

AMDB Berhad

(Incorporated in Malaysia)

(Co. No. 6386-K)

ANNUAL REPORT 2006

Vision

To be the preferred global business partner in our pursuit for excellence in our products and services.

“Excellence with Passion”

Mission

AMDB aspires to

- inculcate global values and standards in every aspect of our business activities
- provide competitive & innovative products and quality services
- build a stable relationship with our business partners
- provide satisfactory return to shareholders

We care for our people, society and environment.

AMDB Berhad (6386-K)

contents

2	notice of annual general meeting
5	statement accompanying notice of annual general meeting
6	corporate structure
8	corporate information
9	board of directors
14	chairman's statement
21	audit committee report
26	corporate governance statement
32	statement on internal control
35	other disclosure requirements
39	financial statements
124	shareholdings structure
126	list of properties
	PROXY FORM

NOTICE IS HEREBY GIVEN THAT the Fortieth 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 Friday, 15 September 2006 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 2006 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 2006. (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. Tan Sri Dato' Azman Hashim (Resolution No. 3)
 - b. Y.Bhg. Tan Sri Dato' Lee Lam Thye (Resolution No. 4)
 - c. Dr. Mohan Thirunavukarasu (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 24 August 2006 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 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 2006 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
24 August 2006

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 AmAssurance, 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 Circular dated 24 August 2006.

statement accompanying notice of annual general meeting

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

- a. Y.Bhg. Tan Sri Dato' Azman Hashim
- b. Y.Bhg. Tan Sri Dato' Lee Lam Thye
- c. Dr. Mohan Thirunavukarasu
(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 appearing on pages 9 to 13 of the Annual Report.

2. Details of attendance of Directors at Board Meetings

Five (5) Board Meetings were held during the financial year ended 31 March 2006. Details of attendance of the Directors at the Board Meetings are set out on pages 26 to 27 of the Annual Report.

3. Fortieth Annual General Meeting of AMDB Berhad

Venue

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

Date and Time

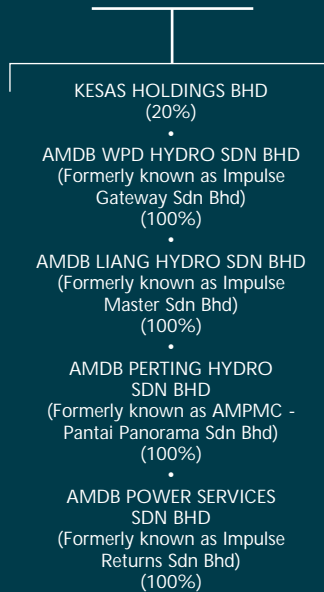
Friday, 15 September 2006 at 10.30 a.m.

AMDB Berhad (6386-K)

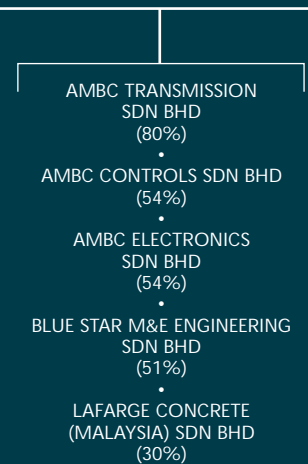
property development & investment

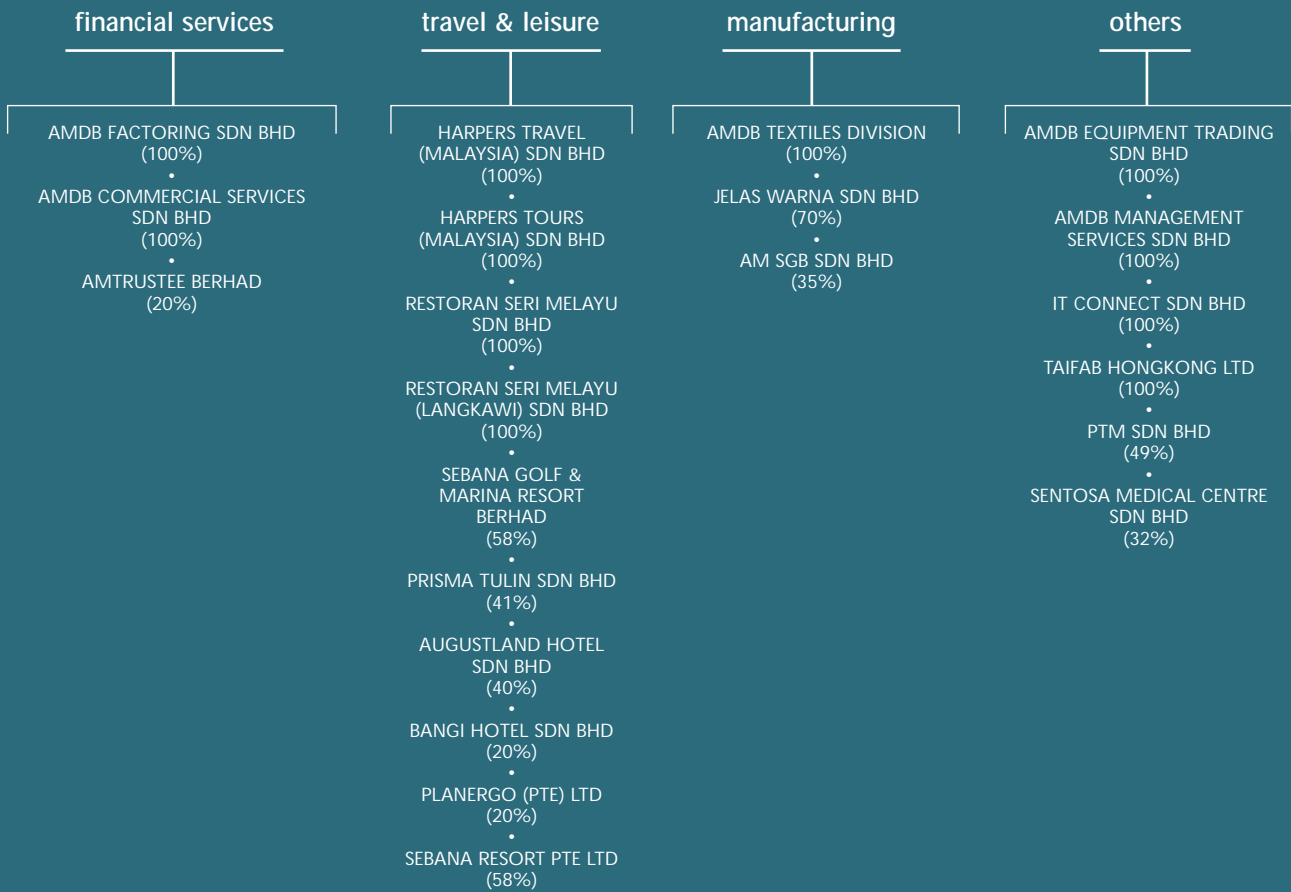


infrastructure



engineering & construction





BOARD OF DIRECTORS

1. Y.BHG. TAN SRI DATO' AZMAN HASHIM (CHAIRMAN)
2. Y.BHG. DATO' AZLAN HASHIM (DEPUTY CHAIRMAN)
3. Y.BHG. TAN SRI DATO' CHEN WING SUM
4. Y.BHG. TAN SRI DATO' LEE LAM THYE
5. Y.BHG. DATUK MOHD SAUFI BIN HJ. ABDULLAH
6. Y.BHG. DATO' HAJI YAACOB @ YAAKUB BIN A HAMID
7. Y.BHG. DATO' AZHAR HASHIM
8. EN. AZMI HASHIM (CHIEF EXECUTIVE OFFICER)
9. DR. MOHAN THIRUNAVUKARASU

AUDIT COMMITTEE

1. Y.BHG. DATUK MOHD SAUFI BIN HJ. ABDULLAH (CHAIRMAN)
2. Y.BHG. TAN SRI DATO' CHEN WING SUM
3. Y.BHG. DATO' AZLAN HASHIM
4. Y.BHG. DATO' HAJI YAACOB @ YAAKUB BIN A HAMID

NOMINATION AND REMUNERATION COMMITTEE

1. Y.BHG. DATUK MOHD SAUFI BIN HJ. ABDULLAH (CHAIRMAN)
2. Y.BHG. TAN SRI DATO' CHEN WING SUM
3. Y.BHG. DATO' AZLAN HASHIM
4. Y.BHG. DATO' HAJI YAACOB @ YAAKUB BIN A HAMID

COMPANY SECRETARIES

PUAN AZIAN HASHIM
CIK CHUNG MEI CHENG

REGISTRAR

SYMPHONY SHARE REGISTRARS SDN BHD
LEVEL 26, MENARA MULTI-PURPOSE
CAPITAL SQUARE
NO. 8 JALAN MUNSHI ABDULLAH
50100 KUALA LUMPUR
T • 603. 2721. 2222
F • 603. 2721. 2530

AUDITORS

FOLKS DFK & CO.
12TH FLOOR, WISMA TUN SAMBANTHAN
NO. 2 JALAN SULTAN SULAIMAN
50000 KUALA LUMPUR
T • 603. 2273. 2688
F • 603. 2274. 2688

REGISTERED OFFICE

20TH FLOOR, BANGUNAN AmASSURANCE
1 JALAN LUMUT
50400 KUALA LUMPUR
T • 603. 4047. 5600
F • 603. 4047. 5601

TEXTILE MANUFACTURING COMPLEX

KAMUNTING INDUSTRIAL ESTATE
34600 KAMUNTING
TAIPING
PERAK DARUL RIDZUAN
T • 605. 891. 4000
F • 605. 891. 2900

WEBSITE

www.amdbgroup.com

Y.BHG. TAN SRI DATO' AZMAN HASHIM

PSM, DPMS, JMN, KMN

CHAIRMAN

Malaysian, aged 67, has been Chairman of AMDB since 19 June 1981. He is also Chairman of the Board of AMMB Holdings Berhad and several of its subsidiaries, namely, AmInvestment Group Berhad, AMFB Holdings Berhad, AmBank (M) Berhad, AmMerchant Bank Berhad, AmProperty Trust Management Berhad, AmAssurance Berhad and AmIslamic Bank Berhad (formerly known as AMBB Capital Berhad and prior to that, known as AmBank Berhad).

Tan Sri Dato' Azman, a Chartered Accountant, a Fellow of the Institute of Chartered Accountants and a Fellow of the Institute of Chartered Secretaries and Administrators, has been in the banking industry since 1960 when he joined Bank Negara Malaysia and served there until 1964. He practised as a Chartered Accountant in Azman Wong Salleh and Co. from 1964 to 1971. He joined the Board of Malayan Banking Berhad ("MBB") from 1966 until 1980 and was its Executive Director from 1971 to 1980. He was the Executive Chairman of Kwong Yik Bank Berhad (a subsidiary of MBB) from 1980 to April 1982 when he acquired AmMerchant Bank Berhad.

Tan Sri Dato' Azman is the Executive Chairman of AmcorpGroup Berhad (formerly known as Arab-Malaysian Corporation Berhad) and the Chairman of RCE Capital Berhad, Malaysian South-South Corporation Berhad and MCM Technologies Berhad. He serves as a member on the Board of Islamic Banking and Finance Institute Malaysia Sdn Bhd and Pembangunan MasMelayu Berhad. He is also involved in several charitable organisations as Chairman of AmGroup Foundation and Perdana Leadership Foundation, and Trustee for ECM Libra Foundation, Better Malaysia Foundation and the Malaysian Liver Foundation.

Tan Sri Dato' Azman is the Chairman of the Malaysian Investment Banking Association, the National Productivity Corporation, East-Asia Business Council and the Pacific Basin Economic Council ("PBEC") International and Co-Chairman of Malaysia-Singapore Roundtable. He is President of the Malaysia South-South Association, Malaysia-Japan Economic Association, Malaysian Prison FRIENDS Club and Non-Aligned Movement's ("NAM") Business Council. He is a Member of the APEC Business Advisory Council, The Trilateral Commission (Asia-Pacific Group), the Malaysian-British and the Malaysia-China Business Councils and the United Nations Economic and Social Commission for Asia and the Pacific's ("UNESCAP") Business Advisory Council. He is also the Leader of the ASEAN-Japanese Business Meeting (Malaysia Committee, Keizai Doyukai) and is on the Board of Advisors of AIM Centre for Corporate Social Responsibility. He was recently appointed Pro-Chancellor of Open University of Malaysia and Member of the Governing Body of the Asian Productivity Organisation, Executive Chairman of the Malaysian Crime Prevention Foundation and International Advisory Panel of Bank Negara Malaysia International Centre for Education in Islamic Finance (INCEIF).

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 AmcorpGroup Berhad.

* member of audit committee

brother of Y.Bhg. Tan Sri Dato' Azman Hashim

Y.BHG. DATO' AZLAN HASHIM *#

DSNS, DSSA

DEPUTY CHAIRMAN

Malaysian, aged 64, a Non-Executive Director and Deputy Chairman of AMDB since 16 October 1991, is also Deputy Chairman of AMMB Holdings Berhad and AmProperty Trust Management 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 2 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 on 19 June 1981. Also sits on the Boards of various companies including as Executive Vice-Chairman of AmcorpGroup 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 250,000 ordinary shares in the Company.

ENCIK AZMI HASHIM #

CHIEF EXECUTIVE OFFICER

Malaysian, aged 57, 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 AmcorpGroup Berhad, Sapura Industrial Berhad, Seban Golf & Marina Resort Berhad, Kesas Holdings Berhad, AMDB Construction & Engineering Berhad and subsidiary of YTL Corporation 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 ("ESOS 2"). The ESOS 2 has expired on 29 January 2006.

* member of audit committee

brother of Y.Bhg. Tan Sri Dato' Azman Hashim

Y.BHG. DATUK MOHD SAUFI BIN HAJI ABDULLAH *

DMSM, JSM, SMP, PJK

INDEPENDENT DIRECTOR

Malaysian, aged 68, 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 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 sits in the Board of Kurnia Asia Berhad and subsidiaries of Wah Seong Corporation Berhad.

Datuk Saufi has a direct interest in 710,000 ordinary shares in the Company.

Y.BHG. TAN SRI DATO' CHEN WING SUM *

PSM, DPMS

INDEPENDENT DIRECTOR

Malaysian, aged 74, 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 and 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 to 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.

* member of audit committee

brother of Y.Bhg. Tan Sri Dato' Azman Hashim

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

Tan Sri Dato' Chen is the Vice-Chairman of Malaysian South-South Corporation Berhad and presently, he also sits 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

Malaysian, aged 60, 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 Government service in 1994 where he held various senior positions including State Financial Officer, Penang, Director of the Klang Valley Planning Secretariat in the Prime Minister's 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

Malaysian, aged 56, 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 and Century Logistics Holdings Berhad.

Dato' Azhar has no shareholding in the Company.

* member of audit committee

brother of Y.Bhg. Tan Sri Dato' Azman Hashim

Y.BHG. TAN SRI DATO' LEE LAM THYE

PSM, DPMS, DPMP

INDEPENDENT DIRECTOR

Malaysian, aged 60, 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 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' Lee is the Chairman of the National Service Training Council, National Institute of Occupational Safety and Health (NIOSH) and the Vice-Chairman of the Malaysia Crime Prevention Foundation. 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 organisations. From 1986 to 2002, he has received various awards for his contributions to the nation. He also sits on the Boards of AmcorpGroup Berhad as its Independent Non-Executive Director, MBM Resources Berhad and Media Prima Berhad.

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

DR. MOHAN THIRUNAVUKARASU**DIRECTOR**

Malaysian, aged 52, 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 practise as a Houseman and Medical Officer from 1978 to December 1981. He practised as a Physician from 1981 to 1986 in various hospitals 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, as its Managing Director.

Presently not sitting in any Board of other public companies.

Dr. Mohan has no shareholding in the Company.

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 107 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 pages 26 to 27 of this Annual Report.

* member of audit committee

brother of Y.Bhg. Tan Sri Dato' Azman Hashim



Dear Shareholders

On behalf of the Board of Directors of AMDB Berhad, I present the 40th Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 March 2006.

OVERVIEW

The year under review was challenging for the Group as pressures on cashflows necessary for debt reduction commitments and new investments continued to bear heavily on it. To meet these challenges, the Group undertook to dispose of certain investments and assets and implemented programmes for the rationalisation, downsizing and re-engineering of its non-profitable operating units. At the same time, the Group also focused on its long-term strategy for growth and actively pursued opportunities for new business ventures that are synergistic to its various business units and activities.

For the year under review, the Group, in compliance with the Financial Reporting Standard (FRS) and having assessed the available facts and information for indication of impairment in value of assets in accordance to FRS 136²⁰⁰⁴ – Impairment of Assets and FRS 102²⁰⁰⁴ – Inventories, made a provision for value impairment and write-down in respect of assets and inventories mainly in the Property and Travel & Leisure Divisions amounting to RM149.5 million.

For the financial year ended 31 March 2006, the Group registered a pre-tax profit of RM6.1 million and a pre-tax loss of RM143.4 million before and after the impairment provision respectively compared to a pre-tax profit of RM6.4 million in the previous year. Group revenue decreased by RM28.2 million from RM247.7 million last year to RM219.6 million for the year.



PROPERTIES

For the financial year ended 31 March 2006, the Property Division registered a profit of RM28.8 million and a loss of RM73.0 million before and after the provision of RM101.8 million for impairment respectively on a revenue of RM34.7 million compared to a profit of RM12.3 million on a revenue of RM31.5 million from the previous year. The impairment provision mainly relates to the Group's investments in Sebana Resort development and Sepang land.

During the year, the Division continued to pursue opportunities for the development of new projects on its own and through joint-venture arrangements. Selected attempts were made during the year to embark on these development opportunities. However, due to unsatisfactory market responses and other limiting factors, the Division was not able to launch any new project successfully and had to confine activities to the completion of its existing and on-going projects.

The Division's latest residential project in Bukit Tengah, Seberang Prai, launched in May 2005 as Bayu Mutiara comprising 195 units of double-storey terrace houses in Phase 1A, 40 units of two- and three-storey shop offices in Phase 1C, 30 units of double-storey terrace houses in Phase 2A1, and 42 units of double storey semi-detached houses in Phase 2B1, progressed satisfactorily and has reached the stage of land clearance completion and building piling works. The well-received project has been successful in getting buyers which resulted in a take-up of 73% of projected total sales during the year.

The Desaria Nilai, Phase 4A5 residential project, launched in late 2004, comprising 142 units single-storey terrace houses, is nearing completion and to date, 94% of these units have been sold.

On the Group's commercial property segment, the disposal of Bangunan AMDB to AmAssurance Berhad was completed in February 2006, and 10 units of office modules in the Arab-Malaysian Business Centre in Seremban were successfully sold during the year.

TEXTILES

The programmes to rationalise, downsize and re-engineer this loss-making fabric manufacturing operation continued to be pursued during the year. Following the cessation of the spinning and weaving operations in previous year, the manufacturing capacity of the dyeing and finishing mill was also substantially reduced in its phasing-out process.

As part of its re-engineering strategy, the Company simultaneously undertook to move into the business of supplying completely made-up uniforms and specialised protective and safety garments through strategic alliances and outsourcing. Taking advantage of its long standing and well-established Taifab brand reputation and also its vast experience in the uniform business segment, the strategic move has proven to be successful, resulting in the Company being appointed as one of the main suppliers of made-up uniforms under a Malaysian Government Contract, in addition to being appointed as the main uniform supplier to a major Government-owned company.



Going forward, the Company will continue to evolve from being a fabric manufacturer to a supplier of completely made-up uniforms and specialised garment supplier. The planned closure of the Company's dyeing and finishing operation will represent the end of the Group's textile manufacturing operation, after four decades of operation from the Taiping-based mills.

Operating under the 'One Stop Uniform Solution Provider' strategy, the Company is confident that it has the experience and expertise to be well positioned in this chosen business segment in the coming years.

As part of its ongoing research and development, Textile Division in cooperation with Universiti Teknologi Mara Malaysia, undertook a joint research to develop a "crease resist and easy care finishing" on fabrics. The end result of this research is a product trademark under the name NuDURA PRESS, which have now garnered several awards locally and internationally.

For the financial year ended 31 March 2006, the Division recorded an operating loss of RM4.8 million compared to an operating loss of RM2.1 million in the previous year. However, after accounting for the cost of a voluntary separation scheme implemented during the year and an impairment provision on factory land and buildings of RM4.3 million, the operating loss for the year increased to RM9.1 million. Turnover for the year was RM35.8 million compared to the previous year's turnover of RM41.8 million.

ENGINEERING & CONSTRUCTION

This Division comprises AMBC Transmission Sdn Bhd (AMBC), AMBC Controls Sdn Bhd (AMBCC), Blue Star M&E Engineering Sdn Bhd, and Lafarge Concrete (Malaysia) Sdn Bhd.

The Division registered a loss of RM1.3 million on a total revenue of RM64.2 million compared to a pre-tax profit of RM9.0 million on a total revenue of RM93.9 million of the previous year. Shares of associated companies' profit registered for the year ended 31 March 2006 amounted to RM0.6 million compared to RM4.3 million in the previous year.

For the financial year ended 31 March 2006, AMBC registered a revenue of RM31.2 million and a loss of RM1.9 million against a revenue of RM54.3 million and a pre-tax profit of RM2.7 million in the previous year. The shortfall in revenue and the loss are mainly due to delays in the completion of a major Transmission Line project in Sabah. Consequently, the company will carry forward RM95.5 million in workload and billings into the new financial year.

During the year and as part of its growth strategy, AMBC began to aggressively pursue opportunities overseas especially in the Middle East and South-East Asian countries. Strategic alliances with business partners in Dubai and Abu Dhabi were established. The company also participated in a Substation Tender for Dubai Electricity and Water Authority (DEWA) valued at Dirham 117 million. It is also in an advanced stage of concluding a co-operation agreement with a state-owned company in Vietnam for a joint-bid for an ADB-funded project for a Transmission Line from Vietnam to Cambodia.



AMBCC registered a revenue of RM13.9 million and a loss of RM0.8 million against a revenue of RM28.8 million and a pre-tax profit of RM0.8 million in the previous year. The company was also adversely affected by the delays in the substation projects and consequently will also be carrying forward a RM9.2 million in workload and billings into the new financial year.

As part of the Group's growth strategy, in March 2006, AMBCC entered into a Joint Venture Agreement with a local party in Vietnam to produce control and protection panels and its related electrical equipment and components in Vietnam.

Blue Star M&E achieved a pre-tax profit of RM2.0 million on a revenue of RM18.6 million for the financial year against a pre-tax profit of RM1.4 million on a revenue of RM10.8 million in the previous year. The Company's order bookings increased to RM25.2 million during the year compared to the RM23.8 million orders achieved in the previous year.

During the year and also as part of its growth strategy, the company embarked on its programme to seek business opportunities in the ASEAN region and has successfully set up a Representative Office in Vietnam to pursue business opportunities in that country.

In line with the Group's new corporate strategy in the engineering and infrastructure industries, AMDB Power Sdn Bhd, a wholly-owned subsidiary of AMDB, signed a joint-venture agreement in February 2006 for the development of a 6MW mini-hydro plant in Sg. Mokodou, Sabah and in May 2006, entered into an agreement with the Pahang State Government to develop two mini-hydro projects in the State.

Lafarge Concrete (Malaysia) Sdn Bhd, an associate company of the Group, recorded a lower pre-tax profit of RM2.1 million on a revenue of RM316.0 million for the financial year against a pre-tax profit of RM9.5 million on a revenue of RM255.7 million in the previous year. The decrease in profit was mainly due to lower gross margin, as a result of the manufacturer pullback of cement rebates during the year.

FINANCIAL SERVICES

The Division, represented by AMDB Factoring Sdn Bhd, registered a revenue of RM3.4 million against RM3.9 million in the previous year and pre-tax profit declined from RM5.6 million in the previous year to RM1.4 million, following the exclusion of profit contribution from Sogelease (Malaysia) Berhad and its group of companies arising from the disposal of AMDB's 50% interest in the company during the year.

TRAVEL & LEISURE

This Division comprises Seban Golf & Marina Resort (SGMR) Bhd, Harpers Travel (Malaysia) Sdn Bhd, Harpers Tours (Malaysia) Sdn Bhd and the restaurant operations of Restoran Seri Melayu and Restoran Berputar Seri Angkasa, as well as Restoran Berputar Seri Angkasa Di Menara Alor Setar. The Group's investments in four hotels, namely the 270-room Equatorial Resort in 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 other business units as Associated Companies.

For the financial year under review, the Division registered a loss of RM6.5 million and RM51.3 million before and after the impairment provision of asset value in SGMR



amounting to RM44.8 million respectively compared to a loss of RM3.7 million in the previous year. Revenue for the year increased to RM78.7 million as against RM73.6 million in the previous year. Associated companies contributed a loss of RM0.3 million in the year compared to a profit of RM0.6 million in the previous year.

Harpers Travel & Tours and the restaurants continue to be profitable for the year. However, the hotels and resort as a group suffered losses with SGMR being the major loss contributor in the Division. Every effort has been made to mitigate this scenario through operational re-organisation, rationalisation and various other continuing measures to include the possibility of an outright sale of the resort development.

Harpers Travel (Malaysia) Sdn Bhd continues to be a prominent operator in the travel and tourism industry and was appointed as the exclusive official agent in Malaysia for Walt Disney World in Florida and Disneyland in California, U.S.A., and for Disneyland in Hong Kong.

Our investment in the hospitality industry has not shown any positive contribution this year. The market sentiment on low average hotel room rate is still a major concern. Currently, within South-East Asia, the average room rate in Malaysia is the lowest even when compared to countries like Myanmar and Cambodia. If the Government's effort in boosting the average room rate is successful, the hotel/resort industry should stabilise and our investments in the hospitality industry should see better prospects. Currently, only Prisma Tulin Sdn Bhd (Vistana Hotel) registers a healthy growth and profit, whilst the other three hotels continue to show losses.

OTHERS

The Division comprises associates AM SGB Sdn Bhd, a manufacturer of transformers, Sentosa Medical Centre Sdn Bhd, a medical services provider, PTM Sdn Bhd, a media company and Kesas Sdn Bhd, a privatised road concession company.

AM SGB Sdn Bhd, the joint-venture company with Starkstrom Geraetebau (SGB) of Germany and in which AMDB has a 35% interest, is a manufacturer of Distribution and Power Transformers. During the year, the company actively pursued export projects in Asia, the Middle East, Africa and Australia and achieved its maiden export of transformers to New Caledonia.

For the financial year ended 31 March 2006, AM SGB Sdn Bhd registered a pre-tax profit of RM3.1 million and contributed RM1.1 million to AMDB as against a loss of RM1.2 million and RM0.4 million respectively in the previous year. The company also registered an increase in revenue from RM47.4 million in the previous year to RM53.9 million.

Sentosa Medical Centre Sdn Bhd (SMCSB), a 32%-owned associate of AMDB and operating a 200-bedded hospital in Kuala Lumpur, registered a pre-tax profit of RM4.3 million for the financial year ended 31 March 2006 and contributed RM1.4 million to AMDB against a pre-tax profit of RM5.4 million and contributing RM1.7 million to AMDB in the previous year. The lower profit contribution was due to the reduced number of inpatients and outpatients during the financial year under review. In December 2005, SMCSB opened a new 200-bedded Sentosa Medical Centre in Kajang.



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 financial year under review, PTM registered a pre-tax profit of RM6.7 million compared to RM4.9 million in the previous year. The pre-tax profit attributable to AMDB increased to RM3.3 million from RM2.4 million for the previous year.

AMDB Berhad holds 20% equity in Kesas Sdn Bhd, a company operating the privatised 34.5km Shah Alam Expressway (SAE) that was completed in March 1998. The concession period will expire on 19th August, 2022.

For the financial year ended 31 March 2006, Kesas Sdn Bhd achieved a pre-tax profit of RM23.9 million and contributed RM4.8 million to AMDB compared to the previous year's pre-tax profit of RM16 million and contributing RM3.2 million to AMDB.

Commercial and development activities along the Shah Alam Expressway continue to sustain and feed this vital southern corridor linking Kuala Lumpur to Port Klang.

PROSPECTS

Malaysia's economic growth momentum is expected to be sustainable in 2006, albeit at a moderate pace, given the resilient domestic aggregate demand and private investment. Growth prospects are expected to be brighter with a resilient first half and a somewhat measured second half-year, with GDP growth expected at 5.5%, underpinned by robust private consumption, sustained export growth and a potential recovery on the global semiconductor front.

The Group is vigilant of the strategic issues affecting its performance and is constantly on the lookout for a good combination of short, medium and long-term business opportunities for its various Divisions to strengthen its position. Modest initial forays overseas have already been initiated through the Group's Engineering Division and the Group will continue to develop further its capabilities, improve operational efficiency and re-align its existing businesses in its plans for growth. It has also embarked on measures to secure new property and infrastructure projects which require less capital commitment and with early paybacks that will provide sustainable profits and positive cashflows to the Group.

Although the Group has made some progress to rationalise itself, reduce its debt level and begin its new business participation in the foreign markets, there is still much work ahead to be done to strengthen the Group further as it is still burdened with continuing losses in a few of its operating units. In this regard, measures have been taken to mitigate and eliminate these losses. The Group's other profitable business units will continue to be vigilant in their control of operating costs and to achieve overall efficiency, with greater effort and commitment to increase revenue and profit and contribute to the Group's growth. Barring any unforeseen circumstances, the Group's overall performance will improve for the financial year ending 31 March, 2007.



MALAYSIAN CODE ON CORPORATE GOVERNANCE

The application of, and compliance with, the principles and best practices as set out in the code on Corporate Governance has been disclosed in the Annual Report which also includes "Statement on Internal Control" as required under Bursa Malaysia Listing Requirements.

We have four independent non-executive directors whose respective expertise and skills provide invaluable guidance to the Board and they fulfil a pivotal role in ensuring independent assessment and corporate accountability in 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 would also like to thank the authorities, shareholders, business associates, bankers and customers for their support and continued confidence in the Group.

On the behalf of the Board, I also thank the Management and staff of the Group for their enthusiasm, dedication and commitment given to the organisation and look forward towards achieving higher growth and better performances for the Group.

Handwritten signature of Tan Sri Dato' Azman Hashim.

Tan Sri Dato' Azman Hashim

Kuala Lumpur
June 2006

The Board of Directors of AMDB is pleased to present the Audit Committee Report for the financial year ended 31 March 2006.

The Audit Committee comprised of Directors listed below, met four (4) times during the financial year ended 31 March 2006. The attendance of each member is as follows:

Members	Number of Meetings Attended
Y.Bhg. Datuk Mohd Saufi Bin Haji Abdullah (Chairman – Independent Non-Executive Director)	4/4
Y.Bhg. Dato' Azlan Hashim (Non-Executive Director)	4/4
Y.Bhg. Dato' Haji Yaacob @ Yaakub Bin A Hamid (Independent Non-Executive Director)	3/4
Y.Bhg. Tan Sri Dato' Chen Wing Sum (Independent Non-Executive Director)	3/4

The membership of the Committee has not changed during the year. Throughout the year, the Committee was composed in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

TERMS OF REFERENCE

In performing their duties and discharging their responsibilities, the Audit Committee is guided by the Terms of Reference as follows:-

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 Securities. The Chairman of the Committee shall be approved by the Board.

2. Authority

The Committee is authorised 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 authorised 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 Securities, the Committee has the responsibility to promptly report such matter to Bursa Securities.

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;
- b. to review and consider the scope of the internal audit programme/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 authorised 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.

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.

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.
- 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 audit committee report and the internal control statement and recommend to the Board for inclusion in the Annual Report.
- 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 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
- minimisation 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.

corporate governance statement

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 practised 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. This statement, together with other statements, such as the Statement on Internal Control, sets out the manner in which the Company has applied the principles and 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.

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 decision 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

The Board meets regularly on a quarterly interval, to discuss the corporate strategy, the operations and results of the business units in the Group. During the financial year ended 31 March 2006, a total of five (5) 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
27 May 2005	3.30 p.m.
25 August 2005	3.30 p.m.
28 November 2005	10.30 a.m.
27 February 2006	10.00 a.m.
20 March 2006	3.30 p.m.

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

Directors	Number of Meetings Attended
Y.Bhg. Tan Sri Dato' Azman Hashim	5 / 5
Y.Bhg. Dato' Azlan Hashim	4 / 5
Encik Azmi Hashim	5 / 5
Y.Bhg. Datuk Mohd Saufi Bin Haji Abdullah	5 / 5
Y.Bhg. Dato' Haji Yaacob @ Yaakub Bin A Hamid	5 / 5
Y.Bhg. Dato' Azhar Hashim	5 / 5
Y.Bhg. Tan Sri Dato' Chen Wing Sum	5 / 5
Dr. Mohan Thirunavukarasu	5 / 5
Y.Bhg. Tan Sri Dato' Lee Lam Thye	4 / 5

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. The Directors also have direct access to the services of the Company Secretaries who are responsible for ensuring that Board Procedures, as well as statutory and regulatory requirements relating to the duties and responsibilities of the Directors, are complied with.

In addition, there is a schedule of matters reserved specifically for the Board's decision and besides meetings, the Board also approve 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.

Evaluation

During the financial year, in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board conducted an internal review on the performance of the Audit Committee and its members to determine whether they have performed their duties in accordance with their terms of reference. The Board is satisfied with the performance of the Audit Committee.

Remuneration

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

The details of the remuneration of Directors who served during the financial year ended 31 March 2006 are as follows: -

	Salary RM'000	Fees * RM'000	Other Emoluments** RM'000	Benefits-in-kind RM'000	Total RM'000
Executive Directors	673	-	234	138	1,045
Non-Executive Directors	-	192	134	137	463
	673	192	368	275	1,508

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

** Other Emoluments include: bonuses and allowances.

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
RM1,000,001 - RM1,100,000	1	-	1

Training and Continuing Education

All Directors have fully obtained the required points prescribed by the Bursa Securities under its Continuing Education Programmes (CEP). During the financial year, the Directors have attended programmes on Risk Management and also on the new Financial Reporting Standards as part of the Directors' continuing education programme.

Following the repeal by Bursa Securities of Practice Note 15 on CEP requirements with effect from 01 January 2005, the Company has revised its ongoing Directors' Orientation and Education Programme which sets the guidelines for the Board's training and provides for the necessary induction, orientation and continuing education for Directors. The Board will evaluate and determine the training needs of its Directors on a continuous basis to keep abreast with developments in the market place.

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)

The Employees' Share Option Scheme Committee has been dissolved, following the expiration of the Company's Employees' Share Option Scheme on 29 January 2006.

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 & Remuneration 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	6

C = Chairman M = Member

Audit Committee

The Committee provides support to the Board by reviewing and monitoring the integrity of the quarterly and year-end results and financial statements. The Committee also reviews the Group's internal control, full year report from the external auditors, related party transactions and approves the annual internal audit plan. The Committee's meetings are held prior to the Board Meetings at which the quarterly and year-end results and annual financial statements are approved. During these meetings, the Committee, together with the Head of Internal Audit Division, carries out the duties as stated in the Audit Committee Report and the activities of the internal audit are reported at these Meetings.

The External Auditors are invited to attend meetings to discuss the half yearly and annual financial statements and their audit findings. Regular attendees at these meetings, invited to assist the Committee, include the Chief Executive Officer, Chief Financial Officer and General Manager of Corporate Finance. Other Senior Management personnel are also invited to brief the Committee on specific issues.

The details of the Audit Committee and its report are presented on pages 21 to 25.

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. There is a procedure for the appointment of new directors to the Board. The Committee recommends proposed appointment of directors to the Board for approval. The Board makes the final decision on appointment. The Company Secretaries ensure that all appointments are properly made, that all necessary information is obtained from the Directors, both for the Company's records and for the purposes of meeting statutory requirements, as well as obligations arising from the Listing Requirements of Bursa Securities.

The combined Committee 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 Office so as to reflect the individual performance and contribution. No director takes part in any discussion or decision concerning his own remuneration. Fees are paid to Non-Executive Directors with the approval of shareholders at the Annual General Meeting.

Meetings are held as appropriate but at least once a year. During the financial year ended 31 March 2006, one (1) meeting was held.

Properties Planning Committee

The Committee provides support and assistance to the Board by reviewing, assessing and enhancing the planning and operating efficiency of the Properties Division.

During the financial year ended 31 March 2006, a total of fourteen (14) meetings were held where senior personnel from the Properties Division were invited to brief and report on on-going and new projects. Specific issues to enhance the overall operating systems and procedure of the division were also considered. The Committee recommends appropriate proposals required to the Board for approval.

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 Securities and the Annual Report to shareholders. The Board is assisted by the Audit Committee in scrutinising information for disclosure to ensure accuracy, adequacy and completeness. The Directors' responsibility in preparing the financial statements is set out as follows :-

Directors' Responsibility in Financial Reporting

The Directors considered that in preparing the financial statements for the year ended 31 March 2006 set out on pages 40 to 123, 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 on Internal Control, as set out on pages 32 to 34, 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 21 to 25.

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

INTRODUCTION

The Board of Directors (Board) recognises the importance of maintaining a good internal control system and an effective risk management system as part of its ongoing efforts to practise good corporate governance. The Board is committed to practising 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 FRAMEWORK

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 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;
- The Heads of business and functional units are responsible for highlighting risks that have potential significant impact on the Group for the immediate attention of the Chief Executive Officer and Chief Risk Officer;
- All new investments and divestment proposals are required to go through a risk evaluation process prior to recommendation to the Board for approval;

RISK MANAGEMENT FRAMEWORK (cont'd)

- 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; and
- On-going risk management education and training is provided at management and staff levels.

The Board recognises 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:

- **Organisation structure with clearly defined lines of responsibility and delegated authority**
The Group has in place an organisation 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 plans 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.

KEY ELEMENTS OF INTERNAL CONTROL (cont'd)

- **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.

- **Key Performance Indicators**

The management is in the process of implementing of a competency-based Human Resources process covering staff performance, career development and succession planning, including hiring and termination of staff and structured training programme for all staff to ensure staff are competent in carrying out their duties. A performance evaluation system based on Key Performance Indicators is being implemented to assess operations and management of the Group. Top-down target-setting process with target cascading from the Chief Executive Officer is expected to improve strategic focus and direction of the Group.

The Board is pleased to report that there were no major internal control weaknesses identified during the year, nor have any of the reported weaknesses resulted in material losses or contingencies requiring disclosure in the Group's Annual Report. Those areas that require improvements as highlighted by the internal and external auditors during the period have been, or are being addressed. The Board confirms that its system of internal control was operational throughout the financial year and up to the date of approval of the Annual Report.

The Board remains committed towards operating a sound system of internal control and therefore recognises that the system must continuously evolve to support the type of business and size of operations of the Group. As such, the Board, in striving for continuous improvement, will put in place appropriate action plans, when necessary, to further enhance the Group's system of internal control.

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

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 the Note 41 of the Financial Statements, there are no material contracts subsisting as at 31 March 2006 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 22 September 2005 obtained its shareholders' approval at the 39th Annual General Meeting to buy back the shares of the Company. However, the Company has not conducted any share buy back for the financial year ended 31 March 2006.

Employees' Share Option Scheme 2 (ESOS 2)

The Company's ESOS 2 approved by Shareholders at the Extraordinary General Meeting held on 21 September 2000 has expired on 29 January 2006. No options was granted and/or exercised during the financial year before its expiration.

Zero Coupon Irredeemable Convertible Unsecured Loan Stocks 2003/2010 (ICULS)

The ICULS constituted by a Trust Deed dated 27 June 2003 are irredeemable and are convertible into ordinary shares at any time before the maturity on 9 November 2010 on the basis of RM1.00 nominal value of ICULS for two (2) new ordinary shares of RM0.50 each. During the financial year RM4,000 nominal value of ICULS has been converted into 8,000 ordinary shares of RM0.50 each.

other disclosure requirements • cont'd

Recurrent Related Party Transactions

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, pursuant to the Mandate given by the shareholders.	Amount as at 31.03.06 RM
Sale of air tickets and other related travel services to:	
AMMB Holdings Berhad Group*	1,501,349
AmcorpGroup Berhad	240,401
AM SGB Sdn Bhd	17,757
AmAssurance Berhad	1,187,067
Family members and other corporations	364,364
Interest on time deposit received from: AMMB Holdings Berhad Group*	53,586
Consultancy services charged by AMMB Holdings Berhad Group*	84,000
Restaurant services provided to:	
AMMB Holdings Berhad Group*	181,052
AmAssurance Berhad	7,794
AmcorpGroup Berhad	43,092
Administrative fees received from: AM SGB Sdn Bhd	24,000
Rental charged by: AMMB Holdings Berhad Group*	13,644
Rental income received from:	
AMMB Holdings Berhad Group*	450,828
AmAssurance Berhad	1,314,711
Other corporations	57,936
Sale of properties to: AmAssurance Berhad	54,109,000
Provision of IT services and sales of IT products to:	
AmAssurance Berhad	52,728
AM SGB Sdn Bhd	41,803
Service & maintenance of air-conditioner charged to: AMMB Holdings Berhad Group*	123,350
Insurance premium charged by: AmAssurance Berhad	1,014,816
Upkeep motor vehicles services provided by: Fizam Auto Services Sdn Bhd	37,149
Purchase of motor vehicles from: Azumoto Sdn Bhd	170,454
Aggregate value	<u>61,090,881</u>

*AMMB Holdings Berhad Group includes AMMB Holdings Berhad and its subsidiaries

NATURE OF RELATIONSHIP

Tan Sri Dato' Azman Hashim

Director of and deemed major shareholder in AMDB and AmcorpGroup Berhad

Director of AMMB Holdings Berhad, AmIslamic Bank Berhad (formerly known as AMBB Capital Berhad and prior to that, known as AmBank Berhad), AmMerchant Bank Berhad, AmProperty Trust Management Berhad and AmAssurance Berhad

Deemed major shareholder in AMMB Holdings Berhad and its subsidiaries

Dato' Azlan Hashim

Director and shareholder in AMDB and AMMB Holdings Berhad

Director of AmcorpGroup Berhad, AmProperty Trust Management 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

* *Dato' Azlan Hashim has disposed all his shareholding in and resigned as Director of AmAssurance Berhad on 10 March 2006 and 28 March 2006 respectively.*

En Azmi Hashim

Director of and shareholder in AMDB

Director of AmcorpGroup 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

Puan Azian Hashim

Company Secretary and shareholder of AMDB

Major shareholder of Fizam Auto Services Sdn Bhd and also sister to Tan Sri Dato' Azman Hashim

AmcorpGroup 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 31.51% and 1.40% of the total issued share capital respectively as at 31 March 2006



AMDB Berhad (6386-K)

financial statements

40	directors' report
45	consolidated balance sheet
46	consolidated income statement
47	consolidated statement of changes in equity
48	consolidated cash flow statement
50	balance sheet
51	income statement
52	statement of changes in equity
53	cash flow statement
55	notes to the financial statements
122	statement by directors/statutory declaration
123	report of the auditors to the members

directors' report

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2006.

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
Loss before taxation	(143,429)	(200,687)
Taxation	(2,256)	(1,186)
Loss after taxation	(145,685)	(201,873)
Minority interests	(32,717)	-
Net loss for the year	(178,402)	(201,873)

RESERVES AND PROVISIONS

There were no material transfers made to or from reserves or provisions accounts during the financial year ended 31 March 2006 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 RM401,422,628 to RM401,426,628 through the issue of 8,000 new ordinary shares of RM0.50 each on the conversion of RM4,000 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 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 expired 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 :-

EMPLOYEES' SHARE OPTION SCHEME (cont'd)

Date granted	Option price	Option over number of ordinary shares of RM0.50 each			As at 31-03-2006
		As at 01-04-2005	Granted / Exercised	Expired	
31-01-2001	RM0.50	15,430,400	-	(15,430,400)	-

No options were granted and/or exercised during the financial year up to the expiry date.

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' Lee Lam Thye

In accordance with Article 136 of the Company's Articles of Association, Tan Sri Dato' Azman Hashim, Dr. Mohan Thirunavukarasu and Tan Sri Dato' Lee Lam Thye 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, option to subscribe for ordinary shares under ESOS 2 and Irredeemable Convertible Unsecured Loan Stocks 2003/2010 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 01-04-2005	Acquired	Disposed	As at 31-03-2006
Tan Sri Dato' Azman Hashim				
Direct	475,077	-	-	475,077
Indirect	354,450,212	-	-	354,450,212
Dato' Azlan Hashim				
Direct	1,867,625	-	(1,617,625)	250,000
Azmi Hashim				
Direct	53,000	-	-	53,000
Datuk Mohd Saufi Bin Haji Abdullah				
Direct	400,000	200,000	-	600,000

	Option over number of ordinary shares of RM0.50 each			
	As at 01-04-2005	Granted/ Exercised	Expired	As at 31-03-2006
Azmi Hashim	500,000	-	(500,000)	-

	Number of Zero Coupon Irredeemable Convertible Unsecured Loan Stocks 2003/2010 of RM1.00 nominal value			
	As at 01-04-2005	Acquired	Disposed	As at 31-03-2006
Tan Sri Dato' Azman Hashim - Indirect	75,900,000	-	-	75,900,000

DIRECTORS (cont'd)

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 and debentures 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, 42(b) and 42(c) 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.

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 other than the impairment losses of RM149,490,622 and RM208,297,915 as highlighted in the income statements of the Group and of the Company respectively;
- (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 other than the transactions as disclosed in Notes 42(a), (d), (e) and (f); 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.

OTHER STATUTORY INFORMATION (cont'd)

(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,
23 June 2006

consolidated balance sheet as at 31 March 2006

	Note	2006 RM'000	2005 RM'000
Share Capital	4	401,427	401,423
Reserves	5	(132,704)	45,824
Zero Coupon Irredeemable Convertible Unsecured Loan Stocks 2003/2010	6	75,914	75,918
Shareholders' Equity		344,637	523,165
Minority Interests	7	7,151	(22,257)
Unsecured Notes	8	13,524	13,364
Long Term and Deferred Liabilities			
Hire purchase creditors	9	1,987	1,186
Finance lease liabilities	10	-	28,750
Long term payables	11	20,513	43,634
Retirement benefits	12	3,120	4,721
Deferred tax liabilities	13	1,357	6,874
Deferred Income	14	-	4,156
		392,289	603,593
Represented By :-			
Property, Plant and Equipment	15	82,008	134,393
Associated Companies	17	166,249	178,434
Investments	18	7,553	36,787
Investment Properties	19	14,854	60,833
Unsecured Notes Redemption Fund	20	1,493	1,457
Land Held for Property Development	21	32,555	63,739
Long Term Receivables	22	9,566	10,389
Deferred Tax Assets	13	636	390
Current Assets			
Property development costs	23	276,555	344,090
Inventories	24	28,348	31,800
Trade and other receivables	25	88,406	86,744
Confirming and factoring receivables	26	19,996	18,569
Tax recoverable		24,978	20,865
Deposits, cash and bank balances	27	33,885	36,663
		472,168	538,731
Current Liabilities			
Trade and other payables	28	156,002	156,297
Bank borrowings	29	235,410	263,376
Taxation		3,381	1,887
		394,793	421,560
Net Current Assets		77,375	117,171
		392,289	603,593

The notes set out on pages 55 to 121 form an integral part of the financial statements.

consolidated income statement for the year ended 31 March 2006

	Note	2006 RM'000	2005 RM'000
Revenue	30 (i)	219,613	247,744
Cost of Sales	30 (ii)	(170,261)	(200,392)
Gross Profit		<u>49,352</u>	<u>47,352</u>
Other Operating Income :			
- Gain on disposal of :			
- associated company		1,267	-
- investment property		7,969	-
- subsidiary companies		-	248
- Others		18,570	18,368
Distribution Expenses		(8,199)	(8,618)
Administration Expenses		(19,047)	(17,918)
Other Operating Expenses :			
- Others		(32,101)	(23,640)
- Allowance for value impaired/write down in value in respect of :			
- land held for property development		(26,069)	(30)
- property development costs		(71,093)	-
- property, plant and equipment		(50,339)	-
- inventories		(1,990)	(5,436)
		<u>(149,491)</u>	<u>(5,466)</u>
Operating (Loss)/Profit	31	(131,680)	10,326
Finance Costs	33	(18,304)	(19,447)
Share of Results of Associated Companies		<u>6,555</u>	<u>15,567</u>
(Loss)/Profit Before Taxation		(143,429)	6,446
Taxation :			
- Company and subsidiary companies		4,072	702
- Associated companies		(6,328)	(2,597)
	34	<u>(2,256)</u>	<u>(1,895)</u>
(Loss)/Profit After Taxation		(145,685)	4,551
Minority Interests	7	(32,717)	(5,007)
Net Loss for the Year		<u>(178,402)</u>	<u>(456)</u>
Basic Loss per Share of RM0.50 Each	35	<u>(22.22 sen)</u>	<u>(0.06 sen)</u>

consolidated statement of changes in equity for the year ended 31 March 2006

		Share Capital	Share Premium	Zero Coupon Irredeemable Convertible Unsecured Loan Stocks	Capital Reserves	Exchange Translation Differences	Accumulated Losses	Total
	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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	36	-	-	-	-	-	(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)
<hr/>								
Balance at 31 March 2005		401,423	142,270	75,918	10,416	2,376	(109,238)	523,165
Balance at 1 April 2005		401,423	142,270	75,918	10,416	2,376	(109,238)	523,165
Share issue expenses		-	-	-	-	-	-	-
Currency translation loss		-	-	-	-	(126)	-	(126)
Net loss not recognised in the income statement		-	-	-	-	(126)	-	(126)
Issuance of shares on conversion of Zero Coupon ICULS 2003/ 2010		4	-	(4)	-	-	-	-
Net loss for the year		-	-	-	-	-	(178,402)	(178,402)
<hr/>								
Balance at 31 March 2006		401,427	142,270	75,914	10,416	2,250	(287,640)	344,637

consolidated cash flow statement for the year ended 31 March 2006

	2006 RM'000	2005 RM'000
Cash Flows from Operating Activities		
(Loss)/Profit before taxation	(143,429)	6,446
Adjustments for :-		
Amortisation of gain on sale and leaseback of investment property	(4,375)	(1,250)
Share of results of associated companies	(6,555)	(15,567)
Defined benefit obligations	(1,373)	(303)
Allowance for diminution in value of quoted investments written back	(125)	(1,347)
Allowance for diminution in value of unquoted investments	78	-
Allowance for value impaired in respect of land held for property development	26,069	30
Allowance for value impaired in respect of property development costs	71,093	-
Allowance for value impaired in respect of property plant and equipment	50,339	-
Allowance for write down in value of inventories	1,990	5,436
Loss on liquidation of a subsidiary company	3	-
Gain on disposal of an associated company	(1,267)	-
Gain on disposal of an investment property	(7,969)	-
Allowance for impairment in value of property development costs written back	-	(1,747)
Allowance for doubtful debts	5,393	937
Allowance for doubtful debts written back	(215)	(1,311)
Inventories written off	-	44
Depreciation	6,397	8,054
Gain on disposal of subsidiary companies	-	(248)
Gain on disposal of quoted investments	(2,567)	(254)
Gain on disposal of property, plant and equipment	(841)	(423)
Property, plant and equipment written off	3	37
Dividend income	(1,608)	(2,427)
Interest income	(3,253)	(4,014)
Interest expense	18,575	19,797
Quoted and unquoted investments written off	162	136
Goodwill on consolidation written off	145	-
Operating profit before working capital changes	6,670	12,026
(Increase)/Decrease in trade and other receivables	(15,693)	4,617
Decrease in inventories	1,462	429
Increase in property development costs	(3,557)	(39,546)
Decrease in land held for property development	5,115	4,926
(Decrease)/Increase in trade and other payables	(26,785)	5,865
Cash utilised in operations	(32,788)	(11,683)
Taxation paid	(4,076)	(5,886)
Interest received	3,253	4,014
Interest paid	(18,575)	(19,797)
Retirement benefits paid	(228)	(1,567)
Net cash used in operating activities	(52,414)	(34,919)

The notes set out on pages 55 to 121 form an integral part of the financial statements.

consolidated cash flow statement for the year ended 31 March 2006 • cont'd

	2006 RM'000	2005 RM'000
Cash Flows from Investing Activities		
Proceeds from disposal of an associated company	6,500	-
Proceeds from disposal of an investment property	54,109	-
Proceeds from disposal of investments	31,854	1,735
Proceeds from disposal of property, plant and equipment	901	751
Investment in an associated company	(1,942)	-
Acquisition of shares from a minority shareholder (Note 16(c))	(63)	-
Liquidation/Disposal of subsidiary companies (Note 16(d)(iv))	5,526	25,686
Net (investment in)/refund of costs on investment properties	(22)	1,149
Purchase of investments	(167)	(831)
Purchase of property, plant and equipment (Note 37(a))	(3,175)	(2,331)
Dividends received - quoted	1,608	2,427
Dividends received - associated companies	9,019	5,509
Net cash from investing activities	104,148	34,095
Cash Flows from Financing Activities		
Share issue expenses	-	(31)
Term loans raised	14,880	-
Net repayment of short term borrowings	(21,969)	(5,147)
Redemption fund	(36)	(40)
Hire purchase and lease financing repaid	(40,860)	(7,142)
Dividends paid to minority shareholders in a subsidiary company	(529)	(529)
Issue of shares to minority shareholders	-	105
Net cash used in financing activities	(48,514)	(12,784)
Net Increase/(Decrease) in Cash and Cash Equivalents	3,220	(13,608)
Cash and cash equivalents at beginning of year	(70,736)	(57,128)
Cash and Cash Equivalents at End of Year (Note 37(b))	(67,516)	(70,736)

balance sheet as at 31 March 2006

	Note	2006 RM'000	2005 RM'000
Share Capital	4	401,427	401,423
Reserves	5	(131,180)	70,693
Zero Coupon Irredeemable Convertible Unsecured Loan Stocks 2003/2010	6	75,914	75,918
Shareholders' Equity		346,161	548,034
Long Term and Deferred Liabilities			
Hire purchase creditors	9	439	644
Retirement benefits	12	3,120	4,721
Deferred tax liabilities	13	1,351	1,458
		351,071	554,857
Represented By :-			
Property, Plant and Equipment	15	16,119	19,522
Subsidiary Companies	16	134,922	140,483
Associated Companies	17	145,131	143,189
Investments	18	3,441	32,748
Current Assets			
Inventories	24	9,852	12,123
Trade and other receivables	25	314,020	548,478
Tax recoverable		20,621	17,568
Deposits, cash and bank balances	27	65	274
		344,558	578,443
Current Liabilities			
Trade and other payables	28	105,119	137,408
Bank borrowings	29	187,981	222,120
		293,100	359,528
Net Current Assets		51,458	218,915
		351,071	554,857

The notes set out on pages 55 to 121 form an integral part of the financial statements.

income statement for the year ended 31 March 2006

	Note	2006 RM'000	2005 RM'000
Revenue	30 (i)	53,158	57,910
Cost of Sales	30 (ii)	(35,294)	(39,773)
Gross Profit		17,864	18,137
Other Operating Income		24,764	13,895
Distribution Expenses		(2,199)	(2,498)
Administration Expenses		(9,026)	(8,455)
Other Operating Expenses :			
- Others		(6,991)	(1,243)
- Allowance for value impaired/write down in value in respect of :			
- investment in subsidiary companies		(1,710)	-
- advances to subsidiary companies		(203,681)	-
- property, plant and equipment		(2,000)	-
- inventories		(907)	(739)
		(208,298)	(739)
Operating (Loss)/Profit	31	(183,886)	19,097
Finance Costs	33	(16,801)	(17,293)
(Loss)/Profit Before Taxation		(200,687)	1,804
Taxation	34	(1,186)	579
Net (Loss)/Profit for the Year		(201,873)	2,383

statement of changes in equity for the year ended 31 March 2006

				Zero Coupon Irredeemable Convertible			
	Note	Share Capital RM'000	Share Premium RM'000	Unsecured Loan Stocks RM'000	Capital Reserves RM'000	Accumulated Losses RM'000	Total RM'000
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		-	-	-	-	2,383	2,383
Balance at 31 March 2005		401,423	142,270	75,918	9,536	(81,113)	548,034
Balance at 1 April 2005		401,423	142,270	75,918	9,536	(81,113)	548,034
Issuance of shares on conversion of Zero Coupon ICULS 2003/ 2010		4	-	(4)	-	-	-
Net loss for the year		-	-	-	-	(201,873)	(201,873)
Balance at 31 March 2006		401,427	142,270	75,914	9,536	(282,986)	346,161

The notes set out on pages 55 to 121 form an integral part of the financial statements.

cash flow statement for the year ended 31 March 2006

	2006 RM'000	2005 RM'000
Cash Flows from Operating Activities		
(Loss)/Profit before taxation	(200,686)	1,804
Adjustments for :-		
Defined benefit obligation	(1,373)	(303)
Allowance for impairment of advances to subsidiary companies	203,681	-
Allowance for impairment in value of investments in subsidiary companies	1,710	-
Allowance for impairment in value of property, plant and equipment	2,000	-
Allowance for doubtful debts	4,620	420
Depreciation	1,654	3,080
Unquoted investment written off	20	-
Property, plant and equipment written off	1	-
Gain on liquidation of a subsidiary company	(2,820)	-
Gain on disposal of quoted investments	(2,567)	-
Allowance for write down in value of inventories	907	739
Gain on disposal of property, plant and equipment	(288)	(191)
Dividend income	(17,311)	(16,102)
Interest income	(13,632)	(12,678)
Interest expense	16,801	17,293
	(7,283)	(5,938)
Operating loss before working capital changes	(7,283)	(5,938)
Decrease/(Increase) in trade and other receivables	1,713	(4,199)
Decrease/(Increase) in inventories	1,365	(3,053)
Decrease/(Increase) in amount due from subsidiary companies	25,518	(23,923)
(Decrease)/Increase in amount owing to subsidiary companies	(31,835)	36,668
Decrease in trade and other payables	(200)	(1,342)
	(10,722)	(1,787)
Cash utilised in operations	(10,722)	(1,787)
Interest received	13,632	12,678
Interest paid	(16,801)	(17,293)
Retirement benefits paid	(228)	(1,567)
	(14,119)	(7,969)
Net cash used in operating activities	(14,119)	(7,969)

cash flow statement for the year ended 31 March 2006 • cont'd

	2006 RM'000	2005 RM'000
Cash Flows from Investing Activities		
Interim distribution from liquidation of a subsidiary company	5,600	-
Proceeds from disposal of quoted investments	31,854	-
Proceeds from disposal of property, plant and equipment	288	506
Investment in an associated company	(1,942)	-
Purchase of property, plant and equipment (Note 37(a))	(251)	(139)
Disposal of subsidiary companies	-	-
Acquisition of shares in a subsidiary company	-	(70)
Dividends received - quoted	1,594	1,655
Dividends received - subsidiary companies	2,351	4,640
Dividends received - associated companies	9,019	5,509
Net cash from investing activities	48,513	12,101
Cash Flows from Financing Activities		
Share issue expenses	-	(31)
Net repayment of short term borrowings	(21,400)	(6,000)
Hire purchase and lease financing repaid	(463)	(741)
Net cash used in financing activities	(21,863)	(6,772)
Net Increase/(Decrease) in Cash and Cash Equivalents	12,531	(2,640)
Cash and cash equivalents at beginning of year	(91,947)	(89,307)
Cash and Cash Equivalents at End of Year (Note 37(b))	(79,416)	(91,947)

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 AmAssurance, No.1, Jalan Lumut, 50400 Kuala Lumpur. The principal place of business of the Company is located at 17th Floor, Bangunan AmAssurance, 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 expressed in Ringgit Malaysia.

The financial statements were authorised for issue by the Board of Directors on 23 June 2006.

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.

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

(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. The majority of foreign currency transactions is denominated in United States Dollar. The Group manages foreign currency risks by closely monitoring the movements in the exchange rates and where appropriate, measures are implemented with a view to limit risks due to exposures and fluctuations.

(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.

The Group seeks to control credit risk by spelling out the guidelines and procedures on extending credit terms to customers. Customer's risk profiles 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 change in the treatment of goodwill as disclosed under Note 3(d) below.

(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.

(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 is written down or written off to the consolidated income statement based on reviews by the Directors. Negative goodwill is taken to income statement in the year it arises.

Previously, goodwill and negative goodwill on consolidation are dealt with directly through reserves. The change in policy in the current financial year has the effect of increasing the loss after taxation for the current financial year by RM145,173. There are no prior year effects in relation to the change.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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 include 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Property Development Activities (cont'd)

(iii) Revenue and Expense Recognition (cont'd)

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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Inventories (cont'd)

(ii) Manufacturing and Trading Inventories (cont'd)

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 costs 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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Retirement Benefits (cont'd)

(ii) Post-Employment Benefits (cont'd)

(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(a) 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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(u) Transactions in Foreign Currencies (cont'd)

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

	2006	2005
	RM	RM
United States Dollar (USD)	3.67	3.80
Singapore Dollar (SGD)	2.26	2.30
Hong Kong Dollar (HKD)	0.48	0.49
Euro	N/A	4.90

(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.

(y) Financial Instruments

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(y) Financial Instruments (cont'd)

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			
	2006 No.'000	2005 No.'000	2006 RM'000	2005 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	802,845	802,839	401,423	401,420
Issued during the year	8	6	4	3
At end of year	802,853	802,845	401,427	401,423
			2006 No.'000	2005 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				
- at option price of RM0.50 per share			-	15,430

The shares issued during the year were attributable to the conversion of RM4,000 (2005 : 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 new ordinary shares issued rank *pari passu* with the existing ordinary shares of the Company.

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 expired 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	Granted /	Expired	As at
	01-04-2005	Exercised		31-03-2006
	No. '000	No. '000	No. '000	No. '000
31-01-2001*	15,430	-	(15,430)	-

(* Option price : RM0.50)

	Group and Company	
	2006	2005
	No.'000	No.'000
Number of shares vested at balance sheet date	-	15,430

No share options were granted and/or exercised during the financial year up to the expiry date.

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.

4. SHARE CAPITAL (cont'd)

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

(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.

5. RESERVES

	Group		Company	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Non-distributable				
Share premium (Note 5(a))	142,270	142,270	142,270	142,270
Capital reserves	10,416	10,416	9,536	9,536
Exchange translation differences (Note 5(b))	2,250	2,376	-	-
Distributable				
Accumulated losses	(287,640)	(109,238)	(282,986)	(81,113)
	(132,704)	45,824	(131,180)	70,693

	Group and Company	
	2006	2005
	RM'000	RM'000
(a) Share Premium		
At beginning of year	142,270	142,301
Share issue expenses	-	(31)
At end of year	142,270	142,270

	Group	
	2006	2005
	RM'000	RM'000
(b) Exchange Translation Differences		
At beginning of year	2,376	2,471
Currency translation loss	(126)	(95)
At end of year	2,250	2,376

5. RESERVES (cont'd)

- (c) The Company has an estimated tax credit balance under Section 108 of the Income Tax Act, 1967 of RM10,999,700 (2005 : RM10,121,000) 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 RM41,745,400 (2005 : RM40,137,000) 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	
	2006 RM'000	2005 RM'000
At beginning of year	75,918	75,921
Converted into ordinary shares of RM0.50 each	(4)	(3)
At end of year	<u>75,914</u>	<u>75,918</u>

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 AmcorpGroup Berhad (formerly known as Arab-Malaysian Corporation Berhad) ("AMCORP") at its nominal value in connection with the acquisition of AMDB Industrial City Sdn. Bhd. from AMCORP.

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 allocation of losses in certain subsidiary companies to minority shareholders in excess of their interest in equity in these subsidiary companies based on their binding obligations have resulted in minority interests being presented in debit balance in the consolidated balance sheet in 2005. During the year under review, the excess losses shared by a minority shareholder amounting to RM28,533,233 have been absorbed by the Group upon release of obligation of the minority shareholder to jointly fund the operations of a subsidiary company, Pulau Indah Marina Resort Sdn. Bhd. on a long term basis as disclosed under Note 11(a).

8. UNSECURED NOTES

	Group	
	2006 RM'000	2005 RM'000
At beginning of year	13,364	13,289
Additions during the year	160	75
At end of year	13,524	13,364

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	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Future minimum payments :-				
Payable within 1 year	1,127	1,333	235	517
Payable between 2 to 5 years	2,210	1,286	471	706
	3,337	2,619	706	1,223
Future finance charges	(310)	(221)	(62)	(116)
Present value	3,027	2,398	644	1,107
Payable :-				
Within 1 year (included under Trade and Other Payables - Note 28)	1,040	1,212	205	463
Between 2 to 5 years	1,987	1,186	439	644
	3,027	2,398	644	1,107

10. FINANCE LEASE LIABILITIES

	Group	
	2006 RM'000	2005 RM'000
Minimum lease payments :-		
Within 1 year	-	13,279
Between 2 to 5 years	-	30,707
		<hr/>
	-	43,986
Future finance charges/ljarah return	-	(3,736)
		<hr/>
Present value of finance lease liabilities	-	40,250
		<hr/>
Payable :-		
Within 1 year (included under Trade and Other Payables - Note 28)	-	11,500
Between 2 to 5 years	-	28,750
		<hr/>
	-	40,250
		<hr/>

The Group's lease financing facility in 2005 comprised 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 was 7 years and was 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 was calculated monthly based on an annual rate of 1.75% above the financial institution's cost of funds. The lease facility was 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.

During the year, the balance of the lease financing obligations was fully settled upon disposal of the investment property as disclosed in Note 42(c).

11. LONG TERM PAYABLES

	Group	
	2006 RM'000	2005 RM'000
Shareholders' loans (Note 11(a))	1,932	38,812
Term loan (Secured) (Note 11(b))	14,880	-
Retention sums and progress claims payable after 1 year (Note 28)	3,701	4,822
		<hr/>
	20,513	43,634
		<hr/>

11. LONG TERM PAYABLES (cont'd)

(a) Shareholders' Loans

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.

During the year, the funding arrangements for one of the subsidiary companies, Pulau Indah Marina Resort Sdn. Bhd. ("PIMR") were redetermined resulting in the release of the minority shareholder's obligation to jointly fund PIMR operations on a long term basis. Accordingly, the amount due to the minority shareholder of RM35,099,732 (2005 : RM35,099,732) have been reclassified to other payables under current liabilities of the Group for the current financial year.

(b) Term Loan (Secured)

The term loan represents the drawdown portion of a loan facility of RM18,600,000 granted by a licensed financial institution to a subsidiary company for the purpose of property development. The term loan is secured by way of legal charges on the property under development of the subsidiary company and is further guaranteed by the holding company.

The term loan is repayable by sixty (60) equal monthly principal repayment of RM310,000 per month commencing twelve (12) months after the full drawdown of the facility or by redemption of each property development unit released or sold or transferred, whichever is earlier.

Interest payable is calculated at the rate of 1.25% (2005 : Nil) above the financial institution's base lending rate.

12. RETIREMENT BENEFITS

	Group and Company	
	2006	2005
	RM'000	RM'000
Present value of unfunded defined benefit obligations	3,533	4,123
Unrecognised actuarial (loss)/gain	(413)	598
	3,120	4,721

- (a) Provision for employees' retirement benefits is determined by an independent actuarial valuation using the Projected Unit Credit Method and is made to cover estimated obligations for payment of retirement benefits to employees. The valuation was performed in April 2004 and which has been updated in June 2006. 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	
	2006 RM'000	2005 RM'000
At beginning of year	4,721	6,591
Recognised in income statement	(1,373)	(303)
	<hr/>	<hr/>
Benefits paid	3,348 (228)	6,288 (1,567)
	<hr/>	<hr/>
At the end of year	3,120	4,721

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

	Group and Company	
	2006 RM'000	2005 RM'000
Current service costs	190	248
Interest on obligation	214	337
Curtailement gain	(1,320)	(290)
Actuarial gains recognised	(457)	(598)
	<hr/>	<hr/>
	(1,373)	(303)

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

	2006 RM'000	2005 RM'000
Other operating income	(1,778)	(888)
Cost of sales	307	394
Administration expenses	98	191
	<hr/>	<hr/>
	(1,373)	(303)

12. RETIREMENT BENEFITS (cont'd)

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

	Group and Company	
	2006	2005
	%	%
Discount rate	5.5	7
Future average salary increases	5	5

13. DEFERRED TAXATION

	Group		Company	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
At beginning of year	6,484	6,307	1,458	1,565
Recognised in the income statement	(5,763)	177	(107)	(107)
At end of year	721	6,484	1,351	1,458
Presented after appropriate offsetting as follows :-				
Deferred tax liabilities	1,357	6,874	1,351	1,458
Deferred tax assets	(636)	(390)	-	-
	721	6,484	1,351	1,458

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

2006 - Group

	Balance at 01-04-2005 RM'000	Recognised in the income statement RM'000	Balance at 31-03-2006 RM'000
Deferred tax liabilities			
Excess of capital allowances over depreciation	169	(75)	94
Development properties, at fair value	18,154	(13,466)	4,688
Revaluation of property, plant and equipment	1,896	(545)	1,351
	20,219	(14,086)	6,133

13. DEFERRED TAXATION (cont'd)

2006 - Group (cont'd)

	Balance at 01-04-2005 RM'000	Recognised in the income statement RM'000	Balance at 31-03-2006 RM'000
Deferred tax assets			
Unabsorbed tax losses	(13,250)	8,545	(4,705)
Other deductible temporary differences	(485)	(222)	(707)
	<u>(13,735)</u>	<u>8,323</u>	<u>(5,412)</u>

2006 - Company

	Balance at 01-04-2005 RM'000	Recognised in the income statement RM'000	Balance at 31-03-2006 RM'000
Deferred tax liabilities			
Revaluation of property, plant and equipment	1,458	(107)	1,351

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
	<u>20,924</u>	<u>(705)</u>	<u>20,219</u>

13. DEFERRED TAXATION (cont'd)

2005 - Group (cont'd)

	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)	283	(13,250)
Unutilised capital allowances	(380)	380	-
Other deductible temporary differences	(704)	219	(485)
	<u>(14,617)</u>	<u>882</u>	<u>(13,735)</u>

2005 - Company

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

- (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	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Unabsorbed tax losses	308,244	286,228	-	-
Unutilised capital allowances	99,040	95,909	71,666	69,455
Other deductible temporary differences	176,550	81,329	5,418	4,957
	<u>583,834</u>	<u>463,466</u>	<u>77,084</u>	<u>74,412</u>

14. DEFERRED INCOME

	Group	
	2006	2005
	RM'000	RM'000
Deferred income	8,749	8,749
Less : Accumulated income recognised (Note 14(a))	(8,749)	(4,374)
	-	4,375
Deferred tax attributable	(437)	(437)
Less : Accumulated deferred tax reversed (Note 14(b))	437	218
	-	(219)
	-	4,156
 (a) Accumulated income recognised		
At beginning of year	4,374	3,124
Recognised in full in income statement upon disposal of an investment property	4,375	-
Amortised to income statement	-	1,250
	8,749	4,374
 (b) Accumulated deferred tax reversed		
At beginning of year	218	156
Reversal to income statement	219	62
	437	218

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 was amortised over the lease term of seven years commencing from October 2001. During the financial year, the balance of the deferred income has been recognised in full in the income statement upon the disposal of the investment property as disclosed in Note 42(c).

15. PROPERTY, PLANT AND EQUIPMENT

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

2006 - 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	18,405	626	50,036	34,836	26,182	95,842	22,743	248,670
Additions	-	-	23	-	1	3,577	813	4,414
Disposals	-	-	-	-	-	(7,427)	(49)	(7,476)
Write offs	-	-	-	-	-	(10)	(158)	(168)
Transfers	-	-	-	-	-	(29)	29	-
At end of year	18,405	3,452	74,233	34,836	26,183	91,953	23,378	272,440
Comprising :								
- At valuation	-	2,826	24,174	-	-	-	-	27,000
- At cost	18,405	626	50,059	34,836	26,183	91,953	23,378	245,440
Accumulated depreciation/ Accumulated impairment losses								
At beginning of year :								
- Accumulated depreciation	-	1,024	25,196	4,291	4,423	86,105	20,239	141,278
- Accumulated impairment losses	-	-	-	-	-	-	-	-
Charge for the year	-	65	1,811	717	433	2,245	1,126	6,397
Impairment losses	4,260	-	16,210	17,980	9,888	2,000	-	50,339
Disposals	-	-	-	-	-	(7,370)	(46)	(7,416)
Write offs	-	-	-	-	-	(10)	(156)	(166)
Transfers	-	-	-	-	-	(15)	15	-
At end of year	4,260	1,089	43,216	22,988	14,744	82,955	21,179	190,432
Comprising :								
- Accumulated depreciation	-	1,089	27,006	5,008	4,856	80,955	21,179	140,093
- Accumulated impairment losses	4,260	-	16,210	17,980	9,888	2,000	-	50,339

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

2006 - Group (cont'd)

	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
Net book value as at 31-03-2006								
- At valuation	-	2,132	9,657	-	-	-	-	11,789
- At cost	14,144	231	21,360	11,848	11,439	8,998	2,199	70,219
	14,144	2,363	31,017	11,848	11,439	8,998	2,199	82,008
Net book value as at 31-03-2005								
- At valuation	-	2,165	10,361	-	-	-	-	12,526
- At cost	18,405	263	38,655	30,545	21,759	9,737	2,504	121,867
	18,405	2,428	49,015	30,545	21,759	9,737	2,504	134,393
Depreciation charge for the year ended 31-03-2005	-	65	1,816	716	433	3,863	1,161	8,054

2006 - 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	69,715	3,001	74,771
Additions	-	-	200	51	251
Disposals	-	-	(5,220)	-	(5,220)
Write offs	-	-	-	(1)	(1)
At end of year	2,826	26,229	64,695	3,051	96,801
Comprising :					
- At valuation	2,826	24,174	-	-	27,000
- At cost	-	2,055	64,695	3,051	69,801

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

2006 - Company (cont'd)

	Long leasehold land RM'000	Buildings RM'000	Plant, equipment and motor vehicles RM'000	Furniture and fittings RM'000	Total RM'000
Accumulated depreciation/ Accumulated impairment losses					
At beginning of year :					
- Accumulated depreciation	660	15,002	63,715	2,872	82,249
- Accumulated impairment losses	-	-	-	-	-
	660	15,002	63,715	2,872	82,249
Charge for the year	33	765	781	74	1,654
Impairment losses	-	-	2,000	-	2,000
Disposals	-	-	(5,220)	-	(5,220)
Write offs	-	-	-	-	-
	693	15,767	61,276	2,946	80,682
At end of year					
Comprising :					
- Accumulated depreciation	693	15,767	59,276	2,946	78,682
- Accumulated impairment losses	-	-	2,000	-	2,000
Net book value as at 31-03-2006					
- At valuation	2,132	9,657	-	-	11,790
- At cost	-	806	3,419	104	4,329
	2,132	10,463	3,419	104	16,119
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
Depreciation charge for the year ended 31-03-2005					
	33	765	2,203	79	3,080

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

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

Group	At cost RM'000	Accumulated depreciation RM'000	Net book value RM'000	Depreciation charge RM'000
2006				
Plant, equipment and motor vehicles	6,318	2,677	3,641	879
Furniture and fittings	89	27	62	9
	<u>6,407</u>	<u>2,704</u>	<u>3,703</u>	<u>888</u>
2005				
Plant, equipment and motor vehicles	4,944	2,405	2,539	1,169
Furniture and fittings	89	18	71	9
	<u>5,033</u>	<u>2,423</u>	<u>2,610</u>	<u>1,178</u>
Company				
2006				
Motor vehicles	1,163	301	861	-
2005				
Motor vehicles	2,057	826	1,231	392

(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	
	2006 RM'000	2005 RM'000
Long leasehold land	184	187
Buildings	2,731	3,021

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

- (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	
	2006 RM'000	2005 RM'000
Freehold land	6,630	9,017
Long leasehold land	375	379
Buildings	715	733

16. SUBSIDIARY COMPANIES

	Company	
	2006 RM'000	2005 RM'000
Shares at cost (unquoted)	232,595	236,445
Accumulated impairment losses	(97,673)	(95,962)
	134,922	140,483

- (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) On 5 December 2005, AMDB Power Sdn. Bhd., a wholly owned subsidiary of the Company acquired the entire issued capital comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2 in each of the following subsidiary companies :-

(1) AMDB Perting Hydro Sdn. Bhd. (formerly known as AMPMC-Pantai Panorama Sdn. Bhd.)

(2) AMDB Power Services Sdn. Bhd. (formerly known as Impulse Returns Sdn. Bhd.)

(3) AMDB WPD Hydro Sdn. Bhd. (formerly known as Impulse Gateway Sdn. Bhd.)

(4) AMDB Liang Hydro Sdn. Bhd. (formerly known as Impulse Master Sdn. Bhd.)

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

(1) Acquisition of the entire issued capital comprising 2 ordinary shares of RM1.00 each in AMBC Electronics Sdn. Bhd. ("AMBCE") for a consideration of RM2 by a subsidiary company, AMBC Controls Sdn. Bhd.

(2) Acquisition of the entire issued capital comprising 2 ordinary shares of RM1.00 each in Jelas Warna Sdn. Bhd. ("JWSB") for a consideration of RM2 by the Company.

16. SUBSIDIARY COMPANIES (cont'd)

(b) Acquisition of Subsidiary Companies (cont'd)

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

	From the date of acquisition to	
	31-03-06 RM'000	31-03-05 RM'000
Other operating expenses	(8)	(2)
Loss before taxation	(8)	(2)
Taxation	-	-
Loss after taxation	(8)	(2)
Minority interest	-	1
Net loss for the year	(8)	(1)

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

	31-03-06 RM'000	31-03-05 RM'000
Property, plant and equipment	-	217
Receivables	-	78
Cash and bank balances	-	100
Payables	(2)	(296)
Net (liabilities)/assets consolidated	(2)	99

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

	31-03-06 RM'000	31-03-05 RM'000
Cash and bank balances	-	-
Goodwill on consolidation	-	-
Total purchase consideration	-	-
Purchase consideration discharged by cash	-	-
Less : Cash and cash equivalents of subsidiaries acquired	-	-
Cash outflow on acquisition	-	-

16. SUBSIDIARY COMPANIES (cont'd)

(c) Acquisition of Additional Interest in a Subsidiary Company, Mayang Zaman Sdn. Bhd. ("MZSB")

During the financial year, the Group subscribed for an additional 75,600 new ordinary shares of RM1.00 each in MZSB for cash consideration of RM75,600. The Group further acquired 62,500 ordinary shares of RM1.00 each from a minority shareholder for a total cash consideration of RM62,500. The subscription and acquisition of shares resulted in an increase in the Group's interest in MZSB from 70% to 96%. The goodwill of RM145,173 arising from the acquisition of additional equity interest in MZSB has been written off in the consolidated income statement.

The additional interest acquired in MZSB contributed a net loss of RM17,917 to the consolidated results for the year.

(d) Winding Up/Disposal of Subsidiary Companies

- (i) On 25 August 2005, the Company announced that Ideal Resort Sdn. Bhd. ("IRSB"), a 70% owned subsidiary, passed a members' resolution to wind-up IRSB voluntarily.

The winding-up of IRSB gave rise to a gain of RM2,819,591 to the Company and a loss of RM3,057 to the Group, the respective effects of which have been recognised in the financial statements as disclosed in Note 31.

- (ii) In the previous financial year, the Group disposed of the following subsidiary companies :-

- (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.

Taifab had 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 had also resulted in the disposal of the Group's interest in Verbundsoft.

The disposal of Taifab had no financial impact on the Company's previous year's financial statements.

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

16. SUBSIDIARY COMPANIES (cont'd)

(d) Winding Up/Disposal of Subsidiary Companies (cont'd)

(iii) The effects of the winding up/disposals on the results of the Group for the period to the date of winding up/disposals are as follows :-

	Period from 01-04-2005 to date of liquidation of IRSB RM'000	Period from 01-04-2004 to date of disposal of Taifab and AMPS RM'000
Revenue	-	-
Other income	181	46
Operating costs	(8)	(60)
Profit/(Loss) before taxation	173	(14)
Taxation	(50)	(17)
Profit/(Loss) after taxation	123	(31)
Minority interests	(37)	22
Net profit/(loss) for the period	86	(9)
(Loss)/Gain on liquidation/disposal to the Group	(3)	248
Net profit for the period	83	239

(iv) The effects of the winding up/disposals of the subsidiary companies on the financial position of the Group as at the date of disposal are as follows :-

	31-03-2006 RM'000	31-03-2005 RM'000
Net assets disposed		
Property, plant and equipment	-	143
Investment	-	29,199
Property development costs	-	2,881
Other receivables	9,483	11,299
Deposits, cash and bank balances	74	7,013
Trade and other payables	(22)	(4,186)
Bank borrowings	-	(29,199)
Minority interests	(2,862)	(13,897)
	6,673	3,252
Less :		
- Estimated distribution from winding up	6,670	-
- Consideration from disposal	-	3,500
(Loss)/Gain on liquidation/disposal to the Group	(3)	248
Net cash inflow arising from winding up/disposal		
Estimated distribution/Proceeds from disposal		
- cash consideration	6,670	3,500
Less : Amount receivable	(1,070)	-
	5,600	3,500
Cash and cash equivalents of subsidiary companies under liquidation/disposed, net of bank borrowings	(74)	22,186
Net cash effect on liquidation/disposal	5,526	25,686

17. ASSOCIATED COMPANIES

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Unquoted shares, at cost	203,452	214,659	168,202	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	(14,032)	(13,054)	-	-
	<u>166,249</u>	<u>178,434</u>	<u>145,131</u>	<u>143,189</u>

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

	Group	
	2006 RM'000	2005 RM'000
Group's share of net assets	<u>166,249</u>	<u>178,434</u>

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

(b) During the financial year, AMDB Capital Sdn. Bhd. ("AMDDB"), a wholly owned subsidiary of the Company, disposed of its entire 50% interest in an associated company, Danpac Leasing (Malaysia) Berhad (formerly known as Sogelease (Malaysia) Berhad) for a total cash consideration of RM6,500,000.

The disposal gave rise to a gain of RM1,267,057 to the Group and which has been recognised in the consolidated financial statements.

17. ASSOCIATED COMPANIES (cont'd)

- (c) 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,)	
PTM Sdn. Bhd.,)	31 December
Selaman Sdn. Bhd.,)	
Sentosa Medical Centre Sdn. Bhd.,)	
Lafarge Concrete (Malaysia) Sdn. Bhd.)	
(formerly known as Supermix Concrete (Malaysia) Sdn. Bhd.),)	
Lafarge Concrete Industries Sdn. Bhd.)	
(formerly known as Supermix Concrete Industries Sdn. Bhd.),)	
Lafarge Concrete (East Malaysia) Sdn.Bhd.)	
(formerly known as Supermix Concrete)	
(East Malaysia) Sdn.Bhd.),)	
Supermix-SMJ JV Sdn Bhd.,)	
Selaman Sejati Sdn. Bhd. (formerly known as)	
GMF Selaman Imaging Centres Sdn. Bhd.))	
Halik Sdn. Bhd.)	

18. INVESTMENTS

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Quoted - in Malaysia				
At cost :				
- Shares	25,706	25,878	5,960	6,131
- Property trust units	-	29,221	-	29,221
	<hr/>	<hr/>	<hr/>	<hr/>
	25,706	55,099	5,960	35,352
Unquoted				
At cost :				
- Shares	125	125	-	-
- Club membership	765	759	-	20
	<hr/>	<hr/>	<hr/>	<hr/>
	26,596	55,983	5,960	35,372
Allowance for diminution in value of investments	(19,043)	(19,196)	(2,519)	(2,624)
	<hr/>	<hr/>	<hr/>	<hr/>
	7,553	36,787	3,441	32,748

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
At market value				
Quoted shares	9,666	10,725	4,569	5,690
Quoted property trust units	-	32,552	-	32,552
	<hr/>	<hr/>	<hr/>	<hr/>
	9,666	43,277	4,569	38,242

19. INVESTMENT PROPERTIES

	Group	
	2006 RM'000	2005 RM'000
Freehold land and buildings, at cost :-		
Balance at beginning of year	60,833	61,981
Additions	21	22
Disposals (Note 42(c))	(46,000)	-
Refund of costs	-	(1,170)
	<hr/>	<hr/>
Balance at end of year	14,854	60,833

19. INVESTMENT PROPERTIES (cont'd)

	Group	
	2006 RM'000	2005 RM'000
Comprising :-		
Leased assets	-	46,000
Non-leased assets	14,854	14,833
	<u>14,854</u>	<u>60,833</u>
 Fair value based on professional valuation	 61,700	 <u>113,250</u>

Non-leased assets amounting to RM8,748,496 which have been charged to a financial institution as security in consideration for lease financing facility granted have been discharged upon settlement of the lease financing facility during the financial year.

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	
	2006 RM'000	2005 RM'000
Cost		
At beginning of year :		
- Freehold land / leasehold land	59,714	46,759
- Land related / development expenditure	15,406	33,287
	75,120	80,046
Additions	-	202
Disposals	(9,145)	(5,128)
	<u>65,975</u>	<u>75,120</u>
 At end of year	 65,975	 75,120
 Accumulated impairment losses		
At beginning of year	(11,381)	(11,351)
Impairment losses for the year	(26,069)	(30)
Written back upon disposal	4,030	-
	<u>(33,420)</u>	<u>(11,381)</u>
 Carrying amount as at 31 March	 <u>32,555</u>	 <u>63,739</u>

22. LONG TERM RECEIVABLES

	Group	
	2006	2005
	RM'000	RM'000
Long term receivables comprised :-		
Retention sums receivable	22,812	28,014
Less : Retention sums receivable within 12 months (included under current assets - Trade and Other Receivables - Note 25)	(13,246)	(17,625)
	9,566	10,389

23. PROPERTY DEVELOPMENT COSTS

	Group	
	2006	2005
	RM'000	RM'000
Property development costs at beginning 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
Costs incurred during the year :-		
Freehold land / leasehold land	(269)	37,760
Development costs	27,253	9,155
	26,984	46,915
Costs recognised in income statement during the year	(22,937)	(4,716)
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	(71,093)	-
Allowance for impairment in value of property development costs written back	-	1,747
Transfer to inventories	(489)	-

23. PROPERTY DEVELOPMENT COSTS (cont'd)

	Group	
	2006 RM'000	2005 RM'000
Property development costs at end of year :-		
Freehold land / leasehold land	362,249	362,518
Development costs	116,976	90,212
Accumulated impairment losses	(140,795)	(69,702)
Accumulated costs recognised in income statement	(61,875)	(38,938)
	276,555	344,090
Property development costs incurred during the financial year include :-		
Interest expenses	2,670	926
	2,670	926

24. INVENTORIES

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Stocks of completed properties	27,349	27,699	-	-
Raw materials and consumable stores	3,782	3,947	2,830	2,741
Work-in-progress	3,968	4,662	3,952	4,662
Finished goods	7,165	7,909	7,165	7,909
Trading inventories	587	96	-	-
	42,851	44,313	13,947	15,312
Allowance for inventories write-down/obsolescence	(14,503)	(12,513)	(4,095)	(3,189)
	28,348	31,800	9,852	12,123

The carrying amounts of inventories of the Group as at 31 March 2006 which are carried at net realisable value is RM18,855,899 (2005 : RM19,765,269).

25. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Trade receivables	41,434	37,324	5,551	6,743
Retention sums receivable within 12 months (Note 22)	13,246	17,625	-	-
	54,680	54,949	5,551	6,743
Gross amount due from customers for contract work	14,140	12,717	-	-
Other receivables	18,081	17,573	5,786	9,853
Amount due from subsidiary companies	-	-	301,178	530,377
Amount due from associated companies	1,505	1,505	1,505	1,505
	88,406	86,744	314,020	548,478

25. TRADE AND OTHER RECEIVABLES (cont'd)

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

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Allowance for doubtful debts				
Trade receivables	8,414	10,463	803	803
Other receivables	9,577	6,114	4,776	696
Allowance for value impaired				
Amount due from subsidiary companies	-	-	408,491	204,810
	<u>17,991</u>	<u>16,577</u>	<u>414,070</u>	<u>206,309</u>

In respect of the trade and other receivables of the Group and of the Company, an amount of RM3,906,574 (2005 : Nil) and RM541,150 (2005 : Nil) respectively has been written off against the allowance for doubtful debts during the financial year.

- (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	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Ringgit Malaysia	40,177	35,075	4,391	4,736
United States Dollar	1,258	2,249	1,161	2,008
	<u>41,435</u>	<u>37,324</u>	<u>5,552</u>	<u>6,744</u>

- (c) Included in other receivables are balances owing by directors amounting to RM1,895,755 and RM1,632,268 (2005 : RM2,277,385 and RM1,620,656) 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% (2005 : 4%) is charged annually on the outstanding balances.

25. TRADE AND OTHER RECEIVABLES (cont'd)

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

	Group	
	2006 RM'000	2005 RM'000
Contract costs	497,139	487,500
Profit attributable to work performed todate	25,455	24,193
Allowance for foreseeable losses	(1,380)	(945)
	<hr/>	<hr/>
	521,214	510,748
Less : Progress billings	(514,814)	(505,428)
	<hr/>	<hr/>
	6,400	5,320
Gross amount due to customers for contract work reclassified to Trade and Other Payables (Note 28)	7,740	7,397
	<hr/>	<hr/>
Gross amount due from customers for contract work	14,140	12,717
	<hr/>	<hr/>

26. CONFIRMING AND FACTORING RECEIVABLES

	Group	
	2006 RM'000	2005 RM'000
Confirming and factoring receivables	21,823	20,538
Allowance for doubtful debts	(1,827)	(1,969)
	<hr/>	<hr/>
	19,996	18,569
	<hr/>	<hr/>

During the financial year, an additional allowance for doubtful debts of RM21,356 (2005 : RM292,966) has been made in the financial statements. In addition, allowance no longer required which has been written back in the financial statements amounted to RM163,656 (2005 : RM1,173,158).

27. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Deposits with licensed banks	16,753	24,750	-	-
Cash and bank balances	17,132	11,913	65	274
	<hr/>	<hr/>	<hr/>	<hr/>
	33,885	36,663	65	274
	<hr/>	<hr/>	<hr/>	<hr/>

- (a) Cash and bank balances of the Group include balances amounting to RM9,661,715 (2005 : RM6,782,476) 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 RM7,657,002 (2005 : RM8,051,669) 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	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Trade payables	45,073	63,236	442	1,588
Less :				
Amount payable after 12 months classified as long term payables (Note 11)	(3,701)	(4,822)	-	-
	41,372	58,414	442	1,588
Gross amount due to customers for contract works (Note 25 (d))	7,740	7,397	-	-
Accrued property development cost	13,280	21,405	-	-
Progress billings in respect of property development	10,538	10,086	-	-
Deposit received and other payables	82,020	46,284	3,106	2,167
Hire purchase creditors (Note 9)	1,040	1,212	205	463
Finance lease liabilities (Note 10)	-	11,500	-	-
Amount owing to subsidiary companies	-	-	101,354	133,190
Amount owing to an associated company	12	-	12	-
	156,002	156,297	105,119	137,408

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

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

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Ringgit Malaysia	39,380	59,608	442	1,588
United States Dollar	5,693	3,532	-	-
Euro	-	96	-	-
	45,073	63,236	442	1,588

29. BANK BORROWINGS

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Overdrafts				
- secured	15,330	12,994	-	-
- unsecured	86,072	94,404	79,481	92,220
Other borrowings				
- secured	20,000	20,000	-	-
- unsecured	114,008	135,977	108,500	129,900
	<u>235,410</u>	<u>263,376</u>	<u>187,981</u>	<u>222,120</u>

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% (2005 : 1.0% to 3.0%) 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	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Textiles and garments				
- export	16,036	23,550	16,036	23,550
- local	19,811	18,257	19,811	18,257
Development properties	31,085	25,980	-	-
Property management services	638	665	-	-
Rental of properties	2,874	3,546	-	-
Value of construction and engineering contracts	64,165	93,911	-	-
Financial services	3,367	3,924	-	-
Travel and tour services	78,267	73,093	-	-
Others	3,370	4,818	17,311	16,103
	<u>219,613</u>	<u>247,744</u>	<u>53,158</u>	<u>57,910</u>

(ii) Cost of sales comprised :-

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Cost of inventories sold	(41,293)	(45,507)	(35,294)	(39,773)
Cost of services	(58,199)	(51,824)	-	-
Contract costs recognised as an expense	(69,927)	(84,560)	-	-
Cost of property development units sold	(842)	(18,501)	-	-
	<u>(170,261)</u>	<u>(200,392)</u>	<u>(35,294)</u>	<u>(39,773)</u>

31. OPERATING (LOSS)/PROFIT

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Operating (loss)/profit includes :-				
Dividend income (gross) :-				
Subsidiary companies				
- unquoted	-	-	3,265	6,445
Associated companies				
- unquoted	-	-	12,447	7,384
Others				
- quoted in Malaysia	1,608	2,427	1,599	2,274
Interest income	3,253	4,014	65	8
Rental income	4,575	3,961	24	24
Gain on disposal of property, plant and equipment	841	423	288	191
Gain on sale of quoted investment	2,567	254	2,567	-
Gain on sale of investment property	7,969	-	-	-
Gain on disposal of subsidiary companies	-	248	-	-
Gain on disposal of an associated company	1,267	-	-	-
Amortisation of gain on sale and leaseback of an investment property	4,375	1,250	-	-
Net realised gain on foreign exchange	125	387	9	13
Allowance for doubtful debts written back	215	1,311	-	-
Allowance for diminution in value of quoted investments written back	125	1,347	-	-
Allowance for impairment in value of property development costs written back	-	1,747	-	-
Recovery of bad debts	-	100	-	-
Recovery of amount due from a subsidiary company	-	-	2,960	-
Related company transactions :				
- Interest income	-	-	13,567	12,670
- Administrative fee received	-	-	276	290
- Rental income	-	-	44	25

And is arrived at after charging :-

Auditors' remuneration :-				
Annual statutory audit				
- current	247	247	50	50
- prior year's under provided	-	1	-	-
Depreciation	6,397	8,054	1,654	3,080
Property, plant and equipment written off	3	37	1	-
Allowance for doubtful debts	5,393	937	4,620	420
Directors' remuneration :-				
Directors of the Company :				
- Fees	192	192	192	192
- Other emoluments	1,388	1,203	1,041	869

31. OPERATING (LOSS)/PROFIT (cont'd)

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
And is arrived at after charging (cont'd) :-				
Directors of subsidiary companies :				
- Fees	-	-	-	-
- Other emoluments	330	280	-	-
Rent on land and buildings	2,003	1,975	-	-
Defined benefit obligations	(1,373)	(303)	(1,373)	(303)
Hire of equipment and motor vehicles	102	95	11	-
Bad debts written off	304	516	295	-
Inventories written off	-	44	-	-
Investments written off	162	136	20	-
Rental on land and buildings charged by related companies	-	-	-	730
Allowance for impairment in value of investment in subsidiary companies	-	-	1,710	-
Allowance for impairment of advances to subsidiary companies	-	-	203,681	-
Loss/(Gain) on liquidation of a subsidiary company	3	-	(2,820)	-
Allowance for impairment in value of land held for property development	26,069	30	-	-
Allowance for impairment in value of property development costs	71,093	-	-	-
Allowance for impairment in value of property, plant and equipment	50,339	-	2,000	-
Allowance for diminution in value of unquoted investments	78	-	-	-
Allowance for write down in value of inventories	1,990	5,436	907	739
Goodwill on consolidation written off	145	-	-	-
Estimated value of benefits-in-kind of directors				
- The Company	295	299	275	268
- The subsidiary companies	31	15	-	-

32. EMPLOYEES INFORMATION

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Staff costs :-				
Salaries, wages, bonuses, allowances and leave pay	25,822	23,759	5,110	6,355
Amount contributed under defined contribution plan :				
- Employees Provident Fund (EPF)	3,426	3,375	938	1,286
Defined benefit obligations	(1,373)	(303)	(1,373)	(303)
Payment made under Voluntary Separation Scheme	2,505	-	2,325	-
Others	3,153	3,878	920	1,097
	<u>33,533</u>	<u>30,709</u>	<u>7,920</u>	<u>8,435</u>

The numbers of employees of the Group and Company as at the end of the financial year were 1,058 and 187 (2005 : 1,145 and 310) respectively.

33. FINANCE COSTS

Finance costs comprised :-

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Interest on term loans and other borrowings	18,574	19,797	14,593	15,167
Related company interests	-	-	2,208	2,126
	<u>18,574</u>	<u>19,797</u>	<u>16,801</u>	<u>17,293</u>
Amount included under cost of sales	(270)	(350)	-	-
	<u>18,304</u>	<u>19,447</u>	<u>16,801</u>	<u>17,293</u>

34. TAXATION

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Current Malaysian taxation	256	652	1,500	1,000
Real property gains tax	1,067	62	-	-
Deferred tax expense/(income) resulting from origination and reversal of temporary differences	(5,326)	178	(107)	(107)
	(4,003)	892	1,393	893
Taxation over provided in respect of prior years	(69)	(1,595)	(207)	(1,472)
	(4,072)	(703)	1,186	(579)
Share of associated companies' taxation - in Malaysia				
- current year taxation	6,036	4,354	-	-
- taxation under/(over) provided in prior years	292	(1,756)	-	-
	2,256	1,895	1,186	(579)

- (a) The general income tax rate in Malaysia is 28% of taxable income. In respect of companies with issued capital of not exceeding RM2,500,000, the income tax rate for the first RM500,000 (2005 : RM500,000) of taxable income is 20% and the rate for taxable income in excess of RM500,000 (2005 : RM500,000) remained at 28%.

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	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Profit/(Loss) before taxation	(143,429)	6,446	(200,686)	1,804
Taxation at the rate of 28% (2005 : 28%)	(40,160)	1,805	(56,192)	505
Tax savings attributable to profit taxed at the rate of 20% (2005 : 20%)	(80)	(310)	-	-
Net taxation at applicable tax rates	(40,240)	1,495	(56,192)	505
Tax effect in respect of :-				
Expenses not deductible for taxation purposes	25,714	4,811	59,841	851
Income not subject to tax	(8,061)	(4,096)	(2,875)	(269)
Double deduction of expenses	-	(1)	-	-
Tax savings arising from utilisation of previously unrecognised unutilised capital allowances and unabsorbed tax losses	(4,975)	(1,444)	(129)	(736)
Tax saving arising from utilisation of unabsorbed reinvestment allowance	(10)	(374)	-	-
Deferred tax assets not recognised	33,492	5,200	747	946
Tax under/(over) provided in prior years :				
- current taxation	223	(3,351)	(207)	(1,472)
- deferred tax	(4,954)	(407)	-	(404)
Real property gains tax	1,067	62	-	-
	2,256	1,895	1,186	(579)

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

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Unabsorbed tax losses	325,047	333,551	-	-
Unutilised capital allowances	99,040	95,909	71,666	69,455
	424,087	429,460	71,666	69,455

35. LOSS PER SHARE

(i) Basic

The loss per share is calculated based on the Group's net loss for the year of RM178,401,630 (2005 : RM455,900) and on the weighted average number of shares in issue during the financial year of 802,849,903 (2005 : 802,843,760).

(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

The change in accounting policy and prior year adjustments in the previous financial year resulted from the adoption of the new Malaysian Accounting Standards Board's Standard, MASB 32 - Property Development Activities by the Group. The adoption of MASB 32 resulted in a change in the determination of the percentage of completion of development projects by one of its associated companies, namely Central Spectrum (M) Sdn. Bhd. ("CSSB"). The effects of the change in profit recognition had been accounted for retrospectively by CSSB.

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	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Cash purchase	3,175	2,331	251	139
Hire purchase and lease financing	1,239	1,259	-	784
Aggregate cost	4,414	3,590	251	923

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.

(b) Cash and cash equivalents at end of year

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Bank balances, deposits and cash in hand	33,885	36,663	65	274
Bank overdrafts (Note 29)	(101,401)	(107,399)	(79,481)	(92,220)
	(67,516)	(70,736)	(79,416)	(91,946)

38. CAPITAL AND OTHER COMMITMENTS

(a) Capital commitments

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Approved but not contracted for Equity participation in joint venture projects	1,140	-	-	-

(b) Other commitments

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Non-cancellable operating lease commitments				
Future minimum rental payable :				
- Not later than 1 year	4,000	-	-	-
- Later than 1 year and not more than 5 years	7,667	-	-	-
	11,667	-	-	-

The operating lease payments represent estimated rentals payable by a subsidiary company, Syarikat Kompleks Damai Sdn. Bhd ("SKD") for the rental of nine (9) parcels of office lots ("Rental Lots") for a period of three (3) years under a tenancy agreement entered into between SKD and AmAssurance Berhad ("AmAssurance") in connection with the disposal of the office lots as disclosed in Note 42(c). The minimum lease rentals payable is subject to a guaranteed net rental yield agreement ("the agreement") entered into between SKD together with the Company and AmAssurance whereby under the agreement, SKD and the Company guarantee a net rental yield of 7% per annum on the Rental Lots to be worked out annually for a period of three (3) years based on an agreed formula as contained in the agreement.

39. CONTINGENT LIABILITIES

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Guarantees given to banks for facilities granted to subsidiary companies :				
- secured on assets of subsidiary companies	-	-	34,600	53,625
- unsecured	-	-	103,544	102,080
Limit of guarantee	-	-	138,144	155,705
Amount utilised	-	-	90,921	96,866
Letters of credits and guarantees (unsecured)	9,480	7,611	-	4,243
Other bank guarantees and performance bonds (unsecured)	55,806	49,797	4,281	4,027
Additional taxation and penalty in respect of prior years claimed by the Inland Revenue Board under appeal	438	438	-	-
Claims by a third party for costs and damages arising from late delivery of goods and breach of contract, under dispute	1,414	1,414	-	-
Claims by third parties for electrical works to a subsidiary company, under dispute	140	155	-	-
Claims by a third party for rock excavation works to a subsidiary company, under dispute	1,407	-	-	-
	68,685	59,415	95,202	105,136

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

2006	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	35,847	36,426	64,165	79,355	3,367	6,602	225,762
Inter-segment revenue	-	(1,752)	-	(659)	-	(3,738)	(6,149)
External revenue	35,847	34,674	64,165	78,696	3,367	2,864	219,613
Results							
Segment results	(9,064)	(68,410)	(1,947)	(51,021)	1,252	(6,704)	(135,894)
Interest income							557
Gain on disposal of an associated company							1,267
Profit on disposal of quoted investments							2,567
Loss on liquidation of a subsidiary company							(3)
Goodwill on consolidation written off							(145)
Unallocated expenses							(29)
Profit from operations							(131,680)
Finance costs							(18,304)
Share of results of associated companies	-	(4,583)	624	(251)	185	10,580	6,555
Loss before taxation							(143,429)
Taxation							(2,256)
Loss after taxation							(145,685)
Minority interests							(32,717)
Net loss for the year							(178,402)

40. SEGMENT REPORTING (cont'd)

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

2006	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
Other Information							
Segment assets							
Segment assets	21,854	384,709	66,424	58,349	21,420	24,183	576,939
Investment in associated companies	-	37,282	20,348	14,948	940	92,731	166,249
Unallocated assets							43,894
Consolidated total assets	21,854	421,991	86,772	73,297	22,360	116,914	787,082
Segment liabilities							
Segment liabilities	3,219	80,942	38,761	22,960	5,080	7,292	158,254
Unallocated liabilities							277,040
Consolidated total liabilities	3,219	80,942	38,761	22,960	5,080	7,292	435,294
Capital expenditure	251	79	1,296	1,542	231	1,015	4,414
Depreciation and amortisation	1,654	195	1,053	3,207	94	194	6,397
Allowance for impairment losses of :							
- Property development costs	-	71,093	-	-	-	-	71,093
- Land held for development	-	26,069	-	-	-	-	26,069
- Property, plant and equipment	2,000	3,541	-	44,798	-	-	50,339
	2,000	100,703	-	44,798	-	-	147,501
Non-cash expenses other than depreciation and amortisation and allowance for impairment losses	1,643	1,083	780	59	21	4,488	8,074

40. SEGMENT REPORTING (cont'd)

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

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)

40. SEGMENT REPORTING (cont'd)

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

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
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

40. SEGMENT REPORTING (cont'd)

(b) Secondary Reporting Format - Geographical Segments

In determining the geographical segments of the Group, sales are based on the geographical location of customers. Total assets are based on the geographical location of assets.

	Revenue		Total Asset		Capital Expenditure	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Malaysia	203,332	224,170	743,188	977,571	4,414	3,590
New Zealand	10,022	14,021	-	-	-	-
Australia	4,981	7,659	-	-	-	-
Hong Kong	721	1,187	-	-	-	-
Others	446	707	-	-	-	-
	<u>219,502</u>	<u>247,744</u>	<u>743,188</u>	<u>977,571</u>	<u>4,414</u>	<u>3,590</u>
Unallocated assets			43,894	47,581		
			<u>787,082</u>	<u>1,025,152</u>		

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 :-

	2006 RM'000	2005 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	1,501	1,387
- AmcorpGroup Berhad (formerly known as Arab-Malaysian Corporation Berhad) Group	240	265
- AmAssurance Berhad*	1,187	1,668
Interest on time deposits received from :		
- AMMB Holdings Berhad Group	54	176
Consultancy services charged by :		
- AMMB Holdings Berhad Group	84	195
Restaurant service provided to :		
- AMMB Holdings Berhad Group	181	123
- AmcorpGroup Berhad (formerly known as Arab-Malaysian Corporation Berhad) Group	43	18

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

	2006 RM'000	2005 RM'000
Provision of IT services and sales of IT products to AmAssurance Berhad*	53	33
Rental charged by AMMB Holdings Berhad Group	14	55
Rental income received from :		
- AMMB Holdings Berhad Group	451	524
- AmAssurance Berhad*	1,315	876
Insurance premium charged by AmAssurance Berhad*	1,015	921
Sales of properties to AmAssurance Berhad*	54,109	4,472
Sales and maintenance of air-conditioner charged to AMMB Holdings Berhad Group	123	191

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

Dato' Azlan Hashim has resigned as a director of AmAssurance Berhad ("AmAssurance") on 28 March 2006 and had disposed of his entire shareholdings in AmAssurance on 10 March 2006.

	2006 RM'000	2005 RM'000
(ii) Transactions entered into with associated companies :-		
Administrative fee received from AM SGB Sdn. Bhd.**	24	48
Provision of IT services and sales of IT products to AM SGB Sdn. Bhd.**	42	31
Sales of air tickets and other related travel services to AM SGB Sdn. Bhd.**	18	138
Medical fees paid to Sentosa Medical Centre Sdn. Bhd.#	106	178
Financial advisory fees received from Sentosa Medical Centre Sdn Bhd.#	25	25

** Company in which Dato' Azhar Hashim is a substantial shareholder. Dato' Azhar Hashim has resigned as a director of AM SGB Sdn. Bhd. since 1 April 2005.

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

	2006 RM'000	Group 2005 RM'000
(iii) Transactions entered into with minority shareholders of subsidiary companies :-		
Technical fees paid to :		
- Best & Crompton Engg. Limited	-	128
- Blue Star Limited	845	1,146
Rental charged to Drard Holdings Sdn. Bhd.	144	359

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 Wijaya Baru Development Sdn. Bhd. (formerly known as Great Profile Sdn. Bhd.) ("WBDSB") to dispose of a piece of land held by PIMR for a total consideration of RM130,000,000 ("Consideration Sum").

The completion of the above transaction is subject to Wijaya Baru Global Berhad ("WBGB"), the holding company of WBDSB, obtaining approval from its shareholders and the approval from the Securities Commission in connection with WBGB's fund raising exercise.

On 17 February 2006, PIMR consented to an extension of time of six (6) months from 30 November 2005 to 30 May 2006 for compliance of all the conditions precedent mentioned above. On 30 May 2006, PIMR further agreed to grant extension of time up to 31 August 2006.

The estimated gain from the disposal is expected to be RM10,480,000.

- (b) On 29 April 2005, the Company entered into 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 consideration of RM31,970,897.

The disposal was completed on 16 September 2005, resulting in a gain of RM2,514,404 to the Group and to the Company.

Tan Sri Dato' Azman Hashim is a major shareholder of both the Company and RCE Capital Berhad, the holding company of Verbundsoft.

- (c) On 7 October 2005, Syarikat Kompleks Damai Sdn. Bhd. ("SKD"), a wholly owned subsidiary of the Company entered into a conditional sale and purchase agreement ("CSPA") with AmAssurance Berhad ("AmAssurance") for the disposal of thirteen (13) parcels of office lots in Bangunan AMDB for a total consideration of RM54,109,000 ("Purchase Price").

Pursuant to the CSPA, SKD had also on even date :-

- (i) entered into the tenancy agreement with AmAssurance for the rental of nine (9) parcels of office lots ("Rental Lots") in Bangunan AMDB commencing from the date of full payment of the Purchase Price ("Payment Date") for a period of three (3) years at a monthly gross rental of RM333,333 subject to the terms of the guaranteed net rental yield agreement under (ii) below; and
- (ii) together with the Company, entered into the Guaranteed Net Rental Yield Agreement to guarantee a net rental yield of 7% per annum, based on an agreed formula, on the Rental Lots for a period of three (3) years from the Payment Date.

The disposal of the office lots was completed on 6 March 2006, resulting in a gain on disposal of RM7,968,500 to the Group.

Tan Sri Dato' Azman Hashim is a director and a major shareholder of both the Company and AmAssurance.

42. SIGNIFICANT/SUBSEQUENT EVENTS (cont'd)

- (d) On 18 February 2006, AMDB Power Sdn. Bhd. ("APSB"), a wholly owned subsidiary of the Company, entered into a Joint Venture Agreement ("JVA") with WHSB Property Development Sdn. Bhd. ("WPD") to build and operate a mini-hydro power generating plant at Sungai Mokodou, Ranau, Sabah.

The Company had obtained letters of approval dated 14 March 2003 and 22 December 2005 from Kementerian Tenaga, Air dan Komunikasi, Malaysia to build and operate a mini-hydro power generating plant at Sungai Mokodou, Ranau, Sabah, subject to the execution of a Renewable Energy Power Purchase Agreement ("REPPA") with Sabah Electricity Sdn. Bhd. ("Proposed Project").

Under the JVA, APSB and WPD had agreed to jointly undertake the Proposed Project. A joint venture company, AMDB WPD Hydro Sdn. Bhd. ("JVCO"), formerly known as Impulse Gateway Sdn. Bhd., shall be utilised to undertake the Proposed Project.

The execution of the REPPA is pending as at the date of this report. Upon the execution of the REPPA, APSB and WPD are expected to have an equity sharing of 70% and 30% respectively in the JVCO with an initial issued and paid-up capital of RM1,000,000 consisting of 1,000,000 ordinary shares of RM1.00 each.

- (e) On 31 March 2006, AMBC Controls Sdn. Bhd. ("AMBCC"), a company in which the Group has 54% effective equity interest, entered into a Joint Venture Agreement ("JVA") with Construction Machinery Joint Stock Company No. 18 ("COMA 18") of Vietnam to produce and manufacture control and protection panels and related electrical equipment and components in Vietnam ("the Business"). Under the JVA, AMBCC is to provide the technical expertise and work jointly with COMA 18 in pursuing the Business in Vietnam. For this purpose, the parties had executed a charter document to establish a joint venture company ("JVCO") to undertake the Business.

The JVA is conditional upon the parties securing an investment licence from the Investment Licence Issuing Body ("Authority") to establish the JVCO in Vietnam within four (4) months of the JVA date.

Under the Charter Document, JVCO shall have an initial authorised capital of USD500,000. Upon the JVCO receiving the investment licence from the Authority, the parties shall subscribe for capital in JVCO as follows :-

Shareholder	Capital USD	Percentage of shareholdings
AMBCC	120,000	60%
COMA 18	80,000	40%
	<hr/>	
	200,000	100%
	<hr/>	

- (f) On 18 May 2006, the Company entered into an agreement ("Agreement") with the State Government of Pahang to build and operate two (2) proposed mini-hydro power generating plants in Pahang to be located at Sungai Liang, Daerah Raub and Sungai Perting, Daerah Bentong.

The Company had obtained letters of approval dated 9 May 2003 from Kementerian Tenaga, Air dan Komunikasi Malaysia, to build and operate the mini-hydro power generating plants. The Company is further required to obtain a permit from Jabatan Perhutanan Negeri Pahang for the intended use of the proposed site land and comply with the conditions of any other relevant government agencies.

As at the date of this report, the Company is in negotiations with Tenaga Nasional Berhad ("TNB") to execute a Renewable Energy Power Purchase Agreement ("REPPA") in relation to the power plants. Under the Agreement, the Company shall be required to pay the State Government of Pahang a contribution of 2.2% of the annual revenue received from TNB pursuant to the REPPA.

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		
2006					
Financial assets					
Unsecured notes redemption fund	-	-	1,493	1,493	2.60 to 3.00
Confirming and factoring receivables	19,996	-	-	19,996	10.50 to 11.75
Deposits with licensed banks	16,754	-	-	16,754	2.50 to 3.70
Financial liabilities					
Unsecured notes	-	-	13,524	13,524	Nil
Hire purchase creditors	1,040	1,987	-	3,027	4.65 to 9.15
Term loan	-	14,880	-	14,880	7.50
Bank overdrafts	101,402	-	-	101,402	7.50 to 9.50
Other bank borrowings	134,008	-	-	134,008	3.98 to 9.05
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

43. FINANCIAL INSTRUMENTS - OTHER DISCLOSURES (cont'd)

(a) Maturity Profile and Interest Rate Risk (cont'd)

	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		
Group (cont'd)					
2005					
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
Company					
2006					
Financial liabilities					
Hire purchase creditors	205	439	-	644	5.89 to 6.42
Bank overdrafts	79,481	-	-	79,481	7.50 to 9.50
Other bank borrowings	108,500	-	-	108,500	4.90 to 9.05
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

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
2006				
Financial assets				
Investment in quoted shares	6,663	9,666	3,441	4,569
Financial liabilities				
Hire purchase creditors	3,027	2,406	644	584
Shareholder's loan	1,932	Note 43(b)(ii)	-	-
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)(ii)	-	-

- (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) 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.
- (iii) 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.

44. LIST OF SUBSIDIARY COMPANIES

Direct Subsidiary Companies	Principal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2006	2005
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 International Sdn. Bhd. (formerly known as AMDB Equity Sdn. Bhd.) *	Dormant	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 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.	Investment holding	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

* Subsidiary companies not audited by FOLKS DFK & CO.

44. LIST OF SUBSIDIARY COMPANIES (cont'd)

Direct Subsidiary Companies	Principal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2006	2005
AMDB Property Management Co. Sdn. Bhd.	Property management services	Malaysia	100	100
AMDB Realty Sdn. Bhd.	Property investment	Malaysia	100	100
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.	Dormant	Malaysia	100	100
Ideal Resort Sdn. Bhd. * (Company in liquidation)	Property investment	Malaysia	70	70
IT Connect Sdn. Bhd.	Information technology services	Malaysia	100	100
Jelas Warna Sdn. Bhd.	Garments manufacturer and trading	Malaysia	70	70
Living Development Sdn. Bhd.	Property development	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

* Subsidiary companies not audited by FOLKS DFK & CO.

44. LIST OF SUBSIDIARY COMPANIES (cont'd)

Direct Subsidiary Companies	Principal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2006	2005
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
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 development, property management and property investment	Malaysia	100	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

* Subsidiary companies not audited by FOLKS DFK & CO.

44. LIST OF SUBSIDIARY COMPANIES (cont'd)

Indirect Subsidiary Companies	Principal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2006	2005
AMBC Controls Sdn. Bhd.	Fabrication of electrical equipment	Malaysia	54	54
AMBC Electronics Sdn. Bhd.	Dormant	Malaysia	54	54
AMDB Commercial Services Sdn. Bhd.	Licensed money lender	Malaysia	100	100
AMDB Liang Hydro Sdn. Bhd. (formerly known as Impulse Master Sdn. Bhd.)	Dormant	Malaysia	100	-
AMDB Perting Hydro Sdn. Bhd. (formerly known as AMPMC-Pantai Panorama Sdn. Bhd.)	Dormant	Malaysia	100	-
AMDB Power Services Sdn. Bhd. (formerly known as Impulse Returns Sdn. Bhd.)	Dormant	Malaysia	100	-
AMDB WPD Hydro Sdn. Bhd. (formerly known as Impulse Gateway Sdn. Bhd.)	Dormant	Malaysia	100	-
Arnica Corporation Sdn. Bhd.	Property development	Malaysia	100	100
Gerak Rasmi Sdn. Bhd.	Investment holding	Malaysia	100	100
Mayang Zaman Sdn. Bhd.	Property development	Malaysia	96	70
Netcoin Sdn. Bhd.	Investment holding	Malaysia	97	97
Nikmat Segar (M) Sdn. Bhd.	Dormant	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

* Subsidiary companies not audited by FOLKS DFK & CO.

44. LIST OF SUBSIDIARY COMPANIES (cont'd)

Indirect Subsidiary Companies	Principal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2006	2005
Sebana Golf & Country Club Berhad	Dormant	Malaysia	58	58
Sebana Hotels Sdn. Bhd.	Property investment	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

45. LIST OF ASSOCIATED COMPANIES

Direct Associated Companies	Principal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2006	2005
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

* Subsidiary companies not audited by FOLKS DFK & CO.

45. LIST OF ASSOCIATED COMPANIES (cont'd)

Direct Associated Companies	Principal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2006	2005
Lafarge Concrete (Malaysia) Sdn. Bhd. (formerly known as Supermix Concrete (Malaysia) Sdn. Bhd.)	Manufacture of ready mixed concrete	Malaysia	30	30
Sentosa Medical Centre Sdn. Bhd.	Operation of a medical centre	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 (%)	
			2006	2005
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.	Operation of a medical centre	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
Malaysian Construction Ventures (Overseas) Sdn. Bhd.	Investment holding	Malaysia	20	20

* Subsidiary companies not audited by FOLKS DFK & CO.

45. LIST OF ASSOCIATED COMPANIES (cont'd)

Indirect Associated Companies	Principal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2006	2005
Danpac Leasing (Malaysia) Berhad (formerly known as Sogelease (Malaysia) Berhad)	Leasing and provision of credit finance	Malaysia	-	50
Danpac Advance (Malaysia) Sdn. Bhd. (formerly known as Sogelease Advance (Malaysia) Sdn. Bhd.)	Hire purchase and provision of credit financing	Malaysia	-	50
Danpac Factoring (Malaysia) Sdn. Bhd. (formerly known as Sogefactoring (Malaysia) Sdn. Bhd.)	Factoring services	Malaysia	-	50
Lafarge Concrete Industries Sdn. Bhd. (formerly known as Supermix Concrete Industries Sdn. Bhd.)	Producer and seller of ready-mixed concrete	Malaysia	30	30
Selaman Sejati Sdn. Bhd. (formerly known as 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.

statement by directors

In the opinion of the Directors, the financial statements set out on pages 45 to 121 are drawn up in accordance with 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 2006 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 : 23 June 2006

statutory declaration

I, REMESH KUMAR A/L KOLLARA NATESAN, being the 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 45 to 121 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
REMESH KUMAR A/L KOLLARA NATESAN,
at Kuala Lumpur in the Federal Territory
on 23 June 2006

)
)
)
)

Before me,



report of the auditors to the members of AMDB Berhad

We have audited the financial statements set out on pages 45 to 121 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 2006 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. : 996/03/08(J/PH)
PARTNER

Kuala Lumpur

Date : 23 June 2006

shareholdings structure

ANALYSIS OF SHAREHOLDINGS AS AT 21 JULY 2006

Authorised Share Capital	:	RM500,000,000.00
Paid-up Share Capital	:	RM401,426,628.00
Class of Share	:	Ordinary Share of RM0.50 each
Voting rights	:	1 vote per ordinary share

ANALYSIS BY SIZE OF ORDINARY SHAREHOLDINGS AS AT 21 JULY 2006

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholdings
Less than 100	1,304	2.57	49,915	0.01
100 to 1,000	14,738	28.99	12,347,244	1.54
1,001 to 10,000	28,591	56.24	119,104,312	14.83
10,001 to 100,000	5,788	11.39	156,828,123	19.53
100,001 to less than 5%	413	0.81	160,073,450	19.94
5% and above	2	0.00	354,450,212	44.15
Total	50,836	100.00	802,853,256	100.00

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (ORDINARY) AS AT 21 JULY 2006

No.	Names	Shareholdings	
		No.	%
1	AMCORPGROUP 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	CIMSEC NOMINEES (ASING) SDN BHD (EXEMPT AN FOR CIMB-GK SECURITIES PTE LTD)	8,560,569	1.07
4	WONG CHONG NGIN	7,127,000	0.89
5	ADAM SHAH BIN AZLAN	7,000,000	0.87
6	MAYBAN NOMINEES (TEMPATAN) SDN BHD (A/C FOR TAN SUAN GAIK)	6,100,000	0.76
7	ADAM MALIK BIN AZLAN	5,000,000	0.62
8	MENTERI KEWANGAN MALAYSIA (SECTION 29 SICDA)	4,565,880	0.57
9	ABAS BIN MOHAMAD	2,700,000	0.34
10	PAN LEE CHIN	2,555,000	0.32
11	CHEONG KWOK KEONG @ LAWRENCE CHEONG	2,000,000	0.25
12	CITIGROUP NOMINEES (ASING) SDN BHD (CBNY FOR DFA EMERGING MARKETS FUND)	1,990,900	0.25
13	HSBC NOMINEES (TEMPATAN) SDN BHD (A/C FOR LEE SING HIN)	1,940,900	0.24
14	SOUTHERN NOMINEES (TEMPATAN) SDN BHD (A/C FOR YEO LEE HOE)	1,800,000	0.22
15	HDM NOMINEES (ASING) SDN BHD (UOB KAY HIAN PTE LTD FOR PAX REALTY & DEVELOPMENT PTE LTD)	1,717,000	0.21
16	AMSEC NOMINEES (ASING) SDN BHD (A/C FOR JIMMY PHUA SWEE PAH)	1,600,000	0.20
17	KIEW YONG SEANG	1,478,400	0.18
18	SOO NGIK GEE @ SOO YEH JOO	1,475,600	0.18
19	CITIGROUP NOMINEES (ASING) SDN BHD (CBHK PBGSGP FOR SUNNYVALE HOLDINGS LTD)	1,464,000	0.18
20	KUAN KAM HON @ KWAN KAM ONN	1,300,000	0.16
21	LIM TECK SHIM	1,259,000	0.16
22	JUSTUS FOO KEE KWANG	1,180,000	0.15
23	HDM NOMINEES (ASING) SDN BHD (UOB KAY HIAN PTE LTD FOR PAX INVESTMENTS HOLDINGS CO PTE LTD)	1,103,000	0.14
24	MAYBAN NOMINEES (TEMPATAN) SDN BHD (A/C FOR YEONG SIN KHONG)	1,080,100	0.13
25	SIEW PIT KWONG	1,040,000	0.13
26	TIONG NGEE MIN	1,029,000	0.13
27	RAJA KARIB SHAH BIN SHAHRUDIN	1,000,000	0.12
28	CHING HEAN CHONG	1,000,000	0.12
29	GOH CHOON HUA	989,300	0.12
30	LAW CHIN WAT	955,833	0.12

LIST OF SUBSTANTIAL SHAREHOLDERS (ORDINARY) AS AT 21 JULY 2006

No.	Names	Shareholdings	
		No.	%
1	AMCORPGROUP 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 AmcorpGroup Berhad)

LIST OF DIRECTORS' SHAREHOLDINGS (ORDINARY) AS AT 21 JULY 2006

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	250,000	0.03	-	-
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	710,000	0.09	-	-
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' LEE LAM THYE	-	-	-	-

ANALYSIS BY SIZE OF ICULS* HOLDINGS AS AT 21 JULY 2006

Size of ICULS Holdings	ICULS Holders		ICULS Holdings	
	No	%	No	%
Less than 100	-	-	-	-
100 to 1,000	14	93.33	14,000	0.02
1,001 to 10,000	-	-	-	-
10,001 to 100,000	-	-	-	-
100,001 to less than 5%	-	-	-	-
5% and above	1	6.67	75,900,000	99.98
Total	15	100.00	75,914,000	100.00

LIST OF ICULS* HOLDERS AS AT 21 JULY 2006

No.	Names	ICULS Holdings	
		No.	%
1	AMCORPGROUP 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	TEO KEA SHIANG	1,000	0.00
7	HOW WIL KIN	1,000	0.00
8	DING MENG HSI	1,000	0.00
9	ARJUNA A/L MURUGASU @ MURUGESU	1,000	0.00
10	CHENG GEAK CHOO	1,000	0.00
11	LOW SHEAU YING	1,000	0.00
12	NOR ASHIKIN BINTI ABDUL AZIZ	1,000	0.00
13	GOH TZE WEI	1,000	0.00
14	LEE WAI YEE	1,000	0.00
15	LOKE MOON LEN	1,000	0.00

Note : There are only 15 ICULS holders as per Register as at 21 July 2006

LIST OF DIRECTORS' ICULS* HOLDINGS AS AT 21 JULY 2006

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' 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
Lot 627, Section 47, Kompleks Damai 50400 Kuala Lumpur	179	Freehold	N/A	Police beat base	11 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	8,770	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	4,516 (Built up)	Freehold	N/A	Terraced factories and shop office	7 Years	1,493	10.12.1984
PT 17298, 17303, 26019, 26047-070, Nilai Negeri Sembilan Darul Khusus	13,544	Freehold	N/A	Land under development	N/A	-	10.12.1984
17430-6, 17454-63, 17466-71 17474-9, 17485-92, 17494-508, Nilai, Negeri Sembilan	29,698	Freehold	N/A	Land held for future development	N/A	693	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	20,233	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	80,288	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	20 Years	167	22.03.1989

PROPERTIES	AREA (m2)	TENURE	EXPIRY DATE	DESCRIPTION	APPROXIMATE AGE OF BUILDINGS	NET BOOK VALUE RM'000	DATE OF ACQUISITION/ REVALUATION
Kesidang Indah Apartments, (C3-4 unit), PT 392, Kawasan Bandar, Melaka	79 (Built-up)	Leasehold 99 years	09/02/2089	Apartment	12 Years	57	23.01.1990
PT 5327-8 Mukim of Seremban, Negeri Sembilan Darul Khusus	14,388	Freehold	N/A	Land held for future development	N/A	7,427	14.12.1995
PT No. 6797, 6837, 6842, Negeri Sembilan Darul Khusus	429 (Built-up)	Freehold	N/A	Residential	N/A	489	03.04.1997
PT No. 6884, 7753-66, 8194-7 Negeri Sembilan Darul Khusus	10,508	Freehold	N/A	Land held for future development	N/A	3,405	03.04.1997
Seremban Business Centre off Pasar Besar Temiang, Seremban, Negeri Sembilan Darul Khusus	4,024 (net lettable)	Freehold	N/A	Commercial buildings	7 Years	5,024	28.03.1994
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	114,694	07.06.1996
Lot 7706, 7710, 7719, 7796, 7812, 7814, 7819, 7821-2, 7550-7, 7559-5, 7623, 7626, 7628-37, 7640-7, 7652, 7654-5, 7658, 7662, 7664, 7667-9, 7726-34, 7736-42, 7834, 7484-7621, 7676-97, 7944-5, 7947, 7949-50, 7952, 7955, 7957, 7963, 7966, 7971, 7973-4, 7976-8008, 8010, 7863-7942, 8013-070, Seberang Perai Tengah, Pulau Pinang	89,739	Freehold	N/A	Land held for current and future mixed development	N/A	44,060	01.04.2004
Kamunting Industrial Estate, Tajping 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	39 Years 35 Years 34 Years	12,449	* 31.03.1985
Lot 1067 Apartment H81 & H85 Fraser Pine Resort, Fraser Hill, Pahang Darul Makmur	342 (Built-up)	Freehold	N/A	Apartments	19 Years	146	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	20 Years	179	03.04.1985

list of properties • cont'd

PROPERTIES	AREA (m2)	TENURE	EXPIRY DATE	DESCRIPTION	APPROXIMATE AGE OF BUILDINGS	NET BOOK VALUE RM'000	DATE OF ACQUISITION/ REVALUATION
No 30, Jalan SS2/61, Petaling Jaya Selangor Darul Ehsan	599 (Built-up)	Freehold	N/A	3 1/2 storey shophouse	22 Years	759	20.07.1983
43 Jalan Besar, Tanah Rata Cameron Highlands Pahang Darul Makmur	486 (Built-up)	Leasehold 99 years	06/06/2057	Shophouse	22 Years	510	24.04.1984
Lot 1167, Batu 10, Tanjung Biru, Port Dickson, Negeri Sembilan Darul Khusus	1,144 (Built-up)	Freehold	N/A	Bungalow	45 Years	835	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	8 Years	1,090	29.08.1995
PTD 2971-3, 2976, 2979, 2988, 2990-1, Daerah Kota Tinggi, Mukim Pengerang Johor Darul Takzim	15,584 (Built up)	Freehold	N/A	Bungalow lots	8 Years	990	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	8 - 9 Years	7,480	23.12.1992
Daerah Kota Tinggi Mukim Pengerang Johor Darul Takzim							
PTD 2940, 2992-4	126,567	Freehold	N/A	Marina Resort with clubhouse	11 Years	119,343	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, 2969	556,349	Freehold	N/A	Land held for future development	N/A		

* Date of revaluation

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 Fortieth Annual General Meeting of the Company to be held on 15 September 2006 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 2006 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 2006.		
3. Re-elect Y.Bhg. Tan Sri Dato' Azman Hashim as a Director.		
4. Re-elect Y.Bhg. Tan Sri Dato' Lee Lam Thye as a Director.		
5. Re-elect Dr. Mohan Thirunavukarasu 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 _____ 2006.

Signature/Common Seal

Tel no. (During office hours): _____

No. of Shares Held

Notes:

- 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.
- 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.
- 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.
- 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.
- The instrument appointing a proxy must be completed, signed and deposited at the Registered Office of the Company situated at 20th Floor, Bangunan AmAssurance, 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.

Fold here

affix
stamp
here

The Secretariat
AMDB Berhad
20th Floor, Bangunan AmAssurance
1 Jalan Lumut
50400 Kuala Lumpur

Fold here
