
FINANCIAL STATEMENTS



New Hoong Fatt Holdings Berhad

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Proxy Form



Directors' Report

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and the provision of management services.

The principal activities of the subsidiary companies are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and of its subsidiary companies during the financial year.

RESULTS

	Group RM	Company RM
Net profit for the financial year	<u>22,494,405</u>	<u>3,910,355</u>

DIVIDENDS

Since the end of the previous financial year, a first and final tax exempt dividend of 8%, amounting to RM5,786,048 in respect of the previous financial year which was approved by the shareholders at the Annual General Meeting held on 20 May 2004 was paid on 4 June 2004.

The amount paid of RM5,786,048 is in excess of the dividend of RM5,768,928 proposed in last year's directors' report. The difference of RM17,120 was in respect of additional shares arising from the exercise of the option under the Employee Share Option Scheme ("ESOS") subsequent to the end of the previous financial year, but prior to the closing date of the entitlement to dividend.

On 25 January 2005, the directors declared an interim tax exempt dividend of 3%, amounting to RM2,187,948 in respect of the current financial year. The directors also proposed a final tax exempt dividend of 8%, amounting to RM5,834,528 in respect of the current financial year which is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up share capital of the Company was increased from RM72,111,600 to RM72,931,600 by the issuance of 820,000 new ordinary share of RM1.00 each pursuant to the exercise of the option under the ESOS.

These new ordinary shares rank pari passu in all respects with the then existing shares of the Company.

The Company has not issued any debentures during the financial year.

Directors' Report (continued)

EMPLOYEE SHARE OPTION SCHEME

The ESOS was approved by the shareholders at an Extraordinary General Meeting held on 8 June 2000.

The main features of the ESOS are as follows:-

- (a) The ESOS is made available to eligible employees of the Group and full time executive directors of the Company, who are confirmed employees of the Group and has been in permanent full time employment within the Group for a period of at least twenty four months of continuous services, including service during the probation period.
- (b) The total number of shares to be offered under the ESOS shall not, in aggregate, exceed 10% of the issued and paid-up share capital of the Company at any time during the existence of the ESOS which will be in force for a period of five years commencing from 30 August 2000.
- (c) The option price for a new share under the ESOS shall be allowed to be set at a discount of not more than 10% from the weighted average market price of the shares as quoted and shown in the Daily Official List issued by Bursa Malaysia Securities for the five market days immediately preceding the date of offer by the ESOS Committee or the par value of the shares, whichever is higher.
- (d) The actual entitlement of an eligible employee shall be determined by the ESOS Committee on the basis of job grade, years of service, contribution, dedication and loyalty of the employee and shall not be less than 1,000 shares nor more than 500,000 shares and shall always be in multiples of 1,000 shares.
- (e) Irrespective of the number of options held, the option holder may not exercise his/her option beyond the maximum allowable limit in the options exercisable per annum in accordance to the following percentages:-

Number of options granted	Percentage of options exercisable per annum				
	Year 1	Year 2	Year 3	Year 4	Year 5
Below 10,000	30%	30%	40% ¹	-	-
10,000 to 20,000	25%	25%	25%	25% ²	-
Above 20,000	20%	20%	20%	20%	20% ³

¹ 40% or the remaining number of options unexercised

² 25% or the remaining number of options unexercised

³ 20% or the remaining number of options unexercised

- (f) The shares shall, on issue and allotment upon any exercise of the option, rank pari passu in all respects with the then existing ordinary shares of the Company, except that they will not qualify for any dividend or distribution declared for payment to shareholders on the Register of Members/Record of Depositors as at the relevant books closing date which precedes the option exercise date.

The employees to whom the options have been granted are not eligible to participate in any other employee share option scheme implemented by any other company within the Group during the duration of the ESOS.

The Companies Commission of Malaysia had granted an exemption to the Company from having to disclose the name of the eligible employees who have been granted with options during the financial year and the number of options granted to them in accordance with Section 169 (11)(a) of the Companies Act, 1965 except for eligible employees who have been granted with options to purchase 100,000 and more ordinary shares during the financial year. None of the eligible employees had been granted with options to purchase 100,000 and more ordinary shares during the financial year.

Directors' Report (continued)

EMPLOYEE SHARE OPTION SCHEME (continued)

The movements in the Company's shares under options during the financial year are as follows:-

	Options over ordinary shares of RM1.00 each				
	Balance at 1.1.2004	Granted	Exercised	*Retracted	Balance at 31.12.2004
Number of unissued shares under options at the following exercise price:-					
- RM1.67	36,000	-	(5,000)	(4,000)	27,000
- RM2.00	144,000	-	(74,000)	(8,000)	62,000
- RM2.37	4,141,000	-	(694,000)	(212,000)	3,235,000
- RM2.75	33,000	-	-	(5,000)	28,000
- RM1.85	79,000	-	(16,000)	(37,000)	26,000
- RM1.95	98,000	-	(21,000)	(29,000)	48,000
- RM2.20	-	22,000	-	(2,000)	20,000
- RM2.15	-	180,000	(10,000)	(17,000)	153,000
- RM2.55	-	8,000	-	-	8,000

* due to resignation

RESERVES AND PROVISIONS

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

DIRECTORS

The directors who held office since the date of the last report are:-

Kam Lang Fatt @ Kim Leng Fatt
Chin Jit Sin
Kam Foong Keng
Wong Kwan @ Wong Kwong Kwan
Danny Ng Siew L'Leong
Kam Foong Sim
Datuk Dr Anis Bin Ahmad

In accordance with Article 78 of the Company's Articles of Association, Kam Foong Keng and Danny Ng Siew L'Leong retire from the Board by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Mr. Wong Kwan @ Wong Kwong Kwan retires in accordance with Section 129(2) of the Companies Act, 1965. The Board recommends that Mr. Wong Kwan @ Wong Kwong Kwan be re-appointed as director of the Company pursuant to Section 129(6) of the Companies Act, 1965, to hold office until the conclusion of the next Annual General Meeting.

Directors' Report (continued)

DIRECTORS' INTERESTS

Except as stated below, no other directors holding office at the end of the financial year had any beneficial interests in the ordinary shares of the Company and related companies during the financial year ended 31 December 2004, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965:-

Shares in the Company	← Number of ordinary shares of RM1.00 each →			
	Balance at 1.1.2004	Bought	Sold	Balance at 31.12.2004
Direct Interest				
Kam Lang Fatt @ Kim Leng Fatt	21,200,400	200,000	-	21,400,400
Kam Foong Keng	3,620,542	-	-	3,620,542
Chin Jit Sin	538,200	-	-	538,200
Wong Kwan @ Wong Kwong Kwan	24,000	-	-	24,000
Kam Foong Sim	302,400	-	-	302,400
Indirect Interest				
Kam Lang Fatt @ Kim Leng Fatt	720,000	-	-	720,000

Share options in the Company	← Options over ordinary shares of RM1.00 each →			
	Balance at 1.1.2004	Bought	Exercised	Balance at 31.12.2004
Kam Lang Fatt @ Kim Leng Fatt	500,000	-	(200,000)	300,000
Kam Foong Keng	300,000	-	-	300,000
Chin Jit Sin	300,000	-	-	300,000
Kam Foong Sim	300,000	-	-	300,000

By virtue of Section 6A of the Companies Act, 1965, Mr. Kam Lang Fatt @ Kim Leng Fatt, Madam Kam Foong Keng, Mr. Chin Jit Sin and Ms. Kam Foong Sim are also deemed to have beneficial interest in the shares of the subsidiary companies to the extent the Company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no directors of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except for:-

- (a) a director who may be deemed to derive benefits by virtue of the following:-
 - (i) trade transactions entered into with companies in which the director has substantial financial interest;
 - (ii) rental of RM179,535 paid to companies in which the director has substantial financial interest; and
- (b) certain directors who received remuneration from the subsidiary companies as directors or executives of the subsidiary companies.

The details of the above transactions are disclosed in Note 32 to the financial statements.

Directors' Report (continued)

DIRECTORS' BENEFITS (continued)

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for share options granted to Mr. Kam Lang Fatt @ Kim Leng Fatt, Mr. Chin Jit Sin, Madam Kam Foong Keng and Ms. Kam Foong Sim pursuant to the ESOS.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY: -

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:-
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The directors are not aware of any circumstances:-
 - (i) which would render the amount written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the directors:-
 - (i) there has not arisen 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; and
 - (ii) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

Directors' Report (continued)**(III) AS AT THE DATE OF THIS REPORT**

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of financial year.
- (g) The directors are not aware of any circumstances not otherwise dealt with in the report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 37 to the financial statements.

EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

The event subsequent to the balance sheet date is disclosed in Note 38 to the financial statements.

AUDITORS

The auditors, BDO Binder, have expressed their willingness to continue in office.

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

Kam Lang Fatt @ Kim Leng Fatt
Chairman cum Managing Director

Kam Foong Keng
Director

Kuala Lumpur
22 February 2005

Statement By Directors

In the opinion of the directors, the financial statements set out on pages 50 to 83 have been drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of:-

- (i) the state of affairs of the Group and of the Company as at 31 December 2004 and of their results for the financial year then ended; and
- (ii) the cash flows of the Group and of the Company for the financial year ended 31 December 2004.

On behalf of the Board,

Kam Lang Fatt @ Kim Leng Fatt
Chairman cum Managing Director

Kam Foong Keng
Director

Kuala Lumpur
22 February 2005

Statutory Declaration

I, Kam Foong Sim, being the director primarily responsible for the financial management of New Hoong Fatt Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 50 to 83 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
22 February 2005)

Before me:-

P. Sethuraman
No. W-217
Commissioner for Oaths

Report Of The Auditors

To The Members Of New Hoong Fatt Holdings Berhad

We have audited the financial statements set out on pages 50 to 83. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements based on our audit.

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

In our opinion:-

- (a) the financial statements have been properly drawn up in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 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 their results and cash flows for the financial year then ended; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the said Act.

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

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Act.

BDO Binder

AF : 0206

Chartered Accountants

Tan Kim Leong, JP

235/06/05 (J/PH)

Partner

Kuala Lumpur

22 February 2005

Balance Sheets

As At 31 December 2004

		Group		Company	
	NOTE	2004 RM	2003 RM	2004 RM	2003 RM
ASSETS EMPLOYED					
PROPERTY, PLANT AND EQUIPMENT	6	133,626,375	107,494,330	-	-
INVESTMENT IN SUBSIDIARY COMPANIES	7	-	-	81,251,951	20,966,951
AMOUNTS OWING BY SUBSIDIARY COMPANIES	8	-	-	35,667,237	52,650,411
INVESTMENTS - At cost	9	83,000	83,000	-	-
GOODWILL ON CONSOLIDATION	10	32,560,628	-	-	-
CURRENT ASSETS					
Inventories	11	20,160,246	11,913,102	-	-
Trade receivables	12	36,513,985	34,656,541	-	-
Other receivables, deposits and prepayments	13	3,032,864	1,343,187	4,050	17,258
Tax recoverable		45,395	37,718	13,852	6,165
Cash and bank balances		4,783,950	3,769,533	43,686	30,094
Fixed deposits with licensed banks		-	5,000,000	-	3,000,000
		64,536,440	56,720,081	61,588	3,053,517
LESS: CURRENT LIABILITIES					
Trade payables	14	5,761,072	14,000,028	-	-
Other payables and accruals	15	6,162,891	3,747,701	108,258	100,848
Amounts owing to directors	16	20,000,000	-	20,000,000	-
Borrowings (interest bearing)	17	10,067,423	2,281,815	-	-
Taxation		1,134,597	573,832	-	-
		43,125,983	20,603,376	20,108,258	100,848
NET CURRENT ASSETS/(LIABILITIES)		21,410,457	36,116,705	(20,046,670)	2,952,669
		187,680,460	143,694,035	96,872,518	76,570,031
FINANCED BY					
SHARE CAPITAL	19	72,931,600	72,111,600	72,931,600	72,111,600
RESERVES	20	76,090,043	58,308,506	3,655,918	4,458,431
SHAREHOLDERS' FUNDS		149,021,643	130,420,106	76,587,518	76,570,031
LONG TERM LIABILITIES					
Amounts owing to directors	16	20,285,000	-	20,285,000	-
Borrowings (interest bearing)	17	6,237,158	2,965,117	-	-
Deferred tax liabilities	21	12,136,659	10,308,812	-	-
		187,680,460	143,694,035	96,872,518	76,570,031

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

Income Statements

For The Financial Year Ended 31 December 2004

	NOTE	Group		Company	
		2004 RM	2003 RM	2004 RM	2003 RM
Revenue	22	146,613,886	127,694,541	6,126,000	102,000
Cost of sales		(103,191,236)	(95,799,144)	-	-
Gross profit		43,422,650	31,895,397	6,126,000	102,000
Other operating income		3,928,245	2,270,626	76,111	115,951
Selling and distribution expenses		(4,520,440)	(3,452,382)	-	-
Administration expenses		(14,157,135)	(10,465,029)	(1,451,627)	(186,149)
Profit from operations		28,673,320	20,248,612	4,750,484	31,802
Finance costs		(773,766)	(226,886)	-	-
Profit before tax	23	27,899,554	20,021,726	4,750,484	31,802
Tax expenses	25	(5,405,149)	(4,233,492)	(840,129)	(17,289)
Net profit for the financial year		22,494,405	15,788,234	3,910,355	14,513
Basic earnings per ordinary share (sen)	26	31.10	21.90		
Diluted earnings per ordinary share (sen)	26	30.95	21.88		
Dividends per share (sen)					
- Tax exempt:-	27				
- interim		3.00	-		
- final		8.00	8.00		

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

Statement Of Changes In Equity

For The Financial Year Ended 31 December 2004

Group	Share capital RM	Share premium RM	Revaluation reserve RM	Retained profits RM	Total RM
Balance as at 31 December 2002	72,101,600	131,210	4,281,595	52,263,351	128,777,756
Prior year adjustment (Note 28)	-	-	(554,339)	(7,840,577)	(8,394,916)
Restated balance	72,101,600	131,210	3,727,256	44,422,774	120,382,840
Net profit for the financial year	-	-	-	15,788,234	15,788,234
Final tax exempt dividends for financial year ended 31 December 2002	-	-	-	(5,768,128)	(5,768,128)
Share options exercised	10,000	7,160	-	-	17,160
Balance as at 31 December 2003	72,111,600	138,370	3,727,256	54,442,880	130,420,106
Net profit for the financial year	-	-	-	22,494,405	22,494,405
Final tax exempt dividends for financial year ended 31 December 2003 (Note 27)	-	-	-	(5,786,048)	(5,786,048)
Share options exercised	820,000	1,073,180	-	-	1,893,180
Balance as at 31 December 2004	72,931,600	1,211,550	3,727,256	71,151,237	149,021,643
Company					
Balance as at 31 December 2002	72,101,600	131,210	-	10,073,676	82,306,486
Net profit for the financial year	-	-	-	14,513	14,513
Final tax exempt dividends for financial year ended 31 December 2002	-	-	-	(5,768,128)	(5,768,128)
Share options exercised	10,000	7,160	-	-	17,160
Balance as at 31 December 2003	72,111,600	138,370	-	4,320,061	76,570,031
Net profit for the financial year	-	-	-	3,910,355	3,910,355
Final tax exempt dividends for financial year ended 31 December 2003 (Note 27)	-	-	-	(5,786,048)	(5,786,048)
Share options exercised	820,000	1,073,180	-	-	1,893,180
Balance as at 31 December 2004	72,931,600	1,211,550	-	2,444,368	76,587,518

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

Cash Flow Statements

For The Financial Year Ended 31 December 2004

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	27,899,554	20,021,726	4,750,484	31,802
Adjustments for:-				
Amortisation of goodwill	818,323	-	-	-
Allowance for doubtful debts	61,389	64,533	-	-
Bad debts written off	-	4,687	-	-
Property, plant and equipment written off	156,846	40,419	-	-
Depreciation of property, plant and equipment	12,883,431	10,209,634	-	-
Interest expense	1,516,727	226,886	742,961	-
Interest income	(208,579)	(178,560)	(76,038)	(115,905)
Dividend income	-	-	(6,000,000)	-
Allowance for doubtful debts no longer required	(74,292)	-	-	-
Gain on disposal of property, plant and equipment	(185,540)	(123,795)	-	-
Operating profit/(loss) before working capital changes	42,867,859	30,265,530	(582,593)	(84,103)
(Increase)/ Decrease in inventories	(5,508,941)	562,142	-	-
Decrease/(Increase) in trade receivables	8,084,742	(4,172,837)	-	-
(Increase)/Decrease in other receivables, deposits and prepayments	(1,260,919)	1,258,315	13,208	13,626
(Decrease)/Increase in trade payables	(10,351,655)	1,776,328	-	-
Increase/(Decrease) in other payables and accruals	923,145	(341,003)	7,410	5,060
Cash generated from/(used in) operations	34,754,231	29,348,475	(561,975)	(65,417)
Dividend received	-	-	5,160,000	-
Interest paid	(6,117)	(15,408)	-	-
Tax paid	(4,166,050)	(1,823,073)	(7,816)	-
Net cash from/(used in) operating activities	30,582,064	27,509,994	4,590,209	(65,417)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of subsidiary companies, net of cash acquired (Note 29)	(19,340,531)	-	(20,000,000)	-
Proceeds from disposal of property, plant and equipment	406,200	159,300	-	-
Purchase of property, plant and equipment	(18,625,816)	(17,402,702)	-	-
Repayment from subsidiary companies	-	-	16,983,174	5,683,733
Interest received	208,579	178,560	76,038	115,905
Net cash (used in)/from investing activities	(37,351,568)	(17,064,842)	(2,940,788)	5,799,638
CASH FLOWS FROM FINANCING ACTIVITIES				
(Repayment)/Drawdown of onshore foreign currency loan	(1,006,815)	1,006,815	-	-
Interest paid	(1,510,610)	(211,478)	(742,961)	-
Proceeds from issue of shares	1,893,180	17,160	1,893,180	17,160
Drawdown/(Repayment) of bankers' acceptance	5,000,000	(3,200,000)	-	-
Dividend paid	(5,786,048)	(5,768,128)	(5,786,048)	(5,768,128)
Drawdown of term loans	3,960,124	2,040,127	-	-
Net cash from/(used in) financing activities	2,549,831	(6,115,504)	(4,635,829)	(5,750,968)
Net (decrease)/increase in cash and cash equivalents	(4,219,673)	4,329,648	(2,986,408)	(16,747)
Cash and cash equivalents at beginning of the financial year	8,769,533	4,439,885	3,030,094	3,046,841
Cash and cash equivalents at end of the financial year (Note 30)	4,549,860	8,769,533	43,686	3,030,094

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

Notes To The Financial Statements 31 December 2004

1. General Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of Bursa Malaysia Securities.

The registered office of the Company is located at C15-1, Level 15, Tower C, Megan Avenue II, 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

The principal place of business of the Company is located at Lot 5043, 5½ Mile, Jalan Meru, 41050 Klang, Selangor Darul Ehsan.

The financial statements are presented in Ringgit Malaysia.

2. Financial Risk Management Objectives And Policies

The Group's activities expose it to a variety of financial risks including foreign currency exchange risk, liquidity risk, interest rate risk and credit risk. The Group's overall financial risk management objective is to ensure that the Group creates value and safeguard the interests of its shareholders. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies.

Foreign currency risk

The Group is exposed to transactional currency risk. Such exposures arise from substantial purchases of raw materials and moulds from Taiwan, India and South Korea. These purchases are invoiced in New Taiwan Dollar and the US Dollar. The Group also sells to customers in Thailand, Mexico, Italy and Saudi Arabia, and are invoiced in the US Dollar and Euro. The currencies giving rise to this risk are primarily the US Dollar, Euro and New Taiwan Dollar. As the effect of the currency risk is immaterial, the Group does not enter into any hedging contracts except for Euro which is hedged by forward contracts.

Liquidity risk

It is the Group's policy to ensure its ability to service its cash obligation in the future by way of measures and forecasts of its cash commitments, monitoring and maintaining a level of cash and cash equivalents deemed adequate to the Group's operations and development activities. The Group also maintains flexibility in funding by keeping committed credit lines available.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's short-term bank borrowings, term loan and fixed deposits placed with licensed banks. As the Group's income and operating cash flows are substantially independent of changes in market interest rates, the Group does not use derivative financial instruments to hedge its risk.

Credit risk

Cash deposits and receivables may give rise to credit risk which require the loss to be recognised if a counter party fails to perform as contracted. In order to manage this risk, it is the Group's policy to monitor the financial standing of these counter parties and perform credit evaluation on customers requiring credit.

Notes To The Financial Statements 31 December 2004 (continued)

3. Principal Activities

The Company is principally engaged in investment holding and the provision of management services.

The principal activities of the subsidiary companies are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and of its subsidiary companies during the financial year.

4. Basis Of Preparation Of Financial Statements

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

5. Significant Accounting Policies

5.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention (as modified by the revaluation of freehold land and buildings) unless otherwise indicated in the significant accounting policies.

The preparation of financial statements in conformity with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

5.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary companies made up to the end of the financial year. All significant inter-company balances and transactions have been eliminated and the consolidated financial statements relate to external transactions only.

The financial statements of the subsidiary companies have been consolidated using the merger accounting principles except for the financial statements of the newly acquired subsidiary companies, which are consolidated using acquisition accounting principles, in compliance with the requirement of MASB 21 Business Combination.

Under the merger method of accounting, merger deficit being the excess of the cost of investment over the nominal value of the share capital of the subsidiary companies acquired is written off against reserves, other than the share premium account, in the consolidated financial statements. The results of subsidiary companies have been accounted for on a full year basis.

Under the acquisition method of accounting, the difference between the purchase price and the fair value of the net assets of subsidiary companies at the date of acquisition is treated as goodwill or negative goodwill. Goodwill on consolidation is stated at cost less impairment losses, if any. Goodwill is amortised over its expected useful economic life of 25 years. Negative goodwill arising on consolidation is not recognised as income and is presented as a separate item in the balance sheet. The results of the subsidiary companies acquired or disposed of during the financial year are included in the consolidated financial statements from the date of their acquisition or up to the date of their disposal.

Notes To The Financial Statements 31 December 2004 (continued)

5.3 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses, if any.

The freehold land and buildings were revalued in 2002. The freehold land and buildings are revalued at regular intervals of at least once in every five years. Where market conditions indicate that the carrying values of revalued properties differ materially from the market values, additional revaluation will be carried out in those intervening years.

Surplus arising from such valuations is credited to shareholders' equity as a revaluation surplus and any subsequent deficit is charged against such surplus to the extent that the decrease offsets any increase. In all other cases, the deficit will be charged to the income statement.

No depreciation has been provided for in respect of freehold land and tools and dies development costs. Tools and dies development costs represent costs incurred in developing tools and dies for future production purposes which will be depreciated, upon completion, on the same basis as other tools and dies of the Group.

Depreciation of other property, plant and equipment is calculated using the straight line method to write off the cost of the assets over their estimated useful lives at the following principal annual rates:-

Buildings	2%
Plant and machinery	12.5% - 20%
Tools, equipment and air-conditioners	10%
Moulds and dies	10% - 20%
Motor vehicles	20%
Furniture, fittings and office equipment	10% - 33%
Cabin containers	10%
Renovation	8% - 10%

5.4 Investments

A subsidiary company is a company in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from its activities.

Investments in subsidiary companies and other investments held on a long term basis are stated at cost less impairment loss, if any.

5.5 Impairment of assets

The carrying amount of the Group's and Company's assets, other than financial assets (other than investment in subsidiary companies), inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount is less than the carrying amount of the asset. The impairment loss is recognised in the income statement immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation surplus account to the extent of the surplus credited from the previous revaluation for the same asset with the excess of the impairment loss charged to the income statement. All reversals of an impairment loss are recognised as income immediately in the income statement except for the reversal of an impairment loss on a revalued asset where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation surplus account of the same asset.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes To The Financial Statements 31 December 2004 (continued)

5.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Cost of raw materials and consumables comprises original cost of purchase plus the incidental costs of bringing the inventories to their present condition and location. Work-in-progress and finished goods include the cost of raw materials, direct labour and an appropriate proportion of manufacturing overheads.

5.7 Receivables

Receivables are carried at anticipated realisable value. Known bad debts are written off and specific allowance is made for debts where the collectibility is considered doubtful.

5.8 Foreign currency transactions and translations

Transactions in foreign currencies are converted into Ringgit Malaysia at the rates of exchange prevailing on the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at the approximate rates of exchange at the balance sheet date. All gains or losses arising from the settlement of foreign currency transactions and from translating foreign monetary assets and liabilities are taken up in the income statement.

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

	2004 RM	2003 RM
1 US Dollar	3.800	3.800
1 New Taiwan Dollar	0.115	0.113
Euro	<u>4.643</u>	<u>-</u>

5.9 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.

5.10 Employee benefits

5.10.1 Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year when employees have rendered their services to the Group and the Company.

Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

Notes To The Financial Statements 31 December 2004 (continued)

5.10.2 Equity compensation benefits

Details of the Group Employee Share Option Scheme are set out in Note 19 to the financial statements. The Group does not make a charge to the income statement in connection with share option scheme granted. When the share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital and share premium.

5.10.3 Defined contribution plans

The Company and subsidiary companies incorporated in Malaysia make contributions to statutory provident fund and recognise the contribution payable:-

- (i) after deducting contributions already paid as a liability; and
- (ii) as an expense in the financial year in which the employees render their services.

5.11 Income tax

Income tax in the financial statements for the financial year comprises current tax expense and deferred tax.

5.11.1 Current tax expense

Current tax expense represents domestic tax which is based on taxable profits.

5.11.2 Deferred tax

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

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

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 income taxes relate to the same taxation authority.

5.12 Revenue recognition

Company

Revenue from management fees for management services rendered to subsidiary companies is recognised in the income statement upon performance of services and billing.

Dividends from subsidiary companies are recognised in the income statement when shareholder's right to receive payment is established.

Group

Revenue from sale of goods and rendering of services are recognised in the income statement upon the delivery of goods and customer's acceptance and performance of services.

Notes To The Financial Statements 31 December 2004 (continued)

5.13 Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, deposits and other short term, highly liquid investments which are readily convertible to cash with insignificant risk of changes in value.

5.14 Financial instruments

5.14.1 Financial instruments recognised on the balance sheet

5.14.1.1 Ordinary shares

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of share issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of shares are accounted for as a deduction from share premium. Otherwise, they are charged to the income statement.

Dividends to shareholders are recognised in equity in the period in which they are declared.

5.14.1.2 Other borrowings

Other interest bearing borrowings are recorded at the amount of proceeds received, net of transaction cost.

5.14.1.3 Other financial instruments

The accounting policies for other financial instruments recognised on the balance sheet are disclosed in the individual policies associated with each item.

5.14.2 Financial instruments not recognised on the balance sheet

5.14.2.1 Foreign currency forward contracts

Foreign currency forward contracts are used to hedge exposures as a result of receipts and payments in foreign currency. Any gains or losses arising from contracts entered into as hedges of anticipated future transactions are deferred until the dates of such transactions at which time they are included in the measurement of such transactions.

5.15 Borrowing costs

Interest relating to a financial instrument, or a component part classified as a financial liability is reported as finance cost in the income statement.

Notes To The Financial Statements 31 December 2004 (continued)

6. Property, Plant And Equipment

Group

2004	Balance at 1.1.2004 RM	Acquisition of subsidiary companies RM	Additions RM	Disposals RM	Written off RM	Reclassi- fication RM	Balance at 31.12.2004 RM
Cost unless otherwise stated							
Freehold land							
- at 2002 valuation	15,384,638	-	-	-	-	-	15,384,638
- at cost	1,309,000	3,545,586	6,226,292	-	-	-	11,080,878
Buildings							
- at 2002 valuation	28,716,703	-	-	-	-	-	28,716,703
- at cost	-	9,622,007	54,293	-	-	-	9,676,300
Plant and machinery	34,565,893	6,219,558	1,188,309	(98,770)	(13,699)	-	41,861,291
Tools, equipment and air-conditioners	1,656,582	652,301	516,757	-	(12,891)	-	2,812,749
Moulds and dies	63,265,725	13,572,913	3,902,099	-	(86,571)	5,548,645	86,202,811
Motor vehicles	3,419,892	278,827	639,284	(697,131)	-	-	3,640,872
Furniture, fittings and office equipment	2,392,430	476,082	469,614	-	(30,746)	-	3,307,380
Signboard and electrical installation	-	86,655	-	-	(86,655)	-	-
Cabin containers	25,700	-	-	-	-	-	25,700
Tools and dies development costs	1,953,195	37,679	5,629,168	-	-	(5,548,645)	2,071,397
Renovation	53,042	229,623	-	-	(205,652)	-	77,013
	152,742,800	34,721,231	18,625,816	(795,901)	(436,214)	-	204,857,732

2004	Balance at 1.1.2004 RM	Acquisition of subsidiary companies RM	Charge for the financial year RM	Disposals RM	Written off RM	Reclassi- fication RM	Balance at 31.12.2004 RM
Accumulated depreciation							
Freehold land							
- at 2002 valuation	-	-	-	-	-	-	-
- at cost	-	-	-	-	-	-	-
Buildings							
- at 2002 valuation	608,368	-	608,309	-	-	-	1,216,677
- at cost	-	714,696	117,621	-	-	-	832,317
Plant and machinery	16,429,800	4,129,196	3,953,896	(32,739)	(13,699)	-	24,466,454
Tools, equipment and air-conditioners	768,094	341,813	199,675	-	(5,512)	-	1,304,070
Moulds and dies	24,204,600	8,136,960	6,817,611	-	(46,047)	-	39,113,124
Motor vehicles	1,833,245	138,002	658,089	(542,502)	-	-	2,086,834
Furniture, fittings and office equipment	1,372,753	314,342	508,648	-	(26,374)	-	2,169,369
Signboard and electrical installation	-	80,203	2,849	-	(83,052)	-	-
Cabin containers	24,538	-	170	-	-	-	24,708
Tools and dies development costs	-	-	-	-	-	-	-
Renovation	7,072	98,853	16,563	-	(104,684)	-	17,804
	45,248,470	13,954,065	12,883,431	(575,241)	(279,368)	-	71,231,357

Notes To The Financial Statements 31 December 2004 (continued)

6. Property, Plant And Equipment (continued)

Group

2003	Balance at 1.1.2003 RM	Additions RM	Disposals RM	Written off RM	Reclassi- fication RM	Balance at 31.12.2003 RM
Cost unless otherwise stated						
Freehold land						
- at 2002 valuation	15,384,638	-	-	-	-	15,384,638
- at cost	-	1,309,000	-	-	-	1,309,000
Buildings						
- at 2002 valuation	27,958,738	648,798	-	-	109,167	28,716,703
Plant and machinery	30,107,877	4,603,443	(145,427)	-	-	34,565,893
Tools, equipment and air-conditioners	1,617,358	118,826	(2,860)	(76,742)	-	1,656,582
Moulds and dies	52,495,811	5,560,813	-	-	5,209,101	63,265,725
Motor vehicles	3,173,151	581,004	(334,263)	-	-	3,419,892
Furniture, fittings and office equipment	2,044,067	362,552	(5,150)	(9,039)	-	2,392,430
Cabin containers	25,700	-	-	-	-	25,700
Tools and dies development costs	3,053,197	4,218,266	-	-	(5,318,268)	1,953,195
Renovation	53,042	-	-	-	-	53,042
	135,913,579	17,402,702	(487,700)	(85,781)	-	152,742,800

2003	Balance at 1.1.2003 RM	Charge for the financial year RM	Disposals RM	Written off RM	Reclassi- fication RM	Balance at 31.12.2003 RM
Accumulated depreciation						
Freehold land						
- at 2003 valuation	-	-	-	-	-	-
- at cost	-	-	-	-	-	-
Buildings						
- at 2003 valuation	-	608,368	-	-	-	608,368
Plant and machinery	13,212,020	3,331,603	(113,823)	-	-	16,429,800
Tools, equipment and air-conditioners	666,180	144,509	(1,701)	(40,894)	-	768,094
Moulds and dies	19,041,939	5,162,661	-	-	-	24,204,600
Motor vehicles	1,625,379	540,789	(332,923)	-	-	1,833,245
Furniture, fittings and office equipment	964,739	416,230	(3,748)	(4,468)	-	1,372,753
Cabin containers	24,368	170	-	-	-	24,538
Tools and dies development costs	-	-	-	-	-	-
Renovation	1,768	5,304	-	-	-	7,072
	35,536,393	10,209,634	(452,195)	(45,362)	-	45,248,470

Notes To The Financial Statements 31 December 2004 (continued)

6. Property, Plant And Equipment (continued)

Group

	Balance at 31.12.2004 RM	Balance at 31.12.2003 RM
Net book value		
Freehold land		
- at 2002 valuation	15,384,638	15,384,638
- at cost	11,080,878	1,309,000
Buildings		
- at 2002 valuation	27,500,026	28,108,335
- at cost	8,843,983	-
Plant and machinery	17,394,837	18,136,093
Tools, equipment and air-conditioners	1,508,679	888,488
Moulds and dies	47,089,687	39,061,125
Motor vehicles	1,554,038	1,586,647
Furniture, fittings and office equipment	1,138,011	1,019,677
Cabin containers	992	1,162
Tools and dies development costs	2,071,397	1,953,195
Renovation	59,209	45,970
	133,626,375	107,494,330

Freehold land and building of a subsidiary company with net book value of RM5,902,828 (2003: RM5,986,111) has been charged to a licensed bank for credit facilities granted to the subsidiary company.

The freehold land and building of the Group were revalued by the directors based on a valuation carried out in 2002 by an independent firm of professional valuers using the open market value method.

Had the revalued assets been carried at cost less depreciation, the carrying amounts would have been as follows:-

	Cost RM	Accumulated depreciation RM	Net book value RM
2004			
Freehold land	12,582,429	-	12,582,429
Buildings	28,936,028	(2,708,275)	26,227,753
	41,518,457	(2,708,275)	38,810,182
2003			
Freehold land	12,582,429	-	12,582,429
Buildings	28,936,028	(2,129,554)	26,806,474
	41,518,457	(2,129,554)	39,388,903

Notes To The Financial Statements 31 December 2004 (continued)**7. Investment In Subsidiary Companies**

	Company	
	2004 RM	2003 RM
Unquoted shares - at cost	81,251,951	20,966,951

Details of the subsidiary companies, which are incorporated in Malaysia, are as follows: -

Company name	Effective Equity Interest		Principal Activities
	2004	2003	
New Hoong Fatt Auto Supplies Sdn. Bhd.	100%	100%	Marketing, distribution and trading of automotive spare parts and accessories
NJ Manufacturing Industries Sdn. Bhd.	100%	100%	Manufacturing and marketing of automotive parts
Jhi Soon Auto Metal Sdn. Bhd.	100%	100%	Manufacturing and marketing of automotive parts
Hoeken Industrial Sdn. Bhd.	100%	-	Manufacturing of automotive parts
NS Plastic Industries Sdn. Bhd.	100%	-	Provision for plastic injection, spray painting and vacuum coating services
New Hoong Fatt Industries Sdn. Bhd.	100%	100%	Inactive
NJ Coatings Sdn. Bhd.	100%	100%	Dormant
NHF Mould Manufacturing Sdn. Bhd.	100%	100%	Dormant

On 26 May 2004, the Company acquired the following subsidiary companies:-

- (a) 100% equity interest in Hoeken Industrial Sdn. Bhd. for a purchase consideration of RM56,573,000.
- (b) 100% equity interest in NS Plastic Industries Sdn. Bhd. for a purchase consideration of RM3,712,000.

The effect of these acquisitions on the financial results of the Group for the financial year ended 31 December 2004 is as follows:-

	RM
Revenue	21,834,991
Cost of sales	(14,362,790)
Gross profit	7,472,201
Other operating income	406,753
Operating costs	(1,139,134)
Profit before tax	6,739,820
Tax expenses	(1,781,111)
Increase in Group profit	4,958,709

Notes To The Financial Statements 31 December 2004 (continued)

7. Investment In Subsidiary Companies (continued)

The effect of these acquisitions on the financial position of the Group at the end of the financial year is as follows:-

	RM
Property, plant and equipment	19,370,330
Inventories	3,019,881
Trade receivables	580,041
Other receivables, deposits and prepayments	94,611
Tax recoverable	31,544
Amounts owing by related companies	13,919,110
Cash and bank balance	363,818
Trade payables	(958,128)
Other payables and accruals	(968,672)
Amounts owing to related companies	(1,931,644)
Tax liabilities	(766,385)
Deferred tax liabilities	(889,747)
	<hr/>
Increase in Group net assets	31,864,759
	<hr/>

There were no acquisitions in the previous financial year.

8. Amounts Owing By Subsidiary Companies

The amounts owing by subsidiary companies arose mainly from advances, management fee receivable and payments made on behalf which are interest-free, unsecured and are not repayable within the next twelve months except when the financial position of the subsidiary companies permit repayment and that such repayment will not adversely affect the ability of the subsidiary companies to carry on their operation as a going concern.

9. Investments – At Cost

	Group	
	2004 RM	2003 RM
Unquoted investments in Malaysia	83,000	83,000

10. Goodwill On Consolidation

	Group	
	2004 RM	2003 RM
Arising from acquisition of subsidiary companies during the financial year (Note 29)	33,378,951	-
Less: Amortisation of goodwill	(818,323)	-
	<hr/>	<hr/>
	32,560,628	-
	<hr/>	<hr/>

Notes To The Financial Statements 31 December 2004 (continued)

11. Inventories

	Group	
	2004 RM	2003 RM
At cost		
Raw materials	7,573,979	2,504,000
Work-in-progress	1,081,596	918,878
Finished goods	11,407,241	8,428,750
Consumables	97,430	61,474
	20,160,246	11,913,102

12. Trade Receivables

	Group	
	2004 RM	2003 RM
Trade receivables	37,046,027	35,231,255
Less: Allowance for doubtful debts, net of bad debts written off of RM29,769 (2003: Nil)	(532,042)	(574,714)
	36,513,985	34,656,541

Included in trade receivables of the Group are amounts totalling RM84,480 (2003: RM202,551) owing by companies in which a director of the Company has substantial financial interest.

The credit terms of trade receivables range from 30 days to 120 days from date of invoice. The currency exposure of trade receivables of the Group are as follows:-

	2004 RM	2003 RM
Ringgit Malaysia	33,803,061	32,383,058
US Dollar	2,612,472	2,273,483
Euro	66,573	-
New Taiwan Dollar	31,879	-
	36,513,985	34,656,541

13. Other Receivables, Deposits And Prepayments

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Other receivables	170,803	155,858	-	14,158
Deposits	376,576	117,758	2,500	2,500
Prepayments	2,485,485	1,069,571	1,550	600
	3,032,864	1,343,187	4,050	17,258

Notes To The Financial Statements 31 December 2004 (continued)**13. Other Receivables, Deposits And Prepayments (continued)**

The currency exposure of prepayments of the Group are as follows:-

	2004 RM	Group 2003 RM
Ringgit Malaysia	1,013,823	314,363
New Taiwan Dollar	1,471,662	755,208
	<u>2,485,485</u>	<u>1,069,571</u>

14. Trade Payables

Included in trade payables of the Group are amounts totalling RM61,790 (2003: RM9,314,466) owing to companies in which a director of the Company has substantial financial interest.

The credit terms of trade payables range from 30 days to 120 days from date of invoice. The currency exposure of trade payables of the Group are as follows:-

	2004 RM	2003 RM
Ringgit Malaysia	5,659,518	13,976,462
US Dollar	101,554	23,566
	<u>5,761,072</u>	<u>14,000,028</u>

15. Other Payables And Accruals

	2004 RM	Group 2003 RM	2004 RM	Company 2003 RM
Other payables	1,428,033	695,105	7,008	2,848
Accruals	4,734,858	3,052,596	101,250	98,000
	<u>6,162,891</u>	<u>3,747,701</u>	<u>108,258</u>	<u>100,848</u>

Notes To The Financial Statements 31 December 2004 (continued)

16. Amounts Owing To Directors

The amounts owing to directors represent purchase consideration payable in respect of acquisition of new subsidiary companies during the financial year which are unsecured and bear interest at 3.0% per annum.

	Group/Company	
	2004 RM	2003 RM
Repayable as follows:-		
- not later than one year		
- to a director of the Company	13,753,703	-
- to a director of subsidiary companies	6,246,297	-
	20,000,000	-
- later than one year but not later than two years		
- to a director of the Company	13,949,693	-
- to a director of subsidiary companies	6,335,307	-
	20,285,000	-
	40,285,000	-

17. Borrowings (Interest Bearing)

	Group	
	2004 RM	2003 RM
Current liabilities		
<u>Secured</u>		
Term loans (Note 18)	1,500,000	1,275,000
<u>Unsecured</u>		
Term loan (Note 18)	3,333,333	-
Bank overdraft	234,090	-
Bankers' acceptance	5,000,000	-
Onshore foreign currency loan	-	1,006,815
	8,567,423	1,006,815
	10,067,423	2,281,815
Long term liabilities		
<u>Secured</u>		
Term loans (Note 18)	1,237,158	2,965,117
<u>Unsecured</u>		
Term loan (Note 18)	5,000,000	-
	6,237,158	2,965,117
	16,304,581	5,246,932

Notes To The Financial Statements 31 December 2004 (continued)

17. Borrowings (Interest Bearing) (continued)

	2004 RM	Group 2003 RM
Total borrowings		
Bank overdraft	234,090	-
Bankers' acceptance	5,000,000	-
Onshore foreign currency loan	-	1,006,815
Term loans (Note 18)	11,070,491	4,240,117
	16,304,581	5,246,932

Certain term loans of the Group are secured by means of a first fixed charge over the freehold land and building of a subsidiary company. The borrowings of the Group are guaranteed by the Company.

The currency exposure of bank borrowings of the Group is as follows:-

	2004 RM	Group 2003 RM
Ringgit Malaysia	16,304,581	4,240,117
US Dollar	-	1,006,815
	16,304,581	5,246,932

	2004 %	Group 2003 %
Weighted average effective annual interest rate:-		
Bank overdraft	7.13	6.13
Bankers' acceptance	3.12	3.19
Term loans	4.97	4.90
Onshore foreign currency loan	2.45	2.41
Trust receipt	1.92	-

18. Term Loans

	2004 RM	Group 2003 RM
<u>Secured</u>		
Term loan I repayable by 72 monthly instalments of RM50,000 each commencing September 2000	999,990	1,599,990
Term loan II repayable by 12 quarterly instalments of RM225,000 each commencing April 2004	1,737,168	2,640,127
	2,737,158	4,240,117
<u>Unsecured</u>		
Term loan III repayable by 36 equal monthly instalments of RM277,777 each commencing July 2004	8,333,333	-
	11,070,491	4,240,117

Notes To The Financial Statements 31 December 2004 (continued)**18. Term Loans (continued)**

	Group	
	2004 RM	2003 RM
Repayable as follows:-		
- not later than one year (Note 17)		
- secured	1,500,000	1,275,000
- unsecured	3,333,333	-
	4,833,333	1,275,000
- later than one year and not later than five years (Note 17)		
- secured	1,237,158	2,965,117
- unsecured	5,000,000	-
	6,237,158	2,965,117
	11,070,491	4,240,117

19. Share Capital

	Group/Company			
	2004		2003	
	Number of shares	RM	Number of shares	RM
Ordinary shares of RM1.00 each:-				
Authorised	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid:				
Balance as at 1 January	72,111,600	72,111,600	72,101,600	72,101,600
Share options exercised	820,000	820,000	10,000	10,000
Balance as at 31 December	72,931,600	72,931,600	72,111,600	72,111,600

During the financial year, the issued and fully paid-up share capital of the Company was increased from RM72,111,600 to RM72,931,600 by the issuance of 820,000 new ordinary shares of RM1.00 each pursuant to the exercise of the options under the ESOS.

These new ordinary shares rank pari passu in all respects with the then existing shares of the Company.

Notes To The Financial Statements 31 December 2004 (continued)

19. Share Capital (continued)

ESOS

The ESOS was approved by the shareholders at an Extraordinary General Meeting held on 8 June 2000.

The main features of the ESOS are as follows:-

- (a) The ESOS is made available to eligible employees of the Group and full time executive directors of the Company, who are confirmed employees of the Group and has been in permanent full time employment within the Group for a period of at least twenty four months of continuous services, including service during the probation period.
- (b) The total number of shares to be offered under the ESOS shall not, in aggregate, exceed 10% of the issued and paid-up share capital of the Company at any time during the existence of the ESOS which will be in force for a period of five years commencing from 30 August 2000.
- (c) The option price for a new share under the ESOS shall be allowed to be set at a discount of not more than 10% from the weighted average market price of the shares as quoted and shown in the Daily Official List issued by Bursa Malaysia Securities for the five market days immediately preceding the date of offer by the ESOS Committee or the par value of the shares, whichever is higher.
- (d) The actual entitlement of an eligible employee shall be determined by the ESOS Committee on the basis of job grade, years of service, contribution, dedication and loyalty of the employee and shall not be less than 1,000 shares nor more than 500,000 shares and shall always be in multiples of 1,000 shares.
- (e) Irrespective of the number of options held, the option holder may not exercise his/her option beyond the maximum allowable limit in the options exercisable per annum in accordance to the following percentages:-

Number of options granted	← Percentage of options exercisable per annum →				
	Year 1	Year 2	Year 3	Year 4	Year 5
Below 10,000	30%	30%	40% ¹	-	-
10,000 to 20,000	25%	25%	25%	25% ²	-
Above 20,000	20%	20%	20%	20%	20% ³

¹ 40% or the remaining number of options unexercised

² 25% or the remaining number of options unexercised

³ 20% or the remaining number of options unexercised

- (f) The shares shall, on issue and allotment upon any exercise of the option, rank pari passu in all respects with the then existing ordinary shares of the Company, except that they will not qualify for any dividend or distribution declared for payment to shareholders on the Register of Member/Record of Depositors as at the relevant books closing date which precedes the option exercise date.

The employees to whom the options have been granted are not eligible to participate in any other employee share option scheme implemented by any other company within the Group during the duration of the ESOS.

Notes To The Financial Statements 31 December 2004 (continued)

19. Share Capital (continued)

The details of option over the ordinary shares of the Company granted under the ESOS are set out as follows:-

31.12.2004			← Number of options over ordinary shares of RM1.00 each →				
Grant date	Expiry date	Exercise price per share RM	1.1.2004	Granted	Exercised	*Retracted	31.12.2004
04.09.2000	29.08.2005	2.37	4,129,000	-	(694,000)	(212,000)	3,223,000
24.10.2000	29.08.2005	2.37	12,000	-	-	-	12,000
10.04.2001	29.08.2005	1.67	36,000	-	(5,000)	(4,000)	27,000
22.10.2001	29.08.2005	2.00	54,000	-	(18,000)	(3,000)	33,000
11.04.2002	29.08.2005	2.75	33,000	-	-	(5,000)	28,000
21.10.2002	29.08.2005	2.00	90,000	-	(56,000)	(5,000)	29,000
03.04.2003	29.08.2005	1.85	54,000	-	(16,000)	(20,000)	18,000
08.10.2003	29.08.2005	1.85	25,000	-	-	(17,000)	8,000
08.10.2003	29.08.2005	1.95	98,000	-	(21,000)	(29,000)	48,000
23.04.2004	29.08.2005	2.20	-	22,000	-	(2,000)	20,000
29.07.2004	29.08.2005	2.15	-	180,000	(10,000)	(17,000)	153,000
28.10.2004	29.08.2005	2.55	-	8,000	-	-	8,000
			4,531,000	210,000	(820,000)	(314,000)	3,607,000

31.12.2003			← Number of options over ordinary shares of RM1.00 each →				
Grant date	Expiry date	Exercise price per share RM	1.1.2003	Granted	Exercised	*Retracted	31.12.2003
04.09.2000	29.08.2005	2.37	4,518,000	-	-	(389,000)	4,129,000
24.10.2000	29.08.2005	2.37	20,000	-	-	(8,000)	12,000
10.04.2001	29.08.2005	1.67	56,000	-	(8,000)	(12,000)	36,000
22.10.2001	29.08.2005	2.00	57,000	-	-	(3,000)	54,000
11.04.2002	29.08.2005	2.75	37,000	-	-	(4,000)	33,000
21.10.2002	29.08.2005	2.00	97,000	-	-	(7,000)	90,000
03.04.2003	29.08.2005	1.85	-	64,000	(1,000)	(9,000)	54,000
08.10.2003	29.08.2005	1.85	-	25,000	-	-	25,000
08.10.2003	29.08.2005	1.95	-	99,000	(1,000)	-	98,000
			4,785,000	188,000	(10,000)	(432,000)	4,531,000

* due to resignation

	2004	2003
Number of share options vested at balance sheet date	3,607,000	4,531,000

Notes To The Financial Statements 31 December 2004 (continued)

19. Share Capital (continued)

Details relating to share options exercised during the financial year and the fair value of shares issued at the exercise date are as follows:-

Exercise date	Average fair value per share at issue date RM	Exercise price per share RM	Number of shares issued	
			Year ended 31.12.2004	Year ended 31.12.2003
March 2004	2.46	1.85 - 2.37	202,000	-
April 2004	2.42	1.67 - 2.00	12,000	-
June 2004	2.20	1.85 - 2.00	8,000	-
August 2004	2.51	1.85	3,000	-
September 2004	2.66	1.85 - 2.15	23,000	-
October 2004	2.76	1.85 - 2.37	84,000	-
November 2004	2.92	2.00 - 2.37	102,000	-
December 2004	2.88	1.85 - 2.37	386,000	-
June 2003	2.08	1.67	-	8,000
July 2003	2.19	1.85	-	1,000
December 2003	2.29	1.95	-	1,000
			820,000	10,000

	31.12.2004 RM	31.12.2003 RM
Proceeds received:-		
Ordinary share capital - at par	820,000	10,000
Share premium	1,073,180	7,160
Proceeds received on exercise of share options	1,893,180	17,160
Fair value of shares issued at exercise date	2,253,630	21,120

The fair value of shares issued on the exercise of options is the monthly closing market price at which the Company's share were traded on Bursa Malaysia Securities.

20. Reserves

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
(a) Non-distributable:-				
Share premium	1,211,550	138,370	1,211,550	138,370
Revaluation reserve	3,727,256	3,727,256	-	-
(b) Distributable:-				
Retained profits	71,151,237	54,442,880	2,444,368	4,320,061
	76,090,043	58,308,506	3,655,918	4,458,431

Notes To The Financial Statements 31 December 2004 (continued)

20. Reserves (continued)

Subject to agreement of the Inland Revenue Board, the Company has:-

- (i) tax exempt income amounting to approximately RM8,942,000 (2003: RM11,728,000) available for distribution of tax exempt dividends; and
- (ii) sufficient tax credit under Section 108 of the Income Tax Act, 1967 and tax exempt income to frank the payment of net dividends out of all its retained profits as at 31 December 2004 without incurring additional tax liability.

21. Deferred Tax Liabilities

	Group	
	2004 RM	2003 RM
Balance as at 1 January, as previously reported	10,308,812	-
Prior year adjustment (Note 28)	-	8,394,916
Balance as at 1 January, as restated	10,308,812	8,394,916
Acquisition of subsidiary companies (Note 29)	839,728	-
Recognised in the income statement (Note 25)		
- current year	1,041,728	1,913,896
- over provision in prior years	(53,609)	-
	988,119	1,913,896
Balance as at 31 December	12,136,659	10,308,812

The deferred tax liabilities are made up of the following:-

	Group	
	2004 RM	2003 RM
Surplus arising from revaluation of freehold land and buildings	496,347	504,300
Excess of capital allowances over corresponding depreciation	11,640,312	9,828,628
	12,136,659	10,332,928
Allowance for doubtful debts	-	(24,116)
	12,136,659	10,308,812

22. Revenue

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Sale of goods	145,042,564	125,545,964	-	-
Rendering of services	1,571,322	2,148,577	-	-
Management fee	-	-	126,000	102,000
Dividends	-	-	6,000,000	-
	146,613,886	127,694,541	6,126,000	102,000

Notes To The Financial Statements 31 December 2004 (continued)

23. Profit Before Tax

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
This is arrived at after charging/(crediting):-				
Amortisation of goodwill	818,323	-	-	-
Allowance for doubtful debts	61,389	64,533	-	-
Auditors' remuneration:-				
- statutory				
- current year	56,083	45,500	8,000	5,000
- under provision in prior year	3,000	150	3,000	-
- non-statutory	2,500	2,500	2,500	2,500
Bad debts written off	-	4,687	-	-
Depreciation of property, plant and equipment	12,883,431	10,209,634	-	-
Directors' remuneration (Note 24):-				
- fees	385,000	353,500	92,000	86,000
- emoluments other than fees	1,390,941	1,279,040	52,000	52,000
Interest expense on:-				
- bankers' acceptance and trust receipts	145,558	104,434	-	-
- bank overdraft	6,117	15,408	-	-
- term loans	508,424	107,044	-	-
- corporate exercise	742,961	-	742,961	-
- onshore foreign currency loan	113,667	-	-	-
Rental of:-				
- factory and premises	263,760	362,400	-	-
- mould	5,776	-	-	-
Property, plant and equipment written off	156,846	40,419	-	-
Interest income from:-				
- fixed deposits	(208,563)	(178,560)	(76,038)	(115,905)
- others	(16)	-	-	-
Allowance for doubtful debts no longer required	(74,292)	-	-	-
Bad debts recovered	-	(2,579)	-	-
Realised gain on foreign exchange	(1,173)	(1,374)	-	-
Rental income	(903,020)	(662,800)	-	-
Tax exempt dividend from unquoted subsidiary company	-	-	(3,000,000)	-
Gross dividend from an unquoted subsidiary company	-	-	(3,000,000)	-
Gain on disposal of property, plant and equipment	(185,540)	(123,795)	-	-

Notes To The Financial Statements 31 December 2004 (continued)**24. Directors' Remuneration**

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Directors' remuneration:-				
- fees				
- payable by the Company	92,000	86,000	92,000	86,000
- payable by subsidiary companies	293,000	267,500	-	-
	385,000	353,500	92,000	86,000
- emoluments other than fees				
- payable by the Company	52,000	52,000	52,000	52,000
- payable by subsidiary companies	1,338,941	1,227,040	-	-
	1,390,941	1,279,040	52,000	52,000

The estimated monetary value of benefits-in-kind received by the directors in respect of the Group amounted to RM72,811 (2003: RM61,391).

The remuneration paid and payable to the Directors of the Group for the financial year, analysed into bands of RM50,000 are as follows:-

	Group	
	← No. of directors →	
	2004	2003
Less than RM50,000	3	3
RM50,000 to less than RM100,000	1	1
RM150,000 to less than RM200,000	1	1
RM300,000 to less than RM350,000	-	2
RM350,000 to less than RM400,000	2	-
RM600,000 to less than RM650,000	-	1
RM650,000 to less than RM700,000	1	-
	8	8

25. Tax Expenses

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Current tax expense based on profit for the financial year	4,455,615	2,317,609	841,748	24,609
Deferred tax liabilities (Note 21)	1,041,728	1,913,896	-	-
	5,497,343	4,231,505	841,748	24,609
(Over)/under provision in prior years:-				
- current tax expense	(38,585)	1,987	(1,619)	(7,320)
- deferred tax liabilities (Note 21)	(53,609)	-	-	-
	(92,194)	1,987	(1,619)	(7,320)
	5,405,149	4,233,492	840,129	17,289

Notes To The Financial Statements 31 December 2004 (continued)**25. Tax Expenses (continued)**

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

	Group		Company	
	2004	2003	2004	2003
	%	%	%	%
Average applicable tax rate	28.0	28.0	28.0	28.0
Income not subject to tax	(0.3)	-	(17.7)	-
Non-allowable expenses	0.5	1.1	7.4	49.0
Reinvestment allowance incentives	(8.0)	(8.0)	-	-
Reduction in statutory tax rate on chargeable income up to RM500,000 (2003: RM100,000)	(0.5)	-	-	-
	19.7	21.1	17.7	77.0
Over provision in prior years	(0.30)	-	-	-
Average effective tax rate	19.4	21.1	17.7	77.0

26. Earnings Per Share

The basic earnings per ordinary share is calculated by dividing the consolidated profit after tax of RM22,494,405 (2003: RM15,788,234) by the weighted average number of ordinary shares in issue during the financial year of 72,328,821 (2003: 72,106,362).

The diluted earnings per ordinary share is calculated based on the consolidated profit after tax of RM22,494,405 (2003: RM15,788,234) and on the adjusted weighted average number of ordinary shares issued and issuable of 72,681,413 (2003: 72,152,235). The adjusted weighted average number of ordinary shares issued and issuable has been arrived at based on the assumption that ESOS are exercised at the beginning of the financial year or the date of ESOS granted and the difference between the number of ordinary shares to be issued under ESOS and the number of ordinary shares that would have been issued at fair value are deemed to have been issued for no consideration.

The weighted average number of ordinary shares in issue plus the weighted average number of ordinary shares deemed to have been issued for no consideration upon exercise of ESOS is calculated as follows:-

	2004	2003
Weighted average number of ordinary shares in issue	72,328,821	72,106,362
Weighted average number of ordinary shares deemed to have been issued for no consideration upon exercise of the options under the ESOS	352,592	45,873
Weighted average number of ordinary shares for diluted earnings per share	72,681,413	72,152,235

Notes To The Financial Statements 31 December 2004 (continued)**27. Dividends Per Share**

	Group/Company	
	2004	2003
	RM	RM
Tax exempt dividend:-		
- interim of 3 sen (2003: Nil) per ordinary share	2,187,948	-
- final of 8 sen (2003: 8 sen) per ordinary share	5,834,528	5,786,048
	8,022,476	5,786,048

As approved by the shareholders at the Annual General Meeting held on 20 May 2004, a first and final tax exempt dividend of 8%, amounting to RM5,786,048 in respect of the previous financial year was paid on 4 June 2004 and has been accounted for as an appropriation of retained earnings in the current financial year.

The amount paid of RM5,786,048 is in excess of the dividend of RM5,768,928 proposed in last year's directors' report. The difference of RM17,120 was in respect of additional shares arising from the exercise of the option under the ESOS subsequent to end of the previous financial year, but prior to the closing date of the entitlement to dividend.

On 25 January 2005, the directors declared an interim tax exempt dividend of 3%, amounting to RM2,187,948 in respect of the current financial year. This dividend will be accounted for as an appropriation of retained earnings in the financial year ending 31 December 2005.

The proposed final tax exempt dividend of 8%, amounting to RM5,834,528 in respect of the current financial year has yet to be approved by the shareholders. This dividend, upon approval by the shareholders, will be accounted for as an appropriation of retained earnings in the financial year ending 31 December 2005.

28. Change In Accounting Policy And Prior Year Adjustments

In the previous financial year, the Group changed its accounting policy with respect to the provision for deferred tax to comply with MASB 25 Income Taxes. This change has been accounted for retrospectively. Deferred taxation has previously been provided on a partial provision basis, as allowed by IAS 12 Accounting for taxes on income. With the adoption of MASB 25, deferred tax liabilities are provided for under the liability method in respect of all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

The effects of the change in accounting policy in 2003 is summarised as below:-

	Group 2003 RM
Retained profits	
Balance as at 1 January, as previously reported	52,263,351
Effect of adoption of MASB 25	(7,840,577)
Balance as at 1 January, as restated	44,422,774
Revaluation reserve	
Balance as at 1 January, as previously reported	4,281,595
Effect of adoption of MASB 25	(554,339)
Balance as at 1 January, as restated	3,727,256

Notes To The Financial Statements 31 December 2004 (continued)

28. Change In Accounting Policy And Prior Year Adjustments (continued)

	Group 2003 RM
Net profit for the financial year	
Net profit before change in accounting policy	17,702,130
Effect of adoption of MASB 25	(1,913,896)
Net profit for the financial year	<u>15,788,234</u>
Deferred tax liabilities	
Balance as at 1 January, as previously reported	-
Effect of adoption of MASB 25	8,394,916
Balance as at 1 January, as restated	<u>8,394,916</u>

29. Acquisition Of Subsidiary Companies

- (a) On 26 May 2004, the Group completed the acquisition of the entire equity interest in Hoeken Industrial Sdn. Bhd. and NS Plastic Industries Sdn. Bhd.. The fair value of the assets acquired and the liabilities assumed are as follows:-

	Group 2004 RM
Property, plant and equipment	20,767,166
Inventories	2,738,203
Trade receivables	9,929,283
Other receivables, deposits and prepayments	428,758
Tax recoverable	62,900
Cash and bank balances	659,469
Trade payables	(2,112,699)
Other payables, deposits and accruals	(1,492,045)
Term loan	(2,870,250)
Tax liabilities	(365,008)
Deferred tax liabilities	(839,728)
Net assets acquired	26,906,049
Goodwill on consolidation (Note 10)	33,378,951
Total purchase consideration	60,285,000
Less: Cash and bank balances acquired	(659,469)
Amount outstanding included in amounts owing to directors	(40,285,000)
Cash flow on acquisition, net of cash and bank balances acquired	<u>19,340,531</u>

Notes To The Financial Statements 31 December 2004 (continued)

29. Acquisition Of Subsidiary Companies (continued)

(b) The cash flow on acquisition of the Company is as follows:-

	Company 2004 RM
Total purchase consideration	60,285,000
Less : Amount outstanding included in amounts owing to directors	(40,285,000)
Cash flow on acquisition	20,000,000

30. Cash And Cash Equivalents

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:-

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Fixed deposit with licenced banks	-	5,000,000	-	3,000,000
Cash and bank balances	4,783,950	3,769,533	43,686	30,094
Bank overdraft	(234,090)	-	-	-
	4,549,860	8,769,533	43,686	3,030,094

31. Financial Instruments

(a) Foreign Currency Risk

During the financial year, the Company entered into foreign currency forward contracts to manage exposures to currency risk for trade receivables where the receivables are denominated in a currency other than the functional currency of the Group.

The nominal amount and maturity date of the forward foreign exchange contracts outstanding as at 31 December 2004 are as follows:-

Contract	Currency	Expiry date	Contract amounts	RM equivalent
Forward foreign exchange contracts used to hedge trade receivables	Euro	31 Jan 2005	12,700	58,966

The unrecognised gain as at 31 December 2004 on the open contracts that hedge anticipated future foreign currency trade receivables amounting to RM6,325 are deferred and will be recognised when the related trade receivables are transacted, at which time they are included in the measurement of the transactions.

The Group did not enter into any forward foreign exchange contract in the previous financial year.

(b) Credit Risk

The Group has no significant concentration of credit risk. The maximum exposures to credit risk are represented by the carrying amounts of the financial assets in the balance sheets.

Notes To The Financial Statements 31 December 2004 (continued)

31. Financial Instruments (continued)

(c) Fair Values

The carrying amounts of the financial instruments of the Group and of the Company as at 31 December 2004 approximate their fair values except as set out below:-

	Group		Company	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Amounts owing by subsidiary companies	-	-	35,667,237	*
Amounts owing to directors	40,285,000	36,921,502	40,285,000	36,921,502

- * It is not practical to estimate the fair values of amounts owing by subsidiary companies. This is principally due to the lack of fixed repayment terms and viability to estimate fair values without incurring excessive costs. However, the Company does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

The following methods and assumptions are used to determine the fair values of financial instruments:-

- (i) The carrying amounts of financial assets and liabilities with maturity within 12 months approximates their fair values due to relatively short term maturity of these financial instruments.
- (ii) The cost of unquoted investments approximate their fair value based on their net realisable value.
- (iii) The fair values of the Group's term loans are estimated based on the current rates offered to the Group for loans of the same remaining maturities.
- (iv) The fair values of the amounts owing to directors are estimated by discounting future contracted cash flow at the commercial rate of similar borrowing.

32. Significant Related Party Transactions

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Sales to:-				
- Hoeken Industrial Sdn. Bhd.	197,782*	802,435	-	-
- NS Plastic Industries Sdn. Bhd.	11,266*	32,249	-	-
- Pong Codan Marketing Sdn. Bhd.	9,773	5,404	-	-
- Pong Codan Rubber (M) Sdn. Bhd.	225,049	8,727	-	-
Purchases from:-				
- Hoeken Industrial Sdn. Bhd.	9,621,870*	25,356,586	-	-
- NS Plastic Industries Sdn. Bhd.	302,459*	704,313	-	-
- Pong Codan Marketing Sdn. Bhd.	814,215	722,633	-	-
- Pong Codan Rubber (M) Sdn. Bhd.	338,689	15,156	-	-
Rental paid to:-				
- LF Kim Holdings Sdn. Bhd.	108,000	108,000	-	-
- Hoeken Industrial Sdn. Bhd.	71,535*	184,800	-	-
Rental received from NS Plastic Industries Sdn. Bhd.	66,890*	172,800	-	-

Notes To The Financial Statements 31 December 2004 (continued)

32. Significant Related Party Transactions (continued)

	Group		Company	
	2004	2003	2004	2003
	RM	RM	RM	RM
Directors' emoluments payables to:-				
Executive directors:-				
- fees	313,000	287,500	20,000	20,000
- directors' emoluments other than fees	1,199,333	1,102,000	24,000	24,000
- EPF contribution	163,608	149,040	-	-
Non-executive directors:-				
- fees	72,000	66,000	72,000	66,000
- directors' emoluments other than fees	28,000	28,000	28,000	28,000

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

Executive directors of the Company have been granted options under the Employee Share Option Scheme on the same terms and conditions as those offered to other employees of the Group (Note 19) as follows:-

31.12.2004			Number of options over ordinary shares of RM1.00 each			
Grant date	Expiry date	Exercise price per share RM	1.1.2004	Granted	Exercised	31.12.2004
4.9.2000	29.8.2005	2.37	1,400,000	-	(200,000)	1,200,000
31.12.2003			Number of options over ordinary shares of RM1.00 each			
Grant date	Expiry date	Exercise price per share RM	1.1.2003	Granted	Exercised	31.12.2003
4.9.2000	29.8.2005	2.37	1,400,000	-	-	1,400,000
Number of share options vested at balance sheet date				2004	2003	
				1,200,000	1,400,000	

The relationships between the Group and the related parties are as follows:-

Identities of related parties		Relationship with the Group
Hoeken Industrial Sdn. Bhd.	}	Companies in which a director of the Company, Mr. Kam Lang Fatt @ Kim Leng Fatt has substantial financial interest
*NS Plastic Industries Sdn. Bhd.	}	
Pong Codan Marketing Sdn. Bhd.	}	Companies in which a director of the Company, Mr. Kam Lang Fatt @ Kim Leng Fatt has substantial financial interest
Pong Codan Rubber (M) Sdn. Bhd.	}	
LF Kim Holdings Sdn. Bhd.	}	

* for the period from 1 January 2004 to 26 May 2004 before Hoeken Industrial Sdn. Bhd. and NS Plastic Industries Sdn. Bhd. became subsidiary companies.

Notes To The Financial Statements 31 December 2004 (continued)**33. Capital Commitments**

	Group	
	2004 RM	2003 RM
Contracted but not provided for in respect of property, plant and equipment	9,624,699	3,535,711

34. Contingent Liabilities - Unsecured

	Company	
	2004 RM	2003 RM
Guarantee in favour of banks for banking facilities granted to subsidiary companies	16,304,581	5,246,932
Guarantee in favour of third parties for supply of goods to subsidiary companies	571,872	423,648
	16,876,453	5,670,580

35. Employees And Staff Costs

	Group		Company	
	2004	2003	2004	2003
Number of employees, including executive directors, as at 31 December	706	494	4	4

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Staff costs				
Salaries, fee, wages, overtime, allowances and commission	11,993,087	8,816,231	44,000	44,000
EPF contribution	1,333,425	991,588	-	-
SOCISO contribution	142,135	99,328	-	-
Bonus	1,140,025	1,024,120	-	-
	14,608,672	10,931,267	44,000	44,000

Notes To The Financial Statements 31 December 2004 (continued)**36. Segmental Information**

No segmental reporting is presented as the Group operates predominantly in the manufacturing and trading of alternative automotive body parts for motor industry in Malaysia.

37. Significant Event During The Financial Year

The Company has entered into a sale and purchase agreement on 25 February 2004 with a director and his spouse, for the acquisition of entire equity interest in Hoeken Industrial Sdn. Bhd. and NS Plastic Industries Sdn. Bhd. for a total cash consideration of RM60,285,000. The acquisition was completed on 26 May 2004.

38. Event Subsequent To The Balance Sheet Date

On 7 February 2005, the Group has agreed to acquire five adjoining pieces of leasehold industrial land together with factory buildings constructed thereon for a total cash consideration of RM9,226,298 from a third party and has paid 2% of the purchase price as earnest deposit. The acquisition is conditional upon the vendor obtaining delivery of vacant possession from its existing tenants of two buildings.

The acquisition is not expected to have any material effect on the financial statements of the Group.

39. Authorisation For Issue Of Financial Statements

These financial statements were authorised for issue by Board of Directors on 22 February 2005.

List of Properties as at 31 December 2004

Senarai Hartanah pada 31 Disember 2004

Location <i>Lokasi</i>	Description /existing use <i>Keterangan / Kegunaan</i>	Land Area/ Built-Up Area <i>Keluasan Tanah/ Luas Kawasan Terbina</i>	Tenure/ Approximate Age of Building <i>Jenis Hakmilik / Anggaran Usia Bangunan</i>	Date of Last Revaluation or Acquisition <i>Tarikh Penilaian Semula atau Pembelian</i>	Net Book Value (RM'000) <i>Nilai Buku Bersih (RM'000)</i>
GM 28195 Lot 6342 Mukim of Setapak District of Kuala Lumpur Federal Territory	3-storey shop-house/Office and warehouse <i>Rumah kedai 3 tingkat/ Pejabat dan gudang</i>	152 sq m/ 457 sq m	Freehold/ 36 years <i>Pegangan bebas/ 36 tahun</i>	4.12.02	482
HS(M) 22101 No. PT 29778 Mukim of Kapar District of Klang Selangor	Industrial land and building/Office and factory <i>Tanah perindustrian dan bangunan/ Pejabat dan Kilang</i>	20,946 sq m/ 16,000 sq m	Freehold/ 6 – 13 years <i>Pegangan bebas/ 6-13 tahun</i>	27.11.02	14,605
GM 2119 Lot 5007 Mukim of Kapar District of Klang Selangor	Industrial land and building/Rented out as office and factory <i>Tanah perindustrian dan bangunan/ Disewa sebagai pejabat dan kilang</i>	12,145 sq m/ 5,925 sq m	Freehold/ 4 years <i>Pegangan bebas/ 4 tahun</i>	27.11.02	5,165
GM 3890 Lot 5043 Mukim of Kapar District of Klang Selangor	Industrial land and building/Office and warehouse <i>Tanah perindustrian dan bangunan/ Pejabat dan gudang</i>	10,921 sq m/ 7,184 sq m	Freehold/ 2 years <i>Pegangan bebas/ 2 tahun</i>	27.11.02	5,843
GM 1672 Lot 5044 Mukim of Kapar District of Klang Selangor	Industrial land and building/Warehouse <i>Tanah perindustrian dan bangunan/ Gudang</i>	12,145 sq m/ 16,560 sq m	Freehold/ 2 years <i>Pegangan bebas/ 2 tahun</i>	27.11.02	8,334
GM 1587 Lot 5045 Mukim of Kapar District of Klang Selangor	Industrial land and building/Factory <i>Tanah perindustrian dan bangunan/ Kilang</i>	12,145 sq m/ 5,520 sq m	Freehold/ 4 years <i>Pegangan bebas/ 4 tahun</i>	27.11.02	5,903
GM 1859 Lot 5046 Mukim of Kapar District of Klang Selangor	Industrial land and building/Office and factory <i>Tanah perindustrian dan bangunan/ Pejabat dan kilang</i>	12,141 sq m/ 7,906 sq m	Freehold/ 2 years <i>Pegangan bebas/ 2 tahun</i>	30.05.01 ¹	7,647
GM 3476 Lot 5047 Mukim of Kapar District of Klang Selangor	Industrial land and building/Factory <i>Tanah perindustrian dan bangunan/ Kilang</i>	12,145 sq m/ 1,171 sq m	Freehold/ 2 years <i>Pegangan bebas/ 2 tahun</i>	27.11.02	2,553

List of Properties as at 31 December 2004 (continued)
Senarai Hartanah pada 31 Disember 2004 (sambungan)

Location <i>Lokasi</i>	Description /existing use <i>Keterangan / Kegunaan</i>	Land Area/ Built-Up Area <i>Keluasan Tanah/ Luas Kawasan Terbina</i>	Tenure/ Approximate Age of Building <i>Jenis Hakmilik / Anggaran Usia Bangunan</i>	Date of Last Revaluation or Acquisition <i>Tarikh Penilaian Semula atau Pembelian</i>	Net Book Value (RM'000) <i>Nilai Buku Bersih (RM'000)</i>
GM 5352 Lot 5048 Mukim of Kapar District of Klang Selangor	Vacant industrial land <i>Tanah perindustrian kosong</i>	12,141 sq m/ -	Freehold/ - <i>Pegangan bebas/ -</i>	23.04.04 ²	2,265
GM 4325 Lot 4982 Mukim of Kapar District of Klang Selangor	Vacant land <i>Tanah kosong</i>	12,141 sq m/ -	Freehold/ - <i>Pegangan bebas/ -</i>	16.04.04 ²	1,343
GM 593 Lot 4983 Mukim of Kapar District of Klang Selangor	Vacant agricultural land <i>Tanah pertanian kosong</i>	12,141 sq m/ -	Freehold/ - <i>Pegangan bebas/ -</i>	16.04.04 ²	1,336
GM 2445 Lot 4984 Mukim of Kapar District of Klang Selangor	Vacant land <i>Tanah kosong</i>	12,141 sq m/ -	Freehold/ - <i>Pegangan bebas/ -</i>	28.04.04 ²	1,283
GM 3176 Lot 4993 Mukim of Kapar Daerah of Klang Selangor	Industrial land and building/Rented out as office and factory <i>Tanah perindustrian dan bangunan/ Disewa sebagai pejabat dan kilang</i>	12,141 sq m/ 6,240 sq m	Freehold/ 3 & 8 years <i>Pegangan bebas/ 3 & 8 tahun</i>	28.03.90 ¹	4,742
GM 5582 Lot 5065 Mukim of Kapar Daerah of Klang Selangor	Vacant industrial land <i>Tanah perindustrian kosong</i>	12,145 sq m/ -	Freehold/ 1 year <i>Pegangan bebas/ 1 tahun</i>	05.02.03 ²	1,309

Notes/Nota-nota:

¹ This was the date of acquisition of the properties by the new subsidiary, Hoeken Industrial Sdn Bhd. No revaluation was carried out since then.
Ini merupakan tarikh pembelian hartanah oleh syarikat subsidiari baru, Hoeken Industrial Sdn Bhd. Penilaian semula tidak dijalankan semenjak itu.

² This was the date of acquisition of the properties by the NHF Group. No revaluation was carried out since then.
Ini merupakan tarikh pembelian hartanah oleh Kumpulan NHF. Penilaian semula tidak dijalankan semenjak itu.

Analysis of Shareholdings as at 21 February 2005/ Analisa Pegangan Saham pada 21 Februari 2005

Authorised Share Capital/Modal Saham Dibenarkan	:	RM100,000,000.00
Issued and Paid-Up Share Capital/ Modal Saham Terbitan dan Berbayar	:	RM74,760,600.00
Class of Shares/Kelas Saham	:	Ordinary Shares of RM1.00 each/ Saham Biasa RM1.00 sesaham
No. of Shareholders/Bilangan Pemegang Saham	:	1,116
Voting Rights/Hak Mengundi	:	One Vote per Ordinary Share/ Satu undi bagi setiap Saham Biasa

Distribution of Shareholdings/Pengagihan Pegangan Saham

Size of Shareholdings/ Saiz Pegangan Saham	Shareholders/ Pemegang Saham	%	Shareholdings/ Pegangan Saham	%
1 – 99	2	0.18	10	0.00
100 – 1,000	176	15.77	156,000	0.21
1,001 – 10,000	709	63.53	2,830,690	3.79
10,001 – 100,000	175	15.68	5,065,700	6.78
100,001 – less than 5% of issued shares/ kurang dari 5% terbitan saham	51	4.57	31,050,313	41.53
5% and above of issued shares/ 5% dan ke atas terbitan saham	3	0.27	35,657,887	47.70
TOTAL/JUMLAH	1,116	100.00	74,760,600	100.00

Note/Nota : 5% of issued shares = 3,738,030 shares/
5% terbitan saham = 3,738,030 saham

Substantial Shareholders/Pemegang Saham Utama

Name>Nama	No. of Shares Held/ Bilangan Saham Dipegang		Total Shareholdings/ Jumlah Pegangan Saham	%
	Direct/ Langsung	Indirect/ Tidak Langsung		
1. Kam Lang Fatt @ Kim Leng Fatt	21,700,400	10,756,945 ¹	32,457,345	43.42
2. Wong Ah Moy @ Wong Yoke Len	10,036,945	22,420,400 ²	32,457,345	43.42
3. Kam Foong Keng	3,920,542	838,200 ³	4,758,742	6.37

¹ Deemed interested in the shares held by L F Kim Holdings Sdn Bhd (of which he is a substantial shareholder and director) and shares held by his spouse, Wong Ah Moy @ Wong Yoke Len.
Dianggap mempunyai kepentingan dalam saham yang dipegang oleh L F Kim Holdings Sdn Bhd (dimana beliau adalah pemegang saham utama dan pengarah) dan saham yang dipegang oleh isterinya, Wong Ah Moy @ Wong Yoke Len.

² Deemed interested in the shares held by L F Kim Holdings Sdn Bhd (of which she is a substantial shareholder and director) and shares held by her spouse, Kam Lang Fatt @ Kim Leng Fatt.
Dianggap mempunyai kepentingan dalam saham yang dipegang oleh L F Kim Holdings Sdn Bhd (dimana beliau adalah pemegang saham utama dan pengarah) dan saham yang dipegang oleh suaminya, Kam Lang Fatt @ Kim Leng Fatt.

³ Deemed interested in the shares held by her spouse, Chin Jit Sin.
Dianggap mempunyai kepentingan dalam saham yang dipegang oleh suaminya, Chin Jit Sin.

Analysis of Shareholdings as at 21 February 2005 (continued)

Analisa Pegangan Saham pada 21 Februari 2005 (sambungan)

Thirty (30) Largest Shareholders/Tiga Puluh (30) Pemegang Saham Terbesar

	Name>Nama	Shareholdings/ Pegangan Saham	%
1.	Kam Lang Fatt @ Kim Leng Fatt	21,700,400	29.03
2.	Wong Ah Moy @ Wong Yoke Len	10,036,945	13.43
3.	Kam Foong Keng	3,920,542	5.24
4.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for/untuk Prudential Dynamic Fund	2,396,600	3.21
5.	Lee Kam Tai	2,343,600	3.13
6.	Pui Cheng Wui	2,087,400	2.79
7.	BHLB Trustee Berhad TA Small Cap Fund	2,005,500	2.68
8.	BHLB Trustee Berhad Prugrowth Fund	1,786,000	2.39
9.	Patricia Lim Pek Yew	1,630,200	2.18
10.	Diong Siew Gi	1,545,913	2.07
11.	Wong Fong Ngoh	1,439,600	1.93
12.	Yogeswaran a/l Subramaniam	1,352,000	1.81
13.	Chin Jit Sin	838,200	1.12
14.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for/untuk OSK-UOB Small Cap Opportunity Unit Trust	797,300	1.07
15.	Jason Lim Yu Sang	774,000	1.03
16.	Pui Cheng Wui	750,200	1.00
17.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for/untuk Value Fund	750,000	1.00
18.	Wong Fong Ngoh	744,000	1.00
19.	L F Kim Holdings Sdn Bhd	720,000	0.96
20.	BHLB Trustee Berhad Prusmall-Cap Fund	689,300	0.92
21.	Amanah Raya Nominees (Tempatan) Sdn Bhd Public Smallcap Fund	631,800	0.85
22.	Kam Foong Sim	602,400	0.81
23.	Lien, Li-Yu	432,800	0.58
24.	Universal Trustee (Malaysia) Berhad TA Islamic Fund	402,200	0.54
25.	Lim Pin Kong	372,000	0.50
26.	RHB Nominees (Tempatan) Sdn Bhd RHB Asset Management Sdn Bhd for/untuk Yoong Kah Yin (EPF)	322,700	0.43
27.	Lim Pin Kong	306,000	0.41
28.	Tseng Wan-l	306,000	0.41
29.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Kumpulan Sentiasa Cemerlang Sdn Bhd for/untuk RHB Insurance Berhad (TSTAC/CLNT)	303,000	0.41
30.	Kam Fong Mei	284,200	0.38
	TOTAL/JUMLAH	62,270,800	83.29

Analysis of Shareholdings as at 21 February 2005 (continued)

Analisa Pegangan Saham pada 21 Februari 2005 (sambungan)

Directors' Interests (based on Register of Directors' Shareholdings)

Kepentingan Pengarah-pengarah (menurut Daftar Pegangan Saham Pengarah)

Name>Nama	No. of Shares Bilangan Saham		Total Shareholdings/ Jumlah Pegangan Saham	%
	Direct/ Langsung	Indirect/ Tidak Langsung		
1. Kam Lang Fatt @ Kim Leng Fatt	21,700,400	10,756,945 ¹	32,457,345	43.42
2. Chin Jit Sin	838,200	3,920,542 ²	4,758,742	6.37
3. Kam Foong Keng	3,920,542	838,200 ³	4,758,742	6.37
4. Kam Foong Sim	602,400	-	602,400	0.81
5. Wong Kwan @ Wong Kwong Kwan	24,000	-	24,000	0.03
6. Danny Ng Siew L'Leong	-	-	-	-
7. Datuk Dr. Anis bin Ahmad	-	-	-	-

¹ Deemed interested in the shares held by L F Kim Holdings Sdn Bhd (of which he is a substantial shareholder and director) and shares held by his spouse, Wong Ah Moy @ Wong Yoke Len.
Dianggap mempunyai kepentingan dalam saham yang dipegang oleh L F Kim Holdings Sdn Bhd (dimana beliau adalah pemegang saham utama dan pengarah) dan saham yang dipegang oleh isterinya, Wong Ah Moy @ Wong Yoke Len.

² Deemed interested in the shares held by his spouse, Kam Foong Keng.
Dianggap mempunyai kepentingan dalam saham yang dipegang oleh isterinya, Kam Foong Keng.

³ Deemed interested in the shares held by her spouse, Chin Jit Sin.
Dianggap mempunyai kepentingan dalam saham yang dipegang oleh suaminya, Chin Jit Sin.



NEW HOONG FATT HOLDINGS BERHAD (425709-K)
(Incorporated in Malaysia)

PROXY FORM

I/We
(full name in block letters)

of (full address)

being a member of NEW HOONG FATT HOLDINGS BERHAD, hereby appoint (full name)

of (full address)

or failing him/her, (full name)

of (full address)

or failing which, the Chairman of The Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Eighth (8th) Annual General Meeting of the Company to be held at East VIP Lounge, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 28 April 2005 at 10.00 a.m. or at any adjournment thereof and to vote as indicated below:

Resolutions	For	Against
1. Adoption of Financial Statements and Reports for the year ended 31 December 2004		
2. Declaration of final tax exempt dividend of 8%		
3. Re-election of Madam Kam Foong Keng as Director		
4. Re-election of Mr Danny Ng Siew L'Leong as Director		
5. Re-appointment of Mr Wong Kwan @ Wong Kwong Kwan as Director		
6. Approval of Directors' Fees of RM 92,000		
7. Re-appointment of Auditors and authorise Directors to fix their remuneration		
8. Authority to Directors to Issue and Allot Shares Pursuant to Section 132D of the Companies Act, 1965		

(Please indicate with a cross (X) in the space provided, how you wish your vote to be cast in respect of the above resolutions. If you do not do so, the proxy may vote or abstain at his/her discretion.)

Signed this day of 2005

No. of Ordinary Shares held

.....
Signature/Common Seal of Member

NOTES:

- Every member entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote for him/her. A proxy may but need not be a member of the Company. If a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
- The Proxy Form must be signed by the appointer or if the appointer is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
- The original signed and/or sealed copy of the Proxy Form must be deposited at the Registered Office of the Company at C15-1, Level 15, Tower C, Megan Avenue II, 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur at least forty-eight (48) hours before the time fixed for the meeting.



NEW HOONG FATT HOLDINGS BERHAD (425709-K)
(Diperbadankan di Malaysia)

BORANG PROKSI

Saya/Kami
(nama penuh dalam huruf besar)

dari (alamat penuh)

sebagai ahli NEW HOONG FATT HOLDINGS BERHAD, dengan ini melantik (nama penuh)

dari (alamat penuh)

atau jika beliau tidak dapat hadir, (nama penuh)

dari (alamat penuh)

atau jika beliau tidak dapat hadir, Pengerusi Mesyuarat tersebut, sebagai proksi saya/kami untuk mengundi bagi pihak saya/kami di Mesyuarat Agung Tahunan Syarikat yang ke Lapan (8) yang akan diadakan di East VIP Lounge, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur pada hari Khamis, 28 April 2005 jam 10.00 pagi dan pada sebarang penangguhannya seperti berikut:

Resolusi	Menyokong	Menentang
1. Penerimaan Penyata Perakaunan dan Laporan-laporan bagi tahun kewangan berakhir 31 Disember 2004		
2. Pengisytiharan dividen akhir dikecualikan cukai sebanyak 8%		
3. Pemilihan semula Puan Kam Foong Keng sebagai Pengarah		
4. Pemilihan semula Encik Danny Ng Siew L'Leong sebagai Pengarah		
5. Perlantikan semula Encik Wong Kwan @ Wong Kwong Kwan sebagai Pengarah		
6. Meluluskan yuran Pengarah sebanyak RM 92,000		
7. Perlantikan semula Juruaudit dan memberi kuasa kepada Pengarah untuk menetapkan bayaran mereka		
8. Kuasa di bawah Seksyen 132D Akta Syarikat, 1965 untuk Pengarah menerbit dan menawar saham		

(Sila tandakan (x) dalam ruangan yang disediakan di atas untuk pengundian yang anda menghendaki. Jika arahan khusus tidak diberikan, proksi akan mengundi atau tidak mengundi atas budi bicaranya.)

Ditandatangani pada haribulan 2005

Bilangan Saham Biasa yang dipegang

.....
Tandatangan /Meterai Ahli

Nota-nota:

1. Setiap ahli syarikat yang layak menghadiri dan mengundi dalam mesyuarat ini berhak untuk melantik tidak lebih dari dua (2) proksi untuk menghadiri dan mengundi bagi pihak dirinya. Seseorang proksi boleh, tetapi tidak semestinya seorang ahli Syarikat. Bagi ahli yang melantik dua (2) proksi, perlantikan proksi tidak sah sekiranya tidak menyatakan bahagian pegangannya yang diwakili oleh setiap proksi.
2. Surat cara perlantikan proksi mestilah secara bertulis dan ditandatangani oleh pelantik sendiri atau sekiranya ahli merupakan sebuah perbadanan, samada secara cop meterai atau ditandatangani oleh pegawai atau peguamcara, yang diberi kuasa sedemikian.
3. Surat cara perlantikan proksi yang asal dan telah disempurnakan mestilah diserahkan ke Pejabat Berdaftar Syarikat di C15-1, Level 15, Tower C, Megan Avenue II, 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur, sekurang-kurangnya empat-puluh lapan (48) jam sebelum waktu yang telah ditetapkan untuk mesyuarat berlangsung.