



MUDAJAYA GROUP BERHAD

**ANNUAL
REPORT
2004**



CONTENT

Page	
002	Corporate Information
003	Notice of Annual General Meeting
006	Statement Accompanying Notice of Annual General Meeting
007	Corporate Profile
008	Five Years Financial Highlights
010	Directors' Profile
012	Statement on Corporate Governance
016	Statement on Internal Control
017	Audit Committee Report
019	Managing Director's Statement
021	Directors' Report
025	Statement by Directors
025	Statutory Declaration
026	Auditors' Report
027	Income Statements
028	Balance Sheets
030	Statement of Changes in Equity
031	Cash Flow Statements
034	Notes to the Financial Statements
068	Analysis of Shareholdings
071	Properties of the Group
	Form of Proxy

annual report 2004

Corporate Information

BOARD OF DIRECTORS

Mr. Ng Ying Loong

Managing Director

Mr. Wee Teck Nam

Executive Director

Mr. Anto A/L SF Joseph

Executive Director

Mr. Chung Tze Hien

Non-Independent Non-Executive Director

En. Aminodin bin Ismail

Non-Independent Non-Executive Director

Mr. Yee Swee Choon

Independent Non-Executive Director

Mr. Henry Choo Hon Fai

Independent Non-Executive Director

COMPANY SECRETARY

Mr. Tan Siak Chuang

(MIA 8804)

REGISTERED OFFICE

No. 17, Jalan Semangat
46100 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Tel : (603) 7958 7899

Fax : (603) 7958 7900/ 7958 1296

E-mail : info@mudajaya.com

Website : www.mudajaya.com

REGISTRAR

Symphony Share Registrars Sdn Bhd

Level 26, Menara Multi-Purpose
Capital Square

No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur

Tel : (603) 2721 2222

Fax : (603) 2721 2530/1



AUDITORS

Ernst & Young

Chartered Accountants

PRINCIPAL BANKERS

Bumiputra-Commerce Bank Berhad

Malayan Banking Berhad

HSBC Bank Malaysia Berhad

RHB Bank Berhad

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia

Securities Berhad



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Second Annual General Meeting of Mudajaya Group Berhad will be held at Crystal Crown Hotel, 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on Thursday 16 June 2005 at 10.00 a.m. for the following purposes :

AS ORDINARY BUSINESS

- | | |
|--|--|
| 1. To receive and adopt the Directors' Report and the audited financial statements for the year ended 31 December 2004 and the Auditors' Report thereon. | (Ordinary Resolution 1) |
| 2. To approve the payment of a final dividend of 2% less 28% income tax for the year ended 31 December 2004. | (Ordinary Resolution 2) |
| 3. To re-elect the following Directors who retire in accordance with Article 76 of the Company's Articles of Association:
Mr. Ng Ying Loong
Mr. Anto A/L SF Joseph | (Ordinary Resolution 3)
(Ordinary Resolution 4) |
| 4. To re-elect the following Director who retire in accordance with Article 83 of the Company's Articles of Association:
Mr. Chung Tze Hien | (Ordinary Resolution 5) |
| 5. To approve the payment of Directors' fees for the year ended 31 December 2004. | (Ordinary Resolution 6) |
| 6. To re-appoint Messrs. Ernst & Young as Auditors of the Company and to authorize the Directors to fix their remuneration. | (Ordinary Resolution 7) |

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following Ordinary Resolutions:-

7. Authority to Allot and Issue Shares

"THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approval of the relevant authorities, the Directors be and are hereby empowered to allot and issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per cent (10%) of the total issued and paid-up share capital of the Company for the time being and that the Directors be and are hereby further empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

(Ordinary Resolution 8)

Notice of Annual General Meeting

8. Proposed Share Buy-Back

"THAT subject to compliance with the Companies Act, 1965, the Articles of Association of the Company, regulations and guidelines issued from time to time by the Bursa Malaysia Securities Berhad ("BMSB") or any other regulatory authorities, approval be and is hereby given to the Company to utilize an amount not exceeding the audited share premium of the Company as at 31 December 2004 of RM10.1 million to purchase such amount of ordinary shares of RM0.50 each in the Company as may be determined by the Directors of the Company from time to time on the BMSB upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares to be purchased and/or held as treasury shares pursuant to this resolution does not exceed 13,600,000 ordinary shares of RM0.50 each representing ten per cent (10%) of the total issued and paid-up share capital of the Company for the time being.

AND THAT such authority is subject to annual renewal and shall commence upon the passing of this resolution and shall remain in force until:-

- (a) the conclusion of the next Annual General Meeting of the Company unless the authority is renewed either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next Annual General Meeting after the date it is required by law to be held; or
- (c) revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting;

whichever is earlier.

AND THAT authority be and is hereby given to the Directors of the Company to decide in their discretion to retain the ordinary shares in the Company so purchased by the Company as treasury shares, and/or to cancel them, and if retained as treasury shares, may resell the treasury shares and/or to distribute them as share dividend and/or subsequently cancel them.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary (including the appointment of a stockbroking firm and the opening and maintaining of a Central Depository Account designated as a Share Buy-Back Account) and to enter into any agreements and arrangements with any party or parties to implement, finalise and give effect to the aforesaid with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the interest of the Company."

(Ordinary Resolution 9)

9. To transact any other business of which due notice shall have been received.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of shareholders, a final dividend of 2% less 28% income tax for the year ended 31 December 2004 will be paid on 30 June 2005 to depositors registered in the Records of Depositors at the close of business at 5.00 p.m. on 20 June 2005.

Notice of Annual General Meeting

A depositor shall qualify for entitlement only in respect of :

1. Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 20 June 2005 in respect of ordinary transfer; and
2. Shares bought on Bursa Malaysia Securities Berhad ("BMSB") on a cum entitlement basis according to the Rules of BMSB.

BY ORDER OF THE BOARD

TAN SIAK CHUANG
Company Secretary

Petaling Jaya
25 May 2005

Notes :

1.Appointment of Proxy(ies)

- a. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy or proxies may but need not be a member of the Company. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- b. Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- c. In the case of a corporate member, the Form of Proxy shall be under its Common Seal or under the hand of its attorney.
- d. The Form of Proxy must be deposited at the Company's Registered Office situated at No. 17, Jalan Semangat, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof.

2.Explanatory Notes On Special Business

- a. Ordinary Resolution 8 – Authority to Allot and Issue Shares

The proposed Resolution is to empower the Directors to issue shares in the Company up to an aggregate amount not exceeding 10% of the total issued and paid up share capital of the Company for such purposes as they consider would be in the interest of the Company. This will avoid any delay and cost involved in convening a general meeting to approve such issue of shares. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

- b. Ordinary Resolution 9 – Proposed Share Buy-Back

The details on Resolution 9 on the Proposed Share Buy-Back are set out in the Circular to Shareholders dated 25 May 2005.

Statement **Accompanying Notice Of Annual General Meeting**

1. The Directors who are standing for re-election are as follows:-

Article 76

Mr. Ng Ying Loong

(Ordinary Resolution 3)

Mr. Anto A/L SF Joseph

(Ordinary Resolution 4)

Article 83

Mr. Chung Tze Hien

(Ordinary Resolution 5)

2. The profile of the Directors standing for re-election is presented on pages 10 to 11.

3. The Second Annual General Meeting of the Company will be held at Crystal Crown Hotel, 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on Thursday 16 June 2005 at 10.00 a.m.

4. There were three (3) Board Meetings held subsequent to the listing of the Company during the financial year ended 31 December 2004. Details of attendance of the Directors are set out in the Statement on Corporate Governance on page 12 of this Annual Report.



Corporate Profile

Mudajaya Group Berhad ("Mudajaya" or the "Company") was listed on the Bursa Malaysia Securities Berhad on 10 May 2004. The Company is an investment holding company and its subsidiaries and associated companies are mainly involved in construction, property development, manufacturing and trading activities.

The main company within the Group is Mudajaya Corporation Berhad ("MJC") which was incorporated in Malaysia on 9 December 1965. It is a leading Class A Contractor registered with Pusat Khidmat Kontraktor, Kementerian Pembangunan Usahawan since 1993 and Grade G7 Contractor registered with Construction Industry Development Board. Both Class "A" and Grade "G7" are the highest registration categories in these two construction boards, which are widely recognized in Malaysia. Both Mudajaya and MJC are accredited with ISO 9001:2000 Quality Management System by Lloyd's Register Quality Assurance.

The principal activities of Mudajaya Group of Companies encompass the conventional and turnkey construction projects supported by manufacturing and trading of building materials, project management services for fast track contracts and plant hire. The Group is currently having a wide construction portfolio in Malaysia and India and has completed construction works of more than RM3 billion.

Property development is another core business of the Group which has created a strong presence in Sarawak with the Batu Kawah New Township, being its maiden township development in Kuching. The entire project has a total gross development value ("GDV") of more than RM1 billion and is expected to be completed by 2015.

Overseas expansion has been the strategy adopted by the Group in its business agenda. Backed by strong reputation as a reliable and experienced contractor, the Group was awarded in 2001 and 2003 three highway projects on a joint venture basis in Gujarat and Maharashtra in India with total contract value amounted to RM256 million. The Group was also awarded another Make-up Water Project at Bihar, India by the National Thermal Power Corporation Ltd of India in 2004.

Mudajaya is proud of its diverse industry involvement which allows the Group to reap profits from construction, property development, manufacturing and trading of construction products and building materials. This is evidenced from the achievement of uninterrupted profitable track record of more than 20 years. The Group's rich experience and strong team of expertise, coupled with sound financial footing with zero gearing position have provided solid foundation for its businesses to continue growing.

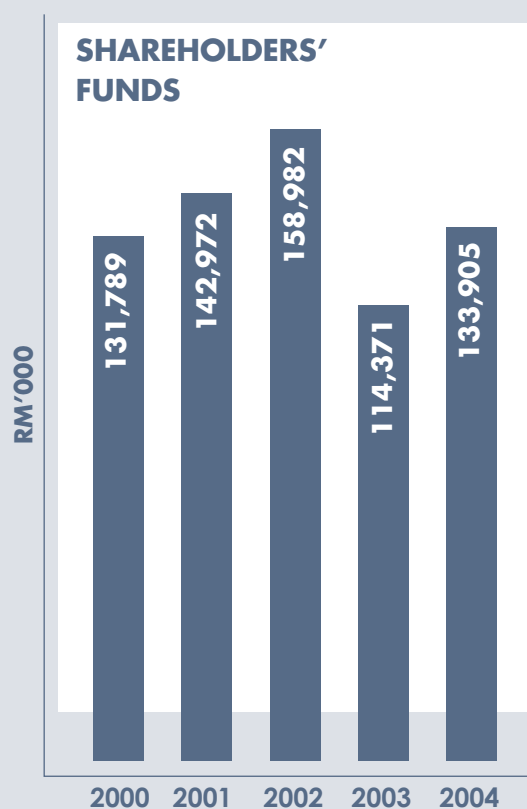
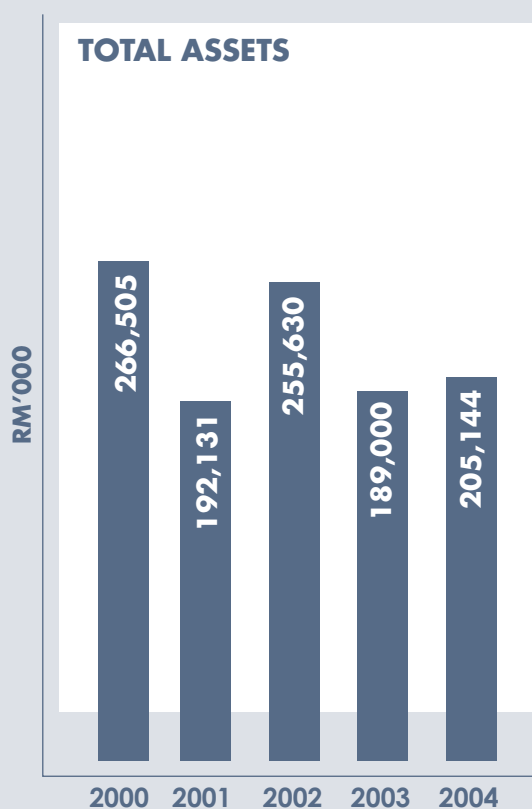
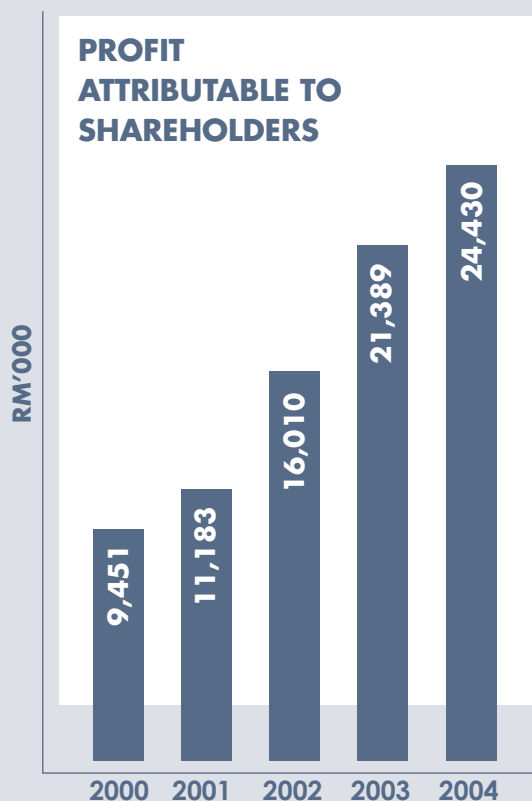


Five Years Financial Highlights

	Proforma Consolidated Results				
	2004 RM'000	2003 RM'000	2002 RM'000	2001 RM'000	2000 RM'000
GROUP TOTAL ASSETS					
Property, Plant and Equipment	20,093	14,155	12,643	11,762	11,858
Investments In Jointly Controlled Entities	-	430	430	430	4,715
Long Term Investments	1,134	1,134	134	134	-
Net Current Assets	125,743	108,637	154,351	137,451	119,762
	146,970	124,357	167,558	149,777	136,335
FINANCED BY					
Share Capital	68,000	68,000	68,000	68,000	68,000
Share Premium	4,900	595	595	595	595
Non-distributable Reserves	10,106	10,106	10,106	10,106	10,106
Retained Profits	50,899	35,670	80,281	64,271	53,088
Shareholders' Fund	133,905	114,371	158,982	142,972	131,789
Minority Interests	10,290	8,041	7,434	6,089	3,830
Hire Purchase Payable	2,059	1,228	426	-	-
Deferred Taxation	716	716	716	716	716
	146,970	124,357	167,558	149,777	136,335
GROUP RESULTS					
Profit before tax, minority interest and exceptional items	36,553	31,199	24,190	22,370	14,338
Exceptional items	-	-	-	(3,565)	-
Taxation	(9,874)	(8,902)	(6,835)	(5,363)	(3,309)
Minority interest	(2,249)	(908)	(1,345)	(2,259)	(1,578)
Profit attributable to shareholders	24,430	21,389	16,010	11,183	9,451
SELECTED RATIOS					
Gross Dividend (%)	12.00	134.80	-	-	7.35
Gearing Ratio	-	0.08	0.03	-	-

Note : The proforma consolidated balance sheets and income statements of Mudajaya Group Berhad ("Mudajaya") for the past four (4) financial years ended 31 December 2000 to 2003 are based on the audited financial statements of Mudajaya and Mudajaya Corporation Berhad ("MJC"). The proforma consolidated figures above are presented based on the enlarged issued and paid-up share capital of 136,000,000 ordinary shares of RM0.50 each taking into consideration the acquisition of MJC by Mudajaya and the subsequent Initial Public Offering of Mudajaya shares.

Five Years **Financial Highlights**



Directors' Profile



Mr. Ng Ying Loong

Managing Director

Mr. Ng, a Malaysian aged 51, was appointed as Managing Director of Mudajaya on 2 March 2004. He has been the Managing Director of Mudajaya Corporation Berhad ("MJC") since 1991. He graduated with a Bachelor of Science degree in Civil, Structural and Environmental Engineering from University College London, University of London, U.K. in 1977 and a Master in Business Administration from Golden Gate University, San Francisco, U.S.A. in 1986. He has more than 25 years of professional experience particularly in project management, contract planning and management and business development. He joined MJC in 1977 as a Site Engineer and has served in various capacities including Project Engineer, Project Coordinator and Project Manager until 1988. Subsequently, he left MJC to join Pengurusan Lebuhraya Berhad as the Senior Regional Construction Manager and was promoted as the Acting Head of Construction Management Division in 1990. He was in charge of the construction management of the North-South Expressway Project, valued at RM4.3 billion. In 1991, he returned to MJC. He also served as a Director of Mega Pascal Bhd from 1998 to 2001 and as a Director of Mulpha International Bhd from 1995 to 2002.

Mr. Wee Teck Nam

Executive Director

Mr. Wee, a Malaysian aged 65, was appointed as Executive Director of Mudajaya on 2 March 2004. He is also an Executive Director of MJC. He graduated with a Bachelor Degree in Mechanical Engineering from University of Sydney, Australia in 1964. He has extensive management experience in a variety of industries in Malaysia and abroad. He worked for the Chemical Co. of Malaysia, a member of the ICI Malaysia Group for nine (9) years after graduation and left as Project Development Engineer. He then gained extensive experience in general management from 1973 to 1977 as General Manager of Batu Arang Bricks and Tiles Bhd. He was a General Manager of Sim Lim Trading Sdn Bhd from 1977 to 1979 and a Senior Manager assisting the Managing Director of TDM Berhad and oversaw the operations of 24,000 acres of palm oil estates and oil mills in Terengganu from 1979 to 1983. He started a partnership business, Meridian Malaysia Bhd, in 1983 and managed it for three (3) years. He went to Taiwan in 1986 to join Wormald International Ltd of Australia, the international fire protection group. In 1994, he went to Shanghai, China and became the General Manager and Chief Executive Officer of Shanghai Allied Cement Ltd, a joint venture company between the government of Hong Kong and China. He retired and returned to Malaysia in early 1999. He also served as a Director of Mega Pascal Bhd from October 1998 to August 2001 and a Director of Mulpha International Bhd from October 1998 to July 2002.

Mr. Anto A/L SF Joseph

Executive Director

Mr. Anto, a Malaysian aged 53, was appointed as Executive Director of Mudajaya on 2 March 2004. He has been an Executive Director of MJC since 1996. He graduated with a Bachelor of Technology, Civil from Institute of Technology, Kanpur, India in 1977. He is a Professional Engineer registered with the Board of Engineers, Malaysia, Chartered Engineer, U.K. and is also a member of the Institution of Engineers, Malaysia and Institution of Highways and Transportation, U.K.. He has more than 25 years of professional experience particularly in infrastructure project management. Prior to joining MJC in 1993 as General Manager and Executive Director, he was attached to Jabatan Kerja Raya, Kelantan, as Development Engineer from 1977 to 1978 and Resident Engineer from 1980 to 1981. He was with Pernas Construction Sdn Bhd as Project Manager and Coordinator from 1981 to 1988 and Pengurusan Lebuhraya Berhad as Construction Manager from 1988 to 1989, Regional Construction Manager (for Central Region) from 1990 to 1992 and Senior Regional Construction Manager from 1992 to 1993.

Mr. Chung Tze Hien

Non-Independent Non-Executive Director

Mr. Chung, a Malaysian aged 54, was appointed as Non-Independent Non-Executive Director of Mudajaya Group Berhad on 16 June 2004. He graduated from the University of Otago, New Zealand with a Commerce Degree and later proceeded to qualify as an Associate Member of the Institute of Chartered Accountants of New Zealand and the Institute of Chartered Secretarial and Administrators of United Kingdom. Prior to joining Mulpha International Berhad, Mr. Chung worked for and held senior managerial positions in several public listed companies in Hong Kong, Singapore and Malaysia, involving a variety of industries and businesses. He is also an Executive Director of Mulpha International Berhad, a Director and Chairman of Mega Pascal Bhd and a Director of Greenfiled Chemical Holdings Limited and Mulpha Australia Limited.

Encik Aminodin bin Ismail

Non-Independent Non-Executive Director

Encik Aminodin, a Malaysian aged 38, was appointed as Non-Independent Non-Executive Director of Mudajaya on 2 March 2004. He graduated with a Degree in Accounting and Finance from Liverpool John Moores University, U.K in 1990. He is also Fellow of the Association of Chartered Certified Accountants, U.K.. He has five (5) years working experience in merchant banking gained from Aseambankers Malaysia Berhad from 1992 to 1995 and BSN Merchant Bank Berhad from 1995 to 1997 where his work entailed providing corporate finance advisory services on proposal for listings, mergers, acquisitions and capital raisings. He left the merchant banking industry in 1997 to join Renong Berhad as Senior Finance Manager where he was primarily responsible for monitoring the performance of the subsidiaries and implementation of corporate exercises undertaken by companies within the Renong Group. He left Renong Berhad in July 1999. He was appointed to the Board of Directors of Jin Lin Wood Industries Berhad in 2000 as an Executive Director overseeing the finance function of the group of companies. He resigned from the Board of Directors of Jin Lin Wood Industries Berhad in April 2002. Currently, he sits on the Board of several private companies.

Mr. Yee Swee Choon

Independent Non-Executive Director

Mr. Yee, a Malaysian aged 54, was appointed as Independent Non-Executive Director of Mudajaya on 2 March 2004. He is a Chartered Accountant and a Certified Financial Planner. He has over 25 years working experience in auditing, corporate planning and financial management which include 8 years as executive director in a public listed company. Presently, he runs his own personal financial planning and management advisory services practice.

Mr. Henry Choo Hon Fai

Independent Non-Executive Director

Mr. Henry Choo, a Malaysian aged 33, was appointed as Independent Non-Executive Director of Mudajaya on 2 March 2004. He started his career in 1994 as an Equity Research Analyst in Dao Heng Securities Ltd, Hong Kong. From 1996 to 2000, he was a Director of Business Development at Fok Lee Sdn Bhd, a Specialist Interior Contractor. From 2000 onwards he has been involved in Private Equity and Venture Capital, first with Intelligent Capital Sdn Bhd and subsequently with Artisan Encipta (M) Sdn Bhd. Presently, he is an Alternate Director in a non-executive capacity in Fok Lee Sdn Bhd and has recently joined Silterra Malaysia Sdn Bhd, subsidiary of Khazanah Nasional Bhd as the Executive Assistant to the Chairman. He graduated from La Trobe University, Melbourne, Australia with a Bachelor of Science degree (Computer Science).



Statement On Corporate Governance

The Listing Requirements of the Bursa Malaysia Securities Berhad ("BMSB") made it mandatory for listed companies to disclose their compliance with the Malaysian Code on Corporate Governance ("Code"). Set out below is a statement of how the Company has applied the principles and complied with the best practices laid down in the Code throughout the financial year.

BOARD OF DIRECTORS

The Board

The Board has the overall responsibility for corporate governance, strategic direction, development and control of the Company. The Board has adopted and implemented the six specific responsibilities as listed in the Code.

The Board meets regularly during the financial year. Additional meetings are held as and when issues arise and are necessary to be dealt with in between the scheduled meetings. Due notice is given for the meetings and matters to be dealt with.

During the financial year subsequent to the Company's listing on 10 May 2004, the Committee held three meetings. The attendance record of the Directors is presented below :

Director	No of meetings attended
Ng Ying Loong	3 out of 3
Wee Teck Nam	3 out of 3
Anto A/L SF Joseph	3 out of 3
Chung Tze Hien*	2 out of 2
Aminodin bin Ismail	2 out of 3
Yee Swee Choon	3 out of 3
Henry Choo Hon Fai	3 out of 3

* Two meetings were held during the period from the date of his appointment of 16 June 2004 to 31 December 2004.

Board Balance

The Board currently has seven members, three of whom are Executive Directors and four are Non-Executive Directors. Of the four Non-Executive Directors, two are Independent, thereby fulfilling the one-third requirement. A brief profile of each Director is presented on pages 10 to 11.

The Directors are from diverse professional backgrounds with a wide range of business, technical and financial experience and knowledge.

There is proper balance in the Board with the presence of the Independent Directors. The role of the Independent Directors is particularly important as they provide unbiased and independent opinions and advice. There is also an active and unrestricted participation of Independent Directors as well as Executive and Non-Executive Directors in the deliberations and decision making of the Board.

Mr. Yee Swee Choon has been appointed by the Board as the Independent Non-Executive Director of the Board to whom any concerns may be conveyed.

Supply of Information

All Directors are provided with an agenda and a set of Board papers in sufficient time prior to Board meeting to enable the Directors to review and consider the items to be discussed at the Board meeting. The Board papers include, inter alia, the following:-

- (i) quarterly progress report by the Executive Director;
- (ii) quarterly and year-to-date financial report; and
- (iii) minutes/decisions of meetings of the Committees of the Board.

Directors may obtain independent professional advice in the furtherance of their duties at the Company's expense.

All Directors have access to the advice and services of the Company Secretary in carrying out their duties.

Appointments to the Board

The Nomination Committee recommends the appointment of new Directors to the Board. The Company has in place a familiarization programme for new Directors to facilitate their understanding of the Group.

Re-election

The Company's Articles of Association provide that at least one third (1/3) of the Directors are subject to retirement by rotation at each Annual General Meeting and that all the Directors shall retire from office at least once every three years. Each retiring Director is eligible for re-election. Directors who are appointed to the Board during the year will have to retire and seek re-election at the next Annual General Meeting to be held following their appointments.

Directors' Training

All the Directors have attended the Mandatory Accreditation Programme organised by BMSB. In addition, the Directors are participating in other external courses and seminars to keep abreast with relevant development in the market place.

Board Committees

The following Board Committees have been established to assist the Board in the execution of its responsibilities. The Committees listed below report all matters and recommendations of their meetings to the Board. The terms of reference of each Committee have been approved by the Board and, where applicable, comply with the recommendations of the Code.

(a) Audit Committee

The Audit Committee comprises two Independent Non-Executive Directors and one Non-Independent Non-Executive Director. During the year, a Risk Management Committee ("RMC") was also established to oversee the risk management process. The RMC reports to the Audit Committee. The terms of reference of the Audit Committee, composition of its membership and other pertinent information about the Audit Committee and its activities are highlighted in the Audit Committee Report on pages 17 to 18.

(b) Nomination Committee

The Nomination Committee comprises exclusively of Non-Executive Directors, with En. Aminodin bin Ismail as Chairman and Mr. Yee Swee Choon and Mr. Henry Choo Hon Fai as members.

The main responsibilities of the Nomination Committee are as follows:-

- (i) recommend new nominees to the Board as well as Board Committees;
- (ii) assist the Board in annually reviewing its required mix of skills, experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board and disclose the same in the Annual Report; and
- (iii) assess the effectiveness of the Board and Board Committees and the contribution of each individual Director.

During the year, the Nomination Committee held one (1) meeting which was attended by all its members.

Statement On Corporate Governance

(c) Remuneration Committee

The Remuneration Committee comprises mainly Non-Executive Directors with Mr. Yee Swee Choon as Chairman and Mr. Ng Ying Loong and Mr. Henry Choo Hon Fai as members.

The main responsibilities of the Remuneration Committee are to recommend to the Board the following:-

- (i) remuneration packages of each Director of the Company; and
- (ii) incentive schemes for the management or other employees.

During the year, the Remuneration Committee held two (2) meetings which were attended by all its members.

DIRECTORS' REMUNERATION

The Company has adopted the objective as recommended by the Code to determine the remuneration of the Directors so as to ensure that the Company attracts and retains the Directors of the calibre needed to run the Group successfully. In the case of Executive Directors, the remuneration is structured so as to link rewards to corporate and individual performance. For Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by each Director.

The Remuneration Committee recommends to the Board the remuneration including fees for each Director of the Company. Fees are subject to the approval of the shareholders. Reasonable expenses incurred by the Directors in the course of carrying out their duties are reimbursed by the Company.

The details of the Directors' remuneration for the year ended 31 December 2004 and the analysis into remuneration bands are as follows:-

	Executive (‘000)	Non-Executive (‘000)
Fees	40	90
Emoluments	715	-
Benefits-in-kind	52	-
Total	807	90
Range of remuneration (RM)	Executive	Non-Executive
Below 50,000	-	3
100,001-150,000	1	-
300,001-350,000	1	-
450,001-500,000	1	-

SHAREHOLDERS

Communication between the Company and its investors

The Board acknowledges the need for shareholders to be informed of all material business matters of the Company. Announcements are made on significant developments and matters within the Group on a timely basis. Financial results are released on a quarterly basis to provide shareholders with an overview of the Group's performance.

Shareholders' Meeting

The Company's practice is to give as much notice as possible to shareholders of its general meetings. In addition, notices of general meetings with sufficient information of business to be dealt with are published in one national newspaper to provide for wider dissemination of such notice to encourage shareholders' participation. General meetings are a mean of direct communication and interaction between the Company and its shareholders. It is the policy of the Board to have all its members present at shareholders' meetings. At such meetings, shareholders are encouraged to participate in the question and answer session.

ACCOUNTABILITY AND AUDIT

Financial Reporting

In preparing the annual financial statements and quarterly announcement to shareholders, the Board aims to present a balanced and understandable assessment of the Group's position and prospects. The Board considers that in preparing the financial statements, the Group has used appropriate accounting policies and standards, consistently applied and supported by reasonable and prudent judgements and estimates.

Internal Control

The Board has overall responsibility for the Group's system of internal control covering not only financial control but also operational and compliance controls as well as risk management. This system can only provide reasonable but not absolute assurance against material misstatement or loss. Kindly refer to the Statement on Internal Control on page 16.

Relationship with the Auditors

The role of Audit Committee in relation to the external auditors is presented in the Audit Committee Report on pages 17 to 18 of this Annual Report.

The Company has always maintained a professional relationship with its auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia. The Audit Committee where necessary, discussed matters with the external auditors in the absence of the management.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act 1965 to prepare financial statements which are in accordance with applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cashflows of the Group and Company for the financial year.

In preparing the financial statements, the Directors have:-

- adopted the appropriate accounting policies and applied them consistently;
- made judgements and estimates that are prudent and reasonable; and
- ensured that applicable accounting standards have been followed.

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

The Directors have the general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to detect and prevent fraud and other irregularities.

OTHER INFORMATION

Material Contracts

Other than those disclosed in the financial statements, there were no material contracts entered into by the Company and its subsidiaries involving the interest of Directors and major shareholders.



Statement On Internal Control

Introduction

The Malaysian Code on Corporate Governance requires the Group to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. The Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB") require the Board to include a statement in the annual report on the state of the Group's internal controls. The BMSB's Statement on Internal Control: Guidance for Directors of Public Listed Companies ("Guidance") provides guidance for compliance with these requirements. We set out below the Statement on Internal Control which has been prepared in accordance with the Guidance.

Responsibility

The Board of Directors acknowledges responsibility for maintaining a sound system of internal control and for reviewing its adequacy and integrity. The system of internal control, designed to safeguard shareholders' investments and the Group's assets, covers not only financial control but also operational and compliance controls and risk management. Such systems, however, are designed to manage rather than eliminate risks that may hinder the achievement of the Group's business objectives. Accordingly, the systems can only provide reasonable and not absolute assurance against material misstatement or loss.

Risk Management

The Board recognizes that all areas of the Group's business activities involve some degree of risk and is committed to ensure that an effective risk management process is put in place to manage those risks.

A risk management policy and framework has been drawn up to identify key risks, the likelihood of those risks occurring as well as any strategy to control or manage those risks affecting the business. A risk management committee has also been set up to facilitate the risk management process of the Group.

Key Elements of Internal Control

The other key elements of the Group's internal control system include the following:-

- clearly defined delegation of responsibilities, organisation structure and appropriate authority limits have been established by the Board of Directors for the Board Committees and management;
- internal policies and procedures are in place which are updated as and when necessary;
- reporting systems are in place which generate financial and other reports for the Board of Directors and management. Monthly management meetings are held during which the reports are discussed and the necessary action taken;
- annual business plans and budgets are prepared by all units within the Company and actual performance is reviewed against the budgets on a monthly basis;
- adequacy and effectiveness of the system of internal control is continuously reviewed and assessed by the Audit Committee. The majority of its members are independent directors. The Audit Committee is assisted by Internal Audit Department which carried out internal audit functions; and
- the internal audit functions as well as the Group's internal control procedures are reviewed annually by independent external consultants who are familiar with the construction industry.

Internal Audit

The internal audit functions of the Group are performed by the Internal Audit Department. The Internal Audit Department continually undertakes to review of the system of controls, procedures and operations so as to provide reasonable assurance that the internal control system is sound, adequate and operating satisfactorily.

Monitoring and Review of the System of Internal Control

Overall, the system of internal control in 2004 was considered to be adequate and operating satisfactorily. The effectiveness of the system of internal control will be continuously reviewed and updated in response to changes in the operating environment.

The monitoring, review and reporting procedures and systems in place give reasonable assurance that the controls are adequate and appropriate to the Group's operations and that risks are at an acceptable level. Such procedures and systems, however, do not eliminate the possibility of human error, the deliberate circumvention of control procedures by employees and others and the occurrence of unforeseeable circumstances.



Audit Committee Report

Objectives

In compliance with BMSB Listing Requirements and Best Practices recommended by the Code, it is the objective of the Audit Committee to assure the shareholders of the Company that the Directors have complied with specified financial standards and required disclosure policies developed and administered by BMSB and other approved accounting standards bodies.

In addition, Audit Committee shall ensure consistency with BMSB's commitments to encourage high standards of corporate disclosure and transparency. The Audit Committee also endeavours to adopt practices aimed at maintaining appropriate standards of corporate responsibility, integrity and accountability to the Company's shareholders.

Constitution

The Audit Committee ("the Committee") was established pursuant to a resolution of the Board of Directors passed on 29 March 2004. The directors appointed to the Committee are as follows :

Mr. Yee Swee Choon (Chairman)	-	Independent Non-Executive Director
En. Aminodin bin Ismail (Member)	-	Non-Independent Non-Executive Director
Mr. Henry Choo Hon Fai (Member)	-	Independent Non-Executive Director

Terms of Reference

The terms of reference of the Committee are as follows :

Membership

The Committee shall be appointed by the Board from amongst its Directors of the Company. The Committee comprises not less than three (3) members, a majority of whom are Independent Directors. One of the members of the Committee who is an Independent Director shall be appointed Chairman of the Committee by members of the Committee.

Meetings and Minutes

Meetings of the Committee shall be held not less than four (4) times a year. The external auditors may request a meeting if they consider that one is necessary and shall have the right to appear and be heard at any meeting of the Committee. The Chairman shall convene a meeting whenever any member of the Committee requests for a meeting. Written notice of the meeting together with the agenda shall be given to the members of the Committee and external auditor where applicable. The quorum for a meeting of the Committee shall be two (2) provided always that the majority of members present must be independent directors. Minutes of each Committee meeting are to be prepared and distributed to all members of the Committee and Board of Directors. The Company Secretary or his assistant shall be the Secretary of the Committee.

Rights

The Committee is authorized by the Board of Directors:-

- (a) to investigate any matter within its terms of reference;
- (b) to have the resources which are required to perform its duties;
- (c) to have full and unrestricted access to any information pertaining to the Company;
- (d) to have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- (e) to obtain independent professional or other advice; and
- (f) to convene meetings with the external auditors, excluding the attendance of the executive members of the Committee, whenever deemed necessary.

Duties and Responsibilities

The functions of the Committee shall include the following:-

- (a) to consider the appointment of external auditors, their terms of appointment and reference and any questions of resignation or dismissal;
- (b) to review with the external auditors their audit plan, scope and nature of audits;
- (c) to review the quarterly and annual financial statements before submission to the Board, focusing particularly on:
 - any changes in or implementation of major accounting policy changes;
 - significant and unusual events;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements;
- (d) to review and assess the adequacy and effectiveness of the systems of internal control and accounting procedures by reviewing the external auditors' management letters and management responses;
- (e) to hear from and discuss with the external auditors any problem and reservation arising from their interim and final audits or any other matter that the external auditors may wish to highlight;
- (f) to review the internal audit programme, consider the findings of internal audit and steps taken by management in response to such findings and ensure co-ordination between the internal and external auditors;
- (g) to review any related party transaction and conflict of interest situation that may arise within the Company or Group to ensure that such transactions are undertaken on the Group's normal commercial terms and that the internal control procedures relating to such transactions are adequate;
- (h) to undertake such other responsibilities as may be delegated by the Board of Directors from time to time; and
- (i) to report to the Board of Directors its activities and findings.

Attendance at Meetings

During the financial year subsequent to the Company's listing on 10 May 2004, the Committee held three (3) meetings. The details of attendance of the Committee members are as follows:-

Name of Committee member	No. of meetings attended
Mr. Yee Swee Choon	3/3
En. Aminodin bin Ismail	2/3
Mr. Henry Choo Hon Fai	3/3

Activities

During the financial year, the Committee carried out its activities in line with its terms of reference.

Internal Audit Functions

The internal audit functions of the Company are performed by the Internal Audit Department set up with the principal objective of regular review of systems of internal controls, procedures and operations so as to provide reasonable assurance that the internal control system is sound, adequate and operating satisfactorily.

The attainment of such objective involves the following major activities being carried out by the Internal Audit Department:-

- (a) review and appraise the adequacy, effectiveness and reliability of internal control systems, policies and procedures;
- (b) monitor the adequacy, reliability, integrity, security and timeliness of management information systems;
- (c) determine the extent of compliance with relevant laws, codes, standards, regulations, policies, plans and procedures; and
- (d) identify and recommend solutions for identified potential problems; and review and verify the means used to safeguard assets.

Managing Director's Statement

Dear Shareholders

On behalf of the Board of Directors, I hereby present this Annual Report and financial statements of Mudajaya Group Berhad ("Mudajaya" or the "Company") for the financial year ended 31 December 2004.

Mudajaya is principally an investment holding company incorporated on 6 February 2003. The Company was listed on the BMSB on 10 May 2004 after the acquisition of Mudajaya Corporation Berhad group of companies on 1 March 2004.

The core businesses of Mudajaya Group for the year ended 31 December 2004 were undertaken by the following operating subsidiaries:-

- **Civil engineering construction under Mudajaya Corporation Berhad**
- **Property development under MJC City Development Sdn Bhd and Angsana Fajar Sdn Bhd**
- **Manufacturing of construction products under MJC Precast Sdn Bhd and MJC Industries Sdn Bhd**
- **Trading and plant rental under MJC Trading Sdn Bhd**

Financial Results

For the financial year under review, Mudajaya recorded a total revenue of RM385.14 million, a 27.48% increase from RM302.12 million generated from previous corresponding year based on proforma results as if the acquisition of Mudajaya Corporation Berhad by Mudajaya Group Berhad has been in effect throughout the period under review.

The profit before taxation of Mudajaya also rose to RM36.55 million in 2004, from the preceding year record of RM31.20 million. The 17.15% increase in profit was mainly generated by improved progress of construction projects and better sales from property development projects. The Group also achieved some degree of success in rationalization of its operation activities. There has been significant progress in quality control system, sub-contractors selections and awards, sourcing of materials and overall operating cost control systems which has improved the Group's overall cost structure and profitability.

As at 31 December 2004, the Group's shareholders' fund stood at RM133.91 million whilst net tangible asset per share was RM1.00. The Group continued to operate under strong and healthy financial position of RM125.74 million net current assets with zero gearing as at 31 December 2004.

Corporate Development

During the year, Mudajaya Group Berhad completed the acquisition of 100% equity interest in Mudajaya Corporation Berhad ("MJC") comprising 30,150,000 MJC shares for a total purchase consideration of RM75,175,320 satisfied by the issuance of 120,598,000 new Mudajaya shares. The said acquisition resulted in the issued and paid-up share capital of Mudajaya increasing from 2,000 ordinary shares of RM0.50 each to 120,600,000 ordinary shares of RM0.50 each.

Pursuant to the listing exercise of Mudajaya, 15,400,000 new ordinary shares of RM0.50 each was issued to the Malaysian public and eligible Directors and employees of the Group at an issue price of RM1.28 per issue share. The allotment of the new ordinary shares was completed on 28 April 2004 which resulted in the issued and fully paid-up share capital of the Company increasing from 120,600,000 ordinary shares of RM0.50 each to 136,000,000 ordinary shares of RM0.50 each.

In conjunction with the Public Issue, some shareholders also offered for sale of 22,600,000 Mudajaya shares at an offer price of RM1.28 per share to Bumiputera investors approved by the Ministry of International Trade and Industry and identified investors. The Offer for Sale was completed concurrently with the Public Issue which formed part of the Initial Public Offerings exercise of the Group.

The entire issued and paid-up share capital of Mudajaya comprising 136,000,000 ordinary shares of RM0.50 were successfully listed and quoted on the Main Board of Bursa Malaysia Securities Berhad on 10 May 2004.

Prospects of the Company

Malaysia's economic growth is widely expected to moderate in 2005 as global demand for Malaysian exports, declines amid softening global economic conditions. The growth momentum in 2004 is, however, expected to be broadly retained in 2005. Underpinned by domestic economic activities, the construction sector is expected to be driven by ongoing infrastructure projects and property development sector. While Government will continue to exercise control over its fiscal spending to building a more resilient and competitive economy, more private sectors spending are expected to improve the economy for the coming fiscal year.

The Board is encouraged by the potential growth of construction activities in India especially in roads, power stations and property development sectors. We expect to improve our presence in India by increasing our participation in these activities to further enhance our order book.

Against this backdrop of the economic outlook and barring unforeseen circumstances, the Board is optimistic that it will be able to meet its performance target in 2005.

Dividend

On 10 June 2004, the Board declared a first interim dividend of 6% less income tax of 28%. The first interim dividend was paid on 19 August 2004. The Board had also on 24 November 2004 declared a second interim dividend of 4% less 28% income tax which was paid on 15 January 2005.

The Board of directors is pleased to further recommend that a final dividend of 2% less 28% income tax for the year ended 31 December 2004, subject to the approval of shareholders at the forthcoming Annual General Meeting.

The total dividends declared in respect of the financial year ended 31 December 2004 amounted to 12% less income tax of 28% should shareholders approve the final dividend of 2% less 28% income tax for the year ended 31 December 2004 at the forthcoming Annual General Meeting.

Appreciation

Mr. Chung Tze Hien was appointed to the Board on 16 June 2004, and on behalf of the Board, I extend Mr. Chung a warm welcome.

I would like to express my appreciation to all members of the management and staff for their loyalty, commitment and dedication.

To our shareholders, financiers, suppliers, contractors and clients, I thank them for their support.

Thank you.

Ng Ying Loong
Managing Director

24 May 2005



Directors' Report

The Directors present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2004.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiary companies are civil engineering and building construction, hire of plant and machinery, manufacturing, supplying and trading of construction related materials and housing project management and development.

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

RESULTS

	GROUP RM'000	COMPANY RM'000
Profit after taxation	26,679	5,104
Minority interests	(2,249)	-
	<hr/>	<hr/>
Net profit for the year	<u>24,430</u>	<u>5,104</u>

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the statements of changes in equity.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

SHARE CAPITAL

The changes in share capital are disclosed in Note 31 to the financial statements.

Directors' Report

DIVIDENDS

The amount of dividend paid by the Company since 31 December 2003 were as follows:

RM '000

In respect of the financial year ended 31 December 2004 :

First interim dividend of 6% or 3 sen gross per share less 28% taxation,
on 136,000,000 ordinary shares, declared on 10 June 2004 and paid on
19 August 2004

2,938

Second interim dividend of 4% or 2 sen gross per share less 28% taxation,
on 136,000,000 ordinary shares, declared on 24 November 2004 and paid
on 15 January 2005

1,958

4,896

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2004, of 2% or 1 sen gross less 28% taxation, on 136,000,000 ordinary shares, amounting to a dividend payable of RM979,200 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2005.

DIRECTORS

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:-

Ng Ying Loong

Wee Teck Nam

Anto A/L S.F. Joseph

Aminodin bin Ismail

Henry Choo Hon Fai

Yee Swee Choon

Chung Tze Hien

(Appointed on 16.6.2004)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby Directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Note 6 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares of RM0.50 each			
	As at 1.1.04	Bought During the year	Sold	As at 31.12.04
The Company				
Direct Interest:				
Ng Ying Loong	-	1,626,000	-	1,626,000
Anto A/L S.F. Joseph	-	650,000	-	650,000
Wee Teck Nam	-	500,000	-	500,000
Aminodin bin Ismail	-	200,000	200,000	-
	Number of Ordinary Shares of RM0.50 each			
	As at 1.1.04	Bought During the year	Sold	As at 31.12.04
Indirect Interest:				
Ng Ying Loong	-	60,303,000	14,125,000	46,178,000
Wee Teck Nam	-	60,299,000	14,125,000	46,174,000
Aminodin bin Ismail	-	36,179,000	13,475,000	22,704,000

Ng Ying Loong, Wee Teck Nam and Aminodin bin Ismail by virtue of their interest in shares in the Company are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the year.

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:-
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

OTHER STATUTORY INFORMATION (CONTD.)

- (b) At the date of this report, the Directors are not aware of any circumstances which would render:-
- (i) the amount written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:-
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:-
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE YEAR

Significant events during the year are as disclosed in Note 39.

AUDITORS

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

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

NG YING LOONG

WEE TECK NAM

Petaling Jaya, Malaysia
21 March 2005

STATEMENT BY DIRECTORS

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

We, NG YING LOONG and WEE TECK NAM, being two of the Directors of MUDAJAYA GROUP BERHAD, do hereby state that in the opinion of the Directors, the accompanying financial statements set out on pages 27 to 67 are drawn up in accordance with applicable MASB Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2004 and of the results and the cash flows of the Group and of the Company for the year then ended.

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

NG YING LOONG

WEE TECK NAM

Petaling Jaya, Malaysia
21 March 2005

STATUTORY DECLARATION

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

I, AMINODIN BIN ISMAIL, being the Director primarily responsible for the financial management of MUDAJAYA GROUP BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 27 to 67 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed AMINODIN BIN ISMAIL at
Petaling Jaya in the State of Selangor
Darul Ehsan on 21 March 2005.

AMINODIN BIN ISMAIL

Before me,

E. RADAKRISHNAN
Commissioner for Oaths
Petaling Jaya

REPORT OF THE AUDITORS TO THE MEMBERS OF MUDAJAYA GROUP BERHAD

(Incorporated in Malaysia)

We have audited the financial statements set out on pages 27 to 67. These financial statements are the responsibility of the Company's Directors.

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

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

In our opinion:-

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia so as to give a true and fair view of:-
 - (i) the financial position of the Group and of the Company as at 31 December 2004 and of the results and cash flows of the Group and of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' report thereon of the subsidiaries, as indicated in Note 12 to the financial statements, being financial statements that have been included in the consolidated financial statements.

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

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

ERNST & YOUNG
AF: 0039
Chartered Accountants

Yeo Eng Seng
1212/12/06(J)
Partner

Kuala Lumpur, Malaysia
21 March 2005

INCOME STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

		GROUP		COMPANY	
			Proforma		
	Note	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Revenue	3	385,139	302,123	7,266	-
Other operating revenue		5,668	8,056	25	-
Changes in inventories of finished goods and work-in-progress		-	(174)	-	-
Property work-in-progress expensed		(35,643)	(27,820)	-	-
Construction work-in-progress expensed		(237,942)	(191,073)	-	-
Finished goods purchased, raw materials and consumables used		(60,503)	(36,008)	-	-
Staff costs	5	(7,778)	(7,873)	-	-
Depreciation and amortisation expense		(4,920)	(3,514)	-	-
Operating expenses		(6,637)	(11,609)	(152)	-
Profit from operations	4	37,384	32,108	7,139	-
Finance costs	7	(608)	(732)	-	-
Share of results of associated companies		(223)	(177)	-	-
Profit before taxation		36,553	31,199	7,139	-
Taxation	8	(9,874)	(8,902)	(2,035)	-
Profit after taxation		26,679	22,297	5,104	-
Minority interests		(2,249)	(908)	-	-
Net profit for the year		24,430	21,389	5,104	-
Earnings per share (Sen)	9	18.6	17.7		
Net dividends per share (Sen)					
- Interim dividend declared (10% or 5 sen gross per share less 28% taxation)	10	3.6	-	3.6	-
- Final dividend proposed (2% or 1 sen gross per share less 28% taxation)	10	0.7	-	0.7	-
		4.3	-	4.3	-

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

BALANCE SHEETS AS AT 31 DECEMBER 2004

	Note	GROUP		COMPANY	
		2004	2003	2004	2003
		RM'000	RM'000	RM'000	RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	11	20,093	14,155	-	-
Investments in subsidiary companies	12	-	-	60,299	-
Investments in associated companies	13	-	-	-	-
Investments in jointly controlled entity	14	-	430	-	-
Long term investments	15	1,134	1,134	-	-
Deferred expenditure	16	-	562	-	562
CURRENT ASSETS					
Property development costs	17	52,383	37,960	-	-
Inventories	18	3,230	390	-	-
Trade receivables	19	83,286	95,289	-	-
Sundry receivables	20	3,404	7,786	2	-
Tax recoverable		224	222	3	-
Amount due from subsidiary company	21	-	-	17,828	-
Amount due from associated company	22	2,256	2,158	-	-
Amount due from jointly controlled entity	23	-	3,130	-	-
Short term investments	24	657	1,902	-	-
Cash and bank balances	25	38,477	6,076	2,257	1
		183,917	154,913	20,090	1
CURRENT LIABILITIES					
Amounts due to customers on contracts	26	79	77	-	-
Trade payables	27	44,916	44,003	-	-
Sundry payables	28	4,426	5,407	117	562
Tax payable		4,841	3,895	-	-
Hire purchase payables	29	1,954	2,194	-	-
Bank borrowings	30	-	9,068	-	-
Dividends payable		1,958	-	1,958	-
		58,174	64,644	2,075	562
NET CURRENT ASSETS / (LIABILITIES)		125,743	90,269	18,015	(561)
		146,970	106,550	78,314	1

BALANCE SHEETS
AS AT 31 DECEMBER 2004 (CONTD.)

		GROUP		COMPANY	
		2004	Proforma 2003	2004	2003
	Note	RM'000	RM'000	RM'000	RM'000
FINANCED BY:-					
Share capital	31	68,000	60,300	68,000	1
Share premium		10,106	-	10,106	-
Capital reserve	32	4,900	595	-	-
Retained profits	33	50,899	35,670	208	-
		133,905	96,565	78,314	1
Minority interests		10,290	8,041	-	-
Hire purchase payables	29	2,059	1,228	-	-
Deferred taxation	35	716	716	-	-
		146,970	106,550	78,314	1

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

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2004

	Note	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Retained profits RM'000	Total RM'000
GROUP						
Proforma balance as at 1 January 2003		60,299	-	595	80,281 #	141,175
Issue of ordinary shares for cash		1	-	-	-	1
Proforma profit for the year		-	-	-	21,389	21,389
Dividends paid by a subsidiary prior to the merger	10	-	-	-	(66,000)	(66,000)
Proforma balance at 31 December 2003		60,300	-	595	35,670	96,565
Issue of ordinary shares for cash, net of share issue expenses		7,700	10,106	-	-	17,806
Bonus share issue		-	-	4,305	(4,305)	-
Profit for the year		-	-	-	24,430	24,430
Dividends	10	-	-	-	(4,896)	(4,896)
At 31 December 2004		68,000	10,106	4,900	50,899	133,905

COMPANY

At the date of incorporation on 6 February 2003		- *	-	-	-	- *
Issue of ordinary shares for cash		1	-	-	-	1
At 31 December 2003		1	-	-	-	1
Issue of ordinary shares						
Acquisition of subsidiary		60,299	-	-	-	60,299
Issued for cash, net of share issue expenses		7,700	10,106	-	-	17,806
Profit for the year		-	-	-	5,104	5,104
Dividends	10	-	-	-	(4,896)	(4,896)
At 31 December 2004		68,000	10,106	-	208	78,314

Merger deficit of RM30,149,000 has been set off against retained profits.

* Amounts in fraction. The Company was incorporated on 6 February 2003 with an issued and paid up capital of RM2 comprising 2 ordinary shares of RM1 each.

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

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

	GROUP		COMPANY	
	2004	Proforma 2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	36,553	31,199	7,139	-
Adjustments for:				
Depreciation of property, plant and equipment	4,920	3,514	-	-
Allowance for doubtful debts	-	5,440	-	-
Interest expense	608	732	-	-
Share of results of associated companies	223	177	-	-
Write back of allowance for doubtful debts	(2,062)	-	-	-
Gain on disposal of short term investments	(133)	(163)	-	-
Gain on disposal of property, plant and equipment	(70)	(2,634)	-	-
Interest income	(458)	(1,303)	(24)	-
Dividend income	(9)	-	(7,266)	-
Operating profit/(loss) before working capital changes	39,572	36,962	(151)	-
Changes in working capital:				
Receivables	18,447	(40,491)	(2)	-
Development properties	(14,423)	442	-	-
Inventories	(2,840)	24	-	-
Amounts due to customer on contracts	2	(93)	-	-
Payables	494	35	117	-
Amounts due to/from associated investor and subsidiary companies of the associated investor	-	30,987	-	-
Amount due from subsidiary company	-	-	(17,828)	-
Amount due from associated company	(321)	(245)	-	-
Amount due from jointly controlled entity	3,130	(1,127)	-	-
Cash generated from / (used in) operations carried forward	44,061	26,494	(17,864)	-

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004 (CONTD.)

	GROUP		COMPANY	
		Proforma		
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Cash generated from / (used in) operations brought forward	44,061	26,494	(17,864)	-
Income tax paid	(8,930)	(8,018)	(2,038)	-
Net cash generated from / (used in) operating activities	35,131	18,476	(19,902)	-

CASH FLOWS FROM INVESTING ACTIVITIES

Investment in unquoted shares	-	(1,000)	-	-
Purchase of property, plant and equipment	(7,172)	(1,609)	-	-
Dividends paid	(2,938)	-	(2,938)	-
Dividends paid to minority interests	-	(300)	-	-
Dividend paid by a subsidiary prior to the merger	-	(66,000)	-	-
Proceeds from disposal of short term investments	1,378	2,126	-	-
Proceeds from disposal of property, plant and equipment	215	3,625	-	-
Proceeds from liquidation of jointly controlled entity	430	-	-	-
Interest received	458	1,303	24	-
Dividends received	9	-	7,266	-
Net cash (used in)/generated from investing activities	(7,620)	(61,855)	4,352	-

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from issuance of ordinary shares for cash, net of share issue expenses	17,806	1	17,806	1
Interest paid	(608)	(732)	-	-
(Repayment)/drawdown of bank borrowings	(9,068)	5,068	-	-
Repayment of hire purchase payables	(3,240)	(2,130)	-	-
Net cash generated from financing activities	4,890	2,207	17,806	1

**CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004 (CONTD.)**

	GROUP		COMPANY	
		Proforma		
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	32,401	(41,172)	2,256	1
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	6,076	47,248	1	-
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	38,477	6,076	2,257	1

	GROUP		COMPANY	
		Proforma		
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Cash and cash equivalents comprise the following:				
Cash and bank balances	8,290	3,279	24	1
Deposits with licensed financial institutions	30,187	2,797	2,233	-
	38,477	6,076	2,257	1

As disclosed in Note 25 to the financial statements, included in the cash and bank balances of the Group is RM15,396 (Proforma 2003: RM15,676) held in trust account in accordance with Regulation 12 of the Housing Developers (Housing Development Account) Regulations 1991.

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

1. CORPORATE INFORMATION

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary companies are civil engineering and building construction, hire of plant and machinery, manufacturing, supplying and trading of construction related materials and housing project management and development. There were no significant changes in the nature of these activities during the year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 17 Jalan Semangat, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The number of employees in the Group at the end of the financial year were 436 (Proforma 2003: 446)

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 21 March 2005.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

(b) Basis of Consolidation

(i) Subsidiaries

The consolidated financial statements include the financial statements of the Company and Mudajaya Corporation Berhad ("MJC") and its subsidiaries. Subsidiaries are those companies in which the Group has a long term equity interest and where it has power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

The acquisition of Mudajaya Corporation Berhad and its subsidiaries are accounted for using the merger method of accounting as the combination meets the relevant criteria set out in the MASB Standard 21 "Business Combination". Under the merger method of accounting, the results of subsidiaries are presented as if the merger had been affected throughout the current and previous years. In the consolidated financial statements, the cost of the merger is cancelled with the nominal values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(b) Basis of Consolidation (contd.)

(i) Subsidiaries (contd.)

The cost of investment in a merger are recorded at the aggregate of the nominal value of equity shares issued, cash and cash equivalents and fair values of other considerations.

Subsidiaries of Mudajaya Corporation Berhad are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiaries acquired or disposed off during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated balance sheet. The difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or negative goodwill arising on consolidation.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill and exchange differences which were not previously recognised in the consolidated income statement.

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

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

(ii) Associates

Associates are those entities in which the Group exercises significant influence but not control, through participation in the financial and operating policy decisions of the entities.

Investments in associates are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the associates. Under the equity method of accounting, the Group's share of profits less losses of associates during the period is included in the consolidated income statement. The Group's interest in associates is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves.

Unrealised gains on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated unless cost cannot be recovered.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(b) Basis of Consolidation (contd.)

(iii) Jointly Controlled Entities

A jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other entity in which the Group has joint control over its economic activity established under a contractual arrangement.

Investments in jointly controlled entities are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the jointly controlled entities. Under the equity method of accounting, the Group's share of profits less losses of jointly controlled entities during the period is included in the consolidated income statement. The Group's interest in jointly controlled entities is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves.

Unrealised gains on transactions between the Group and the jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities. Unrealised losses are eliminated unless cost cannot be recovered.

(c) Investments in Subsidiaries, Associates and Jointly Controlled Entities

The Company's investments in subsidiaries, associates and jointly controlled entities are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(p).

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

(d) Property, Plant and Equipment and Depreciation

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

The policy for the recognition and measurement of impairment losses is in accordance with Note 2(p).

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

	%
Buildings	2
Factory	10
Plant, machinery and equipment	20
Office equipment, furniture and fittings	20
Motor vehicles	20

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(e) Property Development Costs

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

When the financial outcome of a development activity can be reliably estimated, property development revenue and expense are recognised in the income statement by using the stage of completion method. The stage of completion is determined by reference to the works certified.

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

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

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

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

(f) Deferred expenditure

Deferred expenditure, which is stated at cost, relates to the expenditure incurred for the restructuring and listing of the Company's shares on Bursa Malaysia Securities Berhad. Deferred expenditure consist of professional fees and other related costs and is written off against share premium arising from the restructuring and listing exercise.

(g) Construction Contracts

Construction contracts work-in-progress are stated at cost plus attributable profits less foreseeable losses and progress billings. Cost includes sub-contract charges, materials, labour and attributable overhead expenses.

Where the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion is determined by reference to the contract costs incurred for work performed to date. Provision is made for all foreseeable losses on construction contracts.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(h) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials, finished goods and work-in-progress is determined on a weighted average or first-in-first-out basis, as appropriate, according to the category of stocks concerned. Cost of finished goods and work-in-progress includes direct materials, direct labour, other direct costs and attributable production overheads. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

(i) Cash and Cash Equivalents

Cash and cash equivalents includes cash and bank balances, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(j) Income Tax

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

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(k) Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. All other leases are classified as operating leases.

Assets acquired by way of hire purchase are stated at an amount equal to the lower of their fair values and the present value of the minimum hire purchase payments at the inception of the hire purchases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum hire purchase payments, the discount factor used is the interest rate implicit in the hire purchase.

Hire purchase payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total hire purchase commitments and the fair value of the assets acquired, are charged to the income statement over the term of the relevant hire purchase so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for assets acquired under hire purchase is consistent with that for depreciable property, plant and equipment as described in Note 2(d).

(l) Provisions for Liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure to be required to settle the obligation.

(m) Employee Benefits

(i) Short term benefits

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

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement when incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(n) Revenue Recognition

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

(i) Development properties

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

(ii) Construction contracts

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

(iii) Sale of goods

Revenue from sale of goods is recognised net of sales taxes and discounts upon the transfer of risks and rewards.

(iv) Revenue from services

Revenue from services rendered is recognised net of service taxes and discounts as and when the services are performed.

(v) Interest income

Interest income is recognised as it accrues on a time proportion basis by reference to the principal outstanding and at the interest rate applicable.

(vi) Dividend income

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

Revenue for the Group excludes intra group transactions.

(o) Foreign Currencies

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the date of the transaction. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of the transaction. All exchange rate differences are taken to the income statement.

The principal exchange rate used at the balance sheet date is as follows:

	2004 RM	2003 RM
100 Rupees	8.87	8.51

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(p) Impairment of Assets

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

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any available previously recognised revaluation surplus for the same asset. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset no longer exist or have decreased.

(q) Financial Instruments

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

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Other Non-Current Investments

Non-current investments other than investments in subsidiaries, associates and jointly controlled entities are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(p). On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

(ii) Marketable Securities

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

(iii) Trade Receivables

Trade receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iv) Trade Payables

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

(v) Interest-Bearing Borrowings

Interest-bearing bank loans are recorded at the amount of proceeds received, net of transaction costs. Borrowing costs are recognised in the income statement as an expense in the period in which they are incurred.

(vi) Ordinary Shares

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

3. REVENUE

Revenue comprise the following:

	GROUP		COMPANY	
	Proforma			
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Work performed on construction contracts	271,843	228,337	-	-
Sale of development properties	45,359	32,110	-	-
Sale of construction materials	67,937	41,676	-	-
Gross dividends from a subsidiary	-	-	7,266	-
	385,139	302,123	7,266	-

4. PROFIT FROM OPERATIONS

	GROUP		COMPANY	
	Proforma			
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Profit from operations is stated after charging / (crediting):				
Non-executive directors' remuneration (Note 6)	90	-	90	-
Auditors' remuneration				
- Statutory audit	66	55	15	-
- Other services	24	53	1	-
Depreciation (Note 11)	4,920	3,514	-	-
Hire of plant and machinery	58	94	-	-
Allowance for doubtful debts	-	5,440	-	-
Rental of land and building				
- related company of an associated investor	268	268	-	-
- others	52	29	-	-
Gain on disposal of short term investments	(133)	(163)	-	-
Gain on disposal of property, plant and equipment	(70)	(2,634)	-	-
Hire of plant and machinery	-	(190)	-	-
Rental of land and building	(164)	(189)	-	-
Gross dividend income				
- subsidiary	-	-	(7,266)	-
- quoted shares	(9)	-	-	-
Interest income				
- deposits with licensed financial institutions	(296)	(423)	(24)	-
- others	(162)	(880)	-	-
Write back of allowance for doubtful debts	(2,062)	-	-	-

5. STAFF COSTS

	GROUP	
	2004	Proforma 2003
	RM'000	RM'000
Wages and salaries	6,556	7,064
Social security costs	26	29
Pension costs - defined contribution plans	477	564
Other staff related expenses	719	216
	<u>7,778</u>	<u>7,873</u>

Included in staff costs of the Group are executive directors remuneration amounting to RM1,714,000 (Proforma 2003: RM962,000) as further disclosed in Note 6.

6. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2004	Proforma 2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
Executive:				
- Salaries and other emoluments	699	659	-	-
- Fees	40	-	-	-
- Bonus	16	183	-	-
- Pension costs - defined contribution plans	99	120	-	-
- Benefits-in-kind	52	29	-	-
	<u>906</u>	<u>991</u>	<u>-</u>	<u>-</u>
Non-Executive:				
- Fees	90	-	90	-
	<u>996</u>	<u>991</u>	<u>90</u>	<u>-</u>
Directors of the Subsidiaries				
Executive:				
- Salaries and other emoluments	688	-	-	-
- Fees	40	-	-	-
- Bonus	44	-	-	-
- Pension costs - defined contribution plans	88	-	-	-
- Benefits-in-kind	22	-	-	-
	<u>882</u>	<u>-</u>	<u>-</u>	<u>-</u>

6. DIRECTORS' REMUNERATION (CONTD.)

	GROUP		COMPANY	
	2004	Proforma 2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Non-Executive:				
- Fees	-	-	-	-
	882	-	-	-
	1,878	991	90	-
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits in-kind (Note 5)	1,714	962	-	-
Total non-executive directors' remuneration (Note 4)	90	-	90	-
Total directors' remuneration excluding benefits-in-kind	1,804	962	90	-

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2004	2003
Executive directors:		
100,001 - 150,000	1	1
300,001 - 350,000	1	-
350,001 - 400,000	-	1
450,001 - 500,000	1	-
500,001 - 550,000	-	1
Non-executive directors:		
Below 50,000	3	-

7. FINANCE COSTS

	GROUP	
	2004	Proforma 2003
	RM'000	RM'000
Interest expense		
- bank borrowings	232	466
- hire purchase financing	376	223
Other financing expenses	-	43
	608	732

8. TAXATION

	GROUP		COMPANY	
		Proforma		
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Malaysian taxation based on results for the year	9,733	8,902	2,035	-
Underprovision in prior years	141	-	-	-
	9,874	8,902	2,035	-

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

	GROUP		COMPANY	
		Proforma		
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	36,553	31,199	7,139	-
Taxation at Malaysian statutory tax rate of 28% (2003: 28%)	10,235	8,736	1,999	-
Income not subject to tax	(628)	(28)	-	-
Expenses not deductible for tax purposes	233	194	36	-
Underprovision of tax expense in prior years	141	-	-	-
Tax rebate	(107)	-	-	-
	9,874	8,902	2,035	-

9. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the financial year.

	GROUP	
		Proforma
	2004	2003
Net profit for the year (RM '000)	24,430	21,389
Weighted average number of ordinary shares in issue ('000)	130,993	120,600
Earnings per share (Sen)	18.6	17.7

10. DIVIDENDS

Dividends declared by the Company during the year are as follows:

	GROUP / COMPANY			
	Net Dividends		Net Dividends per Share	
	2004 RM'000	2003 RM'000	2004 Sen	2003 Sen
First interim dividend of 6% or 3 sen gross per share less 28% taxation, on 136,000,000 ordinary shares, declared on 10 June 2004 and paid on 19 August 2004	2,938	-	2.2	-
Second interim dividend of 4% or 2 sen gross per share less 28% taxation, on 136,000,000 ordinary shares, declared on 24 November 2004 and paid on 15 January 2005	1,958	-	1.4	-
	4,896	-	3.6	-

Dividends declared by subsidiary prior to the merger:

In the financial year ended 31 December 2003, Mudajaya Corporation Berhad declared and paid the following dividends:

	Net Dividends 2003 RM'000	Net Dividends Per Share 2003 Sen
First interim dividend of 290.22% less 28% taxation	63,000	209.0
Second interim dividend of 13.82% less 28% taxation	3,000	10.0
	66,000	219.0

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2004, of 2% or 1 sen gross less 28% taxation, on 136,000,000 ordinary shares, amounting to a dividend payable of RM979,200 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2005.

11. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land RM'000	Building RM'000	Factory RM'000	Plant, machinery and equipment RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Total	
							2004 RM'000	2003 RM'000
COST								
At 1 January	4,057	170	2,879	37,193	2,830	5,625	52,754	48,175
Additions	1,650	-	661	6,287	153	2,252	11,003	6,017
Disposals	-	-	-	(895)	(688)	(441)	(2,024)	(1,438)
At 31 December	5,707	170	3,540	42,585	2,295	7,436	61,733	52,754
ACCUMULATED DEPRECIATION								
At 1 January	-	13	1,263	30,539	2,394	4,390	38,599	35,532
Charge for the year	-	3	344	3,624	288	661	4,920	3,514
Disposals	-	-	-	(889)	(686)	(304)	(1,879)	(447)
At 31 December	-	16	1,607	33,274	1,996	4,747	41,640	38,599
NET BOOK VALUE								
At 31 December 2004	5,707	154	1,933	9,311	299	2,689	20,093	-
At 31 December 2003	4,057	157	1,616	6,654	436	1,235	-	14,155
Depreciation charge for 2003	-	9	270	2,537	266	432	-	3,514

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

- a) Included in property, plant and equipment of the Group as at 1 January 2003 were certain of the Group's freehold land and buildings which were revalued by the Directors on 31 December 1981 based on independent professional valuation using the fair market value basis amounted to RM1,079,000. The revalued freehold land and buildings were disposed of during the financial year ended 31 December 2003.
- b) During the year, the Group acquired property, plant and equipment with an aggregate cost of RM11,003,000 (Proforma 2003: RM6,017,000) of which RM3,831,000 (Proforma 2003: RM4,408,000) were acquired by means of hire purchase arrangements. Cash payments of RM7,172,000 (Proforma 2003: RM1,609,000) were made to purchase property, plant and equipment.
- c) The net book values of property, plant and equipment of the Group held under hire purchase arrangements are as follows:

	GROUP	
	2004	Proforma 2003
	RM'000	RM'000
Motor vehicles	1,382	430
Plant and machinery	7,058	4,684
	<hr/>	<hr/>
	8,440	5,114
	<hr/>	<hr/>

12. INVESTMENTS IN SUBSIDIARY COMPANIES

	COMPANY	
	2004	2003
	RM'000	RM'000
Unquoted shares in Malaysia, at cost	60,299	-
	<hr/>	<hr/>

The investment is stated at cost in the Company's financial statements. Cost reflects the nominal value of shares issued by the Company for the acquisition.

12. INVESTMENTS IN SUBSIDIARY COMPANIES (CONTD.)

Details of the subsidiary companies are as follows:-

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2004 %	Proforma 2003 %
Mudajaya Corporation Berhad	Malaysia	Civil engineering and building construction	100	100
Subsidiaries of Mudajaya Corporation Berhad				
Mudajaya Power International Sdn. Bhd.	Malaysia	Civil engineering and building construction	100	100
Angsana Fajar Sdn. Bhd.	Malaysia	Housing development	100	100
MJC City Development Sdn. Bhd.	Malaysia	Property management and development	70	70
MJC Development Sdn. Bhd.	Malaysia	Property management and development and building construction	51	51
MJC Industries Sdn. Bhd.	Malaysia	Manufacture of concrete products and building materials	100	100
MJC Precast Sdn. Bhd.	Malaysia	Supply of precast concrete and other related products	51	51
MJC Trading Sdn. Bhd.	Malaysia	Hire of plant and machinery and trading in construction related materials	100	100
MJC Services Sdn. Bhd.	Malaysia	Dormant	100	100
MJC Properties Sdn. Bhd.	Malaysia	Dormant	100	100

13. INVESTMENTS IN ASSOCIATED COMPANIES

	GROUP	
	2004 RM'000	Proforma 2003 RM'000
Unquoted shares in Malaysia, at cost	1	1
Share of post acquisition losses	(1)	(1)
	-	-

The associated companies are as follows:-

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2004	Proforma 2003
			%	%
Associated companies of Mudajaya Corporation Berhad				
Binamin Quarry Sdn. Bhd.	Malaysia	Investment holding	40	40
Binamin MJC Quarry Sdn. Bhd.	Malaysia	Quarry operations	70	70

14. INVESTMENTS IN JOINTLY CONTROLLED ENTITY

	GROUP	
	2004 RM'000	Proforma 2003 RM'000
Share of retained profits	-	430

The Group had a 50% interest in Projass-Mudajaya Joint Venture which was involved in the construction of power stations. The jointly controlled entity was dissolved during the current financial year.

The following amounts represent the Group's share of the assets, liabilities, income and expenses of the jointly controlled entity:

	2004 RM'000	Proforma 2003 RM'000
Current assets	-	5,983
Current liabilities	-	(5,553)
Net assets	-	430
Income and expenses	-	-

15. LONG TERM INVESTMENTS

	GROUP	
	2004	Proforma 2003
	RM'000	RM'000
At cost:		
Club memberships	64	64
Unquoted preference shares	70	70
Unquoted shares	1,000	1,000
	<u>1,134</u>	<u>1,134</u>

16. DEFERRED EXPENDITURE

Deferred expenditure comprise professional fees and related costs incurred for the restructuring and listing exercise of the Company as disclosed in Note 39. These expenses were written off to the share premium account during the year.

Included in deferred expenditure expenses for the year were auditors remuneration for other services rendered amounted to RM30,000 (2003: RM164,000) for the Group and the Company.

17. PROPERTY DEVELOPMENT COSTS

	GROUP	
	2004	Proforma 2003
	RM'000	RM'000
Property development costs at 1 January:		
Freehold land	2,424	2,424
Leasehold land	35,882	35,866
Development costs	354,144	326,926
	<u>392,450</u>	<u>365,216</u>
Costs incurred during the year:		
Leasehold land	7,518	18
Development costs	42,549	27,217
	<u>50,067</u>	<u>27,235</u>
Costs recognised in income statement:		
At 1 January	354,491	326,671
Recognised during the year	35,643	27,820
	<u>390,134</u>	<u>354,491</u>
At 31 December		
Property development costs at 31 December	<u>52,383</u>	<u>37,960</u>

17. PROPERTY DEVELOPMENT COSTS (CONTD.)

The leasehold land under development of a subsidiary company belongs to a third party and is developed by the subsidiary company pursuant to the Development Agreement and the Supplemental Agreement entered into on 22 July 1996 and 23 July 1996 respectively, between the subsidiary company and a third party. The Development Agreement and the Supplemental Agreement provide interalia for the payment in kind in return for the land contributed by the third party.

In the previous financial year, the leasehold land was charged to a bank as security for a bridging loan facility granted to a subsidiary as disclosed in Note 30.

18. INVENTORIES

	GROUP	
	2004 RM'000	Proforma 2003 RM'000
At cost :		
Raw materials and consumables	3,143	303
Finished goods	87	87
	<u>3,230</u>	<u>390</u>

19. TRADE RECEIVABLES

	GROUP	
	2004 RM'000	Proforma 2003 RM'000
Trade receivables	87,294	101,359
Less: Allowance for doubtful debts	(4,008)	(6,070)
	<u>83,286</u>	<u>95,289</u>

The credit period of trade receivables ranges from 30 to 90 days.

(i) Included in the Group's trade receivables are the following:

	GROUP	
	2004 RM'000	Proforma 2003 RM'000
Retention sums on construction contracts	<u>11,065</u>	<u>13,362</u>

19. TRADE RECEIVABLES (CONTD.)

- (ii) Included in the Group's trade receivables is RM254,000 (Proforma 2003: RM113,000) being amount due from Leisure Farm Corporation Sdn Bhd, a related company of an associated investor.
- (iii) In the previous financial year, the proceeds from a contract trade receivable of the Group of RM22,907,966 were assigned to a bank as security for a term loan facility granted to a subsidiary as disclosed in Note 30.

20. SUNDRY RECEIVABLES

	GROUP		COMPANY	
	2004	Proforma 2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Deposits	1,241	1,030	-	-
Prepayments	164	846	-	-
Sundry receivables	1,999	5,910	2	-
	3,404	7,786	2	-

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

21. AMOUNT DUE FROM SUBSIDIARY COMPANY

The amount due from subsidiary company is unsecured, interest free and has no fixed repayment terms.

22. AMOUNT DUE FROM ASSOCIATED COMPANY

	GROUP	
	2004	Proforma 2003
	RM'000	RM'000
Amount due from associated company	5,756	5,435
Share of post acquisition losses in excess of cost of investment	(3,500)	(3,277)
	2,256	2,158

The amount due from associated company is unsecured, interest free and has no fixed repayment term.

23. AMOUNT DUE FROM JOINTLY CONTROLLED ENTITY

Amount due from a jointly controlled entity is unsecured, interest free and has no fixed terms of repayment.

24. SHORT TERM INVESTMENTS

	GROUP	
	2004	Proforma
	RM'000	2003
		RM'000
At cost:		
Quoted shares in Malaysia	190	1,370
Quoted Irredeemable Convertible Unsecured Loan Stocks ("ICULS") in Malaysia	614	1,002
	804	2,372
Less: Impairment losses	(147)	(470)
	657	1,902

The market value of the quoted investments as at end of year are as follows:

	GROUP	
	2004	Proforma
	RM'000	2003
		RM'000
Shares	151	1,052
ICULS	495	882
	646	1,934

25. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2004	Proforma	2004	2003
	RM'000	2003	RM'000	RM'000
		RM'000		
Cash on hand and at banks	8,290	3,279	24	1
Deposits with:				
Licensed banks	8,191	-	-	-
Discount house	21,996	2,797	2,233	-
	38,477	6,076	2,257	1

25. CASH AND CASH EQUIVALENTS (CONTD.)

The deposits placed with licensed banks have an average maturity period of 30 days and bear interest at a rate of 3% per annum. Deposits placed with discount house are on call basis (Proforma 2003: on call basis) and bear interest at an average rate of 2.7% (2003: 2.66%) per annum.

Included in the cash at bank balances of the Group is RM15,396 (Proforma 2003 : RM15,676) held in trust account in accordance with Regulation 12 of the Housing Developers (Housing Development Account) Regulations 1991.

26. AMOUNTS DUE TO CUSTOMERS ON CONTRACTS

	GROUP	
	2004	Proforma
	RM'000	2003
		RM'000
Progress billings	1,225,786	1,100,928
Less: Construction contract costs incurred todate	(1,101,879)	(994,841)
	123,907	106,087
Less: Attributable profits	(123,828)	(106,010)
Amounts due to customers on contracts	79	77
Included in construction contract costs are the following expenses incurred during the year:-		
Hire of plant and machinery	4,836	1,869
Rental of land and buildings	190	156

27. TRADE PAYABLES

The credit period of trade payables ranges from 7 to 90 days.

28. SUNDRY PAYABLES

	GROUP		COMPANY	
	2004	Proforma	2004	2003
	RM'000	2003	RM'000	RM'000
		RM'000		
Deposits	687	467	-	-
Accruals	984	971	95	562
Sundry payables	2,755	3,969	22	-
	4,426	5,407	117	562

29. HIRE PURCHASE PAYABLES

	GROUP	
	2004	Proforma
	RM'000	2003
		RM'000
Minimum hire purchase payments:		
Not later than 1 year	2,164	2,339
Later than 1 year and not later than 5 years	2,146	1,333
	<hr/>	<hr/>
	4,310	3,672
Less: Future finance charges	(297)	(250)
	<hr/>	<hr/>
	4,013	3,422
	<hr/>	<hr/>
Present value of hire purchase payments:		
Not later than 1 year	1,954	2,194
Later than 1 year and not later than 5 years	2,059	1,228
	<hr/>	<hr/>
	4,013	3,422
	<hr/>	<hr/>

The hire purchase payables bear effective interest rates ranging from 6.45% to 8.94% per annum.

30. BANK BORROWINGS

Short term borrowings		
	GROUP	
	2004	Proforma
	RM'000	2003
		RM'000
Secured:		
Term loan	-	3,000
Bridging loan	-	6,068
	<hr/>	<hr/>
	-	9,068
	<hr/>	<hr/>

In the previous financial year, the term loan of a subsidiary company bore interest at a rate of 7.50% per annum and was repayable progressively by way of deduction of a certain percentage from the contract proceeds of a contract. The term loan was secured by an assignment of the aforementioned contract proceeds as disclosed in Note 19 and by a guarantee from certain Directors of the subsidiary company. The term loan was fully repaid during the current financial year.

In the previous financial year, the bridging loan facility of a subsidiary company bore interest at a rate of 7.50% per annum and was repayable progressively by way of deduction of a certain percentage from the development proceeds of certain phases of the development. The bridging loan was secured by a charge on a third party's land developed by the subsidiary company and a corporate guarantee from a fellow subsidiary company. The bridging loan was fully repaid during the current financial year.

31. SHARE CAPITAL

	Number of Ordinary Shares		Amount	
	2004 '000	2003 '000	2004 RM'000	2003 RM'000
GROUP/COMPANY				
Authorised				
At 1 January 2004				
- 200,000 ordinary shares of RM0.50 each /	200	100	100	100
At date of incorporation on 6 February 2003				
- 100,000 ordinary shares of RM1 each				
Subdivision of 100,000 shares of RM1				
each into 200,000 ordinary shares				
of RM0.50 each	-	100	-	-
Created during the year				
- 499,800,000 ordinary shares of				
RM0.50 each	499,800	-	249,900	-
At 31 December 2004				
- 500,000,000 ordinary shares of RM0.50				
each /				
At 31 December 2003				
- 200,000 ordinary shares of RM0.50 each	500,000	200	250,000	100
Issued and fully paid				
At 1 January 2004				
- 2,000 ordinary shares of RM0.50 each /	2	- *	1	- *
At date of incorporation on 6 February 2003				
- 2 ordinary shares of RM1 each				
Subdivision of 2 ordinary shares of				
RM1 each into 4 ordinary shares				
of RM0.50 each	-	- *	-	- *
Issued during the year				
Issued for cash				
- 15,400,000 ordinary shares of				
RM0.50 each (2003: 1,996 ordinary				
shares of RM0.50 each)	15,400	2	7,700	1
Acquisition of subsidiaries				
- 120,598,000 ordinary shares of				
RM0.50 each	120,598	-	60,299	-
At 31 December 2004				
- 136,000,000 ordinary shares of				
RM0.50 each /				
At 31 December 2003				
- 2,000 ordinary shares of RM0.50 each	136,000	2	68,000	1

* Amounts in fraction

31. SHARE CAPITAL (CONTD.)

(i) Ordinary Shares Issued for Cash

During the financial year, the Company issued 15,400,000 new ordinary shares of RM0.50 each through an initial public offering at an issue price of RM1.28 per share for cash, to provide for additional working capital. The share premium arising, after deducting listing expenses of RM1,906,000, amounted to RM10,106,000 and this has been credited to the share premium account. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

(ii) Ordinary Shares Issued for Acquisition of Subsidiary

During the financial year, the Company issued 120,598,000 new ordinary shares of RM0.50 each amounting to RM60,299,000 as purchase consideration for the acquisition of Mudajaya Corporation Berhad and its subsidiaries. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

The share capital of the Group for Proforma 2003 has been restated for the issuance of shares for the acquisition of the subsidiary company as if the subsidiary company has been owned throughout the current and preceding financial periods. Accordingly, the proforma issued and paid up share capital comprising 120,600,000 ordinary shares of RM0.50 each in respect of the Group for the comparative period has been stated as RM60,300,000.

32. CAPITAL RESERVE

	GROUP	
	2004	Proforma
	RM'000	2003
		RM'000
At 1 January	595	595
Arising in the year	4,305	-
At 31 December	4,900	595

The capital reserve is in respect of capitalisation of retained profits of a subsidiary company arising from bonus shares issued by the subsidiary company.

33. RETAINED PROFITS

The Company has sufficient tax credit under Section 108 of the Income Tax Act 1967 to frank the payment of dividends out of its entire retained profits as at 31 December 2004.

34. MERGER DEFICIT COMBINATION

The details of the acquisition of Mudajaya Corporation Berhad ("MJC") are disclosed in Note 39. The acquisition of MJC and its subsidiaries are accounted for using the merger method of accounting as the combination meets the relevant criteria set out in the MASB Standard 21 "Business Combination".

The difference between the nominal value of shares of the Company issued as consideration and the nominal value of shares of MJC acquired which amounted to RM30,149,000, has been classified as a merger deficit. The merger deficit has been set off against retained profits of prior periods as if the subsidiary company has been owned throughout the current and preceding financial periods.

The analysis of the Group's results before and after 1 March 2004, the effective date of merger, is as follows:

	1/1/2004 to 29/2/2004 Pre-Merger RM '000	1/3/2004 to 31/12/2004 Post-Merger RM '000	1/1/2004 to 31/12/2004 Total RM '000	Proforma 1/1/2003 to 31/12/2003 Total RM '000
Profit after taxation before minority interests				
The Company before merger	-	5,104	5,104	-
Merged subsidiary	3,407	23,399	26,806	21,389
	3,407	28,503	31,910	21,389
Elimination of inter-company transactions	-	(5,231)	(5,231)	-
The Group after merger	3,407	23,272	26,679	21,389

The amounts of assets and liabilities contributed by each enterprise as of the effective date of merger, 1 March 2004 are as follows:

	The Company RM '000	Merged subsidiary RM '000
Total assets	563	157,516
Total liabilities	562	49,504

35. DEFERRED TAXATION

	GROUP	
	2004	Proforma 2003
	RM'000	RM'000
Deferred tax liabilities:		
Accelerated capital allowances		
At 1 January and at 31 December	716	716

36. SIGNIFICANT RELATED PARTY TRANSACTIONS

	GROUP	
	2004	Proforma 2003
	RM'000	RM'000
Purchase of materials from Binamin MJC Quarry Sdn Bhd, an associated company	-	192
Rental payable to Mulpha Properties Sdn Bhd, a related company of an associated investor	268	268
Construction contract billings receivable from Leisure Farm Corporation Sdn Bhd, a related company of an associated investor	(13,158)	(4,743)

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

37. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2004	Proforma 2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Unsecured:				
Guarantees given to third parties in respect of construction projects	4,555	4,555	-	-
Corporate guarantees given to banks in respect of banking facilities utilised by a subsidiary company	-	-	16,762	-
	4,555	4,555	16,762	-

38. FINANCIAL INSTRUMENTS

a) Financial Risk, Management Objectives and Policies

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

b) Interest Rate Risk

The interest bearing financial liabilities are mainly in respect of short term borrowings. The interest rates of the short term borrowings are disclosed in Note 30.

The interest bearing financial assets are mainly in respect of short term deposits placed with licensed financial institutions. The interest rates of the short term deposits are disclosed in Note 25.

c) Foreign Exchange Risk

The Group has foreign operations in India and is exposed to the fluctuation in the exchange rate of Indian Rupees. However, the foreign currency exposures are kept to an acceptable level as the operations in India are financed in their local currency.

The net unhedged financial assets and financial liabilities of the Group companies that are not denominated in their functional currencies are as follows:

	GROUP	
	Non-functional currency 2004 Rupees RM'000	Non-functional currency Proforma 2003 Rupees RM'000
Functional currency		
Ringgit Malaysia:		
Trade receivables	2,227	1,505
Cash and bank balances	453	363

d) Liquidity Risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments and adequate banking facilities to meet its working capital requirements.

38. FINANCIAL INSTRUMENTS (CONTD.)

e) Credit Risk

Credit risks, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group's trade receivables mainly comprise contract trade receivables of RM64.367 million (2003: RM80.661 million), the credit terms of which are disclosed in Note 19.

Other than as disclosed above, the Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk.

The maximum exposure to credit risk is represented by the carrying amount of each financial assets in the balance sheets.

f) Fair Values

The carrying amounts of financial assets and liabilities of the Group and the Company at the balance sheet date approximated their fair values except for the followings:

		GROUP		COMPANY	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Note	RM'000	RM'000	RM'000	RM'000
Financial Assets					
At 31 December 2004:					
Non-current unquoted shares and club memberships	15	1,134	*	-	-
At 31 December 2003 (Proforma):					
Non-current unquoted shares and club memberships	15	1,134	*	-	-

* It is not practicable to estimate the fair value of the Group's non-current unquoted shares and club memberships because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs.

The directors are of the opinion that notwithstanding that there are no fixed repayment terms for the amount due to/from subsidiaries, associates and jointly controlled entities, the fair values are not materially different from their carrying amounts.

38. FINANCIAL INSTRUMENTS (CONTD.)

f) Fair Values (contd.)

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

		GROUP		COMPANY	
		Nominal/ Notional Amount RM'000	Net Fair Value RM'000	Nominal/ Notional Amount RM'000	Net Fair Value RM'000
Note					
At 31 December 2004:					
Contingent liabilities	37	4,555	^	16,762	^
At 31 December 2003 (Proforma):					
Contingent liabilities	37	4,555	^	-	^

^ It is also not practicable to estimate the fair value of contingent liabilities and contingent assets reliably due to the uncertainties of timing, costs and eventual outcome.

39. SIGNIFICANT EVENTS DURING THE YEAR

Pursuant to the restructuring and listing exercise of the Company, the followings were completed during the year:

(i) Acquisition of Mudajaya Corporation Berhad ("MJC") and its subsidiaries

Pursuant to the conditional Sale and Purchase Agreement entered into between the Company and the vendors of MJC on 30 April 2003, the Company acquired the entire issued and paid up share capital of MJC comprising 30,150,000 ordinary shares of RM1 each for a total purchase consideration of RM75,175,320 satisfied by the issuance of 120,598,000 ordinary shares of RM0.50 each in the Company. The acquisition was completed on 1 March 2004.

(ii) Public Issue

The public issue of 15,400,000 new ordinary shares of RM0.50 each in the Company to the Malaysian public and eligible Directors and employees of the Group at issue price of RM1.28 per share was completed on 28 April 2004.

(iii) Offer for Sale

The offer for sale of 22,600,000 ordinary shares of RM0.50 each in the Company at an offer price of RM1.28 per share to Bumiputra investors approved by the Ministry of International Trade and Industry and identified investors was completed concurrently with the Public Issue.

39. SIGNIFICANT EVENTS DURING THE YEAR (CONTD.)

(iv) Listing and Quotation

The entire issued and paid-up share capital of the Company comprising 136,000,000 ordinary shares of RM0.50 each were listed and quoted on the Main Board of Bursa Malaysia Securities Berhad on 10 May 2004.

40. COMPARATIVES

In accordance with the principles of merger accounting, the results, financial position and consolidated cash flows of the Group are presented as if the subsidiary company has been owned throughout the current and preceding financial periods. Accordingly, proforma comparative figures of the Group have been presented.

41. SEGMENT INFORMATION

a) Business Segments

The Group operated principally in Malaysia and India and is organised into four major business segments:

- (i) Construction - undertaking civil engineering and constructions works;
- (ii) Property development - the development of residential and commercial properties;
- (iii) Trading and plant hiring - trading in construction materials and hire of plants; and
- (iv) Manufacturing - manufacturing of construction materials.

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

41. SEGMENT REPORTING (CONTD.)

31 December 2004

	Property			Trading and		Others	Eliminations	Consolidated
	Construction	Development	Manufacturing	Plant	Hiring			
Revenue								
External sales	271,843	45,359	24,043	43,894	-	-	-	385,139
Inter-segment sales	39,605	-	-	4,057	-	(43,662)	-	-
Total revenue	311,448	45,359	24,043	47,951	-	(43,662)	-	385,139
Result								
Segment results	28,040	6,761	753	335	7,291	(5,762)	-	37,418
Unallocated corporate expenses	-	-	-	-	(34)	-	-	(34)
Finance costs, net	(496)	(215)	(28)	-	-	131	-	37,384
Share of results of associates	(223)	-	-	-	-	-	-	(608)
Taxation								(223)
								(9,874)
Minority interests								26,679
								(2,249)
								24,430
Assets								
Segment assets	142,959	44,041	9,108	6,773	2,263			205,144
Liabilities								
Segment liabilities	49,994	1,368	3,425	4,204	1,958			60,949
Other Information								
Capital expenditure	8,183	49	2,771	-	-	-	-	11,003
Depreciation	3,650	124	1,146	-	-	-	-	4,920

41. SEGMENT REPORTING (CONTD.)

Proforma 31 December 2003							
	Property		Trading and		Others	Eliminations	Consolidated
	Construction	Development	Manufacturing	Plant Hiring			
Revenue							
External sales	228,337	32,110	18,665	23,011	-	-	302,123
Inter-segment sales	15,216	-	-	2,620	-	(17,836)	-
Total revenue	243,553	32,110	18,665	25,631	-	(17,836)	302,123
Result							
Segment results	28,218	3,715	364	230	-	(419)	32,108
Finance costs, net	(398)	(334)	-	-	-	-	(732)
Share of results of associates	(177)	-	-	-	-	-	(177)
Taxation							(8,902)
Minority interests							22,297 (908)
Assets							21,389
Segment assets	111,466	45,488	7,355	5,892	563		170,764
Investment in jointly controlled entity	430	-	-	-	-		430
Liabilities							171,194
Segment liabilities	51,018	9,343	2,065	3,600	562		66,588
Other Information							
Capital expenditure	5,445	11	561	-	-		6,017
Depreciation	2,615	116	783	-	-		3,514

41.SEGMENT REPORTING (CONTD.)

(b) Geographical Segments

The Group operates only in Malaysia, its home country and in India. In Malaysia, the Group's areas of operation are principally civil engineering and construction of highways and buildings and property

	Total Revenue from External Customers		Segment Assets		Capital Expenditure	
	Proforma		Proforma		Proforma	
	2004	2003	2004	2003	2004	2003
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Malaysia	276,889	183,710	202,464	169,326	11,003	6,017
India	108,250	118,413	2,680	1,868	-	-
Consolidated	385,139	302,123	205,144	171,194	11,003	6,017

Analysis of Shareholdings

AS AT 13 APRIL 2005

Authorised Share Capital	: 500,000,000 ordinary shares of RM0.50 each
Issued And Fully Paid-up Share Capital	: 136,000,000 ordinary shares of RM0.50 each
Voting Rights	: 1 vote per shareholder on a show of hand / 1 vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	% of Shareholders	Number of Shares held	% of Issued and Paid-up Share Capital
Less than 100	1	0.05	50	0.00
100 – 1,000	1,014	48.19	1,005,200	0.74
1,001 – 10,000	893	42.44	3,339,450	2.45
10,001 – 100,000	145	6.89	5,049,500	3.71
100,001 – 6,799,999*	47	2.23	36,632,350	26.94
6,800,000 and above**	4	0.20	89,973,450	66.16
Total	2,104	100.00	136,000,000	100.00

* Less than 5% of issued holdings

** 5% and above of issued holdings

30 LARGEST SHAREHOLDERS

Name Of Shareholders	Number of Shares held	% of Issued and Paid-up Share Capital
1. Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd pledged securities account for Dataran Sentral (M) Sdn Bhd	33,174,000	24.39
2. Tiararibu (M) Sdn Bhd	29,391,400	21.61
3. CIMB Nominees (Tempatan) Sdn Bhd pledged securities account for United Flagship Sdn Bhd	17,408,050	12.80
4. Dataran Sentral (M) Sdn Bhd	10,000,000	7.35
5. United Flagship Sdn Bhd	5,296,350	3.89
6. Cartaban Nominees (Asing) Sdn Bhd Sun Hung Kai Investment Services Ltd for Top Champ Assets Limited	5,176,700	3.81
7. Lembaga Tabung Angkatan Tentera	4,274,200	3.14
8. Alliancegroup Nominees (Tempatan) Sdn Bhd Pheim Asset Management Sdn Bhd for Employees Provident Fund	3,985,400	2.93
9. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad	3,350,000	2.46
10. HSBC Nominees (Asing) Sdn Bhd HSBC-FS for Pheim-Aizawa Asia Fund	1,306,000	0.96

Analysis of Shareholdings

AS AT 13 APRIL 2005

30 LARGEST SHAREHOLDERS (CONTD.)

Name Of Shareholders	Number of Shares held	% of Issued and Paid-up Share Capital
11. Lembaga Tabung Haji	1,244,000	0.91
12. Ng Ying Loong	1,095,000	0.81
13. PRB Nominees (Tempatan) Sdn Bhd Rubber Industry Smallholders Development Authority	1,043,000	0.77
14. AMMB Nominees (Tempatan) Sdn Bhd Amtrustee Berhad for Apex Dana AL-SOFI-I	659,000	0.48
15. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Anto A/L S F Joseph	650,000	0.48
16. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad	560,000	0.41
17. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Ng Ying Loong (PB)	531,000	0.39
18. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Wee Teck Nam (PB)	449,000	0.33
19. Wong Hock Beng	400,000	0.29
20. Yong Yee Coi	400,000	0.29
21. PAB Nominee (Tempatan) Sdn Bhd pledged securities account for Kok Onn	400,000	0.29
22. Citicorp Nominees (Tempatan) Sdn Bhd pledged securities account for Kok Onn	400,000	0.29
23. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Pheim Emerging Companies Balanced Fund	357,000	0.26
24. HSBC Nominees (Asing) Sdn Bhd HSBC-FS for Carl Friedrich Marino Gumpert	296,000	0.22
25. Bukit Gelugor Trading Sdn Bhd	266,000	0.20
26. Sharil @ Shahrir bin AB Samad	263,000	0.19
27. Mohamed Salleh bin Bajuri	260,000	0.19
28. Ng Chee Kin	250,000	0.18
29. Malaysia Nominees (Tempatan) Sendirian Berhad Pheim Asset Management Sdn Bhd for Pintaras Jaya Berhad	205,900	0.15
30. Tan Ah Wah	204,000	0.15
Total	123,295,000	90.66

Analysis of Shareholdings

AS AT 13 APRIL 2005

SUBSTANTIAL SHAREHOLDERS

AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 13 APRIL 2005

Name of Substantial Shareholders	Direct		Indirect	
	Shareholdings	%	Shareholdings	%
1. Dataran Sentral (M) Sdn Bhd	43,174,000	31.74	-	-
2. Tiararibu (M) Sdn Bhd	29,391,400	21.61	-	-
3. United Flagship Sdn Bhd	22,704,400	16.69	-	-
4. Winners Spectrum Construction Sdn Bhd	4,000	0.003	43,174,000	31.74
5. First Positive Sdn Bhd	-	-	43,174,000	31.74
6. Mulpha International Bhd	-	-	29,391,400	21.61
7. Nautical Investments Ltd	-	-	29,391,400	21.61
8. Ng Ying Loong	1,626,000	1.20	43,178,000	31.74
9. Wee Teck Nam	449,000	0.33	43,174,000	31.74
10. Law Chin Wat	-	-	29,391,400	21.61
11. Aminodin bin Ismail	-	-	22,704,400	16.69
12. Datin Hasmah binti Abdul Rahman	-	-	22,704,400	16.69

SHAREHOLDINGS OF DIRECTORS

AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 13 APRIL 2005

Name of Directors	Direct		Indirect	
	Shareholdings	%	Shareholdings	%
1. Ng Ying Loong	1,626,000	1.20	43,178,000	31.74
2. Anto A/L SF Joseph	650,000	0.48	-	-
3. Wee Teck Nam	449,000	0.33	43,174,000	31.74
4. Chung Tze Hien	-	-	-	-
5. Aminodin bin Ismail	-	-	22,704,400	16.69
6. Yee Swee Choon	-	-	-	-
7. Henry Choo Hon Fai	-	-	-	-

Properties of The Group

AS AT 31 DECEMBER 2004

Location	Year of acquisition	Tenure	Age of building	Land area/ built up area (sq. m)	Description	Net book value RM'000
1. Lot No. 31, Mukim Ijok, Jalan Bukit Badong, Daerah Kuala Selangor	2004	Freehold	N/A	20,234	Agriculture land	1,625
2. Lot No. 32 & 33, Mukim Ijok, Jalan Bukit Badong, Daerah Kuala Selangor	1998	Freehold	5	40,468/2,480	Industrial land with factory	5,382
3. Unit No. C1-16-2 ⁽¹⁾ Vista Komanwel Condominium erected on land held under GRN 46834, Lot 38386, Mukim Petaling, Daerah Kuala Lumpur	2003	Freehold	7	233	One (1) condominium unit	407
4. Unit No. A2-16-7 ⁽¹⁾ Vista Komanwel Condominium erected on land held under GRN 46832, Lot 38384, Mukim Petaling, Daerah Kuala Lumpur	2003	Freehold	7	233	One (1) condominium unit	396
5. Unit 114, Ground Floor, Block B, Sunway Court, Bandar Sunway, Petaling Jaya, Selangor Darul Ehsan	2002	Lease expiring on 11.04.2093	12	84	One (1) unit of apartment	154
6. Villa Angsana Condominium, 56, Off Jalan Ipoh, 51000 Kuala Lumpur ⁽²⁾	1999	Freehold	4	2,326	Twelve (12) condominium units	4,058
7. Lot 58 & 199 of Section 47 Kuching Town Land District	2004	Lease expiring on 30 May 2773/ 31 Dec. 2773	N/A	241 / 3,480	Commercial land for future development	7,500

Notes :

N/A Not applicable

⁽¹⁾ Contra units received from client and are available for sale

⁽²⁾ Remaining units available for sale and the built-up areas range from 102.9 sq. m. to 260.8 sq. m. with selling prices range from RM182,820 to RM463,320

FORM OF PROXY FOR THE SECOND ANNUAL GENERAL MEETING

No. of shares held

CDS Account No.

I/We (full name in capital letters) _____

of (full address) _____

being a member/members of Mudajaya Group Berhad, hereby appoint (full name in capital letters) _____

of (full address) _____

or failing him/her (full name in capital letters) _____

of (full address) _____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Second Annual General Meeting of the Company to be held at Crystal Crown Hotel, 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on Thursday, 16 June 2005 at 10.00 a.m. and any adjournment thereof.

My/Our proxy is to vote as indicated by an "X" in the appropriate space below. In the absence of specific directions, the proxy shall vote or abstain at his/her discretion.

No.	Resolutions	For	Against
1.	To receive and adopt the audited financial statements for the year ended 31 December 2004		
2.	To approve the payment of a final dividend		
3.	To re-elect Mr. Ng Ying Loong as Director		
4.	To re-elect Mr. Anto A/L SF Joseph as Director		
5.	To re-elect Mr. Chung Tze Hien as Director		
6.	To approve the payment of Directors' fees		
7.	To re-appoint Messrs. Ernst & Young as Auditors		
8.	To approve Authority to Allot and Issue Shares		
9.	To approve Share Buy-Back		

Signed this _____ day of _____ 2005.

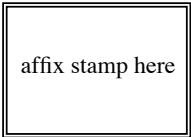
Signature of shareholder(s) and/or Common Seal

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy or proxies may but need not be a member of the Company. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
2. Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. In the case of a corporate member, the Form of Proxy shall be under its Common Seal or under the hand of its attorney.
4. The Form of Proxy must be deposited at the Company's Registered Office situated at No. 17, Jalan Semangat, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof.



fold here



The Company Secretary
MUDAJAYA GROUP BERHAD
17, Jalan Semangat
46100 Petaling Jaya
Selangor Darul Ehsan
Malaysia

fold here



MUDAJAYA GROUP BERHAD (605539-H)

No.17, Jalan Semangat, 46100 Petaling Jaya,
Selangor Darul Ehsan.
Tel : 603-7958 7899
Fax : 603-7958 7900 / 7958 1296
Email : info@mudajaya.com
Homepage : <http://www.mudajaya.com>