

Chairman's Statement

On behalf of the Board of Directors of Ann Joo Resources Berhad, I am pleased to report on a record year of performance for Ann Joo Resources Berhad Group. It is hence my privilege to present the Ninth Annual Report and Audited Financial Statements of the Company and the Group for the financial year ended 31st December 2004.

FINANCIAL HIGHLIGHTS

The Group has recorded yet another strong growth in profits for the financial year under review with net profit soaring to an all-time high of RM63.2 million, representing an increase of over 80% compared to last financial year's net profit of RM35.0 million. The profit growth was even stronger, doubling to about 160% if the one-off gain arising from the disposal of a rolling mill recorded in the preceding year is extracted out leaving a core net profit of RM24.5 million alone. Meanwhile turnover grew steadily by 19.2% to RM528.6 million. The Group's marketing strategy to focus on sales of high-grade steel products, especially of those used in the oil & gas and palm oil mill fabrication sectors, where both the sales volume and margin have surged, was the key attribute behind the Group's remarkable performance.

DIVIDEND

In view of its strong performance, the Board of Directors has recommended a final dividend of 6% less 28% income tax and a special dividend of 4% less 28% income tax for the approval of shareholders at the forthcoming Ninth Annual General Meeting scheduled on 16 June 2005. This is in addition to the interim dividend of 6% less 28% income tax already paid in the first half of 2004, bringing the total gross dividend declared in the financial year ended 31 December 2004 to 16%.

In line with the Company's objective to attract long term or investment-oriented shareholders (coupled with its strong financial and healthy operating cashflow position over the years) the Company has on 25 February 2005, formed a dividend policy that targets to pay out 60% of its net profit after minority interest annually as gross dividends.

OPERATIONS REVIEW

The year 2004 was indeed an extremely challenging year for the steel industry where global steel prices were unprecedentedly volatile, apart from various drastic changes in policies imposed by both the local and foreign authorities. However, I am proud to inform our valued shareholders that with our time-tested procurement strategy combined with years of management experience and expertise as well as an established business network in the steel industry, we were able to emerge even stronger by registering record profit.

Our marketing strategy for the stockist operations to focus on high grade steel products which yield higher profit margins, especially those used in the booming industry sectors like oil & gas and palm oil & oleochemical, has resulted in a strong growth in sales tonnage. In view of the soaring prices of steel of such niche grades (which remain in shortage globally) this segment of operations within the Group has registered its highest turnover, net profit and profit margins since the listing of the Company in 1996.

Despite the sluggish performance in the construction industry experienced in the year, our manufacturing operations are still able to grow commendably as we are well diversified with steel products that serve other industries such as the engineering fabrication, automotive and electrical & electronics sectors.

Our associated company, Malayawata Steel Berhad and its subsidiary companies have also registered a significant improvement, contributing to a 55% increase in our share of the results of associated companies as compared to that of the preceding year. The increase was mainly attributable to enhanced productivity and better costing amidst a highly regulated and competitive local steel market for long products.

CORPORATE DEVELOPMENT

Property Rationalisation

Through an internal restructuring exercise, the Group implemented its rationalisation plan for all rental yielding industrial/commercial properties to be held under its wholly-owned property management company, Ann Joo Distripark Sdn Bhd (formerly known as Saga Makmur Sdn Bhd). This exercise involved the streamlining of property management activities from other business units of the Group for better focus of business operations. In connection with the rationalisation plan, the authorised and paid-up capital of Ann Joo Distripark Sdn Bhd (formerly known as Saga Makmur Sdn Bhd) has been increased to RM1.5 million.

Investor Relations

We have also put in much effort to enhance our relationship with shareholders and investors through more regular and effective communication means following the establishment of our corporate investors' relations department.

There is now better awareness of the Group and its activities following various press releases, presentations and continuous dialogue with fund managers, institutional shareholders and other investors. Together with the formation of our dividend policy as mentioned earlier, these have helped to generate a corresponding interest in the Company's stock, especially from those long term or investment oriented institutional investors.

OUTLOOK FOR THE FUTURE

The year 2005 is even more challenging than the previous years. The Group will continue to focus on its existing business in the steel industry while cautiously exploring opportunities to further diversify its customer base and expansion within the steel value-chain.

The oil & gas and palm oil & oleochemical sectors remain vibrant and appear to have further room for

robust growth. Given that a significant portion of our profits, particularly that of our stockist operations, are derived from these twin commodity sectors, the Company is likely to remain profitable as consumption of high grade flat products continues to rise and prices remains firm as shortages persist globally. In addition, the much awaited Ninth Malaysian Plan which is likely to commence soon will provide a timely boost to the construction sector. As a result, the Group's long products operations through Malayawata Steel Berhad in particular, are likely to benefit.

It is however worthwhile to note that further increases in prices of key commodities like crude oil, iron ore and other minerals will put an enormous amount of pressure on our domestic economy as well as globally. How the world economy reacts, as well as any significant change in policies by either the local authorities or that of major/global players, as seen in 2004, will likely to have a significant impact on the Group's profitability.

In view of the above factors, the Group, with its experience and impeccable track record in the steel business together with the strong support from its large network of buyers and suppliers globally, is cautiously optimistic of rewarding our shareholders with another profitable year.

ACKNOWLEDGEMENT

The above would not be possible without the unwavering support from all quarters. I wish to extend my sincere thanks and appreciation to the Board, management and staff for their contribution to the Company and Group's performance. My appreciation is further extended to our shareholders, customers, suppliers, financiers and business associates for their continued support.

On behalf of the Board, I wish to record our sincere appreciation to Datuk Haidar Ali bin Haji Sheikh Fadzir who resigned from the Board on 1 November 2004. I would also like to take this opportunity to express a warm welcome to Tan Sri Datuk A. Razak bin Ramli who was appointed an independent non-executive director of the Company on 25 November 2004 to lend his experience and expertise to the Company.

Lim Seng Qwee

Executive Chairman
28 April 2005

Corporate Governance Statement

The Board is pleased to provide the following statements, which outline the main corporate governance practices that were in place throughout the financial year, unless otherwise stated.

PRINCIPLES STATEMENT

The following statement sets out how the Group has applied the principles in Part 1 of the Malaysian Code on Corporate Governance (the "Code").

A. Board of Directors

Board responsibilities

The Group acknowledges the important role played by the Board of Directors in the stewardship of its direction and operations, and ultimately the enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction and overall well-being. Although it does not have a formal schedule of matters reserved to itself for decision, the Board is normally involved in matters concerning the overall Group strategy and direction, acquisition and divestment policy, approval of capital expenditure, consideration of significant financial matters and the review of financial and operating performance of the Group.

Meetings

The Board meets at least four times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. During the year ended 31 December 2004, the Board met on four occasions, where it deliberated upon and considered amongst others, a variety of matters including the Group's financial results, major investments, strategic decisions and the business plan and direction of the Group.

All proceedings of the Board meetings are recorded and the minutes thereof signed by the Chairman of the meeting.

Details of each existing Director's meeting attendance are as set out in the profile of the respective directors from pages 8 to 10 of this Annual Report.

Board Committees

The Board, which is the ultimate authority in decision-making for all significant matters, delegates certain responsibilities to the Board Committees, namely an Audit Committee, an Investment Committee, a Nominating Committee and a Remuneration Committee, to consider particular issues and recommend the proposed actions to the Board in order to enhance business and operational efficiency as well as efficacy.

The Chairman of the various Committees will report to the Board the outcome of the Committee meetings and such reports are incorporated in the minutes of the full Board meeting.

Board Balance

As at the date of this statement, the Board consists of eight members, comprising three Independent Non-Executive Directors and five Executive Directors. A brief profile of each Director is presented on pages 8 and 10 of this Annual Report.

The concept of independence adopted by the Board is in tandem with the definition of an independent Director in paragraph 1.01 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"). The key elements for fulfilling the criteria are the appointment of an independent Director who is not a member of management (a non-executive Director) and who is free of any relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company. The Board has complied with paragraph 15.02 of the Listing Requirements, which requires that at least two Directors or one-third of the Board of the Company, whichever is the higher, are independent.

The Directors, with their different background and specialisation, collectively bring with them a wide range of experience and expertise in areas such as finance, corporate affairs, marketing and operations. The executive Directors in particular are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as co-ordinating the development and implementation of business and corporate strategies. The independent non-executive Directors bring to bear objective and independent judgement to the decision making of the Board and provide a capable check and balance for the executive Directors. The independent non-executive Directors contribute in areas such as policy and strategy and performance monitoring. Together with the executive Directors who have intimate knowledge of the business, the Board is constituted of individuals who are committed to business integrity and professionalism in all its activities.

There is a clear division of responsibility at the head of the Company to ensure a balance of authority and power. The Board is led by Mr Lim Seng Qwee as the Executive Chairman, who is responsible for running the Board and ensures effectiveness of Board policies whilst Dato' Lim Kiam Lam, the Group Managing Director, leads the executive management and is responsible for the day-to-day operations and implementation of Board policies and decisions. The Code recommends the appointment of a senior independent non-executive Director to whom concerns may be conveyed. For this purpose, the Board has appointed Dato' Ong Kim Hoay as the senior independent non-executive Director.

The Board is of the opinion that its current composition fairly reflects the interest of all shareholders in the Company.

Supply of information

The Chairman, with the assistance of the Company Secretaries, ensures that all Directors have full access to information. Every Director has also unhindered access to the advice and services of the Company Secretaries. The Board believes that the current Company Secretaries are capable of carrying out their duties to ensure the effective functioning of the Board. The Articles of Association specify that the removal of the Company Secretaries is a matter for the Board as a whole.

Prior to the meetings of the Board and the Board Committees, appropriate documents which include the agenda and reports relevant to the issues of the meetings covering the areas of strategic, financial, operational and regulatory compliance matters, are circulated to all the Directors.

Although there are no agreed formal procedures in place, the Board as a whole will determine, whether as a full board or in their individual capacity, to obtain independent professional advice on an ad-hoc basis, where necessary and under appropriate circumstances, in furtherance of their duties, at the Group's expense.

Appointments to the Board

Nominating Committee

The Nominating Committee comprises the following members who are exclusively Independent Non-Executive Directors:

- | | |
|---|--------------------------------------|
| • Dato' Ong Kim Hoay | - Chairman of Committee |
| • Encik Mohd Alkaf Bin Mohd Kahar | - Member |
| • Datuk Haidar Ali bin Haji Sheikh Fadzir | - Member (Resigned: 1 November 2004) |

The Nominating Committee is empowered by the Board to bring to the Board recommendations on the appointment of new Directors and to review the Board structure, size and composition as well as those of Board Committees. The Committee met once during the financial year at which meeting the Group Managing Director was invited to attend.

Directors' training

The Board, through the Nominating Committee, ensures that it recruits to the Board only individuals of sufficient calibre, knowledge and experience to fulfil the duties of a Director. There is no formal training or orientation programme for Directors. However, all Directors have attended and successfully completed the Mandatory Accreditation Programme conducted by the Research Institute of Investment Analysts Malaysia. The Directors will continue to undergo other relevant training programmes to further enhance their skills and knowledge where relevant.

Re-election

The Articles of Association provide that at least one-third of the Board, is subject to retirement by rotation at each Annual General Meeting and that all directors shall retire from office at least once in every three years. The directors to retire in each year are the Directors who have been longest in office since their appointment or re-appointment. A retiring Director is eligible for re-election. The Articles of Association has been amended to provide that even the Managing Director is required to retire at least once in each three years unless there is a subsisting contract with the Managing Director and the retirement of such would result in the Company being in breach of the contract with the Managing Director.

Dato' Lim Kiam Lam, the Managing Director of the Company, has entered into a contract of service with the Company before 1 June 2001 and accordingly is not subject to retirement by rotation in accordance with the requirements of paragraph 7.28 of the Listing Requirements. The retirement of the Managing Director by rotation would result in the Company breaching the contract with the Managing Director.

Directors over 70 years of age are required to submit themselves for re-appointment annually in accordance with Section 129 (6) of the Companies Act, 1965.

B. Director's remuneration

Remuneration Committee

The Remuneration Committee comprises the following members, who are mainly Non-Executive Directors:

- | | |
|---|--------------------------------------|
| • Dato' Ong Kim Hoay | - Chairman |
| • Encik Mohd Alkaf Bin Mohd Kahar | - Member |
| • Datuk Haidar Ali bin Haji Sheikh Fadzir | - Member (Resigned: 1 November 2004) |
| • Dato' Lim Kiam Lam | - Member |

The Company pays its Directors an annual fee, which is approved annually by the shareholders. During the financial year, the Committee met once. The Remuneration Committee is responsible for recommending the framework of Executive Directors' remuneration package as well as reviewing their scope of services. The ultimate approval for the remuneration of the Executive Directors lies with the Board.

The Board as a whole determines the remuneration of the Non-Executive Directors with the individual Directors concerned abstaining from the decision in respect of their individual remuneration.

The policy adopted by the Remuneration Committee is to recommend remuneration packages in order to attract, retain and motivate Directors in managing the business of the Group.

Corporate Governance Statement (cont'd)

Details of the remuneration of the Directors of the Company, during the financial year, are as follows:

	Salary RM'000	Fees RM'000	Bonus & Allowances RM'000	Statutory contribution RM'000	Benefit- in-kind RM'000	Total RM'000
Executive Directors	1,599	265	931	335	143	3,273
Non-Executive Directors	-	137	38	-	-	175

The remuneration paid/payable to Directors for the year ended 31 December 2004, are summarised as follows:

Range of remuneration	Number of Directors	
	Executive	Non-Executive
RM0 to RM50,000		2
RM50,001 to RM100,000		2
RM250,001 to RM300,000	1	
RM500,001 to RM550,000	1	
RM700,001 to RM750,000	1	
RM800,001 to RM850,000	1	
RM950,001 to RM1,000,000	1	

C. Shareholders

The Company recognises the importance of communicating with its shareholders and does this through the Annual Report, Annual General Meetings ("AGM"), Extraordinary General Meetings, public announcements and meetings with analyst upon request. The policy of the Company is to maintain an active dialogue with its shareholders with the intention of giving shareholders an overview of the Group's performance and operations. As the AGM is the main forum used by the Company to communicate with its shareholders, the Chairman normally encourages the shareholders to ask questions both about the resolutions being proposed and the Group's operations in general. The Board members, including certain members of senior management, are present and available at the AGM to respond to questions raised at the meeting by shareholders.

In addition, the Company makes various announcements through Bursa Malaysia Securities Berhad, in particular, the timely release of its quarterly results within two months from the close of a particular quarter. Summaries of the quarterly and the full year's results and copies of the full announcement are supplied to the shareholders and members of the public upon request. Members of the public can also obtain the full financial results and the Company's announcements from Bursa Securities' website.

D. Accountability and audit

Financial reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly and yearly announcements of the results to shareholders and the Chairman's Statement in the Annual Report. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

Directors' responsibility statement in respect of the preparation of the audited financial statements

The Directors' responsibility statement is set out on page 21 of this Annual Report.

State of internal controls

The Directors recognise their ultimate responsibility for the Group's system of internal controls and the need to review its effectiveness regularly in order to safeguard the Group's assets and therefore shareholders' investments in the Group. The system, by its nature, can only provide reasonable but not absolute assurance against misstatement, fraud or loss.

The Board is of the view that the current system of internal control in place throughout the Group is sufficient to safeguard the Group's interest.

Relationship with the Auditors

The relationship of the Audit Committee with the internal and external auditors is included in the Audit Committee's Report as detailed on pages 23 to 25 of this Annual Report.

A summary of the activities of the Audit Committee during the year is set out in the Audit Committee Report on page 25 of this Annual Report.

COMPLIANCE STATEMENT

The Group has complied, throughout the financial year ended 31 December 2004, with the Best Practices of Corporate Governance set out in Part 2 of the Malaysian Code on Corporate Governance except for the following:

- Although the Nominating Committee has no formal guidelines for new appointments to the Board, it has been the Board's practice, prior to the formation of the Nominating Committee, to evaluate candidates for directorship only those with specific industry experience and professionals with expertise in accounting, banking and finance. The Nominating Committee is expected to continue with this practice;
- There are no formalised position descriptions which set forth the limits of Management's responsibilities such as the adoption of a Board Charter or Terms of Reference for the Board. This is because the Board views that the current Management Structure fulfils the objectives of the Board in directing and supervising the business affairs of the Group;
- There is minimal non-financial information furnished to the Board as the bulk of the information provided is financial-oriented in nature. The Board recognises that operational issues are managed and addressed by Executive Directors at the operating unit as well as strategic business unit levels. The Directors, therefore, adopt the view that such operational issues need not be re-addressed at Company level, as the Company is essentially an investment holding company. Nevertheless, the Board does not restrict any of its members, in particular Non-Executive Directors, from receiving such non-financial information in the discharge of their duties and responsibilities;
- There is no formal orientation and education programme for new recruits to the Board apart from the Mandatory Accreditation Programme that all Directors need to undergo. Nevertheless, the Nominating Committee recruits to the Board only individuals of sufficient calibre, knowledge and experience;
- The Board does not have a formal schedule of matters specifically reserved to it for decision. However, it has been the practice for the Board to deliberate on matters that involve overall Group strategy and direction, acquisition and divestment policy, approval of capital expenditure, consideration of significant financial matters and the review of the financial and operating performance of the Group; and
- The Board currently does not have an agreed procedure for Directors, whether as a full Board or in their individual capacity, in furtherance of their duties, to obtain independent professional advice at the Company's expense. The Board is of the view that the matter can be brought before the whole Board for deliberation and decision whenever a need for independent professional advice arises.

Statement Of Directors' Responsibility For Preparing The Financial Statements

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

In preparing the financial statements, the Directors have :

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured that all applicable accounting standards have been followed; and
- prepared financial statements on a going concern basis as the Directors have reasonable expectation, having made enquiries, that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have the responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965 and applicable approved accounting standards. The Directors have the overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

Other Information

- **Share buybacks**

Details of shares re-purchased during the financial year ended 31 December 2004 are as follows:

Date	No. of ordinary shares purchased	Total cost RM	Lowest price RM	Highest price RM	Average price RM
1 March 2004	10,000	14,393	1.43	1.43	1.430
29 March 2004	47,000	70,478	1.48	1.49	1.485
30 March 2004	6,000	8,946	1.48	1.48	1.480
31 March 2004	20,000	29,618	1.47	1.47	1.470
2 April 2004	75,000	109,379	1.45	1.46	1.455
5 April 2004	41,000	60,273	1.45	1.46	1.455
30 August 2004	10,000	16,713	1.65	1.66	1.655
Total	209,000	309,800			

Total cost paid for the shares purchased is inclusive of brokerage fees and stamp duties.

As at end of the financial year:

- A total of 219,000 re-purchased shares are being held as treasury shares and carried at cost; and
- No shares have been cancelled

- **Options, Warrants or Convertible Securities**

No warrants of the Company were exercised during the financial year.

- **Sanctions and/or Penalties**

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

- **Non-Audit Fees**

An amount of RM315 was paid to the external auditors being professional fees paid in respect of certain application to some utility board for special concession by a subsidiary company.

- **Material Contracts**

There were no material contracts subsisting as at or entered into since the end of the previous financial year, by the Company or its subsidiaries, which involved the interest of the Directors and major shareholders.

- **Revaluation Policy**

The revaluation policy of the Company is disclosed in Note 3 to the Financial Statements.

Membership

The present members of the Committee are as follows:-

Dato' Ong Kim Hoay (Chairman)	-	Independent Non-Executive Director
Mohd Alkaf Bin Mohd Kahar	-	Independent Non-Executive Director
Dato' Lim Kiam Lam	-	Group Managing Director
Tan Sri Datuk A. Razak bin Ramli	-	Independent Non-Executive Director (Appointed on 25 November 2004)

Terms of Reference

Constitution & Membership

1. The Audit Committee shall be appointed by the Board of Directors from amongst their number and shall consist of not less than three members and at least one member of the Committee:-
 - (i) must be a member of the Malaysian Institute of Accountants; or
 - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three years' working experience and:-
 - (a) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
 - (b) 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.
2. A majority of the Committee members must be Independent Directors.
3. No alternate director is to be appointed as a member of the Committee.
4. The members of the Committee shall elect a chairman from among their number who shall be an Independent Director.
5. The term of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every three years.

Authority

6. The Committee is authorised by the Board to investigate any matter within its terms of reference. It is authorised to seek any information it requires from the external auditors and any employee and all employees are directed to co-operate with any request made by the Committee.
7. The Committee shall have the resources which are required to perform its duties.
8. The Committee is authorised to obtain independent professional or other advice if it considers necessary.

Functions and Duties

9. The functions and duties of the Committee shall be:-

- (i) To review the following and report the same to the Board of Directors:-
 - (a) with the external auditors, the audit plan;
 - (b) with the external auditors, his evaluation of the system of internal control;
 - (c) with the external auditors, his audit report;
 - (d) the assistance given by the employees of the Company to the external auditors;
 - (e) the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - (f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - (g) the quarterly results and year end financial statements prior to the approval by the Board of Directors, focusing particularly on:-
 - changes in or implementation of accounting policies and practices;
 - significant and unusual events;
 - compliance with accounting standards and other legal requirements;
 - significant adjustments arising from the audit;
 - the going concern assumption; and
 - major judgmental areas.
 - (h) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity; and
 - (i) external auditors' management letter and management's response.
- (ii) To consider the major findings of internal investigations and management's response;
- (iii) To discuss problems and reservations arising from the audit and any matter the auditors may wish to discuss (in the absence of management where necessary);
- (iv) To consider the appointment of the external auditors, the audit fee and any question of resignation or dismissal;
- (v) To recommend the nomination of a person or persons as external auditors;
- (vi) To review any appraisal or assessment of the performance of members of the internal audit function;
- (vii) To approve any appointment or termination of senior staff members of the internal audit function;
- (viii) To be informed of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning; and
- (ix) To perform any other functions or duties as may be agreed to by the Committee and the Board.

Quorum and Attendance at Meetings

10. A quorum shall be two members and the majority of members present must be Independent Directors.
11. The Head of Finance, the Head of Internal Audit (where such a function exists) and a representative of the external auditors shall normally attend meetings. Other Board members and employees may attend meetings upon invitation of the Committee. However, at least once in a financial year, the Committee shall meet with the external auditors without executive board members present.
12. The external auditors may request a meeting if considers it necessary.
13. The Secretary to the Committee shall be the Company Secretary.

Frequency of Meetings and Minutes

14. Meetings shall be held not less than four times in a financial year.
15. Minutes of each meeting shall be distributed to each member of the Board.

Meetings

During the financial year ended 31 December 2004 the Audit Committee convened a total of four meetings. The details of attendance of the Committee members are as follows:

Members	Attendance
1. Dato' Ong Kim Hoay	All four meetings
2. Mohd Alkaf bin Mohd Kahar	All four meetings
3. Dato' Lim Kiam Lam	All four meetings
4. Tan Sri Datuk A. Razak bin Ramli	One out of one meeting held since the date of his appointment as Audit Committee member on 25 November 2004

The Group Financial Controller and Head of Internal Audit were present in all the meetings. Representative of the external auditors attended meetings where matters relating to the audit of the statutory accounts were discussed. The Company Secretary was the secretary at the Audit Committee meetings.

Summary of Activities

The Audit Committee carried out its duties in accordance with its terms of reference during the year.

The main activities undertaken by the Committee were as follows:

- Review of the quarterly and annual financial statements of the Company and the Group prior to submission to the Board of Directors for consideration and approval.
- Review of the internal audit reports and consideration of the findings and management's responses thereto.
- Review and discussion with the external auditors on the issues arising from the statutory audit and the audit report.
- Discussion of problems and reservations arising from external audit, and matters raised by the external auditors.
- Review of possible related party transactions and conflict of interest situations within the Group.

Internal Audit Function

The internal audit function is independent of the activities or operations of other operating units. The principal role of the function is to undertake independent regular and systematic reviews of the systems of internal control so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. It is the responsibility of the internal audit function to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements.

Statement On Internal Control

(For Inclusion In Annual Report 2004)

INTRODUCTION

Paragraph 15.27(b) of the Listing Requirements of Bursa Malaysia Securities Berhad requires the Board of Directors of public listed companies to include in its annual report a "statement about the state of internal control of the listed issuer as a group". The Board is committed to maintaining a sound system of internal control in the Group and is pleased to provide the following statement which outlines the nature and scope of internal control of the Group during the year and up to the date of this Annual Report.

BOARD RESPONSIBILITY

The Board is ultimately responsible for the Group's system of internal control which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. Because of the limitations that are inherent in any system of internal control, this system is designed to manage, rather than eliminate, the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

RISK AND CONTROL PROCESSES

The Board confirms that there is a process for identifying, evaluating and managing significant risks faced by the Group, that has been in place throughout the year and up to the date of approval of the Annual Report and financial statements, and that this process is subject to periodic review by the Board.

The Group has in place an enterprise risk management framework and an internal audit function that combines in-house resources and outsourcing to external consultants in providing the Board with much of the assurance it requires regarding the adequacy and effectiveness of risk management, internal control and governance systems.

The Group adopts a risk-based internal audit function with internal audit strategies and internal audit plans formulated based on the risk profiles of the Group established from the enterprise risk management framework. Currently, a two-year internal audit strategy is reviewed and approved by the Audit Committee. The main focus of internal audit function is to provide an independent review of the risk identification procedures and the internal control procedures on key business activities of the Group. The internal audit findings are reported to the Audit Committee.

The Audit Committee reviews reports from internal audit and from management, before reporting and recommending to the Board in strengthening the risk management, internal control and governance systems. The Committee presents its findings to the Board on a yearly basis or earlier as appropriate. Where areas of improvement in the system are identified, the Board considers the recommendation made by the Audit Committee and the Management.

Besides, the Group Managing Director also reports to the Board on significant changes in the business and the external environment. The Board is provided with quarterly financial information including, among others, the monitoring of results against budget.

There were no material losses incurred during the current financial year as a result of weaknesses in internal control. The Board and Management continue to take appropriate measures to strengthen the control environment of the Group.

Directors' Report	28
Statement By Directors	33
Statutory Declaration	33
Report Of The Auditors	34
Balance Sheets	35
Income Statements	36
Consolidated Statement Of Changes In Equity	37
Statement Of Changes In Equity	38
Consolidated Cash Flow Statement	39
Cash Flow Statement	40
Notes To The Financial Statements	41

Financial Statements

Directors' Report

The Directors have pleasure in presenting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2004.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and property management. The principal activities of its subsidiary companies are shown in Note 4 to the financial statements.

There have been no significant changes in the activities of the Company and of its subsidiary companies during the financial year other than those disclosed in Note 4 to the financial statements.

FINANCIAL RESULTS

	GROUP RM'000	COMPANY RM'000
Profit before taxation	96,959	70,754
Taxation	(28,038)	(18,038)
Profit after taxation	68,921	52,716
Profit attributable to minority interests	(5,722)	-
Net profit for the financial year	63,199	52,716

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

DIVIDENDS

The Directors recommend a final dividend of 6.0 sen per share (less 28% income tax) amounting to RM11,447,676 and a special dividend of 4.0 sen per share (less 28% income tax) amounting to RM7,631,784 for the financial year ended 31 December 2004. These proposed final and special dividends are subject to the shareholders' approval in the forthcoming Annual General Meeting of the Company and have not been included as a liability in the financial statements.

The Company has paid a final dividend of 6.0 sen per share (less 28% income tax) in respect of the financial year ended 31 December 2003 amounting to RM11,448,108. This is a decrease of RM8,597 over the amount disclosed in the previous Directors' Report due to a reduction of issued shares as a result of share buybacks by the Company.

An interim dividend of 6.0 sen per share (less 28% income tax) amounting to RM11,447,676 was paid in respect of the financial year ended 31 December 2004.

DIRECTORS

The Directors who served since the date of the last report are:

Lim Seng Qwee
 Lim Kiam Lam
 Lim Sin Seong
 Lim Hong Thye
 Dato' Ong Kim Hoay
 Mohd Alkaf bin Mohd Kahar
 Datuk Haidar Ali bin Haji Sheikh Fadzir (Resigned on 1.11.2004)
 Lim Kien Lip
 Tan Sri Datuk A. Razak bin Ramli (Appointed on 25.11.2004)

In accordance with Section 129(2) of the Companies Act 1965, Dato' Ong Kim Hoay retires, having attained the age of over 70 years. The Board recommends that Dato' Ong Kim Hoay be re-elected in accordance with Section 129(6) of the Companies Act, 1965.

In accordance with Article 108 of the Articles of Association of the Company, Tan Sri Datuk A. Razak bin Ramli retires and being eligible, offers himself for re-election.

In accordance with Article 101 of the Articles of Association of the Company, Mr Lim Sin Seong and Mr Lim Hong Thye retire and, being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

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

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares of the Company are as follows:

	Number of ordinary shares of RM1.00 each			
	As at 01.01.04	Additions	Disposals	As at 31.12.04
Direct interest in shares				
Lim Seng Qwee	2,101,648	-	-	2,101,648
Lim Kiam Lam	1,091,000	-	500,000	591,000
Dato' Ong Kim Hoay	15,000	-	-	15,000
Mohd Alkaf bin Mohd Kahar	165,000	-	-	165,000
Lim Kien Lip	750,000	-	-	750,000

Directors' Report (cont'd)

	As at 01.01.04	Number of ordinary shares of RM1.00 each		As at 31.12.04
		Additions	Disposals	
Indirect interest in shares				
Lim Seng Qwee	166,338,575	-	-	166,338,575
Lim Kiam Lam	166,338,575	-	-	166,338,575
Lim Sin Seong	166,338,575	-	-	166,338,575
Mohd Alkaf bin Mohd Kahar	1,261,455	-	-	1,261,455

	As at 01.01.04	Number of warrants		As at 31.12.04
		Additions	Disposals/ Exercised	
Direct interest				
Lim Seng Qwee	600,549	-	-	600,549
Lim Kiam Lam	239,000	-	-	239,000
Dato' Ong Kim Hoay	5,000	-	-	5,000
Mohd Alkaf bin Mohd Kahar	55,000	-	-	55,000

Indirect interest				
Lim Seng Qwee	60,248,140	-	-	60,248,140
Lim Kiam Lam	60,248,140	-	-	60,248,140
Lim Sin Seong	60,248,140	-	-	60,248,140
Mohd Alkaf bin Mohd Kahar	420,485	-	-	420,485

Each 2001/2006 Warrant confers upon the registered shareholders the right to subscribe for one (1) new ordinary share of RM1.00 each in the Company at an exercise price of RM1.00 each at any time within a period of five (5) years expiring 26 July 2006.

The Directors' interest in shares in related companies are as follows:

	As at 01.01.04	Number of ordinary shares of RM1.00 each		As at 31.12.04
		Additions	Disposals	
Ultimate holding company - ANN JOO CORPORATION SDN BHD				
Direct interest in shares				
Lim Kiam Lam	450,000	-	-	450,000
Indirect interest in shares				
Lim Seng Qwee	12,210,000	-	-	12,210,000
Lim Kiam Lam	14,340,000	-	-	14,340,000
Lim Sin Seong	3,000,000	-	-	3,000,000

By virtue of their interest in the ultimate holding company, Mr Lim Seng Qwee, Mr Lim Sin Seong and Mr Lim Kiam Lam are also deemed to be interested in the shares of all the subsidiary companies to the extent that the ultimate holding company has an interest in those companies.

Other than as disclosed above, the Directors of the Company do not have any other interest in the shares of the Company or its related companies.

OTHER STATUTORY INFORMATION

Before the balance sheets and income statements of the Group and of the Company were made out, the Directors took reasonable steps:

- (a) to ascertain the action 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
- (b) to ensure that any current assets, which were unlikely to realise in the ordinary course of business their value as shown in the accounting records have been written down to an amount which they might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (c) 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; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

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 and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors:

- (a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) except as disclosed in the financial statements, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Directors' Report (cont'd)

AUDITORS

The Auditors, Ong Boon Bah & Co, have indicated their willingness to continue in office.

Signed in accordance with a resolution of the Directors dated 28 April 2005.

LIM SENG QWEE

Executive Chairman

LIM KIAM LAM

Group Managing Director

Petaling Jaya

Statement By Directors

We, LIM SENG QWEE and LIM KIAM LAM, being two of the Directors of ANN JOO RESOURCES BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 35 to 74 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 of the results and cash flows of the Group and of the Company for the financial year ended on that date.

Signed in accordance with a resolution of the Directors 28 April 2005.

LIM SENG QWEE
Director

Petaling Jaya

LIM KIAM LAM
Director

Statutory Declaration

We, LIM KIAM LAM and TAY KIM CHUAN, being the Director and Officer respectively, both primarily responsible for the financial management of ANN JOO RESOURCES BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 35 to 74 are, to the best of our knowledge and belief, correct and we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above-named LIM KIAM LAM and TAY KIM CHUAN at Subang Jaya, in the state of Selangor on 28 April 2005.

LIM KIAM LAM

TAY KIM CHUAN

Before me

CHAN LAI SHEONG
B 163
Commissioner for Oaths
Subang Jaya
Selangor

Report Of The Auditors

to the members of Ann Joo Resources Berhad

We have audited the financial statements set out on pages 35 to 74. These financial statements are the responsibility of the Company's Directors. Our responsibility is to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act 1965 and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating overall financial statements presentation. 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 of the Group and of the Company; 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 financial year ended on that date;
- and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of subsidiary companies of which we have not acted as auditors are shown in Note 4 to the financial statements. We have considered the financial statements of the subsidiary companies and the auditors' reports 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 as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment under Subsection (3) of Section 174 of the Companies Act, 1965.

ONG BOON BAH & CO
AF: 0320
Chartered Accountants

Kuala Lumpur
28 April 2005

WONG SOO THIAM
1315/12/06(J)
Partner of the Firm

Balance Sheets

at 31 December 2004

	Note	GROUP		COMPANY	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
PROPERTY, PLANT AND EQUIPMENT	3	181,767	184,138	10,522	74,389
SUBSIDIARY COMPANIES	4	-	-	160,080	159,297
ASSOCIATED COMPANIES	5	212,821	198,610	212,380	203,399
INVESTMENTS	6	268	229	-	-
INTANGIBLE ASSETS	7	28	55	-	-
CURRENT ASSETS					
Inventories	8	175,721	106,497	-	-
Receivables	9	107,745	91,082	62,594	2,318
Tax recoverables		2,175	2,209	1,711	1,579
Short term deposits with licensed banks	10	12,740	2,683	500	-
Cash and bank balances		8,309	5,896	20	4
		306,690	208,367	64,825	3,901
CURRENT LIABILITIES					
Payables	11	29,698	22,718	3,150	12,875
Short term borrowings	12	145,241	76,564	12,500	12,500
Bank overdrafts	13	854	1,618	-	-
Taxation		7,995	5,118	-	-
		183,788	106,018	15,650	25,375
NET CURRENT ASSETS/(LIABILITIES)		122,902	102,349	49,175	(21,474)
		517,786	485,381	432,157	415,611
Financed by:					
SHARE CAPITAL	14	265,212	265,212	265,212	265,212
TREASURY SHARES	15	(324)	(14)	(324)	(14)
OTHER RESERVES	16	76,385	54,401	55,264	64,674
ACCUMULATED PROFITS		145,357	104,324	111,699	68,813
SHAREHOLDERS' FUNDS		486,630	423,923	431,851	398,685
MINORITY INTERESTS		26,793	23,143	-	-
TERM LOAN	17	-	12,500	-	12,500
PROVISION FOR RETIREMENT BENEFITS	18	1,738	1,703	306	258
DEFERRED TAXATION	19	2,625	24,112	-	4,168
		517,786	485,381	432,157	415,611
Net tangible assets per share (RM)		1.69	1.44		

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

Income Statements

for the Financial Year Ended 31 December 2004

	Note	GROUP		COMPANY	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Revenue	20	528,566	443,406	80,095	48,162
Cost of sales		(422,298)	(391,213)	-	-
Gross profit		106,268	52,193	80,095	48,162
Other operating income		8,499	24,866	38	235
Distribution expenses		(8,747)	(6,530)	-	-
Administration expenses		(16,069)	(18,236)	(8,350)	(10,649)
Profit from operations	21	89,951	52,293	71,783	37,748
Finance costs	22	(4,442)	(4,845)	(1,029)	(1,885)
Profit before share of results of associated companies		85,509	47,448	70,754	35,863
Share of results of associated companies		11,450	6,467	-	-
Profit before taxation		96,959	53,915	70,754	35,863
Taxation	23	(28,038)	(16,830)	(18,038)	(10,450)
Profit after taxation		68,921	37,085	52,716	25,413
Profit attributable to minority interests		(5,722)	(2,130)	-	-
Net profit for the financial year		63,199	34,955	52,716	25,413
Basic earnings per share (sen)	24	23.8	13.7		
Fully diluted earnings per share (sen)	24	21.0	12.6		

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

Consolidated Statement Of Changes In Equity

for the Financial Year Ended 31 December 2004

	Note	Share capital RM'000	Treasury shares RM'000	Other reserves RM'000	Accumulated profits RM'000	Total RM'000
Balance at 1 January 2003		252,115	-	28,862	92,956	373,933
Shares issued		13,097	-	1,130	-	14,227
Share buybacks		-	(14)	-	-	(14)
Acquisition of a subsidiary company		-	-	368	-	368
Additional share of accumulated loss after increase in shareholding of a subsidiary company		-	-	-	(760)	(760)
Surplus on revaluation of property, plant and equipment		-	-	24,515	-	24,515
Share of surplus on revaluation of property, plant and equipment of an associated company		-	-	-	230	230
Reversal of deferred taxation upon disposal of property, plant and equipment		-	-	222	-	222
Realisation of revaluation reserve upon disposal of property, plant and equipment		-	-	(793)	793	-
Realisation of revaluation reserve upon disposal of property, plant and equipment not recognised in prior year		-	-	(583)	583	-
Decrease in debit balance arising from merger method of accounting		-	-	680	-	680
Net profit for the financial year		-	-	-	34,955	34,955
Dividends	25	-	-	-	(24,433)	(24,433)
Balance at 31 December 2003		265,212	(14)	54,401	104,324	423,923
Excess of share application money		-	-	(2)	-	(2)
Over recognition of realised revaluation reserve in prior year		-	-	583	(583)	-
Reversal of deferred taxation upon disposal of property, plant and equipment within the Group		-	-	21,403	-	21,403
Share of realisation of revaluation reserve upon disposal of property, plant and equipment of an associated company		-	-	-	1,313	1,313
Share buybacks		-	(310)	-	-	(310)
Net profit for the financial year		-	-	-	63,199	63,199
Dividends	25	-	-	-	(22,896)	(22,896)
Balance at 31 December 2004		265,212	(324)	76,385	145,357	486,630

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

Statement Of Changes In Equity

for the Financial Year Ended 31 December 2004

	Note	Share capital RM'000	Treasury shares RM'000	Other reserves RM'000	Accumulated profits RM'000	Total RM'000
Balance at 1 January 2003		252,115	-	54,136	67,833	374,084
Shares issued		13,097	-	1,130	-	14,227
Share buybacks		-	(14)	-	-	(14)
Surplus on revaluation of property, plant and equipment		-	-	9,408	-	9,408
Net profit for the financial year		-	-	-	25,413	25,413
Dividends	25	-	-	-	(24,433)	(24,433)
Balance at 31 December 2003		265,212	(14)	64,674	68,813	398,685
Share buybacks		-	(310)	-	-	(310)
Excess of share application money		-	-	(2)	-	(2)
Reversal of deferred taxation upon disposal of property, plant and equipment		-	-	3,658	-	3,658
Realisation of revaluation reserve upon disposal of property, plant and equipment		-	-	(13,066)	13,066	-
Net profit for the financial year		-	-	-	52,716	52,716
Dividends	25	-	-	-	(22,896)	(22,896)
Balance at 31 December 2004		265,212	(324)	55,264	111,699	431,851

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

Consolidated Cash Flow Statement

for the Financial Year Ended 31 December 2004

	Note	2004 RM'000	2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		96,959	53,915
Adjustments for non-cash items and interests	26(a)	(2,445)	(9,092)
Operating profit before working capital changes		94,514	44,823
(Increase)/Decrease in inventories		(69,224)	7,993
Increase in trade and other receivables		(17,142)	(23,534)
Increase in trade and other payables		5,694	4,295
Cash generated from operations		13,842	33,577
Tax paid		(21,401)	(13,884)
Retirement benefits paid		(52)	(1,515)
Interest received		3,406	1,204
Interest paid		(3,059)	(2,913)
Net cash (outflow)/inflow from operating activities		(7,264)	16,469
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		555	35,859
Purchase of property, plant and equipment		(4,936)	(6,669)
Purchase of additional shares in a subsidiary company		-	(369)
Acquisition of a subsidiary company		-	(1,053)
Purchase of additional shares in an associated company		(8,981)	-
Purchase of quoted investments		(42)	-
Dividend received from an associated company		3,722	3,488
Repayment from associated companies		-	51
Interest received		70	276
Net cash (outflow)/inflow from investing activities		(9,612)	31,583
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		-	14,227
Excess of share application money refunded		(2)	-
Net proceeds from/(repayment of) borrowings		56,177	(34,090)
Share buybacks		(310)	(14)
Interest received		-	1
Interest paid		(787)	(1,512)
Dividends paid		(22,896)	(24,433)
Dividends paid to minority interests		(2,072)	(1,330)
Net cash inflow/(outflow) from financing activities		30,110	(47,151)
Net increase in cash and cash equivalents		13,234	901
Cash and cash equivalents at beginning of the financial year		6,961	6,060
Cash and cash equivalents at end of the financial year	26(c)	20,195	6,961

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

Cash Flow Statement

for the Financial Year Ended 31 December 2004

	Note	2004 RM'000	2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		70,754	35,863
Adjustments for non-cash items, interests and dividends	26(a)	(70,510)	(34,930)
Operating profit before working capital changes		244	933
Decrease in other receivables		150	139
(Decrease)/Increase in other payables		(1,186)	736
Cash (used in)/generated from operations		(792)	1,808
Retirement benefits paid		-	(1,500)
Tax refunded		-	649
Net cash (outflow)/inflow from operating activities		(792)	957
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment	26(b)	16	283
Purchase of property, plant and equipment		(444)	(3,279)
Purchase of additional shares in a subsidiary company		(1,491)	(369)
Purchase of additional shares in an associated company		(8,981)	-
Acquisition of a subsidiary company		-	(3,167)
Repayment from/(Advances to) subsidiary companies		3,577	(802)
Repayment to an associated company		(2)	-
Dividend received from an associated company		3,722	3,488
Dividend received from subsidiary companies		51,500	27,533
Interest received		15	1
Net cash inflow from investing activities		47,912	23,688
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		-	14,227
Excess of share application money refunded		(2)	-
Repayment of borrowing		(12,500)	(22,500)
Share buybacks		(310)	(14)
(Repayment to)/Advances from subsidiary companies		(9,877)	9,943
Interest received		-	1
Interest paid		(1,019)	(1,876)
Dividends paid		(22,896)	(24,433)
Net cash outflow from financing activities		(46,604)	(24,652)
Net increase/(decrease) in cash and cash equivalents		516	(7)
Cash and cash equivalents at beginning of the financial year		4	11
Cash and cash equivalents at end of the financial year	26(c)	520	4

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

1. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies.

The financial statements comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to the end of the financial year. Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating activities so as to obtain benefits from their activities. The subsidiary companies are consolidated based on the merger method of accounting in accordance with MASB 21 - Business Combinations, except for AJE Best-On Sdn Bhd, Anshin Casting Industries Sdn Bhd, Lian Tiong Steel Fabrication & Civil Engineering Sdn Bhd, Anshin Precision Industries Sdn Bhd, Ann Joo Distripark Sdn Bhd (formerly known as Saga Makmur Sdn Bhd), Anshin Steel Service Centre Sdn Bhd and ACSAN Steel Service Centre Sdn Bhd which are consolidated based on the acquisition method of accounting.

Under the merger method of accounting, the results of the subsidiary companies are combined throughout the current and previous financial years.

Under the acquisition method of accounting, the results of the subsidiary companies acquired during the financial year are included in the consolidated income statement from the date of acquisition. All inter-company balances and transactions and unrealised surpluses and deficits on transactions between group companies have been eliminated on consolidation. Where necessary, accounting policies for subsidiary companies have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made of minority interests.

Goodwill and reserve arising on consolidation represents the difference between the purchase price and fair value of the net assets of the subsidiary companies acquired, as applicable. Goodwill on consolidation is amortised over a period of ten years. Goodwill is written down immediately through the income statement if there is a permanent diminution in its value. Reserve on consolidation is not amortised.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(o).

Surpluses arising from revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in the carrying amount is charged to the income statement.

Land and buildings are revalued at a regular interval of approximately once in every five years with additional valuations in the intervening years where market conditions indicate that the carrying values of the revalued land and buildings materially differs from the market values.

Gains or losses arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the income statement.

Freehold land and capital work-in-progress are not amortised. Leasehold land is amortised over the period of the leases ranging from 60 to 99 years.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Property, plant and equipment (cont'd)

Depreciation of the other assets is provided on the straight line or production volume basis to write off the cost of each asset over its estimated useful life.

The principal annual depreciation rates used are:

Buildings		2%
Plant, machinery, tools and equipment	6.67% - 50% / production volume	
Furniture, fittings and office equipment	10% - 33.3%	
Motor vehicles		20%

Capital work-in-progress represents assets under construction and are stated at cost. Cost comprises cost of plant and equipment and other direct costs incurred for the construction of the assets.

(c) Associated companies

A company, other than a subsidiary company, in which the Group has a long term equity investment of between 20% and 50% and where the Group has representation on the Board and is in a position to exercise significant influence is accounted for as an associated company.

The Group's investment in associated companies are accounted for under the equity method of accounting based on audited or management financial statements of the associated companies made up to the Group's financial year end. The equity method of accounting involves recognising in the income statement the Group's share of results of associated companies for the financial year. The Group's investment's in associated companies is carried in the balance sheet at an amount that reflects its share of the net assets of the associated companies and includes premium on acquisition (net of accumulated amortisation). Equity accounting is discontinued when the carrying amount of the investment in an associated company reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated company.

Unrealised gain on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associated companies to ensure consistency of accounting policies within the Group.

(d) Investments

Investment in subsidiary and associated companies in the Company's financial statements are stated at cost. Where there is an indication of impairment in the value of the assets, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(o).

Other non-current investments are stated at cost less allowance for diminution in value of investment to recognise any decline, other than a temporary decline in the value of the investment.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged/credited to the income statement.

(e) Intangible assets

Intangible assets comprise pre-commercial production expenses, is amortised on a straight line basis over a period of ten years upon commencement of operation or commercial production. These expenses will be written off if future economic benefits relating to the intangible assets cannot be determined with reasonable certainty.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(f) Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis. The cost of raw materials, comprises the original purchase price plus costs incurred in bringing the inventories to their present locations and conditions. The cost of finished goods comprises the cost of raw materials, direct labour, direct charge and a proportions of production overheads.

Inventories of properties are stated at lower of cost and net realisable value. Cost is determined on specific identification method.

Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

(g) Receivables

Specific allowances are made for doubtful debts which have been individually reviewed and identified as bad or doubtful. In addition, general allowances are made to cover possible losses which are not specifically identified.

(h) Payables

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

(i) Income tax

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

(j) Revenue recognition

Revenue from sales of goods or services are recognised when the goods are delivered or upon performance of services.

Notes To The Financial Statements (cont'd)

31 December 2004

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Revenue recognition (cont'd)

Interest income and management fee income are recognised on an accrual basis.

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividend income from subsidiary companies and other investments are recognised when the right to receive payment is established.

(k) Foreign currency

The financial statements are stated in Ringgit Malaysia.

Transactions in foreign currencies are converted into Ringgit Malaysia at the rates of exchange ruling at the transaction dates or at contracted rates where applicable. Monetary assets and liabilities in foreign currencies at the financial year end are translated into Ringgit Malaysia at the rates of exchange ruling at that date or at contracted rates, where applicable. All exchange differences arising therefrom are included in the income statement.

Forward foreign exchange contracts are not recognised in the financial statements on inception. The underlying foreign currency assets or liabilities are translated at their respective hedged exchange rates and all exchange gains or losses are recognised as income or expense in the income statement in the same period as the exchange differences on the underlying hedged items. Exchange gains and losses arising on contracts entered into as hedges of anticipated future transactions are deferred until the date of such transactions, at which time they are included in the measurement of such transactions.

The principal closing rates used in the translation of foreign currency amounts are as follows:

Foreign currency	2004 RM	2003 RM
1 USD	3.800	3.800
1 SGD	2.250	2.234

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, bank overdrafts, demand deposits and other short-term and highly liquid investments which are readily convertible to cash with insignificant risk of changes in value.

(m) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred.

(n) Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, deposits, investments, receivables, payables and borrowings. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(o) Impairment of assets**

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the assets recoverable amounts are estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and its value in use.

An impairment loss is charged to the income statement unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(p) Employee benefits**(i) Short term benefits**

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

(ii) Defined contribution plans

The Group's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

3. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings RM'000	Plant, machinery, tools and equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Capital work-in- progress RM'000	Total RM'000
GROUP						
COST/VALUATION						
At 1 January 2004	181,857	88,665	7,576	6,890	288	285,276
Additions	302	2,622	748	1,258	6	4,936
Disposals	-	(571)	(16)	(1,139)	-	(1,726)
Written off	-	(285)	(606)	-	-	(891)
Reclassification	-	266	15	-	(281)	-
At 31 December 2004	182,159	90,697	7,717	7,009	13	287,595

Notes To The Financial Statements (cont'd)

31 December 2004

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Land and buildings RM'000	Plant, machinery, tools and equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Capital work-in- progress RM'000	Total RM'000
GROUP (cont'd)						
Representing items at:						
Cost	302	90,697	7,717	7,009	13	105,738
Valuation	181,857	-	-	-	-	181,857
	182,159	90,697	7,717	7,009	13	287,595
ACCUMULATED DEPRECIATION						
At 1 January 2004	16,870	73,726	5,497	4,038	-	100,131
Charge for the financial year	1,248	4,057	748	808	-	6,861
Disposals	-	(568)	(8)	(951)	-	(1,527)
Written off	-	(83)	(561)	-	-	(644)
At 31 December 2004	18,118	77,132	5,676	3,895	-	104,821
ACCUMULATED IMPAIRMENT LOSSES						
At 1 January 2004	1,007	-	-	-	-	1,007
At 31 December 2004	1,007	-	-	-	-	1,007
NET BOOK VALUE						
At 31 December 2004	163,034	13,565	2,041	3,114	13	181,767
At 31 December 2003	163,980	14,939	2,079	2,852	288	184,138
Depreciation charge for the financial year ended 31 December 2003	1,769	6,041	654	806	-	9,270

Analysis of land and buildings are as follows:

	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Total RM'000
COST/VALUATION				
At 1 January 2004	20,028	92,427	69,402	181,857
Additions	-	302	-	302
At 31 December 2004	20,028	92,729	69,402	182,159

Notes To The Financial Statements (cont'd)

31 December 2004

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Total RM'000
GROUP (cont'd)				
ACCUMULATED DEPRECIATION				
At 1 January 2004	-	5,451	11,419	16,870
Charge for the financial year	-	570	678	1,248
At 31 December 2004	-	6,021	12,097	18,118
ACCUMULATED IMPAIRMENT LOSSES				
At 1 January 2004	43	964	-	1,007
At 31 December 2004	43	964	-	1,007
NET BOOK VALUE				
At 31 December 2004	19,985	85,744	57,305	163,034
At 31 December 2003	19,985	86,012	57,983	163,980
Depreciation charge for the financial year ended 31 December 2003	-	755	1,014	1,769
COMPANY				
COST/VALUATION				
At 1 January 2004	79,053	1,175	1,290	81,518
Additions	302	59	83	444
Disposals	(68,589)	-	(52)	(68,641)
At 31 December 2004	10,766	1,234	1,321	13,321

Notes To The Financial Statements (cont'd)

31 December 2004

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Land and buildings RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
COMPANY (cont'd)				
Representing items at:				
Cost	302	1,234	1,321	2,857
Valuation	10,464	-	-	10,464
At 31 December 2004	10,766	1,234	1,321	13,321
ACCUMULATED DEPRECIATION				
At 1 January 2004	4,592	1,020	553	6,165
Charge for the financial year	27	52	235	314
Disposals	(4,592)	-	(52)	(4,644)
At 31 December 2004	27	1,072	736	1,835
ACCUMULATED IMPAIRMENT LOSSES				
At 1 January 2004	964	-	-	964
At 31 December 2004	964	-	-	964
NET BOOK VALUE				
At 31 December 2004	9,775	162	585	10,522
At 31 December 2003	73,497	155	737	74,389
Depreciation charge for the financial year ended 31 December 2003	636	40	232	908

Notes To The Financial Statements (cont'd)

31 December 2004

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Analysis of land and buildings are as follows:

	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Total RM'000
COMPANY (cont'd)				
COST/VALUATION				
At 1 January 2004	19,900	29,919	29,234	79,053
Additions	-	302	-	302
Disposals	(19,900)	(19,455)	(29,234)	(68,589)
At 31 December 2004	-	10,766	-	10,766
ACCUMULATED DEPRECIATION				
At 1 January 2004	-	1,556	3,036	4,592
Charge for the financial year	-	27	-	27
Disposals	-	(1,556)	(3,036)	(4,592)
At 31 December 2004	-	27	-	27
ACCUMULATED IMPAIRMENT LOSSES				
At 1 January 2004	-	964	-	964
At 31 December 2004	-	964	-	964
NET BOOK VALUE				
At 31 December 2004	-	9,775	-	9,775
At 31 December 2003	19,900	27,399	26,198	73,497
Depreciation charge for the financial year ended 31 December 2003	-	214	422	636

The titles of certain pieces of land and buildings of the subsidiary company and the Company has yet to be registered in their name.

The land and buildings were revalued on 31 December 2003 based on valuation carried out by Mr. Paul Khong Poh Yew, a valuer (V528) registered with the Board of Valuers, Appraisals and Estate Agents Malaysia and the associate director of Regroup Associates Sdn Bhd, a firm of property valuers based on open market basis.

The land and buildings if stated at cost less depreciation would amount to RM89.28 million (2003: RM91.45 million).

Notes To The Financial Statements (cont'd)

31 December 2004

4. SUBSIDIARY COMPANIES

	COMPANY	
	2004 RM'000	2003 RM'000
Unquoted shares at cost	162,999	161,508
Impairment losses	(2,919)	(2,211)
	<u>160,080</u>	<u>159,297</u>

The subsidiary companies are:

Name of Company	Country of Incorporation	Holding In Equity 2004 2003		Principal Activities
AJE Best-On Sdn Bhd	Malaysia	#100%	#100%	Trading in hardware, steel and iron products and building and construction materials of all kinds
Ann Joo Metal Sdn Bhd	Malaysia	100%	100%	Trading, retailing, importing, exporting and supplying of all kinds of metal products
Ann Joo (Sarawak) Sdn Bhd *	Malaysia	100%	100%	Trading in hardware and steel materials
Ann Joo Trading Sdn Bhd	Malaysia	100%	100%	Trading, retailing and supplying of all kinds of building and construction materials
Anshin Casting Industries Sdn Bhd	Malaysia	#100%	#100%	Manufacturing and trading of cast iron products, sluice valves and other steel related products
Anshin Precision Industries Sdn Bhd *	Malaysia	59%	59%	Manufacturing and trading in precision press parts
Anshin Steel Industries Sdn Bhd @	Malaysia	100%	100%	Manufacturing, sales and distribution of steel and iron products and property management
Anshin Steel Service Centre Sdn Bhd	Malaysia	60%	60%	Operations of a steel service centre
Lian Tiong Steel Fabrication & Civil Engineering Sdn Bhd * @	Malaysia	#100%	#100%	Letting of properties
Saga Makmur Industri Sdn Bhd	Malaysia	72%	72%	Steel bar service centre and trading of steel related products
Ann Joo Distripark Sdn Bhd (formerly known as Saga Makmur Sdn Bhd)	Malaysia	100%	100%	Property management
ACSAN Steel Service Centre Sdn Bhd	Malaysia	57%	57%	Steel service centre

Holding in equity by subsidiary companies.

* Financial statements of subsidiary companies as at 31 December 2004 not audited by Ong Boon Bah & Co.

@ During the financial year, these companies had disposed its landed properties and ceased to receive rental income.

Notes To The Financial Statements (cont'd)

31 December 2004

5. ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Unquoted shares in Malaysia at cost	1,800	1,800	-	-
Impairment losses	(1,800)	(1,800)	-	-
	-	-	-	-
Quoted shares in Malaysia at cost	212,380	203,399	212,380	203,399
	212,380	203,399	212,380	203,399
Share of realisation of revaluation reserve upon disposal of property, plant and equipment	1,312	230	-	-
Share of accumulated losses	(871)	(5,019)	-	-
	212,821	198,610	212,380	203,399
Market value of quoted shares	135,711	151,371	135,711	151,371

The Group's interest in the associated companies are analysed as follows:

	GROUP	
	2004 RM'000	2003 RM'000
Share of net assets	174,171	157,543
Premium on acquisition net of amortisation of RM10.805 million (2003: RM8.388 million)	38,650	41,067
	212,821	198,610

The associated companies are:

Name of Company	Country of Incorporation	Holding In Equity 2004	Holding In Equity 2003	Accounting Year End	Principal Activities
Daian Technical Industries Sdn Bhd *	Malaysia	#36%	#36%	31 December	Manufacturing of die tooling
Malayawata Steel Berhad *	Malaysia	32%	30%	31 March	Mini steel mill and property investment holding company

The investment in the quoted shares of an associated company with a carrying amount of RM203.40 million has been placed as security for a credit facility granted to the Company.

Holding in equity by a subsidiary company.

* Financial statements of associated companies are not audited by Ong Boon Bah & Co.

Notes To The Financial Statements (cont'd)

31 December 2004

6. INVESTMENTS

	GROUP	
	2004 RM'000	2003 RM'000
Club memberships at cost	179	179
Amortisation:		
Balance brought forward	(11)	(9)
Current year	(3)	(2)
	165	168
Quoted shares in Malaysia at cost	46	4
Unquoted shares in Malaysia at cost	57	57
	268	229
Market value of quoted shares	43	1

7. INTANGIBLE ASSETS

	GROUP	
	2004 RM'000	2003 RM'000
Goodwill on consolidation	216	216
Cumulative amortisation at 1 January	(178)	(156)
Amortisation for the current financial year	(19)	(22)
	19	38
Pre-commercial production expenses, at cost	75	3,380
Cumulative amortisation at 1 January	(58)	(2,942)
Amortisation for the current financial year	(8)	(173)
Written off during the financial year	-	(248)
	9	17
Total	28	55

8. INVENTORIES

	GROUP	
	2004 RM'000	2003 RM'000
At cost:		
Raw materials	45,876	24,848
Finished goods	124,535	78,725
Work-in-progress	3,511	1,035
Consumables	435	524
Properties	299	-
	174,656	105,132
At valuation:		
Properties	1,065	1,365
	175,721	106,497

The revalued properties if stated at cost would amount to RM1.16 million (2003: RM1.61 million).

Notes To The Financial Statements (cont'd)

31 December 2004

9. RECEIVABLES

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Trade receivables	98,777	89,557	-	-
Allowance for doubtful debts	(8,096)	(10,302)	-	-
	90,681	79,255	-	-
Other receivables	374	276	2	2
Allowance for doubtful debts	(32)	(30)	-	-
	342	246	2	2
Deposits	2,194	2,187	22	21
Prepayments	10,805	6,272	68	219
Amount due from subsidiary companies	-	-	62,496	2,072
Amount due from an associated company	-	-	2	-
Amount due from related parties	3,723	3,122	4	4
	107,745	91,082	62,594	2,318

Amount due from subsidiary companies which arose mainly from amount outstanding from the disposal of property, plant and equipment, inter-company advances and payment made on behalf are unsecured, interest free and have no fixed repayment terms.

Amount due from an associated company which arose mainly from payments made on behalf is unsecured, interest free and has no fixed repayment terms.

Amount due from related parties which arose from trade transactions are unsecured, interest free and are subject to normal trade credit terms.

The Group's normal trade credit terms range from 14 days to 120 days.

Related companies balances:

	COMPANY	
	2004 RM'000	2003 RM'000
Amount due from subsidiary companies		
Ann Joo Metal Sdn Bhd	33	1,650
Ann Joo Trading Sdn Bhd	4	277
Ann Joo (Sarawak) Sdn Bhd	2	120
Anshin Casting Industries Sdn Bhd	11	5
Ann Joo Distripark Sdn Bhd (formerly known as Saga Makmur Sdn Bhd)	62,381	2
Saga Makmur Industri Sdn Bhd	21	18
Anshin Precision Industries Sdn Bhd	20	-
Anshin Steel Service Centre Sdn Bhd	15	-
ACSAN Steel Service Centre Sdn Bhd	9	-
	62,496	2,072

Notes To The Financial Statements (cont'd)

31 December 2004

9. RECEIVABLES (cont'd)

Related parties balances

	COMPANY	
	2004 RM'000	2003 RM'000
Amount due from an associated company:		
Malayawata Steel Berhad	2	-

Amount due from related parties:

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Chuan Huat Hardware (Sdn) Berhad	871	1,279	-	-
Hitec Metal Sdn Bhd	270	54	-	-
Leong Chong Steel Sdn Bhd	541	327	-	-
Silveron Builders Sdn Bhd	1,115	1,122	-	-
Soon Hin Hardware Sdn Bhd	922	336	-	-
Ann Joo Land Sdn Bhd	4	4	4	4
	3,723	3,122	4	4

10. SHORT TERM DEPOSITS WITH LICENSED BANKS

Short term deposits of the Group carry effective interest rates range from 2.2% to 3.0% (2003: 2.0% to 3.2%) per annum and have maturity period range from 4 days to 31 days (2003: 7 days to 30 days).

11. PAYABLES

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Trade payables	10,671	10,982	-	-
Other payables	614	2,904	582	492
Accruals	10,549	6,229	1,002	1,439
Deposits	1,707	925	-	839
Amount due to subsidiary companies	-	-	66	9,943
Amount due to associated companies	4,601	1,223	-	-
Amount due to related parties	56	242	-	-
Provision for retirement benefits (Note 18)	1,500	213	1,500	162
	29,698	22,718	3,150	12,875

The normal trade credit terms granted to the Group range from 14 days to 90 days.

Amount due to subsidiary companies which arose mainly from inter-company advances and payments made on behalf are unsecured, bear interest at rates ranging from 3.0% to 3.1% (2003: 2.9% to 3.1%) per annum and have no fixed repayment terms.

Amount due to associated companies which arose mainly from trade transactions are unsecured, interest free and are subject to normal trade credit terms.

Notes To The Financial Statements (cont'd)

31 December 2004

11. PAYABLES (cont'd)

Related companies balances:

	COMPANY	
	2004 RM'000	2003 RM'000
Amount due to subsidiary companies		
Anshin Steel Industries Sdn Bhd	66	5,846
Anshin Precision Industries Sdn Bhd	-	3,103
Anshin Steel Service Centre Sdn Bhd	-	994
	66	9,943

Related parties balances:

	GROUP	
	2004 RM'000	2003 RM'000
Amount due to associated companies		
Malayawata Steel Berhad	4,362	1,011
Daian Technical Industries Sdn Bhd	239	212
	4,601	1,223

Amount due to related parties:

	GROUP	
	2004 RM'000	2003 RM'000
Scandata Systems Sdn Bhd	44	66
Chuan Huat Hardware (Sdn) Berhad	-	20
Leong Chong Steel Sdn Bhd	12	35
Soon Hin Hardware Sdn Bhd	-	52
United Power Matrix Sdn Bhd	-	69
	56	242

12. SHORT TERM BORROWINGS

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Unsecured:				
Bills payable	132,741	63,564	-	-
Revolving credits	-	500	-	-
	132,741	64,064	-	-
Secured:				
Term loan (Note 17)	12,500	12,500	12,500	12,500
	145,241	76,564	12,500	12,500

Short term borrowings bear interest at rates ranging from 2.4% to 6.6% (2003: 3.1% to 7.2%) per annum.

Notes To The Financial Statements (cont'd)

31 December 2004

13. BANK OVERDRAFTS

	GROUP	
	2004 RM'000	2003 RM'000
Unsecured	854	1,618

Bank overdrafts bear interest at rates ranging from 6.5% to 7.0% (2003: 6.5% to 7.4%) per annum.

14. SHARE CAPITAL

	GROUP AND COMPANY	
	2004 RM'000	2003 RM'000
Authorised:		
500,000,000 Ordinary shares of RM1.00 each	500,000	500,000
Issued and fully paid:		
Ordinary shares of RM1.00 each		
At beginning of the financial year	265,212	252,115
Shares issued pursuant to the Employees' Share Option Scheme (2003: 13,096,500 shares)	-	13,097
At end of the financial year	265,212	265,212

As at 31 December 2004, there were 84,030,000 warrants with a right to subscribe for ordinary shares of the Company, on the basis of one new ordinary share for every one warrant held, at the subscription price of RM1.00 per ordinary share, not exercised. These warrant holders may exercise their right at anytime within a period of five (5) years expiring 26 July 2006.

15. TREASURY SHARES

	GROUP AND COMPANY	
	2004 RM'000	2003 RM'000
At cost,		
At beginning of the financial year	(14)	-
Acquired during the financial year	(310)	(14)
At end of the financial year	(324)	(14)

The shareholders of the Company, by a resolution passed in a general meeting held on 17 June 2004, approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the purchase plan can be applied in the best interests of the Company.

During the financial year, the Company repurchased 209,000 of its issued shares from the open market. The average price paid for the shares repurchased was RM1.48 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

There are no treasury shares cancelled or distributed as share dividends and/or re-issued during the financial year.

Notes To The Financial Statements (cont'd)

31 December 2004

16. OTHER RESERVES

	Non-distributable					
	Share premium RM'000	Capital reserve RM'000	Reserve on consolidation RM'000	Revaluation reserve RM'000	Merger reserve RM'000	Total RM'000
GROUP						
Balance at 1 January 2003	33,296	2,500	5,289	31,432	(43,655)	28,862
Premium on shares issued	1,130	-	-	-	-	1,130
Acquisition of a subsidiary company	-	-	368	-	-	368
Surplus on revaluation of property, plant and equipment	-	-	-	24,515	-	24,515
Reversal of deferred taxation upon disposal of property, plant and equipment	-	-	-	222	-	222
Realisation of revaluation reserve upon disposal of property, plant and equipment	-	-	-	(793)	-	(793)
Realisation of revaluation reserve upon disposal of property, plant and equipment not recognised in prior year	-	-	-	(583)	-	(583)
Decrease in debit balance arising from merger method of accounting	-	-	-	-	680	680
Balance at 31 December 2003	34,426	2,500	5,657	54,793	(42,975)	54,401
Excess of share application money	(2)	-	-	-	-	(2)
Reversal of deferred taxation upon disposal of property, plant and equipment within the Group	-	-	-	21,403	-	21,403
Over recognition of realised revaluation reserve in prior year	-	-	-	583	-	583
Balance at 31 December 2004	34,424	2,500	5,657	76,779	(42,975)	76,385

Notes To The Financial Statements (cont'd)

31 December 2004

16. OTHER RESERVES (cont'd)

	Non-distributable		
	Share premium RM'000	Revaluation reserve RM'000	Total RM'000
COMPANY			
Balance at 1 January 2003	54,136	-	54,136
Premium on shares issued	1,130	-	1,130
Surplus on revaluation of property, plant and equipment	-	9,408	9,408
Balance at 31 December 2003	55,266	9,408	64,674
Excess of share application money	(2)	-	(2)
Reversal of deferred taxation upon disposal of property, plant and equipment	-	3,658	3,658
Realisation of revaluation reserve upon disposal of property, plant and equipment	-	(13,066)	(13,066)
Balance at 31 December 2004	55,264	-	55,264

17. TERM LOAN

	GROUP AND COMPANY	
	2004 RM'000	2003 RM'000
Term loan - secured	12,500	25,000
Portion repayable within one year and included under short term borrowings (Note 12)	(12,500)	(12,500)
	-	12,500
The term loan is repayable over the following periods:		
Within one year	12,500	12,500
From one to two years	-	12,500
	12,500	25,000

The term loan is secured by the investment in the quoted shares of an associated company.

Term loan bear interest at rate of 4.4% (2003: 4.4%) per annum.

Notes To The Financial Statements (cont'd)

31 December 2004

18. PROVISION FOR RETIREMENT BENEFITS

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Balance at beginning of the financial year	1,916	1,847	420	560
Transfer from income statements	1,374	1,584	1,386	1,360
Amount paid during the financial year	(52)	(1,515)	-	(1,500)
Balance at end of the financial year	3,238	1,916	1,806	420

Provision for retirement benefits are repayable over the following periods:

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Within one year (Note 11)	1,500	213	1,500	162
More than one year	1,738	1,703	306	258
	3,238	1,916	1,806	420

19. DEFERRED TAXATION

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Balance at beginning of the financial year	24,112	18,432	4,168	479
Transfer from revaluation reserve	-	9,401	-	3,658
Reversal of deferred taxation upon disposal of property, plant and equipment	-	(222)	(3,658)	-
Reversal of deferred taxation upon disposal of property, plant and equipment within the Group	(21,403)	-	-	-
Transfer (to)/from income statements (Note 23)	(84)	(4,047)	(510)	31
Acquisition of a subsidiary company	-	548	-	-
Balance at end of the financial year	2,625	24,112	-	4,168

The components and movements of deferred tax liabilities during the financial year are as follows:

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
At beginning of the financial year	24,112	18,432	4,168	479
Recognised in income statement	(84)	(4,047)	(510)	31
Recognised in equity statement	(21,403)	9,727	(3,658)	3,658
At end of the financial year	2,625	24,112	-	4,168

Notes To The Financial Statements (cont'd)

31 December 2004

19. DEFERRED TAXATION (cont'd)

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Deferred tax liabilities provided for in the financial statements:				
Tax effects on revaluation of property, plant and equipments	-	21,403	-	3,658
Excess of capital allowances over depreciation	2,625	2,709	-	510
	2,625	24,112	-	4,168

20. REVENUE

Revenue of the Group and of the Company consists of the following:

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Sale of goods	524,617	441,021	-	-
Rental income	3,949	2,385	2,145	5,122
Dividend income	-	-	73,903	42,043
Management fee	-	-	4,047	997
	528,566	443,406	80,095	48,162

21. PROFIT FROM OPERATIONS

(a) Profit from operations is arrived at:

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
After charging:				
Allowance for diminution in value of inventories	-	241	-	-
Allowance for doubtful debts	1,892	1,097	-	-
Amortisation of:				
- intangible assets	8	173	-	-
- investment in club memberships	3	2	-	-
- goodwill on consolidation	19	22	-	-
Auditors' remuneration				
- current year	68	63	12	10
- prior year	2	-	-	-
Bad debts written off	140	-	-	-
Depreciation	6,861	9,270	314	908
Impairment loss for a subsidiary company	-	-	708	2,211
Impairment loss on property, plant and equipment	-	1,007	-	964
Intangible assets written off	-	248	-	-
Property, plant and equipment written off	247	340	-	28
Rental of equipment	43	46	-	-
Rental of premises	230	221	-	-
Staff costs (Note 21(b))	24,156	22,874	4,279	3,088

Notes To The Financial Statements (cont'd)

31 December 2004

21. PROFIT FROM OPERATIONS (cont'd)

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
And crediting:				
Allowance for doubtful debt written back	1,466	266	-	-
Bad debts written back	87	16	-	-
Dividend income from:				
- an associated company	-	-	5,170	4,844
- subsidiary companies	-	-	68,733	37,199
Gain on disposal of property, plant and equipment	356	19,271	19	232
Gain on foreign exchange - realised	260	51	-	-
Interest income from:				
- others	3,476	1,481	15	1
- subsidiary companies	-	-	-	1
Management fee income from:				
- subsidiary companies	-	-	4,047	997
- related party	3	-	-	-
Rental income from:				
- associated companies	2,383	1,137	44	104
- a related party	53	53	22	53
- others	1,513	1,195	-	-
- subsidiary companies	-	-	2,079	4,965

(b) Staff costs

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Salaries, wages and bonus	19,394	18,061	2,552	1,525
Defined contributions plan	2,131	1,990	326	195
Retirement benefits	1,374	1,584	1,386	1,360
Other staff related expenses	1,257	1,239	15	8
	24,156	22,874	4,279	3,088

Included in staff costs is directors' remuneration as follows:

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Fees:				
- current year	402	361	287	210
- prior year	-	(5)	-	-
Salaries and other emoluments	2,590	2,565	1,428	1,352
Defined contributions plan	335	303	187	180
Retirement benefits	1,409	1,500	1,361	1,340
	4,736	4,724	3,263	3,082

The estimated money value of benefits provided to the Directors of the Group and of the Company by way of usage of the Group and of the Company's assets and the provision of other benefits amounted to RM121,000 (2003: RM402,000) and RM75,000 (2003: RM258,000) respectively.

Notes To The Financial Statements (cont'd)

31 December 2004

22. FINANCE COSTS

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Bank commissions and charges	(569)	(398)	(10)	(9)
Banker's guarantee commission	(27)	(22)	-	-
	(596)	(420)	(10)	(9)
Interest expenses on:				
- subsidiary companies balances	-	-	(152)	(223)
- bank overdrafts	(47)	(115)	-	-
- bills payable	(2,407)	(2,591)	-	-
- term loans	(867)	(1,653)	(867)	(1,653)
- others	(525)	(66)	-	-
	(4,442)	(4,845)	(1,029)	(1,885)

23. TAXATION

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Current year	(43,219)	(29,433)	(18,502)	(10,418)
Prior years	(3)	197	(46)	(1)
Recovery of tax deducted at source on dividend received from subsidiary and associated companies	18,849	11,039	-	-
Deferred taxation (Note 19)	84	4,047	510	(31)
	(24,289)	(14,150)	(18,038)	(10,450)
Share of taxation of an associated company				
- Current year	(757)	(2,451)	-	-
- Prior year	(62)	-	-	-
- Deferred taxation	(2,930)	(229)	-	-
	(28,038)	(16,830)	(18,038)	(10,450)

The numerical reconciliation between the average effective tax rate and the applicable tax rate are as follows:

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Profit before taxation	96,959	53,915	70,754	35,863
	%	%	%	%
Applicable statutory tax rate	(28)	(28)	(28)	(28)
Expenses not deductible for tax purposes	(1)	(8)	(1)	-
Utilisation of capital allowance	4	2	-	-
Deferred taxation	-	8	1	(1)
Share of taxation of an associated company	(4)	(5)	-	-
Income not subject to tax	-	-	3	-
Average effective tax rate	(29)	(31)	(25)	(29)

23. TAXATION (cont'd)

The Company has an estimated accumulated tax exempt profits amounting to RM14.60 million (2003: RM14.60 million) available for the payment of tax exempt dividend.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of dividend out of the accumulated profits as at 31 December 2004.

These amounts are subject to the agreement with the tax authority.

24. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the Group's profit after taxation and minority interests of RM63.20 million (2003: RM34.96 million) by the weighted average number of ordinary shares of the Company in issued during the financial year of 265.05 million (2003: 255.80 million).

Fully diluted earnings per share is calculated by dividing the Group's profit after taxation and minority interests of RM63.20 million (2003: RM34.96 million) by the weighted average number of ordinary shares of 301.60 million (2003: 276.65 million) and warrants that would have been exercised at that date.

25. DIVIDENDS

	GROUP AND COMPANY			
	2004	2003		
	Gross dividend per share (sen)	Amount of dividend, net of tax RM'000	Gross dividend per share (sen)	Amount of dividend, net of tax RM'000
Final dividend	6.0	11,448	6.0	10,892
First interim paid:				
- Tax dividend	6.0	11,448	3.0	5,668
- Tax exempt dividend	-	-	3.0	7,873
		<u>22,896</u>		<u>24,433</u>

The Company has paid a final dividend of 6.0 sen (2002: 6.0 sen) per share, less 28% income tax, in respect of the financial year ended 31 December 2003 amounting to RM11,448,108. This is a decrease of RM8,597 over the amount disclosed in the previous Directors' Report due to a reduction of issued shares as a result of share buybacks by the Company.

An interim dividend of 6.0 sen per share less 28% income tax (2003: 6.0 sen consisting of 3.0 sen tax exempt and 3.0 sen less 28% income tax) amounting to RM11,447,676 was paid in respect of the current financial year.

The Directors recommend a final dividend of 6.0 sen per share less 28% income tax amounting to RM11,447,676 and a special dividend of 4.0 sen per share less 28% income tax amounting to RM7,631,784 for the financial year ended 31 December 2004. These proposed final and special dividends are subject to the shareholders' approval in the forthcoming Annual General Meeting of the Company and have not been included as a liability in the financial statements.

Notes To The Financial Statements (cont'd)

31 December 2004

26. CASH FLOW STATEMENTS

(a) Adjustments for non-cash items, interests and dividends

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Allowance for diminution in value of inventories	-	241	-	-
Allowance for doubtful debts	1,892	1,097	-	-
Allowance for doubtful debts written back	(1,466)	(266)	-	-
Amortisation of goodwill on consolidation and intangible assets	27	195	-	-
Amortisation of investment in club memberships	3	2	-	-
Bad debt written back	(87)	(16)	-	-
Bad debts written off	140	-	-	-
Depreciation	6,861	9,270	314	908
Dividend income	-	-	(73,903)	(42,043)
Gain on disposal of property, plant and equipment	(356)	(19,271)	(19)	(232)
Impairment loss on property, plant and equipment	-	1,007	-	964
Impairment loss for a subsidiary company	-	-	708	2,211
Intangible assets written off	-	248	-	-
Interest expenses	3,846	4,425	1,019	1,876
Interest income	(3,476)	(1,481)	(15)	(2)
Property, plant and equipment written off	247	340	-	28
Retirement benefits	1,374	1,584	1,386	1,360
Share of results of associated companies	(11,450)	(6,467)	-	-
	(2,445)	(9,092)	(70,510)	(34,930)

(b) Disposal of property, plant and equipment

During the financial year, the Company disposed property, plant and equipment with a consideration of RM64.016 million of which RM64.00 million was outstanding.

(c) Cash and cash equivalents at end of the financial year

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Bank overdrafts	(854)	(1,618)	-	-
Cash and bank balances	8,309	5,896	20	4
Short term deposits with licensed banks	12,740	2,683	500	-
	20,195	6,961	520	4

Notes To The Financial Statements (cont'd)

31 December 2004

27. SEGMENT ANALYSIS - GROUP

Business segments:

- (a) Iron and steel - Manufacture and trading of hardware, steel and iron products, building and construction materials of all kinds and operations of steel services centre.
- (b) Investment holdings and property management

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

2004

	Iron & Steel Trading RM'000	Manufacturing RM'000	Investment Holding and Property Management RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE					
External sales	239,966	284,651	3,949	-	528,566
Inter-segment sales	3,952	28,002	82,759	(114,713)	-
Total sales	243,918	312,653	86,708	(114,713)	528,566
RESULTS					
Segment results	49,197	42,839	(5,561)		86,475
Finance costs					(4,442)
Interest income					3,476
Share of results of associated companies					11,450
Taxation					(28,038)
Profit after taxation					68,921
OTHER INFORMATION					
Segment assets	143,951	177,253	165,374		486,578
Investment in associated companies					212,821
Total segment assets					699,399
Total segment liabilities	70,809	89,791	16,931		177,531
Capital expenditure	574	3,814	548		4,936
Depreciation	613	4,656	1,592		6,861
Amortisation of goodwill	18	1	-		19
Allowance for diminution in value of investment	-	3	-		3
Amortisation of intangible assets	-	8	-		8

Notes To The Financial Statements (cont'd)

31 December 2004

27. SEGMENT ANALYSIS - GROUP (cont'd)

2003

	Trading RM'000	Iron & Steel Manufacturing RM'000	Investment Holding and Property Management RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE					
External sales	197,445	243,576	2,385	-	443,406
Inter-segment sales	1,397	13,570	49,321	(64,288)	-
Total sales	198,842	257,146	51,706	(64,288)	443,406
RESULTS					
Segment results	20,597	36,095	(5,880)		50,812
Finance costs					(4,845)
Interest income					1,481
Share of results of associated companies					6,467
Taxation					(16,830)
Profit after taxation					37,085
OTHER INFORMATION					
Segment assets	115,259	162,364	112,957		390,580
Investment in associated companies					198,610
Total segment assets					589,190
Total segment liabilities	49,615	38,366	27,122		115,103
Capital expenditure	1,438	8,804	3,280		13,522
Depreciation	549	7,577	1,144		9,270
Amortisation of goodwill	18	4	-		22
Allowance for diminution in value of investment	-	2	-		2
Amortisation of intangible assets	-	173	-		173

No segment information by geographical area has been presented as the Group operates predominantly in Malaysia.

28. RELATED PARTY TRANSACTIONS

Related parties and relationship

The related parties of the Group and of the Company comprise the following:

- (a) related companies being subsidiary companies of Ann Joo Resources Berhad.
- (b) other related parties being companies in which Directors of the Company or Directors of the subsidiary companies have interest.

	GROUP	
	2004 RM'000	2003 RM'000
(a) Sale of goods		
Related parties:		
Hitec Metal Sdn Bhd	1,435	287
Ipmuda Berhad	520	-
Leong Chong Steel Sdn Bhd	1,009	323
Malayawata Steel Berhad	11,875	21,354
Silveron Builders Sdn Bhd	916	685
Chuan Huat Hardware (Sdn) Berhad	10,397	9,995
Soon Hin Hardware Sdn Bhd	9,799	6,608
(b) Purchase of goods		
Related parties:		
Daian Technical Industries Sdn Bhd	3,626	2,870
Hitec Metal Sdn Bhd	-	67
Leong Chong Steel Sdn Bhd	43	82
Malayawata Steel Berhad	98,941	68,183
Marubeni-Itochu Steel Inc	24,320	17,740
United Power Matrix Sdn Bhd	56	252
Chuan Huat Hardware (Sdn) Berhad	281	20
Soon Hin Hardware Sdn Bhd	-	84
Ipmuda Berhad	-	972
(c) Management fee received from		
Related party:		
Ann Joo Land Sdn Bhd	3	-
(d) Management fee paid to		
Related party:		
Sanritsu Kogyo Co. Ltd	174	156

Notes To The Financial Statements (cont'd)

31 December 2004

28. RELATED PARTY TRANSACTIONS (cont'd)

	GROUP	
	2004 RM'000	2003 RM'000
(e) Rental income		
Related parties:		
Ann Joo Land Sdn Bhd	53	53
Malayawata Steel Berhad	2,312	1,054
Daian Technical Industries Sdn Bhd	71	83
(f) Purchase of property, plant and equipment and related maintenance services		
Related parties:		
Abec Technology Sdn Bhd	9	67
Scandata Systems (M) Sdn Bhd	78	85
(g) Sales of property, plant and equipment		
Related party:		
Hitec Metal Sdn Bhd	45	-
(h) Sales incentive received from		
Related party:		
Malayawata Steel Berhad	-	79
	COMPANY	
	2004 RM'000	2003 RM'000
(a) Management fee received from		
Subsidiary companies:		
Ann Joo Distripark Sdn Bhd (formerly known as Saga Makmur Sdn Bhd)	2,450	-
Ann Joo Metal Sdn Bhd	432	245
Ann Joo Trading Sdn Bhd	138	59
Ann Joo (Sarawak) Sdn Bhd	12	10
Anshin Steel Industries Sdn Bhd	336	174
Saga Makmur Industri Sdn Bhd	31	32
Anshin Steel Service Centre Sdn Bhd	378	301
Anshin Precision Industries Sdn Bhd	126	86
ACSAN Steel Service Centre Sdn Bhd	144	90

Notes To The Financial Statements (cont'd)

31 December 2004

28. RELATED PARTY TRANSACTIONS (cont'd)

	COMPANY	
	2004 RM'000	2003 RM'000
(b) Rental income		
Subsidiary companies:		
Ann Joo Metal Sdn Bhd	815	1,771
Ann Joo Trading Sdn Bhd	45	134
Anshin Casting Industries Sdn Bhd	163	391
Anshin Precision Industries Sdn Bhd	449	1,212
Anshin Steel Service Centre Sdn Bhd	607	1,457
Related parties:		
Malayawata Steel Berhad	44	104
Ann Joo Land Sdn Bhd	22	53
(c) Dividend income		
Subsidiary companies:		
Ann Joo (Sarawak) Sdn Bhd	1,389	160
Ann Joo Metal Sdn Bhd	30,573	14,921
Ann Joo Trading Sdn Bhd	3,473	370
Anshin Steel Industries Sdn Bhd	29,952	19,167
Anshin Precision Industries Sdn Bhd	-	178
Anshin Steel Service Centre Sdn Bhd	2,064	1,548
ACSAN Steel Service Centre Sdn Bhd	1,282	855
Related party:		
Malayawata Steel Berhad	5,170	4,844
(d) Interest expenses		
Subsidiary companies:		
Ann Joo Metal Sdn Bhd	-	25
Anshin Precision Industries Sdn Bhd	40	49
Anshin Steel Service Centre Sdn Bhd	-	1
Anshin Steel Industries Sdn Bhd	112	149
(e) Interest income		
Subsidiary company:		
Anshin Steel Industries Sdn Bhd	-	1
(f) Disposal of property, plant and equipment		
Subsidiary company:		
Ann Joo Distripark Sdn Bhd (formerly known as Saga Makmur Sdn Bhd)	64,000	-

Notes To The Financial Statements (cont'd)

31 December 2004

28. RELATED PARTY TRANSACTIONS (cont'd)

Included in trade receivables is an amount of RM1,115,000 owing by Silveron Builders Sdn Bhd which had been provided as doubtful debts.

Hitec Metal Sdn Bhd represents the associated company of the ultimate holding company, Ann Joo Corporation Sdn Bhd.

Ipmuda Berhad is the holding company of Modular Equity Sdn Bhd, a minority shareholder of a subsidiary company, Saga Makmur Industri Sdn Bhd.

Leong Chong Steel Sdn Bhd is a company where the son-in-law of Mr. Lim Seng Qwee has substantial interest.

Malayawata Steel Berhad and Daian Technical Industries Sdn Bhd are associated companies of Ann Joo Resources Berhad.

Chuan Huat Hardware (Sdn) Berhad is a related company of Chuan Huat Hardware Holdings Sdn Bhd, a minority shareholder of a subsidiary company, ACSAN Steel Service Centre Sdn Bhd.

Silveron Builders Sdn Bhd is a deemed investment of the ultimate holding company, and where a director of a subsidiary company is also the director of Silveron Builders Sdn Bhd.

Soon Hin Hardware Sdn Bhd is a subsidiary company of SHH Holdings Sdn Bhd, a minority shareholder of ACSAN Steel Service Centre Sdn Bhd.

Marubeni-Itochu Steel Inc is a minority shareholder of Anshin Steel Service Centre Sdn Bhd and Anshin Precision Industries Sdn Bhd.

United Power Matrix Sdn Bhd is a company where the son-in-law of Mr Lim Seng Qwee has substantial interest.

Ann Joo Land Sdn Bhd represents a subsidiary company of the ultimate holding company, Ann Joo Corporation Sdn Bhd.

Sanritsu Kogyo Co. Ltd is a minority shareholder of a subsidiary company, Anshin Precision Industries Sdn Bhd.

Abec Technology Sdn Bhd and Scandata Systems (M) Sdn Bhd are companies in which Mr Lim Sin Seong, a Director of Ann Joo Resources Berhad is also a Director and has financial interests.

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that are not more favourable to the related parties than those arranged with independent third parties.

The above disclosures are made pursuant to the requirement of Malaysian Accounting Standard Board's standard, MASB 8 Related Party Disclosures.

29. CAPITAL COMMITMENT

As at the end of the financial year, the Group has the following capital commitment:

	GROUP	
	2004 RM'000	2003 RM'000
Approved and contracted	80	108
Approved and not contracted	-	400
	80	508

30. SIGNIFICANT EVENTS

- (a) Ann Joo Resources Berhad (AJR) has on 27 February 2004 entered into a Sale and Purchase Agreement with Mitsui & Co. Ltd for the acquisition of 4,075,637 ordinary shares of RM1.00 each in the issued and paid-up share capital of Malayawata Steel Berhad ("Malayawata") at the purchase consideration of RM8,980,251.

Subsequent to the completion of the acquisition, AJR's interest in Malayawata increased from 30.04% to 32.06%.

- (b) On 24 May 2004, the Company together with Anshin Steel Industries Sdn Bhd and Liang Tiong Steel Fabrication & Civil Engineering Sdn Bhd, being two wholly-owned subsidiary companies of the Company, had entered into four unconditional and three conditional Sale and Purchase Agreements with Ann Joo Distripark Sdn Bhd (formerly known as Saga Makmur Sdn Bhd), a wholly-owned subsidiary company of the Company, for the disposal of land and buildings for the consideration of RM64,000,000, RM88,630,261 and RM1,700,000 respectively.

31. CORPORATE INFORMATION

- (a) The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of the Bursa Malaysia Securities.
- (b) The registered office and principal place of business of the Company are both located at Wisma Ann Joo, Lot 19391, Bt 8½, Jalan Klang Lama, 46000 Petaling Jaya, Selangor Darul Ehsan.
- (c) The principal activities of the Company are investment holding and property management.

	GROUP		COMPANY	
	2004	2003	2004	2003
Total number of employees as at the end of the financial year	557	575	53	29

- (e) The directors regard Ann Joo Corporation Sdn Bhd, a company incorporated in Malaysia, as its ultimate holding company.
- (f) The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 April 2005.

32. FINANCIAL INSTRUMENTS**Financial risk management objective and policies**

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its risks. The Group operates within clearly defined guidelines that are approved by the Board of Directors for observation in the day-to-day operation for the controlling and management of the risk associated with the financing, investing and operating activities of the Group.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows:

32. FINANCIAL INSTRUMENTS (cont'd)

(a) Foreign currency risk

Financial risk management objective and policies (cont'd)

The Group is exposed to foreign currency risk as a result of its normal trading activities, where the currency denomination differs from the local currency, Ringgit Malaysia (RM). Exposures to foreign currency risks are monitored on an ongoing basis.

As at balance sheet date, the Group's outstanding foreign currency forward contracts are as follows:

Maturity period	Contract amount	Hedged rate	Equivalent
Within 1 year	SGD73,533	2.2531	RM165,677

(b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's borrowings and deposits. The Group's policy is to borrow principally on the floating rate basis. Investments in financial assets are short term in nature and are mostly placed as short term deposits with licensed financial institutions.

(c) Credit risk

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

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

(d) Market risk

The Group has in place policies to manage its exposure to fluctuation in the prices of the key raw materials used in the operation through close monitoring and buying ahead in anticipation of significant price increase, where possible. For market risk arising from changes in equity prices, the Group manages disposal of its investment to optimise returns on realisation.

(e) Liquidity and cash flow risks

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

In addition, the Group's objective is to maintain a balance of funding and flexibility through the use of credit facilities, short and long term borrowings. Short-term flexibility is achieved through credit facilities and short-term borrowings.

32. FINANCIAL INSTRUMENTS (cont'd)**Fair values**

The carrying amounts of financial assets and liabilities of the Group and of the Company as at 31 December 2004 approximated their fair values except as set out below:

	CARRYING AMOUNT RM'000	GROUP	FAIR VALUE RM'000
Financial assets			
Investments - quoted shares	46		43

Investments in quoted shares have not been adjusted to their fair values on the basis that the underlying net tangible assets per share of these companies are above their market values.

No disclosure is made for unquoted shares as it is not practical to estimate the fair value because of the lack of market information and the assumptions used in valuation models to value these investments cannot be reasonably determined.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

(a) Deposits, cash and bank balances

The carrying amounts of deposits, cash and bank balances approximate fair values due to the relatively short term maturity of these instruments.

(b) Trade and other receivables and payables

The carrying amounts of trade receivables and payables subject to normal trade credit terms approximate fair values. The carrying amounts of other receivables and payables are reasonable estimates of fair value because of their short maturity.

(c) Borrowings

The carrying amounts of short term borrowings approximate fair value because of the short maturity period. The fair value of long term borrowings is estimated based on the current rates available for borrowings with the same maturity profile.

(d) Amounts due from/to subsidiary/associated companies and related parties

The carrying amounts of amounts due from/to subsidiary/associated companies and related parties are reasonable estimates of fair value because of their short maturity.

Notes To The Financial Statements (cont'd)

31 December 2004

33. COMPARATIVE FIGURES

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

	GROUP	
	As restated RM'000	As previously reported RM'000
Balance sheet		
Receivables	91,082	91,129
Payables	22,718	22,765
Income statement		
Staff costs had been reclassified to include other staff related expenses	22,874	15,224
	COMPANY	
	As restated RM'000	As previously reported RM'000
Cash flow statement		
Cash flow from investing activities		
Advances from/(Repayment to) subsidiary companies	-	9,142
(Repayment to)/ Advances from an associated companies	-	(1)
Repayment from/(Advances to) subsidiary companies	(802)	-
Cash flow from financing activities		
(Repayment to)/ Advances from subsidiary companies	9,943	-

Recurrent Related Party Transactions

for the financial year ended 31 December 2004

Set out below are the recurrent related party transactions of the Company for the financial year ended 31 December 2004 that were carried out in its normal course of business on an arm's length basis:

Related Parties	Transacting Party	Nature of Transaction	Actual (RM)
LIM Group	Ann Joo Group	Sale of steel related products to LIM Group	3,359,978
		Purchase of steel related products from LIM Group	98,807
		Lease of office space to LIM Group	53,400
		Provision of services to LIM Group	3,013
		Purchase of computer equipment and related maintenance services from LIM Group	87,486
		Sales of property, plant and equipment to LIM Group	45,000
MISI Group	Ann Joo Group	Sale of steel related products to MISI Group	11,589,403
		Purchase of steel related products from MISI Group	37,533,514
		Lease of office/factory space to MISI Group	2,533,882
		Provision of services to MISI Group	516,000
		Rental paid to MISI Group for storage of steel coils	8,902
		Rental paid to Ann Joo Group for storage of steel related materials	42,075
		Interest expenses paid to MISI Group	40,168
Sanritsu Group	Ann Joo Group	Purchase of die tooling from Sanritsu Group	3,625,627
		Lease of office/factory space to Sanritsu Group	71,035
		Payment of technical and advisory support fee to Sanritsu Group	174,000

Recurrent Related Party Transactions (cont'd)

for the financial year ended 31 December 2004

Related Parties	Transacting Party	Nature of Transaction	Actual (RM)
CHH Group	Ann Joo Group	Sale of steel related products to CHH Group	10,397,341
		Purchase of steel related products from CHH Group	281,118
SHH Group	Ann Joo Group	Sale of steel related products to SHH Group	9,799,135
MESB Group	Ann Joo Group	Sale of steel related products to MESB Group	520,450
MYS Group	Ann Joo Group	Sale of steel related products to MYS Group	11,874,470
		Purchase of steel related products from MYS Group	98,940,931
		Lease of office space to MYS Group	104,430

Definition:

Ann Joo Group	Ann Joo Resources Berhad and its subsidiary companies
CHH Group	Chuan Huat Hardware Holdings Sdn Bhd and its related corporations and their associated companies and persons connected
LIM Group	Includes Ann Joo Corporation Sdn Bhd and its subsidiaries and associated companies, Lim Seng Chee & Sons Sdn Bhd, LSQ & Sons Sdn Bhd, Lim Sin Seong Sdn Bhd and Lim Seng Chee (Major Shareholders) Lim Seng Qwee, Dato' Lim Kiam Lam and Lim Sin Seong (Directors and Major Shareholders), Dato' Lim Hong Thye and Lim Kien Lip (Directors) and persons connected
MESB Group	Modular Equity Sdn Bhd and its related corporations and their associated companies and persons connected
MISI Group	Marubeni-Itochu Steel Inc. and its subsidiaries and associated companies and persons connected
MYS Group	Malayawata Steel Berhad and its subsidiaries and associated companies and persons connected
Sanritsu Group	Sanritsu Kogyo Co., Ltd. and its subsidiaries and associated companies and persons connected
SHH Group	SHH Holdings Sdn Bhd and its related corporation and their associated companies and persons connected

Properties Owned

by Ann Joo Resources Berhad and its subsidiaries as at 31 December 2004

Location	Tenure	Description	Land Area / Built-up Area	Existing Use	Approximate Age of Building (No. of Years)	At Valuation / Cost RM'000	NBV RM'000	Date of Last Revaluation	Date of Acquisition
Lot 19391 Mukim and District of Petaling	Freehold	Commercial Land & Building	1.2965 hectares / 9,996 sq.m.	Office and Warehouse	22	21,603	21,522	31-12-2003	09-09-1996
Lot 1508 Mukim and District of Petaling	Freehold	Industrial Land & Building	0.658 hectares / 3,790 sq.m.	Office and Warehouse	2	8,302	8,267	31-12-2003	09-09-1996
HS (D) 5044 Tapak Perusahaan Shah Alam District of Petaling	Leasehold (expiring on 25.03.2070)	Industrial Land & Building	4.150 hectares / 30,949 sq.m.	Factory, Office and Store	13	34,172	33,824	31-12-2003	09-09-1996
Lots 55 - 59 Section 4 Phase 2A Pulau Indah Industrial Park West Port	Leasehold (expiring on 24.02.2097)	Industrial Land	5.135 hectares / -	Vacant Land	-	9,802	9,775	31-12-2003	05-05-1998
H.S.D. 711 Tapak Perusahaan Shah Alam District of Petaling	Leasehold (expiring on 29.06.2076)	Industrial Land & Building	1.658 hectares / 12,709 sq.m.	Factory and Office	14	15,781	15,626	31-12-2003	08-01-1987
Lot 9 Persiaran Perusahaan Section 23 Shah Alam	Leasehold (expiring on 30.05.2098)	Industrial Land & Building	5.3255 hectares / 26,521 sq.m.	Factory and Office	11	40,651	40,305	31-12-2003	06-09-1990
Lot 11 Persiaran Perusahaan Section 23 Shah Alam	Leasehold (expiring on 30.05.2098)	Industrial Land & Building	5.9908 hectares / 9,234 sq.m.	Factory Office and Vacant Land	8	32,224	31,991	31-12-2003	06-09-1990
Lot PT 3707 Mukim of Pasir Panjang Port Dickson	Freehold	Detached House	528 sq.m. / 195 sq.m.	Staff Recreation	19	150	148	31-12-2003	10-10-1985
Lot 2171 Section 66 Kuching	Leasehold (expiring on 04.02.2050)	Industrial Land & Building	4,059 sq.m. / 1,522 sq.m.	Office and Warehouse	10	1,700	1,679	31-12-2003	25-10-1995
Sub-Total (value of properties held as property, plant and equipment)						164,385	163,137		

Properties Owned (cont'd)

by Ann Joo Resources Berhad and its subsidiaries as at 31 December 2004

Location	Tenure	Description	Land Area / Built-up Area	Existing Use	Approximate Age of Building (No. of Years)	At Valuation / Cost RM'000	NBV RM'000	Date of Last Revaluation	Date of Acquisition
No. C-7-10 Type 12 Storey No. 7th Floor Building No. Block C Phase 1 Zone G Sri Alam Condominium Kelab Golf Sultan Abdul Aziz Shah	Leasehold (expiring on 14.02.2091)	Condominium	245 sq.m.	Vacant	6	500	500	31-12-2003	13-09-2000
No. F-12-04 Washington Tower Meadow Park 3 Jalan 1/130 Off Jalan Kelang Lama 58200 Kuala Lumpur	Freehold	Apartment	1,120 sq.ft.	Vacant	6	150	150	31-12-2003	17-07-1998
No. 7-20 Tingkat 7 Building No. T1 Turf View Apartment Taman Kuda Emas Section 6 Serdang Jaya Selangor	Leasehold (expiring on 28.11.2092)	Apartment	946 sq.ft.	Vacant	7	125	125	31-12-2003	16-08-1999
704 Block A Tiara Kelana Condo. Jalan SS 7/19 Taman Sri Kelana Kelana Jaya 47301 Petaling Jaya	Leasehold (expiring on 28.01.2092)	Apartment	1,725 sq.ft.	Vacant	9	290	290	31-12-2003	22-03-2001
Lot 77 No. 34 Jalan BRP 6/2 Bukit Rahman-Putra 47000 Sg. Buloh	Freehold	Double Storey Terrace	1,650 sq.ft / 2,069 sq.ft	Vacant	1	299	299	-	28-01-2004
Sub-total (value of properties held as inventories)						1,364	1,364		
Total (value of properties held as property, plant and equipment and inventories)						165,749	164,501		

ANALYSIS OF SHAREHOLDINGS

Authorised share capital	:	RM500,000,000
Issued and paid up share capital	:	RM266,657,500
Class of shares	:	Ordinary shares of RM1.00 each
Voting shares	:	One (1) vote per ordinary share

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	51	0.85	340	0.00
100 - 1,000	2,740	45.84	2,720,000	1.02
1,001 - 10,000	2,664	44.57	10,020,795	3.76
10,001 - 100,000	407	6.81	12,101,611	4.54
100,001 - 13,332,874*	113	1.89	77,303,684	28.99
13,332,875 and above**	2	0.04	164,511,070	61.69
Total	5,977	100.00	266,657,500	100.00

Remarks: * - Less than 5% of issued holdings
 ** - 5% and above of issued holdings

LIST OF TOP 30 SHAREHOLDERS

Name	No. of Shares Held	%
1. Ann Joo Corporation Sdn Bhd	89,238,972	33.46
2. Ann Joo Corporation Sdn Bhd	75,272,098	28.23
3. HLB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Chen Khai Voon</i>	3,972,100	1.49
4. Mecroflex Sdn Bhd	3,776,876	1.42
5. Dato' Soo Lai Sing	2,811,000	1.05
6. Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Lim Beng Guan (100402)</i>	2,732,100	1.02
7. Mayban Nominees (Tempatan) Sdn Bhd <i>Mayban Trustees Berhad For Public Itikal Fund (N14011970240)</i>	2,547,300	0.95
8. Lim Seng Chee	2,244,500	0.84
9. Lim Seng Qwee	2,101,648	0.79
10. Lim Chai Beng	2,100,000	0.79
11. Malaysian Assurance Alliance Berhad <i>As Beneficial Owner (Growth Fund)</i>	2,000,000	0.75
12. BHLB Trustee Berhad <i>Pacific Recovery Fund</i>	1,972,600	0.74
13. Amanah Raya Nominees (Tempatan) Sdn Bhd <i>Public Islamic Equity Fund</i>	1,972,300	0.74
14. United Hardware Holdings Sendirian Berhad	1,827,505	0.69
15. Yoong Yan Pin	1,700,000	0.64
16. Malaysia Nominees (Tempatan) Sendirian Berhad <i>Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)</i>	1,604,300	0.60
17. PRB Nominees (Tempatan) Sdn Bhd <i>Rubber Industry Smallholders Development Authority</i>	1,500,000	0.56

Statistical Report (cont'd)

LIST OF TOP 30 SHAREHOLDERS (CONT'D)

Name	No. of Shares Held	%
18. Amanah Raya Nominees (Tempatan) Sdn Bhd <i>Public SmallCap Fund</i>	1,374,000	0.51
19. Pandu Sinar Sdn Bhd	1,261,455	0.47
20. Mayban Nominees (Tempatan) Sdn Bhd <i>Mayban Trustees Berhad For Balanced Returns Fund (N14011980060)</i>	1,250,000	0.47
21. Mayban Nominees (Tempatan) Sdn Bhd <i>Mayban Trustees Berhad For Hidden Treasures Fund (240218)</i>	1,250,000	0.47
22. Citicorp Nominees (Asing) Sdn Bhd <i>CBNY For DFA Emerging Markets Fund</i>	1,235,100	0.46
23. Mayban Nominees (Tempatan) Sdn Bhd <i>Mayban Trustees Berhad For Income Plus Fund (N14011980070)</i>	1,207,000	0.45
24. AMMB Nominees (Tempatan) Sdn Bhd <i>Amtrustee Berhad For Pacific Dividend Fund (5/27-2)</i>	1,153,100	0.43
25. Mayban Nominees (Tempatan) Sdn Bhd <i>Mayban Trustees Berhad For RHB Dynamic Fund (N14011200188)</i>	1,000,000	0.38
26. Mayban Nominees (Tempatan) Sdn Bhd <i>Mayban Trustees Berhad For RHB Capital Fund (N14011200189)</i>	1,000,000	0.38
27. Mayban Nominees (Tempatan) Sdn Bhd <i>Mayban Life Assurance Berhad (PAR Fund)</i>	1,000,000	0.38
28. HLB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Lim Chai Beng (SIN 9853-2)</i>	1,000,000	0.38
29. Yeoh Chun Heng	952,700	0.36
30. Tan Guat Poh	900,000	0.34
	213,956,654	80.24

ANALYSIS OF WARRANTS HOLDINGS

No. of Warrants in issue	:	82,584,000
Exercise Price of Warrants	:	RM 1.00
Expiry Date of Warrants	:	26 July 2006
Voting Rights	:	Every Warrant holder present in person at any such meeting or adjourned meeting shall be entitled by a show of hands to one (1) vote and every Warrant Holder present in person or by proxy at any meeting shall be entitled on a poll to one (1) vote for each New Share to which such holder would be entitled at the Subscription Price on the exercise in full of the Subscription Rights represented by such Warrant Holders.

Size of Holdings	No. of Holders	%	No. of Warrants	%
1 - 99	1	0.15	81	0.00
100 - 1,000	240	36.98	211,600	0.26
1,001 - 10,000	274	42.22	1,227,400	1.49
10,001 - 100,000	101	15.57	3,086,345	3.74
100,001 - 4,129,199 ^(*)	32	4.93	18,419,602	22.30
4,129,200 and above ^(**)	1	0.15	59,638,972	72.21
Total	649	100.00	82,584,000	100.00

Remarks: * - Less than 5% of issued holdings
 ** - 5% and above of issued holdings

LIST OF TOP 30 WARRANTS HOLDERS

Name	No. of Warrants Held	%
1. Ann Joo Corporation Sdn Bhd	59,638,972	72.22
2. Malaysia Nominees (Tempatan) Sendirian Berhad <i>Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)</i>	3,830,000	4.64
3. Yang Pouy Soon	2,084,000	2.52
4. Yeoh Chun Heng	1,604,500	1.94
5. Tan Guat Poh	1,195,500	1.45
6. Tan Poh Gek	1,150,000	1.39
7. Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pheim Asset Management Sdn Bhd For Employees Provident Fund</i>	712,300	0.86
8. United Hardware Holdings Sendirian Berhad	609,168	0.74
9. Lim Seng Qwee	600,549	0.73
10. Lim Seng Chee	581,500	0.70
11. Malaysia Nominees (Tempatan) Sendirian Berhad <i>Great Eastern Life Assurance (Malaysia) Berhad (PAR 2)</i>	570,000	0.69
12. HDM Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Leong Kok Hou (M09)</i>	473,600	0.57
13. Pandu Sinar Sdn Bhd	420,485	0.51
14. Yong Cheau Chin	383,400	0.46
15. HLB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Chen Khai Voon</i>	361,100	0.44
16. Wong Yow Kong	311,400	0.38
17. Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Lim Beng Guan (100402)</i>	304,500	0.37
18. Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Siow Khien Meng (100401)</i>	304,200	0.37
19. Su Ming Keat	303,000	0.37
20. Ling Teck Hong	262,100	0.32
21. Lim Kiam Lam	239,000	0.29
22. HDM Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Teh Meng Li (M09)</i>	238,800	0.29
23. Chin Lee Heong	237,400	0.29
24. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB For Lim Beng Guan (MARGIN-MM1046)</i>	226,300	0.27
25. AMMB Nominees (Tempatan) Sdn Bhd <i>KAF Fund Management Sdn Bhd (7/862-1)</i>	205,000	0.25
26. Universal Trustee (Malaysia) Berhad <i>Malaysian Assurance Alliance Bhd</i>	203,700	0.25
27. Teh Meng Li	202,100	0.24
28. Bugh Kean Kee	169,000	0.20
29. Tan Han Hon	145,000	0.17
30. RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Lee Kuan Gan</i>	130,000	0.16
	77,696,574	94.08

Statistical Report (cont'd)

DIRECTORS' SHAREHOLDINGS AS AT 27 April 2005

(Extracted from Register of Directors' Shareholdings)

Name	No. of ordinary shares held			
	Direct	%	Indirect	%
Lim Seng Qwee	2,101,648	0.79	166,338,575*	62.43*
Lim Kiam Lam	591,000	0.22	166,338,575*	62.43*
Lim Sin Seong	Nil	Nil	166,338,575*	62.43*
Lim Kien Lip	750,000	0.28	Nil	Nil
Lim Hong Thye	Nil	Nil	Nil	Nil
Dato' Ong Kim Hoay	15,000	0.01	Nil	Nil
Mohd Alkaf bin Mohd Kahar	165,000	0.06	1,261,455*	0.47*
Tan Sri Datuk A. Razak bin Ramli	Nil	Nil	Nil	Nil

Name	No. of Warrants 2001/2006 held			
	Direct	%	Indirect	%
Lim Seng Qwee	600,549	0.73	60,248,140*	72.96*
Lim Kiam Lam	239,000	0.29	60,248,140*	72.96*
Lim Sin Seong	Nil	Nil	60,248,140*	72.96*
Lim Kien Lip	Nil	Nil	Nil	Nil
Lim Hong Thye	Nil	Nil	Nil	Nil
Dato' Ong Kim Hoay	5,000	0.01	Nil	Nil
Mohd Alkaf bin Mohd Kahar	55,000	0.07	420,485*	0.51*
Tan Sri Datuk A. Razak bin Ramli	Nil	Nil	Nil	Nil

* Deemed interest pursuant to Section 6A(4) of the Companies Act, 1965.

SUBSTANTIAL SHAREHOLDERS AS AT 27 April 2005

(Extracted from Register of Substantial Shareholders)

Name	←		→	
	Direct	No. of ordinary shares held %	Indirect	%
Ann Joo Corporation Sdn Bhd	164,511,070	61.74	1,827,505*	0.69*
Lim Seng Chee & Sons Sdn Bhd	Nil	Nil	166,338,575*	62.43*
LSQ & Sons Sdn Bhd	Nil	Nil	166,338,575*	62.43*
Lim Sin Seong Sdn Bhd	Nil	Nil	166,338,575*	62.43*
Lim Seng Chee	2,244,500	0.84	166,338,575*	62.43*
Lim Seng Qwee	2,101,648	0.79	166,338,575*	62.43*
Lim Kiam Lam	591,000	0.22	166,338,575*	62.43*
Lim Sin Seong	Nil	Nil	166,338,575*	62.43*

* Deemed interest pursuant to Section 6A(4) of the Companies Act, 1965.

[illegible]

NOTES

NOTES

FORM OF PROXY

No. of Ordinary Shares held



安裕資源有限公司
ANN JOO RESOURCES BERHAD
(Company No. 371152-U)

I/We _____
(Full name in block letters)

of _____
(Address)

being a member / members of **ANN JOO RESOURCES BERHAD**, hereby appoint _____

_____ of _____
(Full name in block letters) (Address)

or failing him / her _____
(Full name in block letters)

of _____
(Address)

or failing him / her, the CHAIRMAN OF THE MEETING as my / our proxy to vote for me / us and on my / our behalf at the Ninth Annual General Meeting of the Company to be held at Sheraton Subang Hotel & Towers, Selangor 3 Ballroom, Jalan SS12/1, 47500 Subang Jaya on Thursday, 16 June 2005 at 10.00 a.m. or at any adjournment thereof, and to vote as indicated below:-

Resolutions		For	Against
1	To receive the audited financial statements		
2	To declare a final dividend of 6% less 28% income tax and a special dividend of 4% less 28% income tax		
3	To approve the payment of Directors' fees		
	To re-elect the following Directors retiring under Article 101 of the Company's Articles of Association:-		
4	Lim Sin Seong		
5	Dato' Lim Hong Thye		
6	To re-elect Tan Sri Datuk A. Razak bin Ramli retiring under Article 108 of the Company's Articles of Association		
7	To consider and if thought fit, pass the following resolution, with or without modifications, as an Ordinary Resolution of the Company:- "THAT, pursuant to Section 129(6) of the Companies Act, 1965, Dato' Ong Kim Hoay be re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."		
8.	To re-appoint Messrs Ong Boon Bah & Co. as the Auditors of the Company		
9.	Special Business- To authorise Directors to allot shares pursuant to Section 132D of the Companies Act, 1965		
10.	Special Business - To authorise Directors to purchase the Company's own shares		
	Special Business - To obtain Shareholders' mandate for recurrent related party transactions of a revenue or trading nature with the following related parties:-		
11.	LIM Group		
12.	MISI Group		
13.	Sanritsu Group		
14.	CHH Group		
15.	SHH Group		
16.	Tokyo Boeki Ltd		
17.	MESB Group		
18.	MYS Group		
19.	MYS Group		
20.	LIM Group		

Please indicate with a "✓" in the appropriate space how you wish your votes to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy will vote as he or she thinks fit, or, at his or her discretion, abstain from voting.

Signed this _____ day of _____ 2005 _____
Signature / Common Seal

NOTES:-

1. A Member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him. A Member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
2. A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965, shall not apply to the Company.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the Registered Office of the Company at Wisma Ann Joo, Lot 19391, Bt 8½ Jalan Klang Lama, 46000 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

Fold here

Stamp

ANN JOO RESOURCES BERHAD

Wisma Ann Joo, Lot 19391
Batu 8½, Jalan Klang Lama
46000 Petaling Jaya
Selangor Darul Ehsan

Fold here