

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

NOTES TO THE INTERIM FINANCIAL REPORT

A 1. Accounting Policies

The interim financial report is unaudited and has prepared in accordance with FRS 134, Interim Financial Reporting (Formerly known as MASB 26) and Paragraph 9.22 and part A of Appendix 9B of Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2004.

A 2. Audit Report

The preceding audited financial statements for the year ended 31 December 2004 was not qualified.

A 3. Seasonal or Cyclical Factors

The Group's operations were not significantly affected by seasonal or cyclical factors in this financial period to date other than the hotel performance which is usually influenced positively by the festive seasons and holiday.

A 4. Unusual Items

There were no material items affecting assets, liabilities equity, net income or cash flows that are unusual because of their nature, size or incidence.

A 5. Changes in Estimate

There were no material changes in estimate which have a material effect in the current interim period.

A 6. Debts and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current financial period to date.

A 7. Dividends Paid

There were no dividends paid during the financial period under review.

A8. Segmental Reporting

Analysis by business segment of industries for the period ended 31 December 2005 :

	Hotel RM ' 000	Property Development RM ' 000	Property Investment RM ' 000	Others RM ' 000	Consolidated RM ' 000
Revenue					
External Sales	35,973	44,042	27,523	4,611	112,148
Results					
Segment operating profit/(loss)	10,824	(23,512)	22,213	(1,596)	7,929
Deficit on Revaluation					(9,927)
Net finance cost					(5,284)
Loss before taxation					(7,282)
Taxation					(1,158)
Loss after taxation					(8,440)

A9. Valuation of Property, Plant and Equipment and Investment Property

During the quarter under review, the Group has revalued its property included in property, plant and equipment and Investment Property. The valuations adopted were arrived at based on independent professional valuation at open market value on an existing use basis or the net book value of the property or the realizable value of the property, whichever is lower.

The revaluation deficit amounting to RM9.93 million has been charged to the income statement and another RM10.75 million in revaluation deficit was charged against revaluation reserve accounts during the quarter under reviewed.

A10. Subsequent Events

(1) Development Joint Venture

Subsequent to the year ended 31st December 2005, Island Bay Resort Sdn Bhd (formerly known as Mount Pleasure Resort Sdn Bhd) ("IBR"), a wholly owned subsidiary of Asia Pacific Land Berhad, has on 23rd January 2006, entered into a Development Joint Venture with IJM Properties Sdn Bhd ("IJMP"), for the purpose of carrying out a mixed development comprising residential and/or commercial units on a joint-venture basis on the IBR's existing development land bank measuring approximately 31.45 acres and the adjacent development land belonging to United Overseas Bank Berhad measuring approximately 11.312 acres located on Mount Pleasure Resort, Batu Ferringhi, Penang.

(2) Disposal of Ferringhi Beach Hotel, Penang

Subsequent to the year ended 31st December 2005, Island Bay Resort Sdn Bhd (formerly known as Mount Pleasure Resort Sdn Bhd) (“IBR”) , a wholly owned subsidiary of Asia Pacific Land Berhad, has on 26th January 2006, entered into a Sales and Purchase Agreement with Mister Phoenix (M) Sdn Bhd for the proposed disposal by IBR of the Ferringhi Beach Hotel, Penang, together with the hotel business as a going concern for a total cash consideration of Ringgit Malaysia Forty Three Million and Two only (RM43,000,002). Completion is expected to be 3 months with a one month extension from date of the Sales and Purchase Agreement and is subjected to the approval of the Foreign Investment Committee.

A11. Effect of changes in the composition of the Group

There were no material changes in the composition of the Group for the financial period to date including business combinations, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

A12. Changes in contingent liabilities

There were no material changes in contingent liabilities since 31 December 2004.

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD**

B1. Review of Performance

The Group registered a loss before taxation of RM15.3 million for the current quarter under review as compared to a profit before taxation of RM4.5 million for the corresponding quarter last year. The loss for the quarter is substantially due to the deficit on revaluation of Property, Plant & Equipment and Investment Properties amounting to RM9.9 million which was charged to the income statement of the current quarter. The Property Development Division continue to suffer losses due to lower sales achieved and erosion of profit margins as material and marketing cost increase. Sales booked in during the first half of the year for which purchasers have not obtained loans by year end were terminated during the quarter under review. Sales for the city development has been moderate despite the competitive market due to the numerous high end residential products coming onto the market in the KLCC vicinity.

The Hotel and Property Investment Divisions remain profitable and has maintained its revenue and profit before taxation contribution to the Group as compared to the corresponding quarter last year.

For the financial year 2005, the Group registered a loss before taxation of RM7.3 million after taking in the revaluation deficit of RM9.9 million, as well as a profit of RM4.0 million from the disposal of a piece of hotel land in Penang as compared to a profit before taxation of RM14.9 million in year 2004. The Hotel and Property Divisions registered improvements in year 2005 while the Property Development Division made a loss as compared to a profit in year 2004.

B2. Comment on material change in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter

The Group registered a loss before taxation of RM15.3 million for the current quarter under review as compared to a profit before taxation of RM5.3 million for the third quarter of the financial year. The loss registered in the fourth quarter was due to the deficit in revaluation of its property, plant and equipment and investment property amounting to RM9.9 million as well as the higher loss recorded by the Property Development Division as compared to the third quarter. In addition to the lower sales recorded during the fourth quarter, higher development cost provisions for the Property Development was also made in the quarter under review.

The profit before taxation of RM5.3 million recorded in the third quarter included a profit of RM4.0 million from the disposal of a piece of hotel land in Penang.

B3. Prospects

Outlook for the Hotel Division remain positive. The sale of the Ferringhi Beach Hotel in Penang in 2006 will not have a material impact on the operational profit contributions of the Hotel Division to the Group. Through continued efforts of the management team, our city hotel has managed to improve its market share as well as in its yield management. With the anticipated improvement in tourist arrivals and the improvement in the convention and exhibition sectors with the opening of the neighbouring KLCC Convention Centre in 2005, our city hotel will continue to put in place strategies to capture a bigger share of this market.

The Property Investment Division is also expected to benefit from the improvement in market rental rates. This will flow in as the existing tenancies come up for renewals as well as new tenancies to be secured.

Due to anticipated rising interest rates, house buyers, especially in affordable housing, will remain cautious in addition to the vast choices in products and location available to buyers. Since the launch of our city development in mid 2005, many new projects by other developers have also come onto the market. For the year ahead, Property Development Division is not expected to have any significant improvement. Despite the expected slow sales and operating activities, the Group will be more focused in its product development and come up with more innovative marketing strategies so as to put itself in a better position when the market improve.

B4. Variance of actual and forecast profit

The Group did not issue any profit forecasts for the period under review.

B5. Taxation

Taxation comprises :

	Current Year Quarter Ended 31-Dec-2005 RM ' 000	Current Year To Date 31-Dec-2005 RM ' 000
Current taxation	(1,381)	1,681
Deferred taxation	590	(826)
Underprovision of taxation in prior years	(665)	303
	<u>(1,456)</u>	<u>1,158</u>

The effective tax rate of the Group for the current quarter is lower mainly due to the reversal of provisions for taxation made in the prior quarters arising from the losses incurred in this quarter.

B6. Profit / (loss) on sale of Unquoted Investments and / or Properties

There were no sale of unquoted investments and / or properties during the period under review.

B7. Particulars of Purchase or Disposal of Quoted Securities

There were no purchases or disposal of quoted securities during the period under review.

B8. Status of Corporate Proposals

(a) Disposal of Land

A conditional Sale and Purchase Agreement has been entered into on 15 August 2005 between Marina Mirage Hotel Sdn Bhd., a wholly-owned subsidiary of Asia Pacific Land Berhad (“AP Land”) and Bintang Holdings Sdn Bhd, a related party to AP Land for the disposal and acquisition of three pieces of land known as Lot No. 129 (‘the Freehold Property’) and Lot Nos. 748 and 749 (‘the Leasehold Property’) located at Jalan Sultan Ahmad Shah, Pulau Pinang which was duly approved by shareholders of the Company at the Extraordinary General Meeting on 15 September 2005.

The disposal of the Freehold Property has been completed on 9 November 2005 upon presentation of the land title of the Freehold Property to the Land Office in Pulau Pinang. The disposal of the Leasehold Property is expected to be completed by the first quarter of 2006.

(b) Status of Utilisation of Proceeds raised from Corporate Proposals up to 24 February 2006

	RM ‘ 000
Repayment of bank borrowings and interest	7,330
Repayment of advances to a related party	4,250
Working capital	2,514
Expenses on the disposal	156
	<u>14,250</u>

B9. Group Borrowings and Debt Securities

Total Group borrowings as at 31 December 2005 are as follows :

	RM ‘ 000
Long Term Borrowings - secured	
As at 31 December 2005	318,146
Repayable within 12 months	<u>(17,116)</u>
	<u>301,030</u>
Short Term Borrowings – secured	
Bank overdraft	4,963
Bridging loans	20,881
Revolving credit	1,000
Term loan	5,620
Current portion of long term borrowings	<u>17,116</u>
	<u>49,580</u>

There is no foreign loan included in the above borrowings.

B10. Off Balance Sheet Financial Instruments

The Group has no financial instruments with off balance sheet risk as at 24 February 2006, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

B11. Changes in Material Litigation

- a) The Company and 4 of its subsidiary companies together with Low Yat Construction Company Sdn Berhad are suing Kumpulan Jurutera Maju Sdn Bhd, Setegap Bhd, The Universal Builder Sdn Bhd (the first suit) and Datuk Bandar Kuala Lumpur (the second suit) respectively for negligence and nuisance in connection to the construction of an underpass along Jalan Tun Razak at the main frontage and access road to City Square Centre.

The first suit which was fixed for hearing on 16 to 20 May 2005 has been postponed until further notice from the Court.

The date of hearing of the second suit has not been fixed because the court is awaiting the outcome of an appeal at the Court of Appeal in respect of the plaintiffs' application to amend the statement of claim

- b) A wholly owned subsidiary, Rawang Lakes Sdn Bhd (RLSB) is counter claiming for damages and loss for breach of contract against the claim by one of its contractor, Mampu Jaya Sdn Bhd (MJSB) for payment for work done. RLSB is also seeking to set aside the ex-parte interim injunction granted to MJSB earlier on certain development. MJSB has set aside their injunction. However, the court has yet to set a hearing date for RLSB's claim for damages.

B12. Dividends

The Board of Directors does not recommend any dividend payment for the fourth quarter ended 31 December 2005.

B13. Earnings per share

The basic earnings per share for the periods are based on the Groups profit after taxation for the periods divided by the number of ordinary shares of the company in issue during the periods as follows :

	Current Year Quarter Ended	Current Year To Date
	31-Dec-2005	31-Dec-2005
Loss after taxation (RM'000)	(13,806)	(8,440)
Number of shares ('000)	710,341	710,341
(Loss) / Basic earnings per share (sen)	(1.94)	(1.19)

Fully diluted earnings per share is not shown as the effect of the assumed full exercise of Employees' Share Option Scheme is anti-dilutive.

By Order of the Board

Mdm Oh Leen May
Mdm Chan Kam Lye
Company Secretaries

28 February 2006

