GuocoLand (Malaysia) Berhad Laporan Tahunan 2005 Annual Report

LAPORAN TAHUNAN 2005 ANNUAL REPORT

GuocoLand (Malaysia) Berhad (300-K)
(formerly known as Hong Leong Properties Berhad)
A Member of the Hong Leong Group Malaysia

2005

COMPANY PROFILE

GuocoLand (Malaysia) Berhad (formerly known as Hong Leong Properties Berhad) is a property group with businesses in Property Development, Property Investment and Hotel & Resort Holdings. Our projects include award winning residential and commercial developments in the Klang Valley. With a management team that has grown with the Group over the years, we are well positioned to face the challenges and seize the opportunities that will arise in the coming years.





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CORPORATE INFORMATION

DIRECTORS

YBhg Tan Sri Quek Leng Chan
(Executive Chairman)

Mr Kwek Leng Seng
(Group Managing Director)

YBhg Tan Sri Dato' (Dr) Abdul Aziz bin Zain

YBhg Dato' Ong Joo Theam

Mr Tan Ming Huat

Mr Tan Keok Yin

YBhg Dato' Chew Kong Seng

Mr Quek Chee Hoon

YBhg Tan Sri Nik Mohamed bin Nik Yaacob

SECRETARY

Ms Lim Yew Yoke

AUDITORS

Messrs Ernst & Young
Level 23A, Menara Milenium
Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel : 03-2087 7000
Fax : 03-2095 5332

REGISTRAR

Hong Leong Share Registration Services Sdn. Bhd.
Level 5, Wisma Hong Leong
18 Jalan Perak
50450 Kuala Lumpur
Tel : 03-2164 1818
Fax : 03-2164 3703

REGISTERED OFFICE

Level 10, Wisma Hong Leong
18 Jalan Perak
50450 Kuala Lumpur
Tel : 03-2164 1818
Fax : 03-2164 2476



3 KiaPeng Pool View



YBhg Tan Sri Quek Leng Chan
(Executive Chairman/Non-Independent Director)

Tan Sri Quek Leng Chan, aged 62, a Malaysian, qualified as a Barrister-at-Law from Middle Temple, United Kingdom. He has extensive business experience in various business sectors, including financial services, manufacturing and real estate.

Tan Sri Quek is the Executive Chairman of GuocoLand (Malaysia) Berhad ("GLM") and was appointed to the Board of GLM on 16 June 1990. He is the Chairman of the Executive Share Option Scheme Committee of GLM.

He is the Chairman & Chief Executive Officer of Hong Leong Company (Malaysia) Berhad, Executive Chairman of Hong Leong Industries Berhad, Hong Leong Credit Berhad, Hume Industries (Malaysia) Berhad, O.Y.L. Industries Bhd, Narra Industries Berhad and Camerlin Group Berhad, Chairman of Hong Leong Bank Berhad, HLG Capital Berhad, Hong Leong Assurance Berhad and Hong Leong Islamic Bank Berhad.

Tan Sri Quek attended all the Board meetings of GLM held during the financial year ended 30 June 2005.

He has no conflict of interests with GLM and has no convictions for offences within the past 10 years.

Mr Kwek Leng Seng
(Group Managing Director/Non-Independent Director)

Mr Kwek Leng Seng, aged 47, a Singaporean, holds an Honours degree in Law from the University of Buckingham, London. He joined Hong Leong Group Malaysia in 1987 as the Claims Manager and Director of Hong Leong Assurance Berhad. Between 1990 to mid 1994, he assumed directorships and managerial positions in various subsidiaries of GLM. He was the Managing Director of HLG Securities Sdn. Bhd. from mid 1994 to October 1995.

Mr Kwek is currently the Group Managing Director of GLM and was appointed to the Board of GLM on 1 November 1995. He is a member of the Board Audit & Risk Management Committee, Executive Share Option Scheme Committee and Share Transfer Committee of GLM.

He is also a Director of Hong Leong Bank Berhad, a public listed company.

He attended all the Board meetings of GLM held during the financial year ended 30 June 2005.

Mr Kwek, YBhg Tan Sri Quek Leng Chan, the Executive Chairman of GLM, and Mr Quek Leng Chye, a deemed major shareholder of GLM, are brothers.

Mr Kwek has no conflict of interests with GLM and has no convictions for offences within the past 10 years.

YBhg Tan Sri Dato' (Dr) Abdul Aziz bin Zain
(Non-Executive Independent Director)

Tan Sri Dato' (Dr) Abdul Aziz bin Zain, aged 82, a Malaysian, qualified as a Barrister-at-Law from Middle Temple, United Kingdom in 1954. He has been conferred an Honorary Doctorate Degree in Laws from the Anglia Polytechnic University, United Kingdom, an Honorary Doctorate of Science from the University Sains Malaysia and an Honorary Doctorate (honoris causa) Degree in Laws from the International Islamic University Malaysia. Between 1940 to 1963, Tan Sri Dato' (Dr) Abdul Aziz held various appointments in the judiciary of Malaysia. From 1964 to 1965, he was seconded to Brunei as Attorney General. Between 1965 and 1971, he was a Judge of the High Court of Malaya and a Federal Judge, Supreme Court Malaysia.

Tan Sri Dato' (Dr) Abdul Aziz was appointed to the Board of GLM on 4 May 1981 and he is the Chairman of the Board Audit & Risk Management Committee of GLM.

He is also a Director of Metrojaya Berhad and the Chairman of UPA Corporation Berhad; both are public listed companies.

He attended all the Board meetings of GLM held during the financial year ended 30 June 2005.

Tan Sri Dato' (Dr) Abdul Aziz has no family relationship with other directors or major shareholders of GLM, no conflict of interests with GLM and has no convictions for offences within the past 10 years.



DIRECTORS' PROFILE

(CONT'D)

YBhg Dato' Ong Joo Theam

(Non-Executive Non-Independent Director)

Dato' Ong Joo Theam, aged 56, a Malaysian, qualified as a Barrister-at-Law from Middle Temple, United Kingdom in February 1972 and the Malaysian Bar in September 1972. He is an advocate and solicitor and has been in legal practice for more than 30 years.

Dato' Ong was appointed to the Board of GLM on 26 August 1981. He does not sit on any Committees of GLM.

He attended all the Board meetings of GLM held during the financial year ended 30 June 2005.

Dato' Ong has no family relationship with other directors or major shareholders of GLM, no conflict of interests with GLM and has no convictions for offences within the past 10 years.

Mr Tan Ming Huat

(Executive Non-Independent Director)

Mr Tan Ming Huat, aged 54, a Malaysian, graduated with a Bachelor's Degree in Civil Engineering from the University of Malaya in 1977. After graduation, he worked in Jabatan Kerja Raya (JKR) as Engineer for 2 years. He has 26 years of experience in the property development sector with the Hong Leong Group Malaysia. He joined Hong Leong Group Malaysia in 1979 as a Site Engineer in the property division and was promoted to Project Engineer in 1981. He was subsequently promoted to Chief Manager (Project Division) in 1982. Between 1984 and 1991, he assumed the position of General Manager. In 1992, he was promoted to Senior General Manager (Development Division). From 1996 to present, he assumed the present position of Chief Operating Officer of GLM and is in charge of the Property Development and Property Investment Divisions.

Mr Tan was appointed to the Board of GLM on 16 June 1990. He is a member of the Share Transfer Committee of GLM.

He attended all the Board meetings of GLM held during the financial year ended 30 June 2005.

Mr Tan has no family relationship with other directors or major shareholders of GLM, no conflict of interests with GLM and has no convictions for offences within the past 10 years.

Mr Tan Keok Yin

(Non-Executive Independent Director)

Mr Tan Keok Yin, aged 61, a Malaysian, graduated with a Bachelor of Arts (Honours) degree in Economics from the University of Malaya in 1966. He also completed an Executive Program in Management at the University of California, Berkeley and a Program in International Boards and Directors at the Swedish Academy of Directors, Stockholm. He started his career with Bank Negara Malaysia ("BNM") in 1966 and served in various capacities in the Economics and Investments Departments and the Penang Branch of BNM. In 1977, he joined the Federation of Malaysian Manufacturers (FMM) as Deputy Director and was appointed Chief Executive Officer in 1981 till 1999. He served on various Government Boards and Committees and participated actively as speaker and panelist at the World Economic Forum, ASEAN Economic Cooperation meetings and other international business forums. He was also a Management Board member of the internationally recognised GS1 System (One Global System, formerly known as EAN International) located in Brussels, which presides over the global application of EAN – UCC bar codes and product numbering system in business and industries.

Mr Tan was appointed to the Board of GLM on 26 September 2001 and is a member of the Board Audit & Risk Management Committee of GLM.

He is also a Director of Hong Leong Bank Berhad, Malaysian Pacific Industries Berhad and Hong Leong Assurance Berhad.

He has attended all the Board meetings of GLM held during the financial year ended 30 June 2005.

Mr Tan has no family relationship with other Directors or major shareholders of GLM, has no conflict of interests with GLM and has no convictions for offences within the past 10 years.

YBhg Dato' Chew Kong Seng

(Non-Executive Independent Director)

Dato' Chew Kong Seng @ Chew Kong Huat, aged 67, a Malaysian, is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants and the Malaysian Association of Certified Public Accountants.



Dato' Chew was a tax officer in the Inland Revenue Department in United Kingdom and then joined Stoy Hayward & Co in United Kingdom from 1964 to 1970. He returned to Malaysia and joined Turquand Young & Co (now known as Ernst & Young) and was subsequently transferred to the Sarawak office in 1973, first as Manager in Charge and later as Partner in Charge. He was appointed as the Managing Partner of Ernst & Young from 1990 until his retirement in 1996.

He is also a Director of the following public listed companies:

- Director and Audit Committee Chairman of Petronas Dagangan Berhad, Industrial Concrete Products Berhad, AEON Co (M) Bhd (formerly known as Jaya Jusco Stores Berhad) and PBA Holdings Berhad;
- Director and Audit Committee member of Petronas Gas Berhad; and
- Director of Encorp Berhad.

Dato' Chew is also a Director of Great Wall Plastic Industries Berhad, a public company.

Dato' Chew was appointed to the Board of GLM on 26 September 2001. He does not sit on any Committees of GLM.

He has attended three (3) out of four (4) Board meetings of GLM held during the financial year ended 30 June 2005.

Dato' Chew has no family relationship with other directors or major shareholders of GLM, has no conflict of interests with GLM and has no convictions for offences within the past 10 years.

Mr Quek Chee Hoon
(Non-Executive Non-Independent Director)

Mr Quek Chee Hoon, aged 52, a Singaporean, holds a Bachelor of Accountancy degree from the University of Singapore. He has 28 years' extensive experience in various investment, corporate and management activities, including projects in infrastructure and property-related activities and businesses. He is currently the Group President and Chief Executive Officer of GuocoLand Limited, a major shareholder of GLM.

Mr Quek was appointed to the Board of GLM on 19 April 2004. He does not sit on any Committees of GLM.

He attended all the Board meetings of GLM held during the financial year ended 30 June 2005.

Mr Quek has no family relationship with other directors or major shareholders of GLM, has no conflict of interests with GLM and has no convictions for offences within the past 10 years.

YBhg Tan Sri Nik Mohamed bin Nik Yaacob
(Non-Executive Independent Director)

Tan Sri Nik Mohamed bin Nik Yaacob, aged 56, a Malaysian, holds a Diploma in Mechanical Engineering, a B.E. (Hons) Degree from Monash University and a Masters in Business Management from the Asian Institute of Management. He also completed the Advanced Management Programme at Harvard University in United States.

Tan Sri Nik Mohamed was the Group Chief Executive of Sime Darby Berhad from 1993 until his retirement in June 2004. He was Sime Darby Berhad's Director of Operations in Malaysia prior to his appointment as the Group Chief Executive in 1993. He also served on various Boards of the Sime Darby group of companies during this period. He was also the Chairman of the Advisory Council of National Science Centre and Chairman of the Board of UiTM and served as member of the INSEAD East Asian Council, National Council for Scientific Research and Development, Co-ordinating Council for the Public-Private Sectors in the Agricultural Sector, National Coordinating Committee on Emerging Multilateral Trade Issues, and the Industrial Coordinating Council. He was a representative for Malaysia in the Apec Business Advisory Council and the Asia-Europe Business Forum.

Tan Sri Nik Mohamed is currently the Executive Director of Perdana Leadership Foundation, a company limited by guarantee. He is also a Director of Perbadanan Nasional Berhad, a public company and a Director of Scomi Group Berhad and Bolton Berhad, both are public listed companies.

Tan Sri Nik Mohamed was appointed to the Board of GLM on 28 January 2005. He does not sit on any Committees of GLM.

He has attended all Board meetings of GLM held during the financial year ended 30 June 2005 since his appointment on 28 January 2005.

Tan Sri Nik Mohamed has no family relationship with other directors or major shareholders of GLM, no conflict of interests with GLM and has no convictions for offences within the past 10 years.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighty-first Annual General Meeting of GuocoLand (Malaysia) Berhad (formerly known as Hong Leong Properties Berhad) (the "Company") will be held at the Theatrette, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Tuesday, 25 October 2005 at 10.00 a.m. in order:

1. To lay before the meeting the audited financial statements together with the reports of the Directors and Auditors thereon for the year ended 30 June 2005.
2. To declare a final dividend of 2% less tax for the year ended 30 June 2005 to be paid on 18 November 2005 to shareholders registered in the Record of Depositors on 31 October 2005. **(Resolution 1)**
3. To approve the payment of Directors' fees of RM319,767 to be divided amongst the Directors in such manner as the Directors may determine. **(Resolution 2)**
4. To re-elect the following retiring Directors:
   (a) Mr Kwek Leng Seng; **(Resolution 3)**
   (b) Mr Tan Ming Huat; and **(Resolution 4)**
   (c) YBhg Tan Sri Nik Mohamed bin Nik Yaacob. **(Resolution 5)**
5. To approve the following motion:

   "THAT YBhg Tan Sri Dato' (Dr) Abdul Aziz bin Zain, a Director who retires in compliance with Section 129 of the Companies Act, 1965, be and is hereby re-elected a Director of the Company to hold office until the conclusion of the next Annual General Meeting." **(Resolution 6)**
6. To re-appoint Messrs Ernst & Young as Auditors of the Company and authorise the Directors to fix their remuneration. **(Resolution 7)**
7. As a special business, to consider and, if thought fit, pass with or without any modification, the following ordinary motion:

   Authority To Directors To Issue Shares

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." **(Resolution 8)**
8. To consider any other business of which due notice shall have been given.

FURTHER NOTICE IS HEREBY GIVEN that a depositor shall qualify for entitlement to the final dividend only in respect of:

(a) shares transferred into the depositor's securities account before 4.00 p.m. on 31 October 2005 in respect of ordinary transfers; and

(b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

LIM YEW YOKE
Secretary

Kuala Lumpur
3 October 2005

NOTES:

1. *A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member who is an authorised nominee may appoint not more than two proxies in respect of each securities account it holds.*
2. *The Form of Proxy must be deposited at the Registered Office of the Company at Level 10, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur not less than 48 hours before the time and date of the meeting or adjourned meeting.*
3. ***Ordinary Motion On Authority To Directors To Issue Shares***
   The Ordinary Motion, if passed, will give authority to the Directors of the Company to issue ordinary shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.28(2) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)



1. DIRECTORS WHO ARE STANDING FOR RE-ELECTION AT THE 81ST ANNUAL GENERAL MEETING OF THE COMPANY

Pursuant to Article 115 of the Company's Articles of Association

Mr Kwek Leng Seng

Mr Tan Ming Huat

Pursuant to Article 94 of the Company's Articles of Association

YBhg Tan Sri Nik Mohamed bin Nik Yaacob

Pursuant to Section 129 of the Companies Act, 1965

YBhg Tan Sri Dato' (Dr) Abdul Aziz bin Zain

2. DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

There were four (4) Board meetings held during the financial year ended 30 June 2005. Details of attendance of the Directors are set out in the Directors' Profile appearing on pages 3 to 5 of the Annual Report.

3. PLACE, DATE AND TIME OF THE 81ST ANNUAL GENERAL MEETING

The 81st Annual General Meeting of the Company will be held at the Theatrette, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Tuesday, 25 October 2005 at 10.00 a.m.

4. FURTHER DETAILS OF DIRECTORS WHO ARE STANDING FOR ELECTION AS DIRECTORS

No individual is seeking election as a Director at the 81st Annual General Meeting.



BOARD AUDIT & RISK MANAGEMENT COMMITTEE REPORT

CONSTITUTION

The Board Audit & Risk Management Committee (the "Committee") of GuocoLand (Malaysia) Berhad ("GLM" or the "Company") has been established since 23 March 1994.

COMPOSITION

YBhg Tan Sri Dato' (Dr) Abdul Aziz bin Zain
Chairman, Independent Non-Executive Director

Mr Tan Keok Yin
Independent Non-Executive Director

Mr Kwek Leng Seng
Non-Independent Executive Director

SECRETARY

The Company Secretary of the Company shall be the Secretary of the Committee.

TERMS OF REFERENCE

- To nominate and recommend for the approval of the Board of Directors ("Board"), a person or persons as external auditor(s).
- To review the external audit fees.
- To review, with the external auditors, the audit scope and plan.
- To review, with the external auditors, the audit report and audit findings and the management's response thereto.
- To review the assistance given by the Group's officers to the external auditors.
- To review the quarterly reports and annual financial statements of the Company and of the Group prior to the approval by the Board.
- To review the adequacy of the internal audit scope and plan, functions and resources of the internal audit functions.
- To review the report and findings of the internal audit department including any findings of internal investigations and the management's response thereto.
- To review the adequacy and integrity of internal control systems, including risk management and management information system.
- To review the risk management framework adopted by the Group and the processes employed to identify, evaluate and manage key business risks.
- To review any related party transactions that may arise within the Company or the Group.
- Other functions as may be agreed to by the Committee and the Board.



AUTHORITY

The Committee is authorised by the Board to review any activity of GLM and its subsidiaries (the "Group") within its Terms of Reference. It is authorised to seek any information it requires from any Director or member of management and all employees are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain independent legal or other professional advice if it considers necessary.

MEETINGS

The Committee meets at least four (4) times a year and additional meetings may be called at any time as and when necessary. All meetings to review the quarterly reports and annual financial statements are held prior to such quarterly reports and annual financial statements being presented to the Board for approval.

The head of finance, head of internal audit and external auditors are invited to attend Committee meetings. At least once a year, the Committee will have a separate session with the external auditors without the presence of executive directors.

Three (3) members of the Committee shall constitute a quorum.

After each Committee meeting, the Committee shall report and update the Board on significant issues and concerns discussed during the Committee meetings and where appropriate, make the necessary recommendations to the Board.

ACTIVITIES

The Committee carried out its duties in accordance with its Terms of Reference.

During the financial year ended 30 June 2005, four (4) Committee meetings were held and all the meetings were attended by all the Committee members.

The Committee reviewed the quarterly reports and annual financial statements of the Group. The Committee met with the external auditors and discussed the nature and scope of the audit, considered any significant changes in accounting and auditing issues, reviewed the management letter and management's response, reviewed pertinent issues which had significant impact on the results of the Group and discussed applicable accounting and auditing standards. The Committee reviewed the internal auditor's audit findings and recommendations.

In addition, the Committee reviewed the adequacy and integrity of internal control systems, including risk management and relevant management information system. It also reviewed the processes put in place to identify, evaluate and manage the significant risks encountered by the Group.

The Committee also reviewed and approved various related party transactions carried out by the Group.

INTERNAL AUDIT

During the financial year ended 30 June 2005, the Internal Audit Department carried out its duties covering business audit, system and financial audit.



CORPORATE GOVERNANCE & INTERNAL CONTROL

"Corporate Governance is the process and structure used to direct and manage the business and affairs of the Company towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long term shareholders' value, whilst taking into account the interest of other stakeholders."

~ Finance Committee on Corporate Governance

The Board of Directors has reviewed the manner in which the Malaysian Code on Corporate Governance (the "Code") is applied in the Group as set out below. The Board is pleased to report compliance of the Group with the Best Practices set out in Part 2 of the Code except where otherwise stated.

A. DIRECTORS

I The Board

The Board assumes responsibility for effective stewardship and control of the Company and has established terms of reference to assist in the discharge of this responsibility.

II Board Balance

The Board of Directors comprises nine (9) directors, six (6) of whom are non-executive. Of the non-executive directors, four (4) are independent. The profiles of the members of the Board are provided in the Annual Report.

The Board is of the view that the current Board composition fairly reflects the investment of shareholders in the Company.

The Board met four (4) times during the financial year ended 30 June 2005.

The Board has identified the Company Secretary of the Company to whom concerns may be conveyed, who would bring the same to the attention of the Board.

III Supply of Information

All Board members are supplied with information on a timely manner. Board reports are circulated prior to Board meetings and the reports provide, amongst others, financial and corporate information, significant operational, financial and corporate issues, performance of the Company and of the Group and management proposals which require the approval of the Board.

All directors have access to the advice and services of the Company Secretary as well as to independent professional advice, including the internal auditors.

IV Appointments to the Board

The Company does not have a Nominating Committee as all new nominations received are assessed and approved by the entire Board in line with its policy of ensuring nominees are persons of sufficient calibre and experience.

The process of assessing the directors is an on-going responsibility of the entire Board.

The Company does not have a formal training programme for new directors. However, to assist the directors in discharging their duties, the Company has developed Directors' Manual where each new director will be given a copy at the point of his appointment. The Directors' Manual highlights, amongst others, the major duties and responsibilities of a director vis-à-vis various laws, regulations and guidelines governing the same. The new director will be given briefing on the business of the Group and regulatory issues. Directors of the Company will also be updated from time to time of any new or changes to companies and securities legislations, rules and regulations.

V Re-election

All directors are required to submit themselves for re-election every three years.



B. DIRECTORS' REMUNERATION

I Level and make-up of Remuneration

The Company does not have a Remuneration Committee.

The Group's remuneration scheme for executive directors is linked to performance, service seniority, experience and scope of responsibility and is periodically benchmark to market/industry surveys conducted by human resource consultants. Performance is measured against profits and targets set in the Group's annual plan and budget.

For non-executive directors, the level of remuneration reflects the level of responsibilities undertaken by them.

II Procedure

The remuneration packages of all executives of the Group including executive directors are laid out in the Group's Human Resources Manual, which is reviewed from time to time to align with market/industry practices.

The fees of directors, including non-executive directors, are recommended and endorsed by the Board for approval by the shareholders of the Company at its Annual General Meeting.

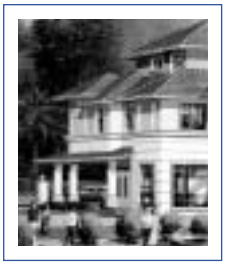
III Disclosure

The aggregate remuneration of directors (including remuneration earned as executive directors of subsidiaries) for the financial year ended 30 June 2005 is as follows:

	Fees (RM)	Salaries & Other Emoluments (RM)	Total (RM)
Executive Directors	149,082	652,157	801,239
Non-Executive Directors	189,767	45,000	234,767

The number of directors whose remuneration fall into the following bands is as follows:

Range Of Remuneration (RM)	Executive	Non-Executive
50,000 and below	-	4
50,001 - 100,000	1	2
100,001 - 200,000	-	-
200,001 - 250,000	1	-
250,001 - 450,000	-	-
450,001 - 500,000	1	-



C. SHAREHOLDERS

I Dialogue between Companies and Investors

The Board acknowledges the importance of regular communication with shareholders and investors via the annual reports, circulars to shareholders and quarterly financial reports and the various announcements made during the year, through which shareholders and investors can have an overview of the Group's performance and operation.

II Annual General Meeting ("AGM")

The AGM provides an opportunity for the shareholders to seek and clarify any issues and to have a better understanding of the Group's performance. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions.

D. ACCOUNTABILITY AND AUDIT

The Board Audit & Risk Management Committee (the "Committee") was established on 23 March 1994. The financial reporting and internal control system of the Group is overseen by the Committee, which comprises a majority of non-executive directors. The primary responsibilities of the Committee are set out in the Committee Report.

The Committee met four (4) times during the financial year ended 30 June 2005. All meetings were attended by all members of the Committee.

The Committee is supported by the Internal Audit Department whose principal responsibility is to conduct periodic audits to ensure compliance with systems and/or standard operating procedures of the Group. Investigation will be made at the request of the Committee and senior management on specific areas of concern when necessary. Significant breaches and deficiencies identified are discussed at the Committee meetings where appropriate actions will be taken.

I Financial Reporting

The Board is responsible for ensuring the proper maintenance of accounting records of the Group. The Board receives the recommendation to adopt the financial statements from the Committee, which assesses the financial statements with the assistance of the external auditors.

II Internal Control

The Statement on Internal Control as detailed under paragraph E of this Statement provides an overview of the state of internal controls within the Group.

III Relationship with Auditors

The appointment of external auditors is recommended by the Committee, which determines the remuneration of the external auditors. The external auditors meet with the Committee to:

- present the scope of the audit before the commencement of audit; and
- review the results of the audit as well as the management letter after the conclusion of the audit.

E. STATEMENT ON INTERNAL CONTROL

The Board of Directors, recognising its responsibilities in ensuring sound internal controls, has developed a risk management framework for the Group to assist it in:

- identifying the significant risks faced by the Group in the operating environment as well as evaluating the impact of such risks identified;
- developing the necessary measures to manage these risks; and
- monitoring and reviewing the effectiveness of such measures.



The Board has entrusted the Committee with the responsibility to oversee the implementation of the risk management framework of the Group.

The Board, in concurrence with the Committee, has appointed a Risk Manager ("RM") to administer the risk management framework. The RM is responsible to:

- periodically evaluate all identified risks for their continuing relevance in the operating environment and inclusion in the Risk Management Framework;
- assess adequacy of action plans and control systems developed to manage these risks;
- monitor the performance of management in executing the action plans and operating the control systems; and
- periodically report to the Committee on the state of internal controls and the management of risks throughout the Group.

The Committee, assisted by the Internal Audit Department, provides oversight on the implementation of the risk management framework of the Group.

These on-going processes have been in place for the year under review, and are reviewed periodically by the Committee.

The controls built into the risk management framework are intended to manage and are not expected to eliminate all risks of failure to achieve business objectives but to provide reasonable and not absolute assurance against material misstatement of management and financial information or against financial losses and fraud.

In jointly controlled entities and associated company, the Board nominates representatives to sit as directors and take a proactive stance in assessing the performance of the entity with the goal of safeguarding the investment of the Group. Where practical, the Group may request functional, financial and operating information as well as assurance that such information have been prepared in accordance with reporting standards and have been derived from control environments acceptable to the Group.

F. DIRECTORS' RESPONSIBILITY IN FINANCIAL REPORTING

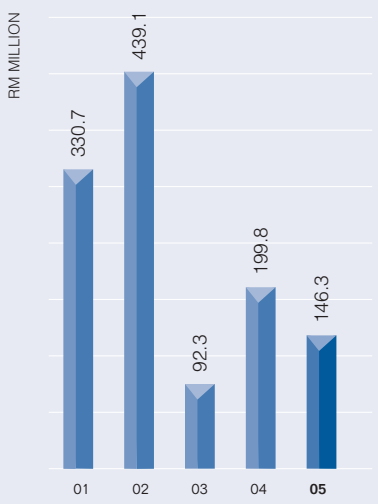
The Listing Requirements of Bursa Malaysia Securities Berhad require the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flow of the Group and of the Company for the financial year.

The directors are satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 30 June 2005, the Group has used the appropriate accounting policies and applied them consistently. The directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

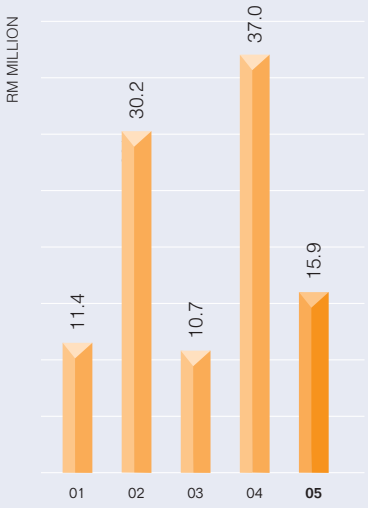


GROUP FINANCIAL HIGHLIGHTS

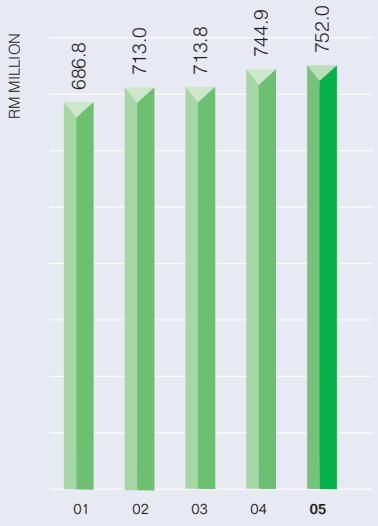
YEAR ENDED (RM MILLION)	JUNE 2001	JUNE 2002	JUNE 2003	JUNE 2004	JUNE 2005
Turnover	330.7	439.1	92.3	199.8	**146.3**
Pre-tax profit	11.4	30.2	10.7	37.0	**15.9**
Profit attributable to shareholders	7.6	25.6	6.2	33.9	**12.6**
Net earnings per share (sen)	1.1	3.7	0.9	4.8	**1.8**
Net tangible assets	686.8	713.0	713.8	744.9	**752.0**
Net tangible assets per share (RM)	0.98	1.02	1.02	1.06	**1.07**



TURNOVER



PRE-TAX PROFIT



NET TANGIBLE ASSETS



NET EARNINGS PER SHARE

CHAIRMAN'S STATEMENT



On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of GuocoLand (Malaysia) Berhad Group for the financial year ended 30 June 2005.



Guoman Port Dickson



3 KiaPeng



Hyatt Regency Johor Bahru



Menara HLA

OVERVIEW

The Malaysian economy grew by 7.1% in 2004 compared with 5.3% in 2003. Although global growth moderated in the second half of 2004, the domestic economy remained resilient with stronger local demand providing the momentum for sustained expansion.

Residential market sentiments for well-planned developments in strategic locations remained strong, spurred by favourable interest rates and attractive financing packages. The young demographic profile of our population and the Government's *"Malaysia, My Second Home"* programme have further created demand for the residential developments. During the financial year under review, landed properties recorded sales rate of up to 71% while condominium sales rate remained competitive at 60%.

The continued growth of the country's economy has had a positive impact on the demand for office space. Market rentals in the Klang Valley were generally stable and the average occupancy rate improved to 82% by June 2005. The Klang Valley currently has a surplus of 12 million square feet of office space. Strategically located office buildings which are well maintained, have marginally increased their rental rates.

FINANCIAL HIGHLIGHTS

The Group recorded RM15.9 million in profit before taxation compared to RM37.0 million in the previous financial year. Revenue was recorded at RM146.3 million compared to RM199.8 million in the corresponding year (included as part of the RM199.8 million was revenue contribution of RM74.3 million, arising from the disposal of a jointly controlled entity).

During the financial year under review, gross revenue from the Residential Division rose by 9.7% to RM73.5 million mainly due to encouraging sales from 3 KiaPeng, our prestigious service apartment development. The Hotel and Resort Division recorded an 8.4% growth to RM47.8 million in revenue. This was mainly driven by the improvement in the tourism industry. Revenue for our Property Investment Division rose 68.1% to RM23.2 million due to improved occupancy levels and contribution of HP Towers that was acquired from a jointly controlled entity.

In the course of this financial year, we saw a steady improvement in our balance sheet. Net tangible assets increased to RM752.0 million as at 30 June 2005, from RM744.9 million in the previous year.



CHAIRMAN'S STATEMENT

(CONT'D)

PROSPECTS

Demand for residential properties is expected to remain stable with positive consumer sentiment, increase in private sector investment, favourable interest rates and attractive financing packages. The sustainable growth in the economy is also expected to improve our office and hotel occupancy rates.

Moving forward, we will undertake various initiatives and plans to improve our performance. By further enhancing our development projects and products, we believe we can deliver good value and contribute to improving the quality of life of our customers.

CORPORATE DEVELOPMENTS

On 5 November 2004, the Company's indirect wholly-owned subsidiary, Prophills Development Sdn. Bhd., completed the acquisition of an office building known as HP Towers (formerly known as Wisma Semantan) from a jointly controlled entity for a cash consideration of RM103,823,400.

On 5 August 2005, the Company announced its intention to dispose HP Towers and Menara HLA ("Proposed Disposals") to a Real Estate Investment Trust ("REIT") to be established by the Company and proposed to be listed on the Main Board of Bursa Malaysia Securities Berhad ("Proposed Listing"). On the same day, submission was made to the Securities Commission for its approval on the said proposals. The Proposed Disposals will allow the Group to realise its investments in HP Towers and Menara HLA. It will also enable the Group to participate in the local real estate investment market through its proposed holdings in the REIT as well as its involvement in the management of the REIT upon completion of the Proposed Disposals and Proposed Listing. As the REIT grows in size through the acquisitions of yield-accretive properties, it will provide a recurring fee-based revenue to the Group as the manager for the REIT.

DIVIDEND

During the year, the Company paid a final dividend of 2% less tax at 28% amounting to RM5,043,303 in respect of the previous financial year.

The Board is pleased to recommend a final dividend in respect of the financial year ended 30 June 2005 of 2% less tax at 28% amounting to RM5,043,303.

DIRECTORATE

On behalf of the Board, I welcome YBhg Tan Sri Nik Mohamed bin Nik Yaacob as a new Board member with effect from 28 January 2005.

APPRECIATION

On behalf of the Board of Directors, I wish to express our appreciation for the continued support of our valued customers, business associates, government authorities and shareholders and we look forward to their continued support in the future. To our management and staff, we thank you for your commitment and dedication.

QUEK LENG CHAN
Chairman

Kuala Lumpur
17 August 2005



Damansara City-proposed concept



Guoman Hanoi



Emerald, Rawang

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2005.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries are property development, property investment, hotel operations, investment holding, trading in securities and provision of management services.

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

RESULTS

	Group RM'000	Company RM'000
Net profit for the year	12,598	6,750

There have been no material transfers to or from reserves or provisions during the financial year other than as disclosed in the statements of changes in equity.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in Note 23 to the financial statements.

DIVIDENDS

During the year, the Company paid a final dividend of 2% less taxation at 28% amounting to RM5,043,303 in respect of the previous financial year as proposed in the directors' report of that year.

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 30 June 2005, of 2% less taxation at 28% on 700,458,418 ordinary shares of RM0.50 each, amounting to a total dividend payable of RM5,043,303 (0.72 sen net per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 June 2006.

EXECUTIVE SHARE OPTION SCHEME

The shareholders of the Company approved the implementation of the Executive Share Option Scheme ("ESOS" or the "Scheme") at the Extraordinary General Meeting held on 14 December 1999. During the financial year ended 30 June 2003, the shareholders approved the proposal to extend the duration of the Scheme for an additional period of 5 years from 24 December 2004 up to and including 24 December 2009 and to amend the Bye-Laws of the Scheme to, inter-alia, incorporate revisions to the Securities Commission's Guidelines in relation to employee share option scheme, introduce new performance criteria as a basis for prime value options to key executives and provide flexibility to the Company to issue new shares and/or transfer existing shares to option holders upon the exercise of their options.

EXECUTIVE SHARE OPTION SCHEME (cont'd)

The main features of the ESOS are, inter alia, as follows:

1. Eligible executives are those executives (including full-time executive directors) of the Group who have been confirmed in service on the date of offer. The maximum allowable allotments for the full-time executive directors had been approved by the shareholders of the Company in a general meeting.

2. The aggregate number of shares to be issued under the ESOS shall not exceed 10% of the total issued and paid-up ordinary share capital of the Company for the time being.

3. The Scheme shall be in force for a period of ten (10) years from 24 December 1999.

4. The option price shall not be at a discount of more than ten percent (10%) (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of the shares of the Company preceding the date of offer and shall in no event be less than the par value of the shares of the Company of RM0.50 each.

5. An option holder may, in a particular year, exercise up to such maximum number of shares in the option certificate as determined by the Board of Directors or as specified in the option certificate.

6. The options granted to eligible executives will lapse when they are no longer in employment of the Group.

The movements in the Company's unissued ordinary shares under the ESOS during the financial year are as follows:

	No. of unissued ordinary shares of RM0.50 each under the ESOS				
	At 1.7.2004	Options Granted	Options Lapsed	Options Exercised	At 30.6.2005
Option price of RM1.42	1,137,000	-	1,137,000	-	-
Option price of RM1.76	25,000	-	25,000	-	-
	1,162,000	-	1,162,000	-	-

DIRECTORS

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

YBhg Tan Sri Quek Leng Chan	(Executive Chairman)
Mr Kwek Leng Seng	(Group Managing Director)
YBhg Tan Sri Dato' (Dr) Abdul Aziz bin Zain	
YBhg Dato' Ong Joo Theam	
Mr Tan Ming Huat	
Mr Tan Keok Yin	
YBhg Dato' Chew Kong Seng @ Chew Kong Huat	
Mr Quek Chee Hoon	
YBhg Tan Sri Nik Mohamed bin Nik Yaacob	(Appointed on 28.1.2005)

In accordance with Article 115 of the Company's Articles of Association, Mr Kwek Leng Seng and Mr Tan Ming Huat retire by rotation from the Board at the forthcoming Annual General Meeting ("AGM") and, being eligible, offer themselves for re-election.

In accordance with Article 94 of the Company's Articles of Association, YBhg Tan Sri Nik Mohamed bin Nik Yaacob retires from the Board at the forthcoming AGM and, being eligible, offers himself for re-election.

In accordance with Section 129(2) of the Companies Act, 1965, YBhg Tan Sri Dato' (Dr) Abdul Aziz bin Zain retires, having attained the age of over 70 years. The Board recommends that YBhg Tan Sri Dato' (Dr) Abdul Aziz bin Zain be re-elected in accordance with Section 129(6) of the said Act.

DIRECTORS' INTERESTS

The holdings in the ordinary shares and/or options/warrants of the Company of those who were directors as at 30 June 2005 are as follows:

		No. of ordinary shares or *new shares to be issued arising from the exercise of options/warrants				
	Nominal value per share RM	At 1.7.2004	Acquired	Sold	Lapsed	At 30.6.2005
Direct Interests of Directors in GuocoLand (Malaysia) Berhad						
YBhg Tan Sri Quek Leng Chan	0.50	3,266,280	-	-	-	**3,266,280**
Mr Kwek Leng Seng	0.50	123,180	-	-	-	**123,180**
		400,000*	-	-	400,000#	**-**
YBhg Tan Sri Dato' (Dr) Abdul Aziz bin Zain	0.50	3,400	-	-	-	**3,400**
		800*	-	-	-	**800***
YBhg Dato' Ong Joo Theam	0.50	22,588	-	-	-	**22,588**
Mr Tan Ming Huat	0.50	50,800	-	-	-	**50,800**
		240,000*	-	-	240,000#	**-**

The deemed holdings in the ordinary shares and/or warrants of the Company and its related corporations (other than wholly-owned subsidiaries) of YBhg Tan Sri Quek Leng Chan as at 30 June 2005 are as follows:

		No. of ordinary shares or *new shares to be issued arising from the exercise of warrants				
	Nominal value per share RM	At 1.7.2004	Acquired	Sold	Lapsed	At 30.6.2005
Shareholdings in which YBhg Tan Sri Quek Leng Chan has indirect interests						
GuocoLand (Malaysia) Berhad	0.50	304,554,612	16,537,300	44,359♦	-	**321,047,553**
		28,023,120*	-	21,456,100*	-	**6,567,020***
Guoman Hotel & Resort Holdings Sdn. Bhd.	1.00	277,000,000	-	-	-	**277,000,000**
HLL-Guoco Vietnam Co. Limited	^	5,000,592	-	-	-	**5,000,592**
JB Parade Sdn. Bhd.	1.00	18,000,000	-	-	-	**18,000,000**
	0.01	68,594,000 (Preference Shares)	-	-	-	**68,594,000 (Preference Shares)**

Legend:

\# The unexercised options to subscribe for shares pursuant to the Executive Share Option Scheme lapsed on 24 December 2004.

♦ Transfer to a trust established for an approved employees' shares option scheme.

^ Capital Contribution in USD.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company 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 the directors as shown in the financial statements or as fixed salary of a full-time employee of the Company or of related corporations) by reason of a contract made by the Company or its related corporations with the director or with a firm of which the director is a member, or with a corporation in which the director has a substantial financial interest, except for YBhg Tan Sri Quek Leng Chan who may be deemed to derive a benefit by virtue of those transactions, contracts and agreements for the acquisitions and/or disposal of stocks and shares, stocks-in-trade, products, parts, accessories, plants, chattels, fixtures, buildings, land and other properties or any interest in any properties; and/or the provision of services, including but not limited to project and sales management and any other management and consultancy services; and/or the provision of construction contracts, leases, tenancy, dealership and distributorship agreements; and/or the provision of treasury functions, advances in the conduct of normal trading, insurance, investment, stockbroking and/or other businesses between the Company or its related corporations and corporations in which YBhg Tan Sri Quek Leng Chan is deemed to have interests; and YBhg Dato' Ong Joo Theam who may be deemed to derive a benefit by virtue of the provision of legal services to the Company and its related corporations.

There were no arrangements during and at the end of the financial year which had the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENTS DURING THE YEAR

Significant events during the year are disclosed in Note 35 to the financial statements.

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

Events subsequent to the balance sheet date are disclosed in Note 36 to the financial statements.

OTHER STATUTORY INFORMATION

(a) Before the balance sheets and income statements of the Group and of the Company were made out, the directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

  (i) the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and

  (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

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

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

OTHER STATUTORY INFORMATION (cont'd)

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

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

(ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made, except for the effects that may arise from the proposed disposal of two investment properties to a real estate investment trust as disclosed in Note 36 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors.

KWEK LENG SENG

TAN MING HUAT

Kuala Lumpur
17 August 2005

BALANCE SHEETS

AS AT 30 JUNE 2005

	Note	GROUP 2005 RM'000	GROUP 2004 RM'000	COMPANY 2005 RM'000	COMPANY 2004 RM'000
NON CURRENT ASSETS					
Property, plant and equipment	3	**278,837**	186,490	**120**	61
Investment properties	4	**363,821**	255,030	**-**	-
Land held for development	5	**762**	146,659	**-**	-
Investments in subsidiaries	6	**-**	-	**509,457**	509,457
Due from subsidiaries	7	**-**	-	**-**	47,734
Investment in associated company	8	**892**	876	**-**	**-**
Investments in jointly controlled entities	9	**378,024**	371,485	**56,000**	56,000
Investments	10	**19,854**	25,978	**-**	-
Goodwill on consolidation	6(a)	**2,464**	-	**-**	-
Deferred tax assets	21	**764**	-	**-**	-
		1,045,418	986,518	**565,577**	613,252
CURRENT ASSETS					
Inventories	11	**18,921**	66,360	**-**	-
Due from contract customers	12	**252**	-	**-**	-
Investments	10	**-**	9,053	**-**	-
Development properties	13	**87,590**	32,284	**-**	-
Trade and other receivables	14	**46,332**	35,931	**103,398**	49,922
Tax recoverable		**9,856**	7,345	**5,478**	9,015
Deposits, cash and bank balances	15	**29,066**	18,362	**5,991**	463
		192,017	169,335	**114,867**	59,400
CURRENT LIABILITIES					
Trade and other payables	16	**60,130**	40,784	**11,802**	4,198
Due to contract customers	12	**1,046**	870	**-**	-
Short term borrowings	17	**100,699**	43,145	**72,754**	31,576
Provision for taxation		**3,213**	812	**2,601**	4,711
		165,088	85,611	**87,157**	40,485
NET CURRENT ASSETS		**26,929**	83,724	**27,710**	18,915
		1,072,347	1,070,242	**593,287**	632,167

	Note	GROUP 2005 RM'000	GROUP 2004 RM'000	COMPANY 2005 RM'000	COMPANY 2004 RM'000
FINANCED BY:					
SHAREHOLDERS' EQUITIES					
Share Capital	18	**350,229**	350,229	**350,229**	350,229
Reserves	19	**401,768**	394,653	**158,745**	157,038
		751,997	744,882	**508,974**	507,267
Minority Interest		**47,599**	46,061	**-**	-
		799,596	790,943	**508,974**	507,267
DEFERRED AND LONG TERM LIABILITIES					
Due to subsidiaries	7	**-**	-	**-**	25,338
Borrowings	20	**271,499**	278,063	**84,313**	99,562
Deferred taxation	21	**1,252**	1,236	**-**	-
		272,751	279,299	**84,313**	124,900
		1,072,347	1,070,242	**593,287**	632,167

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

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

	Note	GROUP 2005 RM'000	GROUP 2004 RM'000	COMPANY 2005 RM'000	COMPANY 2004 RM'000
Revenue	22	**146,280**	199,791	**13,273**	24,871
Profit from operations	23	**21,657**	38,858	**12,043**	19,598
Interest income	24	**965**	1,366	**7,426**	8,993
Finance costs	25	**(19,219)**	(24,024)	**(10,083)**	(15,313)
Share of profit/(loss) in					
- Associated company		**(5)**	(7)	**-**	-
- Jointly controlled entities		**12,459**	20,764	**-**	-
Profit before taxation		**15,857**	36,957	**9,386**	13,278
Taxation:					
- Company and subsidiaries		**768**	2,701	**(2,636)**	(3,513)
- Jointly controlled entities		**(2,105)**	(6,181)	**-**	-
	26	**(1,337)**	(3,480)	**(2,636)**	(3,513)
Profit after taxation		**14,520**	33,477	**6,750**	9,765
Minority interests		**(1,922)**	374	**-**	-
Net profit for the year		**12,598**	33,851	**6,750**	9,765
Earnings per share	27	**1.8 sen**	4.8 sen		
Net dividends per share	28	**0.72 sen**	0.72 sen		

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

	Note	Share capital RM'000	NON-DISTRIBUTABLE Share premium RM'000	NON-DISTRIBUTABLE Exchange reserve RM'000	DISTRIBUTABLE Retained profits RM'000	Total RM'000
Group						
At 1 July 2003		350,229	35,089	8,343	320,176	713,837
Net loss not recognised in the income statement - translation of foreign subsidiaries		-	-	(284)	-	(284)
Profit for the year		-	-	-	33,851	33,851
Dividend paid		-	-	-	(2,522)	(2,522)
At 30 June 2004		350,229	35,089	8,059	351,505	744,882
Net loss not recognised in the income statement - translation of foreign subsidiaries		-	-	(440)	-	(440)
Profit for the year		-	-	-	12,598	12,598
Dividend paid	28	-	-	-	(5,043)	(5,043)
At 30 June 2005		**350,229**	**35,089**	**7,619**	**359,060**	**751,997**

	Note	Share capital RM'000	NON-DISTRIBUTABLE Share premium RM'000	NON-DISTRIBUTABLE Merger reserve RM'000	DISTRIBUTABLE Retained profits RM'000	Total RM'000
Company						
At 1 July 2003		350,229	35,089	68,219	46,487	500,024
Profit for the year		-	-	-	9,765	9,765
Dividend paid		-	-	-	(2,522)	(2,522)
At 30 June 2004		350,229	35,089	68,219	53,730	507,267
Profit for the year		-	-	-	6,750	6,750
Dividend paid	28	-	-	-	(5,043)	(5,043)
At 30 June 2005		**350,229**	**35,089**	**68,219**	**55,437**	**508,974**

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

CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation and minority interests	**15,857**	36,957	**9,386**	13,278
Adjustments for:				
Depreciation of property, plant and equipment	**6,232**	6,688	**55**	38
Gain on disposal of a jointly controlled entity	**-**	(28,372)	**-**	-
Gain on disposal of a subsidiary	**-**	(1,033)	**-**	-
Interest expense	**19,219**	24,024	**10,083**	15,313
(Write back of) / provision for doubtful debts	**(983)**	4,259	**(754)**	1,500
Provision for impairment loss in investments	**15,177**	740	**-**	-
Reversal of write down in investment properties	**(12,788)**	-	**-**	-
Share of loss in associated company	**5**	7	**-**	-
Share of profit in jointly controlled entities	**(12,459)**	(20,764)	**-**	-
Dividend income	**-**	-	**(12,390)**	(24,000)
Interest income	**(965)**	(1,366)	**(7,426)**	(8,993)
Operating profit/(loss) before working capital changes	**29,295**	21,140	**(1,046)**	(2,864)
Working capital changes:				
Inventories	**45,439**	45,504	**-**	-
Receivables	**(2,271)**	(1,722)	**2,173**	1,555
Development properties	**(2,258)**	329	**-**	-
Payables	**1,977**	(8,292)	**(75)**	322
Jointly controlled entities balances	**4,901**	40,097	**(1,398)**	(5,864)
Inter-company balances	**-**	-	**(23,422)**	93,613
Land held for development	**(856)**	(155)	**-**	-
Cash generated from /(used in) operations	**76,227**	96,901	**(23,768)**	86,762
Interest received	**965**	1,366	**7,426**	8,993
Tax refunded	**402**	6,951	**2,260**	8,774
Net cash generated from/(used in) operating activities	**77,594**	105,218	**(14,082)**	104,529

	Note	GROUP 2005 RM'000	GROUP 2004 RM'000	COMPANY 2005 RM'000	COMPANY 2004 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received from:					
- subsidiaries		-	-	**8,921**	17,280
- jointly controlled entities		**482**	862	**-**	-
Proceeds from disposal of a jointly controlled entity		-	61,754	**-**	-
Acquisition of:					
- investment property		**(102,376)**	-	**-**	-
- property, plant and equipment	(a)	**(3,952)**	(941)	**(114)**	(8)
Acquisition of additional interest in jointly controlled entities		**(20)**	(21,968)	**-**	-
Disposal of a subsidiary, net of cash disposed	6	**-**	(1)	**-**	-
Acquisition of subsidiaries, net of cash acquired	6	**2,690**	-	**-**	-
Proceeds from redemption of investment in preference shares in jointly controlled entities		**9,558**	18,800	**-**	-
Net cash (used in)/generated from investing activities		**(93,618)**	58,506	**8,807**	17,272
CASH FLOWS FROM FINANCING ACTIVITIES					
Bank borrowings drawdown		**115,000**	155,000	**37,500**	-
Dividend paid		**(5,043)**	(2,522)	**(5,043)**	(2,522)
Interest paid		**(19,219)**	(24,024)	**(10,083)**	(15,313)
Repayment of bank borrowings		**(61,896)**	(277,355)	**(11,437)**	(104,500)
Net cash generated from/(used in) financing activities		**28,842**	(148,901)	**10,937**	(122,335)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**12,818**	14,823	**5,662**	(534)
EFFECTS OF EXCHANGE RATE CHANGES		**-**	28	**-**	-
CASH AND CASH EQUIVALENTS: AT 1 JULY		**12,299**	(2,552)	**325**	859
AT 30 JUNE	(b)	**25,117**	12,299	**5,987**	325

(a) Additions of property, plant and equipment during the year were fully paid for by cash.

(b) Cash and cash equivalents comprise the following balance sheet amounts:

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Deposits with licensed banks (Note 15)	**15,998**	11,246	**5,713**	320
Cash and bank balances (Note 15)	**13,068**	7,116	**278**	143
	29,066	18,362	**5,991**	463
Bank overdrafts (Note 17)	**(3,949)**	(6,063)	**(4)**	(138)
	25,117	12,299	**5,987**	325

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

1. CORPORATE INFORMATION

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are property development, property investment, hotel operations, investment holding, trading in securities and provision of management services. There have been no significant changes in the nature of the principal activities during the financial year.

The Company changed its name from Hong Leong Properties Berhad to GuocoLand (Malaysia) Berhad on 28 October 2004.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office is located at Level 10, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur.

The principal place of business of the Company is located at Level 8, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur.

The numbers of employees as at 30 June 2005 in the Group and in the Company were 566 (2004: 517) and 23 (2004: 20) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 17 August 2005.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated.

The financial statements comply with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia.

During the financial year ended 30 June 2005, the Company adopted the Malaysian Accounting Standards Board ("MASB") 32, Property Development Activities for the first time.

The adoption of MASB 32 has not given rise to any adjustments to the opening balances of retained profits of the prior and current year or to changes in comparatives.

(b) Basis of Consolidation

(i) Subsidiaries

The consolidated financial statements include the financial statements of the Company and all its subsidiaries. Subsidiaries are those entities in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from the activities.

Subsidiaries are consolidated on the acquisition method of accounting except for certain subsidiaries, as disclosed in Note 31 to the financial statements, which are consolidated on the merger method of accounting. As allowed by MASB 21, Business Combination, the recognition criteria of a business combination under the merger method of accounting will be applied prospectively. Subsidiaries previously consolidated on the merger method of accounting will continue to apply.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Basis of Consolidation (cont'd)

(i) Subsidiaries (cont'd)

(i) Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the financial year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The difference between the acquisition costs and these fair values is included in the consolidated balance sheet as goodwill or reserve on consolidation as appropriate. Goodwill on consolidation is stated at cost less accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(e).

(ii) Under the merger method of accounting, the results of the subsidiaries are presented as if the companies had been combined throughout the current and previous financial years. The debit difference between the cost of acquisition over the nominal value of the share capital and share premium of the subsidiaries is written off against reserves. Any resulting credit differences, however, are classified as equity and be regarded as a non-distributable reserve.

All inter-company transactions and balances and the resulting unrealised profits are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses resulting from inter-company transactions are also eliminated.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets together with any exchange differences which were not previously recognised in the consolidated income statement. Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree.

(ii) Associated Companies

An associated company is an investee company that is not a subsidiary and in which the Group has a long term equity interest and exercises significant influence over the financial and commercial policies of the investee through Board representation.

Investment in associated company is accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the associated company.

The Group's share of results and reserves of the associated companies acquired or disposed of are included in the consolidated financial statements from the date of acquisition or up to the date of disposal under the equity method.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses on such transactions are also eliminated to the extent of the Group's interests in the associates.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Basis of Consolidation (cont'd)

(iii) Jointly Controlled Entities

A jointly controlled entity is an entity in which the Group has joint control over its economic activity established under a contractual arrangement.

Investments in jointly controlled entities are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the jointly controlled entities.

The Group's share of results of jointly controlled entities included in the consolidated financial statements from the date of formation of the jointly controlled entities and up to the date of completion of the projects under the equity method.

Unrealised gains on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities. Unrealised losses are eliminated unless the transaction provides evidence of impairment of the assets transferred.

(c) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(e).

Freehold land is not depreciated.

Leasehold land and hotel properties are not depreciated as their depreciation and accumulated depreciation are not expected to be material in view of their long economic lives and high residual values.

Depreciation of other property, plant and equipment is provided for on a straight line basis to write off the cost of each asset over the estimated useful life at the following annual rates:

Buildings other than hotel buildings	2%
Building service plant, equipment and furniture and fittings	5% - 20%
Motor vehicles	20%

Upon disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement.

(d) Investments

The Company's investments in subsidiary and associated companies and jointly controlled entities are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(e).

Short term investments are carried at the lower of cost and market value, determined on an aggregate basis. Cost is determined on the weighted average basis while market value is determined based on quoted market values.

Long term investments other than in subsidiaries and associates are stated at cost. Provision is made when the decline in value of the investments is considered to be other than temporary.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income immediately. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset no longer exist or have decreased.

(f) Foreign Currencies

(i) Transactions in foreign currencies

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the time of the transaction. At each balance sheet date, foreign currency assets and liabilities are translated into Ringgit Malaysia at exchange rates ruling at that date. All exchange gains and losses are included in the income statement.

(ii) Translation of foreign currency financial statements

The revenues and expenses of foreign operations are translated into Ringgit Malaysia at average exchange rates applicable throughout the year.

Assets, liabilities and income statement items of foreign subsidiaries are reported in Ringgit Malaysia at the exchange rates ruling at the balance sheet date. All resulting translation differences are included in the foreign exchange reserve in shareholders' equity.

The principal exchange rates used for every unit of foreign currencies ruling at the balance sheet date are as follows:

Foreign currency	2005 RM	2004 RM
United States Dollar	**3.80**	3.80
Philippine Peso	**0.07**	0.07
British Sterling Pound	**6.86**	6.79
Singapore Dollar	**2.25**	2.21

(g) Investment properties

Investment properties consist of land and buildings held for investment and rental.

Investment properties are treated as long term investments and are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(e).

Upon disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Land Held for Property Development and Property Development Costs

(i) Land held for property development

Land held for property development consist of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with note 2(e).

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

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

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

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

(i) Construction Contracts

Where the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

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

When the total of costs incurred on construction contracts plus, recognised profits (less recognised losses), exceeds progress billings, the balance is shown as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is shown as amount due to customers on contracts.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Inventories

(i) Property inventories

Property inventories consist of residential and commercial properties. They are stated at the lower of cost and net realisable value. Cost includes the relevant cost of land, development expenditure and related interest cost incurred during the development period.

(ii) Others

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(k) Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, demand deposits and short term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value, against which the bank overdraft balances, if any, are deducted.

(l) Provisions for Liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and 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.

(m) Income Tax

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

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Employees Benefits

(i) Short term benefits

Wages, salaries, bonuses, annual and sick leave and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group.

(ii) Defined contribution plans

Contributions to define contribution plans are recognised as an expense in the income statement as incurred.

(iii) Equity compensation benefit

The Company Executive Share Option Scheme ("ESOS") allows the Group's employees to acquire ordinary shares of the Company. No compensation cost or obligation is recognised. When the options are exercised, the equity is increased by the amount of the proceeds received.

(o) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2(i).

(ii) Development properties

Revenue from sale of development properties is accounted for by the stage of completion method as described in note 2(h).

(iii) Property inventories

Revenue from sale of property inventories is recognised when the significant risks and rewards of ownership of the property have been passed to the buyer.

(iv) Dividend income

Dividend income arising from investments in subsidiaries, jointly controlled entities, associated company, long term investments and short term investments are recognised when the rights to receive payment are established.

(v) Rental income

Revenue from room rental and rental of properties are recognised on the accrual basis unless collectibility is in doubt, in which case, they are recognised on receipt basis.

(vi) Interest income

Interest income are recognised on the accrual basis unless the collectibility is in doubt, in which case they are recognised on receipt basis.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Financial Instruments

Financial instruments are recognised in the balance sheets when the Group has become a party to the contractual provisions of the instrument.

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

(i) Short Term Investments

Short term investments are carried at the lower of cost and market value, determined on an aggregate basis. Cost is determined on the weighted average basis while market value is determined based on quoted market values. Increases or decreases in the carrying amount of marketable securities are recognised in the income statement. On disposal of marketable securities, the difference between net disposal proceeds and the carrying amount is recognised in the income statement.

(ii) Receivables

Receivables are carried at anticipated realisable values. An estimation for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(iii) 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.

(iv) Interest-Bearing Borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. For borrowings made specifically for the purpose of acquiring a qualifying asset, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of funds drawndown from that borrowing facility.

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

(v) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Freehold land and buildings RM'000	Long leasehold land and buildings RM'000	Short leasehold land and buildings RM'000	Freehold land under development RM'000	Building service plant and equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
Cost									
At 1 July 2004	2,272	68,785	77,703	44,758	-	69,606	14,946	1,382	279,452
Additions	-	304	85	-	-	2,512	878	173	3,952
Acquisition of subsidiaries (Note 6)	-	-	-	-	-	820	102	-	922
Transfer (Note 5)	-	-	-	-	93,705	-	-	-	93,705
Disposal	-	-	-	-	-	(21)	-	-	(21)
At 30 June 2005	**2,272**	**69,089**	**77,788**	**44,758**	**93,705**	**72,917**	**15,926**	**1,555**	**378,010**
Accumulated Depreciation and Impairment Losses									
At 1 July 2004	-	9,247	-	24,765	-	45,963	12,084	903	92,962
Charge for the year	-	-	-	-	-	5,427	596	209	6,232
Disposal	-	-	-	-	-	(21)	-	-	(21)
At 30 June 2005	**-**	**9,247**	**-**	**24,765**	**-**	**51,369**	**12,680**	**1,112**	**99,173**
Net Book Value									
At 30 June 2005	**2,272**	**59,842**	**77,788**	**19,993**	**93,705**	**21,548**	**3,246**	**443**	**278,837**
At 30 June 2004	2,272	59,538	77,703	19,993	-	23,643	2,862	479	186,490
Depreciation charge for 2004	-	-	-	-	-	6,027	470	191	6,688
Details at 1 July 2003									
Cost	2,272	70,433	77,553	56,452	-	57,878	14,464	1,401	280,453
Accumulated depreciation and impairment losses	-	9,247	-	32,683	-	31,163	12,469	763	86,325

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

Company	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Total RM'000
Cost				
At 1 July 2004	-	215	166	381
Addition	102	12	-	114
At 30 June 2005	**102**	**227**	**166**	**495**
Accumulated Depreciation				
At 1 July 2004	-	168	152	320
Charge for the year	20	21	14	55
At 30 June 2005	**20**	**189**	**166**	**375**
Net Book Value				
At 30 June 2005	**82**	**38**	**-**	**120**
At 30 June 2004	-	47	14	61
Depreciation charge for 2004	-	22	16	38
Details at 1 July 2003				
Cost	-	207	166	373
Accumulated depreciation	-	146	136	282

The net book values of property, plant and equipment pledged for borrowings as referred to in Notes 17 and 20 are as follows:

	GROUP 2005 RM'000	2004 RM'000
Freehold land and buildings	**59,842**	59,538
Long leasehold land and buildings	**77,788**	77,703
Building service plant and equipment	**15,486**	17,217
Furniture and fittings	**1,618**	1,392
Motor vehicles	**97**	80
	154,831	155,930

4. INVESTMENT PROPERTIES

	GROUP 2005 RM'000	2004 RM'000
Freehold land and buildings		
- at cost	**295,010**	199,024
Leasehold land and buildings		
- at written down value	**68,811**	56,006
	363,821	255,030
Fair value of investment properties, estimated by Directors	**470,605**	320,081

Freehold land and buildings and leasehold land and buildings, with carrying amounts of RM258,803,000 (2004: RM199,024,000) and RM68,811,000 (2004: RM56,006,000) respectively are charged to financial institutions as collaterals for credit facilities granted to the Company and the Group as disclosed in Note 20.

5. LAND HELD FOR DEVELOPMENT

	GROUP 2005 RM'000	2004 RM'000
Freehold Land - At Cost:		
At 1 July	**142,838**	156,981
Disposal of a subsidiary	**-**	(13,825)
Transfer to development properties (Note 13)	**(51,172)**	-
Transfer to property, plant and equipment (Note 3)	**(90,391)**	-
Transfer to development expenditure	**-**	(318)
At 30 June	**1,275**	142,838
Development Expenditure:		
At 1 July	**4,362**	21,511
Additions	**856**	155
Disposal of a subsidiary	**-**	(17,622)
Transfer to development properties (Note 13)	**(1,876)**	-
Transfer to property, plant and equipment (Note 3)	**(3,314)**	-
Transfer from freehold land cost	**-**	318
At 30 June	**28**	4,362
Accumulated impairment losses at 1 July / 30 June	**541**	541
Carrying amount at 30 June	**762**	146,659

6. INVESTMENTS IN SUBSIDIARIES

	COMPANY 2005 RM'000	2004 RM'000
Unquoted shares at cost	**514,423**	514,423
Accumulated impairment losses	**(4,966)**	(4,966)
	509,457	509,457

Details of the subsidiaries are disclosed in Note 31.

During the financial year, the Group acquired Hong Leong Property Management Co Sdn. Bhd. ("HLPM"), Hong Leong Property Services Sdn. Bhd. ("HLPS") and Guoman International Limited ("Guoman"). Further details of the acquisitions are disclosed in Note 35.

(a) The fair values of the assets acquired and liabilities assumed from the acquisition of the subsidiaries were as follows:

	2005 RM'000
Property, plant and equipment (Note 3)	**922**
Deferred tax asset (Note 21)	**788**
Trade and other receivables	**7,355**
Tax recoverable	**53**
Cash and bank balances	**2,690**
Trade and other payables	**(14,002)**
Provision for taxation	**(270)**
Group's share of net liabilities	**(2,464)**
Goodwill on acquisitions	**2,464**
Cost of acquisitions*	**-**

* The cost of acquistions of the subsidiaries satisfied by cash were as follows:

	RM
HLPM	1
HLPS	1
Guoman	7
	9

	2005 RM'000
Cash inflow arising on acquisitions:	
Purchase consideration satisfied by cash	**-**
Cash and cash equivalents of subsidiaries acquired	**(2,690)**
Net cash inflow of the Group	**2,690**

There were no acquisitions in the financial year ended 30 June 2004.

6. INVESTMENTS IN SUBSIDIARIES (cont'd)

(b) In the previous financial year, the Group completed the disposal of its entire 70% equity interest in Treacher Development Sdn. Bhd. The effects on the financial position of the Group from the disposal were as follows:

	2004 RM'000
Land held for development	31,447
Cash and bank balances	1
Current liabilities	(14,829)
Long term liabilities	(5,018)
Net assets disposed	11,601
Total disposal proceeds	(12,634)
Profit on disposal to the Group	(1,033)
Disposal proceeds settled by quoted shares	12,634
Cash outflow arising from disposal:	
Cash and cash equivalents of subsidiary disposed	(1)
Net cash outflow of the Group	(1)

7. DUE FROM/TO SUBSIDIARIES (UNSECURED)

	DUE FROM		DUE TO	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Company				
As at 30 June	**102,883**	95,469	**9,077**	25,338
Amount receivable/repayable within 12 months (Note 14 and Note 16)	**(102,883)**	(47,735)	**(9,077)**	-
	-	47,734	**-**	25,338

The amounts due from subsidiaries of RM93,931,000 (2004: RM95,469,000) bore interest at rates ranging from 6.0% to 7.5% (2004: 7.5%) per annum during the financial year. All other amounts were interest free.

The amounts due to subsidiaries of RM3,691,000 (2004: RM25,338,000) bore interest at rates ranging from 4.25% to 4.33% (2004: 3.0% to 8.0%) per annum during the financial year. All other amounts were interest free.

The amounts due from/to subsidiaries are unsecured.

8. INVESTMENT IN ASSOCIATED COMPANY

	GROUP 2005 RM'000	2004 RM'000
Unquoted shares at cost	**6**	6
Share of post acquisition reserves	**1,203**	1,208
Share of post acquisition translation reserve	**(317)**	(338)
	892	876
Represented by:		
Share of net assets of associated company	**892**	876

Details of the associated company are as follows:

Name of company	Country of incorporation	Effective equity interest 2005 %	2004 %	Intended principal activity
Luck Hock Venture Holdings, Inc.	Philippines	**28**	28	Dormant

9. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

	GROUP 2005 RM'000	2004 RM'000	COMPANY 2005 RM'000	2004 RM'000
Investment at cost	**275,378**	284,916	**56,000**	56,000
Share of post acquisition reserves	**102,646**	86,569	**-**	-
	378,024	371,485	**56,000**	56,000

Details of the jointly controlled entities are disclosed in Note 32.

The Group's interest in the assets, liabilities, revenue and expenses of jointly controlled entities are as follows:

	2005 RM'000	2004 RM'000
Long term assets	**378,264**	461,278
Current assets	**178,196**	133,180
Long term liabilities	**(104,576)**	(147,813)
Current liabilities	**(73,860)**	(75,160)
Net assets	**378,024**	371,485
Revenue	**78,244**	109,666
Expenses	**(67,890)**	(95,083)
	10,354	14,583

10. INVESTMENTS

	GROUP 2005 RM'000	2004 RM'000
Long term investments		
Quoted shares in Malaysia, at cost	**53,730**	25,978
Unquoted shares in Malaysia, at cost	**48**	-
Accumulated impairment losses	**(33,924)**	-
	19,854	25,978
Market value of quoted shares	**11,919**	13,768
Short term investments		
Quoted shares in Malaysia, at cost	-	27,752
Unquoted shares in Malaysia, at cost	-	48
Accumulated impairment losses	-	(18,747)
	-	9,053
Market value of quoted shares	-	9,019

During the financial year, the Group reclassified its entire short term investments to long term investments as it is the Group's intention to hold these investments for a period of more than one year.

The directors regard the shortfall in value of the quoted investment against market value as at the balance sheet date as temporary in nature as the current market value is not reflective of the underlying net tangible assets of the investee companies.

11. INVENTORIES

	GROUP 2005 RM'000	2004 RM'000
At cost		
Property inventories	**16,965**	64,305
Saleable merchandise	**770**	560
Operating supplies	**736**	795
	18,471	65,660
At net realisable value		
Property inventories	**450**	700
	18,921	66,360

The cost of property inventories of the Group recognised as cost of sales during the financial year amounted to RM47,340,000 (2004: RM46,030,000).

Property inventories of RM14,816,000 (2004: RM64,152,000) have been pledged to a financial institution for banking facilities granted to a subsidiary as disclosed in Note 20.

12. DUE FROM/(TO) CONTRACT CUSTOMERS

	GROUP 2005 RM'000	2004 RM'000
Contract cost incurred to date	**19,995**	15,210
Attributable profits	**4,875**	4,121
	24,870	19,331
Less: Progress payments received and receivable	**(25,664)**	(20,201)
	(794)	(870)
Due from contract customers	**252**	-
Due to contract customers	**(1,046)**	(870)
	(794)	(870)
Contract revenue recognised as revenue (Note 22)	**2,564**	10,018
Contract costs recognised as cost of sales	**1,810**	8,086

13. DEVELOPMENT PROPERTIES

	GROUP 2005 RM'000	2004 RM'000
Development properties cost:		
At 1 July		
Freehold land	**24,746**	24,746
Long leasehold land	**1,531**	1,531
Development expenditure	**6,007**	5,163
	32,284	31,440
Transfer from land held for development (Note 5)		
Freehold land	**51,172**	-
Development expenditure	**1,876**	-
	53,048	-
Cost incurred during the year:		
Development expenditure	**5,821**	844
Cost recognised in income statement:		
At 1 July	**-**	-
Recognised during the year	**(3,563)**	-
At 30 June	**(3,563)**	-
Development properties cost at 30 June	**87,590**	32,284

14. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Trade receivables (Note (a))	**21,483**	15,556	**-**	-
Provision for doubtful debts	**(37)**	(118)	**-**	-
	21,446	15,438	**-**	-
Other receivables	**21,563**	11,393	**1,261**	3,434
Provision for doubtful debts	**(4,530)**	(5,414)	**(746)**	(1,500)
	17,033	5,979	**515**	1,934
Subsidiaries (Note 7)	**-**	-	**102,883**	47,735
Jointly controlled entities (Note (b))	**7,619**	13,918	**-**	-
Related parties (Note (c))	**234**	596	**-**	253
	46,332	35,931	**103,398**	49,922

(a) Included in trade receivables of the Group is retention sum of RM17,000 (2004: RM375,000).

(b) Amounts due from jointly controlled entities of the Group of RM6,345,000 (2004: RM13,918,000) bore interest at 7.0% (2004: 7.25% to 7.5%) per annum during the financial year. All other amounts were interest free.

(c) Related parties in these financial statements refer to related companies of Hong Leong Company (Malaysia) Berhad, the ultimate holding company of a substantial shareholder of the Group.

The amount due from related parties are interest free, unsecured and have no fixed terms of repayment.

The Group's normal trade credit term ranges from 7 days to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

15. DEPOSITS, CASH AND BANK BALANCES

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Deposits placed with licensed banks	**15,998**	11,246	**5,713**	320
Cash and bank balances	**13,068**	7,116	**278**	143
	29,066	18,362	**5,991**	463
Of which amounts placed with a related party:				
- deposits	**14,013**	5,150	**5,713**	-
- bank balances	**8,216**	4,843	**259**	125

15. DEPOSITS, CASH AND BANK BALANCES (cont'd)

Included in deposits, cash and bank balances of the Group are amounts totalling RM3,254,000 (2004: RM4,924,000) pledged in favour of certain financial institutions as a security for the repayment of a subsidiary's term loan as disclosed in Note 20.

Cash and bank balances of the Group includes RM3,415,700 (2004: Nil) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore restricted from use in other operations.

The weighted average effective interest rates of deposits placed with licensed banks of the Group and of the Company at the balance sheet date were 2.39% (2004: 2.40%) and 2.40% (2004: 2.00%) respectively.

The average maturities of deposits placed with licensed banks of the Group and of the Company as at the end of the financial year were 6 days (2004: 10 days) and 4 days (2004: 2 days) respectively.

16. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Trade payables	**14,913**	15,628	**-**	-
Progress billings in respect of development property cost	**4,926**	-	**-**	-
Associated company	**680**	648	**-**	-
Jointly controlled entities	**-**	1,398	**-**	1,398
Subsidiaries (Note 7)	**-**	-	**9,077**	-
Related parties	**7,909**	506	**-**	-
Other payables	**31,702**	22,604	**2,725**	2,800
	60,130	40,784	**11,802**	4,198

An amount owing to an associated company of RM577,000 (2004: RM562,000) bore interest at 2% (2004: 2%) per annum during the financial year and is unsecured and has no fixed terms of repayment. In the previous financial year, the amounts due to the jointly controlled entities of the Group and of the Company bore interest at 7.5% per annum.

Indebtedness due to related parties include an amount of RM991,000 (2004: Nil) which bore interest at 3.98% (2004: Nil) per annum during the financial year. All other amounts are interest free. Included in other payables is an amount of RM10,765,000 (2004: RM8,514,000) representing accrual for development cost.

The normal credit terms granted by the trade payables range from 30 days to 60 days.

17. SHORT TERM BORROWINGS

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Secured				
Term loans (Note 20)	**31,750**	17,082	**15,250**	11,438
Bank overdraft	**3,229**	4,777	**-**	-
	34,979	21,859	**15,250**	11,438
Unsecured				
Bank overdrafts	**720**	1,286	**4**	138
Revolving credits	**65,000**	20,000	**57,500**	20,000
	65,720	21,286	**57,504**	20,138
	100,699	43,145	**72,754**	31,576

The secured bank overdraft of the Group are secured by a second legal charge over the long term leasehold land and a second fixed and floating charge over the assets of a subsidiary. The bank overdrafts bore effective interest at rates ranging from 6.50% to 8.25% (2004: 7.00% to 8.25%) per annum during the financial year.

The revolving credits bore effective interest at rates ranging from 4.00% to 6.00% (2004: 4.00% to 6.00%) per annum during the financial year.

The details of the term loans are disclosed in Note 20.

18. SHARE CAPITAL

	Ordinary shares of RM0.50 each			
	2005 No. of shares '000	2004 No. of shares '000	2005 Amount RM'000	2004 Amount RM'000
Authorised	**3,000,000**	3,000,000	**1,500,000**	1,500,000
Issued and fully paid	**700,458**	700,458	**350,229**	350,229

The Company issued 70,045,522 detachable warrants on 7 September 1995 in conjunction with its issue of redeemable bank guaranteed bonds which had since expired in October 2000. The warrants are constituted by a Deed Poll and entitle the registered holder to subscribe for one ordinary share of RM0.50 each in the Company at an exercise price of RM3.05 per share for every warrant held. The original exercise period of the warrants which expired on 1 April 2000 was extended for a further five years and six months to 1 October 2005. During the year, none of the outstanding 70,042,322 (2004: 70,042,322) warrants were exercised.

The shareholders of the Company approved the implementation of the Executive Share Option Scheme ("ESOS" or the "Scheme") at the Extraordinary General Meeting held on 14 December 1999. During the financial year ended 2003, the shareholders approved the proposal to extend the duration of the Scheme for an additional period of 5 years from 24 December 2004 up to and including 24 December 2009 and to amend the Bye-Laws of the Scheme to, inter-alia, incorporate revisions to the Securities Commission's Guidelines in relation to employee share option scheme, introduce new performance criteria as a basis for prime value options to key executives and provide flexibility to the Company to issue new shares and/or transfer existing shares to option holders upon the exercise of their options. There is no outstanding options as at 30 June 2005 (2004: 1,162,000) as the unexercised options had lapsed as at 24 December 2004.

18. SHARE CAPITAL (cont'd)

The main features of the ESOS are, inter alia, as follows:

1) Eligible executives are those executives (including full-time executive directors) of the Group who have been confirmed in service on the date of offer. The maximum allowable allotments for the full-time executive directors had been approved by the shareholders of the Company in a general meeting.

2) The aggregate number of shares to be issued under the ESOS shall not exceed 10% of the total issued and paid-up ordinary share capital of the Company for the time being.

3) The Scheme shall be in force for a period of ten (10) years from 24 December 1999.

4) The option price shall not be at a discount of more than ten percent (10%) (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of the shares of the Company preceding the date of offer and shall in no event be less than the par value of the shares of the Company of RM0.50 each.

5) An option holder may, in a particular year, exercise up to such maximum number of shares in the option certificate as determined by the Board of Directors or as specified in the option certificate.

6) The options granted to eligible executives will lapse when they are no longer in employment of the Group.

19. RESERVES

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Non-distributable:				
Share premium	**35,089**	35,089	**35,089**	35,089
Exchange reserve	**7,619**	8,059	**-**	-
Merger reserve	**-**	-	**68,219**	68,219
	42,708	43,148	**103,308**	103,308
Distributable:				
Retained profits	**359,060**	351,505	**55,437**	53,730
	401,768	394,653	**158,745**	157,038

The premium arising on the shares issued in respect of the subsidiaries accounted for under the merger method of accounting is credited to the merger reserve account in accordance with the relief granted by Section 60(4) of the Companies Act, 1965.

The entire exchange reserve arose from the translation of financial statements of foreign subsidiaries.

Based on the estimated tax credits available, the entire retained profit of the Company is available for distribution by way of dividend without incurring additional tax liability.

20. LONG TERM BORROWINGS

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Secured:				
Term loans	**303,249**	295,145	**99,563**	111,000
Less: Amounts repayable within 12 months (Note 17)	**(31,750)**	(17,082)	**(15,250)**	(11,438)
	271,499	278,063	**84,313**	99,562
The borrowings outstanding are repayable as follows:				
1 year after balance sheet date	**31,750**	17,082	**15,250**	11,438
More than 1 year but not later than 2 years	**51,445**	50,754	**45,250**	15,250
More than 2 years but not later than 5 years	**165,054**	135,009	**39,063**	80,500
More than 5 years	**55,000**	92,300	**-**	3,812
	303,249	295,145	**99,563**	111,000

The term loans of the Group and of the Company are secured by legal charges on certain property, plant and equipment, investment properties and property inventories as disclosed in Notes 3, 4, 11 and 15 to the financial statements as well as fixed and floating charges on assets of certain subsidiaries.

The term loans are repayable over the period from 1997 to 2011 and bore interest at rates ranging from 3.88% to 8.00% (2004: 4.25% to 8.00%) per annum during the financial year.

21. DEFERRED TAXATION

	GROUP	
	2005 RM'000	2004 RM'000
At 1 July	**1,236**	1,343
Recognised in the income statement (Note 26)	**30**	(431)
Acquisition of subsidiary (Note 6)	**(788)**	-
Recognised in exchange reserve	**10**	324
At 30 June	**488**	1,236
Presented after appropriate offsetting as follows:		
Deferred tax assets	**(764)**	-
Deferred tax liabilities	**1,252**	1,236
	488	1,236

21. DEFERRED TAXATION (cont'd)

The components and movements of Group's deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred Tax Liabilities of the Group

	Translation Differences RM'000	Accelerated Capital Allowances RM'000	Total RM'000
At 1 July 2004	324	2,915	3,239
Recognised in the income statement	-	(242)	(242)
Recognised in exchange reserve	10	-	10
At 30 June 2005	**334**	**2,673**	**3,007**
At 1 July 2003	-	3,109	3,109
Recognised in the income statement	-	(194)	(194)
Recognised in exchange reserve	324	-	324
At 30 June 2004	324	2,915	3,239

Deferred Tax Assets of the Group

	Unused Tax Losses and Unutilised Capital Allowances RM'000
At 1 July 2004	(2,003)
Acquisition of subsidiary (Note 6)	(788)
Recognised in the income statement	272
At 30 June 2005	**(2,519)**
At 1 July 2003	(1,766)
Recognised in the income statement	(237)
At 30 June 2004	(2,003)

21. DEFERRED TAXATION (cont'd)

Deferred tax assets have not been recognised in respect of the following items:

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Unused tax losses	**33,651**	33,984	**571**	571
Unabsorbed capital allowances	**87,828**	89,816	**268**	215
Unabsorbed investment tax allowance	**121,788**	121,788	**-**	-
Others	**2,203**	3,786	**769**	1,593
	245,470	249,374	**1,608**	2,379
Deferred Tax at 28%	**68,732**	**69,825**	**450**	**666**

The unused tax losses and unabsorbed capital allowances are available indefinitely for offset against future taxable profits of the subsidiaries in which those items arose. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiaries in the Group and they have arisen in subsidiaries that have a recent history of losses.

22. REVENUE

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Contract revenue (Note 12)	**2,564**	10,018	**-**	-
Sale of properties	**70,968**	56,935	**-**	-
Rental of properties	**23,235**	13,781	**-**	-
Room rental	**47,775**	44,117	**-**	-
Others	**1,738**	549	**-**	-
Proceeds from disposal of a subsidiary	**-**	12,634	**-**	-
Proceeds from disposal of a jointly controlled entity	**-**	61,757	**-**	-
Dividends received	**-**	-	**12,390**	24,000
Management fees	**-**	-	**883**	871
	146,280	199,791	**13,273**	24,871

In the previous financial year, the proceeds from disposal of investments in a subsidiary and a jointly controlled entity have been included as part of revenue as the disposals are deemed to be disposals of the Group's investment properties.

23. PROFIT FROM OPERATIONS

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Revenue	**146,280**	199,791	**13,273**	24,871
Cost of sales	**(101,343)**	(138,939)	**-**	-
Gross profit	**44,937**	60,852	**13,273**	24,871
Other operating income	**1,003**	1,089	**-**	-
Distribution costs and marketing expenditures	**(2,246)**	(1,989)	**-**	-
Administration expenses	**(18,889)**	(18,610)	**(460)**	(3,625)
Other operating expenses	**(3,148)**	(2,484)	**(770)**	(1,648)
	21,657	38,858	**12,043**	19,598

Cost of sales comprises of contract costs, property inventories, building expenses and hotel expenses.

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Operating profit is arrived at after charging:				
Auditors' remuneration				
- statutory audit	**131**	137	**40**	50
Depreciation	**6,232**	6,688	**55**	38
Directors' emoluments	**697**	407	**187**	407
Directors' fees				
- Directors' of the company	**339**	246	**320**	241
- Directors' of subsidiaries	**9**	9	**-**	-
Office rental	**647**	199	**182**	154
Provision for impairment loss in investments	**15,177**	740	**-**	-
Provision for doubtful debts	**-**	4,259	**-**	1,500
Retirement benefit	**17**	49	**-**	-
Retrenchment cost	**-**	2	**-**	-
Staff costs	**12,759**	10,148	**600**	1,012
and crediting:				
Gain on disposal of a jointly controlled entity	**-**	28,372	**-**	-
Gain on disposal of a subsidiary	**-**	1,033	**-**	-
Gross dividends from				
- subsidiaries	**-**	-	**12,390**	24,000
- jointly controlled entity	**670**	1,197	**-**	-
Provision for doubtful debts written back	**983**	-	**754**	-
Reversal of write down in investment properties	**12,788**	-	**-**	-

Included in directors' emoluments of the Group and the Company is director's benefits-in-kind amounting to RM39,400 (2004: RM36,520)

Included in staff costs of the Group and of the Company are defined contribution plans amounting to RM1,012,000 (2004: RM805,000) and RM70,000 (2004: RM87,000) respectively.

24. INTEREST INCOME

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Interest income from:				
- jointly controlled entities	**504**	941	**22**	-
- subsidiaries	**-**	-	**7,401**	8,865
- others	**461**	425	**3**	128
	965	1,366	**7,426**	8,993

25. FINANCE COSTS

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Interest expense				
- loans	**18,058**	22,620	**9,099**	13,222
- subsidiaries	**-**	-	**406**	1,259
- associated company	**10**	11	**-**	-
- jointly controlled entities	**7**	274	**7**	274
- related party	**204**	-	**-**	-
- others	**940**	1,119	**571**	558
	19,219	24,024	**10,083**	15,313

26. TAXATION

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Tax expense for the year:				
Malaysian income tax	**2,118**	4,972	**2,601**	4,711
Foreign tax	**9**	9	**-**	-
Deferred tax (Note 21)	**30**	(431)	**-**	-
	2,157	4,550	**2,601**	4,711
(Over)/under provision in prior years:				
Malaysian income tax	**(1,115)**	(1,070)	**35**	(1,198)
Real property gain tax	**295**	-	**-**	-
	1,337	3,480	**2,636**	3,513

Domestic income tax is calculated at the Malaysian statutory tax rate of 28% (2004: 28%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

26. TAXATION (cont'd)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	2005 RM'000	2004 RM'000
Group		
Profit before taxation	**15,857**	36,957
Taxation at Malaysian statutory tax rate of 28% (2004: 28%)	**4,440**	10,348
Effect of different tax rate in other countries	**(147)**	(314)
Effect of reduction in income tax rate to 20% on the first RM500,000 assessable profits	**(40)**	-
Effect of income not subject to tax	**(3,654)**	(8,233)
Effect expenses not deductible for tax purposes	**3,678**	1,966
Effect of utilisation of other previously unrecognised deferred tax assets	**(216)**	-
Effect of utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**(2,145)**	(1,227)
Deferred tax assets not recognised during the year	**241**	2,010
Over provision of income tax in prior years adjusted in current year	**(1,115)**	(1,070)
Real property gains tax - prior year	**295**	-
Tax expense for the year	**1,337**	3,480
Company		
Profit before taxation	**9,386**	13,278
Taxation at Malaysian statutory tax rate of 28% (2004: 28%)	**2,628**	3,718
Effect expenses not deductible for tax purposes	**189**	993
Effect of utilisation of other previously unrecognised deferred tax assets	**(216)**	-
Under/(over) provision of income tax in prior years adjusted in current year	**35**	(1,198)
Tax expense for the year	**2,636**	3,513

27. EARNINGS PER SHARE

(i) Basic earnings per share

The calculation of the basic earnings per share for the Group is based on profit attributable to ordinary shareholders of RM12,598,000 (2004: RM33,851,000) on a weighted average of 700,458,418 (2004: 700,458,418) number of ordinary shares in issue during the year.

(ii) Diluted earnings per share

No diluted earnings per share is disclosed due to the anti-dilutive effect of share options and warrants.

28. DIVIDEND

	Amount		Net Dividend per Share	
	2005 RM'000	2004 RM'000	2005 Sen	2004 Sen
Dividend paid				
Final of 2% less 28% income tax	-	5,043	-	0.72
Dividend proposed				
Final of 2% less 28% income tax	**5,043**	-	**0.72**	-

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 30 June 2005, of 2% less 28% taxation on 700,458,418 ordinary shares of RM0.50 each, amounting to a total dividend payable of RM5,043,303 (0.72 sen net per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 June 2006.

29. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Unsecured				
Guarantees given to financial institution for credit facilities granted to a subsidiary	-	-	-	17,000
Undertaking given to financial institution for credit facilities granted to a jointly controlled entity	**48,124**	56,566	-	-

In the previous financial year, a creditor of a subsidiary initiated legal proceedings to claim RM7.3 million from the said subsidiary for breach of contract and related finance charges. However, the directors are of the opinion that the claim is without full merit and the subsidiary will defend the claim vigorously. The case has yet to be settled as at the date of this report.

30. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management objectives seek to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, credit, liquidity and foreign exchange risks. The Group's policy is not to engage in speculative transactions.

(b) Interest Rate Risk

The Group and the Company manage its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings.

30. FINANCIAL INSTRUMENTS (cont'd)

(c) Effective interest rates and repricing analysis

The effective interest rates of the interest-earning financial assets and interest-bearing financial liabilities of the Group and the periods in which they will be repriced or mature, are as follows:

	Effective Interest Rate %	Total RM'000	Within 1 year RM'000	1-5 Years RM'000	More than 5 years RM'000
The Group					
Financial assets					
Deposits	2.39	15,998	15,998	-	-
Due from jointly controlled entities	5.70	7,619	7,619	-	-
Financial liabilities					
Borrowings					
- Floating rate	4.71	339,698	90,699	193,999	55,000
- Fixed rate	6.88	32,500	10,000	22,500	-
Company					
Financial assets					
Deposits	2.40	5,713	5,713	-	-
Financial Liabilities					
Borrowings					
- Floating rate	5.59	124,567	62,754	61,813	-
- Fixed rate	6.88	32,500	10,000	22,500	-

(d) Credit Risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

At balance sheet date, there was no significant concentration of credit risk. The maximum exposures to credit risk for the Group and the Company are represented by the carrying amount of each financial asset.

(e) Liquidity Risk

The Group and the Company actively manage their operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash to meet their working capital requirements.

(f) Foreign Exchange Risk

The Group is not exposed to significant foreign currency risk as the majority of the Group's transactions, assets and liabilities are denominated in Ringgit Malaysia (RM).

30. FINANCIAL INSTRUMENTS (cont'd)

(g) Fair Values

The carrying amounts of the financial assets and liabilities of the Group as at 30 June 2005 approximate their fair values except as set out below:

	GROUP/COMPANY	
	Carrying Total RM'000	Fair value RM'000
Financial Liabilities		
Term Loans	32,500	31,675

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash and Cash Equivalents, Trade and Other Receivables/Payables and Short Term Borrowings

The carrying amounts approximate fair values due to the relatively short term maturity of the financial instruments.

(ii) Quoted share investments

The fair value of quoted shares is determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date.

(iii) Due from/to Jointly Controlled Entities, Related Parties and Subsidiaries

It is not practical to estimate the fair values of amounts due from/to jointly controlled entities, related parties and subsidiaries due to no fixed repayment terms entered into between the parties.

The nominal/notional amounts and net fair value of financial instruments not recognised in the balance sheets of the Group and of the Company as at the end of the financial year are:

	Group	
	Nominal/ Notional Amount RM'000	Fair Value RM'000
Contingent liabilities	48,124	48,124

31. SUBSIDIARIES

The subsidiaries are as follows:

Name of company	Country of incorporation	Effective equity interest 2005 %	Effective equity interest 2004 %	Principal activities
Guoman Hotel & Resort Holdings Sdn. Bhd. ("GHRH") and its subsidiaries:	Malaysia	**70**	70	Investment holding
+* PD Resort Sdn. Bhd.	Malaysia	**70**	70	Property investment and development and hotel operations
Kiapeng Development Sdn. Bhd.	Malaysia	**70**	70	Property development and property investment
* Guoman Hotels Limited and its subsidiaries:	Bermuda	**70**	70	Investment holding
* Guoman (Hanoi) Limited and its subsidiary:	Jersey,	**70**	70	Investment holding
* HLL-Guoco Vietnam Co. Limited	Vietnam	**52**	52	Hotel operations
* Guoman Philippines, Inc.	Philippines	**70**	70	Dormant
* Guoman International Limited and its subsidiary:	Jersey, Channel Islands	**70**	-	Investment holding and provision of technical and management services
Guoman International Sdn. Bhd.	Malaysia	**70**	-	Provision of technical and management services
JB Parade Sdn. Bhd. and its subsidiary:	Malaysia	**42**	42	Investment holding and hotel operations
JB Parade Condominium Sdn. Bhd.	Malaysia	**42**	42	Property development

31. SUBSIDIARIES (cont'd)

Name of company	Country of incorporation	Effective equity interest 2005 %	2004 %	Principal activities
Bedford Development Sdn. Bhd. and its subsidiaries:	Malaysia	**100**	100	Investment holding and property development
Hong Leong Housing Sdn. Bhd. and its subsidiary:	Malaysia	**100**	100	Provision of construction management services
# Rasa Makmur Sdn. Bhd.	Malaysia	**-**	100	Dissolved by members' voluntary liquidation
+ Bedford Industrial Development Sdn. Bhd.	Malaysia	**100**	100	Property development
+* Pembinaan Sri Jati Sdn. Berhad	Malaysia	**100**	100	Investment holding and property development
# Bedford Ferringhi Resort (Penang) Sdn. Bhd.	Malaysia	**-**	100	Dissolved by members' voluntary liquidation
# Evergreen Direction Sdn. Bhd.	Malaysia	**100**	100	In members' voluntary liquidation
# Guoland Sdn. Bhd.	Malaysia	**-**	100	Dissolved by members' voluntary liquidation
Hong Leong Real Estate Holdings Sdn. Bhd. and its subsidiaries:	Malaysia	**100**	100	Investment holding
* Bedford Land Sdn. Bhd. and its subsidiaries:	Malaysia	**100**	100	Investment holding
BLV Fashions Sdn. Bhd.	Malaysia	**100**	100	Property investment
* Guobena Development Sdn. Bhd.	Malaysia	**100**	100	Property investment
HL Bandar Sdn. Bhd.	Malaysia	**100**	100	Property investment
Prophills Development Sdn. Bhd.	Malaysia	**100**	-	Property investment
Oritwo Sdn. Bhd.	Malaysia	**-**	100	Voluntarily struck off
Orithree Sdn. Bhd.	Malaysia	**100**	100	Property development
Orifour Sdn. Bhd.	Malaysia	**100**	100	Dormant
Orifive Sdn. Bhd.	Malaysia	**100**	100	Dormant

31. SUBSIDIARIES (cont'd)

Name of company	Country of incorporation	Effective equity interest 2005 %	Effective equity interest 2004 %	Principal activities
# Bedford Credit & Leasing Sdn. Berhad	Malaysia	**100**	100	In members' voluntary liquidation
# Resource Properties Sdn. Bhd.	Malaysia	**100**	100	In members' voluntary liquidation
# Bedford Excel Venture Sdn. Bhd.	Malaysia	**100**	100	In members' voluntary liquidation
HLP Equities Sdn. Bhd.	Malaysia	**100**	100	Investment holding
# Bedford Leisure Ventures Sdn. Bhd. and its subsidiary:	Malaysia	**100**	100	In members' voluntary liquidation
# BLV Entertainment Sdn. Bhd.	Malaysia	**100**	100	In members' voluntary liquidation
* HLL Overseas Limited	Jersey, Channel Islands	**100**	100	Investment holding and trading in securities
* Hong Leong Real Estate Management Sdn. Bhd.	Malaysia	**100**	100	Provision of management services
* Hong Leong Property Services Sdn. Bhd.	Malaysia	**100**	-	Provision of property management services
* Hong Leong Property Management Co Sdn. Bhd. and its subsidiary	Malaysia	**100**	-	Provision of property management services
# Online Ventures Sdn. Bhd.	Malaysia	**100**	-	In members' voluntary liquidation

* Not audited by Ernst & Young or its affiliates.

+ Subsidiaries consolidated under merger method of accounting. Merger method of accounting on PD Resort Sdn. Bhd. has been applied at GHRH level.

The financial statements of these companies were not audited as they are in members' voluntary liquidation.

32. JOINTLY CONTROLLED ENTITIES

The details of jointly controlled entities are as follows:

Name of jointly controlled entity	Country of incorporation	Effective equity interest 2005 %	Effective equity interest 2004 %	Principal activities
Putrajaya Properties Sdn. Bhd. and its subsidiaries:	Malaysia	**50**	50	Investment holding
Sabna Development Sdn. Bhd.	Malaysia	**50**	50	Property development
HLP Bina Sdn. Bhd.	Malaysia	**50**	50	Property construction
Vintage Heights Sdn. Bhd.	Malaysia	**40**	40	Property development and operation of an oil palm estate
Positive Properties Sdn. Bhd.	Malaysia	**50**	50	Property investment
Continental Estates Sdn. Bhd.	Malaysia	**50**	50	Property development and operation of an oil palm estate
Bedford Damansara Heights Development Sdn. Bhd. and its subsidiaries:	Malaysia	**50**	50	Investment holding
Promakmur Development Sdn. Bhd.	Malaysia	**50**	50	Property development
* Kota Selatan Indah Sdn. Bhd.	Malaysia	**50**	50	Property development

* Not audited by Ernst & Young or its affiliates.

33. SEGMENT INFORMATION

The Group is organised into three major business segments:

(i) Property investment and development - the development of residential properties for sale and commercial properties for sale and rental;

(ii) Hotels - management and operations of hotels; and

(iii) Plantation - operation of oil palm estates and sale of fresh fruit bunches.

Other business segments include provision of management services and trading securities, none of which are of a sufficient size to be reported separately.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established under terms that are no less favourable than those arranged with independent parties.

33. SEGMENT INFORMATION (cont'd)

	Property Investment and Development		Hotels		Plantation		Others		Elimination		Consolidated	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Revenue												
External sales	**96,767**	155,125	**47,775**	44,117	**-**	-	**1,738**	549	**-**	-	**146,280**	199,791
Inter-segment sales	**-**	-	**-**	-	**-**	-	**1,564**	322	**(1,564)**	(322)	**-**	-
Total revenue	**96,767**	155,125	**47,775**	44,117	**-**	-	**3,302**	871	**(1,564)**	(322)	**146,280**	199,791
Results												
Segment results	**28,548**	39,596	**10,048**	5,688	**-**	-	**(17,071)**	(1,538)	**-**	-	**21,525**	43,746
Unallocated corporate income / (expenses)											**132**	(4,888)
Profit from operations											**21,657**	38,858
Interest income											**965**	1,366
Finance cost											**(19,219)**	(24,024)
Share of result of associated company	**-**	-	**-**	-	**-**	-	**(5)**	(7)	**-**	-	**(5)**	(7)
Share of results of jointly controlled entities	**7,678**	18,511	**-**	-	**4,781**	2,253	**-**	-	**-**	-	**12,459**	20,764
Taxation											**(1,337)**	(3,480)
Profit after taxation											**14,520**	33,477
Minority interests											**(1,922)**	374
Net profit for the year											**12,598**	33,851

33. SEGMENT INFORMATION (cont'd)

	Property Investment and Development		Hotels		Plantation		Others		Elimination		Consolidated	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Assets												
Segment assets	**610,471**	531,431	**172,776**	172,841	**-**	-	**7,440**	11,099	**(356)**	(34)	**790,331**	715,337
Investments in equity method of associated company	**-**	-	**892**	876	**-**	-	**-**	-	**-**	-	**892**	876
Long term investments	**-**	-	**-**	-	**-**	-	**19,854**	25,978	**-**	-	**19,854**	25,978
Investments in equity method of jointly controlled entities	**212,770**	204,366	**-**	-	**165,254**	167,119	**-**	-	**-**	-	**378,024**	371,485
Unallocated corporate assets											**48,334**	42,177
Consolidated total assets											**1,237,435**	1,155,853
Liabilities												
Segment liabilities	**41,672**	29,122	**7,540**	7,222	**-**	-	**1,005**	201	**(356)**	(34)	**49,861**	36,511
Unallocated corporate liabilities											**387,978**	328,399
Consolidated total liabilities											**437,839**	364,910

33. SEGMENT INFORMATION (cont'd)

	Property Investment and Development		Hotels		Plantation		Others		Elimination		Consolidated	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Other Information												
Capital expenditure	**2,269**	34	**1,549**	877	**-**	-	**130**	30	**-**	-	**3,948**	941
Depreciation	**3,437**	3,305	**1,722**	2,448	**-**	-	**1,073**	935	**-**	-	**6,232**	6,688
Impairment losses	**-**	-	**-**	-	**-**	-	**15,177**	740	**-**	-	**15,177**	740
Non-cash expenses other than depreciation, amortisation and impairment losses	**-**	-	**(81)**	1,759	**-**	-	**(902)**	2,500	**-**	-	**(983)**	4,259

Segmental reporting by geographical location has not been presented as the Group's operations are substantially carried out in Malaysia.

34. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related parties

The related parties and their relationships with the Group are as follows:

Related parties	Relationships
Hong Leong Credit Berhad and subsidiaries as disclosed in its financial statements	Subsidiaries of Hong Leong Company (Malaysia) Berhad ("HLCM")
HLCM Capital Sdn. Bhd. and subsidiaries as disclosed in its financial statements	Subsidiaries of HLCM
Hong Leong Share Registration Services Sdn. Bhd.	Subsidiary of HLCM
M&E Hexatech Sdn. Bhd.	Subsidiary of HLCM
Hume Industries (Malaysia) Berhad and subsidiaries as disclosed in its financial statements	Subsidiaries of HLCM
Hong Leong Industries Berhad and subsidiaries as disclosed in its financial statements	Subsidiaries of HLCM
GuocoLand Limited and subsidiaries as disclosed in its financial statements	Subsidiaries of HLCM
MPI Holdings Sdn. Bhd. and subsidiaries as disclosed in its financial statements	Subsidiaries of HLCM
Putrajaya Properties Sdn. Bhd. and subsidiaries as disclosed in its financial statements	Jointly controlled entities in which certain Directors have interests
Vintage Heights Sdn. Bhd.	Jointly controlled entity in which certain Directors have interests
Continental Estates Sdn. Bhd.	Jointly controlled entity in which certain Directors have interests
Bedford Damansara Heights Development Sdn. Bhd. and subsidiaries as disclosed in its financial statements	Jointly controlled entities in which certain Directors have interests
Positive Properties Sdn. Bhd.	Jointly controlled entity in which certain Directors have interests

34. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

(b) Related Party Transactions

	Group	
	2005 RM'000	2004 RM'000
Rental income received	**6,103**	5,841
Management services paid	**1,089**	616
Hotel room rental received	**326**	358
Insurance premium paid	**602**	452
Hotel management services fees paid	**473**	1,318
Management services received	**1,966**	532
Security services paid	**598**	351
Office rental paid	**647**	200

The directors are of the opinion that the related party transactions are in the normal course of business and have been established under terms that are no less favourable than those arranged with independent parties.

35. SIGNIFICANT EVENTS DURING THE YEAR

(a) On 5 August 2004, the Company announced that:

(i) its indirect wholly-owned subsidiary, Bedford Land Sdn. Bhd., had acquired 2 ordinary shares of RM1.00 each fully paid representing the entire equity interest in Prophills Development Sdn. Bhd. for a cash consideration of RM2.00; and

(ii) Prophills Development Sdn. Bhd. had entered into a conditional Sale and Purchase Agreement with Bedford Damansara Heights Development Sdn. Bhd. ("BDHD"), a 50% associated company of Bedford Land Sdn. Bhd., to acquire an office building known as HP Towers (formerly known as Wisma Semantan) from BDHD for a cash consideration of RM103,823,400. The said acquisition was completed on 5 November 2004.

(b) On 8 November 2004, the Company had entered into two (2) separate sale and purchase agreements ("SPA") to acquire the entire 100% equity interests in Hong Leong Property Management Co Sdn. Bhd. ("HLPM") and Hong Leong Property Services Sdn. Bhd. ("HLPS") from HLCM Capital Sdn. Bhd. and MPI Holdings Sdn. Bhd. respectively, each for a cash consideration of RM1.00.

The Company's indirect wholly-owned subsidiary, Guoman Hotels Limited, had also, on the same date, entered into a SPA to acquire the entire 100% equity interest in Guoman International Limited ("Guoman") from GuoLine International Limited for a cash consideration of £1.00.

The acquisitions of HLPS and Guoman were completed on 8 November 2004 while the acquisition of HLPM was completed on 15 February 2005.

36. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

(a) On 11 July 2005, the Company announced that it had acquired 2 ordinary shares of RM1.00 each fully paid representing the entire equity interest in Premiumview Development Sdn Bhd for a cash consideration of RM2.00.

(b) On 5 August 2005, the Company announced that its subsidiaries, namely Prophills Development Sdn. Bhd. and Kiapeng Development Sdn. Bhd., are proposing to dispose of their entire interest in HP Towers (situated at Jalan Gelenggang, Bukit Damansara, Kuala Lumpur) and Menara HLA (situated at Jalan Kia Peng, Kuala Lumpur) respectively ("Proposed Disposals") to a real estate investment trust to be established by the Company ("GLM REIT"), for a consideration to be determined later. The purchase consideration will be satisfied by way of cash and/or units in GLM REIT.

GLM REIT is a proposed real estate investment trust with the investment objectives to acquire and invest primarily in a portfolio of quality yield-accretive real estate. It will focus on commercial properties which will provide stable income and medium to long-term capital appreciation. Subject to the approvals of the relevant authorities, GLM REIT proposes to undertake a public issue of units in GLM REIT and subsequent listing of and quotation for its entire issued and paid-up units on the Main Board of Bursa Malaysia Securities Berhad.

The Proposed Disposals are subject to, amongst others, the approvals of shareholders of the Company and all relevant authorities.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, KWEK LENG SENG and TAN MING HUAT, being two of the directors of GuocoLand (Malaysia) Berhad (formerly known as Hong Leong Properties Berhad), do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 22 to 67 are drawn up in accordance with applicable MASB Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2005 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors.

KWEK LENG SENG

TAN MING HUAT

Kuala Lumpur
17 August 2005

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, CHAN WAN LEONG, being the Officer primarily responsible for the financial management of GuocoLand (Malaysia) Berhad (formerly known as Hong Leong Properties Berhad), do solemnly and sincerely declare that the accompanying financial statements set out on pages 22 to 67 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed CHAN WAN LEONG
at Kuala Lumpur in the Federal
Territory on 17 August 2005

CHAN WAN LEONG

Before me,

TEONG KIAN MENG
Pesuruhjaya Sumpah
Commissioner for Oaths

We have audited the accompanying financial statements set out on pages 22 to 67. These financial statements are the responsibility of the Company's directors.

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

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia so as to give a true and fair view of:

    (i) the financial position of the Group and of the Company at 30 June 2005 and of the results and cash flows of the Group and of the Company for the year then ended; and

    (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

(b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports thereon of the subsidiaries of which we have not acted as auditors, as indicated in Note 31 to the financial statements, being financial statements that have been included in the consolidated financial statements.

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

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Companies Act, 1965.

ERNST & YOUNG
AF: 0039
Chartered Accountants

Yap Seng Chong
No. 2190/12/05(J)
Partner

Kuala Lumpur
17 August 2005

1. PROPERTIES HELD BY THE GROUP AS AT 30 JUNE 2005

Tenure	Location	Approximate Net Lettable/ Land* Area (sq. ft.)	Approximate Age (Years)	Net Book Value (RM'000)	Date of Acquisition/ *Date of Revaluation/ **Date Certificate of Fitness obtained
Freehold	**Bangunan Hong Leong** Land with a 16-storey office building at No. 117 Jalan Tun H.S. Lee 50000 Kuala Lumpur Fair Value: RM37,605,000	92,561	30	36,604	7/12/92
Freehold	**HP Towers** Land with office building (9 and 21-storey tower blocks) at No. 12, Jalan Gelenggang Damansara Heights 50490 Kuala Lumpur Fair Value: RM135,000,000	350,056	13	97,781	*25/5/01 **9/3/93
Leasehold Expiry Date: 24/3/2101	**Menara Pandan C & D** Two 10-storey office tower blocks at Persiaran MPAJ Jalan Pandan Utama Pandan Indah 55100 Kuala Lumpur Fair Value: RM70,000,000	356,160	8	69,030	**19/1/98
Freehold	**Menara HLA** Land with a 32-storey office building at No. 3 Jalan Kia Peng 50450 Kuala Lumpur Fair Value: RM228,000,000	410,000	5	176,513	**9/7/99
Freehold	Vacant land in the vicinity of the Damansara Town Centre Kuala Lumpur	8.4 acres*	–	146,753	9/11/94
Freehold	Vacant land at Lot 29, Section 90 Town of Kuala Lumpur	1.4 acres*	–	23,091	24/11/93
Leasehold Expiry Date: 10/10/2087	**Hyatt Regency Johor Bahru** Land with a 406 room hotel at Lots 17869 & 17870 Jalan Sg. Gelam Off Jalan Sg. Chat District of Johor Bahru Johor Darul Takzim	6.4 acres*	11	79,543	**23/8/94

1. PROPERTIES HELD BY THE GROUP AS AT 30 JUNE 2005 (cont'd)

Tenure	Location	Approximate Net Lettable/ Land* Area (sq. ft.)	Approximate Age (Years)	Net Book Value (RM'000)	Date of Acquisition/ *Date of Revaluation/ **Date Certificate of Fitness obtained
Freehold	**Guoman Port Dickson** Land with a 256 room hotel resort & 9-hole golf course at Lots 7251, 7252, 7253, 7256 & 7257 Mukim of Pasir Panjang District of Port Dickson Negeri Sembilan Darul Khusus	64.0 acres*	10	63,812	**7/8/96
Leasehold Expiry Date: 19/7/2023	**Guoman Hanoi** Land with a 151 room hotel at 83A, Ly Thuong Kiet St. Hanoi, Vietnam	0.7 acres*	9	23,368	**18/9/97
Freehold	**Bukit Rahman Putra** Balance land with mixed development in progress in Mukim of Sg. Buloh Selangor Darul Ehsan	36.0 acres*	–	16,686	2/3/93
Freehold	Vacant land in Mukim of Sg. Buloh Selangor Darul Ehsan	4.8 acres*	–	9,950	21/1/97
Freehold	Vacant land at Lot 322 Mukim of Hulu Kelang District of Gombak Selangor Darul Ehsan	11.7 acres*	–	12,355	12/7/90
Freehold	Vacant land at Lots 7252 & 7257 Mukim of Pasir Panjang District of Port Dickson Negeri Sembilan Darul Khusus	6.7 acres*	–	2,272	26/3/84
Freehold	**Pantai Sepang Putra** Land with development in progress at Mukim of Sepang and Districts of Sepang & Kuala Langat Selangor Darul Ehsan	5,658 acres*	–	222,293	27/3/92
Freehold	Vacant land at Mukim of Jasin Melaka Darul Amin	5,627 acres*	–	345,726	22/5/96

1. PROPERTIES HELD BY THE GROUP AS AT 30 JUNE 2005 (cont'd)

Tenure	Location	Approximate Net Lettable/ Land* Area (sq. ft.)	Approximate Age (Years)	Net Book Value (RM'000)	Date of Acquisition/ *Date of Revaluation/ **Date Certificate of Fitness obtained
Freehold	Vacant land at Lot 3059 Mukim of Hulu Kelang District of Gombak Selangor Darul Ehsan	7.5 acres*	–	7,850	15/6/90
Freehold	**Emerald** Land with development in progress at Mukim of Rawang Districts of Gombak & Ulu Selangor Selangor Darul Ehsan	142.7 acres*	–	26,038	11/10/99
Freehold	**Emerald** Land with development in progress at Mukim of Rawang Districts of Gombak & Ulu Selangor Selangor Darul Ehsan	779.0 acres*	–	193,089	31/5/00

2. ANALYSIS OF SHAREHOLDINGS AS AT 30 AUGUST 2005

Authorised Share Capital	:	RM1,500,000,000
Issued & Paid-up Capital	:	RM350,229,209
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights		
– On show of hands	:	1 vote
– On a poll	:	1 vote for each share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS AS AT 30 AUGUST 2005

Size of Holdings	No. of Shareholders	%	No. of Shares	%
Less than 100	296	1.17	11,422	0.00
100 – 1,000	6,498	25.79	5,973,009	0.85
1,001 – 10,000	14,665	58.20	63,706,691	9.10
10,001 – 100,000	3,418	13.56	96,898,447	13.83
100,001 – less than 5% of issued shares	321	1.27	214,637,455	30.64
5% and above of issued shares	2	0.01	319,231,394	45.58
	25,200	100.00	700,458,418	100.00

THIRTY LARGEST SHAREHOLDERS

Names of Shareholders	No. of Shares	%
1. GLL (Malaysia) Pte. Ltd.	277,222,957	39.58
2. Employees Provident Fund Board	42,008,437	6.00
3. HLG Nominee (Asing) Sdn. Bhd. - GLL (Malaysia) Pte. Ltd.	31,453,000	4.49
4. Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad	23,327,000	3.33
5. AM Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board	14,145,620	2.02
6. Nanyang Press Holdings Berhad	12,011,540	1.71
7. HDM Nominees (Asing) Sdn. Bhd. - Maxcellon Capital Assets Ltd.	7,638,100	1.09
8. AM Nominees (Tempatan) Sdn. Bhd. - Pertubuhan Keselamatan Sosial	7,367,860	1.05
9. Assets Nominees (Asing) Sdn. Bhd. - OYL (BVI) Limited	4,343,000	0.62
10. Kuala Lumpur City Nominees (Asing) Sdn. Bhd. - Low Check Kian	3,900,500	0.56
11. HLG Nominee (Tempatan) Sdn. Bhd. - Chut Nyak Isham Bin Nyak Ariff	3,200,000	0.46
12. Assets Nominees (Tempatan) Sdn. Bhd. - Hume Plastics (Malaysia) Sdn. Bhd.	3,005,273	0.43

2. ANALYSIS OF SHAREHOLDINGS AS AT 30 AUGUST 2005 (cont'd)

THIRTY LARGEST SHAREHOLDERS (cont'd)

Names of Shareholders	No. of Shares	%
13. Citicorp Nominees (Asing) Sdn. Bhd. - DFA Emerging Markets Fund	2,972,341	0.42
14. HLG Nominee (Asing) Sdn. Bhd. - MPI (BVI) Ltd	2,772,100	0.40
15. Chut Nyak Isham Bin Nyak Ariff	2,220,657	0.32
16. Hong Leong Industries Berhad	2,188,500	0.31
17. Tan Guat Poh	2,000,000	0.29
18. Scotia Nominees (Asing) Sdn. Bhd. - Lotus Securities Ltd	1,950,000	0.28
19. RHB Capital Nominees (Tempatan) Sdn. Bhd. - Poh Soon Sim	1,924,900	0.27
20. PAB Nominee (Tempatan) Sdn. Bhd. - Quek Leng Chan	1,817,100	0.26
21. YBhg Dato' Seri Khalid Ahmad Bin Sulaiman	1,673,200	0.24
22. Citicorp Nominees (Asing) Sdn. Bhd. - Citigroup Global Markets Limited	1,659,960	0.24
23. UOBM Nominees (Asing) Sdn. Bhd. - Tay Yun Chwan Henry	1,554,000	0.22
24. Chua Holdings Sdn. Bhd.	1,428,465	0.20
25. Hong Bee Hardware Company Sdn. Berhad	1,357,020	0.19
26. HLG Nominee (Asing) Sdn. Bhd. - Gan Cheong Or @ Ngan Chong Hoo	1,210,000	0.17
27. Huang Phang Lye	1,115,000	0.16
28. Sow Jin Wei	1,066,600	0.15
29. Kenanga Nominees (Asing) Sdn. Bhd. - Extra Wealth Ltd	1,050,000	0.15
30. Low Keng Boon @ Lau Boon Sen	1,042,040	0.15
	460,625,170	65.76

2. ANALYSIS OF SHAREHOLDINGS AS AT 30 AUGUST 2005 (cont'd)

SUBSTANTIAL SHAREHOLDERS

According to the Register of Substantial Shareholders, the substantial shareholders of the Company as at 30 August 2005 are as follows:

Names of Shareholders	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
1. Hong Leong Company (Malaysia) Berhad	–	–	321,047,553	45.83*A
2. Tan Sri Quek Leng Chan	3,266,280	0.47	321,047,553	45.83*B
3. HL Holdings Sdn. Bhd.	–	–	321,047,553	45.83*B
4. Kwek Leng Beng	1,613,717	0.23	321,047,553	45.83*B
5. Kwek Holdings Pte. Ltd.	–	–	321,047,553	45.83*B
6. Hong Realty (Private) Limited	–	–	321,047,553	45.83*B
7. Hong Leong Investment Holdings Pte. Ltd.	–	–	321,047,553	45.83*B
8. Kwek Leng Kee	–	–	321,047,553	45.83*B
9. Davos Investment Holdings Private Limited	–	–	321,047,553	45.83*B
10. Quek Leng Chye	947,530	0.14	321,047,553	45.83*B
11. GLL (Malaysia) Pte. Ltd.	308,675,957	44.07	–	–
12. GuocoLand Limited	–	–	308,675,957	44.07*C
13. Guoco Investment Pte. Ltd.	–	–	308,675,957	44.07*C
14. Guoco Group Limited	–	–	308,675,957	44.07*C
15. GuoLine Overseas Limited	–	–	308,675,957	44.07*C
16. GuoLine Capital Assets Limited	–	–	308,675,957	44.07*C
17. Employees Provident Fund Board	56,154,057	8.02	–	–

*A Deemed interest through subsidiary and associated corporations

*B Deemed interest through Hong Leong Company (Malaysia) Berhad

*C Deemed interest through GLL (Malaysia) Pte. Ltd.

3. ANALYSIS OF WARRANTHOLDINGS AS AT 30 AUGUST 2005

No. of warrants 1995/2005 issued	:	70,045,522
No. of warrants 1995/2005 outstanding	:	70,042,322
Voting Rights		
– On show of hands	:	1 vote
– On a poll	:	1 vote for each warrant held

DISTRIBUTION SCHEDULE OF WARRANTHOLDERS

Size of Holdings	No. of Warrantholders	%	No. of Warrants 1995/2005	%
Less than 100	12	0.24	413	0.00
100 – 1,000	2,376	47.91	1,628,575	2.33
1,001 – 10,000	1,882	37.95	8,260,295	11.79
10,001 – 100,000	588	11.86	20,556,380	29.35
100,001 – less than 5% of outstanding warrants 1995/2005	100	2.02	33,909,666	48.41
5% and above of outstanding warrants 1995/2005	1	0.02	5,686,993	8.12
	4,959	100.00	70,042,322	100.00

THIRTY LARGEST WARRANTHOLDERS

	Names of Warrantholders	No. of Warrants 1995/2005	%
1.	Hong Leong Fund Management Sdn. Bhd. - Hong Leong Credit Berhad	5,686,993	8.12
2.	Yap Tiam Seng	3,000,000	4.29
3.	BHLB Trustee Berhad - EPF Investment for Member Savings Scheme	2,821,800	4.03
4.	Foo Khow Lin	1,916,000	2.74
5.	Cheong Lee Foon	1,850,000	2.64
6.	Chut Nyak Isham Bin Nyak Ariff	694,866	0.99
7.	Ting Tung Hiong	685,600	0.98
8.	JF Apex Nominees (Tempatan) Sdn. Bhd. - Salleh Fauzi Bin Hassan Muta'at	678,000	0.97
9.	Mohd Shazmin Bin Mohd Ghazali @ Fauzi	650,000	0.93
10.	Suleiman Bin Babjan	600,000	0.86
11.	Tan Toh Thai	589,800	0.84

3. ANALYSIS OF WARRANTHOLDINGS AS AT 30 AUGUST 2005 (cont'd)

THIRTY LARGEST WARRANTHOLDERS (cont'd)

Names of Warrantholders	No. of Warrants 1995/2005	%
12. HDM Nominees (Asing) Sdn. Bhd. - Lee Biow Suan	560,000	0.80
13. Mayban Nominees (Tempatan) Sdn. Bhd. - Han Jit Juan	501,600	0.72
14. Chen Kun Kuo	500,000	0.71
15. Khoo Guan Hwa	500,000	0.71
16. Mohd Kamal Bin Mastuki	500,000	0.71
17. Sim Tiang Tatt	500,000	0.71
18. Yap Kun Lee	500,000	0.71
19. ECM Libra Securities Nominees (Tempatan) Sdn. Bhd. - Yeap Gek @ Yeap Poh Chim	465,000	0.67
20. Public Nominees (Tempatan) Sdn. Bhd. - Ng Ping Sin	450,000	0.64
21. Chai Yu See	439,900	0.63
22. Yap Ching Loon	426,600	0.61
23. Chua Tik Pong	400,300	0.57
24. Rohana Binti Zakaria	400,100	0.57
25. Abdul Talip Bin Mohamad Hanif	400,000	0.57
26. Law Hie Lang	400,000	0.57
27. Lo Kim Fung	400,000	0.57
28. Cheng Ka Jern	369,000	0.53
29. Lee Ah Meng	366,000	0.52
30. Institute For Development Studies (Sabah)	345,000	0.49
	27,596,559	39.40

4. DIRECTORS' INTEREST AS AT 30 AUGUST 2005

Subsequent to the financial year end, there is no change as at 30 August 2005 to the Directors' interests in the ordinary shares and/or options/warrants of the Company and/or its related corporations (other than wholly-owned subsidiaries), appearing in the Directors' report on page 19 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 except for the changes set out below:

	No. of ordinary shares or *new shares to be issued arising from the exercise of warrants	%
Indirect Interest of YBhg Tan Sri Quek Leng Chan in:		
GuocoLand (Malaysia) Berhad	5,687,020*	0.74^

^ Based on the enlarged share capital of GLM assuming full exercise of warrants as at 30 August 2005.

5. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into the ordinary course of business) which have been entered into by the Company and its subsidiaries involving the interest of Directors and major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year pursuant to Item 20, Part A, Appendix 9C of the Listing Requirements of Bursa Malaysia Securities Berhad.

GuocoLand (Malaysia) Berhad (300-K)
(formerly known as Hong Leong Properties Berhad)
A Member of the Hong Leong Group Malaysia
(Incorporated in Malaysia)

FORM OF PROXY

I/We _____

of _____

being a member of GuocoLand (Malaysia) Berhad, hereby appoint _____

_____

of _____

or failing him/her _____

of _____

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Eighty-first Annual General Meeting of the Company to be held at the Theatrette, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Tuesday, 25 October 2005 at 10.00 a.m. and at any adjournment thereof.

My/Our proxy is to vote either on a show of hands or on a poll as indicated below with an "X".

No.	Resolution	For	Against
1.	To declare a final dividend of 2% less tax		
2.	To approve the payment of Directors' fees		
3.	To re-elect Mr Kwek Leng Seng as a Director		
4.	To re-elect Mr Tan Ming Huat as a Director		
5.	To re-elect YBhg Tan Sri Nik Mohamed bin Nik Yaacob as a Director		
6.	To re-elect YBhg Tan Sri Dato' (Dr) Abdul Aziz bin Zain as a Director pursuant to Section 129 of the Companies Act, 1965		
7.	To re-appoint Messrs Ernst & Young as Auditors and authorise the Directors to fix their remuneration		
8.	As a special business, to approve the ordinary motion on authority to Directors to issue shares		

Dated this _____ day of _____ 2005.

_____ _____

Number of shares held Signature of Member

NOTES:

1. If you wish to appoint other person(s) to be your proxy, insert the name(s) and address(es) of the person(s) desired in the space so provided.
2. If there is no indication as to how you wish your vote(s) to be cast, the proxy will vote or abstain from voting at his/her discretion.
3. A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
4. A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where two proxies are appointed, the proportions of shareholdings to be represented by each proxy must be specified in order for the appointments to be valid. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. In the case where a member is a corporation, this Form of Proxy must be executed under its Common Seal or under the hand of its Attorney.
6. All Forms of Proxy must be duly executed and deposited at the Registered Office of the Company at Level 10, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur not less than 48 hours before the time for holding the meeting or adjourned meeting.