

Laporan Tahunan
Annual Report | 2005



ANTAH HOLDINGS BERHAD
Incorporated in Malaysia • Company No. 27599-X



Corporate Statement

Mission

To be a diverse group of successful and focused businesses providing value to customers, staff, shareholders and the communities we operate in.

Guiding Principles And Values

The following principles and values will guide the way we do our work and the way we behave as individuals and teams in achieving our mission.

O Openness

We practice a participative style of leadership at all levels in the Group that is empowering while creating a supportive climate encouraging open communication, innovation and constructive challenge.

F Fun

We believe work should be fun while seeking to achieve business objectives to which we are committed.

A Adaptability

In continuously seeking improvements in everything we do, we will be flexible and adapt to change.

S Synergy

As we pursue separate business goals we seek to develop synergy within the Group.

T Timeliness

We respect and are conscious of timeliness in all aspects of our work.

I Integrity

We conduct our business with integrity and maintain a high standard of ethics.

T Trust And Teamwork

We respect each other as individuals in nurturing a culture based on trust while working as a team in achieving our business objectives.

C Caring

We care for our employees, customers, suppliers, shareholders, the community and the environment.

H Hardworking

We will carry out our duties and responsibilities with diligence and dedication.

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Notice of Extraordinary General Meeting

NOTICE IS HEREBY GIVEN that an **EXTRAORDINARY GENERAL MEETING** of the Company will be held at Balai Tunku Abdul Rahman, Royal Commonwealth Society, No. 4, Jalan Birah, Off Jalan Batai, Damansara Heights, 50490 Kuala Lumpur on Saturday, 22 April 2006 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2005 together with the Reports of the Directors and the Auditors thereon. **(Resolution 1)**
2. To approve the payment of Directors' Fees for the financial year ended 30 June 2005. **(Resolution 2)**

BY ORDER OF THE BOARD

CHUA SIEW CHUAN

(MAICSA 0777689)

Company Secretary

Kuala Lumpur
31 March 2006

Notes: *A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but 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.*

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or notarially certified copy of such power of authority, must be deposited at the Company's Registered Office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time appointed of holding the above meeting and at any adjournment thereof.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.

Statement on Corporate Governance



The Antah Holdings Berhad Group (“the Group”) fully supports effective Corporate Governance and the development of best practices in its pursuit of business integrity and professionalism.

The Board of Directors (“Board”) has been effective in managing the business and affairs of the Group, consistent with the objectives of Corporate Governance towards enhancing business prosperity and accountability.

THE BOARD

The Group is controlled and led by a dynamic Board which is primarily entrusted with the responsibility of charting the direction of the Group. In addition, the Board oversees the conduct of the Group businesses and establishes and maintains an adequate system of internal controls. Due to limitations inherent to any system of internal controls, the Board focused primarily on the mitigation of any foreseeable or potential risks facing the Group.

To ensure that the Group is managed effectively, the Board meets regularly, with a formal schedule of matters reserved for its deliberation. The Board collectively deliberates, reviews and considers all corporate proposals prior to implementation. Corporate proposals are put to vote after thorough deliberation. In the event of an equality of votes for or against any particular proposal, the Chairman of the meeting shall have a second or casting vote, except when only two Directors are competent to vote on the proposal. In this respect, no individual or group of individuals dominates the Board’s decision making.

In the management and day-to-day operations of the Group, the Board, through the Executive Chairman, is fully assisted by the Management. The Board outlines the policies and objectives of the Group, which are carried out by the Management through the supervision of the Executive Chairman. During the financial year, the Board and Management were also advised by a firm of Financial Consultants and Interim Managers specifically hired to address the operational and financial risks faced by the Group.

BOARD BALANCE

The Board members comprise an Executive Chairman, two (2) Executive Directors and two (2) Independent Non-Executive Directors.

The profiles of individual Directors are set out on pages 13 to 14 of the Annual Report.

The composition of the Board not only reflects the broad range of experience, skills and knowledge required to successfully direct and supervise the Group business activities, but also the importance of independence in decision-making at the Board level.

There is also balance in the Board because of the presence of Independent Non-Executive Directors of the caliber necessary to carry sufficient weight in the Board’s decision making process. All the Non-Executive Directors are independent of the management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement. They have the capability to ensure that the strategies proposed by the Management are fully deliberated and examined in the long-term interest of the Group, as well as the shareholders, employees, customers, suppliers and the many communities in which the Group conducts its businesses.

In discharging its duties, the Board met a total of eleven (11) times during the financial year ended 30 June 2005.

Statement on Corporate Governance (continued)

The record of attendance at the meetings of the Board of Directors for the financial year ended 30 June 2005 is as follows:-

Directors	Date Of Appointment	No. Of Board Meetings Attended	Percentage (%)
Y.A.M. Tunku Naquiyuddin ibni Tuanku Ja'afar (Chairman)	13-07-1977	10/11	91
Y. Bhg. Dato' Mohd. Shahar bin Abdul Hamid	01-06-1984	11/11	100
Y. Bhg. Dato' Hidzir bin Ahmad ⁽¹⁾	01-02-2002	4/9	44
Y. Bhg. Dato' Harold Micheal Joseph ⁽¹⁾	05-05-2000	9/9	100
Mr. Wong Tet Loong ⁽¹⁾	20-06-2001	8/9	89
Mr. Ong Lai @ Ong Kong Lai	29-03-2004	10/11	91
En. Jaleeludeen bin Abu Baker ⁽²⁾	16-06-2005	–	–
Mr. Cedric Choo Sia Teik ⁽²⁾	16-06-2005	–	–

Note:-

- (1) Resigned as Directors on 28 February 2005.
- (2) Appointed as Directors on 16 June 2005.

CONTINUING EDUCATION

Board members keep abreast with the general economic, industry and technical developments by their attendance at various seminars and conferences.

During the year, members of the Board attended various programs accredited by Bursa Malaysia Securities Berhad ("Bursa Malaysia"). All new members of the Board have also attended the Mandatory Accreditation Training Programme (MAP) conducted by Bursatra Sdn. Bhd., the training arm of Bursa Malaysia Securities Berhad.

Moving forward, the Directors will undergo relevant training programmes and seminars to keep abreast with the development in the market place and further enhance their skills, knowledge and experience in order to fulfill their duties as Directors.

RE-ELECTION OF DIRECTORS

The Articles of Association provide that at least one-third or the number nearest to one-third shall retire from office once at least in every three years. The Directors to retire are eligible for re-election.

INFORMATION AND EXTERNAL ADVICE

The Board is provided with comprehensive board papers on a timely basis prior to board meetings. This is to ensure and to enable the Directors to discharge their duties and responsibilities competently and in a well-informed manner. All members of the Board have access to the advice and services of the Company Secretary. The Directors meet, review and approve all corporate announcements, including the announcement of the quarterly financial results, prior to releasing them to Bursa Malaysia Securities Berhad.

Directors are also empowered to seek such external independent professional advice as they may require, at the expense of the Group, to enable them to make well-informed decisions.

Statement on Corporate Governance (continued)



RESPONSIBILITY AND ACCOUNTABILITY

The Directors confirm that the financial statements continue to be prepared on the going concern basis and are satisfied that the Group will continue to secure adequate resources at the time of approving the financial statements, to continue in business for the foreseeable future.

The Directors are fully aware that they have the overall and ultimate responsibility for the Group's system of internal controls. The Board also maintains a sound system of internal controls to safeguard the shareholders' investments and the Group's assets. However, such systems can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board is committed to the identification of risk factors throughout the Group. The Board is well informed on areas where there are significant business risks or exposure as well as the consistency of its risk measurement, monitoring and management.

AUDIT COMMITTEE

The membership and Terms of Reference of the Committee are as stated on pages 15 to 17 of this Annual Report. A summary of the activities of the Audit Committee during the year, including an evaluation of the independent audit process, are set out in the Audit Committee Report on pages 15 to 17.

The Committee met a total of six (6) times during the financial year ended 30 June 2005.

The External Auditors have direct access to the Chairman and members of the Committee without the presence of the Executive Directors for independent discussion.

NOMINATION AND REMUNERATION COMMITTEES

The Nomination Committee comprises the following members:-

- (i) Y. Bhg. Dato' Mohd. Shahr bin Abdul Hamid
Independent Non-Executive Director
- (ii) Mr. Ong Lai @ Ong Kong Lai
Independent Non-Executive Director

The Remuneration Committee comprises the following members:-

- (i) Mr. Ong Lai @ Ong Kong Lai (Chairman)
Independent Non-Executive Director
- (ii) Y. Bhg. Dato' Mohd. Shahr bin Abdul Hamid
Independent Non-Executive Director
- (iii) En. Jaleeludeen bin Abu Baker
Executive Director

Statement on Corporate Governance (continued)

The Nomination Committee is empowered by the Board and its terms of reference to bring up to the Board recommendations as to the appointment of new Directors. The Remuneration Committee is responsible for determining the level and make up of Directors' remuneration to ensure that the Group attracts and retains Directors of the necessary caliber, experience and quality needed to run the Group successfully.

The Committee also keeps under review the Board structure, size and composition as well as considering the Board succession planning.

The details of the remuneration of the Directors of the Company for the financial year under review are as follows:-

Category	Fees (RM'000)	Salaries & Other Emoluments (RM'000)	Benefit in Kind (RM'000)
Executive Directors	12	1,824	36
Non-Executive Directors	32		

The number of Directors of the Company whose total remuneration during the financial year under review that fall within the following bands are as follows:-

Executive Directors	Number
Below RM50,000	2
RM50,0001 - RM100,000	–
RM100,001 - RM150,000	–
RM150,001 - RM200,000	–
RM200,001 - RM250,000	–
RM250,001 - RM300,000	1
RM350,001 - RM400,000	–
RM400,001 - RM450,000	1
RM450,001 - RM500,000	–
RM700,001 - RM750,000	1
Non-Executive Directors	
Below RM50,000	2

INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

The Group appreciates feedback from their valued shareholders and, consistent with this, it is the intention of the Board that the shareholders are well informed of all major developments that have an impact on the Group.

The various channels of communication with the shareholders are as follows:

- The Annual Report
- The Annual General Meeting, Extraordinary General Meeting and Circulars issued to shareholders
- The various disclosures and announcements made to the Bursa Malaysia Securities Berhad
- Newspaper articles and published interviews with business journalists

This statement is made in respect of the financial year ended 30 June 2005 and in accordance with a resolution passed at the Board of Directors' Meeting held on 22 March 2006.

Additional Compliance Information



The following information is provided in compliance with the Listing Requirements (“LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) :-

1. Utilisation of Proceeds

There were no utilization of proceeds during the financial year.

2. Share Buybacks

There was no share buyback during the financial year.

3. Options, Warrants or Convertible Securities

The Company has not granted any options nor issued any warrants or convertible securities during the financial year.

4. Variation in Results, Profit Estimate, Forecast or Projection

DEVIATION BETWEEN THE ANNOUNCED UNAUDITED FOURTH QUARTER RESULTS AND THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005.

In compliance with paragraph 9.19(34) of Bursa Securities LR, there is a deviation in the net loss stated in the unaudited fourth quarter results announced on 26 August 2005 and the Audited Financial Statements for the financial year ended 30 June 2005 as below:

	AUDITED RESULTS	UNAUDITED RESULTS	VARIANCE
	RM'000	RM'000	RM'000
Loss Before Taxation	(50,957)	(28,096)	(22,861)
Taxation	(1,163)	(867)	(296)
Loss After Taxation	(52,120)	(28,963)	(23,157)
EXPLANATION			RM'000
Impairment loss on goodwill			(8,216)
Impairment loss on property, plant and equipment			(7,713)
Provision for corporate guarantee liabilities			(9,674)
Understated net surplus on investment in associate company			2,546
Others			(100)
			<hr style="width: 100%; border: 0.5px solid black; margin-bottom: 5px;"/> (23,157)

There were no profit estimate, forecast or projection that have been previously announced by the Company during the financial year.

5. Non-audit fees

There were no non-audit fees paid and payable to the external auditors, Messrs. Russell Bedford LC & Company (formerly known as Lean Chin & Co.) and its affiliated companies for the financial year ended 30 June 2005.

Additional Compliance Information (continued)

6. Material contracts

There were no material contracts (not being contracts entered into the ordinary course of business) entered into by the Company and/or its subsidiaries which involve Directors' and major shareholders' interest either still subsisting at the end of the financial year ended 30 June 2005 or entered into since the end of the previous financial year that have been entered by the Company or its subsidiary companies involving directors and substantial shareholders in the past two years preceding the date of this annual report.

7. Sanctions/Penalties

During the financial year, the Company was imposed sanctions/penalties as follows:-

On 20 August 2004, Bursa Securities had publicly reprimanded and imposed a fine of RM25,000 on the Company for breach of paragraphs 9.03(1) and 9.04(l) of Bursa Securities LR and paragraphs 2.1(d) and 2.1(e) of Practice Note 1/2001 for failing to make immediate announcements in respect of the default in payment of the credit facilities by the Company and its subsidiary as announced by the Company on 25 March 2004. The delay in making the relevant announcements ranges from approximately 9 to 19 months.

On 11 March 2005, Bursa Securities had publicly reprimanded and imposed a total fine of RM138,000 on the Company for breach of paragraphs 9.22(1) and 9.23(b) of the Bursa Securities LR. The total fine of RM138,000 for the aforesaid breaches were as follows:-

- a. RM16,000 for failure to submit its quarterly report for the financial period ended 30 September 2004 on or before 30 November 2004. The aforementioned quarterly report was only furnished to Bursa Securities on 10 December 2004 after a delay of 8 market days; and
- b. RM122,000 for failure to submit its annual audited accounts for the financial year ended 30 June 2004 ("AAA 2004") on or before 31 October 2004. The AAA 2004 was only furnished by the Company to Bursa Securities on 30 December 2005.

On 4 April 2005, Bursa Securities had publicly reprimanded and imposed a fine of RM118,000 on the Company for breach of paragraph 9.23(a) of the Bursa Securities LR for failure to submit its annual report for the financial year ended 30 June 2004 ("AR 2004") on or before 31 December 2004. The AR 2004 was only furnished by the Company to Bursa Securities on 12 January 2006

8. Profit guarantees

During the financial year, there were no profit guarantees given by the Company.

9. Revaluation Policy

The Company does not have any revaluation policy.

10. American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme

During the financial year, the Company did not sponsor any ADR and GDR programme.

11. Recurrent related party transactions of revenue nature

There were no recurrent related party transactions during the financial year save and except as disclosed in Note 37 of the Audited Financial Statements.

Statement on Internal Control



INTRODUCTION

The Board of Directors (“Board”), as guided by the ‘Statement on Internal Control: Guidance for Directors of Public Listed Companies’, is pleased to provide the following Statement on Internal Controls which outlines the nature and scope of internal controls of the Group during the financial year.

Most of the business activities of the Group have been scaled down substantially and the internal control requirements of the Group have been adopted to suit the current level of activities of the Group.

RESPONSIBILITY

The establishment of the Group’s system of internal controls, which is primarily to safeguard the shareholders’ investment and the Group’s assets, remains the ultimate responsibility of the Board. As an ongoing exercise, the system of internal controls is routinely reviewed for its effectiveness, adequacy and integrity by the Steering Committee.

The Board recognises that due to the limitations inherent in any system, the system of internal controls can only provide reasonable but not absolute assurance against material misstatement or loss.

RISK MANAGEMENT FRAMEWORK

Apart from financial controls, the Group’s system of internal controls also cover operational and compliance controls and, most importantly, risk management. As part of the risk management process, the Board is continuously identifying, assessing and managing significant business risks faced by the Group throughout the financial year.

INTERNAL AUDIT

It is the Group’s policy to outsource its internal audit function. However, due to financial constraints and the fact that the level of business activities within the Group have been very much reduced, the outsourced internal audit function was ceased. Notwithstanding the temporary discontinuation of the outsourced internal audit function, the Board and management team have established broad operating strategies and internal audit processes based on the framework of previously adopted internal audit processes. Additionally, these objectives and operating strategies are monitored via a Steering Committee which meet on a regular basis. Any matters arising are promptly and efficiently dealt with, drawing outside advice where necessary and appropriate. In light of the current reduced business activities within the Group, the Board is of the view that the above monitoring and processes constitute sufficient platform for timely and continuous identification of risks inherent in the Group’s operating environment.

KEY ELEMENTS

The key elements of the Group’s system of internal controls include:

- Organisational structure with well and clearly defined lines of responsibility, delegation of authority, segregation of duties and information flow;
- Clearly defined authority limits for all aspects of the businesses;
- Regular and comprehensive information are provided to management, covering financial performances and key business indicators;
- Budgeting process where operating units prepare budgets for the next financial year and approved at operating unit level;
- Regular monitoring of results against budget, with major variances being acted upon.

This statement is made in respect of the financial year ended 30 June 2005 and in accordance with a resolution passed at the Board of Directors’ Meeting held on 22 March 2006.

Statement of Directors' Responsibility

In accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting policies, the Directors are required to prepare financial statements that give a true and fair view of the state of affairs of the Group and the Company as at the financial year end of the results and cash flows for that year then ended.

The Directors consider that in preparing the financial statements:-

- the Group and the Company have used appropriate accounting policies which are consistently applied;
- reasonable and prudent judgments and estimates were made; and
- all applicable approved accounting standards in Malaysia have been followed.

The Directors are responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

The Antah Group



CORE BUSINESS AREAS

INFRASTRUCTURE	HEALTHCARE	PROPERTY
<ul style="list-style-type: none">• Kaseh Lebuhraya Sdn Bhd	<ul style="list-style-type: none">• Antah Pharma Sdn Bhd• Antah Sri Radin Sdn Bhd• Bumimedic Sdn Bhd	<ul style="list-style-type: none">• Antah Properties Sdn Bhd• Naga Sakti Sdn Bhd

MAJOR JOINT VENTURES

- **Antah Melco Sales & Services Sdn Bhd**

OTHER INVESTMENTS

- **TNT Logistics (Malaysia) Sdn Bhd**
 - **ORIX Leasing Malaysia Bhd**
-

- **Antah-UTV (Malaysia) Sdn Bhd**
 - **GMP Direct Sdn Bhd**
-

- **JW Carpenter Limited**

Corporate Information

BOARD OF DIRECTORS

Y.A.M. Tunku Naquiyuddin ibni Tuanku Ja'afar

(DK, DKYR, SPNS, SPMP, PPT)

Executive Chairman

Y. Bhg. Dato' Mohd. Shahar bin Abdul Hamid

(DPTJ, KMN, DSN, PJK)

Independent Non-Executive Director

Mr. Ong Lai @ Ong Kong Lai

Independent Non-Executive Director

En. Jaleeludeen bin Abu Baker

Executive Director

Mr. Cedric Choo Sia Teik

Executive Director

AUDIT COMMITTEE

Y. Bhg. Dato' Mohd. Shahar bin Abdul Hamid

Chairman and Independent Non-Executive Director

Mr. Ong Lai @ Ong Kong Lai

Independent Non-Executive Director

Mr. Cedric Choo Sia Teik

Executive Director

SECRETARY

Ms. Chua Siew Chuan (MAICSA 0777689)

AUDITORS

Russell Bedford LC & Company

(formerly known as Lean Chin & Co.)

Chartered Accountants

REGISTERED OFFICE

Level 7, Menara Milenium

Jalan Damanlela

Pusat Bandar Damansara

Damansara Heights

50490 Kuala Lumpur, Malaysia

Tel: (603) 2084 9000

Fax: (603) 2094 9940 2095 0292

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad

Malayan Banking Berhad

Alliance Bank Malaysian Berhad

RHB Bank Berhad

Affin Bank Berhad

AmBank Berhad

SHARE REGISTRAR

Tenaga Koperat Sdn Bhd

20th Floor, Plaza Permata

Jalan Kampar Off Jalan Tun Razak

50400 Kuala Lumpur

Tel: (603) 4041 6522

Fax: (603) 4042 6352

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad

(Main Board)

Profile of Directors



Y.A.M. TUNKU NAQUIYUDDIN IBNI TUANKU JA'AFAR

(DK, DKYR, SPNS, SPMP, PPT)

Executive Chairman

Y.A.M. Tunku Naquiyuddin ibni Tuanku Ja'afar, a Malaysian aged 59, is the Executive Chairman of Antah Holdings Bhd. He has a Bachelor of Science in Economics (Honours) degree from the University of Wales, Aberystwyth.

He was a Diplomat for five years and served as Second Secretary in Paris, France from 1972 to 1975. He was appointed Director and Chairman of United Orix Leasing (M) Bhd. in 1975, a position he held until 1981. On 13 July 1977, he was appointed Director of Antah Holdings Bhd and later became Chairman until his resignation in April 1994 to become the Regent of Negeri Sembilan. He later rejoined the Company in May 1999 as Chairman.

He is also a Director of the following public listed companies: Kian Joo Can Factory Bhd. (Chairman) and Malayawata Steel Bhd.

Tunku Naquiyuddin has not been convicted of any offence in the past 10 years and does not have any conflict of interest with the Company. He has attended 10 out of 11 Board meetings held during the financial year.

Y. BHG. DATO' MOHD. SHAHAR BIN ABDUL HAMID

(DPTJ, KMN, DSN, PJK)

Independent Non-Executive Director

Y. Bhg. Dato' Mohd. Shahar bin Abdul Hamid, a Malaysian aged 69, has served on the Board of the Company since 1 June, 1984 and is the Chairman of the Audit Committee of the Company since 21 June, 1994. He also serves on the Board of two other subsidiaries of Antah.

A Shell scholar in engineering (1954-1960), he served Shell Malaysia Trading Sdn. Bhd. in various senior positions until 1971, when he was then invited to serve as Managing Director of Pernas Trading Sdn. Bhd. and Pernas Edar Sdn. Bhd. until 1977. In the years 1971 to 1974, he was appointed the leader of the Malaysian Trade Delegations to China, (The Canton Trade Fair) held twice a year in April and October. Subsequently, he was appointed as Managing Director of Gula Negeri Sembilan Sdn. Bhd. to carry out the Project Reappraisal, following which he ventured into the housing development and fertiliser businesses. He is one of the founder members of the Lembaga Pemegang Amanah Yayasan Negeri Sembilan and a Trustee of Tuanku Ja'afar Educational Trust.

He has no family relationship with any Director and/or major shareholder of the Company, no conflict of interest with the Company, never been charged for any offences within the past 10 years and does not have any shares in the Company and its subsidiaries. He has attended all the Board meetings held during the financial year.

ONG LAI @ ONG KONG LAI

Independent Non-Executive Director

Mr Ong Lai @ Ong Kong Lai, a Malaysian aged 62, appointed a Director of the Company on 29 March 2004 and serves as a member of the Audit Committee of the Company. He is a professional accountant with more than thirty years of professional and management experience. He is a founding partner of Messrs Ong & Wong, a well established and progressive national firm of chartered accountants founded in 1977.

 **Profile of Directors (continued)**

He holds a Bachelor of Industrial Management Degree from Nanyang University, Singapore; a Bachelor of Commerce Degree from the University of Otago, New Zealand and is a member of the Malaysian Institute of Accountants. He is a pioneer member of the Malaysian Institute of Taxation, a Chartered Member of the Institute of Internal Auditors, a member of the Malaysian Institute of Certified Public Accountants and New Zealand Institute of Chartered Accountants. He is also an Approved Co-operative Society Auditor and an Approved Company Liquidator. He began his career with several international accounting firms, clocking up six years of experience in auditing and investigations, after which he joined an international group of companies where he was in charge of the financial management of the group. Currently, he is a senior partner of Messrs Ong & Wong.

He has no family relationship with any Director and/or major shareholder of the Company, no conflict of interest with the Company, never been charged for any offences within the past 10 years and does not have any shares in the Company and its subsidiaries. He has attended 10 out of 11 Board meetings of the Company during the financial year.

JALEELUDEEN BIN ABU BAKER*Executive Director*

Encik Jaleeludeen bin Abu Baker, a Malaysian aged 35, was appointed to the Board of the Company on 16 June, 2005. He graduated with a Law Degree from the International Islamic University, Malaysia. He was admitted as an Advocate and Solicitor, High Court of Malaya in 1995.

He started his career as a litigation and banking lawyer and was in practice until April 1997. He then left legal practice to join a diversified corporate group in June 1997 as part of their corporate legal team. His areas of specialization are corporate restructuring, corporate governance and corporate compliance.

He has no family relationship with any Director and/or major shareholder of the Company, no conflict of interest with the Company, never been charged for any offences within the past 10 years and does not have any shares in the Company and its subsidiaries. He has attended all the Board meetings held since his appointment to the Board of the Company.

CEDRIC CHOO SIA TEIK*Executive Director*

Mr Cedric Choo Sia Teik, a Malaysian aged 33, was appointed to the Board of the Company on 16 June, 2005 and serves as a member of the Audit Committee of the Company. He holds a B.E. Econs (Hons) majoring in Accounting and finance degree from the University of Manchester, United Kingdom. He is a Chartered Accountant and a member of the Association of Chartered Certified Accountants (ACCA), United Kingdom and the Malaysian Institute of Accountants (MIA).

He began his career with Arthur Andersen & Co. in the Corporate Finance department and later with Ernst & Young in July 2002 upon the merger of the two firms in Malaysia. Throughout his professional career with the firms, he was actively involved in providing corporate finance advisory and financial consulting services, which included corporate and financial restructuring, capital raising, share/business valuation, mergers and acquisitions, project evaluation and feasibility studies, privatization, initial public offerings/reverse takeovers advisory, etc.

He has no family relationship with any Director and/or major shareholder of the Company, no conflict of interest with the Company, never been charged for any offences within the past 10 years and does not have any shares in the Company and its subsidiaries. He has attended all the Board meetings held since his appointment to the Board of the Company.

Audit Committee Report



The Board of Directors of Antah Holdings Berhad (“Antah”) is pleased to present the report of the Audit Committee of the Company for the financial year ended 30 June 2005.

The Audit Committee of Antah comprises two (2) Independent Non-Executive Directors and one (1) Executive Director as follows:-

Chairman : Y. Bhg. Dato’ Mohd. Shahar bin Abdul Hamid
Independent Non-Executive Director

Members : Mr. Ong Lai @ Ong Kong Lai
Independent Non-Executive Director

Mr. Cedric Choo Sia Teik
Executive Director
(Appointed on 16 June 2005)

Y. Bhg. Dato’ Harold Micheal Joseph
Group Managing Director
(Resigned on 28 February 2005)

Y. Bhg. Dato’ Hidzir bin Ahmad
Independent Non-Executive Director
(Resigned on 28 February 2005)

The main tasks of the Committee are:-

- Reports of the Group;
- to deal with queries submitted by the auditors from time to time;
- to deal with queries by the relevant authorities as they arise and to make the necessary recommendations to the Board for decision and action.

The attendance record of the Committee for the year ended 30 June 2005 is as follows:-

Name of Members	Date of Audit Committee Meetings					
	27/08/2004	29/10/2004	29/11/2004	28/01/2005	24/02/2005	31/5/2005
Y. Bhg. Dato’ Mohd. Shahar bin Abdul Hamid	√	√	√	√	√	√
Y. Bhg. Dato’ Harold Micheal Joseph <i>(Resigned on 28 February 2005)</i>	√	√	√	√	√	–
Y. Bhg. Dato’ Hidzir bin Ahmad <i>(Resigned on 28 February 2005)</i>	√	Absent	√	Absent	Absent	–
Ong Lai @ Ong Kong Lai	√	√	√	√	√	√
Cedric Choo Sia Teik <i>(Appointed on 16 June 2005)</i>	–	–	–	–	–	–

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During the financial year ended 30 June 2005, the Committee met six (6) times. The meetings were appropriately structured through the use of agendas, which were distributed to members with sufficient notification.

 **Audit Committee Report (continued)****INTERNAL AUDIT FUNCTION**

It is the Group's policy to outsource its internal audit function. However, due to financial constraints and the fact that the level of business activities within the Group have been very much reduced, the outsourced internal audit function was ceased. Notwithstanding the temporary discontinuation of the outsourced internal audit function, the Board and management team have established broad operating strategies and internal audit processes based on the framework of previously adopted internal audit processes. Additionally, these objectives and operating strategies are monitored via a Steering Committee which meet on a regular basis. Any matters arising are promptly and efficiently dealt with, drawing outside advice where necessary and appropriate. In light of the current reduced business activities within the Group, the Board is of the view that the above monitoring and processes constitute sufficient platform for timely and continuous identification of risks inherent in the Group's operating environment.

TERMS OF REFERENCE**Membership**

The Committee shall consist of at least three (3) members, to be appointed by the Board from amongst the directors, with the majority being Independent Non-Executive Directors. The Chairman of the Committee shall be appointed by the Board from amongst the Independent Non-Executive Directors.

Meetings

The Committee shall meet not less than three (3) times a year and as many as the Committee deems necessary. The quorum for the meetings of the Committee shall be two (2) members who are Non-Executive Directors.

The Committee may require a representative of the external auditors to attend any of its meetings as it determines.

The Company Secretary shall be the Secretary of the Committee. The Secretary shall ensure that reasonable notice of meetings be given to the members of the Committee and shall circulate the minutes of meetings of the Committee to all members of the Board.

Authority

The Committee shall be authorized by the Board to investigate any activity within its terms of reference. It shall be authorized to seek any information from any employee and all employees are directed to cooperate with any request made by the Committee. The Committee shall be empowered to retain persons having special competence as necessary to assist the Committee in fulfilling its responsibilities.

Responsibilities

The Committee shall assist the Board in fulfilling its fiduciary responsibilities particularly in areas relating to financial reporting practices and to the accounting and management controls of the Company and its subsidiaries.

Audit Committee Report (continued)



Specific Duties

The Duties of the Committee are as follows:-

- To review with the external auditors before the audit commences, the nature and scope of the audit and discuss the results of their examination and evolution of the system of internal controls.
- To review the external Audit Report on the financial statement.
- To review the half-year and annual financial statements with management and the external auditors before submission to the Board.
- To consider any matter the external auditors wish to bring to the attention of directors.
- To recommend to the Board the appointment and removal of external auditors.
- To review the accounting policies adopted, any changes in accounting principles or practices and the level of prudence applied in areas requiring judgement.
- To review the effectiveness of management information and other systems of controls within the Company.
- Such other responsibilities as may be agreed by the Committee and the Board.

This report is made in respect of the financial year ended 30 June 2005 and in accordance with a resolution passed at the Board of Directors' Meeting held on 22 March 2006.

Chairman's Statement



On behalf of the Board of Directors of Antah Holdings Berhad, I am pleased to present the Annual Report together with the Audited Financial Statements of the Company and the Group for the financial year ended 30 June 2005.

This year appears to be a very encouraging and exciting time for the Group as there are several positive developments that I am pleased to share with you, our esteemed shareholders. First, Bursa Malaysia Securities Berhad ("Bursa Securities") has confirmed vide its letter dated 15 February 2006 that Bursa Securities will not proceed with the de-listing procedures commenced against the Company following the Company's compliance with the Bursa Securities Listing Requirements by issuing its 2004 Annual Report on 12 January 2006. Secondly, Antah has announced a revised composite restructuring scheme on 7 February 2006 involving an injection of a new core business into the Group which we believe will positively address the Group's current financial predicament and restore Antah onto a stronger footing, both financially and operationally, moving forward. The injection of a new core business will enable Antah to reposition itself as a key heavy industry player in the burgeoning Chinese economy. We target to make the submission on the said restructuring scheme to the relevant authorities very soon. Thirdly, following the approval from you, our esteemed shareholders, in the Extraordinary General Meeting ("EGM") held on 23 February 2006 pertaining to the corporate exercise involving the novation of the highway concession assets to Lebuhraya Kajang Seremban Sdn Bhd ("LEKAS") and the participation of IJM Corporation Berhad ("IJM"), the Government has also recently *inter-alia* approved the said exercise. Fourthly, with the issuance of this Annual Report, we are proud to inform that Antah has fully complied with the Bursa Securities Listing Requirements in respect of timely issuance of audited financial statements and annual reports to shareholders and that all prior breaches in that respect have been rectified and complied with.

The above are testimonies of the Board's seriousness in enhancing the corporate governance practice within the Group and the continued concerted effort from the management team in initiating remedial efforts to address the plight besetting the Group for the benefit of all stakeholders.

Chairman's Statement (continued)



BUSINESS OUTLOOK AND INDUSTRY HIGHLIGHTS

The Malaysian economic growth is expected to be sustainable at a modest rate of 5.5% during the year, driven primarily by private consumption and strong multi-sectoral growth, with key contributors expected from the services, manufacturing and agriculture sectors. A conducive business environment for investment and well-managed fiscal and monetary policies by the Government appeared to have positive influences to sustain the economy despite being faced with various external challenges which, amongst others, include the significant hike in crude oil price in the world market. Price pressures are beginning to ease and the adjustment to fuel prices has tapered off. With the expectation that fuel prices remained stable during the year, inflation rate is likely to gradually stabilize to a level below 3%. Also, the Government's decision to postpone the implementation of the goods and service tax ("GST"), which was a key contribution to inflation, indicated its effort to curb inflationary pressures in the economy. The recent rise in the overnight policy rate by Bank Negara Malaysia ("BNM") for the second time in six months caught many by surprise but was done in an effort by BNM to align monetary conditions to the current environment, while the monetary policy's stance continues to remain supportive of economic activity. Given BNM's intention to manage unhealthy inflationary pressures and to curb consumer spending, the knock-down effect of the interest rate hikes may well mean more increases in base lending rates ("BLR") and deposit rates, a less than ideal situation to an economy that is largely dependent on consumer spending. In this regard, property sector may be faced with some slowdown, although residential units particularly those in prime location, will be impacted to a lesser extent.

Growth in the construction and infrastructure sector is expected to shrink further, albeit slightly. This is attributable to the slow takeoff of government projects in addition to delays inherent in the delivery systems. However, with the Malaysian economy continued to be supported by strong fundamentals and carefully executed policies by the Government, the infrastructure sector is expected to maintain its modest performance as a whole.

OPERATIONS OVERVIEW

During the financial year under review, the Group continues to focus its attention primarily in consolidating and streamlining the operations of its core business activities.

HealthCare

Although the HealthCare group managed to sustain its turnover during the year under review, it was faced with a very challenging business environment. Margins were significantly squeezed and the weakened USD currency onto which the Ringgit was pegged (before the decision by the Government in July 2005 to un-peg the Ringgit in pursuit of a managed-float regime) further aggravated the situation. This is because a large portion of HealthCare imports were from Europe and countries with relatively stronger currencies. As a result, the HealthCare group registered operating losses and net losses for the year under review.

The effort to list the HealthCare group on the MESDAQ hit a snag following rejection from the relevant authorities during the year under review. Thus the said listing exercise was aborted and the Board made the decision to dispose off the HealthCare group during the year under review as the Company, if it remained under the Antah stable, would not be able to raise the necessary funding to enable it to expand its operations and seize other business opportunities.

Chairman's Statement (continued)

Property Development

During the year under review, our Taman Tuanku Ja'afar project in Senawang, Negri Sembilan continues to garner healthy support from the public, particularly those working in the government sector. This is achieved through the diligent efforts of our operations and marketing team in the property division. We have managed to cater our products to reach the appropriate target market with very competitive pricing structure. Our semi-detached and bungalow units have received very encouraging response during the year under review.

During the year under review, the property division is also overlooking the management of the development project on a 7-acre freehold land in Subang Jaya. The project comprises development of residential serviced apartments/condominiums and commercial space. Phase I of the residential serviced apartments/condominiums, named "Jana Towers", was launched in June 2005 and has attracted encouraging response due to our unique design and features. We expect this division to continue to contribute positively to the Antah group moving forward.

Infrastructure

The Group's highway project undertaken by a wholly-owned subsidiary, Kaseh Lebuhraya Sdn Bhd ("KASEH"), involves the design, construction, operation, management and maintenance of, and collection of toll on, a new highway linking Kajang and Seremban measuring approximately 48 kilometres ("Highway Project"). The Highway Project has, as at the year under review, achieved several stages of completion. "Package 1A" from the SILK Interchange to Kajang Selatan Interchange has been completed and opened to the public. For "Package 1B" from the Kajang Selatan Interchange to Pajam Interchange, earthworks and major drainage have been completed. As for "Packages 2A and 3" from Pajam Interchange to Paroi, all land acquisitions have been completed. Part of the alignment between Mantin Interchange and Setul Interchange has been approved for realignment.

Given the challenges faced by the Group in securing the necessary funding to complete the construction of the highway, Antah had invited IJM Corporation Berhad ("IJM") to participate in the highway concession during the year under review to ensure successful completion of the Highway. Accordingly, KASEH and IJM had on 30 May 2005 entered into a Memorandum of Agreement ("MOA") to facilitate IJM's participation in the highway concession by way of subscription of direct equity and quasi-equity via a new company incorporated under the name Lebuhraya Kajang Selatan Sdn Bhd ("LEKAS"). Subsequent to the year end, Antah, KASEH, IJM and LEKAS had on 30 September 2005 entered into a Definitive Agreement to undertake the said corporate exercise. In order to give effect to the Definitive Agreement, Antah, KASEH, IJM and LEKAS had on 12 October 2005 entered into (i) Vesting Agreement to take over the Concession Assets; (ii) Subscription Agreement for the subscription of equity and quasi-equity by IJM; (iii) Shareholders Agreement to regulate the relationship between the transacting parties involved in the said corporate exercise; and (iv) Call Option Agreement to enable Antah to acquire appropriate amount of the quasi-equity subscribed by IJM pursuant to the abovementioned Subscription Agreement to maintain Antah's shareholding in LEKAS.

Approval from the shareholders in respect of the said corporate exercise was procured at the EGM held on 23 February 2006. The Government had also recently *inter-alia* approved the said corporate exercise.

The Board believes that the participation of IJM is well suited and key in ensuring successful completion of the highway as IJM has the necessary means and expertise in construction and highway projects.

Other Investments

The financial performance in our other investments, notably Antah Melco and Orix Leasing, were satisfactory.

Chairman's Statement (continued)



FINANCIAL PERFORMANCE

The Group achieved a turnover of RM156 million for the financial year ended 30 June 2005, up 13.5% from RM138 million recorded previously mainly due to improved performance from the property division, followed by the healthcare and pharmaceutical division and the retail and trading division.

Net Loss Attributable to Shareholders is RM52 million or 15.3 sen per share for the financial year ended 30 June 2005 compared to a loss of RM340 million or 100 sen per share for the preceding financial year. This is primarily attributable to the fact that there were impairment loss on highway development expenditures of approximately RM208 million, inventories written-down of approximately RM64 million and compensation payable on termination of past contracts of approximately RM48 million, amongst others, all of which had a direct impact on the income statement of the preceding financial year. As a result of the net loss position this year, albeit a significantly reduced amount, the Net Liabilities increased to RM151 million compared to RM100 million in the last financial year.

The Board is confident that appropriate measures have been put in place to control, manage and reduce the loss position of the Group moving forward.

PROPOSED RESTRUCTURING SCHEME

Taking cognizance of the fact that certain components of the previous restructuring efforts are no longer available or might be delayed, the Board had taken the initiative of formulating a revised restructuring scheme in order to ensure a more defined settlement structure to the creditors vis-à-vis the efforts to restore the financial and operational position of Antah.

Subsequent to the year under review, Antah had on 6 February 2006, entered into a conditional restructuring agreement ("Restructuring Agreement") with Liu Guo Dong ("LGD"), Rise Business Inc ("RBI"), Rock Point Alliance Pte Ltd ("RPA Subsidiary"), a wholly-owned subsidiary of Rock Point Alliance Sdn Bhd ("RPA") (a substantial shareholder of Antah) and Zhu Qing Hua ("ZQH") wherein Antah, LGD, RBI, RPA Subsidiary and ZQH have agreed in principle to undertake the Proposed Restructuring Scheme with the intention of restoring Antah onto stronger financial footing via an injection of new viable businesses. The Proposed Restructuring Scheme to be undertaken by Antah shall entail (i) Proposed acquisition by NewCo, (a company to be incorporated in Malaysia to serve as the holding company, to facilitate the implementation of the Proposed Restructuring Scheme) of the entire equity interest in PIPO Overseas Limited ("PIPO") from LGD, RBI and the RPA Subsidiary; (ii) Proposed scheme of arrangement with Antah's shareholders; (iii) Proposed acquisition by NewCo of 50% equity interest in LEKAS upon completion of the Kaseh Corporate Exercise; (iv) Proposed acquisition by NewCo of Wisma Antah; (v) Proposed scheme of arrangement with Antah's creditors; (vi) Proposed issuance of NewCo shares to eligible investors to be identified and/or the public; (vii) Proposed offer for sale of NewCo shares by the PIPO Vendors to eligible investors to be identified and/or the public; (viii) Proposed transfer of listing status of Antah to NewCo; and (ix) Proposed Disposal of Antah.

The Board believes that the Proposed Restructuring Scheme will be able to address the current operational and financial predicament of the Group and is expected to place the Group on a stronger and healthier financial position.

 **Chairman's Statement (continued)****DIVIDEND**

The Board does not propose any dividend for the year.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I wish to express my appreciation to the various stakeholders of the Group, including the relevant regulatory authorities, our valued customers, bankers, creditors and business associates for their on-going support and cooperation throughout the year and to our esteemed shareholders for their unceasing support.

To the management and staff of the Group, the Board of Directors would like to take this opportunity to express our gratitude for their relentless commitment and unwavering loyalty to the continuing development and revival of the Group.

This year will be a very exciting yet challenging one but I am confident the Group would take on these challenges in its stride and prevail in times of adversity. Together, we will continue to soldier on and strive for the betterment of the Group.

Y.A.M. TUNKU NAQUIYUDDIN IBNI TUANKU JA'AFAR

(DK, DKYR, SPNS, SPMP, PPT)

Executive Chairman



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Directors' Report

The directors submit their report and the audited financial statements of the Group and the Company for the financial year ended 30 June 2005.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

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

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Loss after tax	(52,120)	(317,517)
Minority interest	(4)	-
Net loss attributable to shareholders	(52,124)	(317,517)

In the opinion of the directors, the results of the operations of the Group and 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 those as disclosed in the financial statements.

DIVIDENDS

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

RESERVES AND PROVISIONS

There were no material transfers to and from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any shares and debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

Directors' Report (continued)



DIRECTORS

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

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar
 Y.Bhg. Dato' Mohd. Shahar Bin Abdul Hamid
 Ong Lai @ Ong Kong Lai
 Cedric Choo Sia Teik
 Jaleeludeen Bin Abu Baker

DIRECTORS' INTERESTS IN SHARES

The shareholdings in the Company and its related companies of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept under Section 134 of the Companies Act, 1965, are as follows:

In the Company	—Number of ordinary shares of RM0.50 each—			Balance as at 30.6.2005
	Balance as at 1.7.2004	Bought	Sold	
Direct interest				
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	1,374,000	—	—	1,374,000
Indirect interest				
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	115,246,714	—	—	115,246,714

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar by virtue of his holdings of not less than 15% in the shares of the Company, is deemed to have an interest in the share capitals of all subsidiaries to the extent the Company has an interest during the financial year.

None of the other directors in office at the end of the financial year had an interest in shares of the Company or related companies during the financial year, according to the register required to be kept under Section 134 of the Companies Act, 1965.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

 **Directors' Report (continued)****OTHER STATUTORY INFORMATION**

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

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

As at the balance sheet date, the Group and the Company have net current liabilities of RM547,929,000 and RM338,590,000 respectively and capital deficiencies of RM150,822,000 and RM252,391,000 respectively. The financial statements of the Group and the Company, however, have been prepared on the basis of accounting applicable to a going concern. This going concern basis presumes that the Group and the Company will be able to operate profitably in the foreseeable future and that the necessary funding requirements will be made available, and consequently, the realisation of assets and settlement of liabilities will occur in the ordinary course of business. The validity of the going concern assumption depends on the successful conclusion of the events disclosed in Note 2 to the financial statements. Other than as stated, at the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent;
- (b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; and
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

In the interval between the end of the financial year and the date of this report:

- (a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the directors, would substantially affect the results of the operations of the Group and the Company for the financial year in which this report is made other than the events subsequent to the balance sheet date as disclosed in Note 42 to the financial statements; and
- (b) no charge has arisen on the assets of the Group and the Company which secures the liability of any other person nor have any contingent liabilities arisen in the Group and the Company.

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

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

Directors' Report (continued)



AUDITORS

The auditors, Messrs Russell Bedford LC & Company (formerly known as Lean Chin & Co.), have indicated their willingness to continue in office.

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

JALEELUDEEN BIN ABU BAKER

Y. BHG. DATO' MOHD. SHAHAR BIN ABDUL HAMID

Kuala Lumpur

22 March 2006

Statement by Directors

The directors of **ANTAH HOLDINGS BERHAD** state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company as at 30 June 2005 and of the results and the cash flows of the Group and the Company for the year ended on that date.

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

JALEELUDEEN BIN ABU BAKER

Y. BHG. DATO' MOHD. SHAHAR BIN ABDUL HAMID

Kuala Lumpur

22 March 2006

Statutory Declaration

I, **ANUAR HASBULLAH BIN ABOO HASHIM**, being the officer primarily responsible for the financial management of **ANTAH HOLDINGS BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named)
ANUAR HASBULLAH BIN ABOO HASHIM)
at Kuala Lumpur in Wilayah Persekutuan on 22 March 2006)

ANUAR HASBULLAH BIN ABOO HASHIM

Before me,

AHMAD B. BAKAR
No. W 389
Commissioner for Oaths
Kuala Lumpur

Report of the Auditors

To the members of Antah Holdings Berhad



1. We have audited the accompanying financial statements of ANTAH HOLDINGS BERHAD. 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.

2. The financial statements of the Group and the Company for the year ended 30 June 2004 were audited by another firm of auditors whose report dated 28 December 2005 expressed a disclaimer of opinion in view of the following:
 - (a) their inability to ascertain the possible adjustments to the financial statements of the Group and the Company that might have been necessary had the audited financial statements of certain subsidiaries as disclosed in Note 13 to the financial statements had been made available;
 - (b) their inability to ascertain the authenticity of construction expenditure of RM341,879,000 which were accounted for and included in highway development expenditure of the Group as complete documentary evidence were not available to substantiate the quantity and construction works claimed;
 - (c) their inability to determine whether the carrying amount of highway development expenditure of the Group, net of impairment loss, of RM431,215,000 fairly reflects its recoverable amount as the basis used may not reflect the higher of its net selling price and value in use;
 - (d) the uncertainty as to whether approval will be obtained by a subsidiary as regard to the supplemental concession agreement submitted to the Government of Malaysia (the "Government") to vary certain of the terms as dealt with in the original highway concession agreement;
 - (e) their inability to determine whether the carrying amount of the Company's investment in the subsidiary whose matters are dealt with in paragraphs 2 (b), (c) and (d) of RM190,000,000 reflects the recoverable amount of the investment;
 - (f) their inability to determine whether the carrying amount of certain of the Group's shop lots included in inventories of RM2, after a write down from their costs of RM63,989,000, represented the net realisable value; and
 - (g) their inability to satisfy themselves as to the appropriateness of the going concern basis of preparing the financial statements of the Group and the Company.

They were of the opinion that the accounting and other records and the registers required by the Companies Act 1965 (the "Act") to be kept by the Company and certain subsidiaries of which they have acted as auditors have not been properly kept in accordance with the provisions of the Act. They were also unable report on certain matters as required under Section 174 of the Act in so far as they relate to the subsidiaries mentioned in paragraph 2(a).

 **Report of the Auditors (continued)**

3. Except for those discussed in paragraphs 4 and 5, we conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors, as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.
4. Unaudited management financial statements of certain subsidiaries have been used for the preparation of the financial statements of the Group due to the inavailability of their audited financial statements. The details of these subsidiaries together with the analysis of the aggregate unaudited amounts of income statement and balance sheet items relating to these subsidiaries that have been included in the financial statements of the Group are disclosed in Note 13 to the financial statements. We are unable to ascertain the possible adjustments to the consolidated financial statements that might have been necessary had the audited financial statements of these subsidiaries been made available.
5. The carrying amount of highway development expenditure of the Group as at 30 June 2005 is RM660,411,000 (costs incurred of RM868,860,000 less impairment loss recognised of RM208,449,000) and this amount is arrived at based on the directors' estimate of the recoverable amount as disclosed in Note 12 to the financial statements. We are unable to ascertain the validity of the development costs brought forward and included in highway development expenditure of RM341,879,000 as complete documentary records are not available for our examination. If the cumulative bona fide costs incurred on highway development expenditure is lower than its carrying amount of RM660,411,000, an adjustment would have to be made to reduce the carrying amount in order to reflect the lower bona fide costs incurred.
6. As at 30 June 2005, the Group and the Company have net current liabilities of RM547,929,000 and RM338,590,000 respectively and capital deficiencies of RM150,822,000 and RM252,391,000 respectively. However, as mentioned in Note 2 to the financial statements, the financial statements of the Group and the Company have been prepared on the basis of accounting applicable to a going concern. This going concern basis presumes that the Group and the Company will be able to operate profitably in the foreseeable future and that the necessary funding requirements will be made available, and consequently, the realisation of assets and settlement of liabilities will occur in the ordinary course of business. The validity of the going concern assumption depends on:
 - (a) the Government approving the supplemental concession agreement which seeks to vary certain of the terms as dealt with in the original concession agreement as disclosed in Note 12 to the financial statements;
 - (b) the successful implementation of the proposed transactions for IJM Corporation Berhad to participate in the highway concession, the approvals from the shareholders of the Company and from the Government for the novation of the concession of which have obtained subsequent to the balance sheet date, as disclosed in Note 42 to the financial statements; and
 - (c) the successful implementation of the proposed restructuring scheme of the Group as disclosed in Note 42 to the financial statements.

The financial statements do not include any adjustments that would result if any of these events are not concluded successfully without any material modifications within the anticipated time frame.

Report of the Auditors (continued)



7. Because of the significance of the matters discussed in paragraphs 4, 5 and 6, we are unable to form an opinion on whether the financial statements are properly drawn up in accordance with the provisions of the Act and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (a) the state of affairs of the Group and the Company as at 30 June 2005 and of the results and the cash flows of the Group and the Company for the year ended on that date; and
 - (b) the matters required by Section 169 of the Act to be dealt with in the financial statements of the Group and the Company.
8. In our opinion, except for the matter discussed in paragraph 5 as regard to a subsidiary, Kaseh Lebuhraya Sdn Bhd, the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we have acted as auditors, as indicated in Note 13 to the financial statements, have been properly kept in accordance with the provisions of the Act.
9. Except for those subsidiaries for which the audited financial statements are not available as discussed in paragraph 4, 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 13 to the financial statements, being financial statements that are included in the Group's financial statements.
10. Except for those subsidiaries for which the audited financial statements are not available as discussed in paragraph 4, we are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the Group's financial statements and we have received satisfactory information and explanations required by us for those purposes.
11. Except for those subsidiaries for which the audited financial statements are not available as discussed in paragraph 4, and the subsidiaries whose the auditors expressed a disclaimer of opinion, as indicated in Note 13 to the financial statements, the auditors' reports on the financial statements of the other subsidiaries were not subject to any qualification and did not include any comment (or any adverse comment) made under Subsection (3) of Section 174 of the Act.

RUSSELL BEDFORD LC & COMPANY

AF 1237

CHARTERED ACCOUNTANTS

Kuala Lumpur

22 March 2006

LOH KOK LEONG

1965/06/07 (J)

PARTNER

Income Statements

For the Year Ended 30 June 2005

	Note	Continuing operations 2005 RM'000	Discontinuing operation 2005 RM'000	Group as a whole 2005 RM'000	Continuing operations 2004 RM'000	Discontinuing operations 2004 RM'000	Group as a whole 2004 RM'000	Company 2005 RM'000	2004 RM'000
Revenue	4	62,876	93,621	156,497	50,352	87,524	137,876	2,959	2,193
Cost of sales		(50,434)	(78,540)	(128,974)	(50,969)	(71,795)	(122,764)	-	-
Gross profit/(loss)		12,442	15,081	27,523	(617)	15,729	15,112	2,959	2,193
Other operating income		2,406	1,268	3,674	14,566	1,082	15,648	1,393	15,951
Marketing and distribution		(3,688)	(5,486)	(9,174)	(3,693)	(5,286)	(8,979)	-	-
Administration expenses		(14,711)	(6,523)	(21,234)	(23,574)	(9,394)	(32,968)	(7,448)	(15,184)
Other operating expenses		(44,556)	(1,500)	(46,056)	(312,087)	(2,934)	(315,021)	(296,657)	(16,123)
(Loss)/Profit from operations		(48,107)	2,840	(45,267)	(325,405)	(803)	(326,208)	(299,753)	(13,163)
Finance costs		(18,890)	(1,669)	(20,559)	(19,325)	(1,698)	(21,023)	(17,764)	(17,710)
Share in profits of associates		14,869	-	14,869	8,709	-	8,709	-	-
(Loss)/Profit before tax	5	(52,128)	1,171	(50,957)	(336,021)	(2,501)	(338,522)	(317,517)	(30,873)
Income tax expense	7	(651)	(512)	(1,163)	(1,073)	(526)	(1,599)	-	-
(Loss)/Profit after tax		(52,779)	659	(52,120)	(337,094)	(3,027)	(340,121)	(317,517)	(30,873)
Minority interest		(4)	-	(4)	(35)	-	(35)	-	-
Share of profits by joint venture partners		-	-	-	252	-	252	-	-
Net (loss)/profit for the year		(52,783)	659	(52,124)	(336,877)	(3,027)	(339,904)	(317,517)	(30,873)
Basic loss per share (sen)	8			(15.3)			(100.1)		

The attached notes form an integral part of the financial statements.

Balance Sheets

As at 30 June 2005

	Note	Group		Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Non current assets					
Property, plant and equipment	9	50,027	81,827	39,215	48,819
Freehold land and related costs held for sale	10	20,382	–	–	–
Land held for property development	11	–	6,019	–	–
Highway development expenditure	12	660,411	431,215	–	–
Investment in subsidiaries	13	–	–	4,296	240,983
Investment in associates	14	41,533	26,954	40,125	22,480
Other long term investments	15	2,734	2,734	2,734	2,734
Goodwill on consolidation	16	4,969	13,185	–	–
		780,056	561,934	86,370	315,016
Current assets					
Inventories	17	23,551	28,639	–	–
Property development costs	18	10,191	64,677	–	–
Trade receivables	19	36,771	30,728	–	–
Amount due from subsidiaries	20	–	–	1,180	33,793
Amount due from associates	21	355	355	352	352
Other receivables, deposits and prepayments	22	21,030	21,762	1,938	1,160
Tax recoverable		9,005	10,276	7,500	8,490
Short term investments	23	28,563	37,076	28,520	37,030
Fixed deposits	24	1,914	814	14	14
Cash and bank balances	25	4,726	3,827	2,124	34
		136,106	198,154	41,628	80,873
Current liabilities					
Trade payables	26	198,491	110,498	–	–
Amount due to subsidiaries	20	–	–	104,764	103,727
Amount due to associates	21	395	531	395	531
Amount due to directors	27	134	146	134	98
Other payables and accruals	28	196,830	115,776	50,475	23,036
Hire purchase and finance lease liabilities	29	440	1,111	316	348
Short term borrowings	30	284,673	285,147	224,134	220,497
Tax payable		3,072	2,711	–	–
		684,035	515,920	380,218	348,237
Net current liabilities		(547,929)	(317,766)	(338,590)	(267,364)
Non current liabilities					
Hire purchase and finance lease liabilities	29	554	1,263	171	171
Amount due to Government	31	223,308	163,925	–	–
Amount due to joint venture partners	32	–	37,652	–	–
Long term loans	33	157,041	139,241	–	–
Retirement benefits	34	794	626	–	–
		(381,697)	(342,707)	(171)	(171)
		(149,570)	(98,539)	(252,391)	47,481
Represented by:					
Share capital	35	169,815	169,815	169,815	169,815
Reserves	36	(320,637)	(269,602)	(422,206)	(122,334)
(Capital deficiencies)/Shareholders' fund		(150,822)	(99,787)	(252,391)	47,481
Minority interest		1,252	1,248	–	–
		(149,570)	(98,539)	(252,391)	47,481

The attached notes form an integral part of the financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2005

	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Foreign exchange fluctuation reserve RM'000	Reserve on consolida- tion RM'000	Other reserve RM'000	Accumulated losses RM'000	Total RM'000
Group								
At 1 July 2003	169,815	329,798	6,249	23,380	14,703	240	(304,589)	239,596
Currency transaction differences	–	–	–	521	–	–	–	521
Net loss for the year	–	–	–	–	–	–	(339,904)	(339,904)
At 1 July 2004	169,815	329,798	6,249	23,901	14,703	240	(644,493)	(99,787)
Currency translation differences	–	–	–	1,089	–	–	–	1,089
Net loss for the year	–	–	–	–	–	–	(52,124)	(52,124)
At 30 June 2005	169,815	329,798	6,249	24,990	14,703	240	(696,617)	(150,822)
Company								
At 1 July 2003	169,815	329,798	–	–	–	12,611	(442,956)	69,268
Net surplus on revaluation of investment in associates	–	–	–	–	–	9,086	–	9,086
Net loss for the year	–	–	–	–	–	–	(30,873)	(30,873)
At 1 July 2004	169,815	329,798	–	–	–	21,697	(473,829)	47,481
Net surplus on revaluation of investment in associates	–	–	–	–	–	17,645	–	17,645
Net loss for the year	–	–	–	–	–	–	(317,517)	(317,517)
At 30 June 2005	169,815	329,798	–	–	–	39,342	(791,346)	(252,391)

The attached notes form an integral part of the financial statements.

Cash Flow Statements

For the Year Ended 30 June 2005



	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash flows from/(used in) operating activities				
Loss before tax	(50,957)	(338,522)	(317,517)	(30,873)
Adjustments for:				
Bad debts written off	1,035	88	-	-
Depreciation	2,566	4,421	1,650	2,169
(Gain)/Loss on disposal of				
- property, plant and equipment	(224)	(5,064)	(6)	120
- short term investment	(5)	-	-	-
Unrealised gain on foreign exchange:	(74)	-	-	-
Gross dividend income	(2,111)	(1,731)	(2,959)	(2,193)
Inventories written off	14	56	-	-
Inventories written down	-	64,003	-	-
Interest expense	20,559	21,023	17,764	17,710
Interest income	(112)	(161)	(86)	(85)
Impairment loss on				
- investment in associates	-	1,408	-	-
- goodwill	8,216	33	-	-
- highway development expenditure	-	208,449	-	-
- property, plant and equipment	7,713	668	7,713	-
- investment in subsidiaries	-	-	236,687	14,267
Loss on termination of joint venture	8,123	-	-	-
Loss/(Gain) on disposal of				
- investments	-	1,461	-	1,468
- subsidiaries	-	1,526	-	(169)
Unrealised loss on foreign exchange	1,089	2,351	-	2,402
Overprovision for compensation in prior year	(68)	-	-	-
Provision for corporate guarantee liabilities	9,674	-	9,674	-
Provision for doubtful debts – net	136	9,816	34,073	268
Provision for retirement benefits	369	379	-	-
Share in profits of associates	(14,869)	(8,709)	-	-
Waiver of debts	(811)	(60)	-	-
Write back of short term investments	-	(14,600)	-	(14,590)
Write down of short term investments	8,510	216	8,510	-
Operating loss before working capital changes	(1,227)	(52,949)	(4,497)	(9,506)
Decrease in inventories	5,074	3,544	-	-
Decrease in property development costs	7,027	2,209	-	-
(Increase)/Decrease in trade and other receivables	(5,671)	11,328	(2,238)	(20,622)
Increase in trade and other payables	1,877	28,648	5,804	16,832
Increase in Housing Development Account	(7)	-	-	-
Cash generated from/(used in) operations	7,073	(7,220)	(931)	(13,296)
Interest paid	(7,316)	(6,117)	(4,852)	(8,648)
Income tax paid	(512)	-	-	-
Income tax refunded	1,847	12,014	1,565	11,812
Retirement benefits paid	(201)	(317)	-	-
Net cash from/(used in) operating activities	891	(1,640)	(4,218)	(10,132)

Cash Flow Statement (continued)

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash flows from/(used in) investing activities				
Purchase of property, plant and equipment	(485)	(516)	(1)	(10)
Net dividends received	1,535	1,757	2,384	1,719
Interest received	112	161	86	85
Increase in fixed deposit pledged	(43)	–	–	–
Payments for highway development expenditure	(17,744)	(1,258)	–	–
Proceeds from disposal of associates	–	250	–	–
Proceeds from disposal of property, plant and equipment	1,848	6,237	248	109
Proceeds from disposal of investments	8	44,776	–	44,732
Net cash flow on disposal of subsidiary (Note 40)	–	(4,390)	–	941
Net cash (used in)/ from investing activities	(14,769)	47,017	2,717	47,576
Cash flows from/(used in) financing activities				
Advances from joint ventures partners	–	1,785	–	–
Dividends paid	–	(849)	–	(849)
Interest paid	(119)	(5,464)	(14)	(115)
Proceeds from bank borrowings	21,497	–	–	–
Repayments of bank borrowings	(4,796)	(41,513)	(1,236)	(40,734)
Repayments of hire purchase and finance lease liabilities	(1,380)	(5,469)	(32)	(63)
Net cash from/(used in) financing activities	15,202	(51,510)	(1,282)	(41,761)
Exchange differences	–	1,100	–	–
Net increase/(decrease) in cash and cash equivalents	1,324	(5,033)	(2,783)	(4,317)
Cash and cash equivalents at beginning of year				
As previously reported	(68,119)	(63,090)	(54,054)	(49,737)
Effect of changes in exchange rates	–	4	–	–
As restated	(68,119)	(63,086)	(54,054)	(49,737)
Cash and cash equivalents at end of year	(66,795)	(68,119)	(56,837)	(54,054)
Cash and cash equivalents comprise:				
Cash and bank balances	4,726	3,827	2,124	34
Fixed deposits	1,914	814	14	14
Bank overdrafts	(73,385)	(72,760)	(58,975)	(54,102)
	(66,745)	(68,119)	(56,837)	(54,054)
Less: Fixed deposits pledged	(43)	–	–	–
Housing Development Account	(7)	–	–	–
	(66,795)	(68,119)	(56,837)	(54,054)

The attached notes form an integral part of the financial statements.

Notes to the Financial Statements

30 June 2005



1. GENERAL INFORMATION

The Company is principally involved in investment holding and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 13.

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

The Company is a Public Limited Company, incorporated and domiciled, in Malaysia and is listed on the Main Board of Bursa Malaysia Securities Berhad.

The total number of employees, inclusive of executive directors, of the Group and the Company at the end of the financial year are 290 (2004: 306) and 39 (2004: 39) respectively.

The registered office is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

The principal place of business of the Company is located at 2nd Floor, Wisma Antah, Changkat Semantan, Damansara Heights, 50490 Kuala Lumpur.

The financial statements were approved and authorised for issue by the board of directors on 22 March 2006.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and the Company have been prepared in accordance with the provisions of the Companies Act 1965 and the applicable accounting standards issued by the Malaysian Accounting Standards Board, and also on the assumption that the Group and the Company will continue as a going concern.

As at 30 June 2005, the Group and the Company have net current liabilities of RM547,929,000 and RM338,590,000 respectively and capital deficiencies of RM150,822,000 and RM252,391,000 respectively. In preparing the financial statements of the Group and the Company, the directors have made an assessment on the Group's and the Company's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, the directors have taken into account all available information for the foreseeable future. The directors have considered a wide range of current and expected surrounding factors and are satisfied that the going concern basis is appropriate.

The going concern basis presumes that the Group and the Company will be able to operate profitably in the foreseeable future and that the necessary funding requirements will be made available, and consequently, the realisation of assets and settlement of liabilities will occur in the ordinary course of business. The validity of the going concern assumption depends on:

- (a) the Government approving the supplemental concession agreement which seeks to vary certain of the terms as dealt with in the original concession agreement (Note 12);
- (b) the successful implementation of the Proposed LEKAS Transactions (Note 42); and
- (c) the successful implementation of the proposed restructuring scheme of the Group (Note 42)

The financial statements do not include any adjustments that would result if any of these events are not concluded successfully without any material modifications within the anticipated time frame.

 Notes to the Financial Statements (continued)**3. SIGNIFICANT ACCOUNTING POLICIES****Basis of accounting**

The financial statements of the Group and the Company have been prepared under the historical cost convention and any other bases described in the significant accounting policies as summarised below.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries listed under Note 13 made up to the end of the period. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

All significant inter company transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Minority interests in the consolidated balance sheet consist of the minorities' share of the fair value of the identifiable assets and liabilities of the acquiree as at acquisition date and the minorities' share of movements in the acquiree's equity since then.

Revenue and income recognition

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised upon delivery of goods and customer's acceptance.

Revenue from services rendered is recognised when the services are rendered.

Brokerage fee and revenue from the sale of short term investments are recognised on the contract date.

Dividend income is recognised when the shareholder's right to receive payment is established.

Revenue from property of development is recognised in accordance with the accounting policy disclosed under 'development property and costs'.

Sale of short term investments are recognised on the contract date.

Interest income is recognised as it accrues (taking into account the effective yield on the asset) unless collectibility is in doubt.

Rental income is recognised as it accrues unless collectibility is in doubt.

Foreign currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at rates of exchange ruling at that date, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. All exchange differences are taken to the income statement.

Notes to the Financial Statements (continued)

**3. SIGNIFICANT ACCOUNTING POLICIES (continued)****Foreign currencies (continued)**

Income and expense items of foreign subsidiaries and associates are translated into Ringgit Malaysia at average rates of exchange for the period while assets and liabilities, both monetary and non monetary, are translated at the rates of exchange ruling at the balance sheet date. All exchange differences arising therefrom are taken to exchange fluctuation reserve account.

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

	2005	2004
	RM	RM
Australian Dollar	2.903	2.630
Danish Kroner	0.610	0.620
Euro	4.595	4.630
Japanese Yen	0.034	0.035
Hong Kong Dollar	0.489	0.487
Singapore Dollar	2.258	2.220
United Kingdom Sterling Pound	6.870	6.870
United States Dollar	3.800	3.800

Employee benefits

(i) Short term benefits

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

(ii) Defined contribution plans and retirement benefits

Obligations for contributions to defined contribution plans such as Employees Provident Fund are recognised as an expense in the income statement as incurred. Where retirement plans are not externally funded, appropriate provisions are made and recognised as an expense in the income statement in the period in which they are incurred.

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 period 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.

Notes to the Financial Statements (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability 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.

Impairment of assets

The carrying amount of assets, other than inventories, assets arising from construction contracts, deferred tax assets, assets arising from employee benefits and financial assets, (other than investments in subsidiaries and associates), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount is less than the carrying amount of the asset.

The impairment loss is recognised in the income statement immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation reserve account to the extent of the surplus credited from the previous revaluation for the same asset with the excess of the impairment loss charged to the income statement.

All reversals of an impairment loss are recognised as income immediately in the income statement except for the reversal of an impairment loss on a revalued asset where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation reserve account of the same asset.

The impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and subsequent external events have occurred that reverse the effect of the specific event. In respect of other assets, an impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Gain and loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the income statement.

No depreciation is provided on freehold land and building under construction. Depreciation on other property, plant and equipment is calculated on the straight line basis at the following annual rates based on their estimated useful lives:

Leasehold land	Over the unexpired leased period of 68 years
Buildings	1% – 5%
Furniture, fittings and equipment	10% – 33 ¹ / ₃ %
Motor vehicles	20% – 25%
Plant and machinery	10% – 25%

Notes to the Financial Statements (continued)



3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Freehold land and related costs held for sale

Asset that are classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell and impairment losses. Asset held for sale are not subject to depreciation. Its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Development property and costs

(i) Land held for property development

Land held for property development consists 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 and is stated at cost less any impairment losses.

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 cost that are 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.

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.

Highway development expenditure

Highway development expenditure is stated at cost. It comprises construction and development expenditure incurred in connection with the concession awarded to a subsidiary by the Government. Upon completion of the construction and commencement of the toll collection, the cumulative actual expenditure incurred will be amortised to each balance sheet date over the concession period based on the cumulative toll revenue to date over the projected total revenue of the concession.

The projected toll revenue of the concession is based on the “base case” traffic volumes projected by an independent professional firm of traffic consultants in a projections study commissioned by the subsidiary, taking account of the toll rates as provided in the concession agreement.

In the application of this accounting policy, the effects of any change in the estimates in a period are included in the amortisation expense for that period.

Notes to the Financial Statements (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment in subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to derive benefits from its activities.

The Company's investments in subsidiaries are stated at cost less impairment losses, if any.

Investment in associates

An associate is a company in which the Company, directly or indirectly, has significant influence and which is neither a subsidiary nor a joint venture of the Group.

The Company's investment in associates are stated at cost or at directors' valuation (based on the underlying net tangible assets of the associates) less impairment losses, if any.

The Group's investment in associates is accounted for under the equity method of accounting based on the audited or management financial statements of the associates made up to the balance sheet date. Under this method of accounting, the Group's interest in the post acquisition profit of the associates is included in the consolidated results while dividend received is reflected as a reduction of the investment in the consolidated balance sheet.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments have been made to the financial statements of the associates to ensure consistency of accounting policies with the Group.

Other long term investments

Other long term investments in quoted and unquoted corporations are stated at cost less impairment losses, if any.

Goodwill and reserve on consolidation

Goodwill arising on acquisition represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets acquired. Goodwill arising on the acquisition of a subsidiary is presented separately in the balance sheet while goodwill arising on the acquisition of associates is included within the carrying amount of investment in associates.

Goodwill is stated at cost less impairment losses, if any.

Reserve arising from consolidation represents the excess of the sum of the fair values of the identifiable net assets of the subsidiaries acquired over the purchase consideration as at the date of acquisition and is credited to equity.

Notes to the Financial Statements (continued)



3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly controlled operation

A jointly controlled operation is an operation in which two or more ventures combine their assets and other resources to develop and to market a particular product jointly.

Each venturer uses its own assets and incurs its own expenses and liabilities. Each venturer has also agreed based on the terms set out in the joint venture agreement to take a share of the revenue from sale of the joint product.

Separate financial statement are not required for the joint venture as the assets, liabilities, income and expenses are recognised in the financial statements of the venturers respectively.

Inventories

Inventories comprising trading merchandise, raw materials, packing materials, work in progress, finished goods and completed properties held for sale are stated at the lower of cost and net realisable value. Cost of inventories is determined generally on the first in first out basis except for properties held for sale where the specific identification basis is used. Net realisable value represents the estimated selling prices less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Cost of raw materials, packing materials and trading merchandise comprise the cost of purchase plus the cost of bringing the inventories to their present location and condition. Cost of work in progress and finished goods comprise the cost of raw materials used, direct labour, other direct costs and appropriate production overheads. Cost of properties held for sale comprises development costs attributable to or the purchase cost of the properties held.

Leases

Assets acquired under leases which transfer substantially all the risks and rewards incident to ownership of the assets are capitalised under property, plant and equipment. The assets and the corresponding lease obligations are recorded at their fair values or, if lower, at the present value of the minimum lease payments of the leased assets at the inception of the respective leases.

Finance costs, which represent the difference between the total lease commitments and the fair values of the assets acquired, are charged to the income statement over the term of the relevant lease periods so as to give a constant periodic rate of charge on the remaining balance of the obligations for each period.

Plant and equipment acquired under hire purchase

Plant and equipment acquired under hire purchase arrangements are capitalised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to the income statement to give a constant periodic rate of interest on the remaining hire purchase liabilities.

Provisions

A provision is recognised when a present legal or constructive obligation exists 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.

 Notes to the Financial Statements (continued)**3. SIGNIFICANT ACCOUNTING POLICIES (continued)****Segment information**

Segment information is presented in respect of the Group's business and geographical segments. The primary reporting segment information is in respect of business segments as the Group's risks and returns are affected predominantly by differences in the products it produces, while the secondary information is reported geographically.

A segment with a majority of operating income earned from providing product or services to external clients and whose operating income, results or assets are 10 percent or more of all the segments is reported separately.

Segment results, assets and liabilities include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Financial instruments

Financial instruments are recognised in the balance sheet 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 and 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 legal enforceable right to offset and intends to settle either on a net basis or realise the asset and settle the liability simultaneously.

(i) Marketable securities

Marketable securities 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 value. All known bad debts are written off and specific provisions are made for debts that are considered to be doubtful with regards to collection. In addition, general provisions are made to cover possible debts which are not specifically identified.

(iii) Payables

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

Notes to the Financial Statements (continued)

**3. SIGNIFICANT ACCOUNTING POLICIES (continued)****Financial instruments (continued)**

(iv) Interest bearing borrowings

Interest bearing borrowings 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. Capitalisation of borrowing costs is suspended during extended period in which active construction or production of these assets is interrupted.

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 approved for payment.

Cash flow statements

Cash flow statements are prepared using the indirect method.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value. For the purpose of the cash flow statements, cash and cash equivalents are presented net of bank overdrafts and fixed deposits pledged.

4. REVENUE

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Sales of goods	137,010	128,306	–	–
Rendering of services	635	801	–	–
Brokerage fees	–	4,261	–	–
Gross dividend income	2,111	1,729	2,959	2,193
Property development projects	16,721	2,772	–	–
Sale of short term investments	20	7	–	–
	156,497	137,876	2,959	2,193

 Notes to the Financial Statements (continued)

5. LOSS BEFORE TAX

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Loss before tax is arriving at after charging:				
Auditors' remuneration				
- current year	177	221	83	95
- under provision in prior years	59	103	-	20
Bad debts written off	1,035	88	-	-
Compensation for termination of contract	-	47,695	-	-
Depreciation	2,566	4,421	1,650	2,169
Directors' remuneration				
- directors' of the Company				
- fees	44	78	44	78
- other emoluments	1,416	1,650	276	331
- directors' of subsidiary				
- other emoluments	408	488	-	-
Estimated cash value benefits in kind for directors of the Company	36	55	36	55
Hire of plant and equipment	55	48	16	-
Impairment losses				
- investment in associates	-	1,408	-	-
- goodwill	8,216	33	-	-
- highway development expenditure	-	208,449	-	-
- property, plant and equipment	7,713	668	7,713	-
- investment in subsidiaries	-	-	236,687	14,267
Interest expense				
- bank overdrafts	5,990	6,109	4,853	4,314
- hire purchase and lease	119	368	14	115
- term loans	9,696	8,919	9,270	8,664
- trade finance	4,754	5,627	3,627	4,617
Inventories written off	14	56	-	-
Inventories written down	-	63,996	-	-
Lease rental	35	44	-	-
Loss on termination of joint venture	8,123	-	-	-
Loss on foreign exchange				
- realised	2	116	-	17
- unrealised	1,089	2,351	-	2,402
Loss on disposal of				
- property, plant and equipment	-	-	-	120
- subsidiaries	-	1,526	-	-
- investments	-	1,461	-	1,468

Notes to the Financial Statements (continued)



5. LOSS BEFORE TAX (continued)

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Provision for doubtful debts				
- subsidiaries	-	-	34,073	193
- trade	223	3,283	-	-
- non trade	-	6,533	-	75
Provision for corporate guarantee liabilities	9,674	-	9,674	-
Rental of				
- premises	617	590	-	-
- others	-	58	-	48
Retirement benefits	369	379	-	-
Write down of short term investments	8,513	216	8,510	-
And crediting:				
Gross dividend income from				
- unquoted investment in associates	-	-	900	500
- quoted investment in Malaysia	1,726	1,401	1,726	1,402
- unquoted investment in Malaysia	333	325	333	291
- quoted investment outside Malaysia	9	3	-	-
- unquoted investment outside Malaysia	43	-	-	-
Gain on disposal of				
- property, plant and equipment	224	5,064	6	-
- subsidiaries	-	-	-	169
- investments	5	-	-	-
Gain on foreign exchange				
- realised	208	67	-	-
- unrealised	74	-	-	-
Interest income from fixed deposits	112	161	86	85
Overprovision for compensation in prior year	68	-	-	-
Provision for doubtful debts no longer required				
- trade	50	-	-	-
- non trade	37	-	-	-
Rental income from:				
- subsidiaries	-	-	-	142
- others	1,279	1,065	1,160	939
Waiver of debts	811	60	-	-
Write back of short term investments	-	14,600	-	14,590

Notes to the Financial Statements (continued)

6. STAFF COSTS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Salaries, wages, allowances and bonus	12,148	12,327	1,951	2,539
Defined contribution plan	1,064	1,157	247	261
Retirement benefits	369	379	–	–
Other employee related benefits	886	686	85	13
	14,467	14,549	2,283	2,813

The number of directors of the Company where total remuneration during the financial year falls within the following band is analysed as follows:

	Group	
	2005	2004
Executive directors:		
Below RM50,000	2	–
RM150,001 to RM200,000	1	1
RM350,001 to RM400,000	1	1
RM550,001 to RM600,000	1	–
RM700,001 to RM750,000	–	1
RM900,001 to RM950,000	–	1
Non executive directors:		
Below RM50,000	3	3

7. INCOME TAX EXPENSE

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Estimated income tax payable				
- current year	891	418	–	–
- over provision in prior years	(79)	–	–	–
- under provision in prior years	61	1,934	–	–
	873	2,352	–	–
Share in tax of associates	290	(753)	–	–
	1,163	1,599	–	–

Notes to the Financial Statements (continued)

**7. INCOME TAX EXPENSE (continued)**

A reconciliation of income tax expense applicable to loss before tax at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Loss before tax	(50,957)	(338,522)	(317,517)	(30,873)
Taxation at statutory tax rate of 28% (2004: 28%)	14,300	95,000	89,000	8,600
Expenses not deductible for tax purposes	(8,182)	(68,767)	(85,800)	(9,000)
Income not subject to tax	27	6,000	900	700
Deferred tax assets not recognised	(5,000)	(28,700)	(4,100)	(300)
Over provision of income tax in prior years	79	–	–	–
Under provision of income tax in prior years	(61)	(1,934)	–	–
Income tax expense for the year	1,163	1,599	–	–

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

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Tax effects of:				
Provisions	28,000	92,000	25,000	91,000
Unutilised tax losses	80,000	77,000	26,000	45,000
Unabsorbed capital allowances	2,000	2,000	1,000	–
	110,000	171,000	52,000	136,000

The unabsorbed capital allowances and unutilised tax losses have not been recognised as it is not probable that taxable profit will be available in the foreseeable future to utilise these unused tax credits and unused tax losses.

8. LOSS PER SHARE

Basic loss per ordinary share for the current year is based on net loss attributable to ordinary shareholders of RM52,124,000 (2004: RM339,904,000) and weighted average number of ordinary shares in issued of 339,630,465 (2004: 339,630,465).

Notes to the Financial Statements (continued)

9. PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold land RM'000	Freehold buildings RM'000	Freehold land and buildings RM'000	Long term leasehold land and buildings RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Building under construction RM'000	Total RM'000
Cost									
At beginning of year	20,507	41,681	19,979	10,000	12,656	8,351	13	769	113,956
Additions	–	181	–	–	304	–	–	–	485
Disposals	–	(345)	–	–	(140)	(4,093)	–	–	(4,578)
Reclassifications	(9,007)	–	(17,547)	–	–	–	–	–	(26,554)
Write offs	–	–	–	–	(1)	–	–	–	(1)
At end of year	11,500	41,517	2,432	10,000	12,819	4,258	13	769	83,308
Accumulated depreciation									
At beginning of year	–	6,496	6,245	1,597	10,930	6,180	13	–	31,461
Charge for the year	–	830	–	200	843	693	–	–	2,566
Disposals	–	(22)	–	–	(89)	(2,843)	–	–	(2,954)
Reclassifications	–	–	(6,172)	–	–	–	–	–	(6,172)
Write offs	–	–	–	–	(1)	–	–	–	(1)
At end of year	–	7,304	73	1,797	11,683	4,030	13	–	24,900
Accumulated impairment losses									
At beginning of year	–	–	668	–	–	–	–	–	668
Impairment loss for the year	1,940	5,773	–	–	–	–	–	–	7,713
At end of year	1,940	5,773	668	–	–	–	–	–	8,381
Net book value									
At 30 June 2005	9,560	28,440	1,691	8,203	1,136	228	–	769	50,027
At 30 June 2004	20,507	35,185	13,066	8,403	1,726	2,171	–	769	81,827
Depreciation charge for the year ended 30 June 2004	–	834	741	200	1,195	1,451	–	–	4,421

Notes to the Financial Statements (continued)



9. PROPERTY, PLANT AND EQUIPMENT (continued)

Company

	Freehold land RM'000	Freehold buildings RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Building under construction RM'000	Total RM'000
Cost						
At beginning of year	11,500	41,517	6,588	3,894	769	64,268
Additions	–	–	1	–	–	1
Disposals	–	–	–	(1,022)	–	(1,022)
At end of year	11,500	41,517	6,589	2,872	769	63,247
Accumulated depreciation						
At beginning of year	–	6,474	5,612	3,363	–	15,449
Charge for the year	–	830	538	282	–	1,650
Disposals	–	–	–	(780)	–	(780)
At end of year	–	7,304	6,150	2,865	–	16,319
Accumulated impairment losses						
At beginning of year	–	–	–	–	–	–
Impairment loss for the year	1,940	5,773	–	–	–	7,713
At end of year	1,940	5,773	–	–	–	7,713
Net book value						
At 30 June 2005	9,560	28,440	439	7	769	39,215
At 30 June 2004	11,500	35,043	976	531	769	48,819
Depreciation charge for the year ended 30 June 2004	–	830	789	550	–	2,169

Notes to the Financial Statements (continued)

9. PROPERTY, PLANT AND EQUIPMENT (continued)

At the balance sheet date:

- (i) Freehold land, freehold buildings, leasehold land and buildings of the Group and the Company with net book value of RM47,193,000 and RM38,000,000 (2004: RM75,288,000 and RM46,543,000) respectively, have been charged as collaterals to secure the banking facilities referred to in Note 30.
- (ii) Plant and equipment under finance lease and hire purchase arrangements are:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
At net book value				
Motor vehicles	177	2,168	7	531
Office equipment	26	33	–	–
	203	2,201	7	531

- (iii) Cash payments made to purchase property, plant and equipment are as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Total additions	485	652	1	10
Acquisitions through hire purchase and lease arrangements	–	(136)	–	–
Cash payments	485	516	1	10

During the financial year, property, plant and equipment with carrying amount of RM20,382,000 have been reclassified as 'freehold land and related costs held for sale' as more fully disclosed in Note 10.

10. FREEHOLD LAND AND RELATED COSTS HELD FOR SALE

During the financial year, a subsidiary, Klang Valley Recreation Berhad ("KVR"), entered into a Project and Finance Management Agreement (the "Agreement") with Everest Point Sdn Bhd ("EPSB"), a company incorporated in Malaysia, for the development of its land where KVR's club house and other club facilities are erected. The agreement in substance constitutes a transaction to dispose of the land and its related buildings and facilities erected thereon for a consideration ranging from RM50 million to RM60 million depending on the final gross development value to be derived by EPSB from developing the land so acquired. Pending the completion of this disposal, the costs of KVR's freehold land and its related buildings and facilities erected thereon are presented as 'freehold land and related costs held for sale' and included as a non current asset item.

Included under freehold land and related costs held for sale are freehold land and building with carrying amount of RM20,346,000 which have been charged as collaterals to secure the banking facilities granted to the Company and two subsidiaries as disclosed in Note 30.

Notes to the Financial Statements (continued)

**11. LAND HELD FOR PROPERTY DEVELOPMENT**

	Group	
	2005 RM'000	2004 RM'000
Freehold land at cost	–	6,019

12. HIGHWAY DEVELOPMENT EXPENDITURE

	Group	
	2005 RM'000	2004 RM'000
At beginning of year:		
Land acquisition cost (Note 31)	198,691	198,691
Development costs	440,973	387,530
At end of year	639,664	586,221
Cost incurred during the year:		
Land acquisition cost (Note 31)	95,135	–
Development costs	134,061	53,443
At end of year	229,196	53,443
Total highway development costs	868,860	639,664
Less: Impairment loss	(208,449)	(208,449)
Carrying amount	660,411	431,215
Current year interest expenses capitalised:		
- trade finance	1,839	2,213
- long term loan	13,700	13,125
	15,539	15,338

Highway development expenditure is charged under a debenture to secure the bank borrowings referred to in Note 30.

On 10 July 1997, the Government and a subsidiary, Kaseh Lebuhraya Sdn Bhd (“Kaseh”) entered into a concession agreement wherein the Government has awarded Kaseh a concession period of 33 years from the date of the agreement for the design, construction, operation, management and maintenance of, and collection of toll on a new highway linking Kajang to Seremban measuring 48 kilometers, on a build, operate and transfer method of privatisation.

Kaseh commenced preliminary works on the construction of the highway in July 1997. However, due to the lack of funding, the construction works slowed down considerably over the years. In April 2005, the construction works on the highway was suspended due to Kaseh’s inability to meet its funding requirements.

Notes to the Financial Statements (continued)

12. HIGHWAY DEVELOPMENT EXPENDITURE (continued)

On 30 May 2005, the Company entered into a memorandum of agreement with IJM Corporation Berhad (“IJM”) to facilitate IJM in participating in the concession by way of subscription of direct equity via a new company to be incorporated. IJM is the holding company of IJM Construction Sdn Bhd, the turnkey contractor for the construction of the highway.

On 30 September 2005 and on 12 October 2005, the Company, Kaseh, IJM and Lebuhraya Kajang-Seremban Sdn Bhd (“LEKAS”), the new company incorporated to facilitate IJM in participating in the concession, entered into several agreements to formalise IJM’s participation in the concession (collectively the “Proposed LEKAS Transactions”). The details of the Proposed LEKAS Transactions are more fully disclosed in Note 42.

On the bases of these agreements entered into by both the Company and Kaseh, the directors have estimated, on the net selling price basis, the recoverable amount of the highway development expenditure at RM660,411,000 (2004: RM432,215,000).

In view of the changes in management and staff within Kaseh over the years, complete documentary records are not available to substantiate the development costs brought forward and included in highway development expenditure of RM341,879,000 (2004: RM341,879,000). In the light of the Proposed LEKAS Transactions and also given that an impairment loss has been made on the highway development expenditure to reflect its recoverable amount, the directors are of the opinion that it is not practicable to incur excessive time and costs to commission a qualified independent professional to opine on the cumulative value of works carried out on the highway.

In May 2005, Kaseh submitted a proposed supplemental concession agreement to the Government to vary certain of the terms as dealt with in the original concession agreement. The variations sought include, amongst others, the following:

- (a) an upward revision in the toll rates;
- (b) an extension of the concession period;
- (c) a deferment for the repayment of the Reimbursable Land Costs (Note 31);
- (d) an extension of the construction period; and
- (e) a realignment of certain parts of the highway.

The directors are of the view that the variations sought are reasonable in the light of present circumstances and they are confident that agreement by the Government on these variations will be obtained.

13. INVESTMENT IN SUBSIDIARIES

	Company	
	2005 RM'000	2004 RM'000
Unquoted shares at cost	484,257	484,257
Accumulated impairment losses:		
At beginning of year	243,274	229,007
Impairment loss for the year	236,687	14,267
At at end of year	(479,961)	(243,274)
Carrying amount	4,296	240,983

Notes to the Financial Statements (continued)

**13. INVESTMENT IN SUBSIDIARIES (continued)**

The details of the subsidiaries are as follows:

	Country of incorporation	Group's effective interest		Principal activities
		2005 %	2004 %	
Subsidiaries of the Company				
Antah Aviation Sales Sdn Bhd	Malaysia	100	100	Dormant
Antah Tristar Sdn Bhd	Malaysia	100	100	Inactive
Aras Damai Sdn Bhd	Malaysia	100	100	Dormant
Antah Holdings Services Sdn Bhd	Malaysia	100	100	Inactive
Antah European Holdings Sdn Bhd	Malaysia	100	100	Inactive
Antah Pacific Holdings Sdn Bhd	Malaysia	100	100	Inactive
Antah Overseas Holdings Sdn Bhd	Malaysia	100	100	Inactive
Antah Asia Holdings Sdn Bhd	Malaysia	100	100	Dormant
Sergap Puncak Sdn Bhd	Malaysia	100	100	Dormant
G.W.A. Holdings Sdn Bhd	Malaysia	100	100	Inactive
Kaseh Lebuhraya Sdn Bhd	Malaysia	100	100	Highway concessionaire
Kaseh Holdings Berhad	Malaysia	100	100	Dormant
Antah Properties Sdn Bhd	Malaysia	100	100	Property development
Antah Administrative Services Sdn Bhd	Malaysia	100	100	Provision of administrative and management services
* Antah Sri Radin Sdn Bhd	Malaysia	100	100	Medical supplies and equipment marketing
* Antah Melco Sales & Services Sdn Bhd	Malaysia	60	60	Electrical appliances marketing
* Antah Healthcare Group Berhad	Malaysia	100	100	Dormant
Subsidiary of Antah European Holdings Sdn Bhd				
* Antah European Holdings Limited	Channel Islands	100	100	Investment holding
Subsidiary of Antah European Holdings Limited				
* Harimau Finance Limited	United Kingdom	100	100	Inactive
Subsidiaries of Antah Pacific Holdings Sdn Bhd				
* Eurapipe Ltd	Hong Kong	100	100	Dormant
Antah Manufacturing Sdn Bhd	Malaysia	100	100	Inactive
* ACN 0066782536 Ltd	Australia	100	100	Inactive
Subsidiaries of Antah Manufacturing Sdn Bhd				
* Antah Industries Pte Ltd	Singapore	100	100	Inactive
* Eurapipe (Indonesia) Limited	Hong Kong	100	100	Inactive

Notes to the Financial Statements (continued)

13. INVESTMENT IN SUBSIDIARIES (continued)

	Country of incorporation	Group's effective interest		Principal activities
		2005 %	2004 %	
Subsidiary of Eurapipe Ltd				
*Asia Pacific Pump (HK) Limited	Hong Kong	100	100	Dormant
Subsidiary of ACN 0066782536 Ltd				
*ACN 006072877 OTH Ltd	Australia	100	100	Inactive
Subsidiaries of Antah Holding Services Sdn Bhd				
Klang Valley Recreation Berhad	Malaysia	100	100	Inactive
Stargrip (M) Sdn Bhd	Malaysia	100	100	Inactive
Antah Medi – Tech Sdn Bhd	Malaysia	100	100	Inactive
Subsidiary of Antah Properties Sdn Bhd				
Naga Sakti Sdn Bhd	Malaysia	100	100	Property development
Subsidiaries of Antah Sri Radin Sdn Bhd				
*Antah Pharma Sdn Bhd	Malaysia	100	100	Trading of pharmaceutical products
*Bumimedic (Malaysia) Sdn Bhd	Malaysia	100	100	Manufacturing and trading of pharmaceutical products

* The financial statements of these companies are not audited by Russell Bedford LC & Company.

Unavailability of audited financial statements of certain subsidiaries

The audited financial statements for certain subsidiaries are not available and therefore for purposes of consolidation their unaudited management financial statements have been used. These subsidiaries are:

- (a) Eurapipe Ltd;
- (b) Eurapipe (Indonesia) Limited;
- (c) Asia Pacific Pump (HK) Limited;
- (d) Antah European Holdings Limited;
- (e) Harimau Finance Limited;
- (f) ACN 0066782536 Ltd;
- (g) ACN 006072877 OTH Ltd; and
- (h) Antah Industries Pte Ltd.

Notes to the Financial Statements (continued)

**13. INVESTMENT IN SUBSIDIARIES (continued)**

In aggregate, the unaudited amount of income statement and balance sheet items relating to these subsidiaries that have been included in the financial statements of the Group are as follows:

Income statement items	Group	
	2005 RM'000	2004 RM'000
Revenue	–	–
Cost of sales	–	–
Gross profit	–	–
Other operating income	–	900
Administration expenses	–	(52)
Other operating expenses	–	(1,552)
Loss from operations	–	(704)
Finance costs	–	–
Loss before tax	–	(704)
Income tax expense	–	–
Loss after tax	–	(704)

Balance sheet items	Group	
	2005 RM'000	2004 RM'000
Current assets		
Trade receivables	2	2
Other receivables, deposits and prepayments	6,878	6,878
Tax recoverable	154	154
Cash and bank balances	189	189
	7,223	7,223
Current liabilities		
Trade payables	471	471
Other payables and accruals	238	238
Tax payable	13	13
	722	722
Net current assets/Net assets	6,501	6,501

Notes to the Financial Statements (continued)

13. INVESTMENT IN SUBSIDIARIES (continued)

Disclaimer of opinion expressed by the auditors on the financial statements of subsidiaries

(a) Kaseh Lebuhraya Sdn Bhd

The auditors have expressed a disclaimer of opinion on the financial statements in view of the following:

- (i) the auditors' inability to ascertain the validity of the development costs brought forward and included in highway development expenditure of RM341,879,000 as complete documentary records are not available for the auditors' examination; and
- (ii) the fundamental uncertainty over the going concern basis used in the preparation of the financial statements.

The auditors were also of the opinion that except for the matter mentioned in item (i) above, the accounting and other records and the registers required by the Companies Act 1965 to be kept by the subsidiary have been properly kept in accordance with the provisions of the said Act.

(b) Antah Tristar Sdn Bhd

The auditors have expressed a disclaimer of opinion on the financial statements in view of their inability to satisfy themselves as to the appropriateness of the going concern basis of preparing the financial statements of the subsidiary.

Disposal of a subsidiary

On 28 February 2004, the Group disposed of its 52% equity interest in Antah Heath Lambert Insurance Brokers Sdn Bhd for a cash consideration of RM940,680.

The effects of the disposal on the Group's financial results and financial position are as follows:

	Group	
	2005	Up to the date of disposal 2004
	RM'000	RM'000
Revenue	-	4,261
Other operating income	-	54
Operating costs	-	(4,304)
Profit from operations	-	11
Finance cost	-	-
Profit before tax	-	11
Tax expense	-	35
Net profit	-	46

Notes to the Financial Statements (continued)

**13. INVESTMENT IN SUBSIDIARIES (continued)**

	Group	
	2005	At date of disposal
	RM'000	2004
		RM'000
Property, plant and equipment	–	278
Tax recoverable	–	243
Trade receivables	–	9,342
Other receivables, deposits and prepayments	–	812
Cash and cash equivalents	–	5,331
Trade payables	–	(10,202)
Other payables and accruals	–	(1,733)
Goodwill on acquisition	–	290
Minority interests	–	(1,894)
		<hr/>
Net assets disposed of	–	2,467

14. INVESTMENT IN ASSOCIATES

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Unquoted shares				
- at cost	22,006	22,006	–	–
- at directors' valuation	–	–	40,125	22,480
	<hr/> 22,006	22,006	<hr/> 40,125	22,480
Share in post acquisition profits of associates	19,527	4,948	–	–
	<hr/> 41,533	26,954	<hr/> 40,125	22,480

The Group's interest in the associates is represented by:

	Group	
	2005	2004
	RM'000	RM'000
Share in net tangible assets	<hr/> 40,125	26,954

The Company's investment in associates was revalued by the directors based on the underlying net tangible assets of the associates. The Group's and the Company's investment in unquoted shares in an associate with carrying amount of RM40,125,000 (2004: RM26,954,000) and RM40,125,000 (RM22,480,000) is pledged to secure the banking facilities as disclosed in Note 30.

Notes to the Financial Statements (continued)

14. INVESTMENT IN ASSOCIATES (continued)

The details of the associates are as follows:

	Country of incorporation	Group's effective interest		Principal activities
		2005 %	2004 %	
Associates of the Company				
TNT Logistics (Malaysia) Sdn Bhd	Malaysia	40	40	Logistic services
ORIX Leasing Malaysia Berhad	Malaysia	20	20	Equipment leasing
Associate of Antah European Holdings Sdn Bhd				
JW Carpenter Limited	United Kingdom	20	20	Inactive
Associate of Antah Tristar Sdn Bhd				
Staffield Marketing Services Sdn Bhd	Malaysia	50	50	Marketing of club membership
Associates of Antah Holdings Services Sdn Bhd				
Pacific Asia Fishing Sdn Bhd	Malaysia	50	50	Inactive
Antah-UTV (Malaysia) Sdn Bhd	Malaysia	30	30	Film production house
Antah-UTV Multi-Media Communications Sdn Bhd	Malaysia	30	30	Film production house

The financial statements of all the above associates are not audited by Russell Bedford LC & Company.

15. OTHER LONG TERM INVESTMENTS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Equity shares quoted in Malaysia at cost	10	10	10	10
Unquoted equity shares at cost	437	437	437	437
Unquoted debentures at cost	2,287	2,287	2,287	2,287
Carrying amount	2,734	2,734	2,734	2,734
Market value of quoted equity shares	49	49	49	49

Notes to the Financial Statements (continued)

**16. GOODWILL ON CONSOLIDATION**

	Group	
	2005	2004
	RM'000	RM'000
At beginning of year	13,218	13,508
Disposal of a subsidiary	–	(290)
At end of year	13,218	13,218
Accumulated impairment losses:		
At beginning of year	33	33
Impairment loss for the year	8,216	–
At end of year	(8,249)	(33)
Carrying amount	4,969	13,185

17. INVENTORIES

	Group	
	2005	2004
	RM'000	RM'000
At cost:		
Raw materials	–	455
Goods for sale (trading merchandise and finished goods)	23,551	22,558
Work in progress	–	106
Packing materials	–	98
Inventories stated at cost	23,551	23,217
At net realisable value:		
Cost		
- Shop lots	63,989	69,411
- Workshop	7	7
	63,996	69,418

Notes to the Financial Statements (continued)

17. INVENTORIES (continued)

	Group	
	2005 RM'000	2004 RM'000
Cumulative amount written down		
- Shop lots	63,989	63,989
- Workshop	7	7
	63,996	63,996
Inventories stated at net realisable value	-	5,422
Total	23,551	28,639

In the previous financial year, the directors wrote down the costs of two subsidiaries' shop lots from RM63,989,000 to their estimated net realisable values of RM2. The directors, after having sought legal counsel, are of the opinion that there is little possibility of the counter party vendors delivering to these subsidiaries the title of these shop lots free from encumbrances.

18. PROPERTY DEVELOPMENT COSTS

Group	JV	Subsidiary's	2005	JV	Subsidiary's	2004
	project	project		project	project	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At beginning of year						
Freehold land	-	13,058	13,058	-	13,058	13,058
Development costs	47,459	39,847	87,306	45,950	39,129	85,079
	47,459	52,905	100,364	45,950	52,187	98,137
Costs incurred during the year:						
Development costs	-	5,489	5,489	1,509	718	2,227
	-	5,489	5,489	1,509	718	2,227

Notes to the Financial Statements (continued)

**18. PROPERTY DEVELOPMENT COSTS (continued)**

Group	JV	Subsidiary's	2005	JV	Subsidiary's	2004
	project	project		project	project	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Costs recognised in income statement:						
At beginning of year	–	35,687	35,687	–	25,538	25,538
Recognised during the year	–	12,516	12,516	–	10,149	10,149
At end of year	–	(48,203)	(48,203)	–	(35,687)	(35,687)
Settlement with JV partners	(47,459)	–	(47,459)	–	–	–
Property development costs at end of year	–	10,191	10,191	47,459	17,218	64,677

As more fully disclosed in Note 32, property development costs with carrying amount of RM47,459,000 (2004: RM Nil) have been transferred to the joint venture ("JV") partners in accordance with the terms for the termination of the joint venture.

The freehold land of the Group has been charged as collateral to secure the banking facilities as disclosed in Note 30.

19. TRADE RECEIVABLES

	Group	
	2005	2004
	RM'000	RM'000
Trade receivables	41,361	35,145
Less: Provision for doubtful debts	(4,590)	(4,417)
	36,771	30,728

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

	Group	
	2005	2004
	RM'000	RM'000
Singapore Dollar	68	45
United States Dollar	185	331

The Group's normal trade credit term ranges from 60 days to 120 (2004: 60 days to 120 days) days. Other credit terms are assessed and approved on case by case basis.

Notes to the Financial Statements (continued)

20. AMOUNT DUE FROM/(TO) SUBSIDIARIES

	Company	
	2005 RM'000	2004 RM'000
Amount due from subsidiaries	209,761	208,301
Less: Provision for doubtful debts	(208,581)	(174,508)
	1,180	33,793

The amount due from/(to) subsidiaries represents unsecured interest free advances with no fixed terms of repayment.

21. AMOUNT DUE FROM/(TO) ASSOCIATES

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Amount due from associates	8,795	8,795	854	854
Less: Provision for doubtful debts	(8,440)	(8,440)	(502)	(502)
	355	355	352	352

The amount due from/(to) associates represents unsecured interest free advances with no fixed terms of repayment.

22. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Other receivables	15,887	16,631	2,957	2,177
Sundry deposits	926	943	239	239
Prepayments	509	517	–	2
Proceeds from disposal of property held by stakeholders	–	7,000	–	–
Payments to EPSB	7,000	–	–	–
	24,322	25,091	3,196	2,418
Less: Provision for doubtful debts	(3,292)	(3,329)	(1,258)	(1,258)
	21,030	21,762	1,938	1,160

The payments to EPSB are for the purposes of meeting the interim deficit in the development costs of up to RM8,000,000 as provided for in the agreement as more fully disclosed in Note 10.

The foreign currency exposure profile of other receivables is as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
United Kingdom Sterling Pound	6,800	6,800	–	–
Australian Dollar	8	8	–	–

Notes to the Financial Statements (continued)

**23. SHORT TERM INVESTMENTS**

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Equity shares quoted in Malaysia at cost	118,502	118,507	118,488	118,488
Less: Market value adjustments	(89,973)	(81,465)	(89,968)	(81,458)
Market value of quoted equity shares in Malaysia	28,529	37,042	28,520	37,030
Equity shares quoted outside Malaysia at cost	34	34	–	–
	28,563	37,076	28,520	37,030
Market value of quoted equity shares outside Malaysia	83	83	–	–

The equity shares quoted in Malaysia are pledged to secure the banking facilities as disclosed in Note 30.

24. FIXED DEPOSITS

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with:				
Licensed banks	1,901	801	14	14
Licensed finance companies	13	13	–	–
	1,914	814	14	14

Fixed deposits of the Group amounting to RM43,000 (2004:RM Nil) have been pledged with a licensed bank for the issuance of bank guarantees. The effective interest rate receivable for the fixed deposits for the Group ranges from 2.1% to 3.1% (2004: 2.1% to 3.1%) per annum. The maturity of the fixed deposits of the Group ranges from 30 days to 18 months (2004: 30 days to 18 months).

25. CASH AND BANK BALANCES**Group**

Included in cash and bank balances of the Group is an amount of RM7,000 (2004: RM724,000) held under a Housing Development Account, opened and maintained under Section 7A of the Housing Developers (Housing Development Account) Regulation, 1991.

The foreign currency exposure profile of cash and bank balances is as follows:

	Group	
	2005	2004
	RM'000	RM'000
Australian Dollar	62	6

Notes to the Financial Statements (continued)

26. TRADE PAYABLES

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

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Australian Dollar	–	13	–	–
Danish Kroner	4	–	–	–
Euro	3,202	1,760	–	–
Japanese Yen	–	378	–	–
Singapore Dollar	1	1	–	–
United Kingdom Sterling Pound	879	847	–	–
United States Dollar	2,827	8,322	–	–

The normal trade credits granted to the Group range from 30 days to 150 days (2004: 30 days to 150 days).

27. AMOUNT DUE TO DIRECTORS

The amount represents unsecured interest free advances with no fixed terms of repayment.

28. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Included under other payables and accruals are:				
Amount due to Municipality Council	8,384	8,384	–	–
Amount due to government (Note 31)	70,518	34,766	–	–
Balance of purchase price of property	–	5,000	–	–
Interest payable	77,362	48,699	29,697	16,799
Provision for corporate guarantee liabilities	9,674	–	9,674	–

The foreign currency exposure profile of other payables is as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
United Kingdom Sterling Pound	47	47	–	–

Notes to the Financial Statements (continued)

**29. HIRE PURCHASE AND FINANCE LEASE LIABILITIES**

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Outstanding obligations	1,201	2,857	634	653
Less: Future finance charges	(207)	(483)	(147)	(134)
Present value of liabilities	994	2,374	487	519
Less: Portion due within one year	(440)	(1,111)	(316)	(348)
Non current portion	554	1,263	171	171
The non current portion of the present value of liabilities is payable as follows:				
Later than 1 year and not later than 5 years	554	1,263	171	171

These liabilities are subject to interest rates ranging from 8.3% to 12.0% (2004: 8.3% to 12.0%) per annum.

30. SHORT TERM BORROWINGS

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Unsecured:				
Bank overdrafts	65,302	60,181	58,975	54,102
Trade finance	30,326	27,974	14,100	14,100
Long term loans – current portion (note 33)	6,150	6,150	6,150	6,150
	101,778	94,305	79,225	74,352
Secured:				
Bank overdrafts	8,083	12,579	–	–
Trade finance	64,691	64,672	35,968	35,968
Long term loans – current portion (note 33)	110,121	113,591	108,941	110,177
	182,895	190,842	144,909	146,145
	284,673	285,147	224,134	220,497

The foreign currency exposure profile of short term borrowings is as follows:

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
United States Dollar	98,029	99,265	98,029	99,265

Notes to the Financial Statements (continued)

30. SHORT TERM BORROWINGS (continued)

The average effective interest rates are as follows:

	Group		Company	
	2005 %	2004 %	2005 %	2004 %
Bank overdrafts	7.5 to 8.5	7.5 to 8.5	7.5 to 8.5	7.5 to 8.5
Trade finance	4.2 to 8.5	4.0 to 8.5	4.0 to 8.5	4.0 to 8.5
Long term loans	6.6 to 9.5	6.9 to 9.5	6.5 to 9.5	6.5 to 9.5

Bank borrowings, including long term loans, are secured by way of:

	Carrying amount			
	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Freehold land, freehold buildings, leasehold land and buildings (Note 9)	47,193	75,288	38,000	46,543
Freehold land and related costs held for sale (Note 10)	20,346	–	–	–
Highway development expenditure (Note 12)	660,411	431,215	–	–
Unquoted shares in an associate (Note 14)	40,125	26,954	40,125	22,480
Freehold land included under property development costs (Note 18)	13,058	13,058	–	–
Equity shares quoted in Malaysia included under short term investments (Note 23)	28,529	37,042	28,520	37,030

Certain of the bank borrowings of the subsidiaries are also guaranteed by the Company.

31. AMOUNT DUE TO GOVERNMENT

	Group	
	2005 RM'000	2004 RM'000
Balance at beginning of year	198,691	198,691
Addition during the year	95,135	–
	293,826	198,691
Less: Portion due within one year (Note 28)	(70,518)	(34,766)
Non current portion	223,308	163,925

Notes to the Financial Statements (continued)

**31. AMOUNT DUE TO GOVERNMENT (continued)**

Under the concession agreement, the Government has agreed to pay on behalf of Kaseh up to the sum of RM300,000,000 in respect of costs, expenses or charges incurred in the making available the land required for the construction of the highway including any compensation required to be paid for the acquisition thereof. These costs incurred by the Government (“Reimbursable Land Costs”) shall be reimbursed by Kaseh in accordance with the following schedule of repayment:

Date of Repayment	Percentage of Reimbursable Land Costs
10 July 2002	6%
10 July 2003	6%
10 July 2004	6%
10 July 2005	6%
10 July 2006	6%
10 July 2007	14%
10 July 2008	14%
10 July 2009	14%
10 July 2010	14%
10 July 2011	14%

In view of the Group’s inability to meet its funding requirements, Kaseh has not been able to repay to the Government the first four instalments of the scheduled repayments totalling RM70,518,000. The Government, as at to date, has not initiated any actions on Kaseh for the recovery of the overdue instalments. As more fully disclosed in Note 12, Kaseh has submitted a proposed supplemental concession agreement to the Government to seek its approval, amongst others, for a deferment for the repayment of the Reimbursable Land Costs.

32. AMOUNT DUE TO JOINT VENTURE PARTNERS

	Group	
	2005 RM’000	2004 RM’000
Loan from joint venture partner	–	34,500
Advances from joint venture partners	–	3,058
Accumulated share of results of joint venture	–	94
	–	<u>37,652</u>

The loan and advances from the joint venture partners are unsecured, interest free and with no fixed terms of repayment.

During the financial year, the joint venture has been terminated via a settlement agreement entered into by the parties concerned. In accordance with the settlement agreement, the net property development costs of the joint venture as recognised in the financial statements of Naga Sakti Sdn Bhd (“NGSB”), a subsidiary, have been transferred to the joint venture partners to set off in full the amount due to them. NGSB received a net cash settlement amount of RM6,600,000 and a loss on termination of joint venture of RM8,123,000 is recognised in the income statement of the Group during the financial year.

Notes to the Financial Statements (continued)

33. LONG TERM LOANS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Unsecured:				
Amount outstanding	6,150	6,150	6,150	6,150
Secured:				
Amount outstanding	267,162	252,832	108,941	110,177
	273,312	258,982	115,091	116,327
Less: Portion due within one year (Note 30)				
- unsecured	6,150	6,150	6,150	6,150
- secured	110,121	113,591	108,941	110,177
	(116,271)	(119,741)	(115,091)	(116,327)
Non current portion	157,041	139,241	-	-

The non current portion of long term loan is payable in two equal instalments on the 11th and 12th anniversary of the date of drawdown ie. On 21 May 2013 and 21 May 2014.

34. RETIREMENT BENEFITS

	Group	
	2005 RM'000	2004 RM'000
Balance at beginning of year	626	564
Provision during the year	369	379
Payments made during the year	(201)	(317)
Balance at end of year	794	626

35. SHARE CAPITAL

	Group and Company	
	2005 RM'000	2004 RM'000
Authorised:		
500,000,000 ordinary shares of RM0.50 each	250,000	250,000
Issued and fully paid:		
339,630,465 ordinary shares of RM0.50 each	169,815	169,815

Notes to the Financial Statements (continued)

**36. RESERVES**

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Accumulated losses	(696,617)	(644,493)	(791,346)	(473,829)
Non distributable:				
Share premium	329,798	329,798	329,798	329,798
Capital reserve arising from bonus capitalisation by associates	6,249	6,249	–	–
Foreign exchange fluctuation reserve	24,990	23,901	–	–
Reserve on consolidation	14,703	14,703	–	–
Other reserves	240	240	39,342	21,697
	375,980	374,891	369,140	351,495
	(320,637)	(269,602)	(422,206)	(122,334)

Other reserves of the Group represent the capitalisation of retained profits arising from bonus issue by a subsidiary. Other reserves of the Company represent surplus arising from the revaluation of investment in associates.

37. SIGNIFICANT RELATED PARTY TRANSACTIONS

Name of company	Type of transactions	Group		Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Significant transactions with related parties are as follows:					
With an associate:					
Orix Leasing Malaysia Berhad	Dividend income	–	–	900	500
With a subsidiary:					
Antah Health Lambert Insurance Broker Sdn Bhd	Rental income	–	–	–	142

The directors are of the opinion that the terms and conditions and prices of the above transactions are not materially different from that obtainable in transactions with unrelated parties.

Notes to the Financial Statements (continued)

38. COMMITMENTS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Capital commitments				
Capital expenditure not provided for in the financial statements are as follows:				
Authorised and contracted for	819,800	726,670	–	–
Analysed as follows:				
Property, plant and equipment	8,800	14,970	–	–
Highway development expenditure	811,000	711,700	–	–
	819,800	726,670	–	–
Operating lease commitments				
The future minimum lease payments under non cancellable operating leases are as follows:				
Not later than 1 year	39	11	–	–
Later than 1 year and not later than 5 years	92	12	–	–
	131	23	–	–

39. CONTINGENCIES

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Guarantee in respect of banking and leasing facilities of subsidiaries:				
- secured	–	–	200,982	183,040
- unsecured	–	–	25,485	19,953
Associates:				
- secured	–	326	–	326
- unsecured	–	8,449	–	8,449
Guarantee to third parties in respect of loan granted to subsidiaries				
- unsecured	–	–	–	37,652
Claim by a third party in respect of breach of contract – unsecured	3,000	–	3,000	–
Guarantee to a third party in respect of construction material supplies granted to a third party – unsecured	8,145	–	8,145	–
Guarantee to third parties in respect of goods supplies and services granted to a subsidiary				
- unsecured	–	–	1,765	1,765

Notes to the Financial Statements (continued)

**40. DISCONTINUING OPERATIONS**

The discontinuing operations of the Group are in respect of the following subsidiaries that have been disposed of:

	Principal activities	Segment industry	Geographical	Effective date of disposal
Antah Heath Lambert Insurance Brokers Sdn Bhd	Insurance and reinsurance brokers	Insurance brokers	Malaysia	Financial year ended 30 June 2004
Antah Sri Radin Sdn Bhd and its direct subsidiaries	Medical supplies and equipment marketing, and manufacturing and trading of pharmaceutical products	Healthcare and pharmaceutical	Malaysia	Financial year ending 30 June 2006 (Note 42)

The effects of the discontinuing operations on the results of the Group are presented on the face of the income statements. The effects of the discontinuing operations on the financial position of the Group are as follows:

	Group	
	2005	2004
	RM'000	RM'000
Non current assets		
Property, plant and equipment	497	689
Goodwill on consolidation	1,006	1,006
Current assets		
Inventories	16,956	18,142
Trade receivables	29,457	25,314
Other receivables, deposits and prepayment	3,338	3,569
Amount due from fellow subsidiaries	901	1,232
Amount due from ultimate holding company	–	499
Cash and bank balances	464	1,155
	51,116	49,911
Current liabilities		
Trade payables	16,512	16,585
Amount due to fellow subsidiaries	–	1,702
Other payables and accruals	3,415	2,206
Hire purchase and finance lease liabilities	237	298
Short term borrowings	26,944	24,430
	47,108	45,221
Net current assets	4,008	4,690
Non current liability		
Hire purchase and finance lease liabilities	(69)	(398)
Net assets	5,442	5,987

Notes to the Financial Statements (continued)

40. DISCONTINUING OPERATIONS (continued)

The analysis of subsidiary disposed of in 2004 is as follows:	Group	
	2005 RM'000	2004 RM'000
Property, plant and equipment	–	278
Tax recoverable	–	243
Goodwill on consolidation	–	290
Cash and cash equivalents	–	5,331
Trade receivables	–	9,342
Other receivables, deposits and prepayments	–	812
Trade payables	–	(10,202)
Other payables and accruals	–	(1,733)
Minority interest	–	(1,894)
Net assets disposed	–	2,467
Loss on disposal of subsidiary	–	(1,526)
Net proceeds received	–	941
Less: Cash and cash equivalents disposed of	–	(5,331)
Cash flow on disposal, net of cash and cash equivalents disposed of	–	(4,390)

41. SEGMENT INFORMATION OF THE GROUP

Segment information is presented in respect of the Group's business and geographical segments. The primary reporting segment information is in respect of business segments while the secondary information is reported as geographical segments.

Business segments

The Group's operations comprise the following segments:

Healthcare and pharmaceutical *	– Medical equipment and scientific supplies marketing, and manufacturing and trading of pharmaceutical products
Property	– Property investment and development
Retailing and trading	– Consumer electronic products and home appliances
Insurance brokers*	– Insurance and reinsurance brokers
Infrastructure	– Design, construct, maintain, operate and manage highway operation
Investment holding	– Investment activities

* Discontinuing operations.

The inter-segment transactions were entered in the normal course of business and at terms mutually agreed between the respective parties.

Notes to the Financial Statements (continued)

41. SEGMENT INFORMATION OF THE GROUP (continued)

Business segments (continued)	Continuing operations						Total RM'000	Elimination RM'000	Group RM'000
	Discontinuing operation	Property RM'000	Retailing and trading RM'000	Infra- structure RM'000	Investment holding RM'000	Others RM'000			
2005									
Asset and liabilities									
Segment assets	52,619	62,957	15,418	659,970	84,683	4,130	879,777	(14,153)	865,624
Investments in associates	–	–	–	–	41,533	–	41,533	–	41,533
Unallocated corporate assets	–	–	–	–	8,856	149	9,005	–	9,005
Consolidated total assets	52,619	62,957	15,418	659,970	135,072	4,279	930,315		916,162
Segment liabilities	47,177	25,481	13,186	695,059	278,847	17,063	1,076,813	(14,153)	1,062,660
Unallocated corporate liabilities	–	2,707	365	–	–	–	3,072	–	3,072
Consolidated total liabilities	47,177	28,188	13,551	695,059	278,847	17,063	1,079,885		1,065,732
Other information									
Capital expenditure	258	182	43	–	2	–	485		485
Depreciation	304	286	18	308	1,650	–	2,566		2,566
Non cash expense other than depreciation and amortisation	1,551	8,189	7,196	51	35,204	5	52,196		52,196

Notes to the Financial Statements (continued)

41. SEGMENT INFORMATION OF THE GROUP (continued)

Business segments (continued)

2004	Discontinuing operations		Continuing operations					Group RM'000	
	Healthcare and pharmaceutical RM'000	Insurance brokers RM'000	Property RM'000	Retailing and trading RM'000	Infra- structure RM'000	Investment holding RM'000	Others RM'000		Total RM'000
Revenue									
External revenue	83,263	4,261	2,772	40,544	—	1,736	5,300	137,876	137,876
Inter-segment revenue	—	7	—	—	—	500	—	507	(507)
Total revenue	83,263	4,268	2,772	40,544	—	2,236	5,300	138,383	137,876
Results									
Segment results (external)	(821)	(36)	(66,834)	181	(51,253)	(13,151)	1,136	(130,778)	(130,778)
Interest income	—	54	6	16	—	85	—	161	161
Profit/(Loss) from operations before exceptional items	(821)	18	(66,828)	197	(51,253)	(13,066)	1,136	(130,617)	(130,617)
Exceptional items	—	—	—	—	—	(1,526)	—	(1,526)	(1,526)
- Loss on disposal of a subsidiary	—	—	—	—	—	(216)	—	(216)	(216)
- Quoted investments written down	—	—	—	—	(208,449)	—	—	(208,449)	(208,449)
- Impairment loss	—	—	—	—	—	—	—	—	—
- Investment written back	—	—	—	—	—	14,600	—	14,600	14,600
	—	—	—	—	(208,449)	12,858	—	(195,591)	(195,591)

Notes to the Financial Statements (continued)

41. SEGMENT INFORMATION OF THE GROUP (continued)

	Discontinuing operations		Continuing operations						Group RM'000	
	Healthcare and pharmaceutical RM'000	Insurance brokers RM'000	Property RM'000	Retailing and trading RM'000	Infra- structure RM'000	Investment holding RM'000	Others RM'000	Total RM'000		Elimination RM'000
2004										
(Loss)/profit from operations after exceptional items	(821)	18	(66,828)	197	(259,702)	(208)	1,136	(326,208)		(326,208)
Finance costs	(1,698)	—	(1,254)	(1)	(57)	(17,958)	(55)	(21,023)		(21,023)
Share in profits of associates	—	—	—	—	—	8,709	—	8,709		8,709
Share of results by joint venture partners	—	—	252	—	—	—	—	252		252
(Loss)/Profit before tax	(2,519)	18	(67,830)	196	(259,759)	(9,457)	1,081	(338,270)		(338,270)
Income tax expense										(1,599)
Loss after tax										(339,869)
Minority interest										(35)
Net loss for the financial year										<u>(339,904)</u>

Notes to the Financial Statements (continued)

41. SEGMENT INFORMATION OF THE GROUP (continued)

2004	Discontinuing operations		Continuing operations					Group RM'000		
	Healthcare and pharmaceutical RM'000	Insurance brokers RM'000	Property RM'000	Retailing and trading RM'000	Infra- structure RM'000	Investment holding RM'000	Others RM'000		Total RM'000	Elimination RM'000
Assets and liabilities										
Segment assets	51,606	–	125,393	12,592	432,733	110,546	4,141	737,011	(14,153)	722,858
Investments in associates	–	–	–	–	–	26,954	–	26,954	–	26,954
Unallocated corporate assets	–	–	–	280	–	9,846	150	10,276	–	10,276
Consolidated total assets	51,606	–	125,393	12,872	432,733	147,346	4,291	774,241	–	760,088
Segment liabilities	45,619	–	69,920	9,800	478,504	249,140	17,087	870,070	(14,153)	855,917
Unallocated corporate liabilities	–	–	2,694	–	–	4	13	2,711	–	2,711
Consolidated total liabilities	45,619	–	72,614	9,800	478,504	249,144	17,100	872,781	–	858,628
Other information										
Capital expenditure	146	19	8	–	469	10	–	652	–	652
Depreciation	460	104	1,203	109	376	2,169	–	4,421	–	4,421
Goodwill written off	–	–	–	–	–	33	–	33	–	33
Non cash expenses other than depreciation and amortisation	1,923	–	64,312	108	208,449	(3,193)	(902)	270,697	–	270,697

Notes to the Financial Statements (continued)

41. SEGMENT INFORMATION OF THE GROUP (continued)

Geographical segments

	Revenue		Assets employed		Capital expenditure	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Malaysia	156,497	137,876	923,294	1,023,666	485	652
Australia	-	-	70	(12,144)	-	-
United Kingdom	-	-	6,951	7,022	-	-
	156,497	137,876	930,315	1,018,544	485	652

42. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

I. Disposal of subsidiary

On 28 June 2005, the Company entered into a conditional share purchase agreement with Allied Corporate Resources Sdn Bhd, a company incorporated in Malaysia, for the disposal of 11,000,000 ordinary shares of RM1.00 each, representing the entire issued and paid up share capital of Antah Sri Radin Sdn Bhd for a cash consideration of RM3,900,000. The disposal has been completed on 16 September 2005.

II. Proposed LEKAS Transactions

- (a) On 30 May 2005, the Company signed a Memorandum of Agreement with IJM in order for IJM to participate in the concession by way of subscription of direct equity via a new company to be incorporated.
- (b) On 30 September 2005, the Company, Kaseh, IJM and LEKAS entered into a Definitive Agreement whereby IJM will be participating in the concession by way of management and subscription of 50,000,000 new ordinary shares of RM1 each, representing 50% of the total and issued paid up share capital of LEKAS, and RM200,000,000 7% Redeemable Unsecured Loan Stocks in LEKAS ("LEKAS RCULS"). IJM shall grant the Company a call option to acquire up to 50% of the RCULS. LEKAS is intended to be the special vehicle to carry out and undertake the concession, which is to be novated by Kaseh.
- (c) On 6 October 2005, Kaseh acquired 100% of the paid up share capital of LEKAS representing 2 ordinary shares of RM1 each for cash consideration of RM2.
- (d) On 12 October 2005, Kaseh entered into a Vesting Agreement with LEKAS and IJM for:
 - (i) the proposed sale, transfer and assignment of the concession and work in progress carried out in respect of the concession by Kaseh to LEKAS; and

Notes to the Financial Statements (continued)



42. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE (continued)

II. Proposed LEKAS Transactions (continued)

- (ii) the proposed assumption of the principal amount of long term loan due by Kaseh to Bank Pembangunan Dan Infrastruktur Malaysia Berhad of not more than RM200,000,000 and an amount of up to RM300,000,000 which the Government has paid for and on behalf of Kaseh in respect of the costs, expenses and charges incurred in making available the land for the construction works under the concession by LEKAS.

for the purchase consideration equivalent to RM374.43 million to be satisfied by the issuance of 49,999,998 new ordinary shares of RM1 each in LEKAS (“LEKAS shares”) and RM50,000,000 nominal value of LEKAS’ Redeemable Unsecured Loan Stocks.

- (e) On 12 October 2005, Kaseh entered into a Subscription Agreement with LEKAS and IJM for the proposed subscription of 50,000,000 new LEKAS Shares and RM200,000,000 LEKAS RCULS by IJM for a total consideration of RM250,000,000 to be satisfied by cash.
- (f) On 12 October 2005, the Company entered into a Shareholders Agreement with LEKAS and IJM to regulate the relationship between Kaseh and IJM as shareholders and the corporate affairs in LEKAS.
- (g) On 12 October 2005, the Company entered into a Call Option Agreement with IJM whereby IJM has irrevocably granted to the Company the option to purchase up to RM100,000,000 LEKAS RCULS.

As at to date, the approvals from the shareholders of the Company and from the Government for the novation of the concession have been obtained. Barring any unforeseen circumstances, the Proposed Lekas Transactions are expected to complete within the calendar year 2006 upon the other approvals being obtained from the relevant authorities and certain relevant third parties.

III. Proposed restructuring scheme

On 6 February 2006, the Company entered into a conditional restructuring agreement with certain parties wherein the parties to the agreement have agreed in principle to undertake a proposed restructuring scheme with the intention of restoring the Company onto stronger financial footing via an injection of new viable businesses. The proposed restructuring scheme entails the following:

- (a) the proposed incorporation of a company in Malaysia (“NewCo”) to serve as the holding company, to undertake the proposed acquisition of the entire equity interest in PIPO Overseas Limited (“PIPO”) from Liu Guo Dong, Rise Business Inc, Rock Point Alliance Pte Ltd and Zhu Qing Hua (collectively known as “PIPO Vendors”) for an indicative purchase price of RM800,000,000 to be satisfied by the allotment and issuance of new ordinary shares of RM0.50 each in NewCo at an issue price of RM1 per share;
- (b) the proposed capital reduction of the existing issued and paid up share capital of the Company of RM169,815,233 comprising 339,630,465 ordinary shares of RM0.50 each in the Company (“Antah Shares”) to RM84,907,617 comprising 339,630,465 ordinary shares of RM0.25 each in the Company;

 Notes to the Financial Statements (continued)**42. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE (continued)****III. Proposed restructuring scheme (continued)**

- (c) the proposed consolidation of 339,630,465 ordinary shares of RM0.25 each in the Company into 169,815,233 Antah Shares;
- (d) the proposed shares exchange of the entire issued and paid up share capital in the Company of 169,815,233 Antah shares after the proposed consolidation for 84,907,617 new NewCo shares at an issue price of RM1 each on the basis of one (1) NewCo share for every two (2) existing Antah Shares held after the proposed consolidation;
- (e) the proposed acquisition by NewCo from Kaseh of its entire 50% equity interest in LEKAS upon completion of the Proposed LEKAS Transactions to be satisfied by the issuance of 50,000,000 new ordinary shares of RM1 each in NewCo ("NewCo Shares"). The issuance of 50,000,000 NewCo Shares is subject to Kaseh and its creditors entering into settlement agreement(s) to accept the 50,000,000 NewCo Shares as part of full and final settlement of all amounts due by Kaseh to its creditors and subject to such approvals as may be required by law and such variations as the relevant authorities may impose and that all parties to the conditional restructuring agreement may accept;
- (f) the proposed acquisition by NewCo of the freehold land and building of the Company for an indicative purchase consideration of RM20,000,000 to be satisfied by the issuance of 20,000,000 new NewCo Shares at an issue price of RM1;
- (g) the proposed settlement and compromise of the liabilities, including contingent liabilities due by the Company to its creditors of liabilities owing to be satisfied by the issuance by NewCo of not more than 20,000,000 new NewCo Shares at an issue price of RM1 per share as full and final settlement;
- (h) the proposed issuance of up to 200,000,000 new NewCo Shares at an issue price of RM1 each to eligible investors to be identified and/or the public;
- (i) the proposed offer for sale of up to 100,000,000 NewCo Shares at an issue price of RM1 each by the PIPO Vendors upon completion of the proposed acquisition of PIPO to eligible investors to be identified and/or the public;
- (j) the proposed transfer of the Company's Main Board of Bursa Malaysia Securities Berhad listing status to NewCo; and
- (k) the proposed disposal of the entire issued and paid up share capital of the Company upon the completion of the proposed restructuring scheme as stated in (a) to (j) above.

The proposed restructuring scheme of the Company is subject to the approvals being obtained from the relevant authorities and certain relevant third parties.

Notes to the Financial Statements (continued)



43. COMPARATIVE FIGURES

Certain comparative figures within the cash flow statements of the Group and the Company have been represented to conform with current year's presentation.

44. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, liquidity, foreign exchange, market and credit risks. The Group operates within guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

Interest rate risk

The Group's primary interest rate risk relates to interest bearing debts. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. The information on maturity dates and effective interest rates of financial liabilities are disclosed in their respective notes.

Liquidity risk

The Group actively monitors its debt maturity profile, operating cash flows and the availability of funding so as to best ensure that all funding needs are met. As part of its overall liquidity management, the Group endeavours to maintain sufficient levels of cash or cash convertible investments to best meet its working capital requirements.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

Foreign exchange exposures in transactional currencies other than functional currencies of the operation entities are kept to an acceptable level. Material foreign currency transaction exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts.

Market risk

The Group's principal exposure to market risk arises mainly from the changes in equity prices. Equity investments classified as current assets are available for sale and the Group manages disposal of its investments to optimise returns on realisation.

Notes to the Financial Statements (continued)

44. FINANCIAL INSTRUMENTS (continued)

Credit risk

Credit risks are managed by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures. At balance sheet date, there were no significant concentrations of credit risk other than as disclosed in the financial statements. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Fair values

The fair values of all financial assets and liabilities as at balance sheet date are not materially different from their carrying values except for the following:

	Group				Company			
	2005		2004		2005		2004	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial assets								
Unquoted shares and debentures included under other long term investments	2,724	#	2,724	#	2,724	#	2,724	#
Amount due from subsidiaries	-	-	-	-	1,180	*	33,793	*
Amount due from associates	355	*	355	*	352	*	352	*
Financial liabilities								
Amount due to subsidiaries	-	-	-	-	104,764	*	103,727	*
Amount due to associates	395	*	531	*	395	*	531	*
Amount due to directors	134	*	146	*	134	*	98	*
Amount due to Government - non current portion	223,308	160,885	163,925	110,863	-	-	-	-
Amount due to joint venture partners	-	-	37,652	*	-	-	-	-

It is not practicable to estimate the fair values of the unquoted investments due to the lack of quoted market prices and inability to estimate fair value without incurring excessive costs.

* It is not practicable to estimate the fair values of the amounts due from/to related parties involved without incurring excessive costs due principally to a lack of repayment terms entered into by the parties.

Analysis of Shareholdings

As at 28 February 2006

Authorised Share Capital	– RM250,000,000.00
Issued and paid-up share capital	– RM169,815,232.50
Class of shares	– Ordinary shares of RM0.50 each
Total number of shares issued	– 339,630,465
Number of shareholders	– 17,671
• On a show of hands	– One vote
• On a poll	– One vote for each share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of shareholders	No. of Shareholders	% of shareholders	No. of shares held	% of issued capital
1 — 99	50	0.28	1,337	0.00
100 — 1,000	4,006	22.67	3,674,979	1.08
1,001 — 10,000	10,773	60.96	49,058,212	14.44
10,001 — 100,000	2,609	14.76	77,686,876	22.87
100,001 — 16,981,522	230	1.30	96,888,061	28.53
16,981,523 and above	3	0.03	112,321,000	33.08
	17,671	100.00	339,630,465	100.00

DIRECTORS' SHAREHOLDINGS

Name of Directors	Nationality	No. of shares beneficially held			
		Direct	%	Indirect	%
Y.A.M. Tunku Naquiyuddin ibni Tuanku Ja'afar	Malaysian	1,374,000	0.40	86,867,714*	25.57
Y. Bhg. Dato' Mohd. Shahr bin Abdul Hamid	Malaysian	–	–	–	–
En. Jaleeludeen bin Abu Baker	Malaysian	–	–	–	–
Mr. Cedric Choo Sia Teik	Malaysian	–	–	–	–
Mr. Ong Lai @ Ong Kong Lai	Malaysian	–	–	–	–

* Deemed interested by virtue of his direct interest of over 15% equity in Syarikat Pesaka Radin Sdn. Bhd. and Rock Point Alliance Sdn. Bhd. which in turn holds shares in Antah Holdings Berhad.

Deemed interested by virtue of his siblings direct interest in Antah Holdings Berhad and Syarikat Pesaka Antah Sdn. Bhd.

Deemed interested by virtue of Syarikat Pesaka Antah Sdn. Bhd. which holds more than 15% equity interest in Kra Capital Sdn. Bhd. which in turn holds shares in Antah Holdings Berhad.

Analysis Of Shareholdings (continued)

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Nationality	No. of shares beneficially held			
		Direct	%	Indirect	%
Kra Capital Sdn. Bhd.	Incorporated in Malaysia	26,376,000	7.77	–	–
A.A. Assets Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Rock Point Alliance Sdn. Bhd.	Incorporated in Malaysia	50,945,000	15.00	–	–
HDM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lee Kim Tiong @ Lee Kim Yew	Incorporated in Malaysia	35,000,000	10.31	–	–
Syarikat Pesaka Antah Sdn. Bhd.	Incorporated in Malaysia	7,835,714	2.31	26,376,000 ⁽¹⁾	7.77
Y.A.M. Tunku Naquiyuddin ibni Tuanku Ja'afar	Malaysian	1,374,000	0.40	86,867,714 ⁽²⁾	25.57
Y.A.M. Tunku Dara Tunku Tan Sri Naquiah bte Tuanku Ja'afar	Malaysian	360,000	0.09	87,881,714 ⁽³⁾	25.88
Y.A.M. Tunku Irinah bte Tuanku Ja'afar	Malaysian	311,000	0.09	87,930,714 ⁽³⁾	25.89
Y.A.M. Tunku Tan Sri Imran ibni Tuanku Ja'afar	Malaysian	400,000	0.12	87,841,714 ⁽³⁾	25.86
Y.A.M. Tunku Dato' Seri Nadzaruddin ibni Tuanku Ja'afar	Malaysian	40,000	0.01	88,201,714 ⁽³⁾	25.97

(1) Deemed interested by virtue of more than 15% equity interest in Kra Capital Sdn. Bhd.

(2) Deemed interested by virtue of his direct interest of over 15% equity in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Antah Holdings Berhad.

Deemed interested by virtue of his siblings' direct interest in Antah Holdings Berhad and Syarikat Pesaka Antah Sdn. Bhd.

Deemed interested by virtue of Syarikat Pesaka Antah Sdn. Bhd. which in turn holds more than 15% equity interest in Kra Capital Sdn. Bhd. which in turn holds shares in Antah Holdings Berhad.

(3) Deemed interested by virtue of his/her brother's direct and indirect interest in Antah Holdings Berhad and his/her interest of more than 15% in Syarikat Pesaka Antah Sdn Bhd which in turn holds shares in Antah Holdings Berhad.

Deemed interested by virtue of Syarikat Pesaka Antah Sdn. Bhd. which in turn holds more than 15% equity interest in Kra Capital Sdn. Bhd. which in turn holds shares in Antah Holdings Berhad.

Analysis Of Shareholdings (continued)



LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNTS HOLDERS

No.	Name	No. Of Shares Beneficially Held	%
1.	A.A. ASSETS NOMINEES (TEMPATAN) SDN. BHD. – <i>Rock Point Alliance Sdn. Bhd.</i>	50,945,000	15.00
2.	HDM NOMINEES (TEMPATAN) SDN. BHD. – <i>Pledged securities account for Lee Kim Tiong @ Lee Kim Yew</i>	35,000,000	10.31
3.	KRA CAPITAL SDN. BHD.	26,376,000	7.77
4.	HDM NOMINEES (TEMPATAN) SDN. BHD. – <i>Pledged securities account for Loke Kim Wan</i>	15,000,000	4.42
5.	A.A. ASSETS NOMINEES (ASING) SDN. BHD. – <i>Ang Kim Tiong</i>	7,000,000	2.06
6.	SYARIKAT PESAKA ANTAH SDN. BHD.	6,000,000	1.77
7.	OSK NOMINEES (TEMPATAN) SDN. BHD. – <i>DMG & Partners Securities Pte Ltd for Tan Hian-Tsin</i>	2,330,000	0.69
8.	TAN KIAN KIAT	2,206,600	0.65
9.	SYARIKAT PESAKA ANTAH SDN. BHD.	1,835,714	0.54
10.	NG SENG KONG	1,653,000	0.49
11.	CIMSEC NOMINEES (ASING) SDN. BHD. – <i>Exempt and for CIMB-GK Securities Pte Ltd (Retail Clients)</i>	1,371,000	0.40
12.	Y.A.M. TUNKU NAQUIYUDDIN IBNI TUANKU JA'AFAR	1,304,000	0.38
13.	AFFIN NOMINEES (TEMPATAN) SDN. BHD. – <i>Pledged securities account for Chung Kin Chuan</i>	1,301,800	0.38
14.	APEX RETURN SDN. BHD.	1,275,100	0.38
15.	CARTABAN NOMINEES (ASING) SDN. BHD. – <i>Bank Of Tokyo Mitsubishi Luxembourc S.A. for Osterreichische Volksbanken AG</i>	1,214,000	0.36
16.	SPLENDID HORIZON SDN. BHD.	1,179,000	0.35
17.	WONG SHUI MIAN	1,142,900	0.34
18.	HAMZAH BIN ABDUL	1,095,300	0.32
19.	KENANGA NOMINEES (ASING) SDN. BHD. – <i>Pledged securities account for Ang Kim Tiong</i>	1,074,900	0.32
20.	BAHARI B SAAD	1,000,000	0.29
21.	HSBC NOMINEES (ASING) SDN. BHD. – <i>Exempt and for Credit Suisse</i>	1,000,000	0.29
22.	LIAN LEE PLANTATIONS SENDIRIAN BERHAD	853,000	0.25
23.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. – <i>Pledged securities account for Ting Choong Sing</i>	700,000	0.21
24.	MENTERI KEWANGAN MALAYSIA – <i>Section 29 (SICDA)</i>	638,286	0.19
25.	RHB NOMINEES (ASING) SDN. BHD. – <i>CIMB-GK Securities Pte Ltd for Goh Madeline</i>	611,800	0.18
26.	MAYBAN NOMINEES (TEMPATAN) SDN. BHD. – <i>Pledged securities account for Wong Kok San</i>	602,000	0.18
27.	MAYBAN NOMINEES (TEMPATAN) SDN. BHD. – <i>Pledged securities account for Mohamad Ridza Bin Mubarak</i>	601,000	0.18
28.	KOAY KENG HUAT	600,000	0.18
29.	SYARIKAT PESAKA RADIN SDN. BHD.	600,000	0.18
30.	LEE CHOON KEAT	585,000	0.17

List of Properties

As at 30 June 2005

LOCATION	DESCRIPTION	AGE OF BUILDINGS (years)	TENURE	NET BOOK VALUE RM'000	AREA sq m	DATE OF ACQUISITION
1) Geran 6836, Lot 38414 Mukim of Kuala Lumpur	Office building	25	Freehold	38,000	5,187	26-Jul-94
2) Lot 138 Phase 3, Arab Malaysian Industrial Estate Nilai Negeri Sembilan	Factory land	–	Freehold	1,163	9,007	27-Aug-96
3) Lot 14, Taman Jasa Batu Arang I 87007 W.P. Labuan	Bungalow house	21	Leasehold 999 years 2867	346	450	30-Jun-94
4) Lot 22, Section 36, No 3, Jalan 19/1 Section 19, Petaling Jaya	Office & Warehouse	26	Leasehold 99 years 2063	8,200	8,357	30-Jun-96
5) Lot PT 9577, HSD 26212 Mukim of Damansara Petaling Jaya	Commercial land & Clubhouse	17	Freehold	20,382	27,923	8-Apr-86
6) Taman Tuanku Ja'afar Seremban	Land for Housing Development	–	Freehold	2,279	80,512	6-Sep-82

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ANTAH HOLDINGS BERHAD

(27509-X) • Incorporated in Malaysia

Proxy Form

NUMBER OF SHARES HELD

I/We, ((Name in full and NRIC No./Company No.) _____
of (full address) _____ being a *member/members of
ANTAH HOLDINGS BERHAD (“the Company”), hereby appoint (Name in full and NRIC No./Company No.) _____
_____ of (full address) _____

or failing *him/her, (full name in capital letters) _____
of (full address) _____

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 Extraordinary General Meeting of the Company to be held at Balai Tunku Abdul Rahman, Royal Commonwealth Society, No. 4, Jalan Birah, Off Jalan Batai, Damansara Heights, 50490 Kuala Lumpur on Saturday, 22 April 2006 at 10.00 a.m. and at any adjournment thereof.

Please indicate with an “X” in the spaces provided below as to how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

	RESOLUTIONS	FOR	AGAINST
1.	To receive the Audited Financial Statements for the financial year ended 30 June 2005 together with the Reports of the Directors and the Auditors thereon.		
2.	To approve the payment of Directors’ Fees for the financial year ended 30 June 2005.		

* Strike out whichever not applicable

Dated this _____ day of _____ 2006

Signature of Member/Common Seal

Note:

- A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
- In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of an officer or attorney, duly authorised in that behalf.*
- Where a member appoints two or more proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time for holding the Meeting or at any adjournment thereof.*



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**STAMP
HERE**

The Company Secretary
ANTAH HOLDINGS BERHAD (27509-X)
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur, Malaysia

Fold here

ANTAH HOLDINGS BERHAD (Company No. 17488-K)

Level 7, Menara Millennium, Jalan Damansara
Pusat Bandar Damansara, Damansara Heights
50490 Kuala Lumpur, Malaysia

Tel : (03) 2084 9000

Fax : (03) 2084 9940/2095 6292