



SEACERA TILES BERHAD

(163751-H)



annual report 2005

CORPORATE INFORMATION

DIRECTORS

YBhg. Dato' Azizi Bin Yom Ahmad
Executive Chairman and Chief Executive Officer

YBhg. Datuk Yusof @ Mohd Yusoff Bin Abd Hamid
Executive Director

Hider Bin Othaman
Executive Director

YBhg. Dato' Samsudin Bin Abu Hassan
Non-Independent Non-Executive Director

YBhg. Dato' Mohamed Salleh Bin Bajuri
Independent Non-Executive Director

Ghazali Bin Salamat
Independent Non-Executive Director

AUDIT COMMITTEE

YBhg. Dato' Mohamed Salleh Bin Bajuri
Independent Non-Executive Director (Chairman)

YBhg. Dato' Azizi Bin Yom Ahmad
Non-Independent Executive Director (Member)

Ghazali Bin Salamat
Senior Independent Non-Executive Director (Member)

JOINT COMPANY SECRETARIES

Ho Mun Yee (MAICSA 0877877)
Liew Khoo Wan (MACS 00103)

REGISTERED OFFICE

Esprit Management Services Sdn. Bhd.
3rd Floor No. 17, Jalan Ipoh Kecil,
50350 Kuala Lumpur
Tel : 03-4044 3235
Fax : 03-4041 3959
e-mail: esprit@espritms.com.my

PRINCIPAL PLACE OF BUSINESS

Lot 16428 14KM Jalan Ipoh
Kawasan Perindustrian Selayang
68100 Batu Caves, Selangor Darul Ehsan
Tel : 03-6136 2494
Fax : 03-6136 2495
Website: www.seacera.com.my

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
Malayan Banking Berhad
Affin Bank Berhad
Southern Investment Bank Berhad
Southern Bank Berhad
Bumiputra Commerce Bank Berhad

AUDITORS

Paul Chuah & Co
Chartered Accountants
No. 17, Tingkat 2, Jalan Ipoh Kecil
50350 Kuala Lumpur
Tel : 03-4042 1177
e-mail: pcco@pcco.com.my

SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd. (378993-D)
Level 26, Menara Multi-Purpose
Capital Square
No. 8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel: 03-2721 2222
Fax: 03-2721 2530 & 2721 2531

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad Second Board

DIRECTORS' PROFILES

Dato' Azizi Bin Yom Ahmad
Executive Chairman & Chief Executive Officer
Malaysian, age 57
Executive Director
Member of Audit Committee

Dato' Azizi Bin Yom Ahmad was appointed to the Board on 1 February 1996. He obtained his Bachelor of Economics degree from Monash University, Australia and is an Associate member of the Institute of Chartered Accountants in Australia. Prior to this, Dato' Azizi Bin Yom Ahmad was the Managing Director of RHB Sakura Merchant Bankers Berhad (formerly known as DCB Sakura Merchant Bankers Berhad). He had also assumed inter-alia the positions of Audit Manager, Group Finance & Administration Manager, and in particular the appointment as Head of Accounting Department of Malayan Banking Berhad. He subsequently served at Bank Negara Malaysia and thereon to the Ministry of Finance as Secretary of the then Capital Issues Committee (now known as the Securities Commission). Thereafter, he became the Managing Director of DCB Sakura Merchant Bankers Berhad (then known as D&C Sakura Merchant Bankers Berhad).

As from 1993, he ventured into private business and invested in local companies which involved in agriculture of palm oil, tiles manufacturing, logistic as well as property development.

Dato' Azizi is a major shareholder of the Company. He has no conflict of interest with the Company and has no convictions for any offences within the past ten years.

Datuk Yusof @ Mohd. Yusoff Bin Abd. Hamid
Malaysian, age 58
Executive Director

Datuk Yusof @ Mohd. Yusoff Bin Abd. Hamid was appointed as an Executive Director of Seacera Tiles Berhad on 14th July, 2005. He is currently the Managing Director of Vismedia Sdn Bhd and YS Prima Sdn Bhd. He is also a Director of Mahajaya Sdn Bhd, Chamber Dev. Sdn Bhd, and Board member of International Islamic College.

He sits on the Advisory Board Committee of K.L. City Town Hall and is the UMNO Chief of Batu Division, Vice Chairman for Batu Barisan Nasional and a member of the Federal Territory UMNO Liason Committee.

Datuk Yusof does not hold any directorships in other public listed companies. He does not have any family relationship with any director and/or substantial shareholder(s), nor has he any conflict of interest with the Company. He has no convictions for any offences within the past 10 years.

DIRECTORS' PROFILES

Hider Bin Othaman
Malaysian, age 49
Executive Director

Encik Hider Bin Othaman was appointed as an Executive Director of Seacera Tiles Berhad on 14th July, 2005. He holds a Bachelor Degree in Mathematics/Computer Science from Lock Haven State College, United States of America and a Masters Degree in Computer and Information Science from University of Pennsylvania, United States. He also conducted post graduate studies and research in Computer and Information Science at University of Virginia and State University of New York at Binghamton, United States.

He has served in various organizations. His career started at Standard Chartered Bank as a System Analyst in 1983. After more than 3 years with the Bank, he decided to join Perusahaan Otomobil Nasional Berhad (PROTON) in 1986 as Assistant Manager of Information Technology Department. Later, he worked with a German based trading company, Behn Meyer (M) Sdn Bhd in 1992. He had also served 10 years with Telekom Malaysia Berhad in various senior positions. He has vast experience in managing and implementing quality related activities such as ISO 9001 Certification, Quality Audit, Total Customer Satisfaction Programme and Quality System Review.

Encik Hider does not hold any directorships in other public companies. He does not have any family relationship with any director and/or substantial shareholder(s), nor has he any conflict of interest with the Company except for the transaction in relation to Joint Venture Development Agreement between Seacera Properties Sdn Bhd and Duta Skyline Sdn Bhd ("DSSB") which he was a former director of DSSB. In addition, he has family relationship with a major shareholder of DSSB. He has no convictions for any offences within the past 10 years.



Dato' Samsudin Bin Abu Hassan
Malaysian, age 50
Non-Independent Non-Executive Director

Dato' Samsudin Bin Abu Hassan was appointed to the Board on 29 August 2002. He is a Fellow member of the Chartered Institute of Management Accountants (U.K.). He started his career in Malaysia in 1980 when he joined Bapema Corporation Sdn Bhd, the investment arm of Permodalan Nasional Berhad as Investment Officer. He left to join Peremba Berhad as Finance Manager in 1983 after which he became the Group General Manager of Syarikat Maluri Sdn. Bhd. in 1985. Following Syarikat Maluri Sdn. Bhd., he assumed the position of Chief Executive Officer at Cold Storage (M) Sdn. Bhd. in 1988. and from then on, between 1990 and 2001, has held executive positions or directorships at Aokam Perdana Berhad, Granite Industries Berhad, Perusahaan Sadur Timah Malaysia (Perstima) Berhad, Landmarks Berhad, Dataprep Holdings Berhad, Shangri-la Hotels (M) Berhad, Bolton Berhad, Kejora Harta Berhad and Cosway Corporation Berhad. He currently holds directorship at Three-A Resources Berhad.

He does not have any family relationship with any director and/or substantial shareholder(s), nor has he any conflict of interest with the Company. He has no convictions for any offences within the past 10 years.



DIRECTORS' PROFILES



Dato' Mohamed Salleh Bin Bajuri
Malaysian, age 55
Independent Non-Executive Director
Chairman of Audit Committee & Nomination Committee
Member of Remuneration Committee

Dato' Mohamed Salleh Bin Bajuri was appointed to the Board on 28 March 2000. He was admitted as a member of the Institute of Chartered Accountants, Ireland in 1978 and obtained his fellowship in 1988. He was also admitted as a member of the Malaysian Institute of Accountants in 1980. He started his career in Malaysia in 1978 when he joined Peat Marwick & Co. as Senior Auditor. In 1979, he left to join Mayban Finance Berhad as Manager and was promoted to General Manager in 1982. Subsequently, in 1987, he was seconded to Malayan Banking Berhad as Regional Head of Wilayah Persekutuan, Selangor and Pahang and later promoted to General Manager Retail Banking in 1988. He then served the bank until 1992.

Between 1982 & 1987, he was Alternate Chairman of the Association of Finance Companies in Malaysia (AFCM) and was Chairman of AFCM Committees for Education and Public Relations. From 1997 to 1999, he was a Director of Saham Sabah Berhad and as one of the trustees for Yayasan Kebajikan SDARA.

In 1992, he took over JB Securities Sdn. Bhd., a stock broking firm in Johor. He was Managing Director of JB Securities from 1992 to 1995. He is now involved in the Hotel and Property business and is Group Executive Director of CRSC Holdings Berhad. He also sits on the Boards of Harbour Link Group Berhad, Asian Pac Holdings Berhad, Eden Enterprises (M) Berhad, Seal Polymer Industries (M) Berhad, LKT Industrial Berhad, Axis Reit Managers Berhad and Milux Corporations Berhad.

He does not have any family relationship with any director and/or substantial shareholder(s), nor has he any conflict of interest with the Company. He has no convictions for any offences within the past 10 years.



Ghazali Bin Salamat
Malaysian, age 58
Senior Independent Non-Executive Director
Chairman of Remuneration Committee
Member of Audit and Nomination Committee

Encik Ghazali Bin Salamat was appointed to the Board on 10 March 1999. He graduated from Kolej Pertanian, Serdang with a Diploma in Agriculture and additionally holds a Masters in Business Administration with distinction from the International Management Centre, Buckingham, U.K. He was a director of Malaysian Tobacco Company Berhad from 1993 to 2002.

Encik Ghazali does not hold any directorship in other public companies.

He does not have any family relationship with any director and/or substantial shareholder(s), nor has he any conflict of interest with the Company. He has no convictions for any offences within the past 10 years.

Please refer to the Directors' shareholdings in the Company on page 64 of the Annual Report.

■ Statement on Corporate Governance (continued)

3. Board Meetings

The Board is required to meet at least four (4) times a year. Additional meetings are held as and when required. During the financial year ended 31 December 2004, six (6) Board meetings were held. The attendance of Board members is as follows:

Directors	Designation	Attendance
Tan Sri Dato' Seri Prof. Dr. Yom Ahmad Bin Ngah Ahmad	Chairman, Non-Independent Non-Executive Director	6/6
Dato' Azizi Bin Yom Ahmad	Executive Vice Chairman and Chief Executive Officer	6/6
Mr. Soong Teck Onn	Executive Director	6/6
Dr. Yoong Kin Pin	Executive Director	6/6
Dato' Mohamed Salleh Bin Bajuri	Independent Non-Executive Director	6/6
En. Ghazali Bin Salamat	Senior Independent Non-Executive Director	5/6
Dato' Samsudin Bin Abu Hassan	Non-Independent Non-Executive Director	3/6

To discharge its responsibilities in an effective manner, the Board demands and receives timely and sufficient information in all its meetings. During these meetings, the Board deliberates on business proposals, reviews both business and/or management performance and any other strategic issues that may affect the Group's businesses.

Directors have access to information within the Group and to the advice and services of the Company Secretary. Directors also have the liberty to access independent professional advice in the course of discharging their duties and responsibilities.

4. Re-election of Directors

In line with the Company's Articles of Association, every director must retire from office at least once every three (3) years and can offer himself for re-election at the Annual General Meeting. Directors who are appointed by the Board are subject to re-election by shareholders at the next Annual General Meeting held following their appointment.

5. Director's Remuneration

All directors are paid directors' fees. The aggregate remuneration of Directors for the financial year ended 31 December 2004 is as follows:

Category	Fees	Salaries & Allowance
Executive Directors	54,000	781,200
Non-Executive Directors	81,000	-

The number of Directors whose total remuneration falls within the following bands is as follows:

Remuneration Band	Executive Directors	Non-Executive Directors
RM50,000 and below	0	4
RM50,001 to RM100,000	1	0
RM100,001 to RM150,000	0	0
RM150,001 to RM200,000	0	0
RM200,001 to RM250,000	0	0
RM250,001 to RM300,000	0	0
RM300,001 to RM350,000	0	0
RM350,001 to RM400,000	2	0

6. Board Committees

The following Board Committees have been established to assist the Board in the execution of its responsibilities:

a. Audit Committee

The Audit Committee assists and supports the Board to oversee the Group's operations in the following manner:

- Provides a means for review of the Company's processes for producing financial information, its internal controls and the independent role of external auditors;
- Reinforces the objectivity of the external and internal auditors.

The Audit Committee has full access to the auditors both externally and internally who, in turn, have full access at all times to the Chairman of the Audit Committee.

The Audit Committee members and the Audit Committee Report for the financial year ended 31 December 2004 pursuant to Paragraph 15.16 of the Listing Requirements is contained on pages 17 to 20 of the Annual Report.

Statement on Corporate Governance (continued)

b. Nomination Committee

The committee comprises, two (2) directors, both of whom are independent.

The members are:

Name	Designation
Dato' Mohamed Salleh Bin Bajuri	<i>Independent Non-Executive Director – Chairman</i>
En. Ghazali Bin Salamat	<i>Senior Independent Non-Executive Director – Member</i>

The committee is responsible for proposing or reviewing new nominees for the Board and Board Committees, assessing the effectiveness of the Board as a whole and reviewing the required skills and core competencies of non-executive directors. The committee also ensures that an orientation and education programme is in place for new Board members.

Summary of activities for the financial year under review.

For the financial year ended 31 December 2004, the Nomination Committee recommended the re-appointment and re-election of Directors retiring at the Nineteenth Annual General Meeting.

c. Remuneration Committee

The committee comprises, two (2) directors, both of whom are independent.

The committee's primary responsibility is to recommend to the Board, the remuneration of directors (executive and non-executive) in all its forms. Nonetheless, the determination of remuneration packages of directors is a matter for the Board as a whole and individuals are required to abstain from participating in discussions regarding their own remuneration.

The members are:

Name	Designation
En. Ghazali Bin Salamat	<i>Senior Independent Non-Executive Director – Chairman</i>
Dato' Mohamed Salleh Bin Bajuri	<i>Independent Non-Executive Director – Member</i>

Summary of activities for the financial year under review:

- (i) Reviewed the Directors' fees for the financial year ended 31 December 2003.
- (ii) Reviewed and recommended the remuneration packages of the Executive Directors.

d. ESOS Committee

The committee comprises of two (2) directors, both of whom are independent and a representative from the Management.

The members are:-

Name	Designation
En. Ghazali Bin Salamat	<i>Senior Independent Non-Executive Director – Chairman</i>
Dato' Mohamed Salleh Bin Bajuri	<i>Independent Non-Executive Director – Member</i>
Ian Kok Fai Tet	<i>Chief Operation Officer – Member</i>

The Committee was formed on 16 December 2003 to administer the Company's Employee Share Option Scheme. The Committee met twice in 2004 whereby the Committee deliberated and approved the basis of allocation of share option to eligible employees in accordance with the by-laws approved by the shareholders of the Company.

7. **Directors' Training**

The Board believes that continuous training for the Directors is important to enable them to discharge their duties effectively. As such, the Directors were encouraged to attend various training programmes and seminars to ensure that they are kept abreast on various issues pertaining to the constantly changing environment within which the business of the Group operates, particularly in areas of corporate governance and regulatory compliance.

For the financial year under review, all the Directors of the Company have attended and successfully completed the Mandatory Accreditation Programme ("MAP") conducted by the Research Institute of Investment Analyst Malaysia ("RIIAM"). The Directors have also attended various Continuing Education Programmes ("CEP") accredited by Bursa Malaysia Securities Berhad which includes courses that relate to corporate governance and regulatory compliance, risk management awareness, corporate updates, accounting and financial matters.

Pursuant to the repeal of Practice Note No. 15/2003 (PN 15/2003) with effect from 1 January 2005, the Board shall on continuous basis, evaluate and determine the training needs of its Directors. The subject matter of training must be one that aids the respective Directors in the discharge of their duties. Notwithstanding the repeal of PN 15/2003, all Directors are still required to accumulate the requisite minimum number of 48 CEP points for the calendar year 2004 and a circular notification on this requirement has been sent to all the Directors.

8. **Investors relations and shareholders communication**

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company. Announcements of financial results (on quarterly basis) and any material events affecting the Group provide shareholders and the public with an overview of the Group's performance and operations.

The Annual General Meeting, which is held each year, is the main platform for dialogue and interaction with all shareholders. At each Annual General Meeting, the Board presents the progress and performance of the business and encourages shareholders to participate through a question-and-answer session. All the Directors, Audit Committee members and external auditors are available to respond to shareholders' queries during the Annual General Meeting.

■ Statement on Corporate Governance (continued)

ACCOUNTABILITY AND AUDIT

1. Financial Reporting

The quarterly financial results were reviewed by the Audit Committee and approved by the Board within the stipulated timeframe before disclosure.

The Directors are responsible in ensuring that the financial statements are prepared in accordance with the provisions of the Companies Act, 1965 and applicable accounting standards to give a true and fair view of the state of affairs of the Company. In presenting the financial statements, the Company has used appropriate accounting policies and applied them consistently, supported by reasonable judgment and estimates.

2. Internal Control

The state of internal controls within the Group is elaborated under the heading of "Statement of Internal Control".

3. Relationship with the Auditors

The Audit Committee of the Board recognizes the important role of the external auditors towards shareholders and the public and as such fully supports the auditors to effectively discharge its duties.

The Board ensures that an objective and professional relationship is maintained with the auditors through the Audit Committee, which tracks the scope and subsequent findings of the external audit and that of the internal audit function. Conversely, the auditors have an obligation to bring any significant weaknesses in the Group's system of control and non-compliances to the attention of the Audit Committee and the Board.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN FINANCIAL REPORTING

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year to give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year and of their results and cash flows for the year then ended.

In preparing the financial statements for the financial year ended 31 December 2004, the Directors have:

- Adopted suitable accounting policies and applied them consistently;
- Made estimates and judgements that are reasonable and prudent; and
- Prepared the financial statements on an on-going basis.

The Directors are responsible for ensuring that the Company and the Group keep proper accounting records that disclose, with reasonable accuracy the financial positions of the Company and Group and which enable them to ensure that the financial statements comply with the Act. The Directors are also responsible for taking such steps that are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiaries which involve Directors' and major shareholders' interests for the financial year under review.

STATEMENT ON INTERNAL CONTROL

The Board of Directors of Seacera Tiles Berhad recognizes and accepts its responsibility in ensuring and maintaining a sound system of internal control to safeguard shareholders' investment and assets of the Company as stipulated in the Malaysian Code on Corporate Governance.

The Board takes cognizance that in a dynamic business environment, a system of internal control, in ensuring its relevancy, is a continuous process of risk identification and risk management and an evaluation of integrity and adequacy of systems that are in place. As such, the Board's philosophy towards internal control systems per se is one of continuous improvement. However, the Board notes that internal control systems will not provide absolute assurance against all risks or any one risk but it serves to provide reasonable assurances and is designed to manage the likelihood and consequences of risk to acceptable levels.

The Board and its committees, monitors the performance of the Group at regular periods during the financial year. The Board is duly informed and updated by Executive Directors on issues of significance and on matters requiring Board consideration.

In addition to reviewing performance to business objectives, the Board, via its Audit Committee, receives feedback and reports from the internal auditor in line with the internal audit plan as well as on any significant issues pertaining to risk and control. External auditors, in addition to providing annual statutory audit of financial statements, presents to the Audit Committee the external audit plan outlining the scope and scale of its audit. For the financial year under review, a meeting was held between the external auditors and independent directors of the Audit Committee on the external audit plan.

The Executive Directors and key management staff are responsible for the daily running of the Group. In monitoring Group performance, the Executive Directors and management team attend monthly scheduled meetings and reviews key performance indicators. These meetings allow for timely identification of risks and proactive management decisions in line with changes in the business environment. Countermeasures and action plans are correspondingly formulated to address such risks that may arise.

Key elements of internal control are as follows:

- Clear terms of reference for Board Committees.
- Internal control procedures as set out in standard operating manuals.
- Monthly performance reports provided by management to Executive Directors and Quarterly reports to Board members.
- Internal audit plan and findings prepared by the internal auditor and forwarded to the Audit Committee for review.
- Computer system access controls and back-up procedures.

The Board is strongly committed to an effective internal control system to further raise the level of transparency and accountability of Group operations.

Audit Committee Report

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprises three (3) directors (two (2) of whom are independent non-executive directors). The members are:

Name	Date of Appointment	Designation
Dato' Mohamed Salleh Bin Bajuri	25 April 2001	<i>Independent Non Executive</i>
Dato' Azizi Bin Yom Ahmad	4 December 1997	<i>Director – Chairman</i> <i>Non Independent Executive</i>
En. Ghazali Bin Salamat	26 February 2002	<i>Director – Member</i> <i>Senior Independent Non Executive</i> <i>Director – Member</i>

ATTENDANCE

During the financial year ended 31 December 2004, five (5) Audit Committee meetings were held. Details of attendance of Directors at the Audit Committee Meetings are as follows:-

Members	No. of Meetings Attended
Dato' Mohamed Salleh Bin Bajuri (Chairman)	5 Meetings
Dato' Azizi Bin Yom Ahmad	5 Meetings
En. Ghazali Bin Salamat	5 Meetings

TERMS OF REFERENCE

1. Objectives

- a. To assist the Board to discharge its responsibilities by reviewing the adequacy and integrity of the Company's and the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.
- b. To reinforce the independence of the external auditors and thereby help assure autonomy in the audit process.
- c. To provide, by way of regular meetings, a line of communication between the Board and the external auditors.
- d. To provide emphasis on the internal audit function by increasing the objectivity and independence of the internal auditors and provide a forum for discussion that is independent of the management.
- e. To review the quality of the audits conducted by the internal and external auditors of the Company.
- f. To enhance the perceptions held by stakeholders (including shareholders, regulator, creditors and employees) of the credibility and objectivity of financial reports.

Duties and Responsibilities

- a. To review the quarterly results and year-end financial statements of the Company and the Group, and to recommend the same to the Board for approval whilst ensuring that they are prepared in a timely and accurate manner complying with all applicable accounting and regulatory requirements and are promptly published.
- b. To review any related party transaction and conflict of interest situation that may arise within the Company or the Group, including any transaction, procedure or course or conduct that raises questions of management integrity.
- c. To review with the external and internal auditors whether the employees of the Group have given them appropriate assistance in discharging their duties.
- d. To review the adequacy of the scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work.
- e. To review the internal audit plan and processes, the results of the internal audit programme or investigation undertaken and whether or not appropriate action is taken by management on the recommendations of the internal auditors.
- f. To appraise the performance of staff members of the internal audit function.
- g. To approve any appointment or termination of the staff members of the Internal audit function and to review any resignations of internal audit staff members and provide resigning staff members an opportunity to submit reasons for resigning, where necessary.
- h. To review with the external auditors, the nature and scope of their audit plan, their evaluation of the system of internal controls and their management letter and discuss any matter that the external auditors may wish to raise in the absence of management, where necessary.
- i. To recommend to the Board on the appointment and the annual reappointment of the external auditors and their audit fee, after taking into consideration the independence and objectivity of the external auditors and the cost effectiveness of their audit.
- j. To discuss and review with the external auditors any proposal from them to resign as auditors.
- k. To review inspection and examination reports issued by any regulatory authority and to ensure prompt and appropriate actions are taken in respect of any findings.
- l. To perform any other functions as authorized by the Board.

Authority

- a. The Committee is authorized by the Board to investigate any matter within its terms of reference, to obtain the resources, which it needs, and to have full and unrestricted access to information. It is also authorized to seek any information it requires from any employee of the Group and all employees are directed to co-operate with any request made by the Committee.
- b. The Committee shall have direct communication channels with the external and internal auditors.
- c. The Committee is authorized by the Board to obtain independent professional or other advice at the Company's expense and to invite outsiders with relevant experience and expertise to attend meetings if it considers this necessary.
- d. Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements of the Bursa Malaysia Securities Berhad ('Exchange'), the Committee shall promptly report such matter to the Exchange.

Audit Committee Report (continued)

4. Meetings

- a. Meetings shall be held at least four (4) times a year with a minimum quorum of two (2) members and the majority of members present shall be independent non-executive directors. Additional meetings may be called at any time at the discretion of the Chairman of the Committee.
- b. The head of internal audit shall be in attendance at the meeting of the Committee. The Committee may invite the external auditors, the chief financial officer, any other directors or members of the management and employees of the Group to be in attendance during meetings to assist in its deliberation.
- c. At least once (1) a year, the Committee shall meet with the external auditors without any executive Board member present and upon the request of the external auditors, the Chairman of the Committee shall convene a meeting to consider any matter, which the external auditors believe, should be brought to the attention of the Board or shareholders.
- d. The Company Secretary shall be the Secretary of the Committee.
- e. The minutes of each Committee meeting shall be circulated to all members of the Board.

5. Membership

- a. The Committee shall be appointed by the Board from amongst its number and shall comprise not less than three (3) members, the majority of whom are independent non-executive directors.
- b. The Chairman of the Committee shall be an independent non-executive Director appointed by the Board.
- c. No alternate director shall be appointed as a member of the Committee.
- d. At least one member of the Committee:
 - i. Shall be a member of the Malaysian Institute of Accountants; or
 - ii. If he is not a member of the Malaysian Institute of Accountants, he shall have at least three (3) years' working experience and:
 - (1) He must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - (2) He must be a member of one of the Associations of Accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.
- e. The term of office and performance of the Committee and each of its members must be reviewed by the Board at least once every three (3) years.
- f. If a member of the Committee resigns or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

SUMMARY OF ACTIVITIES FOR THE FINANCIAL YEAR UNDER REVIEW

The Audit Committee had undertaken the following activities during the financial year ended 31 December 2004:

- i. reviewed the quarterly financial results announcement for submission to the Board and relevant authorities;
- i. reviewed the audited financial statements for the financial year ended 31 December 2003;

SUMMARY OF ACTIVITIES FOR THE FINANCIAL YEAR UNDER REVIEW (continued)

- iii. reviewed and approved the risk assessment and internal audit plan and processes for the year 2004 and follow up on the actions to be undertaken from the results of the risk assessment and internal audit work;
- iv. reviewed and discussed with the external auditors on their audit plan, their scope of work, the results of their examination, the auditors' report and management letters in relation to the audit and accounting issues arising from the audit;
- v. reviewed the audit fees proposed by the external auditors;
- vi. reviewed with the external auditors, the new developments on accounting standards and regulatory requirements as well as the Company's compliance with Malaysian Accounting Standard Board and other relevant legal and regulatory requirements;
- vii. discussed with the external auditors in the absence of management, the audit plan for the financial year ended 31 December 2004; and reviewed the related party transactions arising within the Group.

ESOS ALLOCATION

Seacera Tiles Berhad has implemented an Employee Share Option Scheme for the financial year under review.

The Audit Committee is satisfied with the implementation of the scheme and the allocation of share options to eligible employees comply with the bye-laws approved by the Board of Directors and shareholders of the Company.

INTERNAL AUDIT FUNCTION

For the financial year under review, internal audits were conducted on the areas of operational control and the adequacy of these controls. As operational control systems form but a part of the Risk Management structure, the Audit Committee has further planned for a wider focus to cover other elements within the Risk Management framework.

The internal auditors carried out the following activities:

- Review the efficiency and effectiveness of internal control system of certain key processes of the Group with the objective of identifying and addressing business risks and controls of the key processes, testing of controls to assess control effectiveness and that these controls are operating as intended, assessing the adequacy, appropriateness of procedures within processes identified and review adherence to establish authority limit;
- Recommending improvements to the internal control system of the key processes that were identified for audit and reporting the findings to the Audit Committee, after obtaining response from management;
- Identifying and developing the risk assessment plan and internal audit programme for the internal audit cycle for the financial year ending 31 December 2005.

Chairman's Statement

Statements

On behalf of the Board of Directors, it is my pleasure to present the Annual Report and Financial Statements of the Group and of the Company for the financial year ended 31 December 2004.

FINANCIAL REVIEW

The Group recorded a 9.9% increase in turnover, achieving a profit before tax of RM4.96 million (2003:RM4.81 million) for the financial year under review. At the net profit level, the Group attained a result of RM 3.11 million (2003:RM2.74 million).

REVIEW OF OPERATIONS

Tiles

In the back of better demand in both the domestic and export markets, the tile division recorded a 10% increase in revenue compared to the previous financial year. Operating margins have also improved marginally from the previous year through cost reduction activities, overcoming increases in most input costs during the year.

The division continued with its strategy of developing and launching higher value product ranges during the financial year under review.

BOPP Film

The Group's film business registered a 9% increase in turnover from the previous year through higher domestic sales. Operating margins was affected by high raw material cost, which in turn is a function of fluctuating oil prices.

FUTURE PROSPECTS

Whilst the Board anticipates the coming year to be competitive for the Group, both the Tile and BOPP Film businesses are expected to perform satisfactorily in the new financial year.

DIVIDEND

The Board of Directors is pleased to recommend a final tax-exempt dividend of 2.5% subject to the approval by the shareholders in the forthcoming Annual General Meeting.

APPRECIATION

The Board and I would like to extend our appreciation to the Management Team and Staff of all levels for the dedication and commitment towards the objectives set by the Group, and to our Shareholders, Customers, Suppliers and Business Partners, our gratitude for their unwavering support and confidence.

TAN SRI DATO' SERI PROF. DR YOM AHMAD BIN NGAH AHMAD
Chairman

Directors' Report

for the financial year ended 31 December 2004

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the manufacturing and trading of ceramic tiles. The principal activities of the subsidiary companies are set out in note 18 to the financial statements.

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

RESULTS

	The Group RM	The Company RM
Profit after taxation	3,495,475	1,627,788
Minority interest	(379,532)	-
Net profit for the year	<u>3,115,943</u>	<u>1,627,788</u>

DIVIDENDS

A final dividend of 1.5% tax exempt of RM799,980 in respect of the previous financial year as proposed in the directors' report for that financial year was paid on 23 July 2004.

Interim dividend of 1.5% tax exempt, amounting to RM799,980 in respect of the current financial year was paid on 30 September 2004.

The directors now recommend a final dividend of 2.5% tax exempt, amounting to RM1,333,300 in respect of the current financial year.

SHARE CAPITAL

The Company did not issue any shares or debentures during the year.

RESERVES AND PROVISIONS

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

■ Directors' Report (continued)

EMPLOYEES' SHARE OPTION SCHEME (ESOS)

The details of the ESOS are set out in note 28 to the financial statements.

DIRECTORS

The directors in office since the date of the last report are:

Tan Sri Dato' Seri Prof. Dr Yom Ahmad Bin Ngah Ahmad (Chairman)
Dato' Azizi Bin Yom Ahmad (Executive Vice-Chairman)
Soong Teck Onn
Dr. Yoong Kin Pin
Dato' Samsudin Bin Abu Hassan
Dato' Mohamed Salleh Bin Bajuri
Ghazali Bin Salamat

In accordance with the Company's Articles of Association, Dato' Mohamed Salleh Bin Bajuri and Yoong Kin Pin retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Tan Sri Dato' Seri Prof. Dr Yom Ahmad Bin Ngah Ahmad retires pursuant to Section 129 (2) of the Companies Act, 1965 and a resolution will be proposed for his reappointment as director under the provision of Section 129 (6) of the said Act to hold office until the next Annual General Meeting of the Company.

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 were as follows:

	No. of ordinary shares of RM1 each			As at 31/12/2004
	As at 1/1/2004	Bought	Sold	
The Company				
Direct interests				
Tan Sri Dato' Seri Prof. Dr Yom Ahmad Bin Ngah Ahmad	8,000	-	-	8,000
Dato' Azizi Bin Yom Ahmad	509,933	-	-	509,933
Dr. Yoong Kin Pin	12,000	-	-	12,000
Ghazali Bin Salamat	10,666	-	-	10,666
Dato' Samsudin Bin Abu Hassan	132,000	-	-	132,000

DIRECTORS' INTERESTS (continued)

	No. of ordinary shares of RM1 each			
	As at 1/1/2004	Bought	Sold	As at 31/12/2004
The Company				
Indirect interests				
Dato' Azizi Bin Yom Ahmad	15,537,906	–	–	15,537,906
Soong Teck Onn	846,868	–	–	846,868
Dato' Samsudin Bin Abu Hassan	10,948,000	–	–	10,948,000
	Options to subscribe for ordinary shares of RM1 each			
	As at 1/1/2004	Granted	Exercised	As at 31/12/2004
Dato' Azizi Bin Yom Ahmad	–	798,000	–	798,000
Dr. Yoong Kin Pin	–	400,000	–	400,000
Soong Teck Onn	–	798,000	–	798,000

Other than as disclosed, none of the directors in office at the end of the financial year had any interest in shares in the Company and its related corporations during the financial year.

The above directors by virtue of their shareholdings in the Company are also deemed interested in shares in the related corporations to the extent the Company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits disclosed as directors' remuneration in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Neither at the end of the financial year, nor at anytime during the financial year, did there subsist any arrangements to which the Company is a party, being arrangements with the object or objects of enabling directors to acquire benefits by means of the acquisition of shares in the Company or shares in, or debentures of any other body corporate except for their entitlement to subscribe for new ordinary shares of the Company under the Employees' Share Option Scheme ("ESOS").

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

- a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to:
- (i) 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) ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company have been written down to amounts which they might be expected so to realise.
- b) At the date of this report, the directors are not aware of any circumstances:
- (i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- c) As at the date of this report:
- (i) there are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liability of any other person; and
 - (ii) except as disclosed in the note 30 to the financial statements, there are no contingent liabilities in the Group or in the Company which have arisen since the end of the financial year.
- d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements misleading.
- e) 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, in the opinion of the directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (continued)

- (f) In the opinion of the directors:
- (i) 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.
 - (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 and of the Company for the current financial year in which this report is made.

EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

Event subsequent to the balance sheet is disclosed in note 31 to the financial statements.

AUDITORS

The auditors, Messrs Paul Chuah & Co., have indicated their willingness to continue in office.

On behalf of the board

**TAN SRI DATO' SERI PROF. DR
YOM AHMAD BIN NGAH AHMAD**

DATO' AZIZI BIN YOM AHMAD

Kuala Lumpur
28 April 2005

Statement by Directors

In the opinion of the directors, the financial statements set out on pages 31 to 65 are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia, so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2004 and the results and cash flows of the Group and of the Company for the year ended 31 December 2004.

Signed in accordance with a resolution of the directors.

**TAN SRI DATO' SERI PROF. DR
YOM AHMAD BIN NGAH AHMAD**

DATO' AZIZI BIN YOM AHMAD

Kuala Lumpur
28 April 2005

Statutory Declaration

I, Soong Teck Onn, being the director responsible for the financial management of Seacera Tiles Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 31 to 65 are 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.

SOONG TECK ONN

Subscribed and solemnly declared at Kuala Lumpur, Wilayah Persekutuan on 28 April 2005

Before me:

**ABAS BIN HASAN
W392**

Commissioner for Oaths

Report Of The Auditors

to the members of Seacera Tiles Berhad (Incorporated in Malaysia)

We have audited the financial statements set out on pages 31 to 65 of Seacera Tiles Berhad.

The preparation of the financial statements is the responsibility of the directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved standards on auditing. These standards require that we plan and perform the audit to obtain all the information and explanations, which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatements. Our audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. Our audit includes an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the adequacy of the presentation of information in the financial statements.

We believe our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of
 - i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - ii) the state of affairs 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 ended on that date;
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The name of the subsidiary companies of which we have not acted as auditors are indicated in Note 18 to the financial statements. We have considered the financial statements of the subsidiary companies and the auditor's report thereon.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements 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 audit reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Section 174 (3) of the Act.

PAUL CHUAH & CO.
No. AF 1056
Chartered Accountants

CHUAH SUE YIN
No. 2540/04/06 (J)
Partner of the firm

Kuala Lumpur
28 April 2005

Consolidated Income Statement

for the year ended 31 December 2004

	NOTE	2004 RM	2003 RM
REVENUE	5	80,950,589	73,651,975
COST OF SALES		(65,389,863)	(58,937,353)
GROSS PROFIT		15,560,726	14,714,622
OTHER OPERATING INCOME		452,986	194,145
DISTRIBUTION COSTS		(2,056,364)	(2,111,044)
ADMINISTRATION EXPENSES		(2,569,226)	(2,422,635)
OTHER OPERATING EXPENSES		(4,175,426)	(3,581,196)
PROFIT FROM OPERATIONS		7,212,696	6,793,892
FINANCE COSTS		(2,233,800)	(1,979,192)
SHARE OF LOSSES OF ASSOCIATED COMPANIES		(10,648)	—
PROFIT BEFORE TAXATION	6	4,968,248	4,814,700
TAXATION	7	(1,472,773)	(1,625,604)
PROFIT AFTER TAXATION		3,495,475	3,189,096
MINORITY INTEREST		(379,532)	(451,871)
NET PROFIT FOR THE YEAR		3,115,943	2,737,225
DIVIDENDS PER SHARE (sen)	8	4.00	3.50
EARNINGS PER SHARE (sen)	9		
basic		5.84	5.13
diluted		5.84	5.13

The accompanying notes are an integral part of these financial statements

Consolidated Balance Sheet

as at 31 December 2004

	NOTE	2004 RM	2003 RM
SHARE CAPITAL	10	53,332,000	53,332,000
RESERVES	12	29,240,129	27,698,092
SHAREHOLDERS' FUNDS		82,572,129	81,030,092
RESERVE ON CONSOLIDATION		331,005	292,597
MINORITY INTEREST		4,010,649	3,631,117
LONG TERM AND DEFERRED LIABILITIES			
Hire purchase creditors	13	109,890	358,069
Term loans	14	1,985,364	2,868,626
Deferred taxation	16	3,852,733	3,827,731
Provision for retirement benefits	26	421,637	243,423
		93,283,407	92,251,655
Represented by:			
PROPERTY, PLANT AND EQUIPMENT	17	66,863,566	66,612,616
ASSOCIATED COMPANIES	19	4,082,914	4,029,100
GOODWILL ON CONSOLIDATION	20	7,939,003	8,382,110
		78,885,483	79,023,826
CURRENT ASSETS			
Inventories	21	33,504,181	31,478,350
Debtors	22	25,910,441	23,917,236
Taxation		692,360	1,364,732
Fixed deposits	23	500,000	500,000
Cash and bank balances		3,775,926	4,216,322
		64,382,908	61,476,640
Less:			
CURRENT LIABILITIES			
Creditors	24	11,218,440	10,735,224
Short term borrowings	25	38,551,081	36,293,449
Provision of retirement benefits	26	23,000	24,480
Taxation		192,463	129,018
Dividend payable		—	1,066,640
		49,984,984	48,248,811
NET CURRENT ASSETS		14,397,924	13,227,829
		93,283,407	92,251,655

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

Consolidated Statement of Changes in Equity

for the year ended 31 December 2004

	Share capital RM	Share premium RM	Translation reserve RM	Retained profits RM	Total RM
Balance at 31 December 2002	39,999,000	2,553,820	–	37,646,753	80,199,573
Net profit for the year	–	–	–	2,737,225	2,737,225
Bonus issue	13,333,000	–	–	(13,333,000)	–
Expenses incurred for the issuance of bonus issue (Note 11)	–	(40,086)	–	–	(40,086)
Final dividend for year ended 31 December 2002	–	–	–	(799,980)	(799,980)
Interim dividend for year ended 31 December 2003 (Note 8)	–	–	–	(1,066,640)	(1,066,640)
Balance at 31 December 2003	53,332,000	2,513,734	–	25,184,358	81,030,092
Net profit for the year	–	–	–	3,115,943	3,115,943
Share of reserve of associated companies	–	–	26,054	–	26,054
Final dividend for the year ended 31 December 2003 (Note 8)	–	–	–	(799,980)	(799,980)
Interim dividend for the year ended 31 December 2004 (Note 8)	–	–	–	(799,980)	(799,980)
Balance at 31 December 2004	53,332,000	2,513,734	26,054	26,700,341	82,572,129

The accompanying notes are an integral part of these financial statements

Consolidated Cash Flow Statement

for the year ended 31 December 2004

	NOTE	2004 RM	2003 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation and minority interest		4,968,248	4,814,700
Adjustments for:			
Provision for retirement benefit		213,743	267,903
Amortisation of goodwill		443,107	443,107
Depreciation		3,337,139	4,936,860
Bad debts written off		–	42,978
Inventories written off		442	173,149
Interest income		(12,638)	–
Losses retained in associated companies		10,648	–
Property, plant and equipment written off		300,540	3,063
Interest expense		2,233,800	1,979,192
(Profit)/loss from disposal of property, plant and equipment		(1,506)	1,023
Allowance for doubtful debts		10,834	–
Allowance for doubtful debts no longer required		–	(35,000)
Unrealised gain from foreign exchange		(116,340)	(158,274)
Profit before changes in working capital		11,388,017	12,468,701
Working capital changes:			
Inventories		(2,026,273)	(201,761)
Debtors		(1,885,085)	(808,764)
Creditors		610,726	167,801
Retirement benefit paid		(37,009)	–
Cash inflows from operations		8,050,376	11,625,977
Interest paid		(2,233,800)	(1,979,192)
Interest received		12,638	–
Tax paid		(711,954)	(2,775,046)
Net cash inflows from operating activities		5,117,260	6,871,739

Consolidated Cash Flow Statement (continued)

	NOTE	2004 RM	2003 RM
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of an associated company		–	(1,761,500)
Proceeds from disposal of property, plant and equipment		3,500	1,172
Purchase of property, plant and equipment		(3,890,623)	(1,644,187)
Net cash outflows from investing activities		(3,887,123)	(3,404,515)
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown/(repayment) of revolving loan		1,800,000	(2,100,000)
Repayment of hire purchase		(378,303)	(276,066)
Dividends paid		(2,666,600)	(799,980)
Drawdown of banker acceptances		778,000	1,563,000
Repayment of term loans		(835,109)	(1,444,568)
Payment of expenses incurred for the issuance of bonus issue		–	(40,086)
Net cash outflows from financing activities		(1,302,012)	(3,097,700)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(71,875)	369,524
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	A	1,920,180	1,550,656
CASH AND CASH EQUIVALENTS AT END OF YEAR	A	1,848,305	1,920,180
A. CASH AND CASH EQUIVALENTS			
		2004 RM	2003 RM
Cash and bank balances		3,775,926	4,216,322
Bank overdrafts		(1,927,621)	(2,296,142)
Total cash and cash equivalents		1,848,305	1,920,180

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

Income Statement

for the year ended 31 December 2004

	NOTE	2004 RM	2003 RM
REVENUE	5	10,556,387	7,119,084
COST OF SALES		(9,214,508)	(5,977,612)
GROSS PROFIT		1,341,879	1,141,472
OTHER OPERATING INCOME		5,167,828	4,685,229
DISTRIBUTION COSTS		(247,266)	(261,686)
ADMINISTRATION EXPENSES		(482,436)	(512,269)
OTHER OPERATING EXPENSES		(1,801,552)	(1,144,821)
PROFIT FROM OPERATIONS		3,978,453	3,907,925
FINANCE COSTS		(1,749,136)	(1,567,345)
PROFIT BEFORE TAXATION	6	2,229,317	2,340,580
TAXATION	7	(601,529)	(929,354)
NET PROFIT FOR THE YEAR		1,627,788	1,411,226
DIVIDENDS PER SHARE (sen)	8	4.00	3.50

The accompanying notes are an integral part of these financial statements

Balance Sheet

as at 31 December 2004

	NOTE	2004 RM	2003 RM
SHARE CAPITAL	10	53,332,000	53,332,000
RESERVES	12	15,163,007	15,135,179
SHAREHOLDERS' FUNDS		68,495,007	68,467,179
LONG TERM AND DEFERRED LIABILITIES			
Hire purchase creditors	13	-	173,558
Term loans	14	1,985,364	2,868,626
Deferred taxation	16	339,850	131,082
Provision for retirement benefits	26	80,000	-
		70,900,221	71,640,445
Represented by :			
PROPERTY, PLANT AND EQUIPMENT	17	37,901,375	36,533,304
SUBSIDIARY COMPANIES	18	24,090,272	21,190,272
		61,991,647	57,723,576
CURRENT ASSETS			
Inventories	21	14,759,877	12,175,960
Debtors	22	25,533,715	30,174,597
Tax recoverable		316,238	-
Fixed deposit with licensed banks	23	500,000	500,000
Cash and bank balances		60,969	82,639
		41,170,799	42,933,196
Less :			
CURRENT LIABILITIES			
Creditors	24	9,113,969	6,674,770
Short term borrowings	25	23,125,256	21,265,275
Taxation		-	9,642
Dividend payable		-	1,066,640
Provision for retirement benefits	26	23,000	-
		32,262,225	29,016,327
NET CURRENT ASSETS		8,908,574	13,916,869
		70,900,221	71,640,445

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

Statement of Changes in Equity

for the year ended 31 December 2004

	Share capital RM	Share premium RM	Retained profits RM	Total RM
Balance at 31 December 2002	39,999,000	2,553,820	26,409,839	68,962,659
Net profit for the year	–	–	1,411,226	1,411,226
Bonus issue during the year	13,333,000	–	(13,333,000)	–
Expenses incurred for the issuance of bonus issue (Note 11)	–	(40,086)	–	(40,086)
Final dividend for the year ended 31 December 2002	–	–	(799,980)	(799,980)
Interim dividend for the year ended 31 December 2003 (Note 8)	–	–	(1,066,640)	(1,066,640)
Balance at 31 December 2003	53,332,000	2,513,734	12,621,445	68,467,179
Net profit for the year	–	–	1,627,788	1,627,788
Final dividend for the year ended 31 December 2003 (Note 8)	–	–	(799,980)	(799,980)
Interim dividend for the year ended 31 December 2004 (Note 8)	–	–	(799,980)	(799,980)
Balance at 31 December 2004	53,332,000	2,513,734	12,649,273	68,495,007

The accompanying notes are an integral part of these financial statements

Cash Flow Statement

for the year ended 31 December 2004

	NOTE	2004 RM	2003 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,229,317	2,340,580
Adjustments for:			
Depreciation		1,321,660	1,290,330
Gross dividend from unquoted subsidiary companies		(2,000,000)	(2,000,000)
Interest expense		1,749,136	1,567,345
Inventories written off		-	52,000
(Profit)/loss from disposal of property, plant and equipment		(1,506)	1,023
Property, plant and equipment written off		299,787	-
Unrealised gain from foreign exchange		(16,259)	(6,677)
Provision for retirement benefits		103,000	-
Profit before changes in working capital		3,685,135	3,244,601
Working capital changes:			
Inventories		(2,583,917)	(951,235)
Debtors		4,718,665	521,808
Creditors		2,563,799	2,844,467
Cash inflows from operations		8,383,682	5,659,641
Interest paid		(1,749,136)	(1,567,345)
Tax paid		(270,641)	(348,128)
Net cash inflows from operating activities		6,363,905	3,744,168
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received		1,496,000	1,440,000
Proceeds from disposal of property, plant and equipment		3,500	1,000
Acquisition of shares in a subsidiary company		(2,900,000)	(1,282,888)
Purchase of property, plant and equipment		(2,991,512)	-
Net cash (outflows)/inflows from investing activities		(4,392,012)	158,112

Statement of Financial Position
 Statement of Financial Performance
 Statement of Cash Flows
 Statement of Changes in Equity

■ **Cash Flow Statement** (continued)

	NOTE	2004 RM	2003 RM
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(2,666,600)	(799,98)
Drawdown/(repayment) of banker acceptances		314,000	(258,00)
Repayment of hire purchase		(303,682)	(201,44)
Drawdown/(repayment) of revolving credit		1,800,000	(2,100,00)
Repayment of term loans		(835,109)	(1,444,56)
Payment of expenses incurred for the issuance of bonus issue		-	(40,08)
Net cash outflows from financing activities		(1,691,391)	(4,844,07)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		280,502	(941,79)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
	A	(1,904,329)	(962,53)
CASH AND CASH EQUIVALENTS AT END OF YEAR			
	A	(1,623,827)	(1,904,32)
C. CASH AND CASH EQUIVALENTS			
		2004 RM	2003 RM
Cash and bank balances		60,969	82,639
Bank overdrafts		(1,684,796)	(1,986,968)
Total cash and cash equivalents		(1,623,827)	(1,904,329)

The accompanying notes are an integral part of these financial statements

Notes to the Financial Statements

for the year ended 31 December 2004

1. ACCOUNTING BASIS

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below and complied with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary companies made up to the end of the financial year. The results of subsidiary companies acquired or disposed during the year are included in the consolidated income statement from the date of acquisition or up to the date of disposal. All material intra group transactions, intra group balances and resulting unrealised profits or losses are eliminated fully on consolidation.

Differences between the cost of acquisition and the fair value of the subsidiary companies at the date of acquisition are included in the Group financial statements as either goodwill or reserve arising on consolidation as appropriate.

Goodwill is amortised to the income statement over a period of 20 years.

Reserve arising on consolidation is recognised in the income statement when the future losses and expenses of the acquisition are recognised.

(b) Property, plant and equipment

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

Freehold land is not depreciated. Other property, plant and equipment are depreciated over their estimated useful lives using the reducing balance method except for a subsidiary company which is using the straight-line method. The annual rates are:

	%
Freehold buildings	2 – 2.5
Motor vehicles	10 – 20
Furniture, fittings and equipment	10 – 20
Plant and machinery	10 – 20

Where an indication of impairment exists, the carrying amount of the assets is assessed and written down immediately to its recoverable amount.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(c) Subsidiary companies**

The Company regards as subsidiary companies those companies in which where it holds long term equity interest of more than 50% and where it is in a position to control the financial and operating policies.

Investments in subsidiary companies are stated at cost. Where an indication of impairment exists, the carrying amount of investment in subsidiary companies are assessed and written down immediately to its recoverable amount.

(d) Associated companies

The Company regards as associated companies those companies in which it holds a long term equity interest of between 20% to 50% and where it is in a position to exercise significant influence over the financial and operating policies.

Investment in associated companies are stated at cost. Where an indication of impairment exists, the carrying amount of the associated companies are assessed and written down immediately to its recoverable amount.

The premium on acquisition will be amortised to the income statement over a period of 10 years when the associated companies generates revenue.

The Group's associated company is accounted for under the equity method based on management accounts made up to 31 December.

(e) Debtors

Known bad debts are written off and specific allowance is made for any debts considered to be doubtful of collection.

(f) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs of raw materials, consumables and goods for resale comprise the original costs of purchase and the costs of bringing the inventories to its present location and condition. Costs of finished goods and work-in-progress comprise direct materials, direct labour and an appropriate proportion of production overheads. Costs is determined on the first in, first out basis.

(g) Foreign currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at rates ruling on the transaction dates. Assets and liabilities in foreign currencies are translated at the rates prevailing at the balance sheet date. Exchange gains and losses are included in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Foreign currencies (continued)

The principal closing rates used in translation of each foreign currency unit to Ringgit Malaysia were as follows:

	As at 31/12/2004		As at 31/12/2003	
	RM	RM	RM	RM
	Buy	Sell	Buy	Sell
Singapore Dollars	2.301	2.346	2.212	2.258
US Dollars	3.780	3.821	3.800	3.821
Euro	-	5.217	-	4.823
Brunei Dollars	2.302	-	2.213	-

(h) Impairment of assets

The carrying amount of the Group's and Company's assets other than inventories, deferred tax assets and financial assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment.

If any such indication exist, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount is less than the carrying amount of the asset. The impairment loss is recognised in the income statement immediately.

All reversals of an impairment loss are recognised as income immediately in the income statement.

(i) Income tax

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

Deferred tax liabilities and assets are provided for under the liability method at the current tax rate in respect of all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base including unused tax losses and capital allowances.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred tax asset is reviewed at each balance sheet date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(j) Hire purchase creditors**

Property, plant and equipment held under hire purchase are treated as if they had been purchased at cost at the commencement of the hire purchase agreement. This cost is included under property, plant and equipment and depreciation is provided accordingly. The corresponding obligations under hire purchase are included under liabilities. The finance charge element of installment payable is charged to the income statement using the sum of the digits method.

(k) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to cash with insignificant risk of changes in value.

(l) Revenue recognition

Revenue from sales of goods is recognised when the risks and rewards of ownership of the goods have been transferred to the buyers.

Rental and interest income are recognised on an accrual basis.

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

(m) Dividends

Dividends on ordinary shares are recognised as liabilities when the obligation to pay is established.

(n) Foreign currency forward contracts

The Group enters into certain foreign currency forward contracts to protect itself from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled.

Exchange gains and losses arising on contracts entered into as a hedge of anticipated future transactions are deferred until the date of such transactions, at which time they are included in the measurement of such transactions.

(o) Employee benefits**(i) Short term employee 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 and Company.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF").

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Employee benefits (continued)

(iii) Equity compensation benefits

The Group and the Company do not make a charge to the income statement in connection with share options granted. When the share option are exercised, the proceeds received, net of any transaction costs are credited to share capital and share premium.

(p) Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made.

i) Retirement benefits

Employees are entitled to gratuity payment based on their number of years of service. A provision is made for the estimated liability based on services rendered by employees up to the balance sheet date.

(q) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

An equity instrument is any contract that evidences a residual interest in the assets of an enterprise after deducting all its liabilities.

(i) Equity Instruments

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

(ii) Other Financial Instruments

Other financial instruments comprise cash and cash equivalents, debtors and creditors. These instruments are recognised on the dates of their respective contracts or when the contractual relationships have been established.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and Company's business whilst managing financial risks.

(a) **Credit risk**

Management monitors credit risk on an on going basis.

(b) **Liquidity risk**

Management adopts a prudent liquidity risk management by maintaining sufficient liquid funds to meet financial commitments and obligations when they fall due at a reasonable cost.

(c) **Foreign exchange risk**

The Group hedge certain of its foreign financial assets by entering into foreign currency forward contracts to limit their exposure on foreign currency assets.

As at 31 December 2004, the outstanding foreign currency forward contract is 226,796 Singapore Dollars maturing on 3 and 7 of January 2005.

The Group and Company do not hedge their foreign financial assets and financial liabilities in US Dollar as the foreign exchange rate has been pegged by the Malaysia Government.

Other than mentioned above, the Group and Company do not hedge the rest of their foreign financial assets and financial liabilities.

(d) **Interest rate risk**

The Group's and Company's primary interest rate risk relates to interest bearing debts. The information on maturity dates and effective interest rates of financial liabilities are disclosed in their respective notes.

4. FAIR VALUES

The carrying amounts of the financial assets and financial liabilities of the Group and Company at the balance sheet date approximate the fair values due to the relatively short term nature of those financial instruments except as disclosed in note 14.

5. REVENUE

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Sales of goods net of returns and discount	80,950,589	73,639,823	10,556,387	7,119,084
Fixed deposit interest income	–	12,152	–	–
	80,950,589	73,651,975	10,556,387	7,119,084

■ Notes to the Financial Statements (continued)

6. PROFIT BEFORE TAXATION

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Profit before taxation is stated after charging and (crediting):				
Auditors' remuneration:				
current year	86,744	79,800	25,000	22,800
underprovision in prior year	4,200	3,800	1,200	1,800
others	–	14,100	–	–
Allowance for doubtful debts				
no longer required	–	(35,000)	–	–
Bad debts written off	–	42,978	–	–
Depreciation	3,337,139	4,936,860	1,321,660	1,290,330
Inventories written off	442	173,149	–	52,000
* Directors' remuneration:				
fees	135,000	135,000	135,000	135,000
** other emoluments	1,234,800	1,102,829	781,200	509,600
Property, plant and equipment written off	300,540	3,063	299,787	–
Interest expense:				
term loan	234,711	308,635	234,711	308,635
banker acceptances	671,733	491,830	85,196	61,285
bank overdrafts	74,946	51,899	67,504	41,900
revolving loans	1,115,046	882,521	1,115,046	882,521
revolving credit	98,519	192,666	98,519	192,666
hire purchase	38,845	51,641	24,390	37,187
others	–	–	123,770	43,151
Allowance for doubtful debts	10,834	–	–	–
Rental of:				
premises	3,000	3,250	–	–
plant and machinery	3,509	5,264	2,365	583
** Staff costs	10,041,431	8,614,971	2,291,521	2,118,634
Cost of contract wages	1,263,668	1,080,810	320,262	137,501
Rental income from premises	–	–	(1,865,400)	(1,865,400)
Gross dividend from unquoted subsidiary companies	–	–	(2,000,000)	(2,000,000)
Amortisation of goodwill	443,107	443,107	–	–
Unrealised gain from foreign exchange	(116,340)	(158,274)	(16,259)	(6,677)
(Profit)/loss from disposal of property, plant and equipment	(1,506)	1,023	(1,506)	1,023
Interest income from fixed deposit	(12,638)	–	–	–
Realised loss from foreign exchange	13,256	12,817	5,211	5,066
Provision for retirement benefit	213,743	267,903	103,000	–

* The estimated monetary value of benefits in kind not included in the above received by the directors of the Group and the Company were RM117,406 (2003: RM75,604) and RM58,006 (2003: RM45,904).

** Included in staff costs and directors' other emoluments of the Group and the Company were RM572,005 (2003: RM740,278) and RM257,730 (2003: RM240,062) contributed to the Employees Provident Fund.

7. TAXATION

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
a) Current Malaysian taxation	1,636,000	2,129,976	591,000	910,000
Deferred taxation (Note 16)	25,002	(426,269)	208,768	131,082
	1,661,002	1,703,707	799,768	1,041,082
Overprovision in prior year	(188,229)	(78,103)	(198,239)	(111,728)
	1,472,773	1,625,604	601,529	929,354

(b) Reconciliation of tax expense and accounting profits :

	COMPANY	
	2004 RM	2003 RM
Accounting profit	2,229,317	2,340,580
Tax at the applicable tax rate	624,209	655,362
Tax effect of expenses that are not deductible in determining taxable profit	260,030	538,144
Overprovision of deferred tax liability in prior year	(84,471)	–
Previously unrecognised deferred assets	–	(152,424)
Tax expense	799,768	1,041,082

- (c) Subject to the approval of the Inland Revenue Board, the Company has unabsorbed capital allowances and reinvestment allowance totalling RM6,196,000 (2003: RM6,663,000) available for set off against future taxable profits.
- (d) Subject to the approval of the Inland Revenue Board, the Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of dividends out of all its retained profits as at 31 December 2004.
- (e) Subject to the approval of the Inland Revenue Board, the Company has tax exempt income of RM11,848,503 available for distribution by way of tax exempt dividends.

Notes to the Financial Statements (continued)

DIVIDENDS

GROUP AND COMPANY
2004 **2003**
RM **RM**

Paid:

Interim dividend of 1.5% tax exempt (2003: 2% tax exempt)	<u>799,980</u>	<u>1,066,640</u>
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Proposed:

Final dividend of 2.5% tax exempt (2003: 1.5% tax exempt)	<u>1,333,300</u>	<u>799,980</u>
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At the forthcoming Annual General Meeting a final dividend of 2.5% tax exempt (2003: 1.5% tax exempt) amounting to RM1,333,300 (2003: RM799,980) will be proposed for shareholders' approval.

9. EARNINGS PER SHARE

(a) Basic earnings per share

The earnings per share for the year has been calculated based on the consolidated profit after taxation and minority interests of RM3,115,943 (2003: RM2,737,225) and the number of ordinary shares issued and paid up during the year of 53,332,000 (2003: 53,332,000).

(b) Diluted earnings per share

The fully diluted earnings per share is calculated based on the consolidated profit after taxation and minority interests of RM3,115,943 (2003: RM2,737,225) and the number of ordinary shares issued and paid up during the year of 53,322,000 (2003: 53,332,000) because the number of shares that would have been issued arising from the exercise of the share options is anti-dilutive.

10. SHARE CAPITAL

GROUP AND COMPANY
2004 **2003**
RM **RM**

Ordinary shares of RM1 each

Authorised	<u>100,000,000</u>	<u>100,000,000</u>
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Issued and fully paid up

At 1 January	53,332,000	39,999,000
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Bonus issue	-	13,333,000
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At 31 December	<u>53,332,000</u>	<u>53,332,000</u>
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SHARE PREMIUM

	GROUP AND COMPANY	
	2004	2003
	RM	RM
At 1 January	2,513,734	2,553,820
Expenses incurred for the issuance of bonus issue	–	(40,086)
At 31 December	2,513,734	2,513,734

RESERVES

	GROUP		COMPANY	
	2004	2003	2004	2003
	RM	RM	RM	RM
Non-distributable				
Share premium (Note 11)	2,513,734	2,513,734	2,513,734	2,513,734
Translation reserve	26,054	–	–	–
Distributable				
Retained profits	26,700,341	25,184,358	12,649,273	12,621,445
	29,240,129	27,698,092	15,163,007	15,135,179

HIRE PURCHASE CREDITORS

	GROUP		COMPANY	
	2004	2003	2004	2003
	RM	RM	RM	RM
Minimum lease payments:				
Hire purchase creditors	309,607	726,755	89,478	417,550
Less: Future finance charges	(38,298)	(77,143)	(2,680)	(27,070)
Present value	271,309	649,612	86,798	390,480
Repayment due:				
Within one year (Note 24)	161,419	291,543	86,798	216,922
Two to five years	109,890	358,069	–	173,558
	271,309	649,612	86,798	390,480

■ Notes to the Financial Statements (continued)

14. TERM LOANS

GROUP AND COMPANY
2004 2003
RM RM

Secured

Term loan I bearing interest at 0.75% monthly rest above base lending rate repayable by 60 equal monthly installment of RM89,151 each.

2,887,824 3,722,933

Repayment due:

Within one year (Note 25)

902,460 854,307

Two to five years

1,985,364 2,868,626

2,887,824 3,722,933

Based on the borrowing rates currently available to the Group and Company for bank loans with similar terms average maturities, the fair value of term loan I is RM2,810,108 (2003: RM3,624,789).

The term loans are secured as follows:

- (i) first charge over the Company's freehold land and buildings;
- (ii) general security agreement relating to goods held; and
- (iii) general letter of pledge and a blanket counter indemnity.

15. REVOLVING LOAN

GROUP AND COMPANY
2004 2003
RM RM

Repayment due:

Within one year (Note 25)

16,000,000 16,000,000

The tenure of the loan shall be up to 6 months from the date of first rollover, which is 14 December 2004. Subsequent to that, the loan is rollover until 18 December 2005.

Interest is charged at 5.45% per annum during the first twelve months from the date of first drawdown and 1% per annum above the bank's effective cost of funds thereafter.

The revolving loan is secured as follows:

- (i) first charge over the 80% equity interest in a subsidiary company;
- (ii) second charge over the Company's freehold land and buildings; and
- (iii) first charge on the fixed deposit of RM500,000.

16. DEFERRED TAXATION

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
At 1 January	3,827,731	4,254,000	131,082	—
Adjustment to opening deferred tax resulting from reduction in income tax rate	(106,784)	(305,327)	—	—
Deferred tax expense arising from and reversal of temporary differences	208,550	(35,775)	293,239	131,082
Overprovision of deferred tax liability in prior year	(76,764)	(85,167)	(84,471)	—
Transferred (to)/from income statement (Note 7)	25,002	(426,269)	208,768	131,082
At 31 December	3,852,733	3,827,731	339,850	131,082

The components of deferred tax liabilities and assets that are recognised during the financial year are as follows:

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Deferred tax liabilities:				
- Capital allowances in excess of depreciation	3,470,184	3,387,120	364,137	130,631
- Newly acquired subsidiary company's revaluing its freehold land and building prior to the Group's acquisition	480,000	480,000	—	—
- Unrealised gain on foreign exchange	28,796	38,331	4,553	451
Deferred tax assets:				
- General allowance for doubtful debts	(3,919)	(2,720)	—	—
- Provision for retirement benefit	(122,328)	(75,000)	(28,840)	—
	3,852,733	3,827,731	339,850	131,082

The amounts of deferred tax assets that are not recognised in the balance sheet are as follow:

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Unabsorbed tax losses	4,830	6,395	—	—

7. PROPERTY, PLANT AND EQUIPMENT

GROUP	*Freehold land and buildings RM	Motor vehicles RM	Furniture, fittings and equipment RM	Plant and machinery RM	Total RM
At cost					
At 1 January 2004	47,984,365	2,612,150	2,710,367	61,617,245	114,924,127
Additions	416,656	423,500	248,538	2,801,929	3,890,623
Disposals	–	(4,431)	(2,750)	–	(7,181)
Written off	–	(401,500)	(2,400)	–	(403,900)
At 31 December 2004	48,401,021	2,629,719	2,953,755	64,419,174	118,403,669
Accumulated depreciation					
At 1 January 2004	3,585,516	1,073,352	1,355,671	42,296,972	48,311,511
Charge for the year	577,551	364,739	147,867	2,246,982	3,337,139
Disposals	–	(3,502)	(1,685)	–	(5,187)
Written off	–	(101,713)	(1,647)	–	(103,360)
At 31 December 2004	4,163,067	1,332,876	1,500,206	44,543,954	51,540,103
Net book value					
At 31 December 2004	44,237,954	1,296,843	1,453,549	19,875,220	66,863,566
At 31 December 2003	44,398,849	1,538,798	1,354,696	19,320,273	66,612,616

* ANALYSIS OF LAND AND BUILDINGS

	Freehold land RM	Freehold buildings RM	Total RM
At cost			
At 1 January 2004	20,491,857	27,492,508	47,984,365
Additions	–	416,656	416,656
At 31 December 2004	20,491,857	27,909,164	48,401,021
Accumulated depreciation			
At 1 January 2004	–	3,585,516	3,585,516
Charge for the year	–	577,551	577,551
At 31 December 2004	–	4,163,067	4,163,067
Net book value			
At 31 December 2004	20,491,857	23,746,097	44,237,954
At 31 December 2003	20,491,857	23,906,992	44,398,849

PROPERTY, PLANT AND EQUIPMENT (continued)

COMPANY	*Freehold land and buildings RM	Motor vehicles RM	Furniture, fittings and equipment RM	Plant and machinery RM	Total RM
At cost					
At 1 January 2004	32,867,104	1,255,937	1,341,646	11,858,955	47,323,642
Additions	411,656	423,500	187,285	1,969,071	2,991,512
Disposals	–	(4,431)	(2,750)	–	(7,181)
Written off	–	(401,500)	–	–	(401,500)
At 31 December 2004	33,278,760	1,273,506	1,526,181	13,828,026	49,906,473
Accumulated depreciation					
At 1 January 2004	3,079,272	374,748	561,849	6,774,469	10,790,338
Charge for the year	416,282	193,670	87,164	624,544	1,321,660
Disposals	–	(3,502)	(1,685)	–	(5,187)
Written off	–	(101,713)	–	–	(101,713)
At 31 December 2004	3,495,554	463,203	647,328	7,399,013	12,005,098
Net book value					
At 31 December 2004	29,783,206	810,303	878,853	6,429,013	37,901,375
At 31 December 2003	29,787,832	881,189	779,797	5,084,486	36,533,304

*** ANALYSIS OF LAND AND BUILDINGS**

	Freehold land RM	Freehold buildings RM	Total RM
At cost			
At 1 January 2004	13,281,038	19,586,066	32,867,104
Additions	–	411,656	411,656
At 31 December 2004	13,281,038	19,997,722	33,278,760
Accumulated depreciation			
At 1 January 2004	–	3,079,272	3,079,272
Charge for the year	–	416,282	416,282
At 31 December 2004	–	3,495,554	3,495,554
Net book value			
At 31 December 2004	13,281,038	16,502,168	29,783,206
At 31 December 2003	13,281,038	16,506,794	29,787,832

Notes to the Financial Statements (continued)

PROPERTY, PLANT AND EQUIPMENT (continued)

Included under property, plant and equipment is

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Property, plant and equipment acquired under hire purchase contracts	533,982	1,012,384	247,296	608,906
Net book value of freehold land and buildings pledged with the licensed banks for facilities granted as disclosed in Note 14, 15, 25 and 30.	44,237,954	44,398,849	29,783,206	29,787,832

SUBSIDIARY COMPANIES

	COMPANY	
	2004 RM	2003 RM
Shares in unquoted corporations at cost	24,090,272	21,190,272

The subsidiary companies which were incorporated in Malaysia are:

Name of company	Principal activities	Effective equity interests	
		2004	2003
SEA Porcelains Sdn Bhd	Manufacture and trading of ceramic tiles and related products	100%	100%
SEA Ceramics Sdn Bhd	Marketing of all kinds of ceramic tiles	100%	100%
Seacera Properties Sdn Bhd (formerly known as Seacera Marketing Sdn Bhd)	Marketing of all kinds of ceramic tiles	100%	100%
E-Seacera Sdn Bhd	Development of software system	100%	100%
* Quantum Integration Sdn Bhd	Investment holding	80%	80%
Subsidiary Company of Quantum Integration Sdn Bhd			
* Sam Long Chemicals Industries (Malaysia) Sdn Bhd	Manufacturing of biaxially oriented polypropylene films for packing purposes	80%	80%

* Subsidiary companies not audited by Messrs Paul Chuah & Co.

19. ASSOCIATED COMPANIES

	GROUP	
	2004 RM	2003 RM
At cost	4,029,100	4,029,100
Share of post acquisition reserves	53,814	–
	4,082,914	4,029,100
Represented by :		
Share of net assets other than goodwill	1,759,442	1,705,628
Premium on acquisition	2,323,472	2,323,472
	4,082,914	4,029,100

The associated companies are as follows:

Name of company	Principal activity	Country of incorporation	Effective equity interests	
			2004	2003
Cogito Systems Sdn. Bhd.	Research, development and commercialisation of interactive Multimedia Systems	Malaysia	36.8%	* 50.8%
Hospitality Infotainment Systems Limited	Integrated Interactive Multimedia Systems	New Zealand	36.8%	39.4%

* Hospitality Infotainment Systems Limited is a 100% owned subsidiary of Cogito Systems Sdn Bhd.

** During the year, the share exchange exercise between Hospitality Infotainment Systems Limited ('HIS') and Cogito Systems Sdn. Bhd. ('Cogito') was completed resulting in Cogito owing 100% in HIS. The Group's interest in Cogito was hence diluted from 50.8% in 2003 to 36.8% in 2004 and as such was treated as an associated company in 2003.

*** Included in the Group's reserve on consolidation is an amount of RM38,408 (2003: RM Nil) relating to Group's share of associated companies' reserves.

Notes to the Financial Statements (continued)

GOODWILL ON CONSOLIDATION

	GROUP	
	2004	2003
	RM	RM
At 1 January	8,382,110	8,825,217
Amortisation for the year	(443,107)	(443,107)
At 31 December	<u>7,939,003</u>	<u>8,382,110</u>

1. INVENTORIES

	GROUP		COMPANY	
	2004	2003	2004	2003
	RM	RM	RM	RM
At cost				
Consumables	7,399,721	6,870,559	4,199,301	3,740,311
Raw materials	6,129,485	4,535,930	3,337,415	2,485,368
Work-in-progress	1,428,913	947,500	10,622	16,249
Goods for resale	384,376	394,355	-	-
Finished goods	18,161,686	18,730,006	7,212,539	5,934,032
	<u>33,504,181</u>	<u>31,478,350</u>	<u>14,759,877</u>	<u>12,175,960</u>

2. DEBTORS

	GROUP		COMPANY	
	2004	2003	2004	2003
	RM	RM	RM	RM
Trade debtors	22,123,367	20,524,864	309,941	133,527
Allowance for doubtful debts	(20,834)	(10,000)	-	-
	<u>22,102,533</u>	<u>20,514,864</u>	<u>309,941</u>	<u>133,527</u>
Other debtors, deposits and prepayments	436,844	470,526	94,534	121,145
Amounts due from associated companies				
- current account	3,371,064	2,931,846	-	-
Amounts due from subsidiary companies				
- trade account	-	-	-	485,038
- current account	-	-	25,129,240	29,434,887
	<u>25,910,441</u>	<u>23,917,236</u>	<u>25,533,715</u>	<u>30,174,597</u>

22. DEBTORS (continued)

The currency exposure profile of trade debtors are as follows:

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Brunei Dollars	87,632	20,251	–	–
Ringgit Malaysia	18,566,301	15,940,484	9,986	–
Singapore Dollars	1,957,630	2,329,480	299,955	133,527
US Dollars	1,511,804	2,234,649	–	–
	22,123,367	20,524,864	309,941	133,527

Credit terms of trade debtors for current and prior year range from 30 days to 120 days.

The Group and Company has no significant concentration of credit risks for current and prior year.

Included under Group's other debtors, deposits and prepayments is a transferable corporate membership in a golf and recreation club amounting to RM71,000 (2003:RM71,000).

The amounts due from associated companies are interest free, unsecured and with no fixed repayment terms.

The amounts due from subsidiary companies are interest free, unsecured and with no fixed repayment terms.

23. FIXED DEPOSIT

Fixed deposit of RM500,000 (2003: RM500,000) has been pledged to a licensed bank for facilities granted as disclosed in note 15.

24. CREDITORS

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Trade creditors	7,686,055	7,714,868	2,808,743	2,866,285
Other creditors and accruals	3,370,966	2,728,813	1,218,428	591,563
Hire purchase creditors (Note 13)	161,419	291,543	86,798	216,922
Amounts due to a subsidiary company				
– current account	–	–	5,000,000	3,000,000
	11,218,440	10,735,224	9,113,969	6,674,770

4. CREDITORS (continued)

The currency exposure profile of trade creditors are as follows:

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Ringgit Malaysia	6,898,420	6,765,392	2,466,897	2,378,501
US Dollars	585,916	632,514	255,945	407,533
EURO	200,708	314,755	84,890	79,627
Singapore Dollars	1,011	2,207	1,011	624
	7,686,055	7,714,868	2,808,743	2,866,285

Credit terms of trade creditors for current and prior year range from 30 to 120 days.

The amounts due to a subsidiary company is unsecured with no fixed repayment terms and bears interest at 3% per annum.

25. SHORT TERM BORROWINGS

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Revolving loan (Note 15)	16,000,000	16,000,000	16,000,000	16,000,000
Revolving credit	2,800,000	1,000,000	2,800,000	1,000,000
Term loans (Note 14)	902,460	854,307	902,460	854,307
Bank overdrafts	1,927,621	2,296,142	1,684,796	1,986,968
Banker acceptances	16,921,000	16,143,000	1,738,000	1,424,000
	38,551,081	36,293,449	23,125,256	21,265,275

The bank overdrafts, banker acceptances and revolving credit facilities are secured as follows:

- (i) first charge over subsidiary companies and the Company's freehold land and buildings;
- (ii) general security agreement relating to goods held;
- (iii) general letter of pledge and a blanket counter indemnity; and
- (iv) corporate guarantee from a subsidiary company and the Company.

Interest is charged at 0.75% per annum above the bank's base lending rate.

Acceptance commission on banker acceptances is charged at 0.75% to 1.25% per annum.

PROVISION FOR RETIREMENT BENEFIT

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
At 1 January	267,903	–	–	–
Charged to income statement	213,743	267,903	103,000	–
Utilised during the year	(37,009)	–	–	–
At 31 December	444,637	267,903	103,000	–
Repayment due:				
Within one year	23,000	24,480	23,000	–
Two to five years	421,637	243,423	80,000	–
	444,637	267,903	103,000	–

CAPITAL COMMITMENTS

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Contracted but not provided for in the financial statements	14,880	122,259	14,880	122,259

EMPLOYEES' SHARE OPTION SCHEME (ESOS)

At an Extraordinary General Meeting held on 23 June 2004, the Company approved an Employee Share Option Scheme ("ESOS") for a period of 5 years.

The main features of the scheme are as follows:

- (a) Eligible employee are those full time and confirmed employees or executive directors, who have at least 3 continuous years of service in the Group.

Eligible non executive directors are those who have served on the Board of the Group for of least 3 continuous years of service;

- (b) A director is only eligible to participate in the scheme if the specific allotment made to him/her has been approved by the shareholders of the Company in a general meeting;

3. EMPLOYEES' SHARE OPTION SCHEME (ESOS) (continued)

- (c) The aggregate number of shares to be issued under the scheme shall not exceed:
- (i) 10% of the shares available under the scheme allocated to any individual director or employee of the Group who either singly or collectively through his/her associates holds 20% or more in the issued and paid up ordinary share of the Company; and
 - (ii) 50% of the shares available under the scheme allocated in aggregate to the Directors and senior management of the Group.
- (d) The options may be exercised in full or in lesser number of shares provided that the number shall be in multiples of 1,000 shares;
- (e) The price at which the options are to be exercised shall be subject to a discount of not more than 10% to the weighted average market price of the shares based on the Daily Official List issued by the Bursa Malaysia Securities Berhad for the five Market Days preceding date of offer and subject to the provision that the option price per share shall not in any event less than the par value of the shares;
- (f) Option shall be valid only from the date of acceptance of the offer or the earliest of any of the following event:
- (i) any of the termination events stipulated in Bye-Law 19;
 - (ii) upon liquidation of the company; or
 - (iii) upon expiration of the scheme.
- (g) The person whom the options have been granted have no right to vote at any general meeting of the Company; and
- (h) Unexercised options granted under ESOS carry no dividend, rights or entitlement. Upon exercise of the option, shares issued rank pari passu in all respects with existing ordinary shares of the Company.

The movement during the year in the number of options over the shares of the Company are as follows:

	2004 RM
As at 1 January	-
Granted	5,324,000
As at 31 December	5,324,000

8. EMPLOYEES' SHARE OPTION SCHEME (ESOS) (continued)

Terms of the options outstanding at 31 December 2004:

Expiry date	Exercise price	Number
31.8.2009	RM1	5,324,000

The options to directors are disclosed in the directors report.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose in this report the name of the persons to whom options have been granted during the period and details of their holdings except for those holding more than 100,000 options. This is as disclosed below:

Name	Options to subscribe for ordinary shares of RM1 each
a) Ian Kok Fai Tet	750,000
b) Ong Koay Guat	130,000
c) Tan Liong Aee	130,000
d) Tay Kah Hoe	130,000
e) Yap Liong Pea	100,000

9. SEGMENT INFORMATION**(a) Business Segments:**

The Group is organised into the following segments:

- (i) Manufacturing and trading of tiles – manufacturing, trading and marketing of all kinds of ceramic tiles and related products and manufacturing of Biaxially Oriented Polypropylene films for packing purposes
- (ii) Others – investment holding and development of software system

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 no materially different from those obtainable in transactions with unrelated parties.

SEGMENT INFORMATION (continued)

	Manufacturing		Others		Eliminations		Consolidated	
	2004 RM	2003 RM	2004 RM	2003 RM	2004 RM	2003 RM	2004 RM	2003 RM
REVENUE								
External sales	80,950,589	73,639,823	-	12,152	-	-	80,950,589	73,651,975
Inter-segment sale	33,290,570	28,930,627	-	-	(33,290,570)	(28,930,627)	-	-
Total revenue	114,241,159	102,570,450	-	12,152	(33,290,570)	(28,930,627)	80,950,589	73,651,975
RESULTS								
Profit from operations	9,783,214	9,283,621	(3,641)	(3,471)	(2,566,877)	(2,486,258)	7,212,696	6,793,892
Finance cost	(2,357,570)	(2,022,343)	-	-	123,770	43,151	(2,233,800)	(1,979,192)
Taxation							(1,472,773)	(1,625,604)
Share of results of associated companies							(10,648)	-
Profit after taxation							3,495,475	3,189,096
Minority interests							(379,532)	(451,871)
Net profit for the year							3,115,943	2,737,225
OTHER INFORMATION								
Segment assets	127,183,050	123,792,678	3,371,064	2,931,846	-	-	130,554,114	126,724,524
Investment in equity method associates	-	-	4,082,914	4,029,100	-	-	4,082,914	4,029,100
Unallocated corporate assets							692,360	1,364,732
Goodwill							7,939,003	8,382,110
Consolidated total assets							143,268,391	140,500,466
Segment liabilities	52,307,412	50,521,030	2,000	2,240	-	-	52,309,412	50,523,270
Unallocated corporate liabilities							4,045,196	3,956,749
Consolidated total liabilities							56,354,608	54,480,019
Depreciation	3,337,139	4,936,860	-	-	-	-	3,337,139	4,936,860
Non-cash expenses other than depreciation	409,218	293,819	-	-	-	-	409,218	293,819
Capital expenditure	3,890,623	1,644,187	-	-	-	-	3,890,623	1,644,187

29. SEGMENT INFORMATION (continued)

(b) Geographical Segments:

The Group's production facilities are located in Malaysia only.

In determining the geographical segment of the Group, revenue is based on the geographical location of customers.

	Revenue	
	2004 RM	2003 RM
Malaysia	61,675,123	53,352,846
Asean countries	16,709,613	12,893,113
Others	2,565,853	7,406,016
	<u>80,950,589</u>	<u>73,651,975</u>

30. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Secured				
Corporate guarantees given to licensed banks for credit facilities granted to subsidiary companies	–	–	19,950,000	16,450,000
Bank guarantees given to third parties	1,023,500	677,500	581,750	241,000

The contingent liabilities are secured as follows:

- (i) first charge over the Company's freehold land and buildings;
- (ii) general security agreement relating to goods held;
- (iii) general letter of pledge and a blanket counter indemnity; and
- (iv) corporate guarantee from the Company.

Notes to the Financial Statements (continued)

1. EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

Subsequent to the balance sheet date, Seacera Properties Sdn. Bhd. (formerly known as Seacera Marketing Sdn. Bhd.), a wholly owned subsidiary of the Company entered into a Joint Venture Development Agreement with Duta Skyline Sdn. Bhd. to develop pieces of freehold land held by Duta Skyline Sdn. Bhd.

2. NUMBER OF EMPLOYEES

	GROUP		COMPANY	
	2004	2003	2004	2003
The number of employees as at 31 December	335	313	82	65

3. COMPARATIVES FIGURES

Certain comparative figures in the balance sheet have been reclassified to conform with current year presentation:

	As previously stated RM	As restated RM
Reserves	27,990,689	27,698,092
Reserve on consolidation	-	292,597

List of Properties

as at 31 December 2004

Location	Tenure	Description of existing use	Acquisition/ revaluation date	Approximate age of building (years)	Total land area (sq ft)	Net book value (RM)
HS (D) 17361 PT No.16428 (Lot 49615) Mukim Batu Daerah Gombak Selangor Darul Ehsan	Freehold	Industrial land cum office and factory	23 May 1998	30	549,699	30,317,321
HS (D) 29518 PT No. 16429 (Lot 46916) Mukim Batu Daerah Gombak Selangor Darul Ehsan	Freehold	Transmission land reserve	23 May 1998	Not applicable	48,621	474,682
HS (D) 29506 PT No.16430 (Lot 46917) Mukim Batu Daerah Gombak Selangor Darul Ehsan	Freehold	Tenaga Nasional Bhd substation reserve	23 May 1998	Not applicable	5,209	50,855
HS (D) 29507 PT No. 16431 (Lot 46918) Mukim Batu Daerah Gombak Selangor Darul Ehsan	Freehold	Warehouse	19 July 1999	11	31,582	2,666,027
Lot No. 943 Mukim of Rawang Daerah Gombak Selangor Darul Ehsan	Freehold	Industrial land cum office and factory	20 August 2002	12	239,580	10,729,069
TOTAL						44,237,954

Analysis of Shareholdings

as at 25 April 2005

Authorised Share Capital	:	RM100,000,000.00
Issued and Paid-up Capital	:	RM 53,332,000.00
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting rights	:	One vote per Ordinary share
No. of shareholders	:	2,068

1. DISTRIBUTION OF SHAREHOLDERS

Holdings	No. of Shareholders	Total Holdings
Less than 100 shares	120	5,090
100 – 1,000 shares	172	144,671
1,001 – 10,000 shares	1,466	4,551,034
10,001 – 100,000 shares	274	7,780,014
100,001 to less than 5% of issued shares	34	14,365,285
5% and above of issued shares	2	26,485,906
	2,068	53,332,000

2. INFORMATION OF SUBSTANTIAL SHAREHOLDERS

Name	Direct Holding		Indirect Holding	
	No. of Shares	%	No. of Shares	%
1. Dato' Azizi Bin Yom Ahmad Held under Southern Nominees (Tempatan) Sdn. Bhd.	509,933	0.96	8,000 (*)	0.015
2. Dato' Samsudin Bin Abu Hassan Held under RC Nominees (Tempatan) Sdn. Bhd.	15,537,906	29.13	–	–
3. Tan Sri Dato' Seri Prof. Dr. Yom Ahmad Bin Ngah Ahmad	132,000	0.25	–	–
	10,948,000	20.53	16,047,839 (^)	30.09

Note:

(*) Dato' Azizi Bin Yom Ahmad
Deemed interest by virtue of his father, Tan Sri Dato' Seri Prof. Dr. Yom Ahmad Bin Ngah Ahmad's direct interest.

(^)
Tan Sri Dato' Seri Prof. Dr. Yom Ahmad Bin Ngah Ahmad
Deemed interest by virtue of his son, Dato' Azizi Bin Yom Ahmad's direct interest.

3. LIST OF TOP 30 SHAREHOLDERS

Name	No. of Shares	Percentage (%)
3.1 Southern Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Dato' Azizi Bin Yom Ahmad)	15,537,906	29.13
3.2 RC Nominees (Tempatan) Sdn Bhd (Dato' Samsudin Bin Abu Hassan)	10,948,000	20.53
3.3 Grand Monarch Corporation Sdn Bhd	2,497,821	4.68
3.4 Tan Kim Choo @ Tan Kim Choon	1,338,772	2.51
3.5 Southern Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Abdul Haris Bin Muhammad Ali)	1,124,933	2.11
3.6 Tan Kim San & Sons Sdn Bhd	978,877	1.84
3.7 Tan Kim San & Sons Sdn Bhd	922,666	1.73
3.8 Southern Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Soong Teck Onn)	836,202	1.57
3.9 Tan Chah Boh @ Tan Yoke Kee	675,396	1.27
3.10 Dato' Azizi Bin Yom Ahmad	509,933	0.96
3.11 TA Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lim Seng Hee)	446,613	0.84
3.12 Tan Kok Heng	411,500	0.77
3.13 Mary Ho	405,366	0.76
3.14 Alliancegroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lee Chen Ye)	400,000	0.75
3.15 Yap Keng Yong	344,000	0.65
3.16 TA Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Khairuddin Bin Ahmad)	292,000	0.55
3.17 Ismail Bin Yusof	283,000	0.53
3.18 Seong Hoe Motors Sendirian Berhad	272,000	0.51
3.19 Lim Seng Hee	250,666	0.47
3.20 Southern Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lim Seng Hee)	201,333	0.38
3.21 Yap Liong Pea	176,888	0.33
3.22 Chong Long Kim	175,332	0.33
3.23 PRB Nominees (Tempatan) Sdn Bhd (Rubber Industry Smallholders Development Authority)	166,666	0.31
3.24 TA Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lim Geok Sem)	159,866	0.30
3.25 Chua Liang Chuanh	150,666	0.28
3.26 Citicorp Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Joan Yong Mun Ching)	149,000	0.28
3.27 Tan Teck Boo	140,000	0.26
3.28 Affin Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ahmad Fadzil bin Mohamad) (AHM0113C)	137,033	0.26
3.29 Au Yong Mo Heng	133,333	0.25
3.30 Dato' Samsudin Bin Abu Hassan	132,000	0.25
	40,197,768	75.37

Analysis of Shareholdings (continued)

DIRECTORS' SHAREHOLDING AS AT 25 APRIL 2005

	Direct	Indirect
Tan Sri Dato' Seri P rof. Dr. Yom Ahmad Bin Ngah Ahmad	8,000	16,047,840
Dato' Azizi Bin Yom Ahmad	509,933	8,000
(Held under Southern Nominees (Tempatan) Sdn Bhd)	15,537,906	—
Mr. Soong Teck Onn	—	—
(Held under Southern Nominees (Tempatan) Sdn Bhd)	836,202	—
(Held under Cimsec Nominees (Tempatan) Sdn Bhd)	10,666	—
Dato' Samsudin Bin Abu Hassan	132,000	—
(Held under RC Nominees (Tempatan) Sdn Bhd)	10,948,000	—
Dr. Yoong Kin Pin	12,000	—
Encik Ghazali Bin Salamat	10,666	—
Dato' Mohamed Salleh Bin Bajuri	—	—

SEACERA



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