

The Group is committed to maintaining a high standard of corporate governance and transparency and disclosure of material information.

The Code of Corporate Governance (the “Code”) was implemented in April 2001 and is divided into four main sections:

- Board Matters
- Remuneration Matters
- Accountability and Audit
- Communication with Shareholders

The Group recognises and supports the principles and spirit of the Code. This Report sets out how the Group has effectively applied the principles of good corporate governance through the policies and procedures implemented in the Group.

Other sections of this Report may also have an impact on the disclosures as this Report is meant to be read as a whole, instead of being compartmentalised under the different principles of the Code.

BOARD MATTERS

Board’s Conduct of its Affairs

Members of the Board are professionals with considerable experience in accounting, auditing finance, business and management and industry knowledge in property, banking and other businesses. Profiles of the Directors are found on page 8 of this Report.

Apart from statutory responsibilities, the key roles of the Board include providing supervision and oversight, setting policies on matters relating to financial controls, financial performance and risk management procedures, reviewing and approval of major investment and funding decisions, and reviewing the financial performance of the Group and major commitments relating to the Group’s operations. In addition, the Board assumes the responsibility for the Company’s compliance with the guidelines on corporate governance.

Board meetings are held quarterly to review the Group’s internal policies and procedures, acquisitions and disposals, the performance of the business and to approve the release of the quarterly and full year results. The Board holds additional meetings when necessary to deliberate on significant transactions and issues.

The Company’s Articles of Association allow a board meeting to be conducted by way of a telephone or video conference.

The Board delegates specific responsibilities to the Audit Committee, Nominating Committee and Remuneration Committee. Specific description of these Board Committees is set out in this Report.

Details of attendance of the Directors at Board and Board Committees' meetings are set out on page 24 of this Report. Each Director of the Group has been appointed on the strength of his calibre, experience and stature, and his potential to contribute to the proper guidance of the Group and its businesses. The Group therefore believes that it would be too narrow a view to judge a director's contribution to the Group and its businesses based only on a Director's attendance at formal meetings.

Management closely monitors changes to regulations and accounting standards. Where these changes are pertinent to the Company or directors' disclosure obligations, the directors are either briefed during Board meetings or issued with regular updates and materials.

All newly appointed directors of the Group are issued with materials containing essential information and documents about the Group as well as information on relevant laws and regulations. Management also briefs these directors on the Group's business, directions and governance policies.

Board Composition and Balance

The independence of each director is reviewed annually by the Nominating Committee ("NC"). The NC adopts the Code's definition of what constitutes an independent director in its review.

As a result of the NC's review of the independence of the directors for the financial year ended 31 March 2004, the NC confirmed that 50% of the Board members are independent Directors, and that no individual or small group of individuals dominate the Board's decision making process.

The NC is of the view that the current board size of eight directors is appropriate, taking into account the nature and scope of the Group's business and operations.

Chairman and Chief Executive Officer

We believe in a clear separation of the roles and responsibilities of the Chairman and the Chief Executive Officer ("CEO") of the Group in order to provide effective oversight. Both the Chairman and the CEO are executive directors and are not related.

Notwithstanding that the Chairman is an executive and non-independent director, the division of responsibilities between the Chairman and the CEO is not affected by such status.

The Chairman is responsible for the Board and ensures a cohesive working relationship between members of the Board and Management. The CEO has full executive responsibilities in the business directions and operational efficiency of the Group and is accountable to the Chairman.

In consultation with the CEO, the Chairman approves meeting schedules of the Board, agenda for Board meetings and is advised of the meetings of the Board Committees.

BOARD COMMITTEES

To assist the Board in the execution of its duties, the Board has delegated specific functions to the following committees:

Nominating Committee (NC)

Board Membership

The NC comprises three Directors, namely, Mr Tan Swan Jeng, Chairman of the Committee, Mr Tan Keong Choon and Mr David John Lawrence. The Chairman of the NC is an independent non-executive director.

The NC is guided by its Terms of Reference, which sets out its responsibilities. Its principal functions are to determine the criteria for identifying candidates and to identify candidates if required by the Board who initiates, review all nominations for new appointment to the Board and re-appointment of directors, evaluate the effectiveness and performance of the Board and each individual director, and review the independence of each director annually.

Upon the review and recommendation of the NC for the appointment of directors, new directors will be appointed by way of a board resolution. Such new directors must submit themselves for re-election at the next Annual General Meeting ("AGM") of the Company immediately following his appointment.

The Articles of Association of the Company requires one-third of its directors, other than the Managing Director ("MD"), to retire and subject themselves to re-election by shareholders at every AGM. In other words, other than the MD, no director may stay in office for more than three years without being re-elected by shareholders. The MD, who is under contract, is exempted from re-election under the Company's Articles of Association. Directors above the age of 70 are also required under the Companies Act to retire and subject themselves for re-appointment by shareholders at every AGM.

Internal guidelines have been established to address multiple board representations.

Board Performance

On an annual basis, the NC assess the effectiveness and performance of the Board as a whole and of each individual director in consultation with the Chairman of the Company based on assessment parameters adopted by the Board. The assessment parameters include objective performance criteria, which allow comparison with the Company's peers, attendance at meetings of the Board and Board Committees, contribution and participation at meetings, ability to make informed decisions and level of comprehension of legal, accounting and regulatory requirements affecting the Group. The review of Board performance also involves evaluation of the Board on the level of supervision and oversight by executive directors.

Access To Information

The Company recognises the importance of providing the Board with timely and complete information prior to its meetings and as and when the need arises.

In order to ensure that the Board is able to fulfill its responsibilities, the Management provides the Board with monthly management reports, forecasts/budgets, financial statements and other relevant information of the Group. In addition, the Management provides adequate and timely information to the Board on affairs and issues that require the Board's decision.

Company Secretary

The Board has separate and independent access to the senior management and the Company Secretary at all times. Should directors, whether as a group or individually, need independent professional advice, the Company Secretary will, upon direction by the Board, appoint a professional advisor to render the advice. The cost of such professional advice will be borne by the Company.

The Company Secretary attends all Board and Board Committee meetings and is responsible to ensure that board procedures are followed. The Company Secretary, together with the Management, is also responsible for ensuring the Company's compliance with the Companies Act and all other rules and regulations which are applicable to the Company.

REMUNERATION MATTERS

Remuneration Committee (RC)

Procedures for Developing Remuneration Policies

Level and Mix of Remuneration

Disclosure on Remuneration

The RC comprises three Directors, all of whom are independent non-executive directors. The RC members are, Mr Richard Edward Hale, Chairman of the Committee, Mr Tan Swan Jeng and Mr Frank Yung-Cheng Yung.

The Chairman of the RC has indirect experience in the field of executive compensation and the RC also has access to external expert advice in the field of executive compensation if and when required.

The RC is guided by its Terms of Reference, which sets out its responsibilities. The RC reviews the existing framework of remuneration for directors serving on the Board and Board Committees. In reviewing the remuneration of directors, the RC considers the market conditions, pay conditions within the industry as well as the Company's performance and the performance of directors.

The CEO has a 5-year service contract, which expires in June 2006 and his remuneration package includes a variable bonus element, which is performance-related. All other directors are subject to re-election at least once every three years but have no service contracts.

Directors' fees are set in accordance with a remuneration framework comprising basic fees and fees for involvement in Board committees. According to the Articles of Association of the Company, fees paid to non-executive directors are a fixed sum and not by a commission on or percentage of profits or turnover. Fees paid to the directors are subject to approval by Shareholders at the AGM of the Company.

For the period ended 31 March 2004, the RC has reviewed the fees payable to the directors and has recommended an increase in directors' fees. Presently, fees are only paid to non-executive directors for involvement in Audit Committee. The recommended revision in directors' fees will pay non-executive directors for involvement in the Remuneration and Nominating Committees. The proposed increase in directors' fees will be tabled for approval by the Shareholders of the Company at the forthcoming AGM.

A breakdown, showing the level and mix of the director's remuneration payable for FY2004, is set out on page 24 of this Report.

The Code requires the remuneration of at least the top 5 key executives who are not also directors to be disclosed within bands of \$250,000. Instead of setting out their names, we have shown below a Group-wide cross-section of executives' remuneration by number of employees within bands of \$250,000. This gives a macro perspective of the remuneration pattern in the Group while maintaining confidentiality of employees' remuneration.

No employee of the Company and its subsidiaries, whose remuneration exceeded \$150,000 during the financial year ended 31 March 2004, was an immediate family member of a director or the CEO. "Immediate family" means the spouse, child, adopted child, step-child, brother, sister and parent.

As the matters that are required for disclosure have been disclosed in this Corporate Governance Report, the Board is of the opinion that a separate annual remuneration report is not necessary.

ACCOUNTABILITY AND AUDIT

Accountability

The Company has implemented quarterly reporting since 2002, before it was made compulsory. During the financial year 2003, the Company released its quarterly and full year results within 60 days from the end of each quarter. From January 2004, the Company released its quarterly and full year results within 45 days from the end of each quarter.

As mentioned earlier, the Management furnishes the Board with monthly management reports and financial statements of the Group.

Audit Committee (AC)

The AC comprises three Directors, all of whom are independent non-executive directors. The members of the AC are Mr Frank Yung-Cheng Yung, Chairman of the Committee, Mr Richard Edward Hale and Mr Tan Swan Jeng.

Members of the AC have many years of experience in managerial positions in the accounting, auditing, banking and finance industry, and have sufficient financial management expertise to discharge the AC's functions.

The AC is guided by its Terms of Reference, which sets out its functions and responsibilities. The functions of the AC includes reviewing the quarterly and full year financial statements, reviewing the audit plan and evaluation of the accounting controls and audit report with external auditors, reviewing the internal audit procedures and evaluation of major internal controls and management's follow-up with the internal auditors, and review all interested person transactions.

The AC is also tasked to conduct an annual review of the independence of external auditors and the volume of non-audit services to satisfy itself that the nature and volume of such services will not prejudice the independence and objectivity of the auditors before confirming their re-nomination.

The AC reviews legal and regulatory changes that may have a material impact on the financial statements.

The AC has the express power to investigate into any matters within its terms of reference. Minutes of the AC are regularly submitted to the Board.

Once a year and on an as and when required basis, the AC meets with the external auditors, without the presence of Management. During the year under review, the AC met with the external auditors, without the presence of Management.

The attendance record of the AC is set out in the Board members' attendance matrix contained in the Corporate Governance Report.

Internal Controls

The Company has instituted a system of internal controls for the Group. While no system can provide absolute assurance against material loss or financial misstatement, the Group's internal financial controls are designed to provide reasonable assurance that assets are safeguarded, that proper accounting records are maintained, and that financial information used within the business and for publication is reliable. In designing these controls, the Management has had regard to the risks to which the business is exposed, the likelihood of such risks occurring and the costs of protecting against them.

The Board has adopted a set of internal controls which sets out approval limits for expenditure, investments and divestments and cheque signatory arrangements. Approval sub-limits are also provided at management levels to facilitate operational efficiency.

Regular Management meetings are held to report and monitor the performance of each department. The minutes of these Management meetings are circulated to the Board for information and review.

The Board reviews the effectiveness of the Group's system of internal controls in the light of key business and financial risks affecting its business.

The Board is satisfied that based on the information furnished to it and on its own observations, the internal controls and risk management processes are satisfactory for the nature and size of the Group's operations and business.

Internal Audit

In 2003, the Group appointed Messrs. Ernst & Young as its internal auditors ("IA"). The IA is guided by Ernst & Young Business Process Risk Methodology, which is a leading practice in internal audit methodology. The standards of the IA's internal audit methodology is consistent with the standards required by the Institute of Internal Auditors.

The IA reports their audit findings to the AC and Management. The function of the IA is to provide objective opinion and assurance to the AC and Management as to the adequacy of the internal processes and control, identify business, financials and operational risks and to recommend the formulation of policies and plans for effective compliance control.

The IA planned its internal audit schedules and scope of internal audit work each year in consultation with (but independent of) Management, and its plans and recommendations are submitted to the AC for approval.

Apart from the external internal audit consultants, the Group's internal audit function is further supported by the Project Cost Consulting unit ("PCC") of Wharf Estate Development Ltd., an associate of our ultimate holding company, Wheelock and Company Limited. Members of the PCC are qualified and experienced personnels.

The AC has access to the PCC on project matters relating to the Group.

The functions of the PCC include tender and contract audit, project cost audit and project procedure audit in the Group and PCC identifies issues for corrective actions by the Management. In addition, PCC prepares, on quarterly basis, reports on the results of its audit of the Group's projects for review and evaluation by Management and the AC.

The AC met with the internal auditors, without the presence of management during the year under review and reviewed the adequacy of the internal audit function annually.

COMMUNICATION WITH SHAREHOLDERS

In line with continuous disclosure obligations of the Company, pursuant to the SGX-ST's Listing Rules and the Companies Act, the Board's policy is that shareholders be informed promptly of all major developments that impact the Group.

The Company does not practise selective disclosure. Information is communicated to shareholders on a timely basis. Communication is also made through annual reports that are issued to all shareholders within the mandatory period and are available on the Company's website, quarterly financial statements, notice of and explanatory memoranda for annual general meetings and extraordinary general meetings, press releases and disclosures to the SGX-ST.

The Company maintains a corporate website at www.mpd.com through which shareholders can access information on the Group. The website provides corporate announcements, press releases, annual reports, and profiles of the Group, the Board and Board Committees.

In addition, the Company encourages its shareholders to attend the AGM to ensure a high level of accountability and to stay informed of the Group's strategy and goals. The Articles of Association of the Company allows a shareholder of the Company to appoint up to two proxies to attend and vote in his/her stead.

The Board welcomes shareholders raising issues at the AGM. The Chairmen of the Audit, Nominating and Remuneration Committees and the Company's external Auditors are normally present at the meeting to answer questions from shareholders.

DEALINGS IN SECURITIES

Group Policy on Share Dealings has been issued to all directors and employees of the Group, setting out the implications of insider trading and the recommendations of the Best Practices Guide issued by the SGX-ST. The Group has also adopted a code of conduct, modeled on the Best Practices Guide, to provide further guidance to directors and employees dealing in the Company's shares.

Signed on behalf of the Board of Directors

DAVID JOHN LAWRENCE
FRANK YUNG-CHENG YUNG

14 May 2004

FURTHER INFORMATION ON CORPORATE GOVERNANCE

Directors' Attendance at Board and Board Committee Meetings

Period from June 2003 to May 2004

Name of Director	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	Number Held	Number Attended	Number Held	Number Attended	Number Held	Number Attended	Number Held	Number Attended
Gonzaga Wei-Jen Li ¹	4	3	-	-	-	-	-	-
David John Lawrence	4	4	-	-	2	2	-	-
Richard E. Hale	4	4	4	4	-	-	2	1
Ng Tze Yuen	4	3	-	-	-	-	-	-
Tan Keong Choon	4	3	-	-	2	1	-	-
Tan Swan Jeng	4	4	4	4	2	2	2	2
Paul Y. C. Tsui	4	4	-	-	-	-	-	-
Frank Y. C. Yung	4	4	4	4	-	-	2	2

¹ Chairman of the Company

Directors' Compensation Table For The Year Ended 31 March 2004

Remuneration Band Name	Directors' Fees	Salary	Variable or Performance Related Income/Bonus	Other Benefits*
Between \$250,000 and \$500,000				
David J. Lawrence	1%	78%*	13%*	8%
Below \$250,000				
Gonzaga W. J. Li	100%	-	-	-
Richard E. Hale	100%	-	-	-
Ng Tze Yuen	100%	-	-	-
Tan Keong Choon	100%	-	-	-
Tan Swan Jeng	100%	-	-	-
Paul Y. C. Tsui	100%	-	-	-
Frank Y. C. Yung	100%	-	-	-

*Salary, bonus and CPF payments are included.

Executives' Compensation Table For The Year Ended 31 March 2004

Remuneration Band Name	No. of Employees	Total Value (\$'000)
Above \$500,000	-	-
\$250,000 - \$500,000	1	260
Below \$250,000	24	2,650