



HAP SENG CONSOLIDATED BERHAD

(Company Number: 26877-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOURTH QUARTER ENDED 31 JANUARY 2006

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31.1.2006 RM'000	Preceding Year Corresponding Quarter Ended 31.1.2005 RM'000	Current Year To date Ended 31.1.2006 RM'000	Preceding Year Corresponding Period 31.1.2005 RM'000 <i>(Audited)</i>
Revenue	360,695	321,693	1,459,458	1,225,368
Operating expenses	(315,331)	(274,230)	(1,293,925)	(1,027,436)
Other operating income	4,774	3,909	10,835	10,002
Operating profit	50,138	51,372	176,368	207,934
Financing costs	(10,044)	(7,288)	(35,704)	(19,898)
Other non-operating items	273	-	273	16,458
Share of profit of associates	(140)	996	1,244	3,690
Profit before taxation	40,227	45,080	142,181	208,184
Tax expense	(11,518)	(13,250)	(40,000)	(50,592)
Profit after taxation	28,709	31,830	102,181	157,592
Minority interests	(5,553)	(5,016)	(13,655)	(16,956)
Net profit for the period attributable to shareholders of the Company	23,156	26,814	88,526	140,636
Earnings per share (sen)				
Basic (Based on weighted average of 589,516,000 ordinary shares)	3.93	4.55	15.02	23.84
Fully diluted (Based on weighted average of 589,152,000 ordinary shares)	3.93 *	4.54	15.02 *	23.82

* As the diluted earnings per share exceed the basic earnings per share, the anti-dilutive effect is ignored.

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 January 2005

**HAP SENG CONSOLIDATED BERHAD***(Company Number: 26877-W)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
FOURTH QUARTER ENDED 31 JANUARY 2006**

	As at End of Current Quarter 31.1.2006 RM'000	As at Preceding Financial Year End 31.1.2005 RM'000 <i>(Audited)</i>
Property, plant and equipment	729,748	701,182
Investment properties	406,329	388,703
Investment in associates	73,174	80,744
Other investments	23,154	23,154
Land held for property development	305,988	254,010
Goodwill on consolidation	(14,019)	(13,380)
Deferred tax assets	3,379	90
Long term receivables	362,590	285,468
	-----	-----
	1,890,343	1,719,971
	-----	-----
Current assets		
Inventories	410,362	403,379
Property development costs	106,334	94,463
Receivables	406,951	316,103
Cash and cash equivalents	43,815	29,299
	-----	-----
	967,462	843,244
	-----	-----
Current liabilities		
Payables	186,566	142,360
Borrowings	478,226	465,086
Taxation	3,923	13,751
	-----	-----
	668,715	621,197
	-----	-----
Net current assets	298,747	222,047
	-----	-----
Long term and deferred liabilities		
Borrowings	419,950	236,000
Others	172,593	175,096
	-----	-----
	592,543	411,096
	-----	-----
	1,596,547	1,530,922
	=====	=====
Financed by:		
Capital and reserves		
Share capital	622,660	622,660
Reserves	894,559	836,072
	-----	-----
	1,517,219	1,458,732
Less : Cost of treasury shares	(74,023)	(71,363)
	-----	-----
	1,443,196	1,387,369
Minority shareholders' interests	153,351	143,553
	-----	-----
	1,596,547	1,530,922
	=====	=====
Net Assets per share (RM)	2.71	2.59
	=====	=====
Based on number of shares net of treasury shares	588,855,600	590,075,900

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 January 2005



HAP SENG CONSOLIDATED BERHAD

(Company Number: 26877-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOURTH QUARTER ENDED 31 JANUARY 2006

	Share Capital RM'000	Fixed Assets Revaluation Reserve RM'000	Other Reserves RM'000	Treasury Shares RM'000	Retained Profits RM'000	Total RM'000
At 1 February 2005	622,660	36,564	12,724	(71,363)	786,784	1,387,369
Exercise of ESOS	2	-	3	-	-	5
Cancellation of treasury shares	(2)	-	(1)	5	(2)	-
Purchase of treasury shares	-	-	-	(2,665)	-	(2,665)
Translation differences	-	-	(327)	-	-	(327)
Net profit for the year	-	-	-	-	88,526	88,526
Dividends	-	-	-	-	(29,712)	(29,712)
At 31 January 2006 (Unaudited)	<u>622,660</u>	<u>36,564</u>	<u>12,399</u>	<u>(74,023)</u>	<u>845,596</u>	<u>1,443,196</u>
At 1 February 2004	622,660	36,564	10,722	(71,920)	676,517	1,274,543
Exercise of ESOS	1,765	-	2,110	-	-	3,875
Cancellation of treasury shares	(1,765)	-	(1,437)	3,845	(643)	-
Purchase of treasury shares	-	-	-	(3,288)	-	(3,288)
Translation differences	-	-	1,329	-	-	1,329
Net profit for the year	-	-	-	-	140,636	140,636
Dividends	-	-	-	-	(29,726)	(29,726)
At 31 January 2005 (Audited)	<u>622,660</u>	<u>36,564</u>	<u>12,724</u>	<u>(71,363)</u>	<u>786,784</u>	<u>1,387,369</u>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2005

**HAP SENG CONSOLIDATED BERHAD***(Company Number: 26877-W)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)
FOR YEAR ENDED 31 JANUARY 2006**

	For Current Year Ended 31.1.2006 RM'000	For Preceding Year Ended 31.1.2005 RM'000 <i>(Audited)</i>
Cash flows from operating activities		
Profit before taxation	142,181	208,184
Adjustments for:		
Non-cash items	27,416	26,245
Non-operating items	(2,586)	(21,309)
Dividend income	(329)	(6,540)
Net interest expense	34,854	18,906
	-----	-----
Operating profit before working capital changes	201,536	225,486
Net changes in working capital	(123,096)	(362,237)
Net tax paid	(59,675)	(53,807)
Net interest paid	(34,854)	(18,906)
Land held for property development	(61,049)	(38,891)
	-----	-----
Net cash used in operating activities	(77,138)	(248,355)
	-----	-----
Cash flows from investing activities		
Dividends received from associates / other investments	2,915	7,374
Proceeds from disposal of investment properties	2,079	-
Proceeds from disposal of property, plant and equipment	4,924	2,646
Capital reduction from associated company	-	7,000
Proceeds from disposal of other investments	-	46,535
Acquisition of business by a subsidiary	-	(1,500)
Purchase of property, plant and equipment	(59,365)	(29,844)
Purchase of investment properties	(19,614)	(200,007)
Purchase of subsidiaries, net of cash acquired	-	7
	-----	-----
Net cash used in investing activities	(69,061)	(167,789)
	-----	-----
Cash flows from financing activities		
Dividends paid to shareholders of the Company and minority interests	(33,569)	(33,583)
Net proceeds from bank borrowings	221,427	440,133
Issue of shares pursuant to ESOS exercised	5	3,876
Issue of preference shares by a subsidiary	-	1,500
Shares repurchased at cost	(2,665)	(3,289)
	-----	-----
Net cash from financing activities	185,198	408,637
	-----	-----
Net increase/(decrease) in cash and cash equivalents	38,999	(7,507)
Effects on exchange rate changes	(146)	300
Cash and cash equivalents at beginning of year	(2,115)	5,092
	-----	-----
Cash and cash equivalents at end of year	36,738	(2,115)
	=====	=====

For purposes of Cash Flow Statements, cash and cash equivalents are presented net of bank overdrafts and comprise the following:

Deposits with licensed banks	7,660	7,138
Cash in hand and at bank	36,155	22,161
Bank overdrafts	(7,077)	(31,414)
	-----	-----
	36,738	(2,115)
	=====	=====

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 January 2005



PART A

Explanatory Notes Pursuant to Financial Reporting Standard (FRS) 134 (previously MASB 26) “Interim Financial Reporting”

1. Basis of Preparation

This Interim report is prepared in accordance with FRS 134 (previously MASB 26) “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group’s audited financial statements for the year ended 31 January 2005.

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted for the annual financial statements for the year ended 31 January 2005 except for Segment Revenue and Segment Result, whereby Trading and Financing Segment have been segregated.

2. Annual Audited Report

The audit report in respect of the financial statements of the Company for the preceding financial year ended 31 January 2005 was not subject to any qualification.

3. Comments on the Seasonality or Cyclicity of Operations

The seasonal or cyclical factors affecting the results of the operations of the Group are as follows:

- (a) The performance of the Group’s Property Division and Quarry and Building Materials Division were influenced by a slow down in construction activity in the first and fourth quarters attributable to the timing of seasonal festive periods.
- (b) The Group’s Plantation Division performance was influenced by general climatic conditions, age profile of oil palms and the cyclical nature of annual production.

4. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence.

Save for the information disclosed in this interim financial report, there were no unusual items affecting assets, liabilities, equity, net income or cash flow.

5. Other Non-Operating Items

The non-operating items were in respect of:

	Current Quarter Ended		Cumulative Quarter Ended	
	31.1.2006	31.1.2005	31.1.2006	31.1.2005
	RM’000	RM’000	RM’000	RM’000
Provision for closure costs no longer required	5,546	-	5,546	-
Impairment loss on investment in an associated company	(5,273)	-	(5,273)	-
Gain on disposal of other investments				
- quoted	-	-	-	12,958
- unquoted	-	-	-	3,500
	-----	-----	-----	-----
	273	-	273	16,458
	=====	=====	=====	=====

6. Nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years

There were no changes in estimates of amounts used in prior interim periods of the current financial year or changes of estimates of amounts reported in prior financial years.



7. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity

- (a) The monthly breakdown of shares bought back and treasury shares cancelled during the quarter under review are as follows:-

Month	No of shares Purchased	Purchase price per share		Average cost Per share	Total cost	No of shares Cancelled
		Lowest	Highest			
	RM	RM	RM	RM	RM	
November 2005	167,400	2.0200	2.1200	2.0969	351,016.98	-
December 2005	1,000	1.9300	1.9300	1.9448	1,944.78	-
January 2006	-	-	-	-	-	-
Total	168,400	1.9300	2.1200	2.0960	352,961.76	-

During the current quarter under review, 168,400 shares were bought back and there was no resale or cancellation of treasury shares. All the shares bought back were retained as treasury shares.

- (b) The Company has an Employees' Share Option Scheme ["ESOS"] which will expire on 12 September 2007 pursuant to the shareholders' approval at an Extraordinary General Meeting ["EGM"] held on 4 December 2000. During the current quarter under review, there was no issuance of share pursuant to the ESOS.
- (c) As at 31 January 2006, the Company has 33,804,400 ordinary shares held as treasury shares after a cumulative cancellation of 2,849,000 shares. Simultaneous with the aforementioned cancellation of treasury shares, as at 31 January 2006, the Company had allotted and issued a cumulative total of 2,849,000 new ordinary shares of RM1.00 each pursuant to the ESOS. Consequently, the issued and paid up share capital of the Company remained unchanged at 622,660,000 ordinary shares of RM1.00 each. As at 31 January 2006, options granted to subscribe for 4,783,000 ordinary shares of RM1.00 each pursuant to the ESOS remained unexercised.

8. Dividends Paid

The total dividends paid out of the shareholders' equity for the ordinary shares are as follows:

	Cumulative Quarter Ended	
	31.1.2006	31.1.2005
	RM'000	RM'000
Dividend paid in respect of financial year ended 31 January 2004:		
- final (3.5 sen less tax) paid on 16 July 2004	-	14,859
Dividend paid in respect of financial year ended 31 January 2005:		
- interim (3.5 sen less tax) paid on 27 October 2004	-	14,867
- final (3.5 sen less tax) paid on 18 July 2005	14,866	-
Dividend paid in respect of financial year ended 31 January 2006:		
- interim (3.5 sen less tax) paid on 28 October 2005	14,846	-
	-----	-----
	29,712	29,726
	=====	=====

9. Segment Revenue and Segment Result for the Period Ended 31 January 2006

	Trading	Financing	Agricultural	Property	Investment Holding	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	1,002,247	34,299	278,103	144,480	329	-	1,459,458
Inter-segment revenue	48,229	-	-	5,961	-	(54,190)	-
Total revenue	1,050,476	34,299	278,103	150,441	329	(54,190)	1,459,458
Result							
Operating profit	17,928	20,751	125,243	38,302	(17,403)	(8,453)	176,368



10. Valuation of Property, Plant and Equipment

The valuation of land and buildings have been brought forward, without amendment from the previous annual report.

11. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the current quarter and up to 23 March 2006, being the last practicable date from the date of the issue of this report which are expected to have an operational or financial impact on the Group.

12. Effect of Changes in the Composition of the Group during the Interim Period, including Business Combinations, Acquisition or Disposal of Subsidiaries and Long-term Investments, Restructuring and Discontinuing Operations

During the quarter under review, the changes in the composition of the Group are as follows:-

On 12 September 2005, as announced by the Company on even date;

- (a) Sasco Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement on even date to dispose of its entire 90% shareholding comprising 90,000 ordinary shares of USD1.00 each in PT. Sasco Indonesia, a company incorporated in Indonesia, to its wholly-owned subsidiary, Macro Arch (M) Sdn Bhd at the disposal consideration of USD90,000; and
- (b) Hap Seng (Oil & Transport) Sdn Bhd, a wholly-owned subsidiary of Hap Seng Trading Sdn Bhd which in turn is a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement to dispose of its entire 10% shareholding comprising 10,000 ordinary shares of USD1.00 each in PT Sasco Indonesia to its wholly-owned subsidiary, Palms Edge (M) Sdn Bhd at the disposal consideration of USD10,000.

The aforementioned conditional sale and purchase agreements were completed on 10 November 2005 upon obtaining the letter of approval from the relevant Indonesian authority.

The above changes in composition of the Group do not have significant financial effect on the Group.

13. Changes in Contingent Liabilities or Contingent Assets since the Last Annual Balance Sheet Date

Since the last annual balance sheet date, the Group has no material contingent liabilities as at 23 March 2006, being the last practicable date from the date of the issue of this report which are expected to have an operational or financial impact on the Group.

The contingent liabilities of the Company as at the end of the current quarter are as follows:

	As at	As at
	31.1.2006	31.1.2005
	RM'000	RM'000
Guarantees to and contingencies relating to borrowings of subsidiaries in respect of balances outstanding	748,176	550,194
	=====	=====

14. Capital Commitments

The Group has the following capital commitments:

	As at	As at
	31.1.2006	31.1.2005
	RM'000	RM'000
Contracted but not provided for in this report	23,269	2,745
Authorised but not contracted for	116,222	50,553
	-----	-----
	139,491	53,298
	=====	=====



15. Significant Related Party Transactions

During the current quarter under review and up to 23 March 2006, the Company and its subsidiaries did not enter into any Significant Related Party Transactions nor Recurrent Related Party Transactions that were not included in the Shareholders' mandate obtained on 28 June 2005, except for the following:

- (a) On 28 November 2005, Si Khiong Star Sdn Bhd ["SKS"], a wholly-owned subsidiary of Si Khiong Industries Sdn Bhd which in turn is a wholly-owned subsidiary of the Company, sold a Mercedes Benz A170 (Normal Specifications) motor vehicle to Dato' Richard Ong Guan Seng, a director of Malaysian Mosaics Berhad, the holding company of the Company at the sale price of RM179,338.00. The transaction was entered in the ordinary course of business of SKS and was undertaken on arm's length terms which are not more favourable than those available to the public. The aforementioned sale was announced by the Company on even date.
- (b) On 19 December 2005, Si Khiong Star Sdn Bhd ["SKS"], a wholly-owned subsidiary of Si Khiong Industries Sdn Bhd which in turn is a wholly-owned subsidiary of the Company, sold a Smart Roadster for Two (A) motor vehicle to Ton Ter Hung at the sale price of RM133,948.25. Ton Ter Hung is the wife of David Park, the Executive Chairman of both the Company and its holding company, Malaysian Mosaics Berhad. The transaction was entered in the ordinary course of business of SKS and was undertaken on arm's length terms which are not more favourable than those available to the public. The aforementioned sale was announced by the Company on even date.
- (c) On 16 January 2006, Hap Seng Properties Development Sdn Bhd ["HSPD"], a wholly-owned subsidiary of Hap Seng Land Development Sdn Bhd which in turn is a wholly-owned subsidiary of Hap Seng Land Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement to acquire from Lip Soon Enterprise Sdn Bhd ["Lip Soon"] a parcel of vacant land held under PL106293029 situated at Tanjung Batu Laut, Tawau, Sabah at the purchase price of RM12,100,000 on a "willing-buyer-willing-seller" basis. Lip Soon is a wholly-owned subsidiary of Hap Seng Sdn Bhd, which in turn is a wholly-owned subsidiary of Gek Poh (Holdings) Sdn Bhd, the ultimate holding company of the Company. The aforementioned acquisition was announced by the Company on even date.
- (d) On 23 January 2006, Si Khiong Star Sdn Bhd ["SKS"], a wholly-owned subsidiary of Si Khiong Industries Sdn Bhd which in turn is a wholly-owned subsidiary of the Company, sold a Mercedes Benz A170 (Normal Specifications) motor vehicle to Jeannette Tan Lii Shyan, at the sale price of RM179,338.00. Jeannette Tan Lii Shyan is the daughter of Tan Ghee Kiat, a director of both the Company and its holding company, Malaysian Mosaics Berhad. The transaction was entered in the ordinary course of business of SKS and was undertaken on arm's length terms which are not more favourable than those available to the public. The aforementioned sale was announced by the Company on even date.



PART B

Explanatory Notes Pursuant to paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad

1. Review of Performance.

Group revenue for the current quarter ended 31 January 2006 at RM360.7 million was 12% higher than the preceding year corresponding quarter mainly due to higher sales achieved by Sasco Fertilizer and Automotive Divisions and higher interest income at the Credit Financing Division. Group Operating Profit for the current quarter at RM50.1 million was 2% lower than the preceding year corresponding quarter mainly due to lower contributions from Plantation, Property and Quarry and Building Materials Divisions but mitigated somewhat by better performance from Credit Financing Division.

For the full year, revenue was 19% higher than the preceding year attributable to improvement by all divisions other than Plantation Division. Group Operating Profit for the year was 15% lower than the preceding year mainly due to lower contributions from Plantation and Sasco Fertilizer Divisions.

Plantation Division's operating profit for the year was mainly affected by a lower Crude Palm Oil (CPO) average price of RM1,352 per metric tonne compared with the preceding year price of RM1,621 per metric tonne. The Division also experienced increased fertilizers and diesel costs and additional sales tax levied by the Sabah State Government. Sasco Fertilizer Division results were adversely affected by higher fertilizers sourcing costs and severe trading conditions.

The higher financing costs for the year were due to interest rate rises and the increased level of funding required to support growth in the Property, Credit Financing, Sasco Fertilizer and Automotive Divisions.

Overall, profit before other non-operating items, tax and minority interests for the year at RM141.9 million was 26% lower than the preceding year. Basic earnings per share attributable to shareholders at 15.02 sen was 37% lower than the preceding year of 23.84 sen. Excluding other non-operating items, basic earnings per share was 29% lower than the preceding year.

2. Comments on Material Changes in the Profit Before Taxation for the Quarter Reported as Compared with the Preceding Quarter

Group profit before other non-operating items, tax and minority interests for the current quarter at RM40 million was 10% lower than the previous quarter of RM44.6 million mainly due to lower contributions from Sasco Fertilizer, Automotive, Credit Financing and Quarry and Building Materials Divisions partially offset with some improvement in Property Division results.

Sasco Fertilizer Division was affected by higher cost of fertilizers and erosion of margins. Automotive Division incurred higher operating costs as it continued to build market share in the Mercedes Benz passenger car market in the Klang Valley. Quarry and Building Materials Division results were lower as a result of production limitations caused by environmental issues. Credit Financing Division results were restricted by early loan redemptions.

3. Current Year Prospects

The Group anticipates ongoing competitive trading conditions in the various market sectors in which it presently operates and to remain profitable as it continues to consolidate the progress made in entering the Peninsula Malaysia markets. Overall, the Operating Profit of the Group in the current year will be mainly influenced by the Plantation Division Crude Palm Oil prices.

4. Variances Between Actual Profit and Forecast Profit

Any variances between actual profit and forecast profit is not applicable as the Company has not provided any profit forecast in any public document.



5. Tax Expense

Tax expense comprises the following:

	Current Quarter Ended 31.1.2006 RM'000	Cumulative Quarter Ended 31.1.2006 RM'000
In respect of current period		
- Income tax	16,081	44,787
- Deferred tax	(928)	(715)
- Tax expense on share of profit of associated companies	(180)	955
	-----	-----
	14,973	45,027
In respect of prior year		
- Income tax	453	(1,148)
- Deferred tax	(3,868)	(3,868)
- real property gains tax	(40)	(11)
	-----	-----
	11,518	40,000
	=====	=====

The Group's effective tax rate for the current quarter and the year excluding over provision of tax in respect of prior year were higher than statutory tax rate due to certain expenses disallowed for tax purposes.

6. Profits/ (Losses) on sale of unquoted investments and/or properties respectively for the current quarter and financial year-to-date

There was no disposal of unquoted investment for the current quarter under review. Sale of properties was in respect of those that were sold in the ordinary course of business and were included in the revenue of the Group.

7. Purchase or disposal of quoted securities other than securities in existing subsidiaries and associated companies for the current quarter and financial year-to-date

(a) The Company and the Group did not purchase or dispose of any quoted securities for the current quarter except for the shares bought back by the Company as disclosed in Note 7(a) of Part A above.

(b) The Group's total investments in quoted shares (excluding existing subsidiaries and associated companies) as at the end of the reporting period is:-

	RM'000
(i) At cost	37,998
(ii) At book value	23,089
(iii) At market value	24,823
	=====

8. Status of Corporate Proposals Announced But Not Completed Not Earlier than Seven (7) Days from the Date of this Report

There was no corporate proposal announced but not completed as at 23 March 2006.



9. Borrowings and Debt Securities

The Group does not have any debt securities. Group borrowings as at the end of the reporting period which are all denominated in Ringgit are as follows:

	RM'000
Short term - Bankers acceptances	266,949
- Bank overdrafts	7,077
- Revolving credits	204,200

	478,226
Long term - Term loan	419,950

	898,176
	=====

All the above borrowings are unsecured.

10. Financial Instruments with Off Balance Sheet Risk

The Group entered into forward foreign exchange contracts where appropriate to limit its exposure on currency receivables and payables, and on cash flows generated from anticipated transactions denominated in foreign currencies. The fair value of forward foreign currency contracts is the estimated amount in which the Group would expect to pay on the termination of the outstanding position arising from such contracts. The fair value of such contracts is determined by reference to the spot rate on that date. The settlement date of these contracts range between 1 and 6 months.

The contracted amount and fair value of financial instruments not recognised in the balance sheet as at 23 March 2006 being a date not earlier than 7 days from the date of this report are:

	Contracted Amount	Fair Value
	RM'000	RM'000
Forward foreign exchange contracts	27,317	27,346
	=====	=====

The Group has no significant concentrations of credit and market risks in relation to the above off balance sheet financial instruments as the forward foreign exchange contracts are entered into with reputable financial institutions and are not used for speculative purposes.



11. Material Litigation

Except for the following, there were no changes in material litigation since the last annual balance sheet date:-

On 24 October 2002, the Company was served with a Writ of Summons ["said Writ"] in the High Court in Sabah and Sarawak at Kota Kinabalu ["Tongod Suit"] wherein the Company was named as the first defendant, Asiatic Development Berhad as the second defendant, Tanjung Bahagia Sdn Bhd as the third defendant, Director of Department of Lands and Surveys, Sabah as the fourth defendant and the Government of the State of Sabah as the fifth defendant. The Tongod Suit was instituted by certain natives of Sabah claiming Native Customary Rights over all that parcel of land held under Title No. CL095330724 situated in Sungai Tongod, District of Kinabatangan, Sandakan ["the Tongod Land"] or part thereof. The Company had on 9 May 2002 completed its disposal of the Tongod Land to Tanjung Bahagia Sdn Bhd, the wholly-owned subsidiary of Asiatic Development Berhad.

The Company has filed its Statement of Defence and an application to strike out the said Writ on 11 February 2003 ["Striking Out Application"].

As announced on 13 June 2003, the learned Deputy Registrar dismissed the Company's Striking Out Application with costs. The Company is appealing against the said decision and the Court had adjourned its original hearing date of 15 April 2005 on the same to another date to be fixed.

The Plaintiff had earlier filed an application for injunction restraining the second and third defendants from carrying out, inter alia, planting activities on the Tongod Land or part thereof. During the hearing held on 5 July 2004 on the said injunction application, the defendants had raised a preliminary objection to the Court's jurisdiction to determine Native Customary Rights. The Court has yet to fix a new date for decision on the said preliminary objection.

The Company's Solicitors are of the opinion that the Plaintiffs' claim to Native Customary Rights against the alienated land after the issuance of the title is unlikely to succeed.

12. Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31.1.2006	Preceding Year Corresponding Quarter Ended 31.1.2005	Current Year Ended 31.1.2006	Preceding Year Corresponding Period 31.1.2005
Net profit for the period attributable to shareholders of the Company (RM'000)	23,156	26,814	88,526	140,636
Basic earnings per share (sen)	3.93	4.55	15.02	23.84
Diluted earnings per share (sen)	3.93 *	4.54	15.02 *	23.82
Based on weighted average number of Ordinary shares ('000):				
- for Basic earnings per share	589,516	589,815	589,516	589,815
Adjustment for share options	364	612	364	612
- for Diluted earnings per share	589,152	590,427	589,152	590,427

* As the diluted earnings per share exceed the basic earnings per share, the anti-dilutive effect is ignored.



13. Dividends

- (a) Dividend paid for year ended 31 January 2006

an interim dividend of 3.5 sen (2005: 3.5 sen) per ordinary share less income tax of 28% which was approved by the Board of Directors on 27 September 2005 had been paid on 28 October 2005;

- (b) The Board of Directors have on even date proposed a final dividend for year ended 31 January 2006 which is subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company as follows:

(i) Amount per ordinary share of RM1.00 each - Final Dividend	3.5 sen less income tax at 28%
(ii) Previous corresponding period: Amount per ordinary share of RM1.00 each - Final Dividend	3.5 sen less income tax at 28%
(iii) Total dividend for the current financial year:	7.0 sen comprising an interim dividend of 3.5 sen per ordinary share less income tax at 28% and proposed final dividend of 3.5 sen per ordinary share less income tax at 28%. (2005: 7.0 sen per ordinary share less income tax of 28%)

- [c] The entitlement and payment date will be announced at a later date.

BY ORDER OF THE BOARD

LEE WEE YONG
CHEAH YEE LENG

Secretaries

Petaling Jaya
28 March 2006