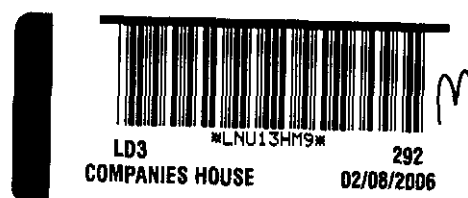


THE PATALING RUBBER ESTATES LIMITED (166301)
(Incorporated in England)

Directors' Report and Audited Accounts
30 June 2005



Company No: 166301

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

DIRECTORS

Kasmuri bin Sukardi
Mary Lina Sii Mei Kui

SECRETARY AND AGENT

Golden Hope Plantations Berhad,
13th Floor, Menara PNB,
No. 201-A, Jalan Tun Razak,
50400 Kuala Lumpur,
Malaysia.

REGISTERED OFFICES

United Kingdom:
One Great Tower Street,
London EC3R 5AH.

Malaysia:
13th Floor, Menara PNB,
No. 201-A, Jalan Tun Razak,
50400 Kuala Lumpur.

REGISTERED NUMBER

166301 England

AUDITORS

Ernst & Young LLP
1 More London Place
London SE1 2AF

Company No: 166301

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

DIRECTORS' REPORT

The Directors present their report and the audited accounts for the year ended 30 June 2005.

The accounts are presented in Malaysian Ringgit. The Directors are of the opinion that as the Company is principally operating in Malaysia, the accounts should reflect its functional currency.

PRINCIPAL ACTIVITY

The Company ceased operations with effect from 1 July 1999.

RESULTS

	<u>RM</u>
Profit on ordinary activities after tax	113,778,912
Retained profit brought forward	464,938,304
Retained profit carried forward	<u><u>578,717,216</u></u>

The other operating income was derived from gain on disposal of property, plant and equipment and others.

DIVIDENDS

No final dividend is recommended during the financial year.

Company No: 166301

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

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:

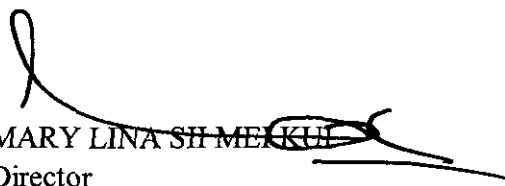
Kasmuri bin Sukardi
Mary Lina Sii Mei Kui

There are no director's interests requiring disclosure under the Companies Act 1985.

AUDITORS

The auditors, Ernst & Young LLP, have expressed their willingness to continue in office and a resolution for the re-appointment will be proposed at the Annual General Meeting.

On behalf of the Board,


MARY LINA SII MEI KUI
Director

26 MAY 2006

Company No: 166301

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing those accounts, the Directors are required to:

- o select suitable accounting policies and then apply them consistently;
- o make judgements and estimates that are reasonable and prudent; and
- o state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- o prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act, 1985. They are also responsible for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors confirm that they have complied with these requirements and having a reasonable expectation that the company has, or has access within the Golden Hope Plantations Berhad Group to, adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the accounts.

Company No: 166301

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

**THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)**

We have audited the accounts for the year ended 30 June 2005 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 13. These accounts have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act, 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As described in the Statement of Directors' Responsibilities, the Company's Directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act, 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Company No: 166301

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE PATALING RUBBER ESTATES, LIMITED (CONT'D.)
(Incorporated in England)**

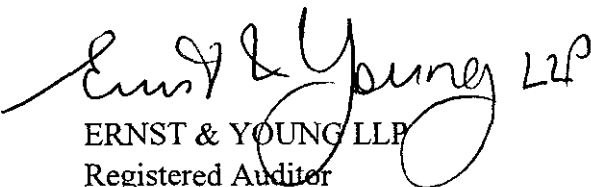
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 30 June 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act, 1985.


ERNST & YOUNG LLP
Registered Auditor
1 More London Place
London
SE1 2AF

26 MAY 2006

Company No: 166301

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2005

	Note	<u>2005</u> RM	<u>2004</u> RM
TURNOVER		-	-
COST OF SALES		-	-
GROSS PROFIT		-	-
OTHER OPERATING INCOME		113,795,706	1,080,010
ADMINISTRATIVE EXPENSES		(16,794)	(5,325)
OTHER OPERATING EXPENSES		-	(15,835)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	3	113,778,912	1,058,850
TAXATION	4	-	(6,413,033)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS		113,778,912	(5,354,183)
DIVIDEND	5	-	-
RETAINED PROFIT/ (LOSS) FOR THE FINANCIAL YEAR		113,778,912	(5,354,183)

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE
YEAR ENDED 30 JUNE 2005**

There are no recognised gains or losses attributable to the shareholders of the company other than the profit of RM113,778,912 for the year ended 30 June 2005 (2004 loss of RM5,354,183).

The notes on pages 9 to 15 form part of the accounts.

Company No: 166301

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

BALANCE SHEET AS AT 30 JUNE 2005

	Note	<u>2005</u> RM	<u>2004</u> RM
NON CURRENT ASSETS			
Tangible Fixed Assets	6	-	32,526,360
CURRENT ASSETS			
Debtors - due after one year	7	1,034,667,077	888,285,404
Debtors - due within one year	7	697,622	697,600
Cash and bank balances		4,480	4,433
		<u>1,035,369,179</u>	<u>888,987,437</u>
CREDITORS			
Creditors - due within one year	8	<u>(3,780)</u>	<u>(3,780)</u>
		(3,780)	(3,780)
NET CURRENT ASSETS		<u>1,035,365,399</u>	<u>888,983,657</u>
TOTAL ASSETS LESS			
CURRENT LIABILITIES		1,035,365,399	921,510,017
Creditors - due after one year	8	(428,844,559)	(428,768,089)
TOTAL ASSETS LESS			
LIABILITIES		<u>606,520,840</u>	<u>492,741,928</u>
CAPITAL AND RESERVES			
Share capital	9	27,803,624	27,803,624
Retained profits	10	578,717,216	464,938,304
EQUITY SHAREHOLDERS' FUNDS	10	<u>606,520,840</u>	<u>492,741,928</u>


MARY LINA SII MEI KUI

Director

Kuala Lumpur, Malaysia

26 MAY 2006

The notes on pages 9 to 15 form part of the accounts.

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

NOTES TO THE ACCOUNTS - 30 JUNE 2005

1. ACCOUNTING POLICIES

(a) Accounting Standards

These accounts are prepared in accordance with applicable UK accounting standards.

(b) Accounting Convention

The accounts are prepared under the historical cost convention. Accounts prepared on this basis show the profits available to shareholders and are the most appropriate basis for presentation of the company's balance sheet.

(c) Deferred Taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(d) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses. The Company's policy for the recognition and measurement of impairment losses is in accordance with Note 1(e).

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

1. ACCOUNTING POLICIES (CONTD.)

(d) Tangible Fixed Assets and Depreciation (Contd.)

- i. Freehold land is not depreciated.
- ii. Estates on freehold land are not depreciated.
- iii. Depreciation on other tangible fixed assets is provided for on a straight line basis to write off the cost of each asset to its residual value over the period of its estimated useful life.

The periods applied are as follows:

Buildings	10 to 50 years
Machineries	3 to 20 years
Furniture and fittings	7 to 15 years
Motor vehicles	3 to 5 years

Upon disposal of an item of tangible fixed assets, the difference between the net disposal proceeds and the carrying amount is recognised in the profit and loss account.

(e) Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication of impairment. 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 profit and loss accounts immediately. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset no longer exist or have decreased.

2. BOOKS OF ACCOUNTS

The books of accounts of the Company are maintained in Malaysian Ringgit.

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

	<u>2005</u> RM	<u>2004</u> RM
This is arrived at after charging:		
Auditors' remuneration	3,150	3,150
Gain on disposal of land	113,795,640	-
	<u>113,795,640</u>	<u>-</u>

There are no employees as all administrative functions are handled by Golden Hope Plantations Berhad, the intermediate holding company.

The Directors received no remuneration during the year (2004: nil).

4. TAXATION

	<u>2005</u> RM	<u>2004</u> RM
Underprovision in prior years	-	6,413,033
	<u>-</u>	<u>6,413,033</u>

There is no current or deferred tax charge as the Company ceased operations effective 1 July 1999. Factors affecting tax charge for the year are:

	<u>2005</u> RM	<u>2004</u> RM
Profit on ordinary activities before tax	113,778,912	1,058,850
Taxation at Malaysian statutory rate of 28% (2004: 28%)	31,858,095	296,478
Expenses not deductible for tax purpose	(31,858,095)	(296,478)
Underprovision in prior year	-	6,413,033
	<u>-</u>	<u>6,413,033</u>

5. DIVIDENDS

No final dividend is recommended during the financial year.

6. PROPERTY, PLANT AND EQUIPMENT

Cost	Leasehold Lands RM	Estates RM	Buildings RM	Machineries RM	Furniture and Fittings RM	Motor Vehicles RM	Total 2005 RM	2004 RM
At 1 July 2004	32,526,360	16,580,358	32,472,071	1,970,083	689,289	2,336,945	86,575,106	86,575,106
Disposals	(32,526,360)	(16,580,358)	(32,472,071)	(1,970,083)	(689,289)	(2,336,945)	(86,575,106)	-
At 30 June 2005	-	-	-	-	-	-	-	86,575,106
Accumulated Depreciation								
At 1 July 2004	-	16,580,358	32,472,071	1,970,083	689,289	2,336,945	54,048,746	54,048,746
Disposals	-	(16,580,358)	(32,472,071)	(1,970,083)	(689,289)	(2,336,945)	(54,048,746)	-
At 30 June 2005	-	-	-	-	-	-	-	54,048,746
Net Book Value								
At 30 June 2005	-	-	-	-	-	-	-	-
At 30 June 2004	32,526,360	-	-	-	-	-	32,526,360	-
Depreciation charge for 2004	-	-	-	-	-	-	-	-

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

7. DEBTORS

	<u>2005</u> RM	<u>2004</u> RM
Taxation recoverable	697,622	697,600
Amount due from intermediate holding company	714,460,758	602,976,558
Amounts due from related companies	320,206,319	285,308,846
	<u>1,035,364,699</u>	<u>888,983,004</u>
Ageing:		
After one year	1,034,667,077	888,285,404
Within one year	697,622	697,600
	<u>1,035,364,699</u>	<u>888,983,004</u>

8. CREDITORS

	<u>2005</u> RM	<u>2004</u> RM
Other creditors	3,780	3,780
Amount due to immediate holding company	393,572,595	393,572,595
Amounts due to related companies	35,271,964	35,195,494
	<u>428,848,339</u>	<u>428,771,869</u>
Ageing:		
After one year	428,844,559	428,768,089
Within one year	3,780	3,780
	<u>428,848,339</u>	<u>428,771,869</u>

9. SHARE CAPITAL

	<u>2005</u> £	<u>2004</u> £
Authorised:		
40,000,000 ordinary shares of 10 pence each	<u>4,000,000</u>	<u>4,000,000</u>

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

9. SHARE CAPITAL (CONTD.)

	<u>2005</u> RM	<u>2004</u> RM
Issued and fully paid:		
32,432,745 ordinary shares of 10 pence each	<u>27,803,624</u>	<u>27,803,624</u>

10. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<u>Share Capital</u> RM	<u>Retained Profits</u> RM	<u>Total</u> RM
At 1 July 2003	27,803,624	470,292,487	498,096,111
Loss for the year	-	(5,354,183)	(5,354,183)
At 1 July 2004	27,803,624	464,938,304	492,741,928
Profit for the year	-	113,778,912	113,778,912
Dividend	-	-	-
At 30 June 2005	<u>27,803,624</u>	<u>578,717,216</u>	<u>606,520,840</u>

Based on the estimated tax credit available, approximately RM8,716,000 of the Company's retained profit is available for distribution by way of dividends without incurring additional tax liability. In addition, subject to agreement by the Inland Revenue Board, the Company has a tax exempt account balance arising out of the 1999 tax waiver available for distribution as tax exempt dividends of approximately RM16,440,000 and also a tax exempt account arising out of reinvestment allowances available for distribution as tax exempt dividends of approximately RM1,032,000.

Company No: 166301

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

11. HOLDING AND RELATED COMPANIES

The immediate holding company is Malaysian Estates PLC, a company incorporated and registered in England. Malaysian Estates PLC is in turn a wholly-owned subsidiary of Golden Hope Plantations Berhad, a company incorporated and registered in Malaysia. The ultimate holding company is Yayasan Pelaburan Bumiputra, a company incorporated and registered in Malaysia, limited by guarantee. The directors believe that Golden Hope Plantations Berhad is the ultimate controlling party, having the power to govern the financial and operating policies of the company.

Related companies refer to companies within the Golden Hope Plantations Berhad group of companies.

The largest group in which the results of the Company are consolidated is that headed by Golden Hope Plantations Berhad. The smallest group in which they are consolidated is that headed by Malaysian Estates PLC. Copies of its group accounts, which include the company are available from 13th Floor, Menara PNB, No. 201-A, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.

12. CASH FLOW STATEMENT

The Directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statement on the grounds that the Company is wholly owned and its parent publishes consolidated financial statements.

13. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption contained within FRS 8 "Related Party Transactions" and has not disclosed transactions with group companies.