
15. ACCOUNTANTS' REPORT

(Prepared for inclusion in this Prospectus)

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**Deloitte
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2 October 2003

The Board of Directors
Plenitude Berhad
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Gentlemen:

**PLENITUDE BERHAD
ACCOUNTANTS' REPORT**

A. INTRODUCTION

1. This report has been prepared by Deloitte & Touche, an approved company auditor, for inclusion in the Prospectus of Plenitude Berhad ("Plenitude" or "the Company") to be dated **15 OCT 2003** in connection with the public issue of 33,750,000 new ordinary shares of RM1.00 each at an issue price of RM1.60 per ordinary share payable in full on application comprising:
 - (i) 1,000,000 new ordinary shares of RM1.00 each available for application by eligible employees of Plenitude Group;
 - (ii) 28,000,000 new ordinary shares of RM1.00 each by way of private placement to identified investors; and
 - (iii) 4,750,000 new ordinary shares of RM1.00 each available for application by the Malaysian Public.

in conjunction with the Company's listing on the Main Board of the Kuala Lumpur Stock Exchange ("KLSE").

**Deloitte
Touche
Tohmatsu**

15. ACCOUNTANTS' REPORT (CONT'D)

B. GENERAL INFORMATION**B.1 Incorporation**

Plenitude was incorporated on 6 November 2000 as a private limited company under the Companies Act, 1965 in Malaysia under the name of Plenitude Sdn Bhd. The Company was converted to a public limited company on 16 November 2000 and accordingly assumed its present name. The principal activities of the Company are that of investment holding and provision of management services.

B.2 Restructuring and Flotation Scheme

In conjunction with, and as part of the proposed listing of and quotation for the entire issued and paid up share capital of the Company on the Main Board of KLSE, the Company undertook a restructuring exercise involving the acquisition of the issued and paid-up share capital of the following companies for a total consideration of RM100,950,000, satisfied by the issue of 100,950,000 ordinary shares of RM1.00 each at an issue price of RM1.00 per share:

Name of company	Consideration RM
Cipriani Sdn Bhd ("CSB") [including its wholly-owned subsidiary companies, Plenitude Holdings Sdn Bhd ("PHSB") and PNT Materials Trading Sdn Bhd (formerly known as Astana Emas Sdn Bhd) ("PNTMT")]	54,827,390
Sepang Permai Sdn Bhd ("SPSB")	29,109,237
Sin Yik Development Sdn Bhd ("SYD") [including its wholly-owned subsidiary companies, Changkat Kiara Sdn Bhd (formerly known as Kiara Terraces Sdn Bhd) ("CK") and TBBH Management Sdn Bhd ("TBBH")]	17,013,373
	100,950,000

The acquisitions of CSB, SPSB and SYD by the Company was completed on 5 August 2002.

B.3 Share Capital

As of the date of incorporation, the authorised share capital of the Company was RM100,000, comprising 100,000 ordinary shares of RM1.00 each, and the issued and paid-up share capital was RM2, comprising 2 ordinary shares of RM1.00 each.

The present authorised share capital of the Company is RM500,000,000, divided into 500,000,000 ordinary shares of RM1.00 each, and the issued and paid-up share capital is RM101,250,000, consisting of 101,250,000 ordinary shares of RM1.00 each.

15. ACCOUNTANTS' REPORT (CONT'D)

The changes in the issued and paid-up share capital of the Company since its incorporation are as follows:

Date of allotment	Type of issue	Number of ordinary shares allotted	Cumulative issued and paid-up share capital RM
6.11.2000	Subscribers' ordinary shares of RM1.00 each	2	2
19.12.2000	Allotment of ordinary shares of RM1.00 each	299,998	300,000
	Acquisition of the following companies by way of issue of ordinary shares at RM1.00 each:		
5.8.2002	CSB	54,827,390	55,127,390
5.8.2002	SPSB	29,109,237	84,236,627
5.8.2002	SYD	17,013,373	<u>101,250,000</u>

The issued and paid-up share capital of Plenitude will be increased to RM135,000,000 upon the completion of the public issue and private placement.

B.4 Information of Subsidiary Companies and Principal Activities

The principal activities of the Company are that of investment holding and provision of management services. Pursuant to the implementation of the restructuring scheme referred to in the foregoing, the Company became the holding company of the subsidiary companies as listed below.

The subsidiary companies, all incorporated in Malaysia, and their principal activities are as follows:

Name	Date of incorporation	Effective equity interest	Issued and paid-up share capital RM	Principal Activities
CSB	2.10.1991	100%	90,000,000	Investment holding
PHSB	2.6.1984	100%	49,242,908	Property development and investment holding

(Forward)

15. ACCOUNTANTS' REPORT (CONT'D)

Name	Date of incorporation	Effective equity interest	Issued and paid-up share capital RM	Principal Activities
PNTMT	6.3.1997	100%	1,000,000	Trading of construction materials
PNTG*	3.7.2002	100%	2	Dormant
PNTPM*	23.10.2002	100%	2	Property management
SPSB	28.12.1994	100%	60,000,000	Property development
SYD	12.5.1978	100%	18,930,000	Property development, hoteling and investment holding
CK	8.12.2001	100%	1,000,000	Property development
TBBH	19.04.1993	100%	2	Hotel management

* PNT Guards Sdn Bhd ("PNTG") and PNT Property Management Services Sdn Bhd ("PNTPM") were incorporated during the financial year ended 30 June 2003.

15. ACCOUNTANTS' REPORT (CONT'D)

C. AUDITORS' REPORTS

We have acted as auditors of the Company and its subsidiary companies for the financial periods/years as follows:

Name Audited by	Financial period/year	
	Deloitte & Touche	Other auditors
Plenitude	Financial period 6 November 2000 (date of incorporation) to 30 June 2001 and financial years ended 30 June 2002 and 2003	-
CSB	Financial years ended 30 June 2001, 2002 and 2003	Financial years ended 30 June 1999 and 2000
PHSB	Financial years ended 30 June 2001, 2002 and 2003	Financial years ended 30 June 1999 and 2000
PNTMT	Financial period ended 30 June 2000 and financial years ended 30 June 2001, 2002 and 2003	Financial years ended 31 January 1999
PNTG	Financial period 3 July 2002 (date of incorporation) to 30 June 2003	-
PNTPM	Financial period 23 October 2002 (date of incorporation) to 30 June 2003	-
SPSB	Financial periods ended 30 April 2000, 30 June 2001 and financial years ended 30 June 2002 and 2003	Financial period ended 30 April 1999
SYD	Financial period ended 30 June 2001 and financial years ended 30 June 2002 and 2003	Financial years ended 31 January 1999 and 2000
CK	Financial period 8 December 2001 (date of incorporation) to 30 June 2002 and financial year ended 30 June 2003	-
TBBH	Financial years ended 30 June 1999 to 2003	-

None of the financial statements of all the companies within the Group for all the financial years/periods were subject to any audit qualifications.

15. ACCOUNTANTS' REPORT (CONT'D)

D. DIVIDENDS

The Company has not paid or declared any dividends since its incorporation.

Dividend declared and paid by CSB, PHSB, SPSB and SYD during the period under review are as follows:

Subsidiaries	Date	Gross rate of dividend %	Net dividends paid/payable RM'000
CSB	30.6.2003	7.64	4,950
PHSB	30.6.2002	10.00	3,545
	30.6.2003	13.89	4,924
SPSB	30.6.2003	10.00	4,320
SYD	30.6.2003	13.89	1,893

E. ACCOUNTING POLICIES AND STANDARDS

This report is prepared on a basis consistent with accounting policies normally adopted by Plenitude and its subsidiary companies, and in accordance with applicable approved accounting standards issued by the Malaysian Accounting Standards Board.

15. ACCOUNTANTS' REPORT (CONT'D)

F. SUMMARISED INCOME STATEMENTS

F.1 CONSOLIDATED INCOME STATEMENTS

The summarised proforma consolidated income statements for financial years ended 30 June 1999 to 2002 and the audited consolidated income statements for financial year ended 30 June 2003 of Plenitude and its subsidiary companies ("Plenitude Group") are set out below. The proforma consolidated income statements have been prepared for illustrative purposes only and on the assumption that the Plenitude Group structure had been in existence throughout the relevant periods under review.

	← Year ended 30 June →				Audited 2003 ⁷ RM'000
	← Proforma →				
	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	
Revenue	75,593	74,290	153,097	153,441	146,108
Profit before amortisation, depreciation and interest	16,357	18,052	36,761	34,655	41,310
Amortisation	(1)	(5)	-	-	-
Depreciation	(260)	(330)	(433)	(358)	(393)
Interest expenses	(1,321)	(1,034)	(1,730)	(1,892)	(890)
Profit before tax	14,775	16,683	34,598	32,405	40,027
Income tax expense	-	(4,625)	(10,279)	(9,841)	(12,153)
Profit after tax	14,775	12,058	24,319	22,564	27,874
Enlarged number of ordinary shares of RM1 each in issue ('000)	135,000	135,000	135,000	135,000	135,000
Gross earnings per share (sen)	10.94	12.36	25.63	24.00	29.65
Net earnings per share (sen)	10.94	8.93	18.01	16.71	20.65

15. ACCOUNTANTS' REPORT (CONT'D)

Notes:

- (1) The gross earnings per share has been calculated based on the profit before taxation and on the assumption that the issued and paid-up share capital of Plenitude of 135,000,000 (after the proposed public issue and placement) ordinary shares of RM1 each has been in issue throughout the years under review.

The net earnings per share has been calculated based on the profit after taxation and on the assumption that the issued and paid-up share capital of Plenitude of 135,000,000 (after the proposed public issue and placement) ordinary shares of RM1 each has been in issue throughout the years under review.

- (2) The decrease in turnover in 2000 is due mainly to the decrease in turnover of PHSB as a result of the decrease in turnover recognised for Phase 1.

Turnover was significantly higher in 2001 and this was mainly attributed to the commencement of development project in Taman Putra Prima, Sepang.

The decrease in turnover in 2003 of RM7.3 million is due mainly to inclusion of only 11 months post-acquisition results of the subsidiary companies acquired (detailed in Note 7 herein).

Profit before tax for 2003 had increased due mainly to cost savings on development costs of SPSB and PHSB. As such, the Group had achieved a higher profit margin for 2003.

- (3) No dividend was declared by Plenitude since its incorporation.
- (4) As the financial year end of the companies in the Plenitude Group were different, the proforma consolidated income statements for the four financial years ended 30 June 1999 to 2002 were arrived at based on time apportionment of the results as shown in the respective companies audited financial statements.
- (5) In accordance with the Income Tax (Amendment) Act, 1999, tax on income earned in the year of assessment 2000 (preceding year basis) will be waived. Consequently, no provision for taxation has been made in the financial statements for 1999. The tax expense of RM634,000 made in the audited financial statements of a subsidiary company in 1999 was due mainly to underprovision of taxation in the financial years 1997 and 1998 and this has been adjusted for in the proforma consolidated income statement for 1999.

The effective tax rate for 2000 approximates the statutory tax rate.

The effective tax rate for 2001, 2002 and 2003 is higher than the statutory tax rate due mainly to certain expenses which are not allowed for tax purposes.

15. ACCOUNTANTS' REPORT *(CONT'D)*

- (6) There were no extraordinary/exceptional items during the year/period under review.

- (7) The acquisitions of the subsidiary companies by Plenitude were completed in August 2002. Accordingly, the audited financial statements include the post acquisition results of the subsidiary companies acquired from August 2002 to June 2003 or a period of 11 months.

15. ACCOUNTANTS' REPORT (CONT'D)

F.2 Plenitude

	Period 6.11.2000 to 30.6.2001 (8 months) RM'000	Year ended 30.6.2002 (12 months) RM'000	Year ended 30.6.2003 (12 months) RM'000
Revenue	-	75	15,849
Profit/(Loss) before depreciation and interest	(127)	(96)	15,399
Depreciation	(7)	(13)	(16)
Interest expense	-	-	-
Profit/(Loss) before tax	(134)	(109)	15,383
Income tax expense	-	-	(4,406)
Profit/(Loss) after tax	(134)	(109)	10,977
Number of ordinary shares in issue ('000)	300	300	101,250
Gross earnings/(losses) per share (sen)	(44.67)	(36.33)	15.19
Net earnings/(losses) per share (sen)	(44.67)	(36.33)	10.84

Notes:

- (1) The Company was incorporated on 6 November 2000 and accordingly, its income statement was drawn up for the first time in the period ended 30 June 2001.
- (2) The revenue of the Company represents management fees and dividend income from its subsidiary companies.

The significant increase in turnover in 2003 is due to dividend income received from its subsidiary companies amounting to RM15.5 million.
- (3) The effective tax rate for 2003 approximates the statutory tax rate.
- (4) There were no extraordinary/exceptional items during the year under review.

15. ACCOUNTANTS' REPORT (CONT'D)

F.3 CSB

	← Year ended 30 June →				
	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000
Revenue	-	-	-	4,924	6,839
Profit/(Loss) before depreciation and interest	(1)	(7)	(3)	4,918	6,855
Depreciation	-	-	-	-	-
Interest expense	-	-	-	-	-
Profit/(Loss) before tax	(1)	(7)	(3)	4,918	6,855
Income tax expense	-	-	-	(1,378)	(1,921)
Profit/(Loss) after tax	(1)	(7)	(3)	3,540	4,934
Number of ordinary shares in issue ('000)	90,000	90,000	90,000	90,000	90,000
Gross earnings per share (sen)	-	-	-	5.46	7.62
Net earnings per share (sen)	-	-	-	3.93	5.48

Notes:

- (1) CSB was incorporated on 2 October 1991 and is principally involved in investment holding.
- (2) CSB commenced operations in the financial year 1993 with the acquisition of its wholly-owned subsidiary company, Plenitude Holdings Sdn Bhd.
- (3) Revenue recorded in 2002 and 2003 is derived from gross dividend income received from its subsidiary company.
- (4) There is no provision for estimated current tax payable for the financial years 1998 to 2001 as CSB has no taxable income. The effective tax rate for 2002 and 2003 reflects the statutory tax rate.
- (5) There were no extraordinary/exceptional items during the years under review.

15. ACCOUNTANTS' REPORT (CONT'D)

F.4 PHSB

	← Year ended 30 June →				
	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000
Revenue	60,268	45,080	58,368	74,081	65,799
Profit before depreciation and interest	13,236	14,527	20,409	17,068	21,765
Depreciation	(130)	(148)	(136)	(88)	(102)
Interest expense	(587)	(24)	(73)	(15)	-
Profit before tax	12,519	14,355	20,200	16,965	21,663
Income tax expense	2	(4,035)	(5,700)	(4,800)	(6,179)
Profit after tax	12,521	10,320	14,500	12,165	15,484
Number of ordinary shares in issue ('000)	49,243	49,243	49,243	49,243	49,243
Gross earnings per share (sen)	25.42	29.15	41.02	34.45	43.99
Net earnings per share (sen)	25.43	20.96	29.45	24.70	31.44

Notes:

- (1) PHSB was incorporated on 2 June 1984 and is principally involved in property development.
- (2) Revenue of PHSB comprises income recognised from the sale of development properties based on the percentage of completion method.

In 2000, turnover had decreased by approximately RM15.2 million to RM45.1 million due mainly to the decrease in turnover recognised for Phase 1 as the phase was substantially completed in 1999.

In 2003, turnover had decreased by approximately RM8.3 million to RM65.8 million due mainly to the launching of Phases 3A, 4B and 5B being deferred.

Although turnover for 2003 had decreased, profit before tax had increased due mainly to cost savings on development costs. As such, PHSB had achieved a higher profit margin for 2003.

15. ACCOUNTANTS' REPORT (CONT'D)

- (3) In accordance with the Income Tax (Amendment) Act, 1999, tax on income earned in the year of assessment 2000 (preceding year basis) will be waived. Consequently, no provision for taxation has been made in the financial statement for 1999.

The effective tax rate for 2000, 2001, 2002 and 2003 approximates the statutory tax rate.

- (4) There were no extraordinary/exceptional items during the years under review.

15. ACCOUNTANTS' REPORT (CONT'D)

F.5 PNTMT

	← Year/Period ended →				
	31.1.1999 (12 months) RM'000	30.6.2000 (17 months) RM'000	30.6.2001 (12 months) RM'000	30.6.2002 (12 months) RM'000	30.6.2003 (12 months) RM'000
Revenue	-	-	-	223	292
Profit/(Loss) before depreciation and interest	-	(7)	(1)	48	28
Depreciation	-	-	-	-	-
Interest expense	-	-	-	-	-
Profit/(Loss) before tax	-	(7)	(1)	48	28
Income tax expense	-	-	-	(14)	(7)
Profit/(Loss) after tax	-	(7)	(1)	34	21
Number of ordinary shares in issue	_3	_3	1,000,000	1,000,000	1,000,000
Gross earnings/(losses) per share (sen)	-	(350,000)	-	4.80	2.80
Net earnings/(losses) per share (sen)	-	(350,000)	-	3.40	2.10

Notes:

- (1) PNTMT was incorporated on 6 March 1997 under the name of Astana Emas Sdn Bhd and accordingly, its income statement was drawn up for the first time in the period ended 31 January 1998. On 22 November 2002, the Company's name was changed to PNT Materials Trading Sdn Bhd.
- (2) PNTMT did not commence operations since its incorporation and remained dormant for the financial years ended 31 January 1999, 2000 and 2001. In 2000, the Company changed its financial year end from 31 January to 30 June. During the financial year 2002, PNTMT commenced its operations and is principally engaged in the trading of building materials.
- (3) The issued capital in 1999 and 2000 is RM2.00.
- (4) There is no provision for estimated current tax payable for the financial years/period up to 30 June 2001 as PNTMT has no taxable income. The effective tax rate for 2002 and 2003 approximates the statutory tax rate.
- (5) There were no extraordinary/exceptional items during the years/period under review.

15. ACCOUNTANTS' REPORT (CONT'D)

F.6 PNTG

	Period 3.7.2002 to 30.6.2003 (12 months) RM
Revenue	<u>-</u>
Loss before depreciation and interest	(6,076)
Depreciation	-
Interest expense	<u>-</u>
Loss before tax	(6,076)
Income tax expense	<u>-</u>
Loss after tax	<u>(6,076)</u>
Number of ordinary shares in issue	<u>2</u>
Gross losses per share (RM)	<u>(3,038)</u>
Net losses per share (RM)	<u>(3,038)</u>

Note:

- (1) PNTG was incorporated on 3 July 2002.
- (2) PNTG is currently dormant and its intended principal activity is provision of security services.
- (3) There is no provision for estimated current tax payable for the financial period ended 2003 as PNTG has no taxable income.
- (4) There were no extraordinary/exceptional items during the year under review.

15. ACCOUNTANTS' REPORT (CONT'D)

F.7 PNTPM

	Period 23.10.2002 to 30.6.2003 (8 months) RM
Revenue	<u>16,800</u>
Loss before depreciation and interest	(548)
Depreciation	-
Interest expense	<u>-</u>
Loss before tax	(548)
Income tax expense	<u>-</u>
Loss after tax	<u>(548)</u>
Number of ordinary shares in issue	<u>2</u>
Gross losses per share (RM)	<u>(274)</u>
Net losses per share (RM)	<u>(274)</u>

Note:

- (1) PNTPM was incorporated on 23 October 2002 and is principally involved in property management.
- (2) There is no provision for estimated current tax payable for the financial period ended 2003 as PNTG has no taxable income.
- (3) There were no extraordinary/exceptional items during the year under review.

15. ACCOUNTANTS' REPORT (CONT'D)

F.8 SPSB

	← Year/Period ended →				
	30.4.1999 (13 months) RM'000	30.4.2000 (12 months) RM'000	30.6.2001 (14 months) RM'000	30.6.2002 (12 months) RM'000	30.6.2003 (12 months) RM'000
Revenue	-	8,620	55,321	51,338	61,969
Profit/(Loss) before depreciation and interest	(302)	803	11,538	13,019	19,911
Amortisation	-	(6)	-	-	-
Depreciation	(24)	(70)	(122)	(124)	(107)
Interest expense	-	-	-	-	-
Profit/(Loss) before tax	(326)	727	11,416	12,895	19,804
Income tax expense	-	(110)	(3,241)	(3,630)	(5,633)
Profit/(Loss) after tax	(326)	617	8,175	9,265	14,171
Number of ordinary shares in issue ('000)	57,083	60,000	60,000	60,000	60,000
Gross earnings/ (losses) per share (sen)	(0.57)	1.21	19.03	21.49	33.01
Net earnings/ (losses) per share (sen)	(0.57)	1.03	13.63	15.44	23.62

Notes:

- (1) SPSB was incorporated on 28 December 1994 under the name of Kejora Baru Sdn Bhd. On 22 July 1998, the Company's name was changed to Sepang Permai Sdn Bhd. SPSB remained dormant since the date of its incorporation and only commenced its operation in property development in the financial year ended 31 March 1998.

In 1999, SPSB changed its financial year end to 30 April from 31 March. Subsequently, in 2001, SPSB changed its financial year end to 30 June from 30 April.

15. ACCOUNTANTS' REPORT (CONT'D)

- (2) Revenue of SPSB comprises income recognised from the sale of development properties based on the percentage of completion method.

In 2001, turnover had increased significantly by approximately RM46.7 million to RM55.3 million due mainly to the commencement of development project in Taman Putra Prima, Sepang. Phases 2A and 2E were launched and had contributed more than 90% of the 2001 turnover.

Although turnover for 2002 had decreased, profit before tax had increased due mainly to cost savings on development costs of Phase 1B and 2E(1).

The increase in the turnover of 2003 of RM10.6 million is mainly due to the turnover recognised for the newly launched phases, namely Phase 2B, 2D(1), 2E(3) and 3A.

- (3) There is no provision for estimated current tax payable for the year 1999 as the Company has no taxable income.

The effective tax rate of 15% for 2000 is lower than the statutory tax rate due mainly to the utilisation of carryforward tax losses and unabsorbed capital allowances to partially set-off the income that would otherwise be taxable.

The effective tax rate for 2001, 2002 and 2003 approximates the statutory tax rate.

- (4) There were no extraordinary/exceptional items during the years/periods under review.

15. ACCOUNTANTS' REPORT (CONT'D)

F.9 SYD

	← Year/Period ended →				
	31.1.1999 (12 months) RM'000	31.1.2000 (12 months) RM'000	30.6.2001 (17 months) RM'000	30.6.2002 (12 months) RM'000	30.6.2003 (12 months) RM'000
Revenue	12,950	15,202	39,408	27,799	31,316
Profit before depreciation and interest	3,615	2,673	4,946	4,626	6,408
Depreciation	(96)	(106)	(168)	(134)	(192)
Interest expense	(609)	(909)	(1,659)	(1,877)	(2,010)
Profit before tax	2,910	1,658	3,119	2,615	4,206
Income tax expense	-	(474)	(1,338)	(1,397)	(1,347)
Profit after tax	2,910	1,184	1,781	1,218	2,859
Number of ordinary shares in issue ('000)	18,930	18,930	18,930	18,930	18,930
Gross earnings per share (sen)	15.37	8.76	16.48	13.81	22.22
Net earnings per share (sen)	15.37	6.25	9.41	6.43	15.10

Notes:

- (1) SYD was incorporated on 12 May 1978 and is principally involved in property development.
- (2) In 2000, turnover increased to RM15.2 million due mainly to the launching of four new phases, namely 1A3, 1A4, 1B1 and 1C, which consist only of residential units. The profit before tax for 2000 was lower than 1999 due mainly to the absence of sales of commercial units, which yield a higher profit margin.

Turnover for 2001 increased significantly by RM24.2 million to RM39.4 million as the phases launched in 2000 had been substantially completed in 2001 coupled by additional turnover from new phases launched during the year.

There is no significant change in turnover in 2002 (12 months) as compared to 2001 (17 months). However, profit before tax has increased as a result of higher margin for Phase 1A2 and 1A4.

15. ACCOUNTANTS' REPORT (CONT'D)

- (3) In accordance with the Income Tax (Amendment) Act, 1999, tax on income earned in the year of assessment 2000 (preceding year basis) will be waived. Consequently, no provision for taxation has been made in the financial statement for 1999. The tax expense of RM720,000 made in the audited financial statements in 1999 was due mainly to underprovision of taxation in the financial years 1997 and 1998 of RM586,000 and RM129,000 respectively, and this has been adjusted for in the income statement for 1999.

The effective tax rate for 2000, 2001, 2002 and 2003 is higher than the statutory tax rate due mainly to certain expenses which are not allowed for tax purposes.

- (4) There were no extraordinary/exceptional items during the years/periods under review.

15. ACCOUNTANTS' REPORT (CONT'D)

F.10 CK

	Period 8.12.2001 to 30.6.2002 (7 months) RM	30.6.2003 (12 months) RM
Revenue	-	-
Loss before depreciation and interest	(5,812)	(63,559)
Depreciation	-	(9,914)
Interest expense	-	-
Loss before tax	(5,812)	(73,473)
Income tax expense	-	-
Loss after tax	(5,812)	(73,473)
Number of ordinary shares in issue	2	1,000,000
Gross losses per share (RM)	(2,906)	(0.07)
Net losses per share (RM)	(2,906)	(0.07)

Note:

- (1) CK was incorporated on 8 December 2001 under the name of Kiara Terraces Sdn Bhd. On 15 July 2003, the Company's name was changed to Changkat Kiara Sdn Bhd.
- (2) CK is currently dormant and its intended principal activity is property development.
- (3) There is no provision for estimated current tax payable for the financial period/year ended 2002 and 2003 as the Company has no taxable income.
- (4) There were no extraordinary/exceptional items during the year under review.

15. ACCOUNTANTS' REPORT (CONT'D)

F.11 TBBH

	← Year ended 30 June →				
	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000
Revenue	-	-	-	4	12
Profit before depreciation and interest	-	(14)	(2)	2	7
Depreciation	-	-	-	-	-
Interest Expense	-	-	-	-	-
Profit/(Loss) before tax	-	(14)	(2)	2	7
Income tax Expense	-	-	-	(1)	(2)
Profit/(Loss) after tax	-	(14)	(2)	1	5
Number of ordinary shares in issue	2	2	2	2	2
Gross earnings/(losses) per share (RM)	-	(7,000)	(1,000)	1,000	3,500
Net earnings/(losses) per share (RM)	-	(7,000)	(1,000)	500	2,500

Notes:

- (1) TBBH was incorporated on 19 April 1993 under the name of Aliran Jitu (M) Sdn Bhd. TBBH changed to its present name on 21 January 2002.
- (2) TBBH is principally involved in hotel management. TBBH did not commence operations since its incorporation and remained dormant up to the financial year ended 30 June 2001. During the financial year 2002, TBBH commenced operations and is presently managing the Tanjung Bungah Beach Hotel, Penang.
- (3) There is no provision for estimated current tax payable for the financial years up to 30 June 2001 as TBBH has no taxable income.

The effective tax rate for 2002 and 2003 approximates the statutory tax rate.

- (4) There were no extraordinary/exceptional items during the years under review.

15. ACCOUNTANTS' REPORT (CONT'D)

G. SUMMARISED BALANCE SHEETS

As the purchase consideration for the acquisitions as stated in part B.2 of Section B is calculated based on the NTA of the respective subsidiary companies as of 31 July 2002, it is therefore impracticable to present the consolidated balance sheets of the Proforma Group throughout the financial years under review. Accordingly, the consolidated balance sheets have only been presented by way of statement of assets and liabilities as of 30 June 2003 based on the latest audited financial statements as of 30 June 2003 of Plenitude and its subsidiary companies as shown in Section G of this report.

The summarised balance sheets of Plenitude and its subsidiary companies based on their respective audited financial statements are set out as follows:

G.1 Plenitude

	←	As of	→
	30.6.2001	30.6.2002	30.6.2003
	RM'000	RM'000	RM'000
Property, plant and equipment	78	65	164
Investment in subsidiary companies	-	-	100,950
Other investment	-	-	20
Current assets	965	1,122	12,234
Current liabilities	(877)	(1,130)	(1,384)
Net current assets/(liabilities)	88	(8)	10,850
Net assets	166	57	111,984
Issued capital	300	300	101,250
Retained profit/(Accumulated losses)	(134)	(243)	10,734
Shareholders' fund	166	57	111,984
Net tangible assets (RM'000)	166	57	111,984
Net tangible assets per share (RM)	0.55	0.19	1.11

Note:

- (1) Plenitude was incorporated on 6 November 2000 and its first set of financial statements was drawn up for the period ended 30 June 2001.

15. ACCOUNTANTS' REPORT (CONT'D)

- (2) Included in current liabilities are the following amounts due to companies which are involved in the restructuring exercise mentioned in section B.2:

	← As of →		
	30.6.2001 RM'000	30.6.2002 RM'000	30.6.2003 RM'000
Amount due to:			
PHSB	545	747	932
SPSB	-	50	15
SYD	293	290	246

G.2 CSB

	← As of →				
	30.6.1999 RM'000	30.6.2000 RM'000	30.6.2001 RM'000	30.6.2002 RM'000	30.6.2003 RM'000
Investment in subsidiary company	90,000	90,000	90,000	90,000	90,000
Current assets	-	-	-	3,545	8,465
Current liabilities	(14)	(21)	(24)	(29)	(4,965)
Net current assets/(liabilities)	(14)	(21)	(24)	3,516	3,500
Net assets	89,986	89,979	89,976	93,516	93,500
Issued capital	90,000	90,000	90,000	90,000	90,000
Retained profits/ (Accumulated losses)	(14)	(21)	(24)	3,516	3,500
Shareholders' fund	89,986	89,979	89,976	93,516	93,500
Net tangible assets (RM'000)	89,986	89,979	89,976	93,516	93,500
Net tangible assets per share (RM)	1.00	1.00	1.00	1.04	1.04

15. ACCOUNTANTS' REPORT (CONT'D)

G.3 PHSB

	← As of →				
	30.6.1999 RM'000	30.6.2000 RM'000	30.6.2001 RM'000	30.6.2002 RM'000	30.6.2003 RM'000
Property, plant and equipment	261	256	106	535	629
Property development project-non-current portion	-	63,191	76,828	83,625	87,132
Investment in subsidiary company	-	-	1,000	1,000	1,000
Current assets	87,124	34,013	53,737	95,396	91,600
Current liabilities	(15,296)	(15,128)	(34,892)	(75,159)	(64,373)
Net current assets	71,828	18,885	18,845	20,237	27,227
Long term liabilities	(132)	(55)	(2)	-	(31)
Net assets	71,957	82,277	96,777	105,397	115,957
Issued capital	49,243	49,243	49,243	49,243	49,243
Retained profits	22,714	33,034	47,534	56,154	66,714
Shareholders' fund	71,957	82,277	96,777	105,397	115,957
Net tangible assets (RM'000)	71,957	82,277	96,777	105,397	115,957
Net tangible assets per share (RM)	1.46	1.67	1.97	2.14	2.35

Notes:

(1) Property development project for the periods under review is as follows:

	← As of →				
	30.6.1999 RM'000	30.6.2000 RM'000	30.6.2001 RM'000	30.6.2002 RM'000	30.6.2003 RM'000
Freehold land-at cost	61,975	61,975	62,882	62,882	63,483
Development expenditure	64,600	104,071	162,062	238,037	291,928
	126,575	166,046	224,944	300,919	355,411
Less: Non-current portion	-	(63,191)	(76,828)	(83,625)	(87,132)
	126,575	102,855	148,116	217,294	268,279

(Forward)

15. ACCOUNTANTS' REPORT (CONT'D)

	←	As of			→
	30.6.1999 RM'000	30.6.2000 RM'000	30.6.2001 RM'000	30.6.2002 RM'000	30.6.2003 RM'000
Add: Portion of profit attributable to development work performed todate	20,209	34,816	55,092	71,587	93,110
	146,784	137,671	203,208	288,881	361,389
Less: Progress billings	(88,510)	(133,590)	(200,297)	(274,698)	(340,498)
Current portion (included in current assets)	58,274	4,081	2,911	14,183	20,891

(2) Included in current assets are the following:

(i) Trade receivables, which consist of purchasers of properties in Desa Tebrau, are as follows:

	←	As of			→
	30.6.1999 RM'000	30.6.2000 RM'000	30.6.2001 RM'000	30.6.2002 RM'000	30.6.2003 RM'000
Trade receivables	18,211	11,004	7,454	11,731	19,644
Less: Allowance for doubtful receivables	-	-	-	-	-
Net	18,211	11,004	7,454	11,731	19,644

(ii) Amount due from companies which are involved in the restructuring exercise mentioned in section B.2:

	←	As of			→
	30.6.1999 RM'000	30.6.2000 RM'000	30.6.2001 RM'000	30.6.2002 RM'000	30.6.2003 RM'000
Amount due from:					
SPSB	-	-	-	25	-
SYD	-	-	573	23,182	29,331
Plenitude	-	-	546	743	-