. Steps are also being taken to move up the value

chain by changing the profile of the textile operations from its traditional business of supplying fabric only to the supply of higher value added products.

During the year, the global textile and garment industry continued to undergo structural changes. With the expiry of the Agreement of Textile and Clothing (ATC) came the end of the quota system of trade between the industrialized and developing countries. With it also comes the threat of PR China's domination of the international textile trade with its cheap and high production capacity. This change is expected to have a major impact on our textile operations in the coming years as well as the Malaysian textile industry.

ENGINEERING AND CONSTRUCTION



Gelang Patah Substation Project

Making up this Division are AMBC Transmission Sdn Bhd, AMBC Controls Sdn Bhd, Blue Star M&E Engineering Sdn Bhd, AMBC Electronics Sdn Bhd, AMCE Builders Sdn Bhd and Supermix Concrete

(Malaysia) Sdn Bhd. The Division's profit decreased marginally to RM9.0 million for the financial year ended 31 March 2005 compared to a profit of RM9.5 million in the previous year. Revenue increased from RM88.8 million last year to RM93.9 million this year. Share of associated companies' profit registered for the year ended 31 March 2005 amounted to RM4.3 million compared to RM3.9 million in the previous year.

FINANCIAL SERVICES

The Division, represented by AMDB Factoring Sdn Bhd and Sogelease (Malaysia) Berhad saw revenue for the year under review decreased marginally to RM3.9 million from RM4.4 million of the previous year. However, profit escalated from a loss of RM0.3 million in the previous year to RM5.6 million, this being mainly due to write-back of doubtful debts.

TRAVEL AND LEISURE

This Division comprises Seban Golf & Marina Resort (SGMR), Harpers Travel (Malaysia) Sdn Bhd, Harpers Tours (Malaysia) Sdn Bhd and the restaurant operations of Restoran Seri



Fine dining at Restoran Berputar Seri Angkasa

Melayu and Restoran Berputar Seri Angkasa as well as Restoran Berputar Alor Setar. The Group's investments in four hotels, namely the 270-room Equatorial Resort in



Panoramic view of Seban's Marina from the Clubhouse

Cameron Highlands, the 350-room Hotel Equatorial in Ho Chi Minh City, Vietnam, the 364-room Vistana Hotel, Kuala Lumpur, and the 250-room Hotel Equatorial Bangi in Selangor make up the other business units as Associate Companies.

The travel and leisure industry rebounded from the effects of the outbreak of SARS where growth was reinforced by robust tourism activities. In the post-SARS period, tourist arrivals reached a record level of 15.7 million as opposed to 10.6 million the previous year. The Formula One Grand Prix, and to a certain extent, the twice-a-year Mega Sales Carnival attracted tourists and tourist spending. The activities in the hotel and restaurant businesses were well supported by tourists from high spending markets like the West and North Asian countries.

The performance of this Division for the financial year under review showed a loss of RM3.7 million compared to a loss of RM3.3 million in the previous year. Revenue increased to RM73.6 million (2004 : RM67.8 million). The associated companies recorded a lower profit of RM0.6 million in the year ended 31 March 2005, opposed to a profit of RM1.5 million of the year before.

The outlook for the hotel industry remains favorable as evident with the great increase in influx of tourists into the country. The restaurant, travel and tour operations are expected to remain profitable.

OTHERS

Manufacture of Transformers

AM SGB Sdn Bhd, a joint venture with Starkstrom Geratebau GmbH of Germany (AMSGB), in which AMDB has a 35% equity interest, is involved in the manufacture of transformers. For the year under review, sales turnover of the Company increased to RM47.4 million from RM42.4 million recorded in the previous year. Share of the Company's pre-tax loss attributed to AMDB was RM0.4 million for the financial year ended 31 March 2005 compared to a pre-tax profit of RM0.3 million in the previous year due mainly to the provision for unrealized foreign exchange loss and escalating metal prices, especially steel and copper.

Medical

AMDB holds 32% equity interest in Sentosa Medical Centre Sdn Bhd, a company that operates a 200-bedded hospital located next to AMDB Building at Kompleks Damai in Kuala Lumpur. The Company recorded a pre-tax profit of RM5.4 million for the year ended 31 March 2005, reflecting an increase against the RM5.1 million registered in the previous year. The profit attributable to AMDB is RM1.7 million (2004 : RM1.6 million).

Another hospital is currently under construction in Kajang, Selangor and is expected to be operational in November 2005. In addition, the company plans to expand and upgrade its existing facilities and extend the existing Sentosa Medical Centre with another two floors. Work expected to commence this year is scheduled to be completed in a year. With the enhancements and expanded range of facilities, the centre will be able to provide better services to its customers.

Media

The Media Division is represented by AMDB's 49%-owned associate company, PTM Sdn Bhd (PTM) which in turn has a 75% shareholding in J. Walter Thompson Sdn Bhd, an advertising agency. For the year under review, PTM registered a pre-tax profit of RM4.9 million (2004 : RM4.5 million) of which RM2.4 million is attributable to AMDB (2004 : RM2.2 million).

Kesas Sdn Bhd (Shah Alam Expressway)

AMDB Berhad holds 20% equity in Kesas Sdn Bhd, the company operating the privatized 34.5 km Shah Alam Expressway (SAE) that was completed in March 1988. The concession period will expire on 19 August 2022.



*Traffic along
Shah Alam Expressway*

The year saw traffic volume along the SAE marginally lower at 214,000 vehicles compared to 216,000 vehicles the previous year. The reopening of North Klang Valley Expressway (NKVE) at Bukit Lanjan, previously closed due to rock-falls in November 2003, also contributed to the decrease in traffic volume as motorists no longer need to use SAE to bypass NKVE. Continued developments to cater for the high traffic volume and ease congestions during peak hours; upgrading and enhancements of facilities along the highway corridor linking Port Klang with the southern

corridor of Kuala Lumpur for the comfort of travellers along the SAE, have been undertaken by the company.

For the financial year ended 31 March 2005, the Company recorded a pre-tax profit of RM16.0 million (RM3.2 million attributable to AMDB) compared to the previous year's pre-tax profit of RM19.0 million (RM3.8 million attributable to AMDB).

COMMUNITY AND STAFF ACTIVITIES



*Staff gathering at Restoran
Seri Melayu*

AMDB continues to play its role as a responsible and caring corporate citizen. Contributions to various charitable organizations were made throughout the year.

PROSPECTS

The Malaysian economy rebounded strongly from the negative effects of the outbreak of the Iraq war and SARS. Growth momentum sustained despite the dampening effects of higher oil prices and the reversal of interest rate trends, indicating strong consumer spending and the revival of investments. The global economic outlook for the year ahead holds promise of continued growth for the Malaysian economy against the backdrop of significant improvements in international trade and financial flows.

Although the Group has made progress this year, there is still much work ahead of us to strengthen the Group for the future. The Group's businesses will remain vigilant in their control of operating costs to achieve overall efficiency, with effort and commitment to drive revenue growth. Barring any unforeseen circumstances, the Group's overall performance is projected to improve for the financial year ending 31 March 2006.

MALAYSIAN CODE ON CORPORATE GOVERNANCE

The adoption and application of good corporate governance principles and compliance with best practices by the Group as set out in The Malaysian Code on Corporate Governance have been disclosed in the Annual Report under the "Statement on Corporate Governance" section. The Annual Report also incorporates a "Statement on Internal Controls" as required under the Bursa Malaysia Listing Requirements. The Board of Directors and senior management of the Group's commitment to best practice in Corporate Governance is an ongoing imperative. We continue to be motivated in ensuring that the highest standards of Corporate Governance are practiced throughout the Group.

ACKNOWLEDGMENT & APPRECIATION

I take this opportunity to extend my appreciation to my fellow Board members for their invaluable contribution throughout the year. I also like to thank the authorities, shareholders, business associates, bankers and customers for their support and continued confidence in the Group.

On behalf of the Board, I also thank the Management and staff of the Group for their enthusiasm, dedication and commitment given to the Organization. May we work towards achieving higher growth and better performances for the Group.

Tan Sri Dato' Azman Hashim

Kuala Lumpur
10 June 2005

Statement on Corporate Governance

The Board of AMDB Berhad (AMDB) recognises the importance of good corporate governance and is committed to ensuring that a high standard of corporate governance is practiced throughout as a fundamental part of discharging its responsibilities to safeguard shareholders' interests and to enhance the long-term value of the Company.

The Board is pleased to report on the application by AMDB of the principles of the Malaysian Code of Corporate Governance (the Code) and the extent of its compliance with the best practices of the Code.

DIRECTORS

Responsibilities

The Board has overall responsibility for the strategic direction and leadership for the Group. In addition, it also oversees the development and management of the Group's businesses and reviews the adequacy and effectiveness of the internal control of the Company and Group as a whole. The Board meets regularly to discuss the corporate strategy, the operations and results of the business units in the Group.

Composition

The Board comprises the Non-Executive Chairman and Deputy Chairman, the Chief Executive Officer, four (4) Independent Directors and two (2) Non-Executive Directors. There is a balance in the Board with the presence of four (4) Independent Non-Executive Directors to carry sufficient weight for decision-making and to ensure strategies proposed by management are fully discussed and examined.

The Chief Executive Officer is generally responsible for the day to day running of the business, implementation of Board policies and operational decisions making whilst the Non-Executive Directors have the necessary skill and experience to ensure that strategies proposed by management are fully evaluated. In addition they contribute to policy formulation and are actively involved in decision-making. They also provide support, guidance and promote professionalism and competence among management and employees. The presence of Independent Non Executive Directors through their knowledge and experience of other businesses and sectors, bring an independent view, advice, judgment and considerable knowledge to the Board's discussions.

Meetings and Supply of Information

During the financial year ended 31 March 2005, a total of four (4) Board Meetings were held at The Board Room, 26th Floor, Bangunan AmBank Group, 55 Jalan Raja Chulan, 50200 Kuala Lumpur. The date and time of the Board Meetings held are as follows: -

Date of Meetings	Time
28 May 2004	5.00 p.m.
26 August 2004	3.30 p.m.
25 November 2004	3.30 p.m.
25 February 2005	10.00 a.m.

The attendance of Directors at Board Meetings held during the financial period is as follows:

Directors	Number of Meeting Attended
Y.Bhg. Tan Sri Dato' Azman Hashim	3 / 4
Y.Bhg. Dato' Azlan Hashim	4 / 4
Encik Azmi Hashim	4 / 4
Y.Bhg. Datuk Mohd Saufi Bin Haji Abdullah	4 / 4
Y.Bhg. Dato' Haji Yaacob @ Yaakub Bin A Hamid	4 / 4
Y.Bhg. Dato' Azhar Hashim	4 / 4
Y.Bhg. Tan Sri Dato' Chen Wing Sum	3 / 4
Dr. Mohan Thirunavukarasu	4 / 4
Y.Bhg. Tan Sri Dato' Dr. Lee Lam Thye	4 / 4

Statement on Corporate Governance

(cont'd)

All Directors are provided with an agenda and a set of Board papers prior to Board meetings for consideration and where appropriate, for decision. These are issued in sufficient time to enable the Directors to consider the matters to be deliberated and to obtain further explanations, where necessary, in order to be briefed properly before the meeting. The Board papers include, among others, quarterly operational and financial report of its group companies / business units; minutes of meetings of all committees of the Board; annual business plans and budget; reports on cost cutting measures and other corporate proposals which require its approval. Senior management staff may be invited to attend Board meetings to provide the Board with detailed explanations and clarifications on certain matters that are tabled to the Board.

In addition, there is a schedule of matters reserved specifically for the Board's decision and besides meetings; the Board also approves matters through the circulation of Directors' Circular Resolutions in accordance with the Articles of Association.

Appointments

The combined Nomination and Remuneration Committee assess the suitability of proposed new directors and recommends to the Board for appointment.

Re-election

All Directors are required to retire from office at least once in every three years and newly appointed Directors are subject to re-election by shareholders at the first opportunity after their appointment. Retiring Directors may offer themselves for re-election by the Shareholders at the Company's Annual General Meeting.

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

Remuneration

The remuneration for Directors is determined so as to ensure that it attracts, motivates and retains Directors of the right calibre needed to run the Group successfully. For Non-Executive Directors, the level of remuneration reflects the experiences and level of responsibilities undertaken by them.

None of the Executive Directors participated in any way in determining their individual remuneration.

The details of the remuneration of Directors who served during the financial year ended 31 March 2005 are as follows: -

	Salary RM'000	Fees * RM'000	Other Emoluments** RM'000	Benefits- in-kind RM'000	Total RM'000
Executive Directors	432	-	302	143	877
Non-Executive Directors	-	192	134	125	451
	432	192	436	268	1,328

The number of Directors whose total remuneration falls within the respective bands is as follows: -

	Executive Directors	Non-Executive Directors	Total
Below RM50,000	-	5	5
RM50,001 - RM100,000	-	2	2
RM150,001 - RM200,000	-	1	1
RM850,001- RM900,000	1	-	1

* All Non-Executive Directors are paid directors' fees as approved by the Shareholders at the Annual General Meeting.

** Other Emoluments include: bonuses and/or allowances

(cont'd) **Statement on
Corporate Governance**

Training and Continuing Education

All Directors have continuously attended continuing education programs and seminars accredited under the Bursa Malaysia Securities Berhad (Bursa Malaysia)'s Continuing Education Programmes (CEP) to keep abreast with developments in the market place. Most of the Directors have fully obtained the required CEP points prescribed by Bursa Malaysia.

The Company has in place a Directors' Orientation and Education Program as part of corporate governance, where it provides for the necessary induction, orientation and continuing education for Directors.

BOARD COMMITTEES

The Board delegates certain responsibilities to Board committees. The committees, which were set up to assist the Board in certain areas of deliberation, are:

- Audit Committee
- Nomination and Remuneration Committee
- Properties Planning Committee
- Risk Management Committee (a sub-committee of the Audit Committee)
- Employees' Share Option Scheme Committee

The functions and terms of reference of the respective committees have been clearly defined by the Board.

The composition of the Board Committees is reflected as follows:

Directors	Audit Committee	Nomination & Remunerations Committee	Properties Planning Committee
Y.Bhg. Datuk Mohd Saufi Bin Haji Abdullah (Independent Non-Executive Director)	C	C	C
Y.Bhg. Tan Sri Dato' Chen Wing Sum (Independent Non-Executive Director)	M	M	M
Y.Bhg. Dato' Haji Yaacob @ Yaakub Bin A Hamid (Independent Non-Executive Director)	M	M	M
Y.Bhg. Dato' Azlan Hashim (Non-Executive Director)	M	M	-
Y.Bhg. Dato' Azhar Hashim (Non-Executive Director)	-	-	M
Encik Azmi Hashim (Chief Executive Officer)	-	-	M
Total Members	4	4	5

C = Chairman

M = Member

Audit Committee

The details of the Audit Committee and its report are presented on pages 19 to 22.

Nomination and Remuneration Committee

The combined Committee is responsible for assessing and recommending new appointments to the Board after taking into consideration the required mix of skills, experience and other qualities that non-executive Directors should bring to the Board. It is also responsible for recommending a remuneration framework for Executive Directors and furnishes recommendations to the Board on specific adjustments to the remuneration of the Chief Executive Officer so as to reflect the individual performance and contribution.

During the financial year ended 31 March 2005, a total of two (2) meetings were held.

Properties Planning Committee

The Committee was established on November 25, 2004 to assist the Board in assessing and enhancing the planning and operating efficiency of the Property Division.

During the financial year ended 31 March 2005, a total of four (4) meetings were held.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board seeks to present a balanced and understandable assessment of the Company and Group's financial position in the quarterly reports to Bursa Malaysia and the Annual Report to shareholders. The Board is assisted by the Audit Committee in scrutinizing information for disclosure to ensure accuracy, adequacy and completeness. The Directors' responsibility in preparing the financial statements is set out below.

Directors' Responsibility in Financial Reporting

The Directors considered that in preparing the financial statements for the year ended 31 March 2005 set out on pages 28 to 93, the Company has used appropriate accounting policies which are consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed.

The Directors have a responsibility to ensure that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have a general responsibility to take such steps as are reasonably available to them to safeguard the assets of the Company and of the Group to prevent and detect fraud and other irregularities.

Internal Control

The Group's Statement of Internal Control as set out on pages 23 and 24 provides an overview of the state of internal control within the Group.

Relationship with the Auditors

The Board maintains a formal and appropriate relationship with the external auditors through the Audit Committee. The role of the Audit Committee in relation to the external auditors is described in the Audit Committee Report as set out on pages 19 to 22.

SHAREHOLDERS

Communication with Shareholders

Each year the Company's Annual Report is distributed to all shareholders and is available upon request. Shareholders, investors and members of the public can also obtain full financial results and various announcements made by the Company from the Bursa Malaysia's website (www.bursamalaysia.com.my) or the Company's own established website (www.amdbgroup.com) for access to corporate proposals, information and news or events related to the Group.

Shareholders who attend the Company's General Meeting are encouraged to raise any questions that they may have in relation to the Group's financial performance and its business operations.

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

MEMBERSHIP

The Audit Committee has been established since 16 June 1994 and its members are:

1. Y.Bhg. Datuk Mohd Saufi Bin Haji Abdullah
(Chairman – Independent Non-Executive Director)
2. Y.Bhg. Dato' Hj Yaacob @ Yaakub Bin A Hamid
(Independent Non-Executive Director)
3. Y.Bhg. Tan Sri Dato' Chen Wing Sum
(Independent Non-Executive Director)
4. Y.Bhg. Dato' Azlan Hashim
(Non-Executive Director)

TERMS OF REFERENCE

1. Composition

The members shall be appointed by the Board from amongst its number and shall not be less than 3, the majority of whom are independent directors and at least one member of the Committee must be a member of the Malaysian Institute of Accountants or such other qualifications and experience as approved by the Bursa Malaysia Securities Berhad. The Chairman of the Committee shall be approved by the Board.

2. Authority

The Committee is authorized by the Board to investigate any matter within its term of reference. It shall have the authority to request any information it seeks as relevant to its activities from any employee of the Company or the Group and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorized to take such independent professional advice, as it considers necessary.

3. Responsibility

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

4. Review of the Audit Committee

The Board of Directors shall review the performance of the Committee and its members at least once every 3 years to determine they have carried out their duties in accordance with the Terms of Reference.

5. Functions and Duties

The duties and functions of the Committee shall be: -

- a. to review with the External Auditor: -
 - the audit plan and audit report and his evaluation of the system of internal controls;
 - the assistance given by employees of the Company to them;

Committee Report

- b. to review and consider the scope of the internal audit program/plan;
- c. to review and consider the adequacy of the scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work;
- d. to consider any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the External and Internal Auditors;
- e. to review the quarterly results and annual financial statements prior to approval by the Board, focusing particularly on: -
 - changes in or implementation of major accounting policy;
 - significant and unusual events;
 - the accuracy and adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Group;
 - compliance with accounting standards, other statutory and legal requirements and the going concern assumption;
- f. to review and monitor any related party transaction and conflict of interest situation that may arise within the Company or the Group
- g. to consider and recommend the appointment of the External Auditors, the audit fee and any question of resignation or dismissal;
- h. to discuss problems and reservations arising from the interim and final audits, and any matter the External Auditors may wish to discuss (in the absence of management where necessary);
- i. to assist the Board in the appointment / termination of members of the Risk Management Committee, to review and monitor the Company and Group's risk profile, the adequacy and effectiveness of management control systems of the Group;
- j. to undertake any such other functions as the Audit Committee considers appropriate or as authorized by the Board of Directors.

6. Meetings

- a. The quorum in respect of a meeting of the Committee shall be two members of whom the majority must be Independent Directors.
- b. The Committee shall meet at least four (4) times a year, although additional meetings may be called at any time at the Chairman's discretion. All meetings to review the quarterly results and annual financial statements shall be held prior to such quarterly results and annual financial statements being presented to the Board for approval.
- c. Notwithstanding paragraph (b) above, upon the request of any member of the Committee, the External Auditor or the Internal Auditor, the Chairman of the Committee shall convene a meeting of the Committee to consider the matters brought to its attention.
- d. The Committee may invite any Board member or any member of the Senior Management or any relevant employee within the Company who the Committee thinks fit to attend its meetings to assist in resolving and clarifying matters raised in audit reports.
- e. The Internal Auditor shall be in attendance at meetings of the Committee to present and discuss the audit reports of findings and the recommendations relating thereto and to follow up on decisions made at these meetings.
- f. The Committee may establish any regulation from time to time to govern its administration.

(cont'd) **Audit**
Committee Report

7. Minutes

- a. The Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.
- b. Minutes of the Committee's meetings will be made available to all Board members. The Chairman of the Committee will report a summary of significant matters and resolutions to the Board.
- c. The books containing the minutes of proceedings of any meeting of the Committee shall be kept by the Company at the registered office of the Company, and shall be opened to the inspection of any member of the Committee and the Board.

8. Secretary

The Company Secretary shall be the Secretary to the Committee.

MEETINGS AND ATTENDANCE

During the financial year ended 31 March 2005, a total of four (4) Meetings were held and the details of attendance are as below: -

Directors	Number of Meeting Attended
Y.Bhg. Datuk Mohd Saufi Bin Haji Abdullah	4 / 4
Y.Bhg. Dato' Azlan Hashim	4 / 4
Y.Bhg. Dato' Haji Yaacob @ Yaakub Bin A Hamid	4 / 4
Y.Bhg. Tan Sri Dato' Chen Wing Sum	4 / 4

During these meetings the Committee together with the Head of Internal Audit Division carried out the duties as stated below. The activities of the internal audit were reported at these Meetings.

The External Auditors were invited to attend meetings to discuss the half yearly and annual financial statements and their audit findings. Senior Management personnel were also invited to brief the Committee on specific issues.

SUMMARY OF ACTIVITIES

During the financial period, the Committee carried out its activities in accordance with the terms of reference which include the following:

- i. Review of the quarterly results and annual financial statements focusing on compliance with accounting standards, other statutory and legal requirements and the accuracy and adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Group.
- ii. Review and consider the external audit plans for the year.
- iii. Evaluate the performance of external auditors and recommend their appointment and fees to the Board for approval.
- iv. Review and approve the Internal Audit Plan for the year.
- v. Review and consider the internal audit activity report on a quarterly basis and evaluate the effectiveness of implementation by Management of internal audit recommendations.

Committee Report

- vi. Evaluate the adequacy, effectiveness of risk management and internal control system of business units with regards to its operation, management and financial aspects as part of Corporate Governance.
- vii. Review the annual internal control statement and recommend to the Board for approval.
- viii. Consider related party transactions to ensure compliance with the relevant regulatory requirements and monitor recurrent transactions of revenue nature under mandate obtained from the Shareholders.
- ix. Review and approve the procedure for monitoring recurrent related party transactions to ensure that the transactions are conducted on normal commercial terms consistent with those extended to the general public and not to the detriment of the minority shareholders.
- x. Report to and update the Board on significant issues and concerns discussed during the Committee's Meetings and where appropriate make the necessary recommendations to the Board.

INTERNAL AUDIT FUNCTION

The Company has an established Internal Audit Division headed by an Internal Auditor. This Division reports its findings to the Audit Committee and assists the Committee in the discharge of its duties and functions. Its role is to provide independent and objective reports on the organisation's management, operations, records, accounting policies and internal controls to the Board.

The Internal Audit Division will present its Internal Audit Plan, which includes the scope and functions of the Internal Audit for the year for consideration and approval of the Audit Committee at the beginning of the financial period.

The objective of Internal Audit is to determine whether adequate controls have been established and are operating in the Group and to provide reasonable assurance that:

- business objectives and policies are adhered to
- operations are cost effective and efficient
- assets and resources are safeguarded and effectively used
- required records and information are provided and integrity is protected
- applicable laws and regulations are complied with
- minimization of exposure to adverse events.

A summary of activities of the Internal Audit during the financial period includes: -

- i. Internal audit assignments according to Audit Plan or carry out investigations and special reviews requested by Management/Committee and report findings and recommendations to the Committee
- ii. Review and appraise the application and adequacy of accounting, financial and other controls
- iii. Evaluate and monitor the system of internal control and its effectiveness.
- iv. Follow-up audits (if required) are carried out to determine whether the Management has taken corrective/remedial actions.

In the Internal Audit process, there were no material internal control failures or significant issues discovered during the financial year.

Statement on *Internal Control*

INTRODUCTION

The Board of Directors (Board) recognizes the importance of maintaining a good internal control system and an effective risk management system as part of its ongoing efforts to practice good corporate governance. The Board is committed to practicing the highest standards of corporate governance and observing best practices, and will continue to improve on current practices.

RESPONSIBILITY

The Board affirms its overall responsibility for the system of internal control operating throughout the Group and for reviewing its effectiveness, including financial and operational controls, compliance with relevant laws and regulations, and risk management to safeguard shareholders' investments and the Group's assets. The Group's system of internal control is designed to ensure that the risks facing the Group's businesses in pursuit of its objectives are identified and managed at known and acceptable levels, rather than to eliminate those risks. However, such systems can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has established the necessary procedures, which accord with the guidance on internal controls provided in the *Statement on Internal Control : Guidance for Directors of Public Listed Companies*, and that these procedures have been in place throughout the financial year under review and up to the date of issuance of the annual report and financial statements.

The procedures ensure that the Board is aware of the key risks facing the Group and that the system of internal control is regularly reviewed for effectiveness and adequacy. The Board has empowered the primary responsibility for the operation of the system of internal control to the Chief Executive Officer and management within an established framework that applies throughout the Group.

RISK MANAGEMENT FRAME WORK

The Board has established a formal risk management system covering the Group's core business activities to identify, evaluate and manage significant business risks faced by the Group. This system has been in place since June 2003 and is periodically reviewed by the Audit Committee for its adequacy and effectiveness and reported periodically to the Board.

The key features in the Group's risk management framework are :-

- A risk reporting structure which outlines the lines of reporting and responsibilities of the Board, Audit Committee and Risk Management Committee has been established and approved;
- The risk assessment process includes identifying the key risks, potential impact and likelihood of those risks, the control effectiveness and adopting the appropriate action plans to mitigate those risks to the desired level;
- The Risk Management Committee provides periodic reports on the risk profile of the Group to the Audit Committee for review and the Audit Committee reports on the significant risks and controls available to mitigate those risks to the Board for its consideration;
- The appointment of a Chief Risk Officer at holding company and risk officers at the subsidiaries to ensure leadership, direction and coordination of the group-wide application of risk management; and
- On-going risk management education and training is provided at management and staff levels.

The Board recognizes the importance of having in place a formal risk management system to identify, evaluate and manage significant business risks faced by the Group. Towards this end, a group-wide enterprise risk management (ERM) system covering the Group's core business activities has been in place since June 2003. This ERM framework includes examining principal business risks in critical areas, assessing the likelihood and impact of their occurrence, identifying the controls to manage these risks and adopting the appropriate risk mitigation option.

The Board believes that the ERM framework has allowed for a more structured and focused approach in managing the Group's significant business risks and has enabled the Group to effectively adopt a risk-based internal control system that is embedded within the Group.

KEY ELEMENTS OF INTERNAL CONTROL

The key elements of the Group's internal control system are described below:

- **Organization structure with clearly defined lines of responsibility and delegated authority.**
The Group has in place an organization structure with key responsibilities clearly defined for the Board, committees of the board and the executive management of the Group's operating units.
- **Independence of Audit Committee.**
The Audit Committee of the Board comprises four non-executive directors, the majority of whom are independent, and has full access to both the internal and external auditors.
- **Internal Audit**
An independent internal audit department was established in May 1995, which reports its audit findings to the Audit Committee. The internal audit team performs its duties in accordance with its annual audit plan covering management, operational and system audit of the Group.
- **Documented internal policies and procedures.**
Policies and procedures regulating financial and operating activities are clearly documented in manuals. These manuals are subject to regular reviews and updates to reflect the changing business risks and to resolve operational deficiencies, if any.
- **Detailed business plan and budgeting process**
Detailed annual business plan and budgets are prepared by individual operating units containing business strategies, financial and operating targets, performance indicators and capital expenditure proposals, which are approved both at operating unit level and by the Board. The Group also places high emphasis on communicating information relating to business plans and performance to employees so as to create awareness of the financial and economic factors affecting the Group.
- **Comprehensive system of financial reporting**
Corporate Management Committee meetings are held periodically where regular and comprehensive information are provided to management by respective business units covering financial performance and operation, including the monthly monitoring of results against budget, with major variances being followed up and management action taken, where necessary.

The Board is pleased to report that there were no material internal control system failures nor have any of the reported weaknesses resulted in material losses or contingencies during the financial year.

The Group's system of internal control applies principally to AMDB Berhad and its subsidiary companies, excluding associated companies.

Other Disclosure Requirements

Imposition of sanctions/penalties

There was no public sanctions/penalties imposed on the Company, Group, Directors or Management by the relevant regulatory bodies.

Material contracts involving Directors and Major Shareholders' Interests

Other than those disclosed in Note 41 of the Financial Statements, there are no material contracts subsisting as at 31 March 2005 or if not then subsisting, entered into since the end of the previous financial year by the Company or its subsidiaries which involved the interest of directors or major shareholders.

Share Buy Back

The Company had on 23 September 2004 obtained its shareholders' approval at the 38th Annual General Meeting to buy back shares of the Company. However, the Company has not conducted any share buy back for the financial year ended 31 March 2005.

Employees' Share Option Scheme 2 (ESOS 2)

The Company's ESOS 2 was approved by the Shareholders at the Extraordinary General Meeting held on 21 September 2000. The scheme was implemented with the first offer being made on 30 January 2001 at the option price of RM0.50 per share. The allocation to employees was made in accordance with the criteria as set out in the Bye-Laws and which was approved by the Employees' Share Option Scheme Committee. No further allocation has been made thereafter.

Recurrent Related Party Transactions

During the financial year, the Recurrent Related Party Transactions conducted pursuant to the Mandate given by the shareholders are set out below:

Transactions entered into with companies in which a director and substantial shareholder, Tan Sri Dato' Azman Hashim and/or persons connected with him have interest in	Amount as at 31.03.05 RM
Sale of air tickets and other related travel services to:	
AMMB Holdings Berhad Group	1,387,319
Arab-Malaysian Corporation Berhad Group	265,268
AM SGB Sdn Bhd	138,356
AmAssurance Berhad	1,667,653
Family members and other corporations	269,124
Interest on time deposit received from:	
AMMB Holdings Berhad Group	176,024
Consultancy services charged by:	
AMMB Holdings Berhad Group	194,572
Restaurant services provided to :	
AMMB Holdings Berhad Group	122,829
Administrative fees received from:	
AM SGB Sdn Bhd	48,000
Rental charged by:	
AMMB Holdings Berhad Group	54,576
Rental income received from:	
AMMB Holdings Berhad Group	524,169
AmAssurance Berhad	875,706
Other corporations	67,700
Sale of properties to:	
AmAssurance Berhad	4,472,052
Service & maintenance of air conditioner charged to:	
AMMB Holdings Berhad Group	190,685
Insurance premium charged by:	
AmAssurance Berhad	920,792
Upkeep motor vehicles services provided by:	
Fizam Auto Service Sdn Bhd	47,522
Purchase of motor vehicles from:	
Azumoto Sdn Bhd	296,711
Provision of IT Services and Sales IT products to:	
AM SGB Sdn Bhd	31,207
Aggregate value	11,750,265

Nature of Relationship

Tan Sri Dato' Azman Hashim	Director of and deemed major shareholder in AMDB, Arab-Malaysian Corporation Berhad and AMMB Holdings Berhad Group (AMMB Holdings Berhad Group includes AmBank Berhad, AmBank (M) Berhad (formerly known as AmFinance Berhad), AmMerchant Bank Berhad, AmAssurance Berhad and AMFB Holdings Berhad)
Dato' Azlan Hashim	Director and shareholder in AMDB and AMMB Holdings Berhad Director of Arab-Malaysian Corporation Berhad, AMFB Holdings Berhad, AmAssurance Berhad, AmSecurities Sdn Bhd and AM SGB Sdn Bhd Deemed Major shareholder in AmAssurance Berhad and also brother to Tan Sri Dato' Azman Hashim
Azmi Hashim	Director of and shareholder in AMDB Director of Arab-Malaysian Corporation Berhad, major shareholder in Azumoto Sdn Bhd and also brother to Tan Sri Dato' Azman Hashim
Dato' Azhar Hashim	Director of AMDB Major shareholder in AM SGB Sdn Bhd and also brother to Tan Sri Dato'Azman Hashim
Azian Hashim	Company Secretary and shareholder of AMDB Major shareholder of Fizam Auto Service Sdn Bhd and also sister to Tan Sri Dato' Azman Hashim
Arab-Malaysian Corporation Berhad	Major shareholder in AMDB holding directly and indirectly of 36.68% and 7.47% of the total issued share capital respectively and major shareholder in AMMB Holdings Berhad holding directly and indirectly of 30.09% and 1.38% of the total issued share capital respectively as at 31 March 2005

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Directors' Report

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 March 2005.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year comprised the manufacture of textile products and those of an investment holding company. The principal activities of the subsidiary and associated companies are set out in Notes 44 and 45 to the financial statements respectively.

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

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit before taxation	6,446	1,804
Taxation	(1,895)	579
Profit after taxation	4,551	2,383
Minority interests	(5,007)	-
Net (loss)/profit for the year	(456)	2,383

RESERVES AND PROVISIONS

There were no material transfers made to or from reserves or provisions accounts during the financial year ended 31 March 2005 other than as disclosed in the financial statements.

DIVIDENDS

No dividend has been paid or declared since the end of the previous financial year. The directors do not recommend the payment of any dividends in respect of the current financial year.

SHARE CAPITAL

During the financial year, the issued and paid-up share capital of the Company was increased from RM401,419,628 to RM401,422,628 through the issue of 6,000 new ordinary shares of RM0.50 each on the conversion of RM3,000 nominal value zero coupon Irredeemable Convertible Unsecured Loan Stocks ("ICULS") 2003/2010 on the basis of RM1.00 each nominal value of ICULS for every 2 new ordinary shares of RM0.50 each.

All the new ordinary shares issued rank pari passu with the existing ordinary shares of the Company.

EMPLOYEES' SHARE OPTION SCHEME

The AMDB Berhad's Employees' Share Option Scheme 2 ("ESOS 2") was approved by the shareholders at an extraordinary general meeting held on 21 September 2000. The ESOS 2 became effective on 30 January 2001 and will expire on 29 January 2006. The movements of option over unissued ordinary shares granted to eligible directors and employees of the Group during the year are as follows :-

Date granted	Option price	Option over number of ordinary shares of RM0.50 each			
		As at 01-04-2004	Granted / Exercised	Ceased	As at 31-03-2005
31-01-2001	RM0.50	16,714,700	-	(1,284,300)	15,430,400

No options were granted and/or exercised during the financial year.

The salient features of the ESOS 2 as contained in the Bye-Laws are :-

(a) The Scheme is set up for employees' participation in the ordinary share capital of the Company only.

The total number of shares to be offered under the ESOS 2 shall not exceed 10% of the total number of issued and paid-up ordinary shares of the Company at any point in time during the duration of the Scheme. At the commencement of the Scheme, the total number of shares available for offer is 58,571,649 ordinary shares of RM0.50 each.

(b) Eligible employees are those who have been in service with the Group for a continuous period of at least one (1) year for Malaysian employees (including executive directors) and at least five (5) years of continuous service with the Group for non-Malaysian employees. Notwithstanding that, employees who had been offered any options under any previous employees' share option scheme within the Group must have served a total of five (5) years of continuous service to be eligible.

(c) The Scheme shall be administered by the Option Committee which shall comprise senior management personnel to be appointed by the Board of Directors.

(d) An option granted under ESOS 2 shall be capable of being exercised by the grantee by notice in writing to the Company during the year commencing on the date of offer and expiring on 29 January 2006. The option granted shall be exercisable by the grantee up to a maximum of 20% of the option granted in each year. Options which are not exercised may be carried forward and the balance of all options not exercised within six (6) months preceding the date of expiry may be exercised in full subject to the approval of the Option Committee.

(e) The price at which the grantee are entitled to subscribe for the Company's shares under the ESOS 2 is the weighted average market price of the shares of the Company (as quoted in the Daily Diary of Bursa Malaysia) for the five (5) market days preceding the respective dates of offer of the options set at a discount of not more than ten percent (10%), or the par value of the shares, whichever is higher.

(f) An option granted under ESOS 2 shall cease where the grantee ceases his/her employment or appointment with the Group by reason of resignation or termination of employment by the Group other than by reason of his/her retirement at or after attaining normal retirement age, ill health, injury or disability, redundancy or any other circumstances which may be approved by the Option Committee in its entire discretion in writing.

(g) An option shall be automatically terminated in the event of the bankruptcy of the grantee or upon the happening of any other event which results in the grantee being deprived of legal and beneficial ownership of such option.

(h) An option does not confer on the grantee any right to participate in any share issue of any other company.

DIRECTORS

The names of the directors in office since the date of the last Directors' Report and at the date of this report are :-

Tan Sri Dato' Azman Hashim

Dato' Azlan Hashim

Azmi Hashim

Dato' Azhar Hashim

Datuk Mohd. Saufi bin Haji Abdullah

Dato' Haji Yaacob @ Yaakub Bin A Hamid

Tan Sri Dato' Chen Wing Sum

Dr. Mohan Thirunavukarasu

Tan Sri Dato' Dr. Lee Lam Thye

In accordance with Article 136 of the Company's Articles of Association, Dato' Azlan Hashim, Dato' Azhar Hashim and Datuk Mohd. Saufi bin Haji Abdullah retire by rotation at the forthcoming annual general meeting and being eligible offer themselves for re-election.

In accordance with Section 129(2) of the Companies Act 1965, Tan Sri Dato' Chen Wing Sum (being above the age of 70 years) retires at the forthcoming annual general meeting and offers himself for re-appointment.

Particulars of directors' interest in ordinary shares and option to subscribe for ordinary shares under ESOS 2 in the Company as shown in the Registers as at the end of the financial year are as follows :-

	Number of ordinary shares of RM0.50 each			
	As at 01-04-2004	Acquired	Disposed	As at 31-03-2005
Tan Sri Dato' Azman Hashim				
Direct	475,077	-	-	475,077
Indirect	354,450,212	-	-	354,450,212
Dato' Azlan Hashim				
Direct	1,867,625	-	-	1,867,625
Azmi Hashim				
Direct	53,000	-	-	53,000
Datuk Mohd Saufi Bin Haji Abdullah				
Direct	200,000	200,000	-	400,000
	Option over number of ordinary shares of RM0.50 each			
	As at 01-04-2004	Granted	Exercised	As at 31-03-2005
Azmi Hashim	500,000	-	-	500,000
	Number of zero coupon Irredeemable Convertible Unsecured Loan Stock 2003/2010 of RM1.00 nominal value			
	As at 01-04-2004	Acquired	Disposed	As at 31-03-2005
Tan Sri Dato' Azman Hashim - Indirect	75,900,000	-	-	75,900,000

By virtue of his equity interest in the Company, Tan Sri Dato' Azman Hashim is deemed to be interested in the shares of all subsidiary companies that are held by the Company.

Other than as disclosed above, no other director in office at the end of the financial year held any interest, direct or indirect, in shares or option in shares of the Company and its subsidiary companies.

Since the end of the previous financial year, no director has received or become entitled to receive any benefits (other than those disclosed as directors' fees, emoluments and benefits-in-kind 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 a director is a member or with a company in which the director has a substantial financial interest other than by virtue of transactions entered into in the ordinary course of business and as disclosed in Note 41 to the financial statements.

Neither at the end of the financial year nor at any time during the year did there subsist any arrangements of which the Company or a related corporation is a party, whereby the directors might acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate, other than directors' entitlement to options granted pursuant to the AMDB Berhad's ESOS 2 and any benefits that may accrue arising from the arrangements as detailed in Note 41(b) to the financial statements.

OTHER STATUTORY INFORMATION

(a) In the opinion of the directors :-

- (i) the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature;
- (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 Group and of the Company for the financial year in which this report is made; and
- (iii) no contingent 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 Group and of the Company to meet their obligations when they fall due.

(b) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps :-

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to realise their values 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 :-

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

(d) At the date of this report, there does not exist :-

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

AUDITORS

The auditors, Messrs. Fols DFK & Co., have expressed their willingness to continue in office.

On behalf of the Board,



TAN SRI DATO' AZMAN HASHIM
Chairman



AZMI HASHIM
Director / Chief Executive Officer

Kuala Lumpur,

10 June 2005

Consolidated Balance Sheet

as at 31 March 2005

	Note	2005 RM'000	Restated 2004 RM'000
Share Capital	4	401,423	401,420
Reserves	5	45,824	46,406
Zero Coupon Irredeemable Convertible Unsecured Loan Stocks 2003/2010	6	75,918	75,921
Shareholders' Equity		523,165	523,747
Minority Interests	7	(22,257)	(12,943)
Unsecured Notes	8	13,364	13,289
Long Term and Deferred Liabilities			
Hire-purchase creditors	9	1,186	1,395
Finance lease liabilities	10	28,750	40,250
Long term payables	11	43,634	44,274
Retirement benefits	12	4,721	6,591
Deferred tax liabilities	13	6,874	6,729
Deferred Income	14	4,156	5,343
		603,593	628,675
Represented By :-			
Property, Plant and Equipment	15	134,393	139,364
Associated Companies	17	178,434	171,056
Investments	18	36,787	65,276
Investment Properties	19	60,833	61,981
Unsecured Notes Redemption Fund	20	1,457	1,417
Land Held for Property Development	21	63,739	68,695
Long Term Receivables	22	10,389	9,112
Deferred Tax Assets	13	390	422
Current Assets			
Property development costs	23	344,090	305,677
Inventories	24	31,800	37,709
Trade and other receivables	25	86,744	97,996
Confirming and factoring receivables	26	18,569	24,211
Tax recoverable		20,865	19,684
Deposits, cash and bank balances	27	36,663	54,643
		538,731	539,920
Current Liabilities			
Trade and other payables	28	156,297	148,205
Bank borrowings	29	263,376	272,894
Taxation		1,887	7,469
		421,560	428,568
Net Current Assets		117,171	111,352
		603,593	628,675

The notes set out on pages 42 to 91 form an integral part of the financial statements.

Consolidated Income Statement

for the year ended 31 March 2005

	Note	2005 RM'000	Restated 2004 RM'000
Revenue	30 (i)	247,744	231,396
Cost of Sales	30 (ii)	(200,392)	(187,829)
Gross Profit		47,352	43,567
Other Operating Income :			
- Gain on disposal of subsidiary companies		248	1,119
- Others		18,368	8,344
Distribution Expenses		(8,618)	(6,945)
Administration Expenses		(17,918)	(16,587)
Other Operating Expenses :			
- Allowance for value impaired in respect of land held for property development		(30)	(4,000)
- Allowance for write down in value of inventories		(5,436)	(1,824)
- Others		(23,640)	(20,573)
Operating Profit	31	10,326	3,101
Finance Costs	33	(19,447)	(19,989)
Share of Results of Associated Companies		15,567	14,912
Profit/(Loss) Before Taxation		6,446	(1,976)
Taxation	34	(1,895)	(6,921)
Profit/(Loss) After Taxation		4,551	(8,897)
Minority Interests		(5,007)	5,219
Net Loss for the Year		(456)	(3,678)
Basic Loss per Share of RM0.50 Each	35	(0.06 sen)	(0.52 sen)

The notes set out on pages 42 to 91 form an integral part of the financial statements

Consolidated Statement of Changes in Equity

for the year ended 31 March 2005

Note	Share Capital RM'000	Share Premium RM'000	Zero Coupon Irredeemable Convertible Unsecured Loan Stocks RM'000	Capital Reserves RM'000	Exchange Translation Differences RM'000	Accumulated Losses RM'000	Total RM'000
Balance at 1 April 2003							
- As previously stated	323,196	143,213	-	10,416	2,853	(98,377)	381,301
- Prior year adjustments	-	-	-	-	-	(7,695)	(7,695)
- As restated	323,196	143,213	-	10,416	2,853	(106,072)	373,606
Share issue expenses	-	(912)	-	-	-	-	(912)
Negative goodwill arising from acquisition of additional interest in a subsidiary company	-	-	-	-	-	1,300	1,300
Goodwill arising from acquisition of a subsidiary company	-	-	-	-	-	(332)	(332)
Currency translation loss	-	-	-	-	(382)	-	(382)
Net (loss)/profit not recognised in the income statement	-	(912)	-	-	(382)	968	(326)
Issuance of shares	78,145	-	-	-	-	-	78,145
Issuance of Zero Coupon Irredeemable Convertible Unsecured Loan Stocks (ICULS) 2003/2010	-	-	76,000	-	-	-	76,000
Issuance of shares on conversion of Zero Coupon ICULS 2003/2010	79	-	(79)	-	-	-	-
Net loss for the year							
- As previously stated	-	-	-	-	-	(508)	(508)
- Prior year adjustments	-	-	-	-	-	(3,170)	(3,170)
- As restated	-	-	-	-	-	(3,678)	(3,678)
Balance at 31 March 2004	401,420	142,301	75,921	10,416	2,471	(108,782)	523,747
Balance at 1 April 2004							
- As previously stated	401,420	142,301	75,921	10,416	2,471	(97,917)	534,612
- Prior year adjustments	-	-	-	-	-	(10,865)	(10,865)
- As restated	401,420	142,301	75,921	10,416	2,471	(108,782)	523,747
Share issue expenses	-	(31)	-	-	-	-	(31)
Currency translation loss	-	-	-	-	(95)	-	(95)
Net loss not recognised in the income statement	-	(31)	-	-	(95)	-	(126)
Issuance of shares on conversion of Zero Coupon ICULS 2003/2010	3	-	(3)	-	-	-	-
Net loss for the year	-	-	-	-	-	(456)	(456)
Balance at 31 March 2005	401,423	142,270	75,918	10,416	2,376	(109,238)	523,165

The notes set out on pages 42 to 91 form an integral part of the financial statements.

Consolidated Cash Flow Statement

for the year ended 31 March 2005

	2005 RM'000	Restated 2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	6,446	(1,976)
Adjustments for :-		
Amortisation of gain on sale and leaseback of investment property	(1,250)	(1,250)
Share of results of associated companies	(15,567)	(14,912)
Defined benefit obligations	(303)	(548)
Allowance for diminution in value of quoted investments written back	(1,347)	(124)
Allowance for value impaired in respect of land held for property development	30	4,000
Allowance for write down in value of inventories	5,436	1,824
Allowance for write down in value of inventories written back	-	(1,525)
Allowance for impairment in value of property development costs written back	(1,747)	(2,000)
Allowance for doubtful debts	937	1,412
Allowance for doubtful debts written back	(1,311)	(1,546)
Inventories written off	44	-
Depreciation	8,054	8,252
Gain on disposal of subsidiary companies	(248)	(1,119)
Gain on disposal of quoted investments	(254)	(4)
Gain on disposal of property, plant and equipment	(423)	(564)
Property, plant and equipment written off	37	118
Dividend income	(2,427)	(4,411)
Interest income	(4,014)	(4,934)
Interest expense	19,797	20,185
Quoted investment written off	136	-
Operating profit before working capital changes	12,026	878
Decrease/(Increase) in trade and other receivables	4,617	(6,141)
Decrease in inventories	429	6,447
Increase in property development costs	(39,546)	(7,632)
Decrease/(Increase) in land held for property development	4,926	(4,994)
Increase in trade and other payables	5,865	9,549
Cash utilised in operations	(11,683)	(1,893)
Taxation paid	(5,886)	(3,902)
Interest received	4,014	4,934
Interest paid	(19,797)	(20,185)
Retirement benefits paid	(1,567)	(767)
Net cash used in operating activities	(34,919)	(21,813)

The notes set out on pages 42 to 91 form an integral part of the financial statements

Consolidated Cash Flow Statement

(cont'd)

for the year ended 31 March 2005

	2005 RM'000	Restated 2004 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Repayment of advances from disposed subsidiary companies	-	1,200
Acquisition of subsidiary companies (Note 16(b)(v))	-	(50)
Disposal of subsidiary companies (Note 16(c)(v))	25,686	100
Proceeds from disposal of property, plant and equipment	751	598
Proceeds from disposal of investments	1,735	210
Purchase of shares from a minority shareholder (Note 16(b)(vi))	-	(3,770)
Net refund of costs on investment properties	1,149	-
Purchase of investments	(831)	(52)
Purchase of property, plant and equipment (Note 37(a))	(2,331)	(2,696)
Dividends received - quoted	2,427	4,411
Dividends received - associated companies	5,509	1,015
Net cash from investing activities	34,095	966
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issue expenses	(31)	(912)
Net repayment of short term borrowings	(5,147)	(5,846)
Redemption fund	(40)	(37)
Hire purchase and lease financing repaid	(7,142)	(992)
Dividends paid to minority shareholders in a subsidiary company	(529)	(1,286)
Issue of shares to minority shareholders	105	-
Net cash used in financing activities	(12,784)	(9,073)
Net Decrease in Cash and Cash Equivalents	(13,608)	(29,920)
Cash and cash equivalents at beginning of year	(57,128)	(27,208)
Cash and Cash Equivalents at End of Year (Note 37(b))	(70,736)	(57,128)

The notes set out on pages 42 to 91 form an integral part of the financial statements.

Balance Sheet

as at 31 March 2005

	Note	2005 RM'000	2004 RM'000
Share Capital	4	401,423	401,420
Reserves	5	70,693	68,341
Zero Coupon Irredeemable Convertible Unsecured Loan Stocks 2003/2010	6	75,918	75,921
Shareholders' Equity		548,034	545,682
Long Term and Deferred Liabilities			
Hire purchase creditors	9	644	500
Retirement benefits	12	4,721	6,591
Deferred tax liabilities	13	1,458	1,565
		554,857	554,338
Represented By :-			
Property, Plant and Equipment	15	19,522	21,994
Subsidiary Companies	16	140,483	140,413
Associated Companies	17	143,189	143,189
Investments	18	32,748	32,728
Current Assets			
Inventories	24	12,123	9,809
Trade and other receivables	25	548,478	520,727
Tax recoverable		17,568	12,798
Deposits, cash and bank balances	27	274	273
		578,443	543,607
Current Liabilities			
Trade and other payables	28	137,408	102,112
Bank borrowings	29	222,120	225,481
		359,528	327,593
Net Current Assets		218,915	216,014
		554,857	554,338

The notes set out on pages 42 to 91 form an integral part of the financial statements

Income Statement

for the year ended 31 March 2005

	Note	2005 RM'000	2004 RM'000
Revenue	30 (i)	57,910	55,005
Cost of Sales	30 (ii)	(39,773)	(40,128)
Gross Profit		18,137	14,877
Other Operating Income		13,895	14,152
Distribution Expenses		(2,498)	(2,160)
Administration Expenses		(8,455)	(7,918)
Other Operating Expenses :			
- Allowance for impairment of advances to subsidiary companies		-	(6,812)
- Loss on disposal of subsidiary companies		-	(101)
- Others		(1,982)	(5,509)
Operating Profit	31	19,097	6,529
Finance Costs	33	(17,293)	(17,133)
Profit/(Loss) Before Taxation		1,804	(10,604)
Taxation	34	579	(3,066)
Net Profit/(Loss) for the Year		2,383	(13,670)

The notes set out on pages 42 to 91 form an integral part of the financial statements.

Statement of Changes in Equity

for the year ended 31 March 2005

Note	Share Capital RM'000	Share Premium RM'000	Zero Coupon Irredeemable Convertible Unsecured Loan Stocks RM'000	Capital Reserves RM'000	Accumulated losses RM'000	Total RM'000
Balance at 1 April 2003	323,196	143,213	-	9,536	(69,826)	406,119
Share issue expenses	-	(912)	-	-	-	(912)
Net loss not recognised in the income statement	-	(912)	-	-	-	(912)
Issuance of shares	78,145	-	-	-	-	78,145
Issuance of Zero Coupon Irredeemable Convertible Unsecured Loan Stocks (ICULS) 2003/2010	-	-	76,000	-	-	76,000
Issuance of shares on conversion of Zero Coupon ICULS 2003/2010	79	-	(79)	-	-	-
Net loss for the year	-	-	-	-	(13,670)	(13,670)
Balance at 31 March 2004	401,420	142,301	75,921	9,536	(83,496)	545,682
Balance at 1 April 2004	401,420	142,301	75,921	9,536	(83,496)	545,682
Share issue expenses	-	(31)	-	-	-	(31)
Net loss not recognised in the income statement	-	(31)	-	-	-	(31)
Issuance of shares on conversion of Zero Coupon ICULS 2003/2010	3	-	(3)	-	-	-
Net profit for the year	36	-	-	-	2,383	2,383
Balance at 31 March 2005	401,423	142,270	75,918	9,536	(81,113)	548,034

The notes set out on pages 42 to 91 form an integral part of the financial statements.

Cash Flow Statement

for the year ended 31 March 2005

	2005 RM'000	2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	1,804	(10,604)
Adjustments for :-		
Defined benefit obligation	(303)	(548)
Allowance for impairment of advances to subsidiary companies	-	6,812
Allowance for impairment in value of investments in subsidiary companies	-	4,247
Allowance for doubtful debts	420	793
Depreciation	3,080	3,292
Allowance for write down in value of inventories	739	-
Loss on disposal of subsidiary companies	-	101
Gain on disposal of property, plant and equipment	(191)	(151)
Dividend income	(16,102)	(14,703)
Interest income	(12,678)	(11,756)
Interest expense	17,293	17,133
Operating loss before working capital changes	(5,938)	(5,384)
(Increase)/Decrease in trade and other receivables	(4,090)	1,814
(Increase)/Decrease in inventories	(3,053)	1,255
Increase in amount due from subsidiary companies	(23,922)	(7,941)
Increase/(Decrease) in amount owing to subsidiary companies	36,668	(4,312)
Decrease in amount due from associated companies	-	3,878
Decrease in trade and other payables	(1,342)	(3,170)
Cash utilised in operations	(1,677)	(13,860)
Interest received	12,678	11,756
Interest paid	(17,293)	(17,133)
Retirement benefits paid	(1,567)	(767)
Taxation paid	(4,407)	(3,281)
Net cash used in operating activities	(12,266)	(23,285)

The notes set out on pages 42 to 91 form an integral part of the financial statements.

(cont'd) Cash Flow Statement*for the year ended 31 March 2005*

	2005	2004
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	506	152
Disposal of subsidiary companies	-	100
Repayment of advance from disposed subsidiary company	-	804
Purchase of shares from a minority shareholder (Note 16(b)(vi))	-	(3,770)
Subscription of shares in a subsidiary company	-	(450)
Acquisition of shares in a subsidiary company	(70)	-
Purchase of property, plant and equipment (Note 37(a))	(139)	(159)
Dividends received - quoted	2,274	2,245
Dividends received - subsidiary companies	6,445	11,519
Dividends received - associated companies	7,384	939
Net cash from investing activities	16,400	11,380
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issue expenses	(31)	(912)
Net repayment of short term borrowings	(6,000)	(8,850)
Hire purchase and lease financing repaid	(741)	(646)
Net cash used in financing activities	(6,772)	(10,408)
Net Decrease in Cash and Cash Equivalents	(2,638)	(22,313)
Cash and cash equivalents at beginning of year	(89,308)	(66,995)
Cash and Cash Equivalents at End of Year (Note 37(b))	(91,946)	(89,308)

The notes set out on pages 42 to 91 form an integral part of the financial statements.

Notes to the Financial Statements

at 31 March 2005

1. GENERAL INFORMATION

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

Its registered office is located at 20th Floor, Bangunan AMDB, No.1, Jalan Lumut, 50400 Kuala Lumpur. The principal place of business of the Company is located at 17th Floor, Bangunan AMDB, No. 1, Jalan Lumut, 50400 Kuala Lumpur and its factory is located at Kamunting Industrial Estate, 34600 Kamunting, Taiping, Perak Darul Ridzuan.

The principal activities of the Company comprise the manufacture of textile products and those of an investment holding company. The principal activities of the subsidiary and associated companies are set out in Notes 44 and 45 to the financial statements respectively.

The financial statements are denominated in Ringgit Malaysia.

The financial statements were authorised for issue by the Board of Directors on 10 June 2005.

2. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

- (a) A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial assets of the Group include cash and bank balances, trade and other receivables, deposits with licensed banks and investments.

Financial liabilities of the Group include unsecured notes, trade and other payables and bank borrowings.

In respect of the Company, financial assets and liabilities also included amount owing by and amount owing to subsidiary companies respectively.

- (b) The Group's financial instruments are subject to a variety of financial risks including currency risk, interest rate risk, credit risk, market risk, liquidity and cash flow risks.

The Group's overall financial risk management objective is to seek to address and control the risks to which the Group is exposed and to minimise or avoid the incidence of loss that may result from its exposure to such risks and to enhance returns where appropriate.

The Board is primarily responsible for the management of these risks and to formulate policies and procedures for the management thereof. The risks are managed by regular risk reviews, internal control systems, on-going formulation and adherence to financial risk policies and mitigated by insurance coverage where appropriate.

(i) Foreign Currency Risk

The Group is exposed to currency risk as a result of the foreign currency transactions entered into by the Group in currencies other than their functional currency. Currently, the pegging of the Ringgit Malaysia (RM) against United States Dollar (USD) has allowed the Group to minimise the foreign exchange risk in relation to transactions denominated in USD. In respect of transactions in other foreign currencies, the movements in the exchange rate are closely monitored with a view to ensure that the most competitive rates are secured. The Group does not hedge nor speculate in foreign currency derivatives.

(ii) Interest Rate Risk

The Group is a net borrower of funds and is exposed to interest rate risk for changes in interest rates primarily for debt obligation and placement in money market. The Group's policy is to maintain a predominantly floating rate debt instruments with varying maturities.

(iii) Credit Risk

Credit risk is the risk of financial loss attributable to default on obligations by parties contracting with the company. The Group's main exposure to credit risk is in respect of its trade receivables.

2. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(iii) Credit Risk (cont'd)

The Group seeks to control credit risk by spelling out the guidelines and procedures on extending credit terms to customers. Customer's risk profile are reviewed regularly with a view to setting appropriate terms of trade and credit limits. Where appropriate, customers may be required to provide security and advance payment before goods or services are rendered. The Group has endeavoured to avoid concentration of risk in one customer or a group of customers.

(iv) Market Risk

Market risk is the risk that the value of the financial instrument will fluctuate due to changes in market prices.

The Group is exposed to the risk of fluctuation in the market price of quoted shares and property trust units. The Group does not engage in speculative trading and its investments are held for long term.

The Group's market risk exposure to currency and interest rate fluctuations are discussed under the respective risk headings.

(v) Liquidity and Cash Flow Risks

Liquidity or funding risk is the risk of the inability to meet commitments associated with financial instruments while cash flow risk is the risk of uncertainty of future cash flow amount associated with a monetary financial instrument.

The Group maintains and ensure availability of funding resource through an adequate amount of committed credit facilities. Group Treasury maintains a mix of short-term money market borrowings and medium/long term loans to fund working capital requirements, capital expenditure and long term projects.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) General

All significant accounting policies set out below are consistent with those applied in the previous financial year except for the adoption of the Malaysian Accounting Standards Board's Standard No. 32 (MASB 32), Property Development Activities which became effective during the financial year.

The effects of adopting MASB 32 are disclosed in Note 36 to the financial statements.

(b) Basis of Preparation

The financial statements are prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies. The financial statements comply with applicable approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965.

(c) Basis of Consolidation

Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

The consolidated financial statements are drawn up based on the acquisition method and include the financial statements of the Company and all its subsidiaries made up to the balance sheet date. The results of subsidiary companies acquired or disposed of during the year are included in consolidated income statement from the effective date of acquisition or to the date of disposal. At the date of acquisition, the fair values of the net assets of the subsidiary companies are determined and the fair values are reflected in the consolidated financial statements.

Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree.

Intra-group balances and transactions and the resulting unrealised gain are eliminated on consolidation. Unrealised losses are eliminated on consolidation unless the cost cannot be recovered. The consolidated financial statements reflect external transactions only.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(d) Goodwill and Negative Goodwill on Consolidation**

The excess of the cost of acquisition of subsidiary companies over the fair values of the net assets of the subsidiary companies at the date of acquisition is taken up as goodwill on consolidation.

Where the fair values of the net assets acquired exceeds the cost of acquisition, the surplus arising is taken up as negative goodwill on consolidation.

Goodwill and negative goodwill on consolidation are dealt with directly through reserves.

(e) Share Capital

Ordinary shares are classified as equity. Distributions to holders of ordinary shares are debited directly to equity and dividends declared on or before the balance sheet date are recognised as liabilities. Costs directly attributable to equity transactions are accounted for as a deduction, net of tax, from equity.

(f) Investments**(i) Investment in Subsidiary Companies and Associated Companies**

Investment in subsidiaries and associates are stated at cost less impairment losses. The investments are reviewed for impairment in accordance with the Group's accounting policy for impairment of assets.

(ii) Other Investments

Other investments held for long term 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. Such a decline is recognised as an expense in the income statement.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

(g) Associated Companies

An associated company is a company in which the Group has long term equity interest and where the Group exercises significant influence but not control over the financial and operating policies of the company.

Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting. Under the equity method of accounting, the Group's share of profits less losses of the associated companies is included in the consolidated income statement and the Group's share of post-acquisition retained profits and reserves less losses is added to the cost of investment in the consolidated balance sheet. These amounts are taken from the latest audited financial statements of associated companies with the same financial year end as the Group and where the financial year ends are not coterminous, the amounts are taken from unaudited management accounts made up to the financial year end of the Group. Equity accounting is discontinued when a nil carrying value of the investment in an associated company is reached unless the Group has incurred obligations or guaranteed obligations in respect of the associated company.

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

The difference between the cost of acquisition and the fair value of net assets acquired is reflected as goodwill or discount on acquisition. Goodwill or discount on acquisition of associated companies is amortised or written off based on reviews by the Directors.

(h) Investment Properties

Investment properties are land and/or buildings that are held as long term investment. These are stated at cost which includes interest on borrowings used to finance the purchase and construction of specific projects and other direct expenditure and related overheads incurred in the process of development. The investment properties are reviewed for impairment in accordance with the Group's accounting policy for impairment of assets.

(i) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost except for certain properties which are carried at their 1985 valuation less accumulated depreciation and accumulated impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Property, Plant and Equipment and Depreciation (cont'd)

The Group does not adopt a policy of revaluation and has applied the transitional provisions issued by the Malaysian Accounting Standards Board upon adoption of the International Accounting Standard No.16 (Revised) whereby the previous revaluation of certain properties in 1985 less accumulated depreciation may be retained as the carrying amount with continuity in the depreciation policy.

Freehold land and capital work-in-progress are not depreciated. Leasehold land are amortised over their respective leases ranging from 30 to 99 years.

All other property, plant and equipment are depreciated on a straight line basis to write off the cost or valuation of the assets over their estimated useful lives. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

The principal annual rates used are as follows :-

Mills and buildings	2.0% to 5.0%
Golf course facilities	2.0% to 10.0%
Marina facilities	2.0% to 10.0%
Plant, machinery and equipment	10.0% to 33.3%
Motor vehicles	20.0%
Furniture and fittings	10.0% to 15.5%

Property, plant and equipment are reviewed for impairment in accordance with the Group's accounting policy for impairment of assets.

(j) Property Development Activities

(i) Land Held for Property Development

Land held for property development consist of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current assets and are stated at cost less accumulated impairment losses. Costs include the cost of land and all related acquisition costs and costs incurred subsequent to the acquisition on development activities. The recognition and measurement of impairment losses is in accordance with the Group's accounting policy for impairment of assets.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and are expected to be completed within the normal operating cycle.

(ii) Property Development Costs

Property development costs comprise cost of land and related acquisition costs and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Cost includes interest on borrowings used to finance the purchase or construction of specific projects and other direct expenditure and related overheads incurred in the process of development. On completion of development, unsold properties are transferred to inventories and classified under completed properties held for sale. 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.

(iii) Revenue and Expense Recognition

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 reference to the surveys of work performed or to the proportion that property development costs incurred bear to the estimated total costs for the property development, where appropriate.

When 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 property development project including costs to be incurred over the defects liability period is recognised as an expense immediately irrespective of whether the outcome of a property development activity can be estimated reliably.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(j) Property Development Activities (cont'd)****(iv) Progress Billings**

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

(k) Impairment of Assets

The carrying amounts of non current assets (other than deferred tax assets and other investments) are reviewed for impairment at each balance sheet date. Impairment losses are provided when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and its value in use which is measured by reference to discounted future cash flows.

An impairment loss is charged to the income statement unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is recognised directly against the revaluation surplus account for that asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus account.

An impairment loss is only reversed to the extent of previously recognised impairment losses on an asset. All reversals of an impairment loss is credited to the income statement unless the asset is carried at revalued amount where the reversal is recognised directly to the revaluation surplus account of the same asset.

(l) Deferred Income

Deferred income represents the excess of the sales proceeds over the carrying amount of assets under sale and leaseback transaction and is deferred and amortised to the income statement under other operating income on a straight line basis over the lease term.

(m) Inventories**(i) Completed Properties Held for Sale**

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost includes cost of land and construction, and interest incurred during construction.

(ii) Manufacturing and Trading Inventories

Manufacturing and trading inventories are stated at lower of cost and net realisable value. Cost is determined on the weighted average cost method. For finished goods and work-in-progress, cost comprises raw materials, labour and overhead costs incurred in bringing the inventories to their existing conditions and location.

Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

(n) Construction Contracts**(i) Revenue and Expense Recognition**

When the outcome of a construction contract can be estimated reliably, contract revenue and contract cost are recognised over the period of the contract as revenue and expenses respectively using the percentage of completion method, determined by reference to surveys of work performed or to the proportion that contract costs incurred for work performed to date bear to the estimated total costs for the contract, where appropriate.

When the outcome of a construction contract cannot be ascertained reliably, contract revenue is recognised only to the extent of contract costs incurred that is estimated to be recoverable and contract cost are recognised as an expense in the period in which they are incurred.

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

(ii) Gross Amount due From/(To) Customers for Contract Work

Amount due from/(to) customers for contract work is the net amount of cost incurred for construction and engineering contracts-in-progress plus profit attributable to contract-in-progress less foreseeable losses, if any, and progress billings. Contract costs incurred to date include costs directly related to the contract or attributable to contract activities in general and costs specifically chargeable to the customers under the terms of the contract.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Retirement Benefits

(i) Short-Term Employee Benefits

Wages, salaries and social security contributions, paid annual and sick leave, bonuses and non-monetary benefits are recognised as an expense or included in the costs of assets, where applicable, in the period in which the associated services are rendered by employees of the Group.

(ii) Post-Employment Benefits

(a) Defined Contribution Plans

The Group provides post-employment benefits by way of contribution to defined contribution plans operated by the relevant authorities at the prescribed rates.

Defined contribution plans are post-employment benefits plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The Group's contributions to defined contribution plans are recognised as an expense in the income statement in the period to which the contributions relate or included in the costs of assets, where applicable.

(b) Defined Benefit Plans

Defined benefit plans are post-employment benefits plans other than defined contribution plans and under which the pension benefits payable to employees are usually determined by reference to employee's earning and/or length of service.

The Company operates an unfunded defined benefit final salary plan for eligible employees.

The liability recognised is the net total of the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognised actuarial gains or losses and unrecognised past service cost. The present value of the defined benefit obligations is determined on a triennial basis by actuarial valuations using the Projected Unit Credit Method, whereby the amount of benefit that employees have earned in return for their services in the current and prior periods are estimated.

Actuarial gains or losses arise from experience adjustments or changes in actuarial assumptions. When the net cumulative unrecognised actuarial gains or losses exceed 10% of the present value of the defined benefit obligation, such excess amount of gains or losses are recognised as income or expense over a period of three years.

Past service cost is recognised on a straight line basis over the average period until the benefits become vested or to the extent that the benefits are already vested following the introduction of, or changes to, the defined benefit plan, the past service cost is recognised immediately.

(c) Equity Compensation Benefits

Equity compensation benefits for the Group's employees are provided through the Group's Employees Share Option Scheme as set out in Note 4(b) to the financial statements.

The proceeds of share options exercised are credited to share capital and share premium where applicable. The Group does not account for the cost of the equity compensation benefits.

(d) Termination Benefits

Termination benefits are recognised as a liability and an expense when the Group is committed to terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Trade and Other Receivables

Trade and other receivables are carried at anticipated realisable value. Bad debts are written off as and when ascertained and allowance is made for any debts considered to be doubtful of collection.

(q) Trade and Other Payables

Trade and other payables are stated at cost.

(r) Provisions

Provisions are recognised when the Group has a present legal and constructive obligation as a result of past events and 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.

(s) Taxation

Tax expense/(income) is the aggregate amount of current and deferred tax included in the determination of net profit or loss for the year.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided using the balance sheet liability method on temporary differences at balance sheet date between the carrying amounts of assets and liabilities and the amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences and unabsorbed tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the assets can be utilised.

The carrying amount of deferred tax assets is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Tax rates enacted or substantively enacted at the balance sheet date are used to determine deferred tax.

(t) Revenue Recognition

Revenue from sales of goods is recognised upon delivery of goods, net of discounts and returns.

Revenue from services is recognised upon rendering of the services.

Revenue from construction contracts is recognised based on the policy as disclosed in Note 3(n) above.

Revenue from property development is recognised based on the policy as disclosed in Note 3(j) above.

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

Interest income from confirming and factoring activities is recognised on an accrual basis. Interest income from confirming activities is calculated based on a straight line method over the period of the confirming arrangement whilst interest income on factoring activities is calculated based on a daily rest method on the balances outstanding.

Revenue from letting of properties is recognised on an accrual basis over the period of tenancy.

All intra-group revenue are eliminated on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(u) Transactions in Foreign Currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at the rates of exchange ruling at the transaction dates or at contracted rates where applicable. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date or at contracted rates where applicable. All exchange differences are dealt with through the income statement.

For consolidation purposes, income statements of foreign entities are translated into Ringgit Malaysia at average exchange rates for the period and the balance sheets are translated at rates of exchange ruling at the balance sheet date. The translation differences arising therefrom are taken to reserves.

The closing rates used for principal foreign currency translation are as follows :-

	2005	2004
	RM	RM
United States Dollar (USD)	3.80	3.80
Singapore Dollar (SGD)	2.30	2.28
Hong Kong Dollar (HKD)	0.49	0.49
Euro	4.90	4.67

(v) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, production and preparation of assets until they are ready for their intended use or sale are capitalised as part of the cost of those assets. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(w) Hire Purchase and Finance Lease Arrangements and Operating Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership of the leased assets. All other leases are classified as operating leases.

Assets acquired under hire purchase arrangements are recognised and measured in a similar manner as finance leases.

(i) Assets Acquired under Hire Purchase and Finance Lease Arrangements

Assets acquired under hire purchase and finance lease arrangements are stated at the amounts equal at the inception of the arrangement to the lower of the fair values and the present values of the minimum hire purchase or lease payments.

The corresponding obligations are taken up as hire purchase or finance lease liabilities. Hire purchase or lease payments are apportioned between the outstanding liabilities and finance charges which are charged to income statement over the period of the hire purchase/lease term so as to produce a constant periodic rate of interest on the remaining balance of the liabilities for each period.

The depreciation policy of property, plant and equipment acquired under hire purchase and finance lease arrangements are consistent with the Group's depreciation policy as set out in Note 3(i) above.

(ii) Operating Lease

Operating lease payments are recognised as expenses in the income statement on a straight line basis over the period of the relevant leases.

(x) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, bank balances, deposits with licensed banks, bank overdrafts and highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The statements of cash flows are prepared using the indirect method.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(y) Financial Instruments

Financial instruments are recognised when a contractual relationship has been established.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as expense or income and distributions in respect of financial instruments classified as equity are charged to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

The Group's accounting policies and methods adopted in respect of each class of financial instruments and further information thereof are disclosed in the individual accounting policy statements or notes to the financial statements associated with those financial instruments.

4. SHARE CAPITAL

	Group and Company			
	2005 No.'000	2004 No.'000	2005 RM'000	2004 RM'000
Ordinary shares of RM0.50 each				
Authorised	1,000,000	1,000,000	500,000	500,000
Issued and fully paid :				
At beginning of year	802,839	646,393	401,420	323,196
Issued during the year	6	156,446	3	78,224
At end of year	802,845	802,839	401,423	401,420
			2005 No.'000	2004 No.'000
Options over shares granted and accepted under Employees' Share Option Scheme 2 (ESOS 2) not exercised as at the end of the year			15,430	16,715
- at option price of RM 0.50 per share				

The shares issued during the year were attributable to the conversion of RM3,000 nominal value zero coupon Irredeemable Convertible Unsecured Loan Stocks ("ICULS") 2003/2010 on the basis of RM1.00 each nominal value of ICULS for every 2 new ordinary shares of RM0.50 each.

All the new ordinary shares issued rank pari passu with the existing ordinary shares of the Company.

The 156,446,392 ordinary shares issued during the previous financial year were for the following purposes :-

Purpose	Number of ordinary shares of RM0.50 each issued '000	Amount RM'000
(i) Acquisition of 2 ordinary shares of RM1.00 each representing 100% equity interest in AMDB Industrial City Sdn. Bhd. ("AMDBIC") (formerly known as Arab-Malaysian Corporation Industrial City Sdn. Bhd.) from Arab-Malaysian Corporation Berhad ("AMCORP") for a total consideration of RM10,875,314	21,750	10,876
(ii) Settlement of inter-company advances made by AMCORP to AMDBIC	74,538	37,269
(iii) Acquisition of approximately 73.4 hectares of land ("Pajam Land") from Megatime Enterprise Sdn. Bhd., a wholly owned subsidiary of AMCORP by Taifab Properties Sdn. Bhd., a wholly owned subsidiary of the Company for a total purchase consideration of RM30,000,000	60,000	30,000
(iv) Conversion of RM79,000 nominal value zero coupon Irredeemable Convertible Unsecured Loan Stocks ("ICULS") 2003/2010 on the basis of RM1.00 each nominal value of ICULS for every 2 new ordinary shares of RM0.50 each	158	79
	156,446	78,224

4. SHARE CAPITAL (cont'd)

(a) Employees' Share Option Scheme 2 ("ESOS 2")

The Company's ESOS 2 was approved by the shareholders at an extraordinary general meeting held on 21 September 2000. The ESOS 2 became effective on 30 January 2001 and will expire on 29 January 2006. The movements of option over unissued ordinary shares granted to eligible directors and employees of the Group during the financial year are as follows :-

Date granted	Option over number of ordinary shares of RM0.50 each			
	As at 01-04-2004 No.'000	Granted / Exercised No.'000	Ceased No.'000	As at 31-03-2005 No.'000
31-01-2001 *	16,715	-	(1,285)	15,430
(* Option price : RM0.50)				
			Group and Company	
			2005	2004
			No.'000	No.'000
Number of shares vested at balance sheet date			15,430	13,372

No share options were granted and/or exercised during the financial year.

The salient features of the ESOS 2 as contained in the Bye-Laws are :-

- (i) The Scheme is set up for employees' participation in the ordinary share capital of the Company only.

The total number of shares to be offered under the ESOS 2 shall not exceed 10% of the total number of issued and paid-up ordinary shares of the Company at any point in time during the duration of the Scheme. At the commencement of the Scheme, the total number of shares available for offer is 58,571,649 ordinary shares of RM0.50 each.
- (ii) Eligible employees are those who have been in service with the Group for a continuous period of at least one (1) year for Malaysian employees (including executive directors) and at least five (5) years of continuous service with the Group for non-Malaysian employees. Notwithstanding that, employees who had been offered any options under any previous employees' share option scheme within the Group must have served a total of five (5) years of continuous service to be eligible.
- (iii) The Scheme shall be administered by the Option Committee which shall comprise senior management personnel to be appointed by the Board of Directors.
- (iv) An option granted under ESOS 2 shall be capable of being exercised by the grantee by notice in writing to the Company during the year commencing on the date of offer and expiring on 29 January 2006. The option granted shall be exercisable by the grantee up to a maximum of 20% of the option granted in each year. Options which are not exercised may be carried forward and the balance of all options not exercised within six (6) months preceding the date of expiry may be exercised in full subject to the approval of the Option Committee.
- (v) The price at which the grantee are entitled to subscribe for the Company's shares under the ESOS 2 is the weighted average market price of the shares of the Company (as quoted in the Daily Diary of Bursa Malaysia) for the five (5) market days preceding the respective dates of offer of the options set at a discount of not more than ten percent (10%), or the par value of the shares, whichever is higher.
- (vi) An option granted under ESOS 2 shall cease where the grantee ceases his/her employment or appointment with the Group by reason of resignation or termination of employment by the Group other than by reason of his/her retirement at or after attaining normal retirement age, ill health, injury or disability, redundancy or any other circumstances which may be approved by the Option Committee in its entire discretion in writing.
- (vii) An option shall be automatically terminated in the event of the bankruptcy of the grantee or upon the happening of any other event which results in the grantee being deprived of legal and beneficial ownership of such option.
- (viii) An option does not confer on the grantee any right to participate in any share issue of any other company.

Notes to the Financial Statements

(cont'd)

at 31 March 2005

5. RESERVES

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Non-distributable				
Share premium (Note 5(a))	142,270	142,301	142,270	142,301
Capital reserves	10,416	10,416	9,536	9,536
Exchange translation differences (Note 5(b))	2,376	2,471	-	-
Distributable				
Accumulated losses	(109,238)	(108,782)	(81,113)	(83,496)
	45,824	46,406	70,693	68,341

	Group and Company	
	2005 RM'000	2004 RM'000
(a) Share Premium		
At beginning of year	142,301	143,213
Share issue expenses	(31)	(912)
At end of year	142,270	142,301

	Group	
	2005 RM'000	2004 RM'000
(b) Exchange Translation Differences		
At beginning of year	2,471	2,853
Currency translation loss	(95)	(382)
At end of year	2,376	2,471

(c) The Company has an estimated tax credit balance under Section 108 of the Income Tax Act, 1967 of RM10,121,000 (2004 : RM10,593,000) which, subject to agreement with the tax authorities, is available to frank dividends out of future distributable reserves.

(d) The Company has an estimated tax exempt profit of RM40,137,000 (2004 : RM39,366,000) which, subject to agreement with the tax authorities and availability of distributable reserves, is available for distribution as tax exempt dividends.

6. ZERO COUPON IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2003/2010

	Group and Company	
	2005 RM'000	2004 RM'000
At beginning of year	75,921	-
Issuance of ICULS	-	76,000
Converted into ordinary shares of RM0.50 each	(3)	(79)
At end of year	75,918	75,921

The 76,000,000 RM1.00 nominal value zero coupon Irredeemable Convertible Unsecured Loan Stocks 2003/2010 ("ICULS") were issued on 10 November 2003 to Arab-Malaysian Corporation Berhad ("AMCORP") at its nominal value in connection with the acquisition of AMDB Industrial City Sdn. Bhd. from AMCORP.

6. ZERO COUPON IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2003/2010 (cont'd)

The zero coupon ICULS, constituted by a Trust Deed dated 27 June 2003, are irredeemable and are convertible into ordinary shares at any time after the date of issue until the maturity on 9 November 2010 on the basis of RM1.00 nominal value of ICULS for two new ordinary shares of RM0.50 each in the Company. Unless previously converted, all outstanding ICULS will automatically be converted by the Company into new ordinary shares in the Company at the fixed conversion price of RM0.50 on the maturity date.

The zero coupon ICULS are classified under shareholders' equity since all ICULS would eventually be converted into ordinary shares in the Company and there is no obligation to redeem the ICULS in cash or by any other financial assets.

7. MINORITY INTERESTS

The balance for minority interests is in debit due to the allocation of losses in certain subsidiary companies to minority shareholders in excess of their interest in equity in these subsidiary companies. The excess are charged to the minority shareholders as they have binding obligations to and are able to make good the losses.

8. UNSECURED NOTES

	Group	
	2005 RM'000	2004 RM'000
At beginning of year	13,289	13,287
Additions during the year	75	2
At end of year	13,364	13,289

Unsecured Notes are non-interest bearing unsecured obligations of a subsidiary company, which are issued together with and ancillary to the issue of Marina and Composite Memberships in a proprietary club operated by the subsidiary company. The Unsecured Notes are constituted by a Malaysian and a Singaporean Trust Deed, both respectively dated 25 March 1996 (in substitution for the respective original Trust Deeds dated 29 March 1994 to incorporate Composite Membership issues).

Unless earlier redeemed or purchased and cancelled, the Unsecured Notes are repayable as to the principal amount paid-up on 31 December 2053 in respect of Marina Memberships and 31 March 2056 in respect of Composite Memberships.

9. HIRE PURCHASE CREDITORS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Future minimum payments :-				
Payable within 1 year	1,333	1,338	517	646
Payable between 2 to 5 years	1,285	1,568	706	566
	2,618	2,906	1,223	1,212
Future finance charges	(221)	(312)	(116)	(148)
Present value	2,397	2,594	1,107	1,064
Payable :-				
Within 1 year (included under Trade and Other Payables - Note 28)	1,211	1,199	463	564
Between 2 to 5 years	1,186	1,395	644	500
	2,397	2,594	1,107	1,064

Notes to the Financial Statements

(cont'd)

at 31 March 2005

10. FINANCE LEASE LIABILITIES

	Group	
	2005	2004
	RM'000	RM'000
Minimum lease payments :-		
Within 1 year	13,279	8,002
Between 2 to 5 years	30,707	43,986
	43,986	51,988
Future finance charges/ljarah return	(3,736)	(5,988)
	40,250	46,000
Present value of finance lease liabilities		
Payable :-		
Within 1 year (included under Trade and Other Payables - Note 28)	11,500	5,750
Between 2 to 5 years	28,750	40,250
	40,250	46,000

The Group's lease financing facility includes an Islamic Ijarah lease financing facility of RM46,000,000 granted to a subsidiary company through a sale and leaseback arrangement in respect of an investment property of the subsidiary as disclosed in Note 19. The lease term of the facility is 7 years and is repayable by quarterly payments commencing on the 39th month after the date of unconditional acceptance of the lease on 19 September 2001. The Ijarah return for the lease is calculated monthly based on an annual rate of 1.75% above the financial institution's cost of funds. The lease facility is secured by way of a legal charge over a parcel of land of the subsidiary company, legal assignment of rental collections and corporate guarantee from the Company.

11. LONG TERM PAYABLES

	Group	
	2005	2004
	RM'000	RM'000
Shareholders' loans	38,812	40,849
Retention sums and progress claims payable after 1 year (Note 28)	4,822	3,425
	43,634	44,274

The shareholders' loans comprise the proportionate share of long term fundings of certain subsidiary companies' operations by the minority shareholders and are unsecured and interest free.

12. RETIREMENT BENEFITS

	Group and Company	
	2005	2004
	RM'000	RM'000
Present value of unfunded defined benefit obligations	4,123	5,395
Unrecognised actuarial gains	598	1,196
	4,721	6,591

- (a) Provision for employees' retirement benefits is determined by an independent actuarial valuation in April 2004 using the Projected Unit Credit Method and is made to cover estimated obligations for payment of retirement benefits to employees. These benefits are payable upon reaching the age of retirement, on retirement due to medical grounds or upon death in respect of employees who have served continuously for a period of five or more years.

12. RETIREMENT BENEFITS (cont'd)

The movements in the provision for retirement benefits during the financial year are as follows :

	Group and Company	
	2005	2004
	RM'000	RM'000
At beginning of year	6,591	7,906
Recognised in income statement	(303)	(548)
Benefits paid	6,288	7,358
	(1,567)	(767)
At the end of year	4,721	6,591

(b) The amount recognised as an expense in the Group's and Company's income statement can be analysed as follows :-

	Group and Company	
	2005	2004
	RM'000	RM'000
Current service costs	248	253
Interest on obligation	337	374
Curtailment gain	(290)	(577)
Actuarial gains recognised	(598)	(598)
	(303)	(548)

(c) The amount charged to income statement has been included under the following line items:-

	2005	2004
	RM'000	RM'000
Other operating income	(888)	(1,175)
Cost of sales	394	513
Administration expenses	191	114
	(303)	(548)

(d) The principal actuarial assumptions used in respect of the Group's defined benefit plan were as follows:

	Group and Company	
	2005	2004
	%	%
Discount rate	7	7
Future average salary increases	5	5

Notes to the Financial Statements

(cont'd)

at 31 March 2005

13. DEFERRED TAXATION

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
At beginning of year	6,307	1,049	1,565	1,672
Recognised in the income statement (Note 34)	177	637	(107)	(107)
Arising from acquisition of subsidiary company	-	4,621	-	-
At end of year	6,484	6,307	1,458	1,565
Presented after appropriate offsetting as follows :-				
Deferred tax liabilities	6,874	6,729	1,458	1,565
Deferred tax assets	(390)	(422)	-	-
	6,484	6,307	1,458	1,565

(a) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows :-

2005 - Group

	Balance at 01-04-2004 RM'000	Recognised in the income statement RM'000	Balance at 31-03-2005 RM'000
Deferred tax liabilities			
Excess of capital allowances over depreciation	767	(598)	169
Development properties, at fair value	18,154	-	18,154
Revaluation of property, plant and equipment	2,003	(107)	1,896
	20,924	(705)	20,219

	Balance at 01-04-2004 RM'000	Recognised in the income statement RM'000	Balance at 31-03-2005 RM'000
Deferred tax assets			
Unabsorbed tax losses	(13,533)	282	(13,251)
Unutilised capital allowances	(381)	381	-
Other deductible temporary differences	(703)	219	(484)
	(14,617)	882	(13,735)

2005 - Company

	Balance at 01-04-2004 RM'000	Recognised in the income statement RM'000	Balance at 31-03-2005 RM'000
Deferred tax liabilities			
Revaluation of property, plant and equipment	1,565	(107)	1,458

13. DEFERRED TAXATION (cont'd)**2004 - Group**

	Balance at 01-04-2003 RM'000	Arising from acquisition of a subsidiary company RM'000	Recognised in the income statement RM'000	Balance at 31-03-2004 RM'000
Deferred tax liabilities				
Excess of capital allowances over depreciation	593	-	174	767
Development properties, at fair value	-	18,154	-	18,154
Revaluation of property, plant and equipment	2,110	-	(107)	2,003
	2,703	18,154	67	20,924

Deferred tax assets

	Balance at 01-04-2003 RM'000	Arising from acquisition of a subsidiary company RM'000	Recognised in the income statement RM'000	Balance at 31-03-2004 RM'000
Unabsorbed tax losses	(672)	(13,533)	672	(13,533)
Unutilised capital allowances	(378)	-	(3)	(381)
Other deductible temporary differences	(604)	-	(99)	(703)
	(1,654)	(13,533)	570	(14,617)

2004 - Company

	Balance at 01-04-2003 RM'000	Recognised in the income statement RM'000	Balance at 31-03-2004 RM'000
Revaluation of property, plant and equipment	1,672	(107)	1,565

- (b) The amount of deductible temporary differences and unabsorbed tax losses for which deferred tax assets have not been recognised in the financial statements are as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Unabsorbed tax losses	286,228	267,790	-	-
Unutilised capital allowances	95,909	90,801	69,455	66,078
Other deductible temporary differences	76,372	73,641	-	7,400
	458,509	432,232	69,455	73,478

Notes to the Financial Statements

(cont'd)

at 31 March 2005

14. DEFERRED INCOME

	Group	
	2005 RM'000	2004 RM'000
Deferred income	8,749	8,749
Less : Accumulated income recognised (Note 14(a))	(4,374)	(3,125)
	4,375	5,624
Deferred tax attributable	(437)	(437)
Less : Accumulated deferred tax reversed (Note 14(b))	218	156
	(219)	(281)
	4,156	5,343
(a) Accumulated income recognised		
At beginning of year	3,124	1,875
Amortised to income statement	1,250	1,250
At end of year	4,374	3,125
(b) Accumulated deferred tax reversed		
At beginning of year	156	94
Reversal to income statement	62	62
At end of year	218	156

The deferred income arose from the sale and leaseback of an investment property under an Islamic Ijarah lease financing facility as disclosed in Note 10 and Note 19. The deferred income is amortised over the lease term of seven years commencing from October 2001.

15. PROPERTY, PLANT AND EQUIPMENT

(a) The movements of property, plant and equipment during the financial year are as follows :-

2005 - Group

	Freehold land RM'000	Long leasehold land RM'000	Buildings RM'000	Golf course facilities RM'000	Marina facilities RM'000	Plant, equipment and motor vehicles RM'000	Furniture and fittings RM'000	Total RM'000
Cost/Valuation								
At beginning of year :								
- At valuation	-	2,826	24,174	-	-	-	-	27,000
- At cost	18,404	626	49,977	34,836	26,182	95,535	21,874	247,434
Additions	1	-	60	-	-	2,622	907	3,590
Disposals	-	-	-	-	-	(1,707)	(24)	(1,731)
Disposal of subsidiaries	-	-	-	-	-	(521)	(12)	(533)
Write off	-	-	-	-	-	(84)	(5)	(89)
Transfers	-	-	-	-	-	(3)	3	-
At end of year	18,405	3,452	74,211	34,836	26,182	95,842	22,743	275,671
Comprised :								
- At valuation	-	2,826	24,174	-	-	-	-	27,000
- At cost	18,405	626	50,037	34,836	26,182	95,842	22,743	248,671
Accumulated Depreciation								
At beginning of year	-	959	23,380	3,575	3,990	84,055	19,112	135,071
Charge for the year	-	65	1,816	716	433	3,863	1,161	8,054
Disposals	-	-	-	-	-	(1,381)	(22)	(1,403)
Disposal of subsidiaries	-	-	-	-	-	(379)	(12)	(391)
Write off	-	-	-	-	-	(51)	(2)	(53)
Transfers	-	-	-	-	-	(2)	2	-
At end of year	-	1,024	25,196	4,291	4,423	86,105	20,239	141,278
Net book value as at 31-03-2005								
- At valuation	-	2,165	10,360	-	-	-	-	12,525
- At cost	18,405	263	38,655	30,545	21,759	9,737	2,504	121,868
	18,405	2,428	49,015	30,545	21,759	9,737	2,504	134,393
Net book value as at 31-03-2004								
- At valuation	-	2,198	11,051	-	-	-	-	13,249
- At cost	18,403	295	39,720	31,261	22,192	11,481	2,763	126,115
	18,403	2,493	50,771	31,261	22,192	11,481	2,763	139,364
Depreciation charge for the year ended 31-03-2004								
	-	66	1,815	717	433	4,012	1,209	8,252

Notes to the Financial Statements

(cont'd)

at 31 March 2005

15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

2005 - Company

	Long leasehold land RM'000	Buildings RM'000	Plant, equipment and motor vehicles RM'000	Furniture and fittings RM'000	Total RM'000
Cost/Valuation					
At beginning of year :					
- At valuation	2,826	24,174	-	-	27,000
- At cost	-	2,055	69,539	2,974	74,568
Additions	-	-	896	27	923
Disposals	-	-	(720)	-	(720)
At end of year	2,826	26,229	69,715	3,001	101,771
Comprised :					
- At valuation	2,826	24,174	-	-	27,000
- At cost	-	2,055	69,715	3,001	74,771
Accumulated Depreciation					
At beginning of year	627	14,237	61,918	2,793	79,575
Charge for the year	33	765	2,203	79	3,080
Disposals	-	-	(406)	-	(406)
At end of year	660	15,002	63,715	2,872	82,249
Net book value as at 31-03-2005					
- At valuation	2,166	10,360	-	-	12,526
- At cost	-	867	6,000	129	6,996
	2,166	11,227	6,000	129	19,522
Net book value as at 31-03-2004					
- At valuation	2,199	11,051	-	-	13,250
- At cost	-	941	7,622	181	8,744
	2,199	11,992	7,622	181	21,994
Depreciation charge for the year ended 31-03-2004	33	765	2,382	112	3,292

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Property, plant and equipment include the following assets acquired under hire purchase and finance lease :-

	At cost RM'000	Accumulated depreciation RM'000	Net book value RM'000	Depreciation charge RM'000
Group				
2005				
Plant, equipment and motor vehicles	4,944	2,405	2,539	1,168
Furniture and fittings	89	18	71	9
	5,033	2,423	2,610	1,177
2004				
Plant, equipment and motor vehicles	5,052	2,098	2,954	1,195
Furniture and fittings	89	9	80	9
	5,141	2,107	3,034	1,204
	At cost RM'000	Accumulated depreciation RM'000	Net book value RM'000	Depreciation charge RM'000
Company				
2005				
Motor vehicles	2,057	826	1,231	392
2004				
Motor vehicles	2,208	875	1,333	442

(c) The Company's leasehold land and buildings have been revalued based on a valuation done by a firm of professional valuers using the comparison method in 1985. The surplus arising from this revaluation was credited to capital reserves.

In accordance with the transitional provisions issued by the Malaysian Accounting Standards Board in the adoption of International Accounting Standard No. 16 (revised) - Property, Plant and Equipment, these assets are stated at their previously revalued amounts. The net carrying amounts of these assets as at balance sheet date had they been stated at their historical costs less accumulated depreciation are as follows :-

	Group and Company	
	2005	2004
	RM'000	RM'000
Leasehold land	187	190
Buildings	3,021	3,311

(d) There are no encumbrances on the Property, Plant and Equipment of the Group and Company other than the assets stated under Note 15(b) and the following assets of certain subsidiary companies which have been charged to financial institutions in consideration for term loan and other facilities granted :

	Group Net Book Value	
	2005	2004
	RM'000	RM'000
Freehold land	9,017	9,017
Long leasehold land	379	383
Buildings	733	750

16 SUBSIDIARY COMPANIES

	Company	
	2005 RM'000	2004 RM'000
Shares at cost (unquoted)	236,445	236,375
Accumulated impairment losses	(95,962)	(95,962)
	140,483	140,413

(a) The Group's equity interest in the subsidiary companies and their respective principal activities are as set out in Note 44.

(b) Acquisition of Subsidiary Companies

(i) The Group acquired the following subsidiary companies during the financial year :-

- (1) Acquisition of the entire 2 ordinary shares of RM1.00 each in AMBC Electronics Sdn. Bhd. ("AMBCE") (formerly known as Giantone Technology Sdn. Bhd.) for a consideration of RM2 by a subsidiary company, AMBC Controls Sdn. Bhd..
- (2) Acquisition of the entire 2 ordinary shares of RM1.00 each in Jelas Warna Sdn. Bhd. ("JWSB") for a consideration of RM2 by the Company.

(ii) In the previous financial year, the Group acquired the following subsidiary companies

- (1) Acquisition of the entire 2 ordinary shares of RM1.00 each in AMDB Industrial City Sdn. Bhd. ("AMDBIC") from Arab-Malaysian Corporation Berhad ("AMCORP") under the following terms and conditions :-
 - (1.1) Acquisition of 2 ordinary shares of RM1.00 each in AMDBIC from AMCORP for a total consideration of RM10,875,314 satisfied by issuance of 21,750,628 new ordinary shares of RM0.50 each in the Company.
 - (1.2) Settlement of inter-company advances made by AMCORP to AMDBIC amounting to RM113,268,882 satisfied by issuance of 74,537,764 new ordinary shares of RM0.50 each and RM76,000,000 nominal value zero coupon Irredeemable Convertible Unsecured Loan Stocks ("ICULS") 2003/2010 in the Company.
- (2) Acquisition of the entire 2 ordinary shares of RM1.00 each in Mayang Zaman Sdn. Bhd. ("MZSB") for a consideration of RM2 by a wholly owned subsidiary company, AMDB Property Holdings Sdn. Bhd. .

(iii) The acquisition had the following effects on the financial results of the Group during the financial year :-

	From the date of acquisition to	
	31-03-05 RM'000	31-03-04 RM'000
Revenue	-	728
Cost of sales	-	(262)
Gross profit	-	466
Other operating income	-	49
Administration expenses	-	(2)
Other operating expenses	(2)	(42)
(Loss)/Profit before taxation	(2)	471
Taxation	-	(9)
(Loss)/Profit after taxation	(2)	462
Minority interest	1	-
Net (loss)/profit for the year	(1)	462

16 SUBSIDIARY COMPANIES (cont'd)**(b) Acquisition of Subsidiary Companies (cont'd)**

(iv) The acquisitions had the following effects on the financial position of the Group as at the end of the financial year :-

	31-03-05	31-03-04
	RM'000	RM'000
Property, plant and equipment	217	51
Development properties	-	128,394
Receivables	78	190
Cash and bank balances	100	110
Deferred tax liabilities	-	(4,621)
Payables	(296)	(66)
	<hr/>	<hr/>
Net assets consolidated	99	124,058

(v) Details of net assets acquired, goodwill and cash flow arising from the acquisitions are as follows :-

	31-03-05	31-03-04
	RM'000	RM'000
Property, plant and equipment	-	54
Property development costs	-	128,329
Deferred tax assets	-	13,533
Receivables	-	113
Cash and bank balances	-	6
Deferred tax liabilities	-	(18,154)
Payables	-	(13)
	<hr/>	<hr/>
Goodwill on consolidation	-	123,868
	<hr/>	<hr/>
Total purchase consideration	-	124,200
	<hr/>	<hr/>
Total purchase consideration	-	124,200
Total purchase consideration discharged by shares and ICULS issued	-	(124,144)
	<hr/>	<hr/>
Purchase consideration discharged by cash	-	56
Less : Cash and cash equivalents of subsidiary acquired	-	(6)
	<hr/>	<hr/>
Cash out flow on acquisition	-	50

(vi) In the previous financial year, the Company acquired an additional 580,000 ordinary shares of RM1.00 each in AMBC Transmission Sdn. Bhd. ("AMBC") from the other shareholder, Best & Crompton Engg Limited for a total consideration of RM3,770,000. The acquisition resulted in an increase in the Group's and Company's interest in AMBC from 51% to 80%. The negative goodwill of RM1,300,026 arising from the acquisition was dealt with through reserves.

16 SUBSIDIARY COMPANIES (cont'd)

(c) Disposal of Subsidiary Companies

(i) The Group disposed the following subsidiary companies during the financial year :-

- (1) Disposal of the entire shareholdings in a wholly owned subsidiary company, Taifab Sdn. Bhd. ("Taifab") by the Company consisting of 2 ordinary shares of RM1.00 each for a total consideration of RM2 to RCE Capital Berhad ("RCE").

Taifab has a wholly-owned subsidiary, namely Verbundsoft Sdn. Bhd. ("Verbundsoft") whose principal asset is its investment in 29,199,074 units in AmFirst Property Trust. The disposal of Taifab has also resulted in the disposal of the Group's interest in Verbundsoft.

- (2) Disposal of the entire shareholdings in a 51% owned subsidiary company, AMDB Properties (Sarawak) Sdn. Bhd. (now known as Arasy Assets Sdn. Bhd.) ("AMPS") by a wholly owned subsidiary of the Company, AMDB Properties Sdn. Bhd. consisting of 510,000 ordinary shares of RM1.00 each for a total consideration of RM3,500,000 to Oricon Sdn. Bhd. .

AMPS has two subsidiary companies, namely Arab-Malaysian LCDA Sdn. Bhd. (now known as AMLCDA Sdn. Bhd.) ("LCDA") and Sibul Pelita Sdn. Bhd. ("Pelita") which are involved in property development activities. The disposal of AMPS has also resulted in the disposal of the Group's interest in LCDA and Pelita.

(ii) In the previous financial year, the Company disposed of its entire shareholdings in its wholly owned subsidiary company, Arab-Malaysian Agriculture Sdn. Bhd. ("AMA") consisting of 1,000,000 ordinary shares of RM1.00 each for a total consideration of RM100,000 to Winsome Jaya Sdn. Bhd. ("WJSB"). In addition, WJSB paid a sum of RM1,200,000 in cash for assignment to WJSB of advances made by the Company and the Company's wholly owned subsidiary, Mekar Angkasa Sdn. Bhd. .

(iii) Effects of disposals on the Company's financial statements

The disposal of Taifab has no financial impact on the Company's current year financial statements.

The disposal of AMA gave rise to a loss of RM101,521 in the Company's financial statements for the financial year ended 31 March 2004.

(iv) The effects of the disposals on the results of the Group for the period to the date of disposals were as follows :-

	Period from 01-04-2004 to date of disposal RM'000	Period from 01-04-2003 to date of disposal RM'000
Revenue	-	-
Other income	46	-
Operating costs	(60)	(2)
Loss before taxation	(14)	(2)
Taxation	(17)	-
Loss after taxation	(31)	(2)
Minority interests	22	-
Net loss for the period/year	(9)	(2)
Gain on disposal to the Group	248	1,119
Net gain	239	1,117

16 SUBSIDIARY COMPANIES (cont'd)

(c) Disposal of Subsidiary Companies (cont'd)

- (v) The effects of the disposals of the subsidiary companies on the financial position of the Group as at the date of disposal were as follows :-

	31-03-2005 RM'000	31-03-2004 RM'000
Net assets disposed		
Property, plant and equipment (Note 15(a))	143	181
Investment	29,199	-
Property development costs	2,880	-
Other receivables	11,299	-
Deposits, cash and bank balances	7,013	-
Trade and other payables	(4,186)	-
Bank borrowings	(29,199)	-
Minority interests	(13,897)	-
	<hr/>	<hr/>
	3,252	181
Less : Consideration	3,500	1,300
	<hr/>	<hr/>
Gain on disposal to the Group	248	1,119
	<hr/>	<hr/>
Net cash inflow arising on disposal		
Proceeds from disposal - cash consideration	3,500	1,300
Amount receivable	-	(1,200)
Cash and cash equivalents of subsidiary companies disposed, net of bank borrowings	22,186	-
	<hr/>	<hr/>
Net cash effect on disposal	25,686	100

17. ASSOCIATED COMPANIES

	Group		Company	
	2005 RM'000	Restated 2004 RM'000	2005 RM'000	2004 RM'000
Unquoted shares, at cost	214,659	214,659	166,260	166,260
Allowance for impairment	(23,171)	(23,171)	(23,071)	(23,071)
Group's share of post acquisition retained profits less losses and goodwill written off	(13,054)	(20,432)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	178,434	171,056	143,189	143,189

- (a) Analysis of associated companies is as follows :-

	Group	
	2005 RM'000	Restated 2004 RM'000
Group's share of net assets	178,434	171,056

The Group's effective interest in the associated companies and their respective principal activities are as set out in Note 45.

Notes to the Financial Statements

(cont'd)

at 31 March 2005

17. ASSOCIATED COMPANIES (cont'd)

- (b) The financial year end of the direct and indirect associated companies are coterminous with the Company except for the following :-

Companies	Financial year end
Labuan Power Sdn. Bhd.)	31 January
Prisma Tulin Sdn. Bhd.)	30 June
AM SGB Sdn. Bhd.)	
Augustland Hotel Sdn. Bhd.,)	
Bangi Hotel Sdn. Bhd.,)	
Central Spectrum (M) Sdn. Bhd.,)	
Hospital Sentosa Sdn. Bhd.,)	
J.Walter Thompson Sdn. Bhd.,)	
Malaysian Construction Ventures (Overseas) Sdn. Bhd.,)	
Planergo (Pte) Limited,)	31 December
PTM Sdn. Bhd.,)	
Selaman Sdn. Bhd.,)	
Sentosa Medical Centre Sdn. Bhd.,)	
Supermix Concrete (Malaysia) Sdn. Bhd.,)	
Supermix Concrete Industries Sdn. Bhd.,)	
Supermix Concrete (East Malaysia) Sdn. Bhd.,)	
Supermix-SMJ JV Sdn. Bhd.,)	
GMF Selaman Imaging Centres Sdn. Bhd. and)	
Halik Sdn. Bhd.)	

18. INVESTMENTS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Quoted - in Malaysia				
<u>At cost</u>				
Shares	25,878	26,678	6,131	6,131
Property trust units	29,221	58,291	29,221	29,221
	55,099	84,969	35,352	35,352
Unquoted				
<u>At cost</u>				
Shares	125	125	-	-
Club membership	759	725	20	-
	55,983	85,819	35,372	35,352
Allowance for diminution in value of quoted shares	(19,196)	(20,543)	(2,624)	(2,624)
	36,787	65,276	32,748	32,728
	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
At market value				
Quoted shares	10,725	14,068	5,690	7,344
Quoted property trust units	32,552	50,106	32,552	24,995
	43,277	64,174	38,242	32,339

19. INVESTMENT PROPERTIES

	Group	
	2005 RM'000	2004 RM'000
Freehold land and buildings, at cost :-		
Balance at beginning of year	61,981	61,981
Additions	22	-
Refund of costs	(1,170)	-
	<hr/>	<hr/>
Balance at end of year	60,833	61,981
	<hr/>	<hr/>
Comprising :-		
Leased assets	46,000	46,000
Non-leased assets	14,833	15,981
	<hr/>	<hr/>
	60,833	61,981
	<hr/>	<hr/>
Fair value based on professional valuation	113,250	113,250
	<hr/>	<hr/>

Non-leased assets amounting to RM8,748,496 (2004 : RM9,898,981) have been pledged as security to a financial institution in consideration for lease financing facility granted.

20. UNSECURED NOTES REDEMPTION FUND

The redemption fund represents a sum set aside by a subsidiary company for the purpose of redeeming the Unsecured Notes as mentioned in Note 8 to the financial statements. The amount is placed in the name of, operated and administered by the Malaysian trustee in accordance with the provisions of the Malaysian Trust Deed. The quantum to be deposited half-yearly is reviewed with the Trustee periodically and is estimated, together with interest and other income derived, to generate the requisite sum for full redemption of Unsecured Notes issued for Marina and Composite Memberships on the redemption dates of 31 December 2053 and 31 March 2056 respectively.

21. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2005 RM'000	2004 RM'000
Cost		
At beginning of year :		
- Freehold land / leasehold land	46,759	42,114
- Land related / development expenditure	33,287	32,939
	80,046	75,053
Additions	202	4,993
Disposals	(5,128)	-
	<hr/>	<hr/>
At end of year	75,120	80,046
	<hr/>	<hr/>
Accumulated impairment losses		
At beginning of year	(11,351)	(7,351)
Impairment losses for the year	(30)	(4,000)
	<hr/>	<hr/>
	(11,381)	(11,351)
	<hr/>	<hr/>
Carrying amount as at 31 March	63,739	68,695
	<hr/>	<hr/>

Notes to the Financial Statements

(cont'd)

at 31 March 2005

22. LONG TERM RECEIVABLES

	Group	
	2005 RM'000	2004 RM'000
Long term receivables comprised :-		
Retention sums receivable	28,014	27,222
Less : Retention sums receivable within 12 months (included under current assets - Trade and Other Receivables - Note 25)	(17,625)	(18,110)
	10,389	9,112

23. PROPERTY DEVELOPMENT COSTS

	Group	
	2005 RM'000	2004 RM'000
Property development costs at beginning of year :-		
Freehold land / leasehold land	326,575	159,996
Development costs	84,773	91,681
Accumulated impairment losses	(71,449)	(73,449)
Accumulated costs recognised in income statement	(34,222)	(40,655)
	305,677	137,573
Costs incurred during the year :-		
Freehold land / leasehold land	37,760	169,298
Development costs	9,155	8,313
	46,915	177,611
Costs recognised in income statement during the year	(4,716)	(11,385)
Disposal of subsidiary companies :-		
Freehold land / leasehold land	(70)	-
Development costs	(2,811)	-
	(2,881)	-
Disposal of development property :-		
Freehold land / leasehold land	(1,747)	-
Development costs	(905)	-
	(2,652)	-
Allowance for impairment in value of property development costs written back	1,747	2,000
Transfer to inventories	-	(122)
Property development costs at end of year :-		
Freehold land / leasehold land	362,518	326,575
Development costs	90,212	84,773
Accumulated impairment losses	(69,702)	(71,449)
Accumulated costs recognised in income statement	(38,938)	(34,222)
	344,090	305,677

23. PROPERTY DEVELOPMENT COSTS (cont'd)

Property development costs incurred during the financial year include :-

	Group	
	2005	2004
	RM'000	RM'000
Interest expenses	926	3

24. INVENTORIES

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Stocks of completed properties	27,699	31,704	-	-
Raw materials and consumable stores	3,947	2,968	2,741	2,248
Work-in-progress	4,662	4,835	4,662	4,835
Finished goods	7,909	5,896	7,909	5,176
Trading inventories	96	103	-	-
	44,313	45,506	15,312	12,259
Allowance for inventories write-down/obsolescence	(12,513)	(7,797)	(3,189)	(2,450)
	31,800	37,709	12,123	9,809

The carrying amounts of inventories of the Group as at 31 March 2005 which are carried at net realisable value is RM19,765,269 (2004 : RM14,356,205)

25. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Trade receivables	37,324	44,677	6,743	5,586
Retention sums receivable within 12 months (Note 22)	17,625	18,110	-	-
	54,949	62,787	6,743	5,586
Gross amount due from customers for contract work	12,717	8,828	-	-
Other receivables	17,573	24,876	9,853	7,252
Amount due from subsidiary companies	-	-	530,377	506,384
Amount due from associated companies	1,505	1,505	1,505	1,505
	86,744	97,996	548,478	520,727

Notes to the Financial Statements

(cont'd)

at 31 March 2005

25. TRADE AND OTHER RECEIVABLES (cont'd)

(a) The above amounts are stated after deducting the following :-

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Allowance for doubtful debts				
Trade receivables	10,463	10,400	803	809
Other receivables	6,114	6,464	696	793
Allowance for value impaired				
Amount due from subsidiary companies	-	-	204,810	204,810
	16,577	16,864	206,309	206,412

Amount due from subsidiary companies written off against the allowance for value impaired is Nil (2004 : RM44,971,759).

(b) The normal credit terms of trade receivables range from 30 to 120 days.

The currency exposure profile of trade receivables is as follows :-

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Ringgit Malaysia	35,075	41,366	4,736	2,275
United State Dollar	2,249	3,302	2,008	3,302
Brunei Dollars	-	9	-	9
	37,324	44,677	6,744	5,586

(c) Included in other receivables are balances owing by directors amounting to RM2,277,385 and RM1,620,656 (2004 : RM2,346,699 and RM1,590,670) for the Group and Company respectively representing outstanding housing loans provided to full time working directors of the Group and Company in accordance with the Group's scheme for senior employees. The amounts are unsecured and interest of 4% (2004 : 4%) is charged annually on the outstanding balances.

(d) Gross amount due from customers for contract work comprised :-

	Group	
	2005 RM'000	2004 RM'000
Contract costs	487,500	458,553
Profit attributable to work performed todate	24,193	24,786
Allowance for foreseeable losses	(945)	(1,395)
	510,748	481,944
Less : Progress billings	(505,428)	(479,357)
	5,320	2,587
Gross amount due to customers for contract work reclassified to Trade and Other Payables (Note 28)	7,397	6,241
Gross amount due from customers for contract work	12,717	8,828

26. CONFIRMING AND FACTORING RECEIVABLES

	Group	
	2005	2004
	RM'000	RM'000
Confirming and factoring receivables	20,538	27,061
Allowance for doubtful debts	(1,969)	(2,850)
	18,569	24,211

During the financial year, an additional allowance for doubtful debts of RM292,966 (2004 : RM69,713) has been made in the financial statements. In addition, allowance no longer required which has been written back in the financial statements amounted to RM1,173,158 (2004 : RM666,100)

27. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks	24,750	31,855	-	-
Cash and bank balances	11,913	22,788	274	273
	36,663	54,643	274	273

(a) Cash and bank balances of the Group include balances amounting to RM6,782,476 (2004 : RM12,660,754) which are maintained in designated Housing Development Accounts pursuant to the Housing Developers (Control and Licensing) Act 1966 and Housing Developers Regulations 1991 in connection with property development projects undertaken by certain subsidiary companies.

(b) Included under deposits with licensed banks of the Group, is a balance amounting to RM8,051,669 (2004 : RM9,886,473) which has been placed with a licensed financial institution of which a substantial shareholder of the Company namely Tan Sri Dato' Azman Hashim has substantial financial interests.

28. TRADE AND OTHER PAYABLES

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Trade payables	63,236	63,834	1,588	125
Less :				
Amount payable after 12 months classified as long term payables (Note 11)	(4,822)	(3,425)	-	-
	58,414	60,409	1,588	125
Gross amount due to customers for contract works (Note 25 (d))	7,397	6,241	-	-
Accrued property development cost	21,405	26,895	-	-
Progress billings in respect of property development	10,086	9,749	-	-
Deposit received and other payables	46,284	37,962	2,167	4,972
Hire purchase creditors (Note 9)	1,211	1,199	463	564
Finance lease liabilities (Note 10)	11,500	5,750	-	-
Amount owing to subsidiary companies	-	-	133,190	96,451
	156,297	148,205	137,408	102,112

The normal credit terms of trade payables range from 30 to 90 days.

Notes to the Financial Statements

(cont'd)

at 31 March 2005

28. TRADE AND OTHER PAYABLES (cont'd)

The currency exposure profile of trade payables is as follows :-

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Ringgit Malaysia	59,608	58,007	1,588	125
United States Dollar	3,532	5,522	-	-
Euro	96	305	-	-
	63,236	63,834	1,588	125

29. BANK BORROWINGS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Overdrafts				
- secured	12,995	14,138	-	-
- unsecured	94,404	97,633	92,220	89,581
Other borrowings				
- secured	20,000	19,000	-	-
- unsecured	135,977	142,123	129,900	135,900
	263,376	272,894	222,120	225,481

The secured overdrafts and other bank borrowings of the subsidiary companies are secured by legal charges over the assets of the subsidiary companies concerned.

Interest paid on overdrafts and other borrowings during the financial year ranged from 1.0% to 3.0% (2004 : 1.0% to 2.5%) above the costs of funds or base lending rates of the respective lending banks.

30. REVENUE/COST OF SALES

(i) Revenue is derived from the following sources :-

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Textiles and garments				
- export	23,550	21,835	23,550	21,835
- local	18,257	18,468	18,257	18,468
Development properties	25,980	20,046	-	-
Property management services	665	874	-	-
Rental of properties	3,546	3,677	-	-
Value of construction and engineering contracts	93,911	88,835	-	-
Financial services	3,924	4,373	-	-
Travel and tour services	73,093	68,591	-	-
Others	4,818	4,697	16,103	14,702
	247,744	231,396	57,910	55,005

30. REVENUE/COST OF SALES (cont'd)

(ii) Cost of sales comprised :-

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cost of inventories sold	(45,507)	(45,876)	(39,773)	(40,128)
Cost of services	(51,824)	(51,279)	-	-
Contract costs recognised as an expense	(84,560)	(78,344)	-	-
Cost of property development units sold	(18,501)	(12,330)	-	-
	(200,392)	(187,829)	(39,773)	(40,128)

31. OPERATING PROFIT

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Operating profit includes :-				
Dividend income (gross) :-				
Subsidiary companies				
- unquoted	-	-	6,445	11,519
Associated companies				
- unquoted	-	-	7,384	939
Others				
- quoted in Malaysia	2,427	4,411	2,274	2,245
Interest income	4,014	4,934	8	-
Rental income	3,961	4,035	24	398
Gain on disposal of property, plant and equipment	423	564	191	151
Gain on sale of quoted investment	254	4	-	-
Amortisation of gain on sale and leaseback of investment property	1,250	1,250	-	-
Net realised gain on foreign exchange	387	111	13	11
Recovery of bad debts	100	50	-	-
Allowance for obsolete inventories written back	-	1,525	-	-
Allowance for doubtful debts written back	1,311	1,546	-	-
Allowance for diminution in value of quoted investments written back	1,347	124	-	-
Allowance for impairment in value of property development costs written back	1,747	2,000	-	-
Related company transactions :				
- Interest income	-	-	12,670	11,756
- Administrative fee received	-	-	290	340
- Rental income	-	-	17	17

Notes to the Financial Statements

(cont'd)

at 31 March 2005

31. OPERATING PROFIT (cont'd)

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
And is arrived at after charging :-				
Auditors' remuneration :-				
Annual statutory audit				
- current	247	242	50	50
- prior year's under/(over) provided	1	3	-	-
Depreciation	8,054	8,252	3,080	3,292
Property, plant and equipment written off	37	118	-	-
Allowance for doubtful debts	937	1,412	420	793
Directors' remuneration :-				
Directors of the Company				
- Fees	192	150	192	150
- Other emoluments	1,203	890	869	602
Directors of subsidiary companies				
- Fees	-	-	-	-
- Other emoluments	280	352	-	-
Rent on land and buildings	1,975	1,986	-	55
Defined benefit obligations	(303)	(548)	(303)	(548)
Hire of equipment and motor vehicles	95	118	-	-
Bad debts written off	516	57	-	-
Inventories written off	44	-	-	-
Quoted investment written off	136	-	-	-
Realised loss on foreign exchange	-	151	-	-
Rental on land and buildings charged by related companies	-	-	730	719
Allowance for impairment in value of investment in subsidiary companies	-	-	-	4,247
Allowance for impairment of advances to subsidiary companies	-	-	-	6,812
(Gain)/Loss on disposal of subsidiary companies	(248)	(1,119)	-	101
Allowance for impairment in value of land held for property development	30	4,000	-	-
Allowance for write down in value of inventories	5,436	1,824	739	-
Estimated value of benefits-in-kind of directors				
- The Company	299	246	268	229
- The subsidiary companies	15	9	-	-

32. EMPLOYEES INFORMATION

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Staff costs :-				
Salaries, wages, bonuses, allowances and leave pay	23,759	24,130	6,355	7,542
Amount contributed under defined contribution plan :				
- Employees Provident Fund (EPF)	3,375	3,284	1,286	1,350
Defined benefit obligations	(303)	(548)	(303)	(548)
Others	3,878	3,334	1,097	1,113
	30,709	30,200	8,435	9,457

The numbers of employees of the Group and Company as at the end of the financial year were 1,145 and 310 (2004 : 1,210 and 492) respectively.

33. FINANCE COSTS

Finance costs comprised :-

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Interest on term loans and other borrowings	19,797	20,185	15,167	15,672
Related company interests	-	-	2,126	1,461
	19,797	20,185	17,293	17,133
Amount included under cost of sales	(350)	(196)	-	-
	19,447	19,989	17,293	17,133

34. TAXATION

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Current Malaysian taxation	652	2,844	1,000	2,520
Real property gains tax	62	109	-	-
Deferred tax expense/ (income) resulting from origination and reversal of temporary differences	178	637	(107)	(107)
	892	3,590	893	2,413
Taxation (over)/under provided in respect of prior years	(1,595)	591	(1,472)	653
	(703)	4,181	(579)	3,066
Share of associated companies' taxation in Malaysia				
- current year taxation	4,354	2,737	-	-
- taxation under/(over) provided in prior years	(1,756)	3	-	-
	1,895	6,921	(579)	3,066

- (a) The general income tax rate in Malaysia is 28% of taxable income. The income tax rate for the first RM500,000 (2004 : RM500,000) of taxable income in respect of companies with issued capital of not exceeding RM2,500,000 was reduced to 20% and the rate for taxable income in excess of RM500,000 (2004 : RM500,000) remained at 28%.

Notes to the Financial Statements

(cont'd)

at 31 March 2005

34. TAXATION (cont'd)

- (b) A reconciliation of tax amount applicable to profit/(loss) before taxation at the applicable statutory tax rate to the tax amount at the effective tax rate of the Group and Company is as follows :-

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Profit/(Loss) before taxation	6,446	(1,976)	1,804	(10,604)
Taxation at the rate of 28% (2004 : 28%)	1,805	(553)	505	(2,969)
Tax difference of 8% (2004 : 8%) on profit/ (loss) at rate of 20% (2004 : 20%)	(310)	(222)	-	-
Net taxation at applicable tax rates	1,495	(775)	505	(2,969)
Tax effect in respect of :-				
Expenses not deductible for taxation purposes	4,811	5,215	851	5,005
Income not subject to tax	(4,096)	(3,958)	(269)	(1,600)
Double deduction of expenses	(1)	(3)	-	-
Tax savings arising from utilisation of previously unrecognised unutilised capital allowances and unabsorbed tax losses	(1,444)	(2,297)	(736)	-
Tax saving arising from utilisation of unabsorbed reinvestment allowance	(374)	(423)	-	-
Deferred tax assets not recognised	5,200	7,279	946	797
Tax under/(over) provided in prior years :				
- current taxation	(3,351)	594	(1,472)	653
- deferred tax	(407)	1,180	(404)	1,180
Real property gains tax	62	109	-	-
	1,895	6,921	(579)	3,066

- (c) The following are estimated unabsorbed tax losses and unutilised capital allowances which are available for set-off against future taxable income :-

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Unabsorbed tax losses	333,551	316,122	-	-
Unutilised capital allowances	95,909	92,160	69,455	66,077
	429,460	408,282	69,455	66,077

35. LOSS PER SHARE

- (i) Basic

The loss per share is calculated based on the Group's net loss for the year of RM455,900 (2004 : RM3,677,976) and on the weighted average number of shares in issue during the financial year of 802,843,760 (2004 : 707,469,744).

The comparative Group's loss per share was previously stated at 0.07 sen. This has been restated due to the restatement of loss arising from the change in accounting policy as disclosed in Note 36 to the financial statements.

- (ii) Diluted

The effect on the basic loss per share for the current and previous financial year arising from the assumed conversion of the zero coupon ICULS and exercise of the employees share options is anti-dilutive. Accordingly, the diluted loss per share for the current and previous financial year have not been presented.

36. CHANGE IN ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENTS

During the financial year, the Group adopted the new Malaysian Accounting Standards Board's Standard, MASB 32 - Property Development Activities. The adoption of MASB 32 has resulted in a change in the determination of the percentage of completion of its development projects by one of its associated companies, namely Central Spectrum (M) Sdn. Bhd. ("CSSB"). The effects of the change in profit recognition has been accounted for retrospectively by CSSB and the resultant effects on the Group's financial statements are as follows :-

	As previously reported RM'000	Effect of change in profit recognition RM'000	As restated RM'000
Effects on associated companies			
Carrying amount/Share of net assets as at 31 March 2004	181,921	(10,865)	171,056
Effects on accumulated losses			
As at 1 April 2003	(98,377)	(7,695)	(106,072)
As at 1 April 2004	(97,917)	(10,865)	(108,782)
Effects on the net loss for the year ended 31 March 2004	(508)	(3,170)	(3,678)

For the current financial year, the change has the effects of increasing the Group's share of associated companies' results by RM424,567.

The adoption of MASB 32 by the remaining subsidiary and associated companies of the Group which are involved in property development activities did not give rise to any adjustments as the recognition and measurement principles adopted by the subsidiary and associated companies previously are already in compliance with MASB 32. However, certain comparative amounts as at 31 March 2004 have been restated to comply with the presentation and disclosure requirements of MASB 32 and are highlighted as follows :-

	As previously reported RM'000	Reclassification adjustment on adoption of MASB 32 RM'000	As restated RM'000
Group			
Property development costs	-	305,677	305,677
Development properties	297,344	(297,344)	-
Progress billings in respect of property development included under trade payables	-	9,749	9,749
Deposit received and other payables	39,377	(1,416)	37,961

37. NOTES ON CASH FLOW STATEMENTS

(a) Purchase of property, plant and equipment

Property, plant and equipment were acquired by the following means :-

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash purchase	2,331	2,696	139	159
Hire purchase and lease financing	1,259	1,790	784	677
Aggregate cost	3,590	4,486	923	836

The principal amount of instalment repayments for property, plant and equipment acquired by hire purchase and lease financing are reflected in cash outflows from financing activities.

Notes to the Financial Statements

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at 31 March 2005

37. NOTES ON CASH FLOW STATEMENTS (cont'd)

(b) Cash and cash equivalents at end of year

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Bank balances, deposits and cash in hand	36,663	54,643	274	273
Bank overdrafts (Note 29)	(107,399)	(111,771)	(92,220)	(89,581)
	(70,736)	(57,128)	(91,946)	(89,308)

38. CAPITAL AND OTHER COMMITMENTS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Approved and contracted for				
Purchase consideration for the land of approximately 61.9 acres at Seberang Prai Tengah, by Mayang Zaman Sdn Bhd. from Penang Development Corporation	-	37,234	-	-

39. CONTINGENT LIABILITIES

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Guarantees given to banks for facilities granted to subsidiary companies :				
- secured on assets of subsidiary companies	-	-	53,625	60,142
- unsecured	-	-	102,080	101,180
Limit of guarantee	-	-	155,705	161,322
Amount utilised	-	-	96,866	69,201
Letters of credits and guarantees (unsecured)	7,611	10,562	4,243	783
Other bank guarantees and performance bonds (unsecured)	49,797	50,303	4,027	3,886
Additional taxation and penalty in respect of prior years claimed by the Inland Revenue Board under appeal	438	-	-	-
Claims by third parties for electrical works to a subsidiary company, under dispute	155	155	-	-
Claims by a third party for costs and damages arising from late delivery of goods and breach of contract, under dispute	1,414	-	-	-
	59,415	61,020	105,136	73,870

40. SEGMENT REPORTING

The Group's operations comprise the following business segments :-

(i) Property	Property development, property investment and property management services
(ii) Engineering and construction	Electrical and power engineering contractors and fabrication of electrical equipment
(iii) Financial services	Confirming and factoring house, specialising in trade related activities and general trading
(iv) Textiles	Manufacture of textile products
(v) Travel and leisure	Golf and marina club operation, tour and travel agent and restaurant operations
(vi) Others	Investment holding, information technology services, trading, running a medical centre and clinic and toll operator

All inter-segment transactions have been entered into in the ordinary course of business and have been established on terms and conditions that are not materially different from those transacted with unrelated third parties.

40. SEGMENT REPORTING (cont'd)**(a) Primary Reporting Format - Business Segments**

2005	Textiles RM'000	Property RM'000	Engineering and Construction RM'000	Travel and Leisure RM'000	Financial Services RM'000	Others RM'000	Group RM'000
Revenue							
Total revenue	41,808	32,627	93,911	73,819	3,924	6,304	252,393
Inter-segment revenue	-	(1,133)	-	(245)	-	(3,271)	(4,649)
External revenue	41,808	31,494	93,911	73,574	3,924	3,033	247,744
Results							
Segment results	(2,094)	11,878	4,717	(4,399)	2,325	(3,390)	9,037
Interest income							808
Gain on disposal of subsidiary companies							248
Profit on disposal of quoted investments							254
Unallocated expenses							(21)
Profit from operations							10,326
Finance costs							(19,447)
Share of results of associated companies	-	422	4,332	655	3,315	6,843	15,567
Profit before taxation							6,446
Taxation							(1,895)
Profit after taxation							4,551
Minority interests							(5,007)
Net loss for the year							(456)
Other Information							
Segment assets							
Segment assets	40,281	517,068	65,693	104,251	19,906	51,938	799,137
Investment in associated companies	-	45,767	20,684	15,608	6,030	90,345	178,434
Unallocated assets							47,581
Consolidated total assets	40,281	562,835	86,377	119,859	25,936	142,283	1,025,152
Segment liabilities							
Segment liabilities	6,047	98,063	36,751	21,669	3,288	8,088	173,906
Unallocated liabilities							350,338
Consolidated total liabilities	6,047	98,063	36,751	21,669	3,288	8,088	524,244
Capital expenditure	227	300	662	1,201	6	1,194	3,590
Depreciation and amortisation	2,461	239	1,055	3,277	98	924	8,054
Non-cash expenses other than depreciation and amortisation and allowance for impairment losses	1,159	4,536	139	-	293	137	6,264

Notes to the Financial Statements

(cont'd)

at 31 March 2005

40. SEGMENT REPORTING (cont'd)

(a) Primary Reporting Format - Business Segments (cont'd)

2004	Textiles RM'000	Property RM'000	Engineering and Construction RM'000	Travel and Leisure RM'000	Financial Services RM'000	Others RM'000	Group RM'000
Revenue							
Total revenue	40,302	26,825	88,835	67,848	4,389	8,220	236,419
Inter-segment revenue	-	(1,500)	-	-	-	(3,523)	(5,023)
External revenue	40,302	25,325	88,835	67,848	4,389	4,697	231,396
Results							
Segment results	(2,163)	1,813	5,553	(4,792)	2,527	(2,412)	526
Interest income							1,442
Gain on disposal of a subsidiary company							1,119
Profit on disposal of quoted investments							4
Unallocated income, net of expenses							10
Profit from operations							3,101
Finance costs							(19,989)
Share of results of associated companies	-	4,383	3,943	1,535	(2,861)	7,912	14,912
Loss before taxation							(1,976)
Taxation							(6,921)
Loss after taxation							(8,897)
Minority interests							5,219
Net loss for the year							(3,678)
Other Information							
Segment assets							
Segment assets	36,501	514,640	68,727	106,161	24,884	81,604	832,517
Investment in associated companies	-	47,157	17,443	15,048	3,182	88,226	171,056
Unallocated assets							53,671
Consolidated total assets	36,501	561,797	86,170	121,209	28,066	169,830	1,057,244
Segment liabilities							
Segment liabilities	8,973	104,524	44,304	20,698	5,700	(4,855)	179,344
Unallocated liabilities							367,095
Consolidated total liabilities	8,973	104,524	44,304	20,698	5,700	(4,855)	546,439
Capital expenditure	837	548	2,075	842	106	78	4,486
Depreciation and amortisation	3,292	245	967	3,408	89	251	8,252
Allowance for impairment loss of land held for development	-	4,000	-	-	-	-	4,000
Non-cash expenses other than depreciation and amortisation and allowance for impairment losses	-	1,851	-	146	376	862	3,235

40. SEGMENT REPORTING (cont'd)

(b) Secondary Reporting Format - Geographical Segments

	Revenue		Total Assets		Capital Expenditure	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Malaysia	224,170	209,561	977,571	1,002,262	3,590	4,486
New Zealand	14,021	13,755	-	-	-	-
Australia	7,659	6,413	-	-	-	-
Hong Kong	1,187	1,419	-	-	-	-
Others	707	248	-	-	-	-
	247,744	231,396	977,571	1,002,262	3,590	4,486
Unallocated assets			47,581	53,671		
			1,025,152	1,055,933		

41. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

In addition to the related party transactions and balances disclosed elsewhere in the financial statements, the other significant related party transactions and balances are set out below.

- (a) The following transactions were entered into in the ordinary course of business and were established by arm's length negotiations between the parties :-

	Group	
	2005 RM'000	2004 RM'000
(i) Transactions entered into with companies in which a director, namely, Tan Sri Dato' Azman Hashim has substantial financial interests :-		
Sales of air tickets and other related travel services to :		
- AMMB Holdings Berhad Group	1,387	960
- Arab-Malaysian Corporation Berhad Group	265	198
- AmAssurance Berhad *	1,668	619
Interest on time deposits received from :		
- AMMB Holdings Berhad Group	176	244
Consultancy services charged by :		
- AMMB Holdings Berhad Group	195	256
Restaurant service provided to AMMB Holdings Berhad Group	123	266
Rental charged by AMMB Holdings Berhad Group	55	55
Rental income received from :		
- AMMB Holdings Berhad Group	524	843
- AmAssurance Berhad *	876	1,661
Insurance premium charged by AmAssurance Berhad*	921	1,269
Sales of properties to AmAssurance Berhad *	4,472	-
Sales and maintenance of air-conditioner charged to AMMB Holdings Berhad Group	191	-

* Company in which Dato' Azlan Hashim has substantial financial interests

Notes to the Financial Statements

(cont'd)

at 31 March 2005

41. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (cont'd)

	Group	
	2005 RM'000	2004 RM'000
(ii) Transactions entered into with associated companies :-		
Administrative fee received from AM SGB Sdn. Bhd. **	48	48
Provision of IT services and sales of IT products to AM SGB Sdn. Bhd. **	31	14
Sales of air tickets and other related travel services to AM SGB Sdn. Bhd. **	138	107
Medical fees paid to Sentosa Medical Centre Sdn. Bhd. #	178	131
Hire purchase arrangement entered into with Sogelease (Malaysia) Berhad Group	-	343
Financial advisory fees received from Sentosa Medical Centre Sdn Bhd #	25	25
Restaurant service provided to AM SGB Sdn. Bhd. **	-	1

** Company in which Dato' Azhar Hashim is a director and substantial shareholder

Company in which Dr. Mohan Thirunavukarasu is a director and substantial shareholder

	Group	
	2005 RM'000	2004 RM'000
(iii) Transactions entered into with minority shareholders of subsidiary companies :-		
Technical fees paid to :		
- Best & Crompton Engg. Limited	128	67
- Blue Star Limited	1,146	717
Rental charged to Drard Holdings Sdn Bhd	359	260
Rental charged by Oricon Sdn. Bhd.	-	36
Interest accrued for PKNS	-	9

(iv) Transactions entered into with companies connected to Tan Sri Dato' Azman Hashim :-

Rental income received	68	58
Upkeep of motor vehicles	48	78
Sales of air tickets and other related travel services	269	59
Purchase of motor vehicles	297	-

(v) Transactions entered into with a company in which a director namely, Dato' Azhar Hashim has substantial financial interests

Interest charged to Dawana Sdn. Bhd.	30	155
Transport, forwarding and handling charges charged by Century Forwardings Agency Sdn. Bhd.	168	-
Factoring arrangement entered into with Dawana Sdn. Bhd.	-	3,574

- (b) During the financial year, the Company disposed of its entire shareholdings in a wholly owned subsidiary company, Taifab Sdn. Bhd., consisting of 2 ordinary shares of RM1.00 each for a total consideration of RM2 to RCE Capital Berhad ("RCE") (formerly known as Rediffusion Berhad) as disclosed under Note 16(c)(i).

Tan Sri Dato' Azman Hashim, who is a director of the Company, has substantial financial interest in RCE and is deemed to be interested in the above transaction.

41. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (cont'd)

(c) Significant outstanding balances with related parties as at end of the year are as follows :-

	Group	
	2005 RM'000	2004 RM'000
Amount included in Receivables :		
- AMMB Holdings Berhad Group	298	145
- Dawama Sdn. Bhd.	-	2,771
Amount included in Payables :		
- AMMB Holdings Berhad Group	597	603
- Best & Crompton Engg. Limited	97	-
- Century Forwardings Agency Sdn. Bhd.	9	-
Amount included in Hire Purchase Creditors :		
- AMMB Holdings Berhad Group	55	70
- Sogelease (Malaysia) Berhad Group	896	1,422

42. SIGNIFICANT/SUBSEQUENT EVENTS

- (a) On 1 March 2005, Pulau Indah Marina Resort Sdn. Bhd. ("PIMR"), a 60% subsidiary of AMDB entered into a conditional sale and purchase agreement ("CSPA") with Great Profile Sdn. Bhd. ("GPSB") to dispose a piece of land held by PIMR for a total consideration of RM130,000,000 ("Proposed Disposal").

The proposed disposal shall be subject to conditions of GPSB obtaining the letter of approval or non-objection of the Foreign Investment Committee ("FIC") and PIMR obtaining the approval of the Selangor State authority for the sale and transfer of the land to GPSB.

The proposed disposal is to be completed by the end of the financial year ending 31 March 2006 and is expected to result in a gain of approximately RM4,500,000 to the Group.

- (b) On 29 April 2005, the Company entered into a conditional sale and purchase agreement ("CSPA") with Verbundsoft Sdn. Bhd. ("Verbundsoft") to dispose its entire investment of 29,064,452 units in AmFirst Property Trust for a total cash consideration of RM31,970,897 ("Proposed Disposal").

The proposed disposal is to be completed by the end of the financial year ending 31 March 2006 and is expected to result in a gain of approximately RM2,250,000 to the Group and to the Company.

43. FINANCIAL INSTRUMENTS - OTHER DISCLOSURES

(a) Maturity Profile and Interest Rate Risk

The maturity profile and effective interest rates of financial instruments exposed to interest rate risk are as follows :-

Group	Maturity profile			Carrying amount RM'000	Effective interest rate %
	Less than 1 year RM'000	More than 1 year and less than 5 years RM'000	More than 5 years RM'000		
2005					
Financial assets					
Unsecured notes redemption fund	-	-	1,457	1,457	2.50 to 2.75
Confirming and factoring receivables	18,569	-	-	18,569	10.50 to 11.75
Deposits with licensed banks	24,750	-	-	24,750	2.10 to 3.70
Financial liabilities					
Unsecured notes	-	-	13,364	13,364	Nil
Hire purchase creditors	1,211	1,186	-	2,397	4.50 to 7.96
Finance lease liabilities	11,500	28,750	-	40,250	5.00
Bank overdrafts	107,399	-	-	107,399	7.00 to 9.00
Other bank borrowings	155,977	-	-	155,977	4.25 to 8.50
2004					
Financial assets					
Unsecured notes redemption fund	-	-	1,417	1,417	2.50 to 2.75
Confirming and factoring receivables	24,211	-	-	24,211	10.50 to 11.75
Deposits with licensed banks	31,855	-	-	31,855	2.00 to 3.25
Financial liabilities					
Unsecured notes	-	-	13,289	13,289	Nil
Hire purchase creditors	1,199	1,395	-	2,594	4.70 to 7.60
Finance lease liabilities	5,750	40,250	-	46,000	4.95
Bank overdrafts	111,771	-	-	111,771	7.00 to 8.50
Other bank borrowings	161,123	-	-	161,123	4.40 to 8.50
Company					
2005					
Financial liabilities					
Hire purchase creditors	463	644	-	1,107	4.50
Bank overdrafts	92,220	-	-	92,220	7.00 to 9.00
Other bank borrowings	129,900	-	-	129,900	4.25 to 8.50
2004					
Financial liabilities					
Hire purchase creditors	564	500	-	1,064	5.98 to 6.75
Bank overdrafts	89,581	-	-	89,581	7.00 to 8.50
Other bank borrowings	135,900	-	-	135,900	4.40 to 8.50

43. FINANCIAL INSTRUMENTS - OTHER DISCLOSURES (cont'd)**(b) Fair Values**

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

	Group		Company	
	Carrying amount RM'000	Fair values RM'000	Carrying amount RM'000	Fair values RM'000
2005				
Financial assets				
Investments in :				
- quoted shares	6,682	10,725	3,507	5,690
- property trust units	29,221	32,552	29,221	32,552
Financial liabilities				
Hire purchase creditors	2,397	2,209	1,107	1,026
Shareholder's loan	38,812	Note 43(b)(iii)	-	-
2004				
Financial assets				
Investments in :				
- quoted shares	6,006	14,068	3,507	7,344
- property trust units	58,421	Note 43(b)(ii)	29,221	Note 43(b)(ii)
Financial liabilities				
Hire purchase creditors	2,594	2,547	1,064	1,003
Shareholder's loan	40,849	Note 43(b)(iii)	-	-

- (i) The carrying amounts of current financial assets and liabilities of the Group and Company as at balance sheet date approximated their fair values due to the relatively short term nature of these financial instruments. Long term receivables comprising retention sum receivable, retention sums and progress claim payables represent trade receivables and payables under normal credit term and approximate their fair values
- (ii) The market value of the property trust units in the previous financial year was not reflective of fair value because of infrequent activity and low volume of units traded. The directors were of the opinion that the net tangible assets backing as at 31 March 2004 of RM80,986,301 in respect of the Group and RM40,399,588 in respect of the Company more fairly reflects the fair value of the trust units held.
- (iii) It was not practicable to estimate the fair value of the shareholders' loans as the terms of repayments were not fixed except that such loans were for the purpose of long term funding of certain subsidiary companies' operations.
- (iv) The fair value of amounts owing by and owing to subsidiary companies are not provided as it is not practical to estimate fair values reliably due to the lack of fixed repayment terms. The fair value of amounts owing by and owing to subsidiary companies are not provided as it is not practical to estimate fair values reliably due to the lack of fixed repayment terms.

Notes to the Financial Statements

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at 31 March 2005

44. LIST OF SUBSIDIARY COMPANIES

Direct Subsidiary Companies	Principal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2005	2004
AMBC Transmission Sdn. Bhd.	Electrical and power engineering construction	Malaysia	80	80
Blue Star M & E Engineering Sdn. Bhd.	Engineering services	Malaysia	51	51
AMCE Builders Sdn. Bhd. *	Construction	Malaysia	70	70
AMDB Capital Sdn. Bhd.	Investment holding	Malaysia	100	100
AMDB Factoring Sdn. Bhd.	Confirming and factoring services	Malaysia	100	100
AMDB Industrial City Sdn. Bhd.	Property development	Malaysia	100	100
AMDB Construction & Engineering Berhad	Dormant	Malaysia	100	100
AMDB Engineering Services Sdn. Bhd.	Construction	Malaysia	100	100
AMDB Equipment Trading Sdn. Bhd.	Contracting and investment in securities	Malaysia	100	100
AMDB Equity Sdn. Bhd. *	Dormant	Malaysia	100	100
AMDB Leisure Holdings Sdn. Bhd.	Investment holding	Malaysia	100	100
AMDB Management Services Sdn. Bhd.	Financial, property and management services	Malaysia	100	100
AMDB Power Sdn. Bhd.	Dormant	Malaysia	100	100
AMDB Properties Sdn. Bhd.	Property investment and investment holding	Malaysia	100	100
AMDB Property Holdings Sdn. Bhd. *	Investment holding	Malaysia	100	100
AMDB Property Management Co. Sdn. Bhd.	Property management services	Malaysia	100	100
AMDB Realty Sdn. Bhd.	Property investment	Malaysia	100	100

* Subsidiary companies not audited by FOLKS DFK & CO.

44. LIST OF SUBSIDIARY COMPANIES (cont'd)

Direct Subsidiary Companies	Pincipal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2005	2004
AMDB Technics Sdn. Bhd.	Investment holding	Malaysia	100	100
Arab-Malaysian-Toda Construction Sdn. Bhd. (Company in liquidation)	Construction	Malaysia	51	51
Exotic Enterprise Sdn. Bhd.	Property development and property investment	Malaysia	100	100
Harpers Tours (Malaysia) Sdn. Bhd.	Tour agent	Malaysia	100	100
Harpers Travel (Malaysia) Sdn. Bhd.	Travel agent	Malaysia	100	100
Harta AMCE Sdn. Bhd.	Property investment	Malaysia	100	100
Ideal Resort Sdn. Bhd. *	Property investment	Malaysia	70	70
IT Connect Sdn. Bhd.	Information technology services	Malaysia	100	100
Jelas Warna Sdn. Bhd.	Dormant	Malaysia	70	-
Living Development Sdn. Bhd.	Property development and investment in securities	Malaysia	100	100
Mawar Delima (M) Sdn. Bhd.	Property development	Malaysia	60	60
Medan Delima Sdn. Bhd.	Property development and management	Malaysia	100	100
Mekar Angkasa Sdn. Bhd.	Investment holding	Malaysia	100	100
Perumahan Taman Pinji Sdn. Bhd. *	Property development	Malaysia	100	100
Pulau Indah Marina Resort Sdn. Bhd.	Property development	Malaysia	60	60
Rich Avenue Sdn. Bhd. *	Property development	Malaysia	100	100
Restoran Seri Melayu Sdn. Bhd. *	Restaurant operation	Malaysia	100	100
Restoran Seri Melayu (Langkawi) Sdn. Bhd.	Restaurant operation	Malaysia	100	100
Sejati Pelita Sdn. Bhd.	Property development	Malaysia	100	100

* Subsidiary companies not audited by FOLKS DFK & CO.

Notes to the Financial Statements

(cont'd)

at 31 March 2005

44. LIST OF SUBSIDIARY COMPANIES (cont'd)

Direct Subsidiary Companies	Principal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2005	2004
Selaju Sdn. Bhd.	Investment holding	Malaysia	100	100
Seng Hock Realty Development Sdn. Bhd.	Property development and property investment	Malaysia	100	100
Syarikat Kompleks Damai Sdn. Bhd.	Property development and property investment	Malaysia	100	100
Taifab Hongkong Ltd. *	General trading	Hong Kong, Republic of China	100	100
Taifab Properties Sdn. Bhd.	Property investment	Malaysia	100	100
Taifab Sdn. Bhd.	Investment holding	Malaysia	-	100
Taifab Trading (M) Sdn. Bhd.	Investment and trading in securities	Malaysia	100	100
Taman Aman Sdn. Bhd.	Property development and property management	Malaysia	100	100
Walleng Enterprises Sdn. Bhd.	Property development	Malaysia	100	100
Zaklan Sdn. Berhad	Investment holding	Malaysia	100	100
Indirect Subsidiary Companies	Principal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2005	2004
AMDB Commercial Services Sdn. Bhd.	Licensed money lender	Malaysia	100	100
AMLCDA Sdn. Bhd. (formerly known as Arab-Malaysian LCDA Sdn. Bhd.)	Property development	Malaysia	-	28
Sibu Pelita Sdn. Bhd.	Property development	Malaysia	-	36
AMBC Controls Sdn. Bhd.	Fabrication of electrical equipment	Malaysia	54	54
AMBC Electronics Sdn. Bhd. (formerly known as Giantone Techonology Sdn Bhd)	Dormant	Malaysia	54	-
Arnica Corporation Sdn. Bhd.	Property development	Malaysia	100	100

* Subsidiary companies not audited by FOLKS DFK & CO.

44. LIST OF SUBSIDIARY COMPANIES (cont'd)

Indirect Subsidiary Companies	Pincipal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2005	2004
Arasy Assets Sdn Bhd (formerly known as AMDB Properties (Sarawak) Sdn. Bhd.	Property development	Malaysia	-	51
Gerak Rasmi Sdn. Bhd.	Property investment	Malaysia	100	100
Mayang Zaman Sdn. Bhd.	Property development	Malaysia	70	100
Netcoin Sdn. Bhd.	Investment holding	Malaysia	97	97
Nikmat Segar (M) Sdn. Bhd.	Property development	Malaysia	100	100
Sebana Facilities Management Services Sdn. Bhd. *	Property management services	Malaysia	58	58
Sebana Holdings Sdn. Bhd.	Investment holding	Malaysia	58	58
Sebana Golf & Marina Resort Berhad	Golf and marina club operation	Malaysia	58	58
Sebana Golf & Country Club Berhad	Dormant	Malaysia	58	58
Sebana Hotels Sdn. Bhd.	Dormant	Malaysia	58	58
Sebana Properties Sdn. Bhd.	Property development	Malaysia	58	58
Sebana Management Services Sdn. Bhd.	Management services (Ceased operation)	Malaysia	58	58
Sebana Marina Management Services Sdn. Bhd.	Dormant	Malaysia	58	58
Sebana Realty Sdn. Bhd.	Property investment and development	Malaysia	58	58
Sebana Construction Sdn. Bhd.	Dormant	Malaysia	58	58
Sebana Resort Pte. Ltd. *	Marketing and promotions	Republic of Singapore	58	58
Verbundsoft Sdn. Bhd.	Investment holding	Malaysia	-	100

* Subsidiary companies not audited by FOLKS DFK & CO.

Notes to the Financial Statements

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at 31 March 2005

45. LIST OF ASSOCIATED COMPANIES

Direct Associated Companies	Principal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2005	2004
Central Spectrum (M) Sdn. Bhd.	Property development	Malaysia	23	23
Kesas Holdings Berhad	Investment holding	Malaysia	20	20
Labuan Power Sdn. Bhd.	Dormant	Malaysia	20	20
Planergo (Pte) Limited	Hotel operation	Republic of Singapore	20	20
Prisma Tulin Sdn. Bhd.	Hotel operation	Malaysia	41	41
PTM Sdn. Bhd.	Investment holding	Malaysia	49	49
Supermix Concrete (Malaysia) Sdn. Bhd.	Manufacture of ready mixed concrete	Malaysia	30	30
Sentosa Medical Centre Sdn. Bhd.	Running a medical centre and clinic	Malaysia	32	32
Selaman Sdn. Bhd.	Property development and property management	Malaysia	40	40

Indirect Associated Companies	Principal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2005	2004
Augustland Hotel Sdn. Bhd.	Hotel and apartment development and operation	Malaysia	40	40
AM SGB Sdn. Bhd.	Manufacture of transformers	Malaysia	35	35
AmTrustee Berhad	Trustee service	Malaysia	20	20
Bangi Hotel Sdn. Bhd.	Development, construction, management and maintenance of hotel	Malaysia	20	20
Hospital Sentosa Sdn. Bhd.	Property holding	Malaysia	32	32
J. Walter Thompson Sdn. Bhd.	Advertising agency	Malaysia	37	37
Kesas Sdn. Bhd.	Management of toll operations and maintenance of highway	Malaysia	20	20

45 LIST OF ASSOCIATED COMPANIES (cont'd)

Indirect Associated Companies	Pincipal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2005	2004
Malaysian Construction Ventures (Overseas) Sdn. Bhd.	Investment holding	Malaysia	20	20
Sogelease (Malaysia) Berhad	Leasing and provision of credit finance	Malaysia	50	50
Sogelease Advance (Malaysia) Sdn. Bhd.	Hire purchase and provision of credit financing	Malaysia	50	50
Sogefactoring (Malaysia) Sdn. Bhd.	Factoring services	Malaysia	50	50
Supermix Concrete Industries Sdn. Bhd.	Producer and seller of ready-mixed concrete	Malaysia	30	30
Taimet Concrete Industries Sdn. Bhd.	Dormant	Malaysia	30	30
GMF Selaman Imaging Centres Sdn. Bhd.	Providing micro-filming services (Ceased operations in 1994)	Malaysia	24	24
Halik Sdn. Bhd.	Investment in real property	Malaysia	40	40

46. COMPARATIVE FIGURES

Certain comparative figures have been reclassified and restated to conform with the current year's presentation.

The restatement of comparatives arising from the change in accounting policies is disclosed in Note 36 to the financial statements.

In addition, the presentation and classification of certain items in the current financial year's financial statements have been changed or modified to comply with the requirements of MASB 32, Property Development Activities which came into effect during the financial year.

Statement

by Directors

In the opinion of the Directors, the financial statements set out on the pages 32 to 91 are drawn up in accordance with the applicable approved Accounting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2005 and of the results of operations and cash flows of the Company and of the Group for the year ended on that date.

TAN SRI DATO' AZMAN HASHIM
Chairman

AZMI HASHIM
Chief Executive Officer

Date: 10 June 2005

Statutory

Declaration

I, FOONG WING LING, being the Chief Financial Officer responsible for the financial management of AMDB BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 32 to 91 are 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 FOONG)
WING LING, at Kuala Lumpur in the Federal)
Territory on 10 June 2005)

Before me,

Report of the Auditors

to the members of AMDB Berhad

We have audited the financial statements set out on pages 32 to 91 of AMDB Berhad. The preparation of the financial statements is the responsibility of the Company's directors.

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

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

We believe our audit provides a reasonable basis for our opinion.

In our opinion :-

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved Accounting Standards in Malaysia so as to give a true and fair view of:-
 - (i) the 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 March 2005 and of the results of the operations and cash flows of the Group and of the Company for the year ended on that date; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by the 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' report thereon of the subsidiary companies of which we have not acted as auditors, as indicated in Note 44 to the financial statements.

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

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

FOLKS DFK & CO.

NO. : AF 0502

CHARTERED ACCOUNTANTS

OOI CHEE KUN

NO. : 996/03/06(J/PH)

PARTNER

Kuala Lumpur

Date : 10 June 2005

Shareholdings Structure

ANALYSIS OF SHAREHOLDINGS AS AT 22 JULY 2005

Authorised Share Capital	:	RM500,000,000.00
Paid-up Share Capital	:	RM401,422,628
Class of Share	:	Ordinary share of RM0.50 each
Voting rights	:	1 vote per ordinary share

ANALYSIS BY SIZE OF ORDINARY SHAREHOLDINGS AS AT 22 JULY 2005

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholdings
Less than 100	1,083	2.00	42,506	0.01
100 to 1,000	15,330	28.39	12,855,460	1.60
1,001 to 10,000	30,884	57.19	129,857,489	16.17
10,001 to 100,000	6,295	11.66	167,673,066	20.89
100,001 to less than 5%	408	0.76	137,966,523	17.18
5% and above	2	0.00	354,450,212	44.15
TOTAL	54,002	100.00	802,845,256	100.00

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (ORDINARY) AS AT 22 JULY 2005

No.	Names	Shareholdings	
		No.	%
1	ARAB-MALAYSIAN CORPORATION BERHAD	294,450,212	36.68
2	A.A. ASSETS NOMINEES (TEMPATAN) SDN BHD (FULCRUM ASSET MANAGEMENT SDN BHD FOR MEGATIME ENTERPRISE SDN BHD)	60,000,000	7.47
3	WONG CHONG NGIN	5,546,100	0.69
4	ABAS BIN MOHAMAD	5,200,000	0.65
5	MENTERI KEWANGAN MALAYSIA (SECTION 29 SICDA)	4,570,374	0.57
6	TAN SUAN GAIK	3,090,000	0.38
7	ADAM SHAH BIN AZLAN	3,000,000	0.37
8	ONG BEE LIAN	2,885,300	0.36
9	TEO KWEE HOCK	2,381,900	0.30
10	PAN LEE CHIN	2,040,000	0.25
11	CHEONG KWOK KEONG @ LAWRENCE CHEONG	2,000,000	0.25
12	CITICORP NOMINEES (ASING) SDN BHD (CBNY FOR DFA EMERGING MARKETS FUND)	1,990,900	0.25
13	HDM NOMINEES (ASING) SDN BHD (UOB KAY HIAN PTE LTD FOR PAX REALTY & DEVELOPMENT PTE LTD)	1,717,000	0.21
14	UOBM NOMINEES (TEMPATAN) SDN BHD (UNITED OVERSEAS BANK NOMINEES PTE LTD FOR DATO' AZLAN HASHIM)	1,602,000	0.20
15	CITICORP NOMINEES (ASING) SDN BHD (CBHK PBGSGP FOR SUNNYVALE HOLDINGS LTD)	1,464,000	0.18
16	MAYBAN NOMINEES (TEMPATAN) SDN BHD (A/C FOR MOHD AMIN BIN PIPET)	1,400,000	0.17
17	MAYBAN NOMINEES (TEMPATAN) SDN BHD (A/C FOR TAN SUAN GAIK)	1,350,000	0.17
18	KUAN KAM HON @ KWAN KAM ONN	1,300,000	0.16
19	DATO' NG TIONG SENG @ NG BA	1,250,000	0.16
20	SOUTHERN NOMINEES (TEMPATAN) SDN BHD (A/C FOR YEO LEE HOE)	1,150,000	0.14
21	HDM NOMINEES (ASING) SDN BHD (UOB KAY HIAN PTE LTD FOR PAX INVESTMENT HOLDINGS CO PTE LTD)	1,103,000	0.14
22	MAYBAN NOMINEES (TEMPATAN) SDN BHD (A/C FOR YEONG SIN KHONG)	1,080,100	0.13
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (A/C FOR ABAS BIN MOHAMAD)	1,050,000	0.13
24	SIEW PIT KWONG	1,040,000	0.13
25	TIONG NGEE MIN	1,029,000	0.13
26	RAJA KARIB SHAH BIN SHAHRUDIN	1,000,000	0.12
27	GOH CHOON HUA	989,300	0.12
28	AMSEC NOMINEES (TEMPATAN) SDN BHD (A/C FOR LIM KAH ENG)	972,700	0.12
29	LAW CHIN WAT	955,833	0.12
30	TEY SEW GOH	944,000	0.12

LIST OF SUBSTANTIAL SHAREHOLDERS (ORDINARY) AS AT 22 JULY 2005

No.	Names	Shareholdings	
		No.	%
1	ARAB-MALAYSIAN CORPORATION BERHAD	294,450,212	36.68
2	A.A. ASSETS NOMINEES (TEMPATAN) SDN BHD (FULCRUM ASSET MANAGEMENT SDN BHD FOR MEGATIME ENTERPRISE SDN BHD)*	60,000,000	7.47

*Megatime Enterprise Sdn Bhd is a wholly-owned subsidiary of Arab-Malaysian Corporation Berhad

(cont'd) Shareholdings Structure

LIST OF DIRECTORS' SHAREHOLDINGS (ORDINARY) AS AT 22 JULY 2005

No.	Name of Directors	Direct Holdings		Indirect Holdings	
		No.	%	No.	%
1	Y. BHG. TAN SRI DATO' AZMAN HASHIM	475,077	0.06	354,450,212	44.15
2	Y. BHG. DATO' AZLAN HASHIM	1,867,625	0.23	-	-
3	Y. BHG. DATO' AZHAR HASHIM	-	-	-	-
4	Y. BHG. DATO' HAJI YAACOB @ YAAKUB BIN A HAMID	-	-	-	-
5	Y. BHG. DATUK MOHD SAUFI BIN HAJI ABDULLAH	500,000	0.06	-	-
6	EN. AZMI HASHIM	53,000	0.01	-	-
7	Y. BHG. TAN SRI DATO' CHEN WING SUM	-	-	-	-
8	DR. MOHAN THIRUNAVUKARASU	-	-	-	-
9	Y. BHG. TAN SRI DATO' DR. LEE LAM THYE	-	-	-	-

ANALYSIS BY SIZE OF ICULS* HOLDINGS AS AT 22 JULY 2005

Size of ICULS Holdings	ICULS Holders		ICULS Holdings	
	No.	%	No.	%
Less than 100	-	-	-	-
100 to 1,000	18	94.74	18,000	0.02
1,001 to 10,000	-	-	-	-
10,001 to 100,000	-	-	-	-
100,001 to less than 5%	-	-	-	-
5% and above	1	5.26	75,900,000	99.98
TOTAL	19	100.00	75,918,000	100.00

LIST OF ICULS* HOLDERS AS AT 22 JULY 2005

No.	Names	ICULS Holdings	
		No.	%
1	ARAB-MALAYSIAN CORPORATION BERHAD	75,900,000	99.98
2	CHIA MENG YEE	1,000	0.00
3	AZLAN BAQEE BIN ABDULLAH	1,000	0.00
4	LUM SING FAI	1,000	0.00
5	WONG LIANG SER	1,000	0.00
6	TEOH BOON WEE	1,000	0.00
7	YAP CHOON SENG	1,000	0.00
8	TEO KEA SHIANG	1,000	0.00
9	HOW WIL KIN	1,000	0.00
10	JULIANA JONG LEE NA	1,000	0.00
11	DING MENG HSI	1,000	0.00
12	ARJUNA A/L MURUGASU @ MURUGESU	1,000	0.00
13	CHENG GEAK CHOO	1,000	0.00
14	LOH KAM CHUIN	1,000	0.00
15	LOW SHEAU YING	1,000	0.00
16	NOR ASHIKIN BINTI ABDUL AZIZ	1,000	0.00
17	GOH TZE WEI	1,000	0.00
18	LEE WAI YEE	1,000	0.00
19	LOKE MOON LEN	1,000	0.00

Note: There are only 19 ICULS holder as per Register as at 22 July 2005

LIST OF DIRECTORS' ICULS* HOLDINGS AS AT 22 JULY 2005

No.	Name of Directors	Direct Holdings		Indirect Holdings	
		No.	%	No.	%
1	Y. BHG. TAN SRI DATO' AZMAN HASHIM	-	-	75,900,000	99.98
2	Y. BHG. DATO' AZLAN HASHIM	-	-	-	-
3	Y. BHG. DATO' AZHAR HASHIM	-	-	-	-
4	Y. BHG. DATO' HAJI YAACOB @ YAAKUB BIN A HAMID	-	-	-	-
5	Y. BHG. DATUK MOHD SAUFI BIN HAJI ABDULLAH	-	-	-	-
6	EN. AZMI HASHIM	-	-	-	-
7	Y. BHG. TAN SRI DATO' CHEN WING SUM	-	-	-	-
8	DR. MOHAN THIRUNAVUKARASU	-	-	-	-
9	Y. BHG. TAN SRI DATO' DR. LEE LAM THYE	-	-	-	-

* ICULS - IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2003/2010

List of Properties

PROPERTIES	AREA (m2)	TENURE	EXPIRY DATE	DESCRIPTION	APPROXIMATE AGE OF BUILDINGS	NET BOOK VALUE RM'000	DATE OF ACQUISITION/ REVALUATION
No 1 Jln Lumut, 50400 KL Lot 672, PT 28 Section 47, Kuala Lumpur	15,235 (net lettable)	Freehold	N/A	21 storey office building	11 Years	46,000	19.09.2001
Lot 627, Section 47, Kompleks Damai 50400 Kuala Lumpur	179	Freehold	N/A	Police beat base	10 Years	94	07.08.1981
Lot 670, Section 47, Kompleks Damai 50400 Kuala Lumpur	9,084	Freehold	N/A	Land held for future development	N/A	8,748	07.08.1981
Lot 6497, to the north of Taman Desa, Off Jalan Klang Lama, Kuala Lumpur	886	Freehold	N/A	Vacant land	N/A	-	17.11.1983
PT 17327, 17384-5, 17388-90, 17406, 17446-50, 17452, 17465, 17482, Nilai Negeri Sembilan Darul Khusus	4,517 (Built up)	Freehold	N/A	Terraced factories and shop office	6 Years	1,493	10.12.1984
PT 17298, 17301-3, 17306-7, 17320, 26038, 26047, 26049-070, 25113, 25086, 25094, Nilai Negeri Sembilan Darul Khusus	14,334 (Built up)	Freehold	N/A	Land under development	N/A	2,952	10.12.1984
17430-6, 17454-63, 17468-71 17474-9, 17483-92, 17495-508, 17466-7, 17494, Nilai, Negeri Sembilan Darul Khusus	30,627	Freehold	N/A	Land held for future development	N/A	1,036	10.12.1984
PTD 8294-6, 8299-300, 8308, 8311-2, 16765, Mukim of Setul, Nilai Negeri Sembilan Darul Khusus	99,914	Freehold	N/A	Industrial lots	N/A	560	10.12.1984
PT 26945-27160, Mukim of Setul, Negeri Sembilan Darul Khusus	674,660	Freehold	N/A	Land held for future development	N/A	32,212	20.06.2002
Lot 3362, Mukim of Labu, Sepang, Selangor Darul Ehsan	1,200,830	Leasehold 99 years	14/09/2080	Agricultural land	N/A	13,284	19.02.1992
Lot 3324, Mukim of Labu, Sepang, Selangor Darul Ehsan	5,419,225	Leasehold 99 years	14.09.2080	Agricultural land	N/A	128,381	20.06.2002
Lot No. 5333 Mukim Bukit Baru Melaka Tengah, Melaka.	392	Freehold	N/A	Vacant land	N/A	1	17.05.1978
148 Jalan Jasa Lima, Taman Jasa, 68100 Batu Caves, Gombak, Selangor Darul Ehsan	144 (Built-up)	Freehold	N/A	Double storey shophouse	19 Years	167	22.03.1989
Kesidang Indah Apartments, (C3-4 unit), PT 392, Kawasan Bandar, Melaka	79 (Built-up)	Leasehold 99 years	09/02/2089	Apartment	11 Years	57	23.01.1990
PT 5327-9 Mukim of Seremban, Negeri Sembilan Darul Khusus	20,438	Freehold	N/A	Land held for future development	N/A	12,542	14.12.1995
PT No. 6754, 6797, 6837, 6801, 6842, 6844, 6884, 6887-95, 7753-66 Negeri Sembilan Darul Khusus	11,349 (Built up)	Freehold	N/A	Mixed development	N/A	3,449	03.04.1997
Seremban Business Centre off Pasar Besar Temiang, Seremban, Negeri Sembilan Darul Khusus	4,628 (net lettable)	Freehold	N/A	Commercial buildings	6 Years	5,862	28.03.1994

(cont'd) **List of Properties**

PROPERTIES	AREA (m2)	TENURE	EXPIRY DATE	DESCRIPTION	APPROXIMATE AGE OF BUILDINGS	NET BOOK VALUE RM'000	DATE OF ACQUISITION/ REVALUATION
Lot 72779, Mukim Klang, Daerah Klang, Selangor Darul Ehsan	1,542,000	Leasehold 99 years	24/03/2096	Land held for current and future mixed development	N/A	109,749	07.06.1996
Kamunting Industrial Estate, Taiping Perak Darul Ridzuan	20,279 120,090 20,979	Leasehold 99 years	16/01/2067 27/11/2071 18/05/2072	Land with office cum factory	38 Years 34 Years 33 Years	13,223	* 31.03.1985
Lot 1067 Apartment H81 & H85 Fraser Pine Resort, Fraser Hill, Pahang Darul Makmur	342 (Built-up)	Freehold	N/A	Apartments	18 Years	171	17.05.1985
D132 & D133 Tanjung Biru Apartment Bt 10 Jalan Pantai, Port Dickson N. Sembilan Darul Khusus	152 (Built-up)	Freehold	N/A	Apartments	19 Years	185	03.04.1985
No 30, Jalan SS2/61, Petaling Jaya, Selangor Darul Ehsan	599 (Built-up)	Freehold	N/A	3 1/2 storey shophouse	21 Years	766	20.07.1983
43 Jalan Besar, Tanah Rata Cameron Highlands Pahang Darul Makmur	486 (Built-up)	Leasehold 99 years	06/06/2057	Shophouse	21 Years	525	24.04.1984
Lot 1167, Batu 10, Tanjung Biru, Port Dickson, Negeri Sembilan Darul Khusus	1,144 (Built-up)	Freehold	N/A	Bungalow	44 Years	847	23.09.1986
No.28 & 30 Jalan P/16 Selaman Industrial Park Bandar Baru Bangi 43650 Selangor	848 (Built up)	Leasehold 99 years	12/05/2097	Integrated industrial buildings	7 Years	1,112	29.08.1995
PTD 2969, 2971-3, 2976, 2979, 2980, 2988 & PTD 2990-1 Daerah Kota Tinggi Mukim Pengerang Johor Darul Takzim	19,777 (Built up)	Freehold	N/A	Bungalow lots	7 Years	2,073	23.12.1992
PTD 2942 & 3562 Waterfront Classic I & II Daerah Kota Tinggi Mukim Pengerang Johor Darul Takzim	4,402 (Built up)	Freehold	N/A	Apartments	7 - 8 Years	8,161	23.12.1992
Daerah Kota Tinggi Mukim Pengerang Johor Darul Takzim							
PTD 2940, 2992-4	126,567	Freehold	N/A	Marina Resort with clubhouse	10 Years	154,567	23.12.1992
P.T.D. 2923 & Lot 775	3,152,150 26,790	Leasehold 99 years	14/05/2098 19/07/2092	Golf Course and homestead lots	N/A		
Lot 774 & Lot 887	529,483	Freehold	N/A	Area outside Golf Course	N/A		
Lot 2930	152,570	N/A	N/A	TOL land	N/A		
PTD 2924-8 & 2931	449,720	Leasehold 99 years	10/11/2094	Land held for future development	N/A		
PTD 2941, 2943, 2945, 2947, 3563, 3569-70, 61-2, 1063, 572, 1009	553,809	Freehold	N/A	Land held for future development	N/A		

* Date of revaluation

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I/We _____
of _____
being a Member of AMDB BERHAD hereby appoint _____
of _____
or failing him _____
of _____

or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Thirty-Ninth Annual General Meeting of the Company to be held on 22 September 2005 and at any adjournment thereof, as indicated below :-

Ordinary Business :-	For	Against
1. Receive and adopt the Audited Financial Statements for the year ended 31 March 2005 and the Reports of the Directors and Auditors thereon.		
2. Approve the payment of Directors' Fees of RM192,000 for the year ended 31 March 2005.		
3. Re-elect Y.Bhg. Datuk Mohd Saufi bin Haji Abdullah as a Director.		
4. Re-elect Y.Bhg. Dato' Azlan Hashim as a Director.		
5. Re-elect Y.Bhg. Dato' Azhar Hashim as a Director.		
6. Re-appoint Y. Bhg. Tan Sri Dato' Chen Wing Sum as a Director.		
7. Re-appoint Messrs Folks DFK & Co., the retiring Auditors, and to authorise the Directors to determine the Auditors remuneration.		
Special Business :-		
8. Ordinary Resolution 1 Authorise the Directors under Section 132D of the Companies Act 1965 to allot and issue shares in the Company.		
9. Ordinary Resolution 2 Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
10. Ordinary Resolution 3 Renewal of Share Buy-Back Authority		

Please indicate with an "X" or "/" in the spaces above how you wish your vote to be cast. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Signed this _____ day of _____ 2005.

Signature/Common Seal

Tel no. (During office hours): _____

No. of Shares Held

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy/proxies to attend and vote in his stead. A proxy may but need not be a member of the Company.
2. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the Meeting and a member who appoints two (2) proxies shall specify the proportion of his shareholdings to be represented by each proxy.
3. Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each Securities Account it holds to which ordinary shares in the Company are credited.
4. The instrument appointing a proxy in the case of an individual, shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under its common seal or under the hand of an officer or attorney duly authorised in writing.
5. The instrument appointing a proxy must be completed, signed and deposited at the Registered Office of the Company situated at 20th Floor, Bangunan AMDB, No 1 Jalan Lumut, 50400 Kuala Lumpur **not less than forty-eight (48) hours** before the time appointed for the meeting or any adjournment thereof, and in default, the instrument of proxy shall not be treated as valid.