

15. PROPERTY, PLANT AND EQUIPMENT

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

2006 - Group

	Freehold land RM	Long leasehold land RM	Buildings RM	Golf course facilities RM	Marina facilities RM	Plant, equipment and motor vehicles RM	Furniture and fittings RM	Total RM
Cost/Valuation								
At beginning of year :								
- At valuation	-	2,825,600	24,174,400	-	-	-	-	27,000,000
- At cost	18,404,742	626,550	50,036,554	34,835,735	26,181,878	95,841,726	22,743,106	248,670,291
Additions	-	-	22,748	-	1,277	3,577,645	812,581	4,414,251
Disposals	-	-	-	-	-	(7,426,912)	(48,764)	(7,475,676)
Write offs	-	-	-	-	-	(10,444)	(158,156)	(168,600)
Transfers	-	-	-	-	-	(29,099)	29,099	-
At end of year	18,404,742	3,452,150	74,233,702	34,835,735	26,183,155	91,952,916	23,377,866	272,440,266
Comprising :								
- At valuation	-	2,825,600	24,174,400	-	-	-	-	27,000,000
- At cost	18,404,742	626,550	50,059,302	34,835,735	26,183,155	91,952,916	23,377,866	245,440,266

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**2006 - Group**

	Freehold land RM	Long leasehold land RM	Buildings RM	Golf course facilities RM	Marina facilities RM	Plant, equipment and motor vehicles RM	Furniture and fittings RM	Total RM
Accumulated depreciation/ Accumulated impairment losses								
At beginning of year :								
- Accumulated depreciation	-	1,024,024	25,195,506	4,291,025	4,422,735	86,104,858	20,239,360	141,277,508
- Accumulated impairment losses	-	-	-	-	-	-	-	-
	-	1,024,024	25,195,506	4,291,025	4,422,735	86,104,858	20,239,360	141,277,508
Charge for the year	-	65,348	1,810,992	716,740	432,853	2,245,266	1,125,951	6,397,150
Impairment losses	4,260,278	-	16,209,952	17,980,153	9,888,238	2,000,000	-	50,338,621
Disposals	-	-	-	-	-	(7,370,071)	(45,507)	(7,415,578)
Write offs	-	-	-	-	-	(10,440)	(155,546)	(165,986)
Transfers						(14,740)	14,740	-
At end of year	4,260,278	1,089,372	43,216,450	22,987,918	14,743,826	82,954,873	21,178,998	190,431,715
Comprising :								
- Accumulated depreciation	-	1,089,372	27,006,498	5,007,765	4,855,588	80,954,873	21,178,998	140,093,094
- Accumulated impairment losses	4,260,278	-	16,209,952	17,980,153	9,888,238	2,000,000	-	50,338,621

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**2006 - Group**

	Freehold land RM	Long leasehold land RM	Buildings RM	Golf course facilities RM	Marina facilities RM	Plant, equipment and motor vehicles RM	Furniture and fittings RM	Total RM
Net book value as at 31-03-2006								
- At valuation	-	2,132,338	9,657,342	-	-	-	-	11,789,680
- At cost	14,144,464	230,440	21,359,910	11,847,817	11,439,329	8,998,043	2,198,868	70,218,871
	14,144,464	2,362,778	31,017,252	11,847,817	11,439,329	8,998,043	2,198,868	82,008,551
Net book value as at 31-03-2005								
- At valuation	-	2,165,350	10,360,501	-	-	-	-	12,525,851
- At cost	18,404,742	262,776	38,654,947	30,544,710	21,759,143	9,736,868	2,503,746	121,866,932
	18,404,742	2,428,126	49,015,448	30,544,710	21,759,143	9,736,868	2,503,746	134,392,783
Depreciation charge for the year ended 31-03-2005	-	65,347	1,815,519	716,135	432,692	3,863,284	1,160,719	8,053,696

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**2006 - Company**

	Long leasehold land RM	Buildings RM	Plant, equipment and motor vehicles RM	Furniture and fittings RM	Total RM
Cost/Valuation					
At beginning of year :					
- At valuation	2,825,600	24,174,400	-	-	27,000,000
- At cost	-	2,055,313	69,714,851	3,000,856	74,771,020
Additions	-	-	200,256	51,062	251,318
Disposals	-	-	(5,220,314)	-	(5,220,314)
Write offs	-	-	-	(1,340)	(1,340)
At end of year	<u>2,825,600</u>	<u>26,229,713</u>	<u>64,694,793</u>	<u>3,050,578</u>	<u>96,800,684</u>
Comprising :					
- At valuation	2,825,600	24,174,400	-	-	27,000,000
- At cost	-	2,055,313	64,694,793	3,051,918	69,802,024

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**2006 - Company**

	Long leasehold land RM	Buildings RM	Plant, equipment and motor vehicles RM	Furniture and fittings RM	Total RM
Accumulated depreciation/ Accumulated impairment losses					
At beginning of year :					
- Accumulated depreciation	660,250	15,001,842	63,714,680	2,872,303	82,249,075
- Accumulated impairment losses	-	-	-	-	-
	660,250	15,001,842	63,714,680	2,872,303	82,249,075
Charge for the year	33,012	764,910	781,468	74,253	1,653,643
Impairment losses	-	-	2,000,000	-	2,000,000
Disposals	-	-	(5,220,314)	-	(5,220,314)
Write offs	-	-	-	(402)	(402)
At end of year	693,262	15,766,752	61,275,834	2,946,154	80,682,002
Comprising :					
- Accumulated depreciation	693,262	15,766,752	59,275,834	2,946,154	78,682,002
- Accumulated impairment losses	-	-	2,000,000	-	2,000,000

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**2006 - Company**

	Long leasehold land RM	Buildings RM	Plant, equipment and motor vehicles RM	Furniture and fittings RM	Total RM
Net book value as at 31-03-2006					
- At valuation	2,132,338	9,657,342	-	-	11,789,680
- At cost	-	805,619	3,418,959	104,424	4,329,002
	<u>2,132,338</u>	<u>10,462,961</u>	<u>3,418,959</u>	<u>104,424</u>	<u>16,118,682</u>
Net book value as at 31-03-2005					
- At valuation	2,165,350	10,360,501	-	-	12,525,851
- At cost	-	867,370	6,000,171	128,553	6,996,094
	<u>2,165,350</u>	<u>11,227,871</u>	<u>6,000,171</u>	<u>128,553</u>	<u>19,521,945</u>
Depreciation charge for the year ended 31-03-2005	<u>33,012</u>	<u>764,911</u>	<u>2,202,883</u>	<u>79,412</u>	<u>3,080,218</u>

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

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

Group	At cost RM	Accumulated depreciation RM	Net book value RM	Depreciation charge RM
2006				
Plant, equipment and motor vehicles	6,318,008	2,676,858	3,641,150	878,668
Furniture and fittings	88,762	26,628	62,134	8,876
	<u>6,406,770</u>	<u>2,703,486</u>	<u>3,703,284</u>	<u>887,544</u>
2005				
Plant, equipment and motor vehicles	4,943,977	2,405,381	2,538,596	1,168,502
Furniture and fittings	88,762	17,752	71,010	8,876
	<u>5,032,739</u>	<u>2,423,133</u>	<u>2,609,606</u>	<u>1,177,378</u>
	At cost RM	Accumulated depreciation RM	Net book value RM	Depreciation charge RM
Company				
2006				
Motor vehicles	<u>1,162,640</u>	<u>301,330</u>	<u>861,310</u>	<u>-</u>
2005				
Motor vehicles	<u>2,056,987</u>	<u>826,209</u>	<u>1,230,778</u>	<u>391,529</u>

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

- (c) The Company's leasehold land and buildings have been revalued based on a valuation done by a firm of professional valuers using the comparison method in 1985. The surplus arising from this revaluation was credited to capital reserves.

In accordance with the transitional provisions issued by the Malaysian Accounting Standards Board in the adoption of International Accounting Standard No. 16 (revised) - Property, Plant and Equipment, these assets are stated at their previously revalued amounts. The net carrying amounts of these assets as at balance sheet date had they been stated at their historical costs less accumulated depreciation are as follows :-

	Group and Company	
	2006	2005
	RM	RM
Long leasehold land	183,963	187,120
Buildings	2,730,675	3,020,648

- (d) There are no encumbrances on the Property, Plant and Equipment of the Group and Company other than the assets stated under Note 15(b) and the following assets of certain subsidiary companies which have been charged to financial institutions in consideration for term loan and other facilities granted :-

	Group	
	Net book value	
	2006	2005
	RM	RM
Freehold land	6,629,505	9,016,923
Long leasehold land	374,639	378,804
Buildings	715,350	732,795

16. SUBSIDIARY COMPANIES

	Company	
	2006	2005
	RM	RM
Shares at cost (unquoted)	232,595,431	236,445,435
Accumulated impairment losses	(97,673,511)	(95,962,869)
	<u>134,921,920</u>	<u>140,482,566</u>

(a) The Group's equity interest in the subsidiary companies and their respective principal activities are as set out in Note 44.

(b) Acquisition of Subsidiary Companies

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

- (1) AMDB Perting Hydro Sdn. Bhd. (formerly known as AMPMC-Pantai Panorama Sdn. Bhd.)
- (2) AMDB Power Services Sdn. Bhd. (formerly known as Impulse Returns Sdn. Bhd.)
- (3) AMDB WPD Hydro Sdn. Bhd. (formerly known as Impulse Gateway Sdn. Bhd.)
- (4) AMDB Liang Hydro Sdn. Bhd. (formerly known as Impulse Master Sdn. Bhd.)

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

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

16. SUBSIDIARY COMPANIES (CONT'D)**(b) Acquisition of Subsidiary Companies (Cont'd)**

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

	From the date of acquisition to 31-03-06 RM	31-03-05 RM
Other operating expenses	(7,597)	(1,830)
Loss before taxation	(7,597)	(1,830)
Taxation	-	-
Loss after taxation	(7,597)	(1,830)
Minority interest	-	842
Net loss for the year	<u>(7,597)</u>	<u>(988)</u>

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

	31-03-06 RM	31-03-05 RM
Property, plant and equipment	-	216,800
Receivables	6	77,988
Cash and bank balances	-	99,973
Payables	(2,415)	(295,747)
Net (liabilities)/assets consolidated	<u>(2,409)</u>	<u>99,014</u>

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

	31-03-06 RM	31-03-05 RM
Cash and bank balances	8	4
	8	4
Goodwill on consolidation	-	-
Total purchase consideration	<u>8</u>	<u>4</u>
Purchase consideration discharged by cash	8	4
Less : Cash and cash equivalents of subsidiaries acquired	(8)	(4)
Cash out flow on acquisition	<u>-</u>	<u>-</u>

16. SUBSIDIARY COMPANIES (CONT'D)

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

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

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

(d) Winding Up/Disposal of Subsidiary Companies

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

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

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

- (1) Disposal of the entire shareholdings in a wholly owned subsidiary company, Taifab Sdn. Bhd. ("Taifab") by the Company consisting of 2 ordinary shares of RM1.00 each for a total consideration of RM2 to RCE Capital Berhad.

Taifab had a wholly-owned subsidiary, namely Verbundsoft Sdn. Bhd. ("Verbundsoft") whose principal asset is its investment in 29,199,074 units in AmFirst Property Trust. The disposal of Taifab had also resulted in the disposal of the Group's interest in Verbundsoft.

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

16. SUBSIDIARY COMPANIES (CONT'D)**(d) Winding Up/Disposal of Subsidiary Companies (Cont'd)**

(ii) (Cont'd)

- (2) Disposal of the entire shareholdings in a 51% owned subsidiary company, AMDB Properties (Sarawak) Sdn. Bhd. (now known as Arasy Assets Sdn. Bhd.) ("AMPS") by a wholly owned subsidiary of the Company, AMDB Properties Sdn. Bhd. consisting of 510,000 ordinary shares of RM1.00 each for a total consideration of RM3,500,000 to Oricon Sdn. Bhd..

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

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

	Period from 01-04-2005 to date of liquidation of IRSB RM	Period from 01-04-2004 to date of disposal of Taifab and AMPS RM
Revenue	-	-
Other income	181,053	46,613
Operating costs	(8,426)	(60,264)
Profit/(Loss) before taxation	172,627	(13,651)
Taxation	(50,400)	(17,356)
Profit/(Loss) after taxation	122,227	(31,007)
Minority interests	(36,668)	22,755
Net profit/(loss) for the period	85,559	(8,252)
(Loss)/Gain on liquidation/disposal to the Group	(3,057)	247,708
Net profit for the period	82,502	239,456

16. SUBSIDIARY COMPANIES (CONT'D)**(d) Winding Up/Disposal of Subsidiary Companies (Cont'd)**

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

	31-03-2006	31-03-2005
	RM	RM
Net assets disposed		
Property, plant and equipment	-	142,678
Investment	-	29,199,074
Property development costs	-	2,880,507
Other receivables	9,482,525	11,299,360
Deposits, cash and bank balances	74,205	7,013,352
Trade and other payables	(21,600)	(4,186,485)
Bank borrowings	-	(29,199,074)
Minority interests	(2,862,482)	(13,897,118)
	<u>6,672,648</u>	<u>3,252,294</u>
Less :		
- Estimated distribution from winding up	6,669,591	-
- Consideration from disposal	-	3,500,002
(Loss)/Gain on liquidation/disposal to the Group	<u>(3,057)</u>	<u>247,708</u>
Net cash inflow arising from winding up/ disposal		
Estimated distribution/Proceeds from disposal		
- cash consideration	6,669,591	3,500,002
Less : Amount receivable	(1,069,591)	-
	<u>5,600,000</u>	<u>3,500,002</u>
Cash and cash equivalents of subsidiary companies under liquidation/disposed, net of bank borrowings	<u>(74,205)</u>	<u>22,185,722</u>
Net cash effect on liquidation/disposal	<u><u>5,525,795</u></u>	<u><u>25,685,724</u></u>

17. ASSOCIATED COMPANIES

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Unquoted shares, at cost	203,451,650	214,659,013	168,201,650	166,259,392
Allowance for impairment	(23,171,496)	(23,171,496)	(23,070,881)	(23,070,881)
Group's share of post acquisition retained profits less losses and goodwill written off	(14,031,574)	(13,053,327)	-	-
	<u>166,248,580</u>	<u>178,434,190</u>	<u>145,130,769</u>	<u>143,188,511</u>

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

	Group	
	2006 RM	2005 RM
Group's share of net assets	<u>166,248,580</u>	<u>178,434,190</u>

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

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

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

17. ASSOCIATED COMPANIES (CONT'D)

- (c) The financial year end of the direct and indirect associated companies are coterminous with the Company except for the following :-

Companies	Financial year end
Labuan Power Sdn. Bhd.)	31 January
Prisma Tulin Sdn. Bhd.)	30 June
AM SGB Sdn. Bhd.)	
Augustland Hotel Sdn. Bhd.,)	
Bangi Hotel Sdn. Bhd.,)	
Central Spectrum (M) Sdn. Bhd.,)	
Hospital Sentosa Sdn. Bhd.,)	
J. Walter Thompson Sdn. Bhd.,)	
Malaysian Construction Ventures (Overseas))	
Sdn. Bhd.,)	
Planergo (Pte) Limited,)	31 December
PTM Sdn. Bhd.,)	
Selaman Sdn. Bhd.,)	
Sentosa Medical Centre Sdn. Bhd.,)	
Lafarge Concrete (Malaysia) Sdn. Bhd.)	
(formerly known as Supermix Concrete (Malaysia))	
Sdn. Bhd.),)	
Lafarge Concrete Industries Sdn. Bhd.)	
(formerly known as Supermix Concrete Industries)	
Sdn. Bhd.),)	
Lafarge Concrete (East Malaysia) Sdn. Bhd.)	
(formerly known as Supermix Concrete)	
(East Malaysia) Sdn. Bhd.),)	
Supermix-SMJ JV Sdn Bhd.,)	
Selaman Sejati Sdn. Bhd. (formerly known as)	
GMF Selaman Imaging Centres Sdn. Bhd.) and)	
Halik Sdn. Bhd.)	

18. INVESTMENTS

	Group		Company	
	2006	2005	2006	2005
	RM	RM	RM	RM
Quoted - in Malaysia				
At cost :				
- Shares	25,706,036	25,878,324	5,959,977	6,131,445
- Property trust units	-	29,221,487	-	29,221,487
	<u>25,706,036</u>	<u>55,099,811</u>	<u>5,959,977</u>	<u>35,352,932</u>
Unquoted				
At cost :				
- Shares	124,700	124,700	-	-
- Club membership	764,900	758,400	-	20,000
	<u>26,595,636</u>	<u>55,982,911</u>	<u>5,959,977</u>	<u>35,372,932</u>
Allowance for diminution in value of investments	<u>(19,042,789)</u>	<u>(19,195,740)</u>	<u>(2,519,405)</u>	<u>(2,624,542)</u>
	<u><u>7,552,847</u></u>	<u><u>36,787,171</u></u>	<u><u>3,440,572</u></u>	<u><u>32,748,390</u></u>

	Group		Company	
	2006	2005	2006	2005
	RM	RM	RM	RM
At market value				
Quoted shares	9,665,809	10,725,161	4,568,756	5,689,843
Quoted property trust units	-	32,552,186	-	32,552,186
	<u>9,665,809</u>	<u>43,277,347</u>	<u>4,568,756</u>	<u>38,242,029</u>

19. INVESTMENT PROPERTIES

	Group	
	2006	2005
	RM	RM
Freehold land and buildings, at cost :-		
Balance at beginning of year	60,832,665	61,981,283
Additions	21,800	21,866
Disposals (Note 42(c))	(46,000,000)	-
Refund of costs	-	(1,170,484)
	<u>14,854,465</u>	<u>60,832,665</u>
Balance at end of year	<u><u>14,854,465</u></u>	<u><u>60,832,665</u></u>
Comprising :-		
Leased assets	-	46,000,000
Non-leased assets	14,854,465	14,832,665
	<u>14,854,465</u>	<u>60,832,665</u>
	<u><u>14,854,465</u></u>	<u><u>60,832,665</u></u>
Fair value based on professional valuation	<u>61,700,000</u>	<u>113,250,000</u>

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

20. UNSECURED NOTES REDEMPTION FUND

The redemption fund represents a sum set aside by a subsidiary company for the purpose of redeeming the Unsecured Notes as mentioned in Note 8 to the financial statements. The amount is placed in the name of, operated and administered by the Malaysian trustee in accordance with the provisions of the Malaysian Trust Deed. The quantum to be deposited half-yearly is reviewed with the Trustee periodically and is estimated, together with interest and other income derived, to generate the requisite sum for full redemption of Unsecured Notes issued for Marina and Composite Memberships on the redemption dates of 31 December 2053 and 31 March 2056 respectively.

21. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2006	2005
	RM	RM
Cost		
At beginning of year :		
- Freehold land / leasehold land	59,714,331	46,759,239
- Land related / development expenditure	15,405,927	33,287,257
	75,120,258	80,046,496
Additions	-	201,589
Disposals	(9,145,296)	(5,127,827)
At end of year	<u>65,974,962</u>	<u>75,120,258</u>
Accumulated impairment losses		
At beginning of year	(11,381,495)	(11,351,200)
Impairment losses for the year	(26,069,216)	(30,295)
Written back upon disposal	4,030,295	-
	<u>(33,420,416)</u>	<u>(11,381,495)</u>
Carrying amount as at 31 March	<u><u>32,554,546</u></u>	<u><u>63,738,763</u></u>

22. LONG TERM RECEIVABLES

	Group	
	2006	2005
	RM	RM
Long term receivables comprised :-		
Retention sums receivable	22,811,635	28,013,758
Less : Retention sums receivable within 12 months (included under current assets - Trade and Other Receivables - Note 25)	<u>(13,245,647)</u>	<u>(17,624,783)</u>
	<u><u>9,565,988</u></u>	<u><u>10,388,975</u></u>

23. PROPERTY DEVELOPMENT COSTS

	Group	
	2006	2005
	RM	RM
Property development costs at beginning of year :-		
Freehold land / leasehold land	362,518,649	326,575,294
Development costs	90,211,588	84,773,023
Accumulated impairment losses	(69,701,696)	(71,448,862)
Accumulated costs recognised in income statement	(38,938,303)	(34,222,557)
	<u>344,090,238</u>	<u>305,676,898</u>
Costs incurred during the year :-		
Freehold land / leasehold land	(269,954)	37,760,495
Development costs	27,253,523	9,154,522
	<u>26,983,569</u>	<u>46,915,017</u>
Costs recognised in income statement during the year	<u>(22,937,223)</u>	<u>(4,715,746)</u>
Disposal of subsidiary companies :-		
Freehold land / leasehold land	-	(69,973)
Development costs	-	(2,810,534)
	<u>-</u>	<u>(2,880,507)</u>
Disposal of development property :-		
Freehold land / leasehold land	-	(1,747,167)
Development costs	-	(905,423)
	<u>-</u>	<u>(2,652,590)</u>
Allowance for impairment in value of property development costs	<u>(71,092,895)</u>	<u>-</u>
Allowance for impairment in value of property development costs written back	<u>-</u>	<u>1,747,166</u>
Transfer to inventories	<u>(488,752)</u>	<u>-</u>
Property development costs at end of year :-		
Freehold land / leasehold land	362,248,695	362,518,649
Development costs	116,976,359	90,211,588
Accumulated impairment losses	(140,794,591)	(69,701,696)
Accumulated costs recognised in income statement	(61,875,526)	(38,938,303)
	<u>276,554,937</u>	<u>344,090,238</u>

23. PROPERTY DEVELOPMENT COSTS (CONT'D)

Property development costs incurred during the financial year include :-

	Group	
	2006 RM	2005 RM
Interest expenses	<u>2,670,240</u>	<u>926,166</u>

24. INVENTORIES

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Stocks of completed properties	27,348,496	27,698,609	-	-
Raw materials and consumable stores	3,782,069	3,946,825	2,829,976	2,741,117
Work-in-progress	3,968,191	4,662,422	3,951,996	4,662,422
Finished goods	7,165,166	7,908,817	7,165,166	7,908,818
Trading inventories	<u>586,837</u>	<u>96,517</u>	<u>-</u>	<u>-</u>
	42,850,759	44,313,190	13,947,138	15,312,357
Allowance for inventories write-down/obsolescence	<u>(14,503,224)</u>	<u>(12,513,334)</u>	<u>(4,095,456)</u>	<u>(3,188,867)</u>
	<u>28,347,535</u>	<u>31,799,856</u>	<u>9,851,682</u>	<u>12,123,490</u>

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

25. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Trade receivables	41,434,633	37,323,930	5,551,661	6,743,595
Retention sums receivable within 12 months (Note 22)	13,245,647	17,624,783	-	-
	<u>54,680,280</u>	<u>54,948,713</u>	<u>5,551,661</u>	<u>6,743,595</u>
Gross amount due from customers for contract work	14,139,984	12,717,183	-	-
Other receivables	18,081,419	17,573,085	5,786,313	9,853,492
Amount due from subsidiary companies	-	-	301,177,774	530,376,713
Amount due from associated companies	1,504,606	1,504,606	1,504,606	1,504,606
	<u>88,406,289</u>	<u>86,743,587</u>	<u>314,020,354</u>	<u>548,478,406</u>

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

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Allowance for doubtful debts				
Trade receivables	8,414,473	10,463,324	802,771	802,771
Other receivables	9,576,712	6,113,778	4,775,507	696,399
Allowance for value impaired				
Amount due from subsidiary companies	-	-	408,491,222	204,810,538
	<u>17,991,185</u>	<u>16,577,102</u>	<u>414,069,500</u>	<u>206,309,708</u>

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

25. TRADE AND OTHER RECEIVABLES (CONT'D)

- (b) The normal credit terms of trade receivables range from 30 to 120 days.

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

	Group		Company	
	2006	2005	2006	2005
	RM	RM	RM	RM
Ringgit Malaysia	40,176,771	35,075,410	4,390,812	4,735,502
United States Dollar	1,257,862	2,248,520	1,160,849	2,008,093
	<u>41,434,633</u>	<u>37,323,930</u>	<u>5,551,661</u>	<u>6,743,595</u>

- (c) Included in other receivables are balances owing by directors amounting to RM1,895,755 and RM1,632,268 (2005 : RM2,277,385 and RM1,620,656) for the Group and Company respectively representing outstanding housing loans provided to full time working directors of the Group and Company in accordance with the Group's scheme for senior employees. The amounts are unsecured and interest of 4% (2005 : 4%) is charged annually on the outstanding balances.

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

	Group	
	2006	2005
	RM	RM
Contract costs	497,139,042	487,499,947
Profit attributable to work performed todate	25,454,769	24,193,213
Allowance for foreseeable losses	(1,380,000)	(944,700)
	<u>521,213,811</u>	<u>510,748,460</u>
Less : Progress billings	(514,814,177)	(505,428,048)
	6,399,634	5,320,412
Gross amount due to customers for contract work reclassified to Trade and Other Payables (Note 28)	<u>7,740,350</u>	<u>7,396,771</u>
Gross amount due from customers for contract work	<u>14,139,984</u>	<u>12,717,183</u>

26. CONFIRMING AND FACTORING RECEIVABLES

	Group	
	2006	2005
	RM	RM
Confirming and factoring receivables	21,823,143	20,538,300
Allowance for doubtful debts	(1,827,054)	(1,969,354)
	<u>19,996,089</u>	<u>18,568,946</u>

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

27. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2006	2005	2006	2005
	RM	RM	RM	RM
Deposits with licensed banks	16,753,637	24,749,949	-	-
Cash and bank balances	17,131,781	11,912,686	65,450	273,566
	<u>33,885,418</u>	<u>36,662,635</u>	<u>65,450</u>	<u>273,566</u>

- (a) Cash and bank balances of the Group include balances amounting to RM9,661,715 (2005 : RM6,782,476) which are maintained in designated Housing Development Accounts pursuant to the Housing Developers (Control and Licensing) Act 1966 and Housing Developers Regulations 1991 in connection with property development projects undertaken by certain subsidiary companies.
- (b) Included under deposits with licensed banks of the Group, is a balance amounting to RM7,657,002 (2005 : RM8,051,669) which has been placed with a licensed financial institution of which a substantial shareholder of the Company namely Tan Sri Dato' Azman Hashim has substantial financial interests.

28. TRADE AND OTHER PAYABLES

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Trade payables	45,072,787	63,236,167	441,819	1,587,913
Less :				
Amount payable after 12 months classified as long term payables (Note 11)	(3,701,364)	(4,822,625)	-	-
	<u>41,371,423</u>	<u>58,413,542</u>	<u>441,819</u>	<u>1,587,913</u>
Gross amount due to customers for contract works (Note 25 (d))	7,740,350	7,396,771	-	-
Accrued property development cost	13,280,453	21,405,187	-	-
Progress billings in respect of property development	10,537,974	10,086,019	-	-
Deposit received and other payables	82,019,656	46,283,697	3,106,356	2,167,239
Hire purchase creditors (Note 9)	1,039,685	1,211,593	204,820	463,354
Finance lease liabilities (Note 10)	-	11,500,000	-	-
Amount owing to subsidiary companies	-	-	101,353,850	133,189,517
Amount owing to an associated company	11,794	-	11,794	-
	<u>156,001,335</u>	<u>156,296,809</u>	<u>105,118,639</u>	<u>137,408,023</u>

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

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

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Ringgit Malaysia	39,379,912	59,608,351	441,819	1,587,913
United States Dollar	5,692,875	3,532,292	-	-
Euro	-	95,524	-	-
	<u>45,072,787</u>	<u>63,236,167</u>	<u>441,819</u>	<u>1,587,913</u>

29. BANK BORROWINGS

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Overdrafts				
- secured	15,329,625	12,994,433	-	-
- unsecured	86,072,141	94,404,121	79,481,088	92,220,390
Other borrowings				
- secured	20,000,000	20,000,000	-	-
- unsecured	114,008,511	135,977,220	108,500,000	129,900,000
	<u>235,410,277</u>	<u>263,375,774</u>	<u>187,981,088</u>	<u>222,120,390</u>

The secured overdrafts and other bank borrowings of the subsidiary companies are secured by legal charges over the assets of the subsidiary companies concerned.

Interest paid on overdrafts and other borrowings during the financial year ranged from 1.0% to 3.0% (2005 : 1.0% to 3.0%) above the costs of funds or base lending rates of the respective lending banks.

30. REVENUE/COST OF SALES

(i) Revenue is derived from the following sources :-

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Textiles and garments				
- export	16,035,959	23,550,226	16,035,959	23,550,226
- local	19,810,627	18,257,278	19,810,627	18,257,278
Development properties	31,084,748	25,979,771	-	-
Property management services	637,640	664,980	-	-
Rental of properties	2,873,659	3,545,717	-	-
Value of construction and engineering contracts	64,165,478	93,911,375	-	-
Financial services	3,366,717	3,923,761	-	-
Travel and tour services	78,267,514	73,093,251	-	-
Others	3,370,558	4,817,718	17,311,143	16,102,268
	<u>219,612,900</u>	<u>247,744,077</u>	<u>53,157,729</u>	<u>57,909,772</u>

30. REVENUE/COST OF SALES (CONT'D)

(ii) Cost of sales comprised :-

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Cost of inventories sold	(41,293,121)	(45,507,422)	(35,293,880)	(39,773,255)
Cost of services	(58,199,558)	(51,824,045)	-	-
Contract costs recognised as an expense	(69,926,675)	(84,559,502)	-	-
Cost of property development units sold	(841,668)	(18,500,865)	-	-
	<u>(170,261,022)</u>	<u>(200,391,834)</u>	<u>(35,293,880)</u>	<u>(39,773,255)</u>

31. OPERATING (LOSS)/PROFIT

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Operating (loss)/profit includes :-				
Dividend income (gross) :-				
Subsidiary companies				
- unquoted	-	-	3,265,000	6,445,000
Associated companies				
- unquoted	-	-	12,446,891	7,383,512
Others				
- quoted in Malaysia	1,607,858	2,427,494	1,599,250	2,273,755
Interest income	3,252,511	4,013,549	64,826	8,160
Rental income	4,574,911	3,961,117	24,000	23,650
Gain on disposal of property, plant and equipment	840,731	423,753	288,068	191,412
Gain on sale of quoted investment	2,566,873	254,265	2,566,873	-

31. OPERATING (LOSS)/PROFIT (CONT'D)

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Operating (loss)/profit includes (Cont'd) :-				
Gain on sale of investment property	7,968,500	-	-	-
Gain on disposal of subsidiary companies	-	247,708	-	-
Gain on disposal of an associated company	1,267,057	-	-	-
Amortisation of gain on sale and leaseback of an investment property	4,374,405	1,249,802	-	-
Net realised gain on foreign exchange	124,699	387,370	9,418	13,438
Allowance for doubtful debts written back	214,587	1,311,096	-	-
Allowance for diminution in value of quoted investments written back	125,415	1,347,069	-	-
Allowance for impairment in value of property development costs written back	-	1,747,166	-	-
Recovery of bad debts	-	100,000	-	-
Recovery of amount due from a subsidiary company	-	-	2,959,976	-
Related company transactions :				
- Interest income	-	-	13,566,742	12,669,651
- Administrative fee received	-	-	276,292	289,870
- Rental income	-	-	43,645	24,840

31. OPERATING (LOSS)/PROFIT (CONT'D)

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
And is arrived at after charging :-				
Auditors' remuneration :-				
Annual statutory audit				
- current	247,420	247,257	50,000	50,000
- prior year's under provided	400	1,200	-	-
Depreciation	6,397,150	8,053,696	1,653,643	3,080,218
Property, plant and equipment written off	2,614	36,963	938	-
Allowance for doubtful debts	5,392,948	937,209	4,620,618	420,325
Directors' remuneration :-				
Directors of the Company :				
- Fees	192,000	192,000	192,000	192,000
- Other emoluments	1,387,586	1,202,968	1,040,936	868,568
Directors of subsidiary companies :				
- Fees	-	-	-	-
- Other emoluments	330,142	279,608	-	-
Rent on land and buildings	2,003,374	1,974,814	-	-
Defined benefit obligations	(1,373,230)	(303,103)	(1,373,230)	(303,103)
Hire of equipment and motor vehicles	102,351	95,041	10,790	-
Bad debts written off	304,007	516,362	295,007	-
Inventories written off	-	43,945	-	-

31. OPERATING (LOSS)/PROFIT (CONT'D)

	Group		Company	
	2006	2005	2006	2005
	RM	RM	RM	RM
And is arrived at after charging (Cont'd) :-				
Investments written off	161,725	136,596	20,000	-
Rental on land and buildings charged by related companies	-	-	-	729,872
Allowance for impairment in value of investment in subsidiary companies	-	-	1,710,642	-
Allowance for impairment of advances to subsidiary companies	-	-	203,680,684	-
Loss/(Gain) on liquidation of a subsidiary company	3,057	-	(2,819,591)	-
Allowance for impairment in value of land held for property development	26,069,216	30,295	-	-
Allowance for impairment in value of property development costs	71,092,895	-	-	-
Allowance for impairment in value of property, plant and equipment	50,338,621	-	2,000,000	-

31. OPERATING (LOSS)/PROFIT (CONT'D)

	Group		Company	
	2006	2005	2006	2005
	RM	RM	RM	RM
And is arrived at after charging (Cont'd) :-				
Allowance for diminution in value of unquoted investments	77,600	-	-	-
Allowance for write down in value of inventories	1,989,890	5,436,064	906,589	738,642
Goodwill on consolidation written off	145,173	-	-	-
Estimated value of benefits-in-kind of directors				
- The Company	294,551	299,288	274,785	267,588
- The subsidiary companies	31,362	15,000	-	-

32. EMPLOYEES INFORMATION

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Staff costs :-				
Salaries, wages, bonuses, allowances and leave pay	25,821,828	23,758,907	5,109,996	6,355,340
Amount contributed under defined contribution plan :				
- Employees Provident Fund (EPF)	3,426,121	3,374,512	937,653	1,285,753
Defined benefit obligations	(1,373,230)	(303,103)	(1,373,230)	(303,103)
Payment made under Voluntary Separation Scheme	2,505,067	-	2,325,086	-
Others	3,152,906	3,878,542	920,902	1,097,363
	<u>33,532,692</u>	<u>30,708,858</u>	<u>7,920,407</u>	<u>8,435,353</u>

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

33. FINANCE COSTS

Finance costs comprised :-

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Interest on term loans and other borrowings	18,574,587	19,797,259	14,593,127	15,166,686
Related company interests	-	-	2,207,709	2,126,622
	<u>18,574,587</u>	<u>19,797,259</u>	<u>16,800,836</u>	<u>17,293,308</u>
Amount included under cost of sales	(270,245)	(350,254)	-	-
	<u>18,304,342</u>	<u>19,447,005</u>	<u>16,800,836</u>	<u>17,293,308</u>

34. TAXATION

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Current Malaysian taxation	255,685	652,460	1,500,000	1,000,000
Real property gains tax	1,067,190	62,490	-	-
Deferred tax expense/ (income) resulting from origination and reversal of temporary differences	(5,326,062)	177,259	(107,138)	(107,138)
	(4,003,187)	892,209	1,392,862	892,862
Taxation over provided in respect of prior years	(69,064)	(1,594,533)	(206,431)	(1,472,271)
	(4,072,251)	(702,324)	1,186,431	(579,409)
Share of associated companies' taxation - in Malaysia				
- current year taxation	6,035,422	4,353,682	-	-
- taxation under/(over) provided in prior years	292,150	(1,756,375)	-	-
	<u>2,255,321</u>	<u>1,894,983</u>	<u>1,186,431</u>	<u>(579,409)</u>

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

34. TAXATION (CONT'D)

- (b) A reconciliation of tax amount applicable to profit/(loss) before taxation at the applicable statutory tax rate to the tax amount at the effective tax rate of the Group and Company is as follows :-

	Group		Company	
	2006	2005	2006	2005
	RM	RM	RM	RM
Profit/(Loss) before taxation	(143,429,305)	6,446,334	(200,686,424)	1,804,004
Taxation at the rate of 28% (2005 : 28%)	(40,160,205)	1,804,974	(56,192,199)	505,121
Tax savings attributable to profit taxed at the rate of 20% (2005 : 20%)	(80,184)	(309,699)	-	-
Net taxation at applicable tax rates	(40,240,389)	1,495,275	(56,192,199)	505,121
Tax effect in respect of :-				
Expenses not deductible for taxation purposes	25,714,499	4,810,968	59,841,838	851,155
Income not subject to tax	(8,061,002)	(4,096,030)	(2,875,350)	(269,378)
Double deduction of expenses	-	(1,297)	-	-
Tax savings arising from utilisation of previously unrecognised unutilised capital allowances and unabsorbed tax losses	(4,974,731)	(1,444,025)	(129,390)	(736,275)
Tax saving arising from utilisation of unabsorbed reinvestment allowance	(9,971)	(374,082)	-	-
Deferred tax assets not recognised	33,491,550	5,199,562	747,963	945,758
Tax under/(over) provided in prior years :				
- current taxation	223,086	(3,350,908)	(206,431)	(1,472,271)
- deferred tax	(4,954,911)	(406,970)	-	(403,519)
Real property gains tax	1,067,190	62,490	-	-
	<u>2,255,321</u>	<u>1,894,983</u>	<u>1,186,431</u>	<u>(579,409)</u>

34. TAXATION (CONT'D)

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

	Group		Company	
	2006	2005	2006	2005
	RM	RM	RM	RM
Unabsorbed tax losses	325,047,686	333,550,679	-	-
Unutilised capital allowances	99,039,634	95,909,463	71,666,135	69,455,095
	<u>424,087,320</u>	<u>429,460,142</u>	<u>71,666,135</u>	<u>69,455,095</u>

35. LOSS PER SHARE

- (i) Basic

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

- (ii) Diluted

The effect on the basic loss per share for the current and previous financial year arising from the assumed conversion of the zero coupon ICULS and exercise of the employees share options is anti-dilutive. Accordingly, the diluted loss per share for the current and previous financial year have not been presented.

36. CHANGE IN ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENTS

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

37. NOTES ON CASH FLOW STATEMENTS**(a) Purchase of property, plant and equipment**

Property, plant and equipment were acquired by the following means :-

	Group		Company	
	2006	2005	2006	2005
	RM	RM	RM	RM
Cash purchase	3,175,349	2,331,361	251,318	138,607
Hire purchase and lease financing	1,238,902	1,258,564	-	784,000
Aggregate cost	<u>4,414,251</u>	<u>3,589,925</u>	<u>251,318</u>	<u>922,607</u>

The principal amount of instalment repayments for property, plant and equipment acquired by hire purchase and lease financing are reflected in cash outflows from financing activities.

(b) Cash and cash equivalents at end of year

	Group		Company	
	2006	2005	2006	2005
	RM	RM	RM	RM
Bank balances, deposits and cash in hand	33,885,418	36,662,635	65,450	273,566
Bank overdrafts (Note 29)	(101,401,766)	(107,398,554)	(79,481,088)	(92,220,390)
	<u>(67,516,348)</u>	<u>(70,735,919)</u>	<u>(79,415,638)</u>	<u>(91,946,824)</u>

38. CAPITAL AND OTHER COMMITMENTS**(a) Capital commitments**

	Group		Company	
	2006	2005	2006	2005
	RM	RM	RM	RM
Approved but not contracted for				
Equity participation in joint venture projects	1,140,400	-	-	-

(b) Other commitments

	Group		Company	
	2006	2005	2006	2005
	RM	RM	RM	RM
Non-cancellable operating lease commitments				
Future minimum rental payable :				
- Not later than 1 year	4,000,000	-	-	-
- Later than 1 year and not more than 5 years	7,666,667	-	-	-
	<u>11,666,667</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

39. CONTINGENT LIABILITIES

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Guarantees given to banks for facilities granted to subsidiary companies :				
- secured on assets of subsidiary companies	-	-	34,600,000	53,625,000
- unsecured	-	-	103,544,000	102,080,000
Limit of guarantee	-	-	138,144,000	155,705,000
Amount utilised	-	-	90,921,277	96,866,036
Letters of credits and guarantees (unsecured)	9,479,996	7,611,114	-	4,242,883
Other bank guarantees and performance bonds (unsecured)	55,806,347	49,796,699	4,280,729	4,026,943
Additional taxation and penalty in respect of prior years claimed by the Inland Revenue Board under appeal	438,600	438,600	-	-
Claims by a third party for costs and damages arising from late delivery of goods and breach of contract, under dispute	1,413,657	1,413,657	-	-
Claims by third parties for electrical works to a subsidiary company, under dispute	140,288	154,645	-	-
Claims by a third party for rock excavation works to a subsidiary company, under dispute	1,406,974	-	-	-
	<u>68,685,862</u>	<u>59,414,715</u>	<u>95,202,006</u>	<u>105,135,862</u>

40. SEGMENT REPORTING

The Group's operations comprise the following business segments :-

- | | |
|-----------------------------------|---|
| (i) Property | Property development, property investment and property management services |
| (ii) Engineering and construction | Electrical and power engineering contractors and fabrication of electrical equipment |
| (iii) Financial services | Confirming and factoring house, specialising in trade related activities and general trading |
| (iv) Textiles | Manufacture of textile products |
| (v) Travel and leisure | Golf and marina club operation, tour and travel agent and restaurant operations |
| (vi) Others | Investment holding, information technology services, trading, running a medical centre and clinic and toll operator |

All inter-segment transactions have been entered into in the ordinary course of business and have been established on terms and conditions that are not materially different from those transacted with unrelated third parties.

40. SEGMENT REPORTING (CONT'D)**(a) Primary Reporting Format - Business Segments**

2006	Textiles RM	Property RM	Engineering and Construction RM	Travel and Leisure RM	Financial Services RM	Others RM	Group RM
Revenue							
Total revenue	35,846,587	36,426,461	64,165,478	79,355,350	3,366,716	6,601,695	225,762,287
Inter-segment revenue	-	(1,752,414)	-	(659,486)	-	(3,737,487)	(6,149,387)
External revenue	35,846,587	34,674,047	64,165,478	78,695,864	3,366,716	2,864,208	219,612,900
Results							
Segment results	(9,063,743)	(68,409,730)	(1,946,839)	(51,020,824)	1,252,266	(6,704,332)	(135,893,202)
Interest income							556,769
Gain on disposal of an associated company							1,267,057
Profit on disposal of quoted investments							2,566,873
Loss on liquidation of a subsidiary company							(3,057)
Goodwill on consolidation written off							(145,173)
Unallocated expenses							(28,982)
Profit from operations							(131,679,715)
Finance costs							(18,304,342)
Share of results of associated companies	-	(4,583,245)	624,733	(251,434)	184,797	10,579,901	6,554,752
Loss before taxation							(143,429,305)
Taxation							(2,255,321)
Loss after taxation							(145,684,626)
Minority interests							(32,717,004)
Net loss for the year							(178,401,630)

40. SEGMENT REPORTING (CONT'D)**(a) Primary Reporting Format - Business Segments (Cont'd)**

2006			Engineering and Construction	Travel and Leisure	Financial Services	Others	Group
Other Information	Textiles RM	Property RM	RM	RM	RM	RM	RM
Segment assets							
Segment assets	21,853,532	384,708,978	66,424,080	58,349,462	21,420,680	24,182,517	576,939,249
Investment in associated companies	-	37,281,771	20,348,063	14,947,820	939,522	92,731,404	166,248,580
Unallocated assets							43,894,421
Consolidated total assets	21,853,532	421,990,749	86,772,143	73,297,282	22,360,202	116,913,921	787,082,250
Segment liabilities							
Segment liabilities	3,219,102	80,942,285	38,760,111	22,960,383	5,080,036	7,292,077	158,253,994
Unallocated liabilities							277,039,996
Consolidated total liabilities	3,219,102	80,942,285	38,760,111	22,960,383	5,080,036	7,292,077	435,293,990
Capital expenditure	251,318	78,611	1,295,961	1,542,349	230,991	1,015,021	4,414,251
Depreciation and amortisation	1,653,643	195,583	1,052,614	3,207,235	94,274	193,801	6,397,150
Allowance for impairment losses of :							
- Property development costs	-	71,092,895	-	-	-	-	71,092,895
- Land held for development	-	26,069,216	-	-	-	-	26,069,216
- Property, plant and equipment	2,000,000	3,540,920	-	44,797,701	-	-	50,338,621
	2,000,000	100,703,031	-	44,797,701	-	-	147,500,732
Non-cash expenses other than depreciation and amortisation and allowance for impairment losses	1,642,527	1,083,430	780,490	58,631	21,356	4,487,523	8,073,957

40. SEGMENT REPORTING (CONT'D)**(a) Primary Reporting Format - Business Segments (Cont'd)**

2005	Textiles RM	Property RM	Engineering and Construction RM	Travel and Leisure RM	Financial Services RM	Others RM	Group RM
Revenue							
Total revenue	41,807,505	32,627,101	93,911,375	73,819,625	3,923,761	6,304,104	252,393,471
Inter-segment revenue	-	(1,132,843)	-	(245,381)	-	(3,271,170)	(4,649,394)
External revenue	41,807,505	31,494,258	93,911,375	73,574,244	3,923,761	3,032,934	247,744,077
Results							
Segment results	(2,094,307)	11,877,727	4,717,270	(4,398,824)	2,325,191	(3,390,498)	9,036,559
Interest income							808,231
Gain on disposal of subsidiary companies							247,708
Profit on disposal of quoted investments							254,265
Unallocated expenses							(21,179)
Profit from operations							10,325,584
Finance costs							(19,447,005)
Share of results of associated companies	-	422,155	4,331,646	655,478	3,315,516	6,842,960	15,567,755
Profit before taxation							6,446,334
Taxation							(1,894,983)
Profit after taxation							4,551,351
Minority interests							(5,007,251)
Net loss for the year							(455,900)

40. SEGMENT REPORTING (CONT'D)**(a) Primary Reporting Format - Business Segments (Cont'd)**

2005			Engineering and Construction	Travel and Leisure	Financial Services	Others	Group
Other Information	Textiles RM	Property RM	RM	RM	RM	RM	RM
Segment assets							
Segment assets	40,281,169	517,068,487	65,693,091	104,250,900	19,905,739	51,937,799	799,137,185
Investment in associated companies	-	45,767,177	20,683,649	15,608,202	6,030,580	90,344,582	178,434,190
Unallocated assets							47,581,490
Consolidated total assets	40,281,169	562,835,664	86,376,740	119,859,102	25,936,319	142,282,381	1,025,152,865
Segment liabilities							
Segment liabilities	6,047,350	98,063,133	36,750,959	21,669,234	3,288,193	8,088,173	173,907,042
Unallocated liabilities							350,337,694
Consolidated total liabilities	6,047,350	98,063,133	36,750,959	21,669,234	3,288,193	8,088,173	524,244,736
Capital expenditure	226,609	300,524	661,769	1,200,950	5,950	1,194,123	3,589,925
Depreciation and amortisation	2,460,769	239,360	1,055,414	3,276,579	97,941	923,633	8,053,696
Non-cash expenses other than depreciation and amortisation and allowance for impairment losses	1,158,967	4,536,021	139,264	-	292,967	136,596	6,263,815

40. SEGMENT REPORTING (CONT'D)**(b) Secondary Reporting Format - Geographical Segments**

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

	Revenue		Total Assets		Capital Expenditure	
	2006 RM	2005 RM	2006 RM	2005 RM	2006 RM	2005 RM
Malaysia	203,332,166	224,170,495	743,187,829	977,571,375	4,414,251	3,589,925
New Zealand	10,022,586	14,020,591	-	-	-	-
Australia	4,981,002	7,659,481	-	-	-	-
Hong Kong	721,015	1,186,877	-	-	-	-
Others	445,686	706,633	-	-	-	-
	<u>219,502,455</u>	<u>247,744,077</u>	<u>743,187,829</u>	<u>977,571,375</u>	<u>4,414,251</u>	<u>3,589,925</u>
Unallocated assets			<u>43,894,421</u>	<u>47,581,490</u>		
			<u>787,082,250</u>	<u>1,025,152,865</u>		

41. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

In addition to the related party transactions and balances disclosed elsewhere in the financial statements, the other significant related party transactions and balances are set out below.

- (a) The following transactions were entered into in the ordinary course of business and were established by arm's length negotiations between the parties :-

	2006	2005
	RM	RM
(i) Transactions entered into with companies in which a director, namely, Tan Sri Dato' Azman Hashim has substantial financial interests :-		
Sales of air tickets and other related travel services to :		
- AMMB Holdings Berhad Group	1,501,349	1,387,319
- AmcorpGroup Berhad (formerly known as Arab-Malaysian Corporation Berhad) Group	240,401	265,268
- AmAssurance Berhad *	1,187,067	1,667,653
Interest on time deposits received from :		
- AMMB Holdings Berhad Group	53,586	176,024
Consultancy services charged by :		
- AMMB Holdings Berhad Group	84,000	194,572
Restaurant service provided to :		
- AMMB Holdings Berhad Group	181,052	122,829
- AmcorpGroup Berhad (formerly known as Arab-Malaysian Corporation Berhad) Group	43,092	18,000
Provision of IT services and sales of IT products to AmAssurance Berhad *	52,728	32,630
Rental charged by AMMB Holdings Berhad Group	13,644	54,576
Rental income received from :		
- AMMB Holdings Berhad Group	450,828	524,169
- AmAssurance Berhad *	1,314,711	875,706
Insurance premium charged by AmAssurance Berhad*	1,014,816	920,792
Sales of properties to AmAssurance Berhad *	54,109,000	4,472,052
Sales and maintenance of air-conditioner charged to AMMB Holdings Berhad Group	123,350	190,685

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

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

41. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

	2006	2005
	RM	RM
(ii) Transactions entered into with associated companies :-		
Administrative fee received from AM SGB Sdn. Bhd. **	24,000	48,000
Provision of IT services and sales of IT products to AM SGB Sdn. Bhd. **	41,803	31,207
Sales of air tickets and other related travel services to AM SGB Sdn. Bhd. **	17,757	138,356
Medical fees paid to Sentosa Medical Centre Sdn. Bhd. #	106,313	177,900
Financial advisory fees received from Sentosa Medical Centre Sdn Bhd #	25,000	25,000

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

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

	Group	
	2006	2005
	RM	RM
(iii) Transactions entered into with minority shareholders of subsidiary companies :-		
Technical fees paid to :		
- Best & Crompton Engg. Limited	-	127,640
- Blue Star Limited	845,099	1,146,000
Rental charged to Drard Holdings Sdn. Bhd.	143,500	359,000
(iv) Transactions entered into with companies connected to Tan Sri Dato' Azman Hashim :-		
Rental income received	57,936	67,700
Upkeep of motor vehicles	37,149	47,522
Sales of air tickets and other related travel services	364,364	269,124
Purchase of motor vehicles	170,454	296,711

41. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

	Group	
	2006	2005
	RM	RM
(v) Transactions entered into with a company in which a director namely, Dato' Azhar Hashim has substantial financial interests :-		
Interest charged to Dawama Sdn. Bhd.	-	29,770
Transport, forwarding and handling charges charged by Century Forwardings Agency Sdn. Bhd.	19,161	168,169
	<u>19,161</u>	<u>168,169</u>
(b) Significant outstanding balances with related parties as at end of the year are as follows :-		

	Group	
	2006	2005
	RM	RM
Amount included in Receivables :		
- AMMB Holdings Berhad Group	204,068	298,064
Amount included in Payables :		
- AMMB Holdings Berhad Group	698,789	596,687
- Best & Crompton Engg. Limited	-	96,840
- Century Forwardings Agency Sdn. Bhd.	554	8,510
Amount included in Hire Purchase Creditors :		
- AMMB Holdings Berhad Group	37,910	55,208
- Danpac Leasing (Malaysia) Berhad (formerly known as Sogelease (Malaysia) Berhad Group)	-	895,716
	<u>-</u>	<u>895,716</u>

42. SIGNIFICANT/SUBSEQUENT EVENTS

- (a) On 1 March 2005, Pulau Indah Marina Resort Sdn. Bhd. ("PIMR"), a 60% subsidiary of AMDB entered into a conditional sale and purchase agreement ("CSPA") with Wijaya Baru Development Sdn. Bhd. (formerly known as Great Profile Sdn. Bhd.) ("WBDSB") to dispose of a piece of land held by PIMR for a total consideration of RM130,000,000 ("Consideration Sum").

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

42. SIGNIFICANT/SUBSEQUENT EVENTS (CONT'D)

(a) (Cont'd)

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

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

- (b) On 29 April 2005, the Company entered into conditional sale and purchase agreement ("CSPA") with Verbundsoft Sdn. Bhd. ("Verbundsoft") to dispose its entire investment of 29,064,452 units in AmFirst Property Trust for a total consideration of RM31,970,897.

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

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

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

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

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

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

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

42. SIGNIFICANT/SUBSEQUENT EVENTS (CONT'D)

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

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

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

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

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

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

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

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

42. SIGNIFICANT/SUBSEQUENT EVENTS (CONT'D)

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

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

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

43. FINANCIAL INSTRUMENTS - OTHER DISCLOSURES**(a) Maturity Profile and Interest Rate Risk**

The maturity profile and effective interest rates of financial instruments exposed to interest rate risk are as follows :-

Group	Maturity profile			Carrying amount RM	Effective interest rate %
	Less than 1 year RM	More than 1 year and less than 5 years RM	More than 5 years RM		
2006					
Financial assets					
Unsecured notes redemption fund	-	-	1,493,443	1,493,443	2.60 to 3.00
Confirming and factoring receivables	19,996,089	-	-	19,996,089	10.50 to 11.75
Deposits with licensed banks	16,753,637	-	-	16,753,637	2.50 to 3.70
Financial liabilities					
Unsecured notes	-	-	13,523,803	13,523,803	Nil
Hire purchase creditors	1,039,685	1,987,393	-	3,027,078	4.65 to 9.15
Term loan	-	14,880,000	-	14,880,000	7.50
Bank overdrafts	101,401,766	-	-	101,401,766	7.50 to 9.50
Other bank borrowings	134,008,511	-	-	134,008,511	3.98 to 9.05
2005					
Financial assets					
Unsecured notes redemption fund	-	-	1,457,404	1,457,404	2.50 to 2.75
Confirming and factoring receivables	18,568,946	-	-	18,568,946	10.50 to 11.75
Deposits with licensed banks	24,749,949	-	-	24,749,949	2.10 to 3.70

43. FINANCIAL INSTRUMENTS - OTHER DISCLOSURES (CONT'D)**(a) Maturity Profile and Interest Rate Risk (Cont'd)**

	Maturity profile			Carrying amount RM	Effective interest rate %
	Less than 1 year RM	More than 1 year and less than 5 years RM	More than 5 years RM		
2005					
Financial liabilities					
Unsecured notes	-	-	13,363,751	13,363,751	Nil
Hire purchase creditors	1,211,593	1,186,373	-	2,397,966	4.50 to 7.96
Finance lease liabilities	11,500,000	28,750,000	-	40,250,000	5.00
Bank overdrafts	107,398,554	-	-	107,398,554	7.00 to 9.00
Other bank borrowings	155,977,220	-	-	155,977,220	4.25 to 8.50
Company					
2006					
Financial liabilities					
Hire purchase creditors	204,820	438,822	-	643,642	5.89 to 6.42
Bank overdrafts	79,481,088	-	-	79,481,088	7.50 to 9.50
Other bank borrowings	108,500,000	-	-	108,500,000	4.90 to 9.05
2005					
Financial liabilities					
Hire purchase creditors	463,354	643,641	-	1,106,995	4.50
Bank overdrafts	92,220,390	-	-	92,220,390	7.00 to 9.00
Other bank borrowings	129,900,000	-	-	129,900,000	4.25 to 8.50

43. FINANCIAL INSTRUMENTS - OTHER DISCLOSURES (CONT'D)**(b) Fair Values**

The carrying amounts of financial assets and liabilities of the Group and Company at the balance sheet date approximated their fair values except as set out below :-

	Group		Company	
	Carrying amount RM	Fair values RM	Carrying amount RM	Fair values RM
2006				
Financial assets				
Investment in quoted shares	6,663,247	9,665,809	3,440,572	4,568,756
Financial liabilities				
Hire purchase creditors	3,027,078	2,406,241	643,642	584,469
Shareholder's loan	1,932,000	Note 43(b)(ii)	-	-
2005				
Financial assets				
Investments in :				
- quoted shares	6,682,584	10,725,161	3,506,903	5,689,843
- property trust units	29,221,487	32,552,186	29,221,487	32,552,186
Financial liabilities				
Hire purchase creditors	2,397,966	2,209,267	1,106,995	1,026,021
Shareholder's loan	38,811,732	Note 43(b)(ii)	-	-

- (i) The carrying amounts of current financial assets and liabilities of the Group and Company as at balance sheet date approximated their fair values due to the relatively short term nature of these financial instruments. Long term receivables comprising retention sum receivable, retention sums and progress claim payables represent trade receivables and payables under normal credit term and approximate their fair values.
- (ii) It was not practicable to estimate the fair value of the shareholders' loans as the terms of repayments were not fixed except that such loans were for the purpose of long term funding of certain subsidiary companies' operations.
- (iii) The fair value of amounts owing by and owing to subsidiary companies are not provided as it is not practical to estimate fair values reliably due to the lack of fixed repayment terms.

44. LIST OF SUBSIDIARY COMPANIES

Direct Subsidiary Companies	Principal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2006	2005
AMBC Transmission Sdn. Bhd.	Electrical and power engineering construction	Malaysia	80	80
Blue Star M & E Engineering Sdn. Bhd.	Engineering services	Malaysia	51	51
AMCE Builders Sdn. Bhd. *	Construction	Malaysia	70	70
AMDB Capital Sdn. Bhd.	Investment holding	Malaysia	100	100
AMDB Factoring Sdn. Bhd.	Confirming and factoring services	Malaysia	100	100
AMDB Industrial City Sdn. Bhd.	Property development	Malaysia	100	100
AMDB International Sdn. Bhd. (formerly known as AMDB Equity Sdn. Bhd.) *	Dormant	Malaysia	100	100
AMDB Construction & Engineering Berhad	Dormant	Malaysia	100	100
AMDB Engineering Services Sdn. Bhd.	Construction	Malaysia	100	100
AMDB Equipment Trading Sdn. Bhd.	Contracting and investment in securities	Malaysia	100	100
AMDB Leisure Holdings Sdn. Bhd.	Investment holding	Malaysia	100	100
AMDB Management Services Sdn. Bhd.	Financial, property and management services	Malaysia	100	100

* Subsidiary companies not audited by FOLKS DFK & CO.

44. LIST OF SUBSIDIARY COMPANIES (CONT'D)

Direct Subsidiary Companies	Principal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2006	2005
AMDB Power Sdn. Bhd.	Investment holding	Malaysia	100	100
AMDB Properties Sdn. Bhd.	Property investment and investment holding	Malaysia	100	100
AMDB Property Holdings Sdn. Bhd. *	Investment holding	Malaysia	100	100
AMDB Property Management Co. Sdn. Bhd.	Property management services	Malaysia	100	100
AMDB Realty Sdn. Bhd.	Property investment	Malaysia	100	100
AMDB Technics Sdn. Bhd.	Investment holding	Malaysia	100	100
Arab-Malaysian-Toda Construction Sdn. Bhd. (Company in liquidation)	Construction	Malaysia	51	51
Exotic Enterprise Sdn. Bhd.	Property development and property investment	Malaysia	100	100
Harpers Tours (Malaysia) Sdn. Bhd.	Tour agent	Malaysia	100	100
Harpers Travel (Malaysia) Sdn. Bhd.	Travel agent	Malaysia	100	100
Harta AMCE Sdn. Bhd.	Dormant	Malaysia	100	100
Ideal Resort Sdn. Bhd. * (Company in liquidation)	Property investment	Malaysia	70	70

* Subsidiary companies not audited by FOLKS DFK & CO.

44. LIST OF SUBSIDIARY COMPANIES (CONT'D)

Direct Subsidiary Companies	Principal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2006	2005
IT Connect Sdn. Bhd.	Information technology services	Malaysia	100	100
Jelas Warna Sdn. Bhd.	Garments manufacturer and trading	Malaysia	70	70
Living Development Sdn. Bhd.	Property development	Malaysia	100	100
Mawar Delima (M) Sdn. Bhd.	Property development	Malaysia	60	60
Medan Delima Sdn. Bhd.	Property development and management	Malaysia	100	100
Mekar Angkasa Sdn. Bhd.	Investment holding	Malaysia	100	100
Perumahan Taman Pinji Sdn. Bhd. *	Property development	Malaysia	100	100
Pulau Indah Marina Resort Sdn. Bhd.	Property development	Malaysia	60	60
Rich Avenue Sdn. Bhd. *	Property development	Malaysia	100	100
Restoran Seri Melayu Sdn. Bhd. *	Restaurant operation	Malaysia	100	100
Restoran Seri Melayu (Langkawi) Sdn. Bhd.	Restaurant operation	Malaysia	100	100
Sejati Pelita Sdn. Bhd.	Property development	Malaysia	100	100
Selaju Sdn. Bhd.	Investment holding	Malaysia	100	100

* Subsidiary companies not audited by FOLKS DFK & CO.

44. LIST OF SUBSIDIARY COMPANIES (CONT'D)

Direct Subsidiary Companies	Principal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2006	2005
Seng Hock Realty Development Sdn. Bhd.	Property development and property investment	Malaysia	100	100
Syarikat Kompleks Damai Sdn. Bhd.	Property development and property investment	Malaysia	100	100
Taifab Hongkong Ltd. *	General trading	Hong Kong, Republic of China	100	100
Taifab Properties Sdn. Bhd.	Property development, property management and property investment	Malaysia	100	100
Taifab Trading (M) Sdn. Bhd.	Investment and trading in securities	Malaysia	100	100
Taman Aman Sdn. Bhd.	Property development and property management	Malaysia	100	100
Walleng Enterprises Sdn. Bhd.	Property development	Malaysia	100	100
Zaklan Sdn. Berhad	Investment holding	Malaysia	100	100

* Subsidiary companies not audited by FOLKS DFK & CO.

44. LIST OF SUBSIDIARY COMPANIES (CONT'D)

Indirect Subsidiary Companies	Principal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2006	2005
AMBC Controls Sdn. Bhd.	Fabrication of electrical equipment	Malaysia	54	54
AMBC Electronics Sdn. Bhd.	Dormant	Malaysia	54	54
AMDB Commercial Services Sdn. Bhd.	Licensed money lender	Malaysia	100	100
AMDB Liang Hydro Sdn. Bhd. (formerly known as Impulse Master Sdn. Bhd.)	Dormant	Malaysia	100	-
AMDB Perting Hydro Sdn. Bhd. (formerly known as AMPMC-Pantai Panorama Sdn. Bhd.)	Dormant	Malaysia	100	-
AMDB Power Services Sdn. Bhd. (formerly known as Impulse Returns Sdn. Bhd.)	Dormant	Malaysia	100	-
AMDB WPD Hydro Sdn. Bhd. (formerly known as Impulse Gateway Sdn. Bhd.)	Dormant	Malaysia	100	-
Arnica Corporation Sdn. Bhd.	Property development	Malaysia	100	100
Gerak Rasmi Sdn. Bhd.	Investment holding	Malaysia	100	100
Mayang Zaman Sdn. Bhd.	Property development	Malaysia	96	70
Netcoin Sdn. Bhd.	Investment holding	Malaysia	97	97
Nikmat Segar (M) Sdn. Bhd.	Dormant	Malaysia	100	100
Sebana Facilities Management Services Sdn. Bhd. *	Property management services	Malaysia	58	58

* Subsidiary companies not audited by FOLKS DFK & CO.

44. LIST OF SUBSIDIARY COMPANIES (CONT'D)

Indirect Subsidiary Companies	Principal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2006	2005
Sebana Holdings Sdn. Bhd.	Investment holding	Malaysia	58	58
Sebana Golf & Marina Resort Berhad	Golf and marina club operation	Malaysia	58	58
Sebana Golf & Country Club Berhad	Dormant	Malaysia	58	58
Sebana Hotels Sdn. Bhd.	Property investment	Malaysia	58	58
Sebana Properties Sdn. Bhd.	Property development	Malaysia	58	58
Sebana Management Services Sdn. Bhd.	Management services (Ceased operation)	Malaysia	58	58
Sebana Marina Management Services Sdn. Bhd.	Dormant	Malaysia	58	58
Sebana Realty Sdn. Bhd.	Property investment and development	Malaysia	58	58
Sebana Construction Sdn. Bhd.	Dormant	Malaysia	58	58
Sebana Resort Pte. Ltd. *	Marketing and promotions	Republic of Singapore	58	58

* Subsidiary companies not audited by FOLKS DFK & CO.

45. LIST OF ASSOCIATED COMPANIES

Direct Associated Companies	Principal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2006	2005
Central Spectrum (M) Sdn. Bhd.	Property development	Malaysia	23	23
Kesas Holdings Berhad	Investment holding	Malaysia	20	20
Labuan Power Sdn. Bhd.	Dormant	Malaysia	20	20
Planergo (Pte) Limited	Hotel operation	Republic of Singapore	20	20
Prisma Tulin Sdn. Bhd.	Hotel operation	Malaysia	41	41
PTM Sdn. Bhd.	Investment holding	Malaysia	49	49
Lafarge Concrete (Malaysia) Sdn. Bhd. (formerly known as Supermix Concrete (Malaysia) Sdn. Bhd.)	Manufacture of ready mixed concrete	Malaysia	30	30
Sentosa Medical Centre Sdn. Bhd.	Operation of a medical centre	Malaysia	32	32
Selaman Sdn. Bhd.	Property development and property management	Malaysia	40	40
Indirect Associated Companies	Principal Activities	Country of Incorporation	Effective Equity Interest (%)	
Augustland Hotel Sdn. Bhd.	Hotel and apartment development and operation	Malaysia	40	40
AM SGB Sdn. Bhd.	Manufacture of transformers	Malaysia	35	35
AmTrustee Berhad	Trustee service	Malaysia	20	20

45. LIST OF ASSOCIATED COMPANIES (CONT'D)

Indirect Associated Companies	Principal Activities	Country of Incorporation	Effective Equity Interest (%)	
			2006	2005
Bangi Hotel Sdn. Bhd.	Development, construction, management and maintenance of hotel	Malaysia	20	20
Hospital Sentosa Sdn. Bhd.	Operation of a medical centre	Malaysia	32	32
J. Walter Thompson Sdn. Bhd.	Advertising agency	Malaysia	37	37
Kesas Sdn. Bhd.	Management of toll operations and maintenance of highway	Malaysia	20	20
Malaysian Construction Ventures (Overseas) Sdn. Bhd.	Investment holding	Malaysia	20	20
Danpac Leasing (Malaysia) Berhad (formerly known as Sogelease (Malaysia) Berhad)	Leasing and provision of credit finance	Malaysia	-	50
Danpac Advance (Malaysia) Sdn. Bhd. (formerly known as Sogelease Advance (Malaysia) Sdn. Bhd.)	Hire purchase and provision of credit financing	Malaysia	-	50
Danpac Factoring (Malaysia) Sdn. Bhd. (formerly known as Sogefactoring (Malaysia) Sdn. Bhd.)	Factoring services	Malaysia	-	50
Lafarge Concrete Industries Sdn. Bhd. (formerly known as Supermix Concrete Industries Sdn. Bhd.)	Producer and seller of ready-mixed concrete	Malaysia	30	30
Selaman Sejati Sdn. Bhd. (formerly known as GMF Selaman Imaging Centres Sdn. Bhd.)	Providing micro-filming services (Ceased operations in 1994)	Malaysia	24	24
Halik Sdn. Bhd.	Investment in real property	Malaysia	40	40

46. COMPARATIVE FIGURES

Certain comparative figures have been reclassified and restated to conform with the current year's presentation.

AMDB BERHAD
(6386-K)
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 8 to 110 are drawn up in accordance with applicable approved Accounting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2006 and of the results of operations and cash flows of the Company and of the Group for the year ended on that date.

TAN SRI DATO' AZMAN HASHIM
Chairman

AZMI HASHIM
Chief Executive Officer

Date : 23 June 2006

STATUTORY DECLARATION

I, REMESH KUMAR A/L KOLLARA NATESAN, being the Officer responsible for the financial management of AMDB BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 8 to 110 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
REMESH KUMAR A/L KOLLARA)
NATESAN, at Kuala Lumpur in the)
Federal Territory on 23 June 2006)

Before me,

TEMPATAN NO. 6386-K

**REPORT OF THE AUDITORS TO THE MEMBERS OF
AMDB BERHAD**
(Incorporated in Malaysia)

We have audited the financial statements set out on pages 8 to 110 of AMDB Berhad. The preparation of the financial statements is the responsibility of the Company's directors.

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

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the overall adequacy of the presentation of information in the financial statements.

We believe our audit provides a reasonable basis for our opinion.

In our opinion :-

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved Accounting Standards in Malaysia so as to give a true and fair view of :-
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
 - (ii) the state of affairs of the Group and of the Company as at 31 March 2006 and of the results of the operations and cash flows of the Group and of the Company for the year ended on that date; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

TEMPATAN NO. 6386-K

We have considered the financial statements and the auditors' report thereon of the subsidiary companies of which we have not acted as auditors, as indicated in Note 44 to the financial statements.

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

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

FOLKS DFK & CO.
NO. : AF 0502
CHARTERED ACCOUNTANTS

OOI CHEE KUN
NO. : 996/03/08(J/PH)
PARTNER

Kuala Lumpur

Date : 23 June 2006