

ASIA PACIFIC LAND BERHAD

(Incorporated in Malaysia)

Company No : 4069 - K

FINANCIAL REPORT *for the financial year ended 31 December 2005*

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ASIA PACIFIC LAND BERHAD

(Incorporated in Malaysia)

Company No : 4069 - K

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2005.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	THE GROUP RM'000	THE COMPANY RM'000
(Loss)/Profit attributable to shareholders for the financial year	(6,611)	1,437

DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year,

- (a) there were no changes in the authorised and issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

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DIRECTORS' REPORT

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would further require the writing off of bad debts, or additional allowance for doubtful debts in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 35 to the financial statements. At the date of this report, there does not exist:-

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

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

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DIRECTORS' REPORT

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The ESOS was approved by the Securities Commission on 26 April 2001 and the shareholders at an Extraordinary General Meeting held on 28 June 2001.

The principal features of the ESOS are as follows:-

- (a) Eligible persons are employees (including executive directors) of Malaysian citizenship who have been confirmed in the employment of the Group for a continuous period of at least one year at the offer date and falling within any categories of employees as set out in Clause 5 and who are eligible to participate in the ESOS pursuant to Clause 4 of the By-Laws. The selection for participation in the ESOS shall be at the absolute discretion of the ESOS Committee appointed by the Board of Directors.
- (b) The maximum number of new ordinary shares of RM1.00 each to be offered shall not exceed 10% of the issued and paid-up share capital of the Company at any point of time during the existence of the ESOS.
- (c) No option shall be granted for less than 1,000 ordinary shares or more than 500,000 ordinary shares to any individual eligible employee.
- (d) The exercise price of the option may be subjected to a discount of not more than 10% of the average of the mean market quotation of the shares as shown in the daily official list issued by Bursa Malaysia Securities Berhad for the five trading days immediately preceding the offer date, or at par value of the shares of the Company, whichever is the higher.

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DIRECTORS' REPORT

EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

- (e) The ESOS shall be in force for a period of 5 years from the offer date, subject to an extension for a further period of 5 years commencing from the date of expiration of the existing 5-year period as may be approved by the relevant authorities.
- (f) The ESOS expires on 27 February 2007.

The options granted may be exercised in the following manner:-

NUMBER OF NEW SHARES GRANTED UNDER THE OPTIONS	MAXIMUM PERCENTAGE OF NEW SHARES COMPRISED IN THE OPTIONS EXERCISABLE WITHIN EACH PARTICULAR YEAR OF THE ESOS				
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Below 20,000	100%	-	-	-	-
20,000 to less than 100,000	40% ⁽¹⁾	30%	30% ⁽²⁾	-	-
100,000 and above	20%	20%	20%	20%	20% ⁽³⁾

Notes:-

- (1) 40% or 20,000 new shares, whichever is the higher.
- (2) 30% or the remaining number of new shares unexercised.
- (3) 20% or the remaining number of new shares unexercised.

Options exercisable in a particular year but not exercised can be carried forward to the subsequent years subject to the time limit of the ESOS.

The movement in the options to take up unissued new ordinary shares of RM1.00 each during the financial year is as follows:-

DATE OF OFFER	OPTION PRICE	BALANCE AT 1.1.2005	EXERCISED DURING THE YEAR	LAPSED DUE TO RESIGNATION	BALANCE AT 31.12.2005
1 March 2002	RM1.00	8,998,000	-	(1,722,000)	7,276,000

There were no new options granted to employees during the financial year ended 31 December 2005.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of employees who have been granted options to subscribe for ordinary shares on 1 March 2002.

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DIRECTORS' REPORT

DIRECTORS

The directors who served since the date of the last report are as follows:-

MR. LOW GEE TAT @ GENE LOW
TAN SRI DATUK SERI (DR) CHONG HON NYAN
TAN SRI DATO' HANAFIAH BIN HUSSAIN
TAN SRI DATO' LEE KIM SAI @ LEE HOO
MR. LOW GEE TEONG
MDM. OH LEEN MAY
MDM. WOON SIEW CHOO
MDM. LOW SU MING (APPOINTED ON 1 MARCH 2006)
MR. WEE BENG SANG (APPOINTED ON 1 MARCH 2006)
DATO' JEFFREY NG TIONG LIP (RETIRED ON 31 MARCH 2006)

In accordance with the Articles of Association of the Company, Mdm. Woon Siew Choo, Mdm. Oh Leen May, Mdm. Low Su Ming and Mr. Wee Beng Sang retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

In accordance with Section 129(6) of the Companies Act, 1965, Tan Sri Datuk Seri (Dr) Chong Hon Nyan and Tan Sri Dato' Hanafiah Bin Hussain retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in the shares of the Company during the financial year are as follows:-

	NUMBER OF ORDINARY SHARES OF RM1.00 EACH				OPTIONS GRANTED TO SUBSCRIBE FOR NEW SHARES UNDER ESOS
	AT 1.1.2005	BOUGHT	SOLD	AT 31.12.2005	
<i>DIRECT INTERESTS</i>					
MR. LOW GEE TAT @ GENE LOW	-	-	-	-	500,000
DATO' JEFFREY NG TIONG LIP	-	-	-	-	500,000
MR. LOW GEE TEONG	-	-	-	-	500,000
MDM. OH LEEN MAY	-	-	-	-	450,000
MDM. WOON SIEW CHOO	119,800	-	-	119,800	450,000
<i>INDIRECT INTERESTS</i>					
MR. LOW GEE TAT @ GENE LOW	228,445,447	2,000,000	-	230,445,447	-
TAN SRI DATUK SERI (DR) CHONG HON NYAN	5,500	-	-	5,500	-
MR. LOW GEE TEONG	228,445,447	2,000,000	-	230,445,447	-

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DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONT'D)

No options granted to subscribe for new shares under ESOS to the directors were exercised during the financial year ended 31 December 2005.

Mr. Low Gee Tat @ Gene Low and Mr. Low Gee Teong by virtue of their substantial interests in shares in the Company are also deemed interested in shares in all the Company's subsidiaries to the extent of the Company's interests in shares in these subsidiaries.

None of the other directors had any interest in the shares of the Company during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than any benefits which may be deemed to arise from the related party transactions/balances as disclosed in Notes 38 and 39 to the financial statements.

Neither during nor at the end of the financial year was the Company and its subsidiaries a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than the options granted to the directors pursuant to the ESOS.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event of the Group during the financial year is disclosed in Note 40 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

The significant event of the Group subsequent to the balance sheet date is disclosed in Note 41 to the financial statements.

ASIA PACIFIC LAND BERHAD

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DIRECTORS' REPORT

AUDITORS

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

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 27 APRIL 2006**

**Low Gee Tat @ Gene Low
EXECUTIVE CHAIRMAN**

**Low Gee Teong
MANAGING DIRECTOR**

Kuala Lumpur

Date: 27 April 2006

ASIA PACIFIC LAND BERHAD

(Incorporated in Malaysia)
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STATEMENT BY DIRECTORS

We, Low Gee Tat @ Gene Low and Low Gee Teong, being two of the directors of Asia Pacific Land Berhad, state that, in the opinion of the directors, the financial statements are drawn up in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2005 and of their results and cash flows for the financial year ended on that date.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 27 APRIL 2006

Low Gee Tat @ Gene Low
EXECUTIVE CHAIRMAN

Low Gee Teong
MANAGING DIRECTOR

Kuala Lumpur

Date: 27 April 2006

STATUTORY DECLARATION

I, Woon Siew Choo, I/C No. 531213-04-5134 being the director primarily responsible for the financial management of Asia Pacific Land Berhad, do solemnly and sincerely declare that the financial statements are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
Woon Siew Choo, I/C No. 531213-04-5134,
at Kuala Lumpur in the Federal Territory
on this 27 April 2006.

Woon Siew Choo

Before me

WONG AH YING
Commissioner for Oaths
Kuala Lumpur

Date: 27 April 2006

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF ASIA PACIFIC LAND BERHAD

(Incorporated in Malaysia)
Company No : 4069 - K

We have audited the financial statements of Asia Pacific Land Berhad for the financial year ended 31 December 2005. 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 the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. Our audit included examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. Our audit also included 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 state of affairs of the Group and of the Company at 31 December 2005 and their results and cash flows for the financial year ended on that date; and
 - (ii) 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
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

We have considered the financial statements and the auditors' reports thereon of the subsidiaries for which we have not acted as auditors, as indicated in Note 6 to the financial statements.

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
ASIA PACIFIC LAND BERHAD (CONT'D)**

(Incorporated in Malaysia)
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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 purpose of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

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

Horwath
Firm No: AF 1018
Chartered Accountants

Kuala Lumpur

Date: 27 April 2006

Mok Yuen Lok
Approval No: 1408/11/07 (J/PH)
Partner

ASIA PACIFIC LAND BERHAD

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BALANCE SHEETS As At 31 DECEMBER 2005

	NOTE	THE GROUP		THE COMPANY	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
NON-CURRENT ASSETS					
Investment in subsidiaries	6	-	-	156,264	107,494
Property, plant and equipment	7	410,882	468,627	56	54
Investment properties	8	473,368	473,356	-	-
Other investment	9	50	50	50	50
Land held for development	10	167,691	149,406	-	-
Deferred tax assets	11	22,080	18,579	1,650	1,692
		<u>1,074,071</u>	<u>1,110,018</u>	<u>158,020</u>	<u>109,290</u>
CURRENT ASSETS					
Inventories	12	26,939	15,168	-	-
Property development costs	13	145,371	133,983	-	-
Trade receivables	14	37,742	77,772	-	-
Other receivables, deposits and prepayments	15	15,583	9,409	925	698
Amount owing by subsidiaries	16	-	-	1,054,785	1,129,727
Cash and bank balances	17	5,033	11,359	54	121
		<u>230,668</u>	<u>247,691</u>	<u>1,055,764</u>	<u>1,130,546</u>
CURRENT LIABILITIES					
Trade payables	18	34,180	44,266	-	-
Other payables and accruals	19	68,394	58,327	7,149	2,086
Amount owing to subsidiaries	16	-	-	318,166	350,714
Provision for taxation		30,534	31,394	-	4
Bank overdrafts	20	4,963	4,998	-	-
Short term borrowings	21	46,617	63,462	-	-
		<u>184,688</u>	<u>202,447</u>	<u>325,315</u>	<u>352,804</u>
NET CURRENT ASSETS		<u>45,980</u>	<u>45,244</u>	<u>730,449</u>	<u>777,742</u>
		<u>1,120,051</u>	<u>1,155,262</u>	<u>888,469</u>	<u>887,032</u>
FINANCED BY:-					
Share capital	22	710,341	710,341	710,341	710,341
Reserves	23	60,697	77,189	58,128	56,691
SHAREHOLDERS' EQUITY		<u>771,038</u>	<u>787,530</u>	<u>768,469</u>	<u>767,032</u>
NON-CURRENT LIABILITIES					
Deferred tax liability	24	49,681	50,133	-	-
Long term borrowings	25	299,332	317,599	120,000	120,000
		<u>1,120,051</u>	<u>1,155,262</u>	<u>888,469</u>	<u>887,032</u>
NET ASSETS PER SHARE	26	<u>RM1.09</u>	<u>RM1.11</u>		

ASIA PACIFIC LAND BERHAD

(Incorporated in Malaysia)

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INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	NOTE	THE GROUP		THE COMPANY	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
REVENUE	27	111,858	169,216	4,050	10,716
COST OF SALES	28	(39,963)	(76,014)	-	-
GROSS PROFIT		71,895	93,202	4,050	10,716
OTHER OPERATING INCOME		8,853	3,486	269	33
SELLING AND MARKETING EXPENSES		(8,392)	(9,708)	-	-
ADMINISTRATIVE EXPENSES		(29,354)	(26,101)	(2,136)	(1,558)
OTHER OPERATING EXPENSES		(44,972)	(39,471)	(15)	(1,072)
(LOSS)/PROFIT FROM OPERATIONS		(1,970)	21,408	2,168	8,119
FINANCE COSTS	29	(5,284)	(6,545)	-	-
(LOSS)/PROFIT BEFORE TAXATION	30	(7,254)	14,863	2,168	8,119
TAXATION	31	643	(5,803)	(731)	(2,373)
(LOSS)/PROFIT ATTRIBUTABLE TO SHAREHOLDERS FOR THE FINANCIAL YEAR		(6,611)	9,060	1,437	5,746
(LOSS)/EARNINGS PER SHARE - Basic	32	(0.9) sen	1.3 sen		

ASIA PACIFIC LAND BERHAD

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STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

THE GROUP	← NON-DISTRIBUTABLE →					TOTAL RM'000
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	REVALUATION RESERVE RM'000	EXCHANGE FLUCTUATION RESERVE RM'000	ACCUMULATED LOSSES RM'000	
Balance at 1.1.2004	710,341	62,372	93,610	6,246	(94,139)	778,430
Currency exchange translation difference	-	-	-	40*	-	40
Profit after taxation for the financial year	-	-	-	-	9,060	9,060
Balance at 31.12.2004/1.1.2005	710,341	62,372	93,610	6,286	(85,079)	787,530
Transfer from deferred tax assets	-	-	87*	-	-	87
Deficit from revaluations	-	-	(1,699)*	-	-	(1,699)
Impairment loss	-	-	(8,225)*	-	-	(8,225)
Reversal of deficit from previously recognised surplus	-	-	(9,837)	-	-	(9,837)
Currency exchange translation difference	-	-	-	(44)*	-	(44)
Loss after taxation for the financial year	-	-	-	-	(6,611)	(6,611)
Balance at 31.12.2005	710,341	62,372	83,773	6,242	(91,690)	771,038

THE COMPANY	← NON-DISTRIBUTABLE →					TOTAL RM'000
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	REVALUATION RESERVE RM'000	ACCUMULATED LOSSES RM'000		
Balance at 1.1.2004		710,341	62,372	185,936	(197,363)	761,286
Profit after taxation for the financial year		-	-	-	5,746	5,746
Balance at 31.12.2004/1.1.2005		710,341	62,372	185,936	(191,617)	767,032
Profit after taxation for the financial year		-	-	-	1,437	1,437
Balance at 31.12.2005		710,341	62,372	185,936	(190,180)	768,469

Note* : represents gains/(losses) not recognised in income statements.

ASIA PACIFIC LAND BERHAD

(Incorporated in Malaysia)

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CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	NOTE	THE GROUP		THE COMPANY	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/Profit before taxation		(7,254)	14,863	2,168	8,119
Adjustments for:-					
Bad debts written off		-	11	-	-
Depreciation of property, plant and equipment		4,182	4,907	15	33
Deficit from revaluation of properties		116	-	-	-
Impairment loss on investment property		9,787	-	-	-
Net allowance for doubtful debts		2,253	700	-	-
Net interest expense/(income)		4,875	5,569	(202)	23
Net gain on disposal of property, plant and equipment		(5,586)	(99)	(67)	(13)
Write-down of inventories		-	320	-	-
Operating profit before working capital changes		8,373	26,271	1,914	8,162
(Increase)/Decrease in inventories		(309)	6,522	-	-
Decrease/(Increase) in property development costs		10,874	(4,347)	-	-
Decrease/(Increase) in trade and other receivables		31,407	10,634	(227)	3,008
Increase/(Decrease) in trade and other payables		746	7,805	5,063	(2,004)
CASH FROM OPERATIONS		51,091	46,885	6,750	9,166
Income tax paid		(4,031)	(4,545)	(693)	(2,597)
Interest paid		(30,590)	(22,417)	-	(38)
NET CASH FROM OPERATING ACTIVITIES/ BALANCE CARRIED FORWARD		16,470	19,923	6,057	6,531

ASIA PACIFIC LAND BERHAD

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CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005 (CONT'D)

	NOTE	THE GROUP		THE COMPANY	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
BALANCE BROUGHT FORWARD		16,470	19,923	6,057	6,531
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Purchase of property, plant and equipment	33	(1,863)	(7,437)	(17)	(22)
Proceeds from disposal of property, plant and equipment		16,831	228	67	13
Improvement in investment properties		(112)	-	-	-
Payment for land held for development		(1,705)	(16,581)	-	-
Interest received		409	976	202	15
NET CASH FROM/(FOR) INVESTING ACTIVITIES		13,560	(22,814)	252	6
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
(Advances to)/Repayment from subsidiaries		-	-	(6,376)	19,188
Drawdown of term loans and bridging loans		6,757	51,640	-	-
Repayments to hire purchase payables		(335)	(479)	-	-
Repayment of term loans		(42,718)	(48,555)	-	(30,000)
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(36,296)	2,606	(6,376)	(10,812)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(6,266)	(285)	(67)	(4,275)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS		(25)	59	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		6,361	6,587	121	4,396
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	34	70	6,361	54	121

ASIA PACIFIC LAND BERHAD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Malaysian Companies Act, 1965. The domicile of the Company is in Malaysia. The registered office and principal places of business are as follows:-

- Registered office : Suites 704 & 705, 7th Floor,
No. 11, Lorong Kinta, 10400 Penang.
- Principal places of business : (i) 49th Floor, Empire Tower, City Square Centre,
Jalan Tun Razak, 50400 Kuala Lumpur.
- (ii) Executive Office, Ferringhi Beach Hotel Penang,
Jalan Low Yat, 11100 Batu Ferringhi, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 27 April 2006.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial risk management policy seeks to ensure that appropriate financial resources are available to the Group to meet its specific requirement at the most favourable terms and conditions. It also endeavours to minimise foreign currency, interest rate, market, credit, liquidity and cash flow risks at the lowest cost possible. The Group operates within defined guidelines that are approved by the Board and its policies in respect of the major areas of treasury activity are as follows:-

(a) Foreign Currency Risk

Exposure of overseas operating subsidiaries to transaction risk is minimised by matching local currency income against local currency costs.

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3. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Interest Rate Risk

The Group obtains financing through bank borrowings, leasing and hire purchase. Its policy is to obtain the most favourable interest rates available without restricting its business directions.

Surplus and unutilised funds are placed with licensed financial institutions at the most favourable terms.

(c) Market Risk

The Group does not have any quoted investments and hence is not exposed to market risk.

(d) Credit Risk

The Group's exposure to credit risks, or the risk of counterparties defaulting, arises mainly from receivables. The maximum exposure to credit risks is represented by the total carrying amount of this financial asset in the balance sheet reduced by the effects of any netting arrangements with counterparties.

The Group minimises its exposure to credit risk by investing cash assets in licensed financial institutions, and by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

The Group ensures that there is no major concentration of credit risk related to any individual or counterparty.

(e) Liquidity and Cash Flow Risks

The Group's exposure to liquidity and cash flow risks arises mainly from general funding and business activities.

It practises prudent liquidity risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities and endeavours to match the type of funding and tenure to the asset and project life and cashflow profile.

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4. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies.

The financial statements comply with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

The MASB standards nomenclature has been changed to Financial Reporting Standards ("FRS") nomenclature for financial periods beginning on or after 1 January 2005. This change to the new nomenclature did not result in any significant change in the accounting policies adopted by the Group and has no financial effects on the financial statements of the Group and of the Company for the financial year ended 31 December 2005.

5. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group and the Company have become parties to the contractual provisions of the instruments.

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

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

Financial instruments recognised in the balance sheet are disclosed in the individual policy statement associated with each item.

(b) Basis of Consolidation

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

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December 2005 using the acquisition method. The results of subsidiaries acquired or disposed of during the financial year are included in the consolidated financial statements from the date of acquisition or up to the date of disposal.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (Cont'd)

Goodwill on consolidation represents the difference between the consideration paid for the investment in subsidiaries and the fair value attributable to the net assets of the subsidiaries acquired. Goodwill on consolidation is amortised on a straight-line basis over a period of twenty five years, subject to yearly review by the directors and will be written down to the extent of their intrinsic value.

Intragroup transactions, and balances, and resulting unrealised profits are eliminated. Unrealised losses resulting from intragroup transactions are also eliminated unless costs cannot be recovered.

(c) Investments

Investments in subsidiaries are stated at cost or valuation in the balance sheet of the Company, and reviewed for impairment at the end of the financial year if events or changes in circumstances indicate that their carrying values may not be recoverable.

Investments in unquoted investments held for long-term purposes are stated at cost less allowance for permanent diminution in value, if any.

(d) Property, Plant and Equipment

Property, plant and equipment are stated at revaluation or cost less accumulated depreciation and impairment losses. No depreciation is provided for freehold land, long leasehold land where the tenure has not commenced, hotel properties and hotel operating equipment.

It is the Group's practice to maintain all its hotel properties to a high standard and condition such that their residual values are at least equal to their respective carrying values. Therefore, depreciation charges would be insignificant. The related maintenance expenditure is charged to the income statement.

Hotel operating equipment such as linen, crockery and related items included in other assets are capitalised at the minimum level of requirement for normal operations. Their replacements are written off to the income statement.

Depreciation on other property, plant and equipment is calculated under the straight line method to write off the cost or revalued amount of these assets over their estimated useful lives.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, Plant and Equipment (Cont'd)

The principal annual depreciation rates used are:-

Long leasehold land	Over the lease period
Short leasehold land	Over the lease period
Buildings	2%
Furniture, fittings, equipment, motor vehicles and other assets	5% - 33%
Golf course	Over the lease period

Other assets comprise tools, linen, crockery and related items.

Long leasehold is defined as a lease with an unexpired period exceeding 50 years as at the balance sheet date.

(e) Impairment of Assets

The carrying amounts of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at each balance sheet date for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts.

An impairment loss is charged to the income statement immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to the revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Assets under Finance Leases and Hire Purchase

Leases of plant and equipment where all the benefits and risks of ownership are substantially transferred to the Group are classified as finance leases.

Plant and equipment acquired under finance lease and hire purchase are capitalised in the financial statements.

Each lease or hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding outstanding obligations due under the finance lease and hire purchase after deducting finance charges are included as liabilities in the financial statements.

Finance charges are allocated to the income statement over the period of the respective lease and hire purchase agreements.

Plant and equipment acquired under finance leases and hire purchase are depreciated over the useful lives of the assets. If there is no reasonable certainty that the ownership will be transferred to the Group, the assets are depreciated over the shorter of the lease terms and their useful lives.

(g) Investment Properties

Investment properties are properties held for investment potential and rental income and treated as long term investments. They are initially stated at cost and are subject to revaluations which are carried out by an independent valuer on a regular basis. These assets are not depreciated because it is the Group's practice to maintain all its investment properties to a high standard and condition such that their residual values are at least equal to their respective carrying values. Therefore, depreciation charges would be insignificant. The related maintenance expenditure is charged to the income statement.

On the disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged to the income statement; any amount in the revaluation reserve relating to that investment property is transferred to retained earnings.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Land Held For Development

Land held for property development is carried at cost less any accumulated impairment losses. Where land held for property development had previously been recorded at a revalued amount, the revalued amount is retained as its surrogate cost.

Land held for property development is classified as non-current asset where no development activities are carried out or where development activities are not expected to be completed within the normal operating cycle.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Pre-acquisition costs are charged to the income statement as incurred unless such costs are directly identifiable to the consequent property development activity.

Land held for property development is transferred to current asset when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

For completed unsold properties, costs include cost of land, development expenditure and interest charges relating to the financing of the land and development.

Where necessary, allowance is made for obsolete, slow-moving and defective inventories.

(j) Property Development Costs

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development costs that are not recognised as an expense are recognised as an asset and are carried at the lower of cost and net realisable value.

When the financial outcome of a development activity can be reliably estimated, the amount of property revenues and expenses recognised in the income statement are determined by reference to the stage of completion of development activity at the balance sheet date.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Property Development Costs (Cont'd)

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

Where it is probable that property development costs will exceed property development revenue, any expected loss is recognised as an expense immediately, including costs to be incurred over the defects liability period.

(k) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

(l) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short term, highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(m) Payables

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

(n) Revaluation Reserve

Land, buildings and hotel properties which are classified under property, plant and equipment, and investment properties are appraised periodically, at least once in every three years. The increase or decrease arising from the revaluation of the properties, if adjusted, is credited or debited to a revaluation reserve account as revaluation surplus or deficit. To the extent that a decrease is not supported by any previous revaluation surplus, the decrease is charged to the income statement.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Foreign Currencies

Transactions in foreign currencies during the year are converted into Ringgit Malaysia at rates of exchange approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities at the balance sheet date are translated into Ringgit Malaysia at rates of exchange ruling at that date. All exchange gains or losses are dealt with in the income statement.

The Group's foreign subsidiaries are those operations that are not an integral part of the operations of the Company. Income statements of the foreign subsidiaries are translated into Ringgit Malaysia at the average rates for the financial year, and the balance sheets are translated at exchange rates ruling at the balance sheet date. Exchange differences arising from the retranslation of the net investments in the foreign subsidiaries are taken to the exchange fluctuation reserve account. On the disposal of the subsidiaries, such translation differences are recognised in the income statement as part of the gain or loss on the disposal.

(p) Interest-bearing Borrowings

The interest-bearing borrowings are recorded at the amount of proceeds received.

Interest incurred on borrowings to finance the preparation of assets for their intended use is capitalised as part of the carrying value of the assets until they are completed and/or for sale, after which such expense is charged to the income statement.

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

(q) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised as liabilities when declared before the balance sheet date. A dividend proposed or declared after the balance sheet date, but before the financial statements are authorised for issue, is not recognised as a liability at the balance sheet date but as an appropriation from retained earnings and treated as a separate component of equity. Upon the approval of the proposed dividend, it will be accounted for as a liability.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Revenue Recognition

(i) Property Development

Revenue from property development is recognised from the sale of completed and uncompleted development properties.

Revenue from the sale of completed properties is recognised when the sale is contracted.

Revenue on uncompleted properties contracted for sale is recognised using the percentage of completion basis. The stage of completion is determined based on:-

- (a) the survey of work performed; or
- (b) the contract costs incurred for work performed to date in relation to the estimated total contract costs;

whichever is applicable.

Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the development will result in a loss and are recognised immediately in the income statement.

(ii) Property Management Income

Revenue is recognised upon the completion of management and maintenance services rendered.

(iii) Leisure and Hospitality

Revenue from the provision of hotel rooms, food and beverage, golf operations and other related services is recognised when services are rendered.

(iv) Rental Income

Revenue is recognised on an accrual basis.

(v) Dividend Income

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

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Revenue Recognition (Cont'd)

(vi) Management Fees

Revenue from management and project management is recognised when services are rendered.

(vii) Sale of Goods

Sales are recognised upon delivery of products and customers' acceptance, net of sales tax and discounts.

(viii) Interest Income

Interest income is recognised on an accrual basis, based on the effective yield on the investment.

(s) Segmental Information

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of property, plant and equipment (net of accumulated depreciation, where applicable), investment properties, land held for development, inventories, property under development, receivables, and cash and bank balances.

Most segment assets can be directly attributed to the segments on a reasonable basis. Segment assets do not include income tax assets, whilst segment liabilities do not include income tax liabilities and borrowings from financial institutions.

Segment revenues, expenses and results include transfers between segments. The prices charged on intersegment transactions are based on normal commercial terms. These transfers are eliminated on consolidation.

(t) Taxation

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

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Taxation (Cont'd)

Deferred taxation is provided in full, using the liability method, on all material temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Employee Benefits

(i) Short-term Benefits

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

(ii) Defined Contribution Plans

The Group's contributions to a defined contribution plan are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plan. A foreign subsidiary of the Group makes contributions to its respective country's pension schemes. Such contributions are recognised as an expense in the income statement as incurred.

(v) Provision for liabilities

Provisions for liabilities are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

6. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2005 RM'000	2004 RM'000
Unquoted shares, at valuation	156,264	107,494

Investment in subsidiaries was revalued by the directors in December 2002 based on the net tangible assets of the subsidiaries. The revaluation increase was recognised in equity as a revaluation surplus and revaluation deficit was recognised as an expense in the income statement.

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6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:-

Name of Company	Effective 2005	Equity Interest 2004	Principal Activities
<u>Incorporated in Malaysia</u>			
*Affinity Villas Sdn. Bhd.	100%	100%	Property development.
Aman City Hotel Sdn. Bhd.	100%	100%	Property development.
*Ambangan Valley Sdn. Bhd.	100%	100%	Property investment and golf course maintenance service.
*Amity Synergy Sdn. Bhd.	100%	100%	Investment holding.
APL Construction Sdn. Bhd.	100%	100%	Dormant.
*APL Hotel Sdn. Bhd.	100%	100%	Property investment and development, and hotel business.
*Bakti Dinamik Sdn. Bhd.	100%	100%	Property development.
*Buoyant Point Sdn. Bhd.	100%	100%	Property maintenance services.
*City Square Centre Sdn. Bhd.	100%	100%	Investment holding.
*City Square Holdings Sdn. Bhd.	100%	100%	Investment holding.
City Square Properties Sdn. Bhd.	100%	100%	Property investment, management and car park operation.
City Square Nursery And Landscaping Sdn. Bhd.	100%	100%	Dormant.
City Square Parking Sdn. Bhd.	100%	100%	Car park management.
City Square Retail Management Sdn. Bhd.	100%	100%	Dormant.

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6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:-

Name of Company	Effective 2005	Equity Interest 2004	Principal Activities
<u>Incorporated in Malaysia</u>			
*Elite Empire Sdn. Bhd.	100%	100%	Property investment.
*Eminent Portfolio Sdn. Bhd.	100%	100%	Property investment.
*Empire Reach Sdn. Bhd.	100%	100%	Dormant.
Empire Tower (Malaysia) Sdn. Bhd.	100%	100%	Property investment and management.
*Esprit Projects Sdn. Bhd.	100%	100%	Property development.
*Fidelity Park Sdn. Bhd.	100%	100%	Property development.
*Hotel Fair Lane Holdings Sdn. Bhd.	100%	100%	Property development.
*Island Bay Resorts Sdn. Bhd. (formerly known as Mount Pleasure Corporation Sdn. Bhd.)	100%	100%	Investment holding, property investment and development, and hotel business.
*Khas Cergas Sdn. Bhd.	100%	100%	Dormant.
*Kinasurya Sdn. Bhd.	100%	100%	Property investment.
*Marina Mirage Hotel Sdn. Bhd.	100%	100%	Property investment.
*Mount Pleasure Property Management Services Sdn. Bhd.	100%	100%	Property management services.
*Tasik Puteri Golf & Country Club Berhad	100%	100%	Golf course operation.
Platinum Landmark Sdn. Bhd.	100%	100%	Dormant.
*Pristine Review Sdn. Bhd.	100%	100%	Property investment.

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6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:-

Name of Company	Effective 2005	Equity Interest 2004	Principal Activities
<u>Incorporated in Malaysia</u>			
*Radiant Design Sdn. Bhd.	100%	100%	Dormant.
*Rawang Lakes Sdn. Bhd.	100%	100%	Property development.
*Riviera Hectares Sdn. Bhd.	100%	100%	Property investment.
*Riviera Steppe Sdn. Bhd.	100%	100%	Property investment.
*Sapphire Acres Sdn. Bhd.	100%	100%	Property investment.
Wira Azimat Sdn. Bhd.	100%	100%	Property investment.
*Willow Land Sdn. Bhd.	100%	100%	Property investment.
<u>Incorporated in the Republic of Singapore</u>			
*Mount Pleasure Investments Pte. Ltd.	100%	100%	Dormant.
<u>Incorporated in the British Virgin Islands</u>			
*United Well Investment Ltd.	100%	100%	Dormant.

* Not audited by Messrs Horwath.

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7. PROPERTY, PLANT AND EQUIPMENT

	NET BOOK VALUE AT 1.1.2005 RM'000	ADDITIONS RM'000	DISPOSALS RM'000	TRANSFER TO PROPERTY DEVELOPMENT COSTS RM'000	DEFICIT IN REVALUATION RM'000	RECLASSIFICATIONS RM'000	DEPRECIATION CHARGE RM'000	CURRENCY EXCHANGE TRANSLATION DIFFERENCE RM'000	NET BOOK VALUE AT 31.12.2005 RM'000
THE GROUP									
Freehold land	41,659	-	(10,000)	(25,116)	(6)	(3,200)	-	-	3,337
Long leasehold land	35,216	188	-	-	-	3,200	(88)	(25)	38,491
Short leasehold land	959	-	-	-	-	-	(30)	-	929
Building under construction and buildings	11,402	6	(59)	-	(21)	-	(403)	(5)	10,920
Hotel properties	302,501	199	-	-	(19,700)	-	-	-	283,000
Furniture, fittings, equipment, motor vehicles and other assets	17,497	1,084	(1,058)	-	-	-	(2,632)	39	14,930
Golf course	59,393	911	-	-	-	-	(1,029)	-	59,275
Total	468,627	2,388	(11,117)	(25,116)	(19,727)	-	(4,182)	9	410,882

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

	AT COST RM'000	AT VALUATION RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
At 31.12.2005				
Freehold land	-	3,337	-	3,337
Long leasehold land	35,566	3,200	(275)	38,491
Short leasehold land	18	1,000	(89)	929
Building under construction and buildings	1,909	10,720	(1,709)	10,920
Hotel properties	-	283,000	-	283,000
Furniture, fittings, equipment, motor vehicles and other assets	61,149	-	(46,219)	14,930
Golf course	3,852	58,500	(3,077)	59,275
Total	102,494	359,757	(51,369)	410,882
At 31.12.2004				
Freehold land	141	41,518	-	41,659
Long leasehold land	35,404	-	(188)	35,216
Short leasehold land	18	1,000	(59)	959
Building under construction and buildings	2,347	10,400	(1,345)	11,402
Hotel properties	1,501	301,000	-	302,501
Furniture, fittings, equipment, motor vehicles and other assets	62,696	-	(45,199)	17,497
Golf course	2,941	58,500	(2,048)	59,393
Total	105,048	412,418	(48,839)	468,627

The net book value of revalued property, plant and equipment, had the assets been carried at cost less depreciation, would have been as follows:-

	2005 RM'000	2004 RM'000
Freehold land	3,337	53,324
Long leasehold land	3,544	-
Short leasehold land	757	786
Building under construction and buildings	3,417	3,493
Hotel properties	259,771	259,572
Golf course	25,918	26,380
Total	296,744	343,555

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

	NET BOOK VALUE AT 1.1.2005 RM'000	ADDITIONS RM'000	DEPRECIATION CHARGES RM'000	NET BOOK VALUE AT 31.12.2005 RM'000
THE COMPANY				
Furniture, fittings and equipment	54	17	(15)	56
		AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	TOTAL RM'000
At 31.12.2005				
Furniture, fittings and equipment		821	(765)	56
Motor vehicles		136	(136)	-
		957	(901)	56
At 31.12.2004				
Furniture, fittings and equipment		814	(760)	54
Motor vehicles		307	(307)	-
		1,121	(1,067)	54

The freehold land, short leasehold land, buildings, hotel properties and golf course stated at valuation at the balance sheet date were revalued in December 2005 by an independent professional valuer, Mr. Ravindra Dass, a registered valuer at Ravindra Dass Property Services Sdn. Bhd., an independent firm of valuer at open market value or realisable value based on the existing use basis/comparison methods.

The long leasehold land, which is undeveloped and stated at cost at the balance sheet date has an open market value of RM213,550,000 (2004 - RM213,550,000) as valued by an independent professional valuer, Encik Mohamad Sarip Saleh, a registered valuer of Dass Mohamad Chartered Brooke Hillier Parker (PJ) Sdn. Bhd., an independent firm of valuer in January 2003 and have resulted in a revaluation surplus of RM168,339,379 (2004 - RM168,339,379). As a matter of prudence, the directors do not recommend the incorporation of the revaluation surplus into the financial statements.

Long leasehold land of the Group amounting to RM3,200,000 (2004 - RM3,205,000) at the balance sheet date are not depreciated due to the land was not in use.

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

The carrying values of property, plant and equipment pledged as security for bank borrowings granted to the Group (Notes 20, 21 and 25) are as follows:-

	THE GROUP	
	2005 RM'000	2004 RM'000
Freehold lands	-	17,773
Long leasehold lands	7,275	-
Hotel properties	240,000	241,488
	<hr/>	<hr/>
	247,275	259,261
	<hr/>	<hr/>

Freehold and long leasehold lands of the Group with a carrying value of RM7,275,000 (2004 - RM3,206,000) at the balance sheet date are charged in favour of a third party for rights to enter and construct a road on the third party's land (Note 35).

Included in the carrying values at the balance sheet date are the following hotel property and freehold land held in trust by related parties who are the original registered proprietors of the respective properties pending the issuance of strata titles and development of strata units respectively:-

	THE GROUP	
	2005 RM'000	2004 RM'000
Hotel property	240,000	241,488
Freehold land	-	10,549
	<hr/>	<hr/>
	240,000	252,037
	<hr/>	<hr/>

Included in the carrying values at the balance sheet date are the following plant and equipment acquired under hire purchase terms:-

	THE GROUP	
	2005 RM'000	2004 RM'000
Furniture, fittings and equipment	469	387
Motor vehicles	262	341
	<hr/>	<hr/>
	731	728
	<hr/>	<hr/>

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

Borrowing costs of RM153,000 (2004 - RM54,000) as disclosed in Note 29, arising from financing specifically for the purchase of the long leasehold land, were capitalised during the financial year and included in additions of the Group during the financial year.

8. INVESTMENT PROPERTIES

	THE GROUP	
	2005 RM'000	2004 RM'000
Freehold land and buildings		
- at valuation	473,000	473,100
- at cost	368	256
	<hr/>	<hr/>
	473,368	473,356
	<hr/>	<hr/>

Investment properties stated at valuation at the balance sheet date were revalued in June and December 2005 by Mr. Elvin Fernandez, a registered valuer of Khong & Jaafar Sdn. Bhd. and Mr. Ravindra Dass, a registered valuer of Ravindra Dass Property Services Sdn. Bhd. at open market value or realisable value based on the existing use basis/comparison methods.

Certain investment properties with a total carrying value of RM468,368,000 (2004 - RM468,256,000) at the balance sheet date are held in trust by a related party who is the original registered proprietor of the respective properties pending the issuance of strata titles and development of strata units.

The carrying value of investment properties at the balance sheet date pledged as security for bank borrowings (Notes 20, 21 and 25) is RM468,368,000 (2004 - RM468,256,000).

9. OTHER INVESTMENT

	THE GROUP/THE COMPANY	
	2005 RM'000	2004 RM'000
Unquoted shares, at cost	50	50
	<hr/>	<hr/>

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10. LAND HELD FOR DEVELOPMENT

	THE GROUP	
	2005 RM'000	2004 RM'000
At 1 January		
Land		
- at valuation	4,141	4,141
- at cost	24,855	23,221
Development expenditure	120,410	111,832
	<hr/>	<hr/>
	149,406	139,194
Additions during the year	20,694	24,629
Transfer to property development costs	(2,409)	(14,417)
At 31 December		
Land		
- at valuation	4,141	4,141
- at cost	24,855	24,855
Development expenditure	138,695	120,410
	<hr/>	<hr/>
	167,691	149,406

Borrowing costs of RM18,989,000 (2004 - RM5,048,000) as disclosed in Note 29, arising from financing specifically for the purchase of the land held under development, were capitalised during the financial year and included in additions of the Group during the financial year.

11. DEFERRED TAX ASSETS

	THE GROUP		THE COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
At 1 January	18,579	20,382	1,692	1,472
Transfer from/(to) income statements	3,501	(1,803)	(42)	220
At 31 December	<hr/>	<hr/>	<hr/>	<hr/>
	22,080	18,579	1,650	1,692

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11. DEFERRED TAX ASSETS (CONT'D)

The deferred tax assets are in respect of the following:-

	THE GROUP		THE COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Capital allowances in excess of depreciation	(560)	(656)	(4)	1
Unutilised tax losses	23,823	20,349	1,654	1,691
Unabsorbed capital allowances	796	1,051	-	-
Revaluation surplus of revalued properties	(1,636)	(1,723)	-	-
Others	(343)	(442)	-	-
	<u>22,080</u>	<u>18,579</u>	<u>1,650</u>	<u>1,692</u>

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will allow the deferred tax assets to be recovered. As at 31 December 2005, the amounts of estimated deferred tax assets calculated at applicable tax rates which are not recognised in the financial statements, are as follows:-

	THE GROUP	
	2005 RM'000	2004 RM'000
Unutilised tax losses	28,860	30,153
Unutilised capital allowances	21,864	21,864
Unutilised industrial building allowance	8,680	8,680
Unutilised investment tax allowance	3,263	3,263
	<u>62,667</u>	<u>63,960</u>

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12. INVENTORIES

	THE GROUP	
	2005 RM'000	2004 RM'000
AT COST		
Stores and consumables	563	488
Raw materials	72	63
Finished goods	53	59
Nursery inventory	426	478
Completed unsold properties	24,437	12,692
	<hr/>	<hr/>
	25,551	13,780
AT NET REALISABLE VALUE		
Completed unsold properties	1,388	1,388
	<hr/>	<hr/>
	26,939	15,168
	<hr/>	<hr/>

13. PROPERTY DEVELOPMENT COSTS

	THE GROUP	
	2005 RM'000	2004 RM'000
At 1 January		
Land, at cost	26,935	29,463
Development costs	374,763	283,062
Accumulated costs charged to income statements	(267,715)	(201,391)
	<hr/>	<hr/>
	133,983	111,134
Costs incurred during the financial year:-		
Transfer from land held for property development	2,409	14,417
Transfer from property, plant and equipment	25,116	-
Development costs	28,515	86,067
	<hr/>	<hr/>
	56,040	100,484
Costs recognised as an expense in the income statements:-		
Costs charged to income statements	(33,190)	(66,324)
	<hr/>	<hr/>
	156,833	145,294
Transfer to inventories	(11,462)	(11,311)
	<hr/>	<hr/>
At 31 December	145,371	133,983
	<hr/>	<hr/>

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13. PROPERTY DEVELOPMENT COSTS (CONT'D)

The land under property development pledged as security for bank borrowings (Notes 20, 21 and 25) at the balance sheet date was RM41,316,000 (2004 - RM16,867,000).

Borrowing costs of RM6,200,000 (2004 - RM17,980,000) as disclosed in Note 29, arising from funds borrowed specifically for property development activities, were capitalised during the financial year and included in development costs incurred during the financial year.

14. TRADE RECEIVABLES

	THE GROUP	
	2005 RM'000	2004 RM'000
Trade receivables	47,239	85,016
Allowance for doubtful debts:-		
At 1 January	(7,244)	(6,735)
Allowance for the financial year	(2,758)	(1,413)
Reversal of allowance no longer required	505	752
Written off	-	163
Currency translation difference	-	(11)
At 31 December	(9,497)	(7,244)
	<u>37,742</u>	<u>77,772</u>

Included in trade receivables of the Group is an amount of RM819,000 (2004 - RM536,000) owing by related parties. The nature of the related party relationships and the details of the transactions involved are disclosed in Notes 38 and 39 to the financial statements.

The Group's range of normal trade receivable credit terms are as follows:-

- (i) Hotel : cash terms to 60 days, and 90 days for government agencies.
- (ii) Property investment : cash terms to 7 days.
- (iii) Property development : in accordance with the Housing Development Act schedule of payment.
- (iv) Others : cash terms to 60 days.

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15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Other receivables, deposits and prepayments	15,779	9,605	925	698
Allowance for doubtful debts:-				
At 1 January	(196)	(157)	-	-
Allowance during the financial year	-	(39)	-	-
At 31 December	(196)	(196)	-	-
	<u>15,583</u>	<u>9,409</u>	<u>925</u>	<u>698</u>

Included in other receivables, deposits and prepayments of the Group is an amount of RM1,000 (2004 - Nil) owing by related parties. The nature of the related party relationships and the details of the transactions involved are disclosed in Notes 38 and 39 to the financial statements.

16. AMOUNT OWING BY/TO SUBSIDIARIES

	THE COMPANY	
	2005 RM'000	2004 RM'000
Amount owing by subsidiaries		
- interest bearing	243,127	244,052
- non-interest bearing	811,658	885,675
	<u>1,054,785</u>	<u>1,129,727</u>
Amount owing to subsidiaries		
- interest bearing	123,127	124,053
- non-interest bearing	195,039	226,661
	<u>318,166</u>	<u>350,714</u>

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16. AMOUNT OWING BY/TO SUBSIDIARIES (CONT'D)

The amounts owing are unsecured and not subject to fixed terms of repayment.

The term loans of the Company amounting to RM120,000,000 (2004 - RM120,000,000) and that of a subsidiary amounting to RM123,123,000 (2004 - RM124,053,000) are fully utilised by the other subsidiaries within the Group. The interest charged by the financial institutions amounting to RM18,529,500 (2004 - RM20,403,541) are entirely borne by the subsidiaries utilising the abovementioned term loans. As such, the Company and the aforesaid subsidiary do not record the interest expense.

Interest incurred by the Company and the abovementioned subsidiary in relation to the above term loans is reimbursed by the other subsidiaries that utilised the funds based on the rates charged by the relevant financial institutions ranging from 6.7% to 8.2% (2004 - 7.0% to 8.0%) per annum.

17. CASH AND BANK BALANCES

	THE GROUP		THE COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Fixed deposits with financial institutions	229	284	-	-
Cash held at hand and banks	4,184	8,520	54	121
Cash held under housing development accounts	620	2,555	-	-
	<u>5,033</u>	<u>11,359</u>	<u>54</u>	<u>121</u>

Fixed deposits of the Group amounting to RM7,048 (2004 - RM6,210) are pledged to financial institutions to secure banking facilities granted to the Group.

Included in cash and bank balances of the Group is an amount of RM276,700 (2004 - RM311,957) which is pledged in favour of Corporation Strata Plan in Australia.

The effective interest rates of the fixed deposits at the balance sheet date ranged from 2.7% to 3.3% (2004 - 3.0% to 4.0%) per annum.

The maturity periods of the fixed deposits range from 1 month to 6 months (2004 - 1 month to 15 months).

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18. TRADE PAYABLES

Included in trade payables of the Group is an amount of RM834,000 (2004 - RM1,949,000) owing to related parties. The nature of the related party relationships and the details of the transactions involved are disclosed in Notes 38 and 39 to the financial statements.

The normal credit terms granted to the Group range from cash terms to 90 days. Retention sums for property development contracts are payable upon the expiry of the defects liability period of the respective property development contracts. The defects liability period of the property development contracts is 18 months.

19. OTHER PAYABLES AND ACCRUALS

	THE GROUP		THE COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Other payables and accruals	68,061	58,034	7,149	2,086
Hire purchase and lease payables:				
- portion repayable within one year	333	293	-	-
	<u>68,394</u>	<u>58,327</u>	<u>7,149</u>	<u>2,086</u>

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19. OTHER PAYABLES AND ACCRUALS (CONT'D)

	THE GROUP	
	2005 RM'000	2004 RM'000
Hire purchase and lease payables are made up of:-		
Minimum hire purchase and lease payments:		
- not later than one year	360	325
- later than one year and not later than five years	320	305
- later than five years	-	22
	<hr/>	<hr/>
Future finance charges	680 (46)	652 (55)
	<hr/>	<hr/>
Hire purchase and lease payables	634	597
	<hr/>	<hr/>
The net hire purchase and lease payables are repayable as follows:-		
Current:		
- not later than one year	333	293
Non-Current:		
- later than one year and not later than five years	301	283
- later than five years	-	21
	<hr/>	<hr/>
Total non-current portion (Note 25)	301	304
	<hr/>	<hr/>
	634	597
	<hr/>	<hr/>

Included in other payables and accruals of the Group and the Company are amounts of RM13,537,000 (2004 - RM1,774,000) and RM5,987,000 (2004 - RM155,000), respectively owing to related parties. The nature of the related party relationships and the details of transactions involved are disclosed in Notes 38 and 39 to the financial statements.

The effective interest rate of the hire purchase and lease payables was 4.9% (2004 - 6.3%) per annum at the balance sheet date.

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20. BANK OVERDRAFTS

The bank overdrafts bear effective interest rates ranging from 8.1% to 8.35% (2004 - 8.1%) per annum and are secured in the same manner as the short term borrowings as disclosed in Note 21 and Note 25 to the financial statements.

21. SHORT TERM BORROWINGS

	THE GROUP	
	2005 RM'000	2004 RM'000
SECURED		
Short term loan	5,620	-
Revolving credit	1,000	1,000
Bridging loans	20,881	34,200
Portion repayable within one year (Note 25):		
- bridging loans	-	23,000
- term loans	19,116	5,262
	<u>46,617</u>	<u>63,462</u>

The short term borrowings bear a weighted average effective interest rate of 7.89% (2004 - 7.71%) per annum and are secured by way of legal charges over certain landed properties of the Group as disclosed in Notes 7, 8 and 13 to the financial statements.

The borrowings of the subsidiaries are further secured by corporate guarantees of the Company.

22. SHARE CAPITAL

	THE COMPANY			
	2005 NUMBER OF SHARES	2004	2005 RM'000	2004 RM'000
ORDINARY SHARES OF RM1.00 EACH:-				
AUTHORISED	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
ISSUED AND FULLY PAID-UP	<u>710,341,402</u>	<u>710,341,402</u>	<u>710,341</u>	<u>710,341</u>

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23. RESERVES

	THE GROUP		THE COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Non-distributable reserves:-				
Share premium	62,372	62,372	62,372	62,372
Revaluation reserve	83,773	93,610	185,936	185,936
Exchange fluctuation reserve	6,242	6,286	-	-
	152,387	162,268	248,308	248,308
Accumulated losses	(91,690)	(85,079)	(190,180)	(191,617)
	<u>60,697</u>	<u>77,189</u>	<u>58,128</u>	<u>56,691</u>

24. DEFERRED TAX LIABILITY

	THE GROUP	
	2005 RM'000	2004 RM'000
At 1 January	50,133	50,089
Transfer (to)/from income statements	(452)	44
At 31 December	<u>49,681</u>	<u>50,133</u>

The deferred tax liability is in respect of the following temporary differences:-

	THE GROUP	
	2005 RM'000	2004 RM'000
Capital allowances in excess of depreciation	25,998	26,512
Unabsorbed capital allowances	(74)	(177)
Unutilised tax losses	(806)	(915)
Revaluation surplus of revalued properties	24,839	24,839
Others	(276)	(126)
	<u>49,681</u>	<u>50,133</u>

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25. LONG TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
SECURED				
Bridging loans	-	25,000	-	-
Term loans	318,147	320,557	120,000	120,000
	318,147	345,557	120,000	120,000
Portion repayable within one year (Note 21):				
- bridging loans	-	(23,000)	-	-
- term loans	(19,116)	(5,262)	-	-
	(19,116)	(28,262)	-	-
Portion repayable after one year	299,031	317,295	120,000	120,000
Hire purchase and lease payables (Note 19)	301	304	-	-
	299,332	317,599	120,000	120,000
The net long term borrowings are repayable as follows:-				
Within one to two years	28,939	19,321	-	-
Within two to five years	112,019	125,715	16,000	16,000
After five years	158,374	172,563	104,000	104,000
	299,332	317,599	120,000	120,000

The long term borrowings bear a weighted average effective interest rate of 7.70% (2004 - 7.69%) per annum and are secured in the same manner as the short term borrowings as disclosed in Note 21 to the financial statements.

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26. NET TANGIBLE ASSETS PER SHARE

The net assets per share is calculated by dividing the net assets value at the balance sheet date of RM771,038,000 (2004 - RM787,530,000) by the number of ordinary shares in issue at the balance sheet date of 710,341,402 (2004 - 710,341,402).

27. REVENUE

Revenue of the Group represents the proportionate sales value of development properties, the invoiced sales value less discounts from restaurant business, hotel and golf operations, rental income from commercial and shopping space, and the invoiced value of goods sold less returns and trade discounts, whilst revenue of the Company represents management fees and dividend income.

Details of the revenue of the Group are as follows:-

	THE GROUP	
	2005 RM'000	2004 RM'000
Property development and management	43,154	101,965
Leisure and hospitality	40,815	39,667
Rental of retail and office space	27,546	26,718
Sale of goods	343	866
	<hr/>	<hr/>
	111,858	169,216
	<hr/>	<hr/>

Details of the revenue of the Company are as follows:-

	THE COMPANY	
	2005 RM'000	2004 RM'000
Management fees	790	1,486
Dividend income	3,260	9,230
	<hr/>	<hr/>
	4,050	10,716
	<hr/>	<hr/>

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28. COST OF SALES

	THE GROUP	
	2005 RM'000	2004 RM'000
Property development	33,190	69,116
Leisure and hospitality	6,187	6,380
Sale of goods	586	518
	<hr/>	<hr/>
	39,963	76,014
	<hr/>	<hr/>

29. FINANCE COSTS

	THE GROUP	
	2005 RM'000	2004 RM'000
Total interest expense	30,626	29,627
Interest capitalised into:		
- property, plant and equipment (Note 7)	(153)	(54)
- land held for development (Note 10)	(18,989)	(5,048)
- property development costs (Note 13)	(6,200)	(17,980)
	<hr/>	<hr/>
	5,284	6,545
	<hr/>	<hr/>

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30. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/Profit before taxation is arrived at after charging/(crediting):-

	THE GROUP		THE COMPANY	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:				
- statutory audit:				
- for the financial year	173	155	40	38
- underprovision				
in previous financial year	13	-	-	3
- other services	1	5	-	5
Bad debts written off	-	11	-	-
Depreciation of property, plant and equipment	4,182	4,907	15	33
Deficit from revaluation of properties	116	-	-	-
Directors' remuneration:				
- fee	90	90	-	-
- emoluments	1,652	1,810	-	-
- allowances	32	15	14	15
- benefits-in-kind	28	39	-	-
Impairment loss on investment property	9,787	-	-	-
Interest expense:				
- term loans/bridging loans	4,791	5,701	-	-
- bank overdrafts	447	800	-	-
- hire purchase	46	47	-	-
- others	-	(3)	-	38
Net allowance for doubtful debts	2,253	700	-	-
Rental of equipment	206	190	7	7
Rental of premises	54	50	43	20
Write-down of inventories	-	320	-	-
Dividend income from subsidiaries	-	-	(3,260)	(9,230)
Net gain on disposal of property, plant and equipment	(5,586)	(99)	(67)	(13)
Interest income	(409)	(976)	(202)	(15)
Rental income	(28,495)	(27,402)	-	-
Realised gain on foreign exchange	(54)	(41)	-	-

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31. TAXATION

	THE GROUP		THE COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Income tax:				
- for the financial year	(3,381)	(4,149)	(689)	(2,588)
- over/(under)provision in previous financial years	3	193	-	(5)
Deferred taxation:				
- for the financial year	3,648	(1,149)	-	(10)
- (under)/overprovision in previous financial year	373	(698)	(42)	230
	<u>643</u>	<u>(5,803)</u>	<u>(731)</u>	<u>(2,373)</u>

Numerical reconciliation of the statutory tax rate to the effective tax rate applicable to the profit/(loss) before taxation is as follows:-

	THE GROUP		THE COMPANY	
	2005 %	2004 %	2005 %	2004 %
Statutory tax rate	(28.00)	28.00	28.00	28.00
Tax effects of:-				
Non-deductible expenses	32.14	8.81	4.71	4.05
Non-taxable income	-	(0.18)	(0.88)	(0.04)
(Over)/Underprovision in previous financial years	(5.18)	3.40	1.89	(2.78)
Utilisation of previously unrecognised tax benefit	(17.79)	(5.39)	-	-
Deferred tax not recognised	11.21	3.40	-	-
Differential tax rate in other countries	-	(0.08)	-	-
Others	(1.24)	1.09	-	-
Effective tax rate	<u>(8.86)</u>	<u>39.05</u>	<u>33.72</u>	<u>29.23</u>

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32. EARNINGS PER SHARE

The basic earnings per share is calculated based on the Group's (loss)/profit after taxation for the financial year divided by the number of ordinary shares of the Company in issue during the financial year of 710,341,402 (2004 - 710,341,402).

The diluted earnings per share is not applicable as the effect of potential ordinary shares arising from the ESOS is anti-dilutive.

33. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	THE GROUP		THE COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Additions of property, plant and equipment	2,388	7,761	17	22
Capitalisation of interest	(153)	(54)	-	-
Cost of property, plant and equipment purchased	2,235	7,707	17	22
Amount financed through hire purchase and lease	(372)	(270)	-	-
Cash disbursed for purchase of property, plant and equipment	1,863	7,437	17	22

34. CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statements, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Fixed deposits with financial institutions	229	284	-	-
Cash and bank balances	4,804	11,075	54	121
Bank overdrafts	(4,963)	(4,998)	-	-
	70	6,361	54	121

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35. CONTINGENT LIABILITIES

	THE GROUP		THE COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
UNSECURED				
Guarantees given to financial institutions for facilities granted to subsidiaries	-	-	1,293	2,504
Guarantees given to third parties for credit facilities granted to subsidiaries	-	-	2,382	2,545
Guarantees given to a third party in relation to warranties provided on the disposal of a hotel property	7,700	7,700	-	-
	7,700	7,700	3,675	5,049
SECURED				
Guarantees given to financial institutions for facilities granted to subsidiaries	-	-	229,951	263,847
Guarantees given to a third party for rights to enter and construct a road on the third party's land	4,200	4,200	-	-
	<u>11,900</u>	<u>11,900</u>	<u>233,626</u>	<u>268,896</u>

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36. SEGMENTAL INFORMATION - GROUP

(i) By business segment:-

	HOTEL		PROPERTY DEVELOPMENT		PROPERTY INVESTMENT		OTHERS		ELIMINATIONS		CONSOLIDATED	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
SEGMENT REVENUE												
Revenue from external customers	36,080	34,690	43,559	102,860	27,608	26,942	4,611	4,724	-	-	111,858	169,216
Inter-segment revenue	423	423	8,572	-	2,007	613	790	1,450	(11,792)	(2,486)	-	-
Total revenue	36,503	35,113	52,131	102,860	29,615	27,555	5,401	6,174	(11,792)	(2,486)	111,858	169,216
SEGMENT RESULTS												
Segment (loss)/profit	10,974	6,217	(13,458)	7,186	12,855	10,929	(12,341)	(2,924)	-	-	(1,970)	21,408
Interest expense											(5,284)	(6,545)
Profit before taxation											(7,254)	14,863
Taxation											643	(5,803)
Profit after taxation											(6,611)	9,060

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36. SEGMENTAL INFORMATION - GROUP (CONT'D)

(i) By business segment (cont'd):-

OTHER INFORMATION	HOTEL		PROPERTY DEVELOPMENT		PROPERTY INVESTMENT		OTHERS		ELIMINATIONS		CONSOLIDATED	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	318,556	331,271	409,344	430,627	481,731	504,305	71,483	71,382	-	-	1,281,114	1,337,585
Unallocated assets	-	-	-	-	-	-	-	-	-	-	23,625	20,124
Consolidated total assets	318,556	331,271	409,344	430,627	481,731	504,305	71,483	71,382	-	-	1,304,739	1,357,709
Segment liabilities	11,059	12,280	58,649	68,423	20,947	18,197	6,867	3,401	-	-	97,522	102,301
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	436,179	467,878
Consolidated total liabilities	11,059	12,280	58,649	68,423	20,947	18,197	6,867	3,401	-	-	533,701	570,179
Capital expenditure (excluding interest capitalisation)	637	960	419	3,761	203	631	976	2,355	-	-	2,235	7,707
Amortisation and depreciation	(868)	(978)	(1,123)	(1,381)	(651)	(716)	(1,540)	(1,832)	-	-	(4,182)	(4,907)

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36. SEGMENTAL INFORMATION - GROUP (CONT'D)

(ii) By geographical market:-

	SEGMENT REVENUE		SEGMENT ASSETS		CAPITAL EXPENDITURE	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Malaysia	111,858	169,216	1,303,797	1,357,026	2,235	7,707
Australia	-	-	474	683	-	-
Singapore	-	-	468	-	-	-
	<u>111,858</u>	<u>169,216</u>	<u>1,304,739</u>	<u>1,357,709</u>	<u>2,235</u>	<u>7,707</u>

37. SIGNIFICANT RELATED COMPANY TRANSACTIONS

Transactions between the Company and its subsidiaries:-

	THE COMPANY	
	2005 RM'000	2004 RM'000
Dividends received from subsidiaries	3,260	9,230
Management fees from subsidiaries	257	257
Project management fee from subsidiaries	533	1,229
Rental of premises paid to subsidiaries	38	-
	<u>38</u>	<u>-</u>

38. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a)(i) Transactions between the Group and related parties:-

NAME OF RELATED PARTIES	RELATIONSHIPS	NATURE OF TRANSACTIONS	TRANSACTION VALUE – (REVENUE)/EXPENSE THE GROUP	
			2005 RM'000	2004 RM'000
<u>RECURRENT</u>				
Bena Sakti Sdn. Bhd.	(d), (e), (k)	Share registration services	13	17
The Cellarium Sdn. Bhd.	(l)	Purchase of wines	89	102
Puthucheary Firoz & Mai	(m)	Legal services	-	26

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38. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(a)(i) Transactions between the Group and related parties:-

NAME OF RELATED PARTIES	RELATIONSHIPS	NATURE OF TRANSACTIONS	TRANSACTION VALUE - (REVENUE)/EXPENSE THE GROUP	
			2005 RM'000	2004 RM'000
<u>RECURRENT</u>				
Commune Products	(s)	Commission received	(18)	(3)
Capitol Hotel Sdn. Bhd.	(b), (d), (e), (k)	Advertising and promotional services	-	(4)
L.Y.C. Incorporation Sdn. Bhd.	(d), (e), (h)	Nursery and landscaping	-	(1)
Merdeka Management Services Sdn. Bhd.	(b), (d), (k), (t)	Advertising and promotional services	-	(5)
		Letting of premises	(38)	(60)
		Technical and management services	334	722
Low Yat And Sons Realty Sdn. Bhd.	(b), (c), (f), (g), (k)	Advertising and promotional services	-	(5)
		Letting of premises	(20)	(20)
		Nursery and landscaping	(16)	(22)
		Renting of equipment	40	117
Low Yat Construction Company Sdn. Berhad	(b), (c), (d), (e), (g), (k)	Letting of premises	(237)	(237)
Malayan Coffee Sdn. Bhd.	(d), (e), (k)	Letting of premises	(146)	(148)
		Advertising and promotional services	-	(4)
Indah Jaya Development Sdn. Bhd.	(c), (d), (e), (k)	Letting of premises	(787)	(769)
		Nursery and landscaping	(310)	(287)
		Advertising and promotional services	-	(8)
Oriental Development Sdn. Bhd.	(d),(e), (g), (h)	Renting of premises	49	49
Sem Siong Industries Sdn. Bhd.	(b), (c), (d), (e), (f), (g), (k)	Letting of premises	(21)	(12)
		Advertising and promotional services	-	(2)
		Nursery and landscaping	(10)	(36)
Federal Hotels Sendirian Berhad	(b), (d), (f), (g), (k)	Advertising and promotional services	(38)	(4)

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38. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(a)(i) Transactions between the Group and related parties:-

NAME OF RELATED PARTIES	RELATIONSHIPS	NATURE OF TRANSACTIONS	TRANSACTION VALUE - (REVENUE)/EXPENSE THE GROUP	
			2005 RM'000	2004 RM'000
<u>RECURRENT</u>				
Meridian Asset Management Sdn. Bhd.	(r)	Letting of premises	(99)	(99)
LGS Development Sdn. Bhd.	(e), (i)	Letting of premises	(41)	(9)
Hotel Fair Lane Sdn. Bhd.	(d), (e), (h)	Renting of premises	3	14
Zamahan Sdn. Bhd.	(a)	Commission paid	-	3
Panca Melati Auto Sdn. Bhd.	(n)	Commission paid	-	6
Bintang Automachinery Sdn. Bhd.	(e),(i)	Letting of premises Repair and maintenance services	(54) 1,488	- -
Federal Hotels International Sdn. Bhd.	(b),(e),(k)	Technical and management services	480	-
<u>NON-RECURRENT</u>				
Low Yat Construction Company Sdn. Berhad	(b), (c), (d), (e), (g), (k)	Net (advances)/ repayment of advances	(5,809)	1,546
Oriental Development Sdn. Bhd.	(d),(e), (g), (h)	Deposit refunded	-	(10,000)
Orient Pacific Property Sdn. Bhd.	(d), (e), (h)	Advances received	(785)	(1,000)
Bintang Maintenance and Projects Sdn. Bhd.	(d), (e), (k)	Net advances	(1)	(33)
Indah Jaya Development Sdn. Bhd.	(c), (d), (e), (k)	Net advances	(816)	(33)
Bintang Holdings Sdn. Bhd.	(d), (e), (k)	Proceeds from sale of land	14,250	-

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38. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(a)(i) Transactions between the Group and related parties:-

NAME OF RELATED PARTIES	RELATIONSHIPS	NATURE OF TRANSACTIONS	TRANSACTION VALUE - (REVENUE)/EXPENSE THE GROUP	
			2005 RM'000	2004 RM'000
<u>NON-RECURRENT</u>				
Sem Siong Industries Sdn. Bhd.	(b), (c), (d), (e), (f), (g), (k)	Net advances	(2,702)	-
Federal Hotels Sendirian Berhad	(b), (d), (f), (g), (k)	Net advances	(9)	-
Federal Hotels International Sdn. Bhd.	(b), (e), (k)	Repayment of advances	2	-
Capitol Hotel Sdn. Bhd.	(b), (d), (e), (k)	Net repayment of advances	(2)	-
Linkbond (Asia) Ltd	(b), (c), (h), (o)	Net advances	(6)	-
Low Yat And Sons Realty Sdn. Bhd.	(b), (c), (f), (g), (k)	Net repayment of advances	17	-
			<hr/>	<hr/>

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38. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(a)(ii) Directors' remuneration

Details of remuneration to the directors of the Company are as follows:-

	NO. OF DIRECTORS	SALARIES RM'000	FEES RM'000	ALLOWANCES RM'000	BENEFITS IN KIND RM'000	TOTAL RM'000
YEAR 2005						
EXECUTIVE						
- Between RM150,001 and RM200,000	1	182	-	9	-	191
- Between RM200,001 and RM250,000	1	236	-	9	-	245
- Between RM250,001 and RM300,000	1	266	-	-	-	266
- Between RM300,001 and RM350,000	1	340	-	-	9	349
- Between RM600,001 and RM650,000	1	628	-	-	19	647
	5	1,652	-	18	28	1,698
NON-EXECUTIVE						
- Less or equal to RM50,000	3	-	90	14	-	104
	8	1,652	90	32	28	1,802

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38. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(a)(ii) Directors' remuneration

Details of remuneration to the directors of the Company are as follows:-

	NO. OF DIRECTORS	SALARIES RM'000	FEES RM'000	ALLOWANCES RM'000	BENEFITS IN KIND RM'000	TOTAL RM'000
YEAR 2004						
EXECUTIVE						
- Between						
RM150,001 and RM200,000	1	183	-	-	6	189
- Between						
RM200,001 and RM250,000	1	236	-	-	2	238
- Between						
RM250,001 and RM300,000	1	266	-	-	-	266
- Between						
RM300,001 and RM400,000	1	340	-	-	12	352
- Between						
RM800,001 and RM850,000	1	785	-	-	19	804
	5	1,810	-	-	39	1,849
NON-EXECUTIVE						
- Less or equal to RM50,000	3	-	90	15	-	105
	8	1,810	90	15	39	1,954

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38. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) Transactions between the Company and related parties:-

NAME OF RELATED PARTIES	RELATIONSHIPS	NATURE OF TRANSACTIONS	TRANSACTION VALUE - (REVENUE)/EXPENSE THE COMPANY	
			2005 RM'000	2004 RM'000
<u>RECURRENT</u>				
Bena Sakti Sdn. Bhd.	(d), (e), (k)	Share registration services	13	17
<u>NON-RECURRENT</u>				
Low Yat Construction Company Sdn. Berhad	(b), (c), (d), (e), (g), (k)	Net advances	5,812	1,551
Bena Sakti Sdn. Bhd.	(d), (e), (k)	Net advances	9	-
Federal Hotels Sendirian Berhad	(b), (d), (f), (g), (k)	Net advances	11	-

Notes:-

- (a) A company in which Tan Sri Dato' Hanafiah Bin Hussain is a director and substantial shareholder.
- (b) A company in which Low Gee Tat @ Gene Low is a director.
- (c) A company in which Low Gee Teong is a director.
- (d) A company in which Low Su Ming is a director.
- (e) A company in which Low Gee Soon is a director.
- (f) A company in which Dato' Jeffrey Ng Tiong Lip is a director.
- (g) A company in which Tan Sri Dato' Low Yow Chuan is a director.
- (h) A company in which Low Gee Tat @ Gene Low, Low Gee Teong, Low Su Ming and Low Gee Soon have substantial interests.
- (i) A company in which Low Gee Soon is a substantial shareholder.
- (j) A company in which Low Su Ming has a substantial interest.
- (k) A company in which Low Gee Tat @ Gene Low, Low Gee Teong, Low Gee Soon and Tan Sri Dato' Low Yow Chuan have substantial interests.
- (l) A company in which Dato' Jeffrey Ng Tiong Lip's wife, Martha Yang, his sister, Ng Chiew Ping and his brother, Ng Tiong Yee are substantial shareholders. Martha Yang and Ng Chiew Ping are also the directors of the company.

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38. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

- (m) *A firm in which Low Gee Soon's wife, Cheng Mai, is a partner.*
- (n) *A company in which Datuk Haji Noordin Bin Haji Abdul Razak is a director and substantial shareholder.*
- (o) *A company in which Tan Hong Lean is a director. Tan Hong Lean is the mother of Low Gee Tat @ Gene Low, Low Gee Teong, Low Su Ming and Low Gee Soon.*
- (p) *A company in which Low Gee Tat @ Gene Low, Low Gee Teong, Low Su Ming, Low Gee Soon and Tan Sri Dato' Low Yow Chuan have substantial interests.*
- (q) *Tan Sri Dato' Low Yow Chuan is a deemed substantial shareholder of Asia Pacific Land Berhad and was also the former executive chairman of the Company. He is the father of Low Gee Tat @ Gene Low, Low Gee Teong, Low Su Ming and Low Gee Soon and also the uncle of Dato' Jeffrey Ng Tiong Lip.*
- (r) *A company in which Dato' Jeffrey Ng Tiong Lip's brother, Ng Tiong Yee is a managing director.*
- (s) *A sole proprietorship owned by Low Gee Tat @ Gene Low.*
- (t) *A company in which Dato' Jeffrey Ng Tiong Lip and Woon Siew Choo are alternate directors.*

Low Gee Tat @ Gene Low and Low Gee Teong are deemed substantial shareholders of the Company and directors of the Company and certain subsidiaries of the Group. Low Gee Soon is a deemed substantial shareholder of the Company and a director of certain subsidiaries of the Group. Dato' Jeffrey Ng Tiong Lip is a director of the Company and certain subsidiaries of the Group.

In the opinion of the directors, the above transactions entered into with the related parties are in the ordinary course of business on terms mutually agreed upon between the parties.

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39. SIGNIFICANT RELATED PARTY BALANCES

NAME OF RELATED PARTIES	RELATIONSHIPS (REFER TO NOTE 39)	TRADE RECEIVABLES THE GROUP		OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS THE GROUP	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Federal Hotels International Sdn. Bhd.	(b), (e), (k)	87	70	-	-
Capitol Hotel Sdn. Bhd.	(b), (d), (e), (k)	37	35	-	-
Federal Hotels Sendirian Berhad	(b), (d), (f), (g), (k)	46	42	-	-
Federal Hotel Singapore Pte Ltd	(c), (j), (k)	7	7	-	-
Indah Jaya Development Sdn. Bhd.	(c), (d), (e), (k)	414	144	-	-
Low Yat Construction Company Sdn. Berhad	(b), (c), (d), (e), (g), (k)	14	13	-	-
Low Yat And Sons Realty Sdn. Bhd.	(b), (c), (f), (g), (k)	36	25	-	-
Mandarin Palace (Malaysia) Sdn. Bhd.	(d), (e), (k)	-	2	-	-
Malayan Coffee Sdn. Bhd.	(d), (e), (k)	36	56	-	-
Merdeka Management Services Sdn. Bhd.	(b), (d), (k), (t)	110	99	-	-
Sem Siong Industries Sdn. Bhd.	(b), (c), (d), (e), (f), (g), (k)	15	29	-	-
Orient Pacific Property Sdn. Bhd.	(d), (e), (h)	1	-	-	-
Bintang Maintenance and Projects Sdn. Bhd.	(d), (e), (k)	-	-	1	-
Hotel Fair Lane Sdn. Bhd.	(d), (e), (h)	2	-	-	-
Bintang Tower Sdn. Bhd.	(e), (g), (p)	5	3	-	-
Lipis Cement Sdn. Bhd.	(d), (e), (p)	4	6	-	-
Linkbond (Asia) Ltd.	(b), (c), (h), (o)	5	5	-	-
		<u>819</u>	<u>536</u>	<u>1</u>	<u>-</u>

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39. SIGNIFICANT RELATED PARTY BALANCES (CONT'D)

NAME OF RELATED PARTIES	RELATIONSHIPS (REFER TO NOTE 39)	TRADE PAYABLES THE GROUP		OTHER PAYABLES AND ACCRUALS THE GROUP	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Bintang Maintenance and Projects Sdn. Bhd.	(d), (e), (k)	-	-	12	37
Bena Sakti Sdn. Bhd.	(d), (e), (k)	-	-	18	10
Capitol Hotel Sdn. Bhd.	(b), (d), (e), (k)	-	-	15	18
Federal Hotels International Sdn. Bhd.	(b), (e), (k)	-	-	416	1
Federal Hotels Sendirian Berhad	(b), (d), (f) (g), (k)	2	7	49	23
Hotel Fair Lane Sdn. Bhd.	(d), (e), (h)	-	-	19	14
Indah Jaya Development Sdn. Bhd.	(c), (d), (e) (k)	-	-	1,004	99
Low Yat And Sons Realty Sdn. Bhd.	(b), (c), (f) (g), (k)	-	2	9	2
Low Yat Construction Company Sdn. Berhad	(b), (c), (d) (e), (g), (k)	-	-	5,992	180
Linkbond (Asia) Ltd.	(b), (c), (h), (o)	-	-	7	23
LYC Private Limited	(b), (p)	-	-	339	339
Merdeka Management Services Sdn. Bhd.	(b), (d), (k), (t)	823	1,920	1,140	-
Mandarin Palace (Malaysia) Sdn. Bhd.	(d), (e), (k)	-	-	12	12
Orient Pacific Property Sdn. Bhd.	(d), (e), (h)	-	-	1,000	1,000
Oriental Development Sdn. Bhd.	(d), (e), (g), (h)	-	-	12	16
Malayan Coffee Sdn. Bhd.	(d), (e), (k)	9	1	3	-
The Cellarium Sdn. Bhd.	(l)	-	19	4	-
Sem Siong Industries Sdn. Bhd.	(b), (c), (d) (e), (f), (g), (k)	-	-	3,486	-
		<u>834</u>	<u>1,949</u>	<u>13,537</u>	<u>1,774</u>

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39. SIGNIFICANT RELATED PARTY BALANCES (CONT'D)

NAME OF RELATED PARTIES	RELATIONSHIPS (REFER TO NOTE 39)	OTHER PAYABLES AND ACCRUALS THE COMPANY	
		2005 RM'000	2004 RM'000
Low Yat Construction Company Sdn. Berhad	(b), (c), (d) (e), (g), (k)	5,957	145
Bena Sakti Sdn. Bhd.	(d), (e), (k)	19	10
Federal Hotels Sendirian Berhad	(b), (d), (f), (g), (k)	11	-
		<hr/>	<hr/>
		5,987	155

In the opinion of the directors, the trade balances with the related parties are based on normal commercial terms. The non-trade balances with the related parties are unsecured, interest-free and not subject to fixed terms of repayment.

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 15 August 2005, Marina Mirage Hotel Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into two conditional Sale and Purchase Agreements ("SPA") with a related party, Bintang Holdings Sdn. Bhd. in relation to the disposal of three pieces of land for a total cash consideration of RM14.25 million.

41. SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

On 23 January 2006, Island Bay Resorts Sdn. Bhd. ("IBRSB") (formerly known as Mount Pleasure Corporation Sdn. Bhd.), a wholly-owned subsidiary of the Company, entered into a Joint Venture (Development) Agreement with IJM Properties Sdn. Bhd. for the purpose of carrying out a mixed development comprising residential and/or commercial units on a joint-venture basis on the Company's existing development landbank measuring approximately 30.26 acres and the adjacent development land known as UOB Land measuring approximately 11.312 acres located at Mount Pleasure Resort, Batu Ferringhi, Penang.

On 26 January 2006, IBRSB entered into a Sale and Purchase Agreement ("SPA") with Mister Phoenix (M) Sdn. Bhd. to dispose of its freehold hotel property and the related fixed plant for a total consideration of RM43,000,002. Accordingly, an impairment loss of approximately RM18.0 million has been recognised in the financial statements for the financial year ended 31 December 2005. The impairment loss has been adjusted against the revaluation reserve and income statement of approximately RM8.2 million and RM9.8 million respectively.

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42. EMPLOYEES INFORMATION

	THE GROUP		THE COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Staff costs	29,720	32,415	1,222	1,023

The number of employees of the Group and of the Company (including executive directors) at the end of the financial year was 1,078 (2004 - 1,220) and 15 (2004 - 19) respectively.

43. FOREIGN EXCHANGE RATES

The applicable foreign exchange rates used (expressed on the basis of one unit of foreign currency to Ringgit Malaysia equivalent) for the translation of foreign currency balances at the balance sheet date are as follows:-

	At 31.12.2005 RM	AVERAGE 2005 RM	At 31.12.2004 RM	AVERAGE 2004 RM
Australian Dollar	2.767	2.880	2.960	2.803
Singapore Dollar	2.273	2.274	2.320	2.252

44. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced sale or liquidation.

The following methods and assumptions are used to estimate the fair value of each class of financial assets and financial liabilities of the Group and of the Company:-

(a) Cash and Bank Balances and Short Term Receivables

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

(b) Unquoted Investment

It is not practicable to determine the fair values because of the lack of quoted market price and inability to estimate the fair values without incurring excessive costs.

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44. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

(c) Short Term Borrowings and Other Current Liabilities

The carrying amounts approximated their fair values because of the short period to maturity of these instruments.

(d) Amount Owning By/To Subsidiaries

It is not practicable to determine the fair values of the amount owing by/to subsidiaries principally due to the lack of fixed repayment terms. However, the Company does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

(e) Long Term Borrowings

The carrying amounts approximated their fair values as these instruments bear interest at variable rates.

(f) Hire Purchase and Lease Payables

The fair values of hire purchase and lease payables are determined by discounting the relevant cash flows using current interest rates for similar types of instruments.

Lodged by : Oh Leen May / Chan Kam Lye
MAICSA No. 0731489 MAICSA No. 7009907

Address : 49th Floor, Empire Tower
City Square Centre
Jalan Tun Razak
50400 Kuala Lumpur

Telephone No : 03-21631200

Lodged in the office of the Companies Commission of Malaysia, Kuala Lumpur.