



Financial Statements

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Financial Statements

Directors' Report for the year ended 31 December 2004

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and the provision of management services whilst the principal activities of its subsidiaries are stated in Note 3 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Net profit for the year	1,566,079	1,708,423

RESERVES AND PROVISIONS

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

DIVIDENDS

Since the end of the previous financial year, the Company paid a first and final tax exempt dividend of 7.0 sen per ordinary share amounting to RM3,012,730 in respect of the financial year ended 31 December 2003 on 15 July 2004.

A first and final dividend of 3% per ordinary share comprising of 2% less tax per ordinary share and 1% tax exempt per ordinary share amounting to approximately RM930,000 and RM646,000 respectively in respect of the financial year ended 31 December 2004 will be proposed for shareholders' approval at the forthcoming Annual General Meeting.

DIRECTORS OF THE COMPANY

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

Yg. Bhg. Datuk Haji Sarip bin Hamid
 Tuan Haji Mohd Ali bin Bawal
 Lim Siok Hui
 Liew Cheng York
 Ooi Boon Pin
 Chew Siew Hong
 Ashari bin Ayub
 Lasa bin Mat Desa
 Yg. Bhg. Lt. Jen (B) Datuk Haji Abdul Aziz bin Hasan

DIRECTORS' INTERESTS

The holdings and deemed holdings in the ordinary shares of the Company and of its related corporations (other than wholly owned subsidiaries) of those who are Directors at year end as recorded in the Register of Directors' shareholdings are as follows:

Directors' Report for the year ended 31 December 2004 (cont'd)

	Number of ordinary shares of RM1.00 each				
	At 1.1.2004	Bought	Sold	Bonus Issue	At 31.12.2004
Shares in the Company					
Yg. Bhg. Datuk Haji Sarip bin Hamid					
- direct interest	175,000	-	-	87,500	262,500
- indirect interest	13,599,993	-	-	6,799,997	20,399,990
Tuan Haji Mohd Ali bin Bawal					
- direct interest	10,000	-	-	5,000	15,000
Lim Siok Hui					
- direct interest	2,942,742	223,300	(500,000)	1,313,871	3,979,913
Liew Cheng York					
- direct interest	6,653,265	4,398,300	(4,535,000)	3,172,632	9,689,197
Ooi Boon Pin					
- direct interest	2,884,001	175,000	-	1,529,501	4,588,502
Chew Siew Hong					
- direct interest	2,020,399	-	-	1,010,200	3,030,599
Ashari bin Ayub					
- direct interest	10,000	-	-	5,000	15,000
Lasa bin Mat Desa					
- direct interest	10,000	-	-	5,000	15,000

The number of options pursuant to the Executive Share Option Scheme ("ESOS") granted to the Directors over the ordinary shares of the Company are as follows:

Name	Number of options over ordinary shares of RM1 each			
	At 1.1.2004	Granted	Exercised	At 31.12.2004
Lim Siok Hui	175,000	-	175,000	-
Liew Cheng York	167,000	-	167,000	-
Ooi Boon Pin	175,000	-	175,000	-

Yg. Bhg. Lt. Jen (B) Datuk Haji Abdul Aziz bin Hasan did not have any interest in the ordinary shares of the Company and of its related corporations during the financial year.

By virtue of Liew Cheng York and Datuk Haji Sarip bin Hamid having interest of more than 15% in the ordinary shares of the Company, they are deemed to have an interest in the issued share capital of all the subsidiaries held by the Company during the financial year. Details of their deemed shareholdings in non-wholly owned subsidiaries are as follows:

	Number of ordinary shares of USD1 each			
	At 1.1.2004	Bought	Sold	At 31.12.2004
Indirect interests				
PT Indotech Metal Nusantara	600,000	-	-	600,000
Guang Dong Jotech Kong Yue Precision Industries Ltd	2,400,000	-	-	2,400,000

Directors' Report for the year ended 31 December 2004 (cont'd)

	Number of ordinary shares of SGD1 each			
	At 1.1.2004	Bought	Sold	At 31.12.2004
Indirect interest				
Palladine Technology Pte. Ltd.	750,000	-	-	750,000
	Number of ordinary shares of RM1 each			
	At 1.1.2004	Bought	Sold	At 31.12.2004
Indirect interests				
Cabletron Electronics (M) Sdn. Bhd.	3,000,000	-	-	3,000,000
Cabletron (M) Sdn. Bhd.	6,000	-	-	6,000
Star Annexe Sdn. Bhd.	-	1	-	1
Assets 88 Sdn. Bhd.	-	1	-	1

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by 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, other than a Director who has substantial financial interests in companies which traded with certain companies in the Group in the ordinary course of business.

There were no arrangements during and at the end of the financial year 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 apart from the ESOS.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued

- (i) 1,377,000 ordinary shares of RM1.00 each arising from the exercise of ESOS at the average price of RM1.41 per ordinary share; and
- (ii) 21,532,500 new ordinary shares of RM1.00 each via capitalisation of bonus issue, on the basis of one (1) new ordinary share for every two (2) existing ordinary shares held. The bonus issue was allotted on 5 August 2004 and credited as fully paid ordinary shares via capitalisation from the Company's share premium account and retained profits of RM6,000,000 and RM15,532,500 respectively.

There were no other changes in the issued and paid-up capital of the Company during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the year apart from the issue of options pursuant to the ESOS.

At the Annual General Meeting held on 22 May 2002, the Company's shareholders approved the establishment of an ESOS with a maximum option of not more than 10% of the issued share capital of the Company to eligible Directors and executives of the Group.

The options offered to take up unissued ordinary shares of RM1.00 each and the option prices are as follows:

Date of Offer	Option price* RM	Number of options over ordinary shares of RM1.00 each				
		At 1.1.2004	Exercised	Lapse due to resignation	Bonus issue	At 31.12.2004
15.7.2002	1.00	1,474,000	(1,167,000)	(46,000)	130,500	391,500
28.4.2003	1.00	233,000	(138,000)	(26,000)	42,000	111,000
15.10.2003	1.15	418,000	(72,000)	(33,000)	156,500	469,500

Directors' Report for the year ended 31 December 2004 (cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES (cont'd)

* Option prices were adjusted by bonus issue on the basis of 1 for 2 ordinary shares which was allotted on 5 August 2004.

The salient features of the scheme are as follows:

- i) Any Director or executive of the Group shall be eligible to participate in the scheme if, as at the date of offer, the Director or executive has attained the age of eighteen (18) years, confirmed in service and on the payroll of a company within the Group and has been employed by the Group for at least six (6) months;
- ii) The number of shares allocated to Directors and senior management shall not exceed 50% of the total shares available under the scheme;
- iii) The number of shares allocated to any individual Director or executive who, either individually or collectively through his/her associates, hold 20% or more in the issued and paid-up capital of the Company shall not exceed 10% of the total shares available under the scheme;
- iv) The option is personal to the grantee and cannot be assigned, transferred, encumbered or otherwise disposed of in any manner whatsoever;
- v) The option price shall be determined by the weighted average of the mean market quotation of the Company's ordinary shares as shown in the daily official list issued by the Bursa Securities for the five trading days preceding the respective dates of the offer in writing to the grantee or at the par value of the ordinary shares of the Company, whichever is higher;
- vi) The options granted may be exercised at any time within a period of ten years from the date of offer of the option or such shorter period as may be specifically stated in the offer upon giving notice in writing;
- vii) The options granted may be exercised according to the following scale in respect of a maximum of the following:

Number of shares in respect of options granted	Percentage of options exercisable (%)		
	Year 1	Year 2	Year 3
Below 14,000	50	50	-
14,000 and above	30	30	40

The percentage of options exercisable but not exercised in a particular year can be carried forward to the subsequent years within the option period;

- viii) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of 1,000 shares.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

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

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

Directors' Report for the year ended 31 December 2004 (cont'd)

OTHER STATUTORY INFORMATION (cont'd)

- ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 31 December 2004 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:



LIM SIOK HUI

Selangor Darul Ehsan,

27 April 2005



OOI BOON PIN

Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 41 to 78 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2004 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:



LIM SIOK HUI

Selangor Darul Ehsan,

27 April 2005



OOI BOON PIN

Statutory Declaration pursuant to Section 169(16) of the Companies Act, 1965

I, **Leong Lup Yan**, the officer primarily responsible for the financial management of Jotech Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 41 to 78 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 in Selangor Darul Ehsan on 27 April 2005.



LEONG LUP YAN

Before me:
Commissioner for Oaths

Report of the Auditors to the members of Jotech Holdings Berhad

We have audited the financial statements set out on pages 41 to 78. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

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 all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and 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 at 31 December 2004 and the results of their operations and cash flows for the year ended on that date; and
 - ii) 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
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiaries in respect of which we have not acted as auditors are identified in Note 3 to the financial statements and we have considered their financial statements and the auditors' reports thereon except as mentioned in Note 3 to the financial statements.

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

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

KPMG
Firm Number: AF 0758
Chartered Accountants
Kuala Lumpur
27 April 2005

TANG SENG CHOON
Partner
Approval Number: 2011/12/05(J)

Group Balance Sheet at 31 December 2004

	Note	2004 RM	2003 RM
Property, plant and equipment	2	73,923,353	67,840,785
Intangible assets	4	7,362,060	11,292,832
Other investments	5	4,000,000	4,000,000
Deferred tax assets	15	2,113,000	-
Current assets			
Inventories	7	37,359,783	22,000,292
Trade and other receivables	8	33,821,169	28,423,570
Tax recoverable		2,072,043	2,044,389
Other investments	5	1,500,054	5,236,952
Cash and cash equivalents	9	13,746,347	27,093,472
		88,499,396	84,798,675
Current liabilities			
Trade and other payables	10	24,104,232	26,862,348
Borrowings	11	12,616,146	5,737,892
Taxation		2,029,750	1,314,954
		38,750,128	33,915,194
Net current assets		49,749,268	50,883,481
		137,147,681	134,017,098
Financed by:			
Capital and reserves			
Share capital	12	64,597,500	41,688,000
Reserves	13	11,434,628	33,868,389
		76,032,128	75,556,389
Minority interests	14	9,378,670	11,771,266
Long term and deferred liabilities			
Deferred tax liabilities	15	3,925,917	3,490,549
Borrowings	11	47,810,966	43,198,894
		137,147,681	134,017,098

The financial statements were approved and authorised for issue by the Board of Directors on 27 April 2005. The notes set out on pages 51 to 78 form an integral part of, and should be read in conjunction with, these financial statements.

Group Income Statement for the year ended 31 December 2004

	Note	2004 RM	2003 RM
Revenue	16	158,007,478	117,952,878
Cost of sales		(134,977,376)	(94,022,096)
Gross profit		23,030,102	23,930,782
Distribution costs		(1,980,432)	(1,048,958)
Administration expenses		(16,769,688)	(11,935,352)
Other operating expenses		(2,597,886)	(406,228)
Other operating income		664,358	3,589,568
Operating profit	16	2,346,454	14,129,812
Interest expense		(3,714,157)	(3,831,300)
Interest income		1,032,804	699,829
(Loss)/Profit before taxation		(334,899)	10,998,341
Tax expense	19	(94,352)	(1,615,422)
(Loss)/Profit after taxation		(429,251)	9,382,919
Less: Minority interests		1,995,330	(1,044,656)
Net profit for the year		1,566,079	8,338,263
Basic earnings per ordinary share (sen)	20	2.45	13.81
Diluted earnings per ordinary share (sen)	20	2.43	13.24
Dividend per ordinary share – net (sen)	21	2.44	7.00

The notes set out on pages 51 to 78 form an integral part of, and should be read in conjunction with, these financial statements.

Group Statement of Changes in Equity for the year ended 31 December 2004

	Note RM	Share capital RM	Non-distributable Share premium RM	Translation reserves RM	Distributable Retained profits RM	Sub-total RM	Total
At 1 January 2003		40,000,000	5,486,547	-	21,141,170	26,627,717	66,627,717
Issue of shares:							
Exercise of share options	12	1,688,000	660,790	-	-	660,790	2,348,790
Exchange differences on translation of the financial statements of foreign entities		-	-	41,844	-	41,844	41,844
Net profit for the year		-	-	-	8,338,263	8,338,263	8,338,263
Dividend – 2002 final	21	-	-	-	(1,800,225)	(1,800,225)	(1,800,225)
At 31 December 2003/							
1 January 2004		41,688,000	6,147,337	41,844	27,679,208	33,868,389	75,556,389
Issue of shares:							
Exercise of share options	12	1,377,000	558,661	-	-	558,661	1,935,661
Bonus issue	12	21,532,500	-	-	-	-	-
Exchange differences on translation of the financial statements of foreign entities		-	-	34,879	-	34,879	34,879
Share issuance expenses		-	(48,150)	-	-	(48,150)	(48,150)
Net profit for the year		-	-	-	1,566,079	1,566,079	1,566,079
Dividend – 2003 final	21	-	-	-	(3,012,730)	(3,012,730)	(3,012,730)
At 31 December 2004		64,597,500	657,848	76,723	10,700,057	11,434,628	76,032,128

Note 12

The notes set out on pages 51 to 78 form an integral part of, and should be read in conjunction with, these financial statements.

Group Cash Flow Statement for the year ended 31 December 2004

	Note	2004 RM	2003 RM
Cash flows from operating activities			
(Loss)/Profit before taxation		(334,899)	10,998,341
Adjustments for:			
Allowance for diminution in value		380,000	-
Amortisation of goodwill and other intangibles		370,414	392,878
Depreciation		8,038,187	6,623,111
Dividend income		(50,087)	(11,280)
Gain on disposal of property, plant and equipment		(98,317)	(1,170,555)
Interest expense		3,714,157	3,831,300
Interest income		(1,032,804)	(699,829)
Loss/(Gain) on disposal of other investments		240,544	(2,020,345)
Loss on disposal of property, plant and equipment		-	6,319
Property, plant and equipment written off		9,692	19,285
Operating profit before working capital changes		11,236,887	17,969,225
Movements in working capital:			
Inventories		(15,359,491)	(718,107)
Trade and other receivables		(6,896,589)	(13,017,772)
Trade and other payables		1,428,018	(8,573,778)
Cash used in operations		(9,591,175)	(4,340,432)
Income taxes paid		(677,949)	(1,128,855)
Net cash used in operating activities		(10,269,124)	(5,469,287)
Cash flows from investing activities			
Acquisition of intangible assets		(2,500)	-
Acquisition of subsidiaries, net of cash acquired	25	2	4,039,575
Dividend received		50,087	11,280
Interest received		1,081,104	651,529
Proceeds from disposal of other investments		9,271,437	78,260,060
Proceeds from disposal of property, plant and equipment		148,674	1,472,464
Purchase of other investments		(6,155,083)	(61,476,667)
Purchase of property, plant and equipment	(i)	(13,468,147)	(27,231,128)
Net cash used in investing activities		(9,074,426)	(4,272,887)

Group Cash Flow Statement for the year ended 31 December 2004 (cont'd)

	Note	2004 RM	2003 RM
Cash flows from financing activities			
Dividend paid		(3,012,730)	(1,800,225)
Interest paid		(3,714,157)	(3,635,324)
Proceeds from exercise of share options		1,935,661	2,348,790
Proceeds from loans and other borrowings		16,350,301	-
Repayments of hire purchase liabilities		(206,307)	(288,493)
Repayments of loans and other borrowings		(5,364,310)	(5,615,986)
Share issuance expenses		(48,150)	-
Net cash generated from/(used in) financing activities		5,940,308	(8,991,238)
Exchange differences on translation of the financial statements of foreign operations			
		56,117	69,740
Net decrease in cash and cash equivalents		(13,347,125)	(18,663,672)
Cash and cash equivalents at beginning of year		27,093,472	45,757,144
Cash and cash equivalents at end of year	(ii)	13,746,347	27,093,472

i) Purchase of property, plant and equipment

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM14,178,789 (2003 – RM27,460,040) of which RM710,642 (2003 – RM228,912) was acquired by means of hire purchase.

ii) Cash and cash equivalents comprise:

	2004 RM	2003 RM
Cash and bank balances	10,414,920	23,158,532
Deposits placed with:		
Licensed banks	1,601,084	424,095
Other corporations	1,730,343	3,510,845
	13,746,347	27,093,472

The notes set out on pages 51 to 78 form an integral part of, and should be read in conjunction with, these financial statements.

Company Balance Sheet at 31 December 2004

	Note	2004 RM	2003 RM
Property, plant and equipment	2	348,782	473,835
Investments in subsidiaries	3	32,893,755	32,643,755
Other investments	5	4,000,000	4,000,000
Loans to subsidiaries	6	78,261,847	79,187,459
Deferred tax assets	15	239,000	-
Current assets			
Other receivables	8	639,205	1,410,739
Tax recoverable		62,701	90,107
Other investments	5	1,500,054	194,452
Cash and cash equivalents	9	1,302,636	874,790
		3,504,596	2,570,088
Current liabilities			
Other payables	10	430,287	594,865
Borrowings	11	45,783	42,001
		476,070	636,866
Net current assets		3,028,526	1,933,222
		118,771,910	118,238,271
Financed by:			
Capital and reserves			
Share capital	12	64,597,500	41,688,000
Reserves	13	14,075,217	36,401,513
		78,672,717	78,089,513
Long term liabilities			
Borrowings	11	40,099,193	40,148,758
		118,771,910	118,238,271

The financial statements were approved and authorised for issue by the Board of Directors on 27 April 2005. The notes set out on pages 51 to 78 form an integral part of, and should be read in conjunction with, these financial statements.

Company Income Statement for the year ended 31 December 2004

	Note	2004 RM	2003 RM
Revenue	16	3,928,927	21,146,025
Administration expenses		(2,305,882)	(1,471,423)
Other operating income		8,202	2,120,163
Operating profit	16	1,631,247	21,794,765
Interest expense		(2,845,538)	(2,759,281)
Interest income		3,272,785	2,217,158
Profit before taxation		2,058,494	21,252,642
Tax expense	19	(350,071)	(2,002,778)
Net profit for the year		1,708,423	19,249,864
Dividend per ordinary share – net (sen)	21	2.44	7.00

The notes set out on pages 51 to 78 form an integral part of, and should be read in conjunction with, these financial statements.

Company Statement of Changes in Equity for the year ended 31 December 2004

	Note	Non-distributable			Distributable		Total RM
		Share capital RM	Share premium RM	Merger reserves RM	Retained profits RM	Sub-total RM	
At 1 January 2003		40,000,000	5,486,547	10,846,150	1,958,387	18,291,084	58,291,084
Issue of shares:							
Exercise of share options	12	1,688,000	660,790	-	-	660,790	2,348,790
Net profit for the year		-	-	-	19,249,864	19,249,864	19,249,864
Dividend – 2002 final	21	-	-	-	(1,800,225)	(1,800,225)	(1,800,225)
At 31 December 2003/							
1 January 2004		41,688,000	6,147,337	10,846,150	19,408,026	36,401,513	78,089,513
Issue of shares:							
Exercise of share options	12	1,377,000	558,661	-	-	558,661	1,935,661
Bonus issue		21,532,500	(6,000,000)	-	(15,532,500)	(21,532,500)	-
Share issuance expenses	12	-	(48,150)	-	-	(48,150)	(48,150)
Net profit for the year		-	-	-	1,708,423	1,708,423	1,708,423
Dividend – 2003 final	21	-	-	-	(3,012,730)	(3,012,730)	(3,012,730)
At 31 December 2004		64,597,500	657,848	10,846,150	2,571,219	14,075,217	78,672,717

Note 12

Note 13

The notes set out on pages 51 to 78 form an integral part of, and should be read in conjunction with, these financial statements.

Company Cash Flow Statement for the year ended 31 December 2004

Note	2004 RM	2003 RM
Cash flows from operating activities		
Profit before taxation	2,058,494	21,252,642
Adjustments for:		
Allowance for diminution in value	380,000	-
Depreciation	131,353	114,502
Dividend income	(2,411,093)	(19,652,778)
Interest income	(3,272,785)	(2,217,158)
Interest expense	2,845,538	2,759,281
Loss/(Gain) on disposal of other investments	322,519	(1,990,410)
Loss on disposal of property, plant and equipment	-	789
Operating profit before working capital changes	54,026	266,868
Movements in working capital:		
Other receivables	723,234	(326,427)
Other payables	(96,257)	16,668
Cash generated from / (used in) operating activities	681,003	(42,891)
Income taxes paid	(95,000)	(2,002,266)
Net cash generated from / (used in) operating activities	586,003	(2,045,157)
Cash flows from investing activities		
Acquisition of subsidiaries	(2)	(1,608,750)
Interest received	3,321,085	2,168,858
Proceeds from disposal of other investments	4,146,962	74,903,422
Proceeds from disposal of property, plant and equipment	-	8,760
Purchase of other investments	(6,155,083)	(53,107,464)
Purchase of property, plant and equipment (i)	(6,300)	(283,644)
Subscription of additional shares in a subsidiary	(249,998)	-
Net cash generated from investing activities	1,056,664	22,081,182

Company Cash Flow Statement for the year ended 31 December 2004 (cont'd)

	Note	2004 RM	2003 RM
Cash flows from financing activities			
Repayment from/ (advances to) subsidiaries		2,801,719	(32,029,910)
Dividend paid		(3,012,730)	(1,800,225)
Interest paid		(2,845,538)	(2,759,281)
Proceeds from exercise of share options		1,935,661	2,348,790
Repayments of hire purchase liability		(45,783)	(38,153)
Share issuance expenses		(48,150)	-
Net cash used in financing activities		(1,214,821)	(34,278,779)
Net increase/(decrease) in cash and cash equivalents		427,846	(14,242,754)
Cash and cash equivalents at beginning of year		874,790	15,117,544
Cash and cash equivalents at end of year	(ii)	1,302,636	874,790

i) Purchase of property, plant and equipment

During the year, the Company acquired property, plant and equipment with an aggregate cost of RM6,300 (2003 – RM512,556) of which RM Nil (2003 – RM228,912) was acquired by means of hire purchase.

ii) Cash and cash equivalents comprise:

	2004 RM	2003 RM
Cash and bank balances	908,830	874,790
Deposits placed with other corporations	393,806	-
	1,302,636	874,790

The notes set out on pages 51 to 78 form an integral part of, and should be read in conjunction with, these financial statements.

Notes to the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies are adopted by the Group and the Company and are consistent with those adopted in previous years.

(a) Basis of accounting

The financial statements of the Group and of the Company are prepared on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

(b) Basis of consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

A subsidiary is excluded from consolidation when either control is intended to be temporary if the subsidiary is acquired and held exclusively with a view of its subsequent disposal in the near future and it has not previously been consolidated or it operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company. Subsidiaries excluded on these grounds are accounted for as investments.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or negative goodwill as appropriate.

Subsidiaries which satisfy the merger relief provisions of Sections 60(4) of the Companies Act, 1965 have been consolidated using the acquisition method and the new shares issued for the acquisitions have been recorded at their nominal value in the financial statements of the Company. On consolidation, the premium arising from the new shares issued has been recorded as a merger reserve.

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

(c) Property, plant and equipment

Freehold land and capital work-in-progress are stated at cost. All other property, plant and equipment are stated at cost less accumulated depreciation.

Property, plant and equipment retired from active use and held for disposal are stated at the carrying amount at the date when the asset is retired from active use, less impairment losses, if any.

Notes to the financial statements (cont'd)

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

Depreciation

Freehold land is not amortised and capital work-in-progress is not depreciated. Leasehold land is amortised in equal instalments over the period of the lease. Buildings are depreciated on a straight line basis over the shorter of 50 years or the lease period. The straight-line method is used to write off the cost of the other assets over the term of their estimated useful lives at the following principal annual rates.

Plant and machinery	10% to 20%
Furniture, fittings, office equipment, renovation and signboard	10% to 20%
Motor vehicles	20%

(d) Goodwill arising on consolidation

Goodwill on consolidation represents the excess of the cost of acquisition over the fair values of the net identifiable assets acquired and is stated at cost less accumulated amortisation and accumulated impairment losses. Goodwill on consolidation is amortised on a straight-line basis over a period of 25 years.

(e) Other intangible

Other intangible represents a trademark purchased and is stated at cost less accumulated amortisation. It is amortised on a straight-line basis over its economic useful life of 10 years.

(f) Investments in subsidiaries

Long term investments in subsidiaries are stated at cost in the Company, less impairment loss where applicable.

(g) Investments

Long term investments other than in subsidiaries, are stated at cost. An allowance is made when the Directors are of the view that there is a diminution in value which is other than temporary.

Current unquoted investments are stated at the lower of cost and net realisable value while current quoted investments are stated at the lower of cost and market value on a portfolio basis/individual investment basis.

(h) Inventories

Raw materials, work-in-progress, finished goods and consumable goods are stated at the lower of cost and net realisable value with weighted average cost being the main basis for cost. For work-in-progress and finished goods, cost consists of materials, direct labour and an appropriate proportion of fixed and variable production overheads.

(i) Trade and other receivables

Trade and other receivables and loans to subsidiaries are stated at cost less allowance for doubtful debts.

Notes to the financial statements (cont'd)

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and deposits with banks and other corporations and highly liquid investments which have an insignificant risk of changes in value.

(k) Impairment

The carrying amount of the assets, other than inventories and financial assets (other than investments in subsidiaries), 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. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect on that event.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only 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. The reversal is recognised in the income statement.

(l) Employee benefits

(i) Short term employee benefits

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

(ii) Defined contribution plan

Obligations for contribution to defined contribution plan are recognised as an expense in the income statement as incurred.

(iii) Equity and equity-related compensation benefits

The share option programme allows Group employees to acquire shares of the Company. When the options are exercised, equity is increased by the amount of the proceeds received.

Notes to the financial statements (cont'd)

(m) Liabilities

Borrowings and trade and other payables are stated at cost.

(n) Hire purchase

Assets acquired under hire purchase arrangements are capitalised at their purchase cost and are depreciated on the same basis as owned assets. The total amount payable under hire purchase agreements is shown under hire purchase liabilities.

(o) Income tax

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised

(p) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

(ii) Financial statements of foreign operations

The Group's foreign operations are not considered an integral part of the Company's operations. Accordingly, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Ringgit Malaysia at exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Ringgit Malaysia at average exchange rates applicable throughout the year. Foreign exchange differences arising on translation are recognised directly in equity.

Notes to the financial statements (cont'd)

(p) Foreign currency (cont'd)

The closing rates used in the translation of foreign currency monetary assets and liabilities and the financial statements of foreign operations are as follows:

1USD	RM3.800	(2003:	1USD	RM3.800)
1SGD	RM2.329	(2003:	1SGD	RM2.237)
1RMB	RM0.459	(2003:	1RMB	RM0.459)

(q) Affiliated company

An affiliated company is a company which holds between 20% and 50% of the issued equity capital of the Company and has the ability to exercise significant influence over the financial and operating policies of the Company.

(r) Revenue

Revenue of the Company represents dividends and management fees received and receivable from subsidiaries. Revenue of the Group represents the invoiced value of goods sold, less sales tax, trade discounts and allowances. Sales between companies within the Group are excluded from the revenue of the Group.

i) Goods sold

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

ii) Dividend income

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

iii) Interest income

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

(s) Financing costs

All interest and other costs incurred in connection with borrowings are expensed as incurred. The interest component of hire purchase payments is recognised in the income statement so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period.

Notes to the financial statements (cont'd)

2. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Leasehold land RM	Buildings RM	Plant and machinery RM	Furniture, fittings, office equipment, renovation and signboard RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
At 1 January 2004	2,505,842	4,012,462	19,672,870	67,288,159	7,281,048	3,427,659	1,136,847	105,324,887
Additions	-	-	638,792	11,209,385	964,935	994,284	371,393	14,178,789
Disposals	-	-	-	(943,536)	(14,000)	(139,795)	-	(1,097,331)
Write off	-	-	-	(22,092)	(15,868)	-	-	(37,960)
Transfer	-	262,418	(262,418)	1,148	63,361	-	(64,509)	-
Exchange differences	-	-	87	341	2,572	8	53	3,061
At 31 December 2004	2,505,842	4,274,880	20,049,331	77,533,405	8,282,048	4,282,156	1,443,784	118,371,446
Accumulated depreciation								
At 1 January 2004	-	116,086	1,806,017	30,236,902	3,176,355	2,148,742	-	37,484,102
Charge for the year	-	42,734	504,540	6,012,736	900,227	577,950	-	8,038,187
Disposals	-	-	-	(912,620)	(7,108)	(127,246)	-	(1,046,974)
Write off	-	-	-	(17,293)	(10,975)	-	-	(28,268)
Exchange differences	-	-	3	9	1,033	1	-	1,046
At 31 December 2004	-	158,820	2,310,560	35,319,734	4,059,532	2,599,447	-	44,448,093
Net book value								
At 31 December 2004	2,505,842	4,116,060	17,738,771	42,213,671	4,222,516	1,682,709	1,443,784	73,923,353
At 31 December 2003	2,505,842	3,896,376	17,866,853	37,051,257	4,104,693	1,278,917	1,136,847	67,840,785
Depreciation charge for the year ended 31 December 2003	-	21,279	335,882	5,017,286	708,528	540,136	-	6,623,111

Certain freehold and leasehold land together with the attached buildings and plant and machinery of the Group with net book values of RM14,283,775 (2003 – RM13,191,085) are charged to financial institutions to secure credit facilities granted to the subsidiaries.

Included in property, plant and equipment of the Group are property, plant and equipment acquired under hire purchase with net book values of RM1,139,224 (2003 – RM557,665).

Notes to the financial statements (cont'd)

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

Company	Furniture, fittings, office equipment and renovation RM	Motor vehicles RM	Total RM
Cost			
At 1 January 2004	229,012	411,822	640,834
Additions	6,300	-	6,300
At 31 December 2004	235,312	411,822	647,134
Accumulated depreciation			
At 1 January 2004	62,434	104,565	166,999
Charge for the year	48,989	82,364	131,353
At 31 December 2004	111,423	186,929	298,352
Net book value			
At 31 December 2004	123,889	224,893	348,782
At 31 December 2003	166,578	307,257	473,835
Depreciation charge for the year ended 31 December 2003	43,101	71,401	114,502

Included in property, plant and equipment of the company are motor vehicle acquired under hire purchase with a net book value of RM208,311 (2003 – RM274,093).

3. INVESTMENTS IN SUBSIDIARIES

	Company	
	2004 RM	2003 RM
Unquoted shares, at cost – subsidiaries	32,893,755	32,643,755

Details of the subsidiaries are as follows:

Name	Principal activities	Place of incorporation	Effective equity interest	
			2004 %	2003 %
Multimatic Systems Sdn. Bhd. (Company No. 445921-P)	Design, fabricate and commission of automation equipment and systems for semiconductor and electronics industries	Malaysia	100	100

Notes to the financial statements (cont'd)

3. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name	Principal activities	Place of incorporation	Effective equity interest	
			2004 %	2003 %
Prodelcon Sdn. Bhd. (Company No. 130535-A)	Manufacture of high precision tooling, die sets, semiconductor moulds and parts and high precision component, jigs and fixtures, trading of electronic components and the design and manufacture of turnkey automation systems	Malaysia	100	100
<i>and its subsidiary</i>				
Cabletron Electronics (M) Sdn. Bhd.+* (Company No. 225194-M)	Manufacture and sales of electronics and electrical products	Malaysia	60	60
<i>and its subsidiaries</i>				
Cabletron (M) Sdn. Bhd.+* (Company No. 259373-D)	Sales and servicing of electronics and electrical products	Malaysia	60	60
Star Annexe Sdn. Bhd.+* (Company No. 645736-X)	Sales of electronics and electrical products	Malaysia	60	-
Assets 88 Sdn. Bhd.+* (Company No. 648748-X)	Dormant	Malaysia	60	-
Jotech Metal Fabrication Industries Sdn. Bhd. (Company No. 187741-P)	Manufacture and fabrication of tools and dies and stamped metal components for electrical and consumer electronics industries	Malaysia	100	100
<i>and its subsidiaries</i>				
JP Metal Sdn. Bhd. (Company No. 281843-D)	Manufacture and fabrication of tools and dies and stamped metal components for electronics and automotive industries	Malaysia	100	100
PT Indotech Metal Nusantara *	Manufacture and fabrication of tools and dies and stamped metal components for electronics and automotive industries	Indonesia	60	60
Guang Dong Jotech Kong Yue Precision Industries Ltd*	Manufacture and fabrication of tools and dies and stamped metal components for electronics and electrical industries	China	60	60

Notes to the financial statements (cont'd)

3. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name	Principal activities	Place of incorporation	Effective equity interest	
			2004 %	2003 %
Palladine Technology Pte. Ltd.*	Design, development and marketing of electronics and computer products	Singapore	60	60
Palladine (M) Sdn. Bhd. (Company No. 646655-M)	Sales and servicing of electronics and electrical products	Malaysia	100	-

* Subsidiary audited by another firm of auditors.

+ The subsidiaries are consolidated based on financial statements for management reporting purposes, which are not audited.

4. INTANGIBLE ASSETS

Group	Goodwill on consolidation RM	Trademark RM	Total RM
Cost			
At 1 January 2004	13,140,513	204,832	13,345,345
Acquisition of subsidiaries	9,362	-	9,362
Addition	-	2,500	2,500
Fair value adjustments	627,780	-	627,780
Write off	(4,200,000)	-	(4,200,000)
At 31 December 2004	9,577,655	207,332	9,784,987
Amortisation			
At 1 January 2004	2,048,235	4,278	2,052,513
Amortisation charge for the year	347,267	23,147	370,414
At 31 December 2004	2,395,502	27,425	2,422,927
Net book value			
At 31 December 2004	7,182,153	179,907	7,362,060
At 31 December 2003	11,092,278	200,554	11,292,832
For the year ended 31 December 2003			
Amortisation charge	388,600	4,278	392,878

The fair value adjustments relate to the subsequent changes in the fair values of the net assets of subsidiaries acquired in the previous financial year as allowed by the MASB21, Business Combination.

Notes to the financial statements (cont'd)

4. INTANGIBLE ASSETS (cont'd)

The goodwill written off is in respect of the contingent considerations no longer deemed payable to the vendors due to expectation of certain guaranteed profits not met. (Note 10).

5. OTHER INVESTMENTS

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Short term				
Unquoted bonds	-	5,042,500	-	-
Quoted shares	1,880,054	194,452	1,880,054	194,452
	1,880,054	5,236,952	1,880,054	194,452
Allowance for diminution in value	(380,000)	-	(380,000)	-
	1,500,054	5,236,952	1,500,054	194,452
Long term				
Unquoted bonds	4,000,000	4,000,000	4,000,000	4,000,000

The unquoted bonds of RM5,042,5000 were sold during the financial year.

The market value of the quoted investments is shown in Note 27.

6. LOANS TO SUBSIDIARIES

Loans to subsidiaries are unsecured, not receivable within the next twelve months and interest free, other than an amount of RM56,860,204 (2003 – RM51,871,237) which bears interest at rates ranging from 4.0% to 8.0% (2003 – 5.0% to 8.0%) per annum.

7. INVENTORIES

	Group	
	2004 RM	2003 RM
At cost		
Raw materials	19,999,063	10,890,839
Work-in-progress	7,429,069	5,757,373
Finished goods	9,745,006	5,022,071
Consumable goods	186,645	330,009
	37,359,783	22,000,292

Notes to the financial statements (cont'd)

8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Trade receivables	30,321,143	22,619,950	-	-
Other receivables, deposits and prepayments	3,500,026	5,803,620	639,205	1,410,739
	33,821,169	28,423,570	639,205	1,410,739

Included in trade receivables of the Group is an amount due from a subsidiary of an affiliated company amounting to RM465,371 (2003 – RM557,277). The amount due is unsecured and interest free.

Included in other receivables of the Group and of the Company is prepaid interest on borrowings of RM583,325 (2003 – RM783,329).

9. CASH AND CASH EQUIVALENTS

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Cash and bank balances	10,414,920	23,158,532	908,830	874,790
Deposits placed with:				
Licensed banks	1,601,084	424,095	-	-
Other corporations	1,730,343	3,510,845	393,806	-
	13,746,347	27,093,472	1,302,636	874,790

10. TRADE AND OTHER PAYABLES

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Trade payables	17,621,358	14,331,382	-	-
Other payables and accrued expenses	6,482,874	12,530,966	430,287	526,544
Amount due to subsidiaries	-	-	-	68,321
	24,104,232	26,862,348	430,287	594,865

Included in other payables of the Group and of the Company is an amount due to an affiliated company of RM130,719 (2003 – RM128,640) and RM103,536 (2003 – RM101,457) respectively. The amount due is unsecured, interest free and has no fixed terms of repayment.

Also included in other payables of the Group are contingent considerations from acquisitions of subsidiaries amounting to RM1,340,700 (2003 – RM7,052,926). During the financial year, contingent considerations of RM1,291,544 were paid and amount of RM220,682 and RM4,200,000 were reversed and written off respectively.

The amount due to subsidiaries is unsecured, interest free and is repayable within the next twelve months.

Notes to the financial statements (cont'd)

11. BORROWINGS

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Current				
Hire purchase liabilities	255,025	167,841	45,783	42,001
Term loans – secured	5,180,820	5,570,051	-	-
Bankers' acceptances – unsecured	4,614,000	-	-	-
Trust receipts – unsecured	2,566,301	-	-	-
	12,616,146	5,737,892	45,783	42,001
Non-current				
Hire purchase liabilities	736,029	318,878	99,193	148,758
Term loans – secured	7,074,937	2,880,016	-	-
– unsecured	40,000,000	40,000,000	40,000,000	40,000,000
	47,810,966	43,198,894	40,099,193	40,148,758

Terms and debt repayment schedule

Secured term loans of RM9,061,378 (2003 – RM7,252,188) bear interest at fixed rates ranging from 4.0% to 8.5% (2003 – 4.0% to 7.5%) per annum. The remaining term loans of RM3,194,379 (2003 – RM1,197,879) bear interest at variable rate at 1% (2003 – 1%) per annum above the lenders' base lending rates. The unsecured term loan bears fixed rate at 7% (2003 – 7%) per annum.

The bankers' acceptances and the trust receipts bear interest at rates ranging from 0.5% to 0.75% (2003 - Nil) per annum above the lenders' base lending rates.

Hire purchase liabilities bear interest at fixed rates ranging from 3.5% to 12.5% (2003 – 3.5% to 2.5%) per annum.

The secured term loans are secured by the following:

- i) legal charge over the freehold and leasehold land and buildings of subsidiaries;
- ii) negative pledge over the unencumbered assets of subsidiaries;
- iii) fixed and floating charge over the property, plant and equipment of subsidiaries; and
- iv) corporate guarantees by the Company.

Group	Total RM	Under 1 year RM	1 – 2 years RM	2 – 5 years RM
Term loan – unsecured	40,000,000	-	-	40,000,000
Term loans – secured	12,255,757	5,180,820	2,795,355	4,279,582
	52,255,757	5,180,820	2,795,355	44,279,582
Company				
Term loan – unsecured	40,000,000	-	-	40,000,000

Notes to the financial statements (cont'd)

11. BORROWINGS (cont'd)

Hire purchase liabilities

Hire purchase liabilities are payable as follows:

	Payments 2004 RM	Interest 2004 RM	Principal 2004 RM	Payments 2003 RM	Interest 2003 RM	Principal 2003 RM
Group						
Less than one year	304,497	49,472	255,025	206,112	38,271	167,841
Between one and five years	857,824	121,795	736,029	376,149	57,271	318,878
	1,162,321	171,267	991,054	582,261	95,542	486,719
	Payments 2004 RM	Interest 2004 RM	Principal 2004 RM	Payments 2003 RM	Interest 2003 RM	Principal 2003 RM
Company						
Less than one year	54,024	8,241	45,783	54,024	12,023	42,001
Between one and five years	117,048	17,855	99,193	171,072	22,314	148,758
	171,072	26,096	144,976	225,096	34,337	190,759

12. SHARE CAPITAL

	Company	
	2004 RM	2003 RM
Ordinary shares of RM1 each: Authorised	100,000,000	100,000,000
Issued and fully paid		
At 1 January	41,688,000	40,000,000
Shares issued under ESOS	1,377,000	1,688,000
Bonus Issue	21,532,500	-
At 31 December	64,597,500	41,688,000

At an Extraordinary General Meeting held on 26 May 2004, the shareholders of the Company approved a bonus issue of up to 21,906,500 new ordinary shares of RM1.00 each to be credited as fully paid-up ordinary shares on the basis of one (1) new ordinary share for every two (2) existing fully paid-up ordinary shares held. The bonus issue of 21,532,500 new ordinary shares of RM1.00 each was allotted on 5 August 2004 and credited as fully paid ordinary shares via capitalisation from the Company's share premium account and retained profits of RM6,000,000 and RM15,532,500 respectively.

Notes to the financial statements (cont'd)

13. RESERVES

Retained Profits

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all its retained profits at 31 December 2004, if paid out as dividends.

14. MINORITY INTERESTS

Minority interests consist of the minority shareholders' proportion of share capital and reserves of subsidiaries, net of the share of subsidiaries' goodwill on consolidation and amortisation of goodwill charged to the minority shareholders.

15. DEFERRED TAX LIABILITIES

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Deferred tax assets	2,113,000	-	239,000	-
Deferred tax liabilities	3,925,917	3,490,549	-	-

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

The recognised deferred tax liabilities/(assets) are as follows:

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Property, plant and equipment				
- capital allowances	4,546,373	3,490,549	16,000	-
Provisions	(23,807)	-	-	-
Unutilised tax losses	(1,935,058)	-	-	-
Unabsorbed capital allowance	(809,182)	-	(255,000)	-
Others	34,591	-	-	-
	1,812,917	3,490,549	(239,000)	-

No deferred tax has been recognised for the following item:

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Unabsorbed capital allowances	(4,679)	-	-	-
Unutilised tax losses	1,016,522	1,432,000	-	1,197,000
	1,011,843	1,432,000	-	1,197,000

The unutilised tax losses do not expire under current tax legislation. Deferred tax assets have been recognised in respect of these items because it is considered probable that future taxable profit will be available against which the Group can utilise the benefits.

Notes to the financial statements (cont'd)

16. OPERATING PROFIT

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Revenue				
- sale of goods	157,963,050	117,952,878	-	-
- dividends	44,428	-	2,411,093	19,652,778
- management services	-	-	1,517,834	1,493,247
	158,007,478	117,952,878	3,928,927	21,146,025
Cost of goods	(134,977,376)	(94,022,096)	-	-
Gross profit	23,030,102	23,930,782	3,928,927	21,146,025
Operating profit for the year is arrived at after crediting:				
Dividend income	50,087	11,280	2,411,093	19,652,778
Gain on disposal of other investments	-	2,020,345	-	1,990,410
Gain on disposal of property, plant and equipment	98,317	1,170,555	-	-
Gain on foreign exchange				
- realised	334,156	73,195	-	-
- unrealised	17,678	20,106	-	-
after charging:				
Allowance for diminution in value in other investments	380,000	-	380,000	-
Allowance for doubtful debts	1,548,100	-	-	-
Auditors' remuneration	106,128	84,315	15,000	15,000
Amortisation of goodwill and other intangibles	370,414	392,878	-	-
Depreciation	8,038,187	6,623,111	131,353	114,502
Directors' remuneration	967,842	1,484,300	43,050	51,300
Directors' fees	162,000	162,000	162,000	162,000
Loss on disposal of other investments	240,544	-	322,519	-
Loss from disposal of property, plant and equipment	-	6,319	-	789
Loss on foreign exchange				
- realised	75,648	71,272	-	-
- unrealised	12,810	16,573	-	-
Management fee payable to an affiliated company	-	100,000	-	100,000
Rental of land and building	1,006,668	571,220	-	6,000
Property, plant and equipment written off	9,692	19,285	-	-
Rental of machinery and equipment	-	6,838	-	3,248

Notes to the financial statements (cont'd)

17. EMPLOYEE INFORMATION

Expense recognised in the income statements

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Defined contribution				
– Employee Provident Fund	1,158,695	1,213,182	85,076	80,619
Other staff costs	20,873,694	15,929,572	586,950	463,433
	22,032,389	17,142,754	672,026	544,052

The number of employees of the Group and of the Company (including Directors) at the end of the year was 1,104 (2003 – 1,002) and 5 (2003 – 5) respectively.

18. EMPLOYEE BENEFITS

Equity compensation benefits

Executive Share Option Scheme

The movements in the number of share options held by eligible Executive Directors and executive employees are as follows:

	Group and Company	
	2004 RM	2003 RM
Outstanding at 1 January	2,125,000	3,276,000
Granted	-	800,000
Exercised	(1,377,000)	(1,688,000)
Lapsed	(105,000)	(263,000)
Bonus issue	329,000	-
Outstanding at 31 December	972,000	2,125,000
Details of share options granted during the period:		
Expiry date	-	21/5/2012
Exercise price per ordinary share (RM)	-	1.29 – 1.72
Aggregate proceeds if shares are issued (RM)	-	1,211,740
Details of share options exercised during the period:		
Expiry date	21/5/2012	21/5/2012
Exercise price per ordinary share (RM)	1.29 – 1.72	1.29 – 1.40
Aggregate issue proceeds (RM)	1,935,661	2,348,790
Fair value at date of issue	1,944,090	2,350,250

Notes to the financial statements (cont'd)

18. EMPLOYEE BENEFITS (cont'd)

Terms of options outstanding at 31 December 2004:

Expiry date	Exercise price before bonus issue	Exercise price after bonus issue	Number
21 May 2012	1.40	1.00	391,500
21 May 2012	1.29	1.00	111,000
21 May 2012	1.72	1.15	469,500
			972,000

The Group received proceeds of RM1,935,661 (2003 – RM2,348,790) in respect of the 1,377,000 (2003 – 1,688,000) options exercised during the year of which RM1,377,000 (2003 – RM1,688,000) was credited to share capital and RM558,661 (2003 – RM660,790) was credited to share premium.

19. TAX EXPENSE

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Malaysia				
- Current year	1,141,723	616,112	589,071	2,002,778
- (Over)/Underprovision in prior year	(223,075)	65,053	-	-
Overseas – current	446,443	384,708	-	-
	1,365,091	1,065,873	589,071	2,002,778
Deferred tax expense				
Origination and reversal of temporary differences				
- Current year	(1,601,526)	549,549	50,000	-
- Prior year	(76,106)	-	(289,000)	-
Fair value adjustments of net identifiable assets in the subsidiaries acquired	406,893	-	-	-
	94,352	1,615,422	350,071	2,002,778

Notes to the financial statements (cont'd)

19. TAX EXPENSE (cont'd)

Reconciliation of effective tax expense

Group	2004 RM	2003 RM
(Loss)/Profit before taxation	(334,899)	10,998,341
Income tax using Malaysian tax rate	(93,772)	3,071,535
Effect of different tax rates in foreign jurisdiction	26,492	-
Non-deductible expenses	1,708,479	712,979
Effect of deferred tax assets not recognised	(117,644)	-
Tax incentives	(1,399,497)	(2,341,418)
Other items	269,475	107,273
	393,533	1,550,369
(Over)/ underprovision in prior years	(299,181)	65,053
Tax expense	94,352	1,615,422
Company		
Profit before taxation	2,058,494	21,252,642
Income tax using Malaysian tax rate	576,378	5,950,740
Non- deductible expenses	258,973	-
Tax exempt income	(196,000)	(3,500,000)
Other items	(280)	(447,962)
Tax expense	639,071	2,002,778
Overprovision in prior years	(289,000)	-
Tax expense	350,071	2,002,778

20. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders of RM1,566,079 (2003 – RM8,338,263) and the weighted average number of ordinary shares in issue during the year of 63,882,000 (2003 – 60,356,000 *).

Diluted earnings per share

The calculation of diluted earnings per share is based on the net profit attributable to ordinary shareholders of RM1,566,079 (2003 – RM8,338,263) and the weighted average number of ordinary shares in issue during the year of 64,580,000 (2003 – 62,958,000 *) calculated as follows:

Notes to the financial statements (cont'd)

20. EARNINGS PER SHARE (cont'd)

Weighted average number of ordinary shares (diluted)

	2004 RM	2003 RM
Number of ordinary shares	63,882,000	60,356,000*
Effect of share options	698,000	2,602,000*
Weighted average number of ordinary shares	64,580,000	62,958,000*

* Effects of the bonus issue have been adjusted retrospectively.

21. DIVIDENDS

	Group and Company 2004 RM	2003 RM
Final dividend paid: 2003 – 7.0% per ordinary share tax exempt (2002 – 4.5% per ordinary share tax exempt)	3,012,730	1,800,225

The proposed final dividend of 3% per ordinary share comprising of 2% per ordinary share less tax amounting to approximately RM930,000 and 1% per ordinary share tax exempt amounting to approximately RM646,000 have not been accounted for in the financial statements as at 31 December 2004.

The net dividend per ordinary share as disclosed in the Income Statement takes into account the above final proposed dividends for the respective year.

22. RELATED PARTIES

Controlling related party relationships are as follows:

- i) the affiliated company, AIC Corporation Berhad, ("AIC") as explained in Note 1(q);
- ii) a subsidiary of AIC, AIC Semiconductor Sdn. Bhd. ("AICS");
- iii) its subsidiaries as disclosed in Note 3;
- iv) a company related to a Director, Tuan Haji Mohd Ali bin Bawal, Permai Bakti Sdn. Bhd. ("PBSB"); and
- v) companies in which a Director, Datuk Haji Sarip bin Hamid, is deemed to have substantial financial interests:
 - Autoventure Electronics Sdn. Bhd. ("AVE")
 - HKR Manufacturing Sdn. Bhd. ("HKR")
 - Autovisor Plastic Sdn. Bhd. ("AVP")
 - Aventur Door System Sdn. Bhd. ("ADSSB") (Formerly known as Autokorsia Sdn. Bhd.)
 - Nobel Decree Sdn. Bhd. ("NDSB")
 - Direct Past Sdn. Bhd. ("DPSB")
 - Automako Sdn. Bhd. ("AMSB")
 - Brimal Holdings Sdn. Bhd. ("BHSB")
 - AIC Display Sdn. Bhd. ("AICD") (Formerly known as AIC-MTN Corporation Sdn. Bhd.)

Notes to the financial statements (cont'd)

22. RELATED PARTIES (cont'd)

Transactions with related parties

Significant transactions and balances with related parties other than disclosed elsewhere in the financial statements are as follows:

Transactions

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
a) Transactions with AIC				
Management fee	-	100,000	-	100,000
Rental expense	-	6,000	-	6,000
b) Transaction with AICS				
Sales	1,067,285	1,263,090	-	-
c) Transaction with PBSB				
Rental expense	-	282,600	-	-
Purchase of land and building	-	3,650,000	-	-
d) Transaction with AVE				
Sales	3,820	1,000	-	-
e) Transaction with AVP				
Sales	124,481	95,676	-	-
f) Transaction with ADSSB				
Sales	626,274	202,348	-	-
g) Transaction with DPSB				
Sales	286,324	527,705	-	-
h) Transaction with HKR				
Sales	126,905	180,353	-	-
i) Transaction with NDSB				
Sales	152,738	322,281	-	-
j) Transaction with AMSB	24,526	-	-	-
k) Transaction with BHSB	50,701	-	-	-
l) Transaction with AICD	355,207	-	-	-

The related party transactions have been entered in the normal course of business and have been established under negotiated terms.

23. CAPITAL COMMITMENTS

	2004 RM	Group 2003 RM
Property, plant and equipment Approved and contracted for	1,110,501	-

Notes to the financial statements (cont'd)

24. CONTINGENT LIABILITIES

Corporate guarantee

The Company has executed corporate guarantees in favour of licensed banks for facilities of up to a limit of RM46.4 million (2003 – RM40.1million) granted to its subsidiaries.

Contingent liabilities

- (i) Certain minority shareholders of a subsidiary had made a claim against the Company and certain officers of the Company, seeking among others, declaratory reliefs, a buy out of their minority shareholdings and general damages based on their allegation that the Company has not acted in the interests of the said subsidiary or its shareholders. The minority shareholders are seeking the buy out of their shares based on a value pre-determined in the original share sale agreement or at valuation as determined by the High Court. In the interim, the said minority shareholders have filed an application in Court seeking the appointment of receivers and managers over the said subsidiary which is currently fixed for hearing on 25 May 2005. The solicitors of the Company are of the view that the Company has a high likelihood of succeeding in obtaining an order in dismissing the application for appointment of receivers and managers and eventually, an order in dismissing the action.
- (ii) During the year, the Group has undertaken a comprehensive review of the operations of the subsidiaries in the Electronics Segment of the Group which were acquired in late 2003. This review has resulted in the streamlining of the selling and purchasing arrangements with key customers and suppliers in addition to measures taken to improve the factory production and operating processes. Various allowances and write offs amounting to RM3 million (including the RM1.35 million below) have been accounted for in the current year financial statements. Further liabilities may arise from the past selling and purchasing practices of the said subsidiaries, these liabilities, if any, cannot be ascertained reliably at the end of the financial year.
- (iii) A third party has filed for an injunction to restrain a subsidiary of Jotech Holdings Berhad from making any claims for any amount due from the said third party. The amount due from the third party arose from a sale of machinery to the third party during the year ended 31 December 2003. The action by the third party has been dismissed by the Senior Assistant Registrar of the High Court on 16 December 2004 and currently is being appealed by the third party to the Judge in Chambers of the High Court. The decision of this appeal is scheduled on 11 May 2005. For accounting prudence purposes, the entire amount outstanding of RM1,350,000 has been provided for in the financial statement of the Group.

25. ACQUISITION OF SUBSIDIARIES

On 10 May 2004, the Company acquired the entire equity interest in Palladine (M) Sdn Bhd. at a cash consideration of RM2. On the same date, the Company through its 60% wholly-owned subsidiary, Cabletron Electronics (M) Sdn. Bhd., acquired the entire equity interests in two companies, namely Star Annexe Sdn. Bhd. and Assets 88 Sdn. Bhd. for a cash consideration of RM2 and RM2 respectively. The acquisitions of these two subsidiaries did not have any material effect on the Group's operating results, assets and liabilities as at 31 December 2004.

Notes to the financial statements (cont'd)

25. ACQUISITION OF SUBSIDIARIES (cont'd)

The fair value of assets and liabilities assumed and their cashflow effects are as follows:

	Group	
	2004 RM	2003 RM
Property, plant and equipment	-	4,899,788
Intangible assets	-	204,833
Current assets	2,506	31,081,394
Current liabilities	(13,864)	(14,410,080)
Long term liabilities	-	(650,000)
Minority interests	2,000	(8,450,374)
Net assets acquired	(9,358)	12,675,561
Goodwill on acquisition	9,362	4,773,189
Purchase price	4	17,448,750
Less: Cash and cash equivalents of subsidiaries acquired	(6)	(17,288,325)
Consideration withheld	-	(4,200,000)
Cash flow on acquisition, net of cash acquired	2	4,039,575

26. SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Company's management and internal reporting structure. Inter segment pricing is determined based on negotiated terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the amount incurred during the year to acquire segment assets that are expected to be used for more than one period.

Business segments

The Group comprises the following main business segments:

Investment holding	Ultimate holding company of the Group.
Precision stamping	Manufacture and fabrication of tools and dies and stamped metal components for electrical, consumer electronics and automotive industries.
Semiconductor tooling and automation	Manufacture of high precision tooling, dies sets, moulds, parts and high precision components, jigs and fixtures, trading of electronic components, the design and manufacture of turnkey automation equipment and systems for electronics and semiconductor industries.
Electronics	Manufacture, sales and service of electrical, electronic and computer products.

Geographical segments

The precision stamping segment of the Group is also operated in Indonesia and China apart from its home country, Malaysia.

The other major business segments are operated solely in Malaysia.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets and capital expenditure are also based on the geographical location of assets.

Notes to the financial statements (cont'd)

26. SEGMENTAL INFORMATION (cont'd)

2004	Investment holding RM	Precision stamping RM	Semiconductor tooling and automation RM	Electronics RM	Eliminations RM	Consolidated RM
Business segments						
Revenue from external customers	44,428	102,721,049	20,587,791	34,654,210	-	158,007,478
Inter-segment revenue	3,884,499	368,495	-	34,046	(4,287,040)	-
Total revenue	3,928,927	103,089,544	20,587,791	34,688,256	(4,287,040)	158,007,478
Segment result	(110,011)	8,791,829	2,754,536	(6,723,235)	(2,366,665)	2,346,454
Interest expense						(3,714,157)
Interest income						1,032,804
Loss before taxation						(334,889)
Tax expense						(94,352)
Minority interests						(1,995,330)
Net profit for the year						1,566,079
Segment assets						
Goodwill on consolidation	3,788,126	92,120,372	38,906,596	25,535,612	-	160,350,706
Unallocated assets	4,856,781	1,533,538	788,914	2,920	-	7,182,153
Total assets						175,897,809
Segment liabilities	430,287	18,374,759	2,334,120	2,990,972	-	24,130,138
Unallocated liabilities						66,356,873
Total liabilities						90,487,011
Capital expenditure	6,300	10,141,603	3,287,217	743,669	-	14,178,789
Depreciation and amortisation	408,777	4,491,332	2,641,643	866,849	-	8,408,601

Notes to the financial statements (cont'd)

2003	Investment holding RM	Precision stamping RM	Semiconductor tooling and automation RM	Electronics RM	Eliminations RM	Consolidated RM
Business segments						
Revenue from external customers	-	75,439,505	28,553,637	13,959,736	-	117,952,878
Inter-segment revenue	21,146,025	551,884	-	57,697	(21,755,606)	-
Total revenue	21,146,025	75,991,389	28,553,637	14,017,433	(21,755,606)	117,952,878
Segment result	21,523,449	6,166,214	4,507,709	1,585,218	(19,652,778)	14,129,812
Interest expense						(3,831,300)
Interest income						699,829
Profit before taxation						10,998,341
Tax expense						(1,615,422)
Minority interests						(1,044,656)
Net profit for the year						8,338,263
Segment assets						
Goodwill on consolidation	2,948,717	83,005,769	36,205,518	23,392,567	-	145,552,571
Unallocated assets	5,130,387	1,603,248	4,358,643	-	-	11,092,278
						11,287,443
Total assets						167,932,292
Segment liabilities	526,544	16,789,366	3,308,187	2,022,655	-	22,646,752
Unallocated liabilities						57,957,885
Total liabilities						80,604,637
Capital expenditure	512,556	19,874,510	6,947,696	125,278	-	27,460,040
Depreciation and amortisation	386,818	4,039,528	2,426,103	163,540	-	7,015,989

Notes to the financial statements (cont'd)

26. SEGMENTAL INFORMATION (cont'd)

2004	Malaysia RM	Singapore RM	Indonesia RM	China RM	Eliminations RM	Consolidated RM
Geographical segments						
By location of customers:						
Revenue from external customers	121,383,884	19,272,726	14,910,391	2,440,477	-	158,007,478
Segment assets by location of assets	123,979,324	5,158,347	16,000,061	15,212,974	-	160,350,706
Capital expenditure by location of assets	8,886,115	23,412	4,163,584	1,105,678	-	14,178,789
2003						
Revenue from external customers	102,716,086	4,407,897	10,562,879	266,016	-	117,952,878
Segment assets by location of assets	115,042,869	2,844,529	11,629,774	16,035,399	-	145,552,571
Capital expenditure by location of assets	15,410,461	7,954	1,260,289	10,781,336	-	27,460,040

Notes to the financial statements (cont'd)

27. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks, including foreign currency exchange risk, interest rate risk, credit risk, liquidity and cash flow risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. Financial risk management is carried out through risk reviews, internal control system and adherence to Group financial risk management policies. The Board regularly reviews these risks and approves such policies that covers the management of these risks.

Foreign currency exchange risk

The Group is exposed to currency risk as a result of the foreign currency transactions entered into and financial instruments maintained by subsidiaries in currencies other than their functional currency. The Group does not engage in foreign currency hedging on its foreign currency exposures but the management monitors these exposures on an ongoing basis.

The Group and Company are also exposed to foreign currency risk in respect of their investments in foreign subsidiaries. The Group does not hedge this exposure by having foreign currency borrowings but keeps this policy under review and will take necessary action to minimise the exposure of the risk.

Interest rate risk

The Group and Company's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's borrowings is managed through the use of fixed and floating rate debt. The Group does not use derivative financial instruments to hedge its debt obligations.

Credit risk

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

At balance sheet date, there were no significant concentrations of credit risk.

Liquidity and cash flow risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining the flexibility in funding by keeping committed credit lines available. In addition, the objective for debt maturities is to ensure that the amount of debt maturing in any one year is not beyond the Group's means to repay and/or refinance.

Notes to the financial statements (cont'd)

27. FINANCIAL INSTRUMENTS (continued)

Effective interest rates and repricing analysis

In respect of interest earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice or mature, whichever is earlier.

Group	2004			2003		
	Effective interest rate per annum %	Total RM	Within 1 year RM	Effective interest rate per annum %	Total RM	Within 1 year RM
Financial assets						
Deposits placed with:						
- Licensed banks	2.79	1,601,084	1,601,084	2.29	424,095	424,095
- Other corporations	3.75	1,730,343	1,730,343	2.50	3,510,845	3,510,845
Other investments						
Unquoted bonds	6.50	4,000,000	-	6.50	9,042,500	5,042,500
		7,331,427	3,331,427		12,977,440	8,977,440
						4,000,000
Financial liabilities						
Term loans						
- unsecured	7.00	40,000,000	-	7.00	40,000,000	-
- secured	5.94	12,255,757	5,180,820	6.43	8,450,067	1,197,879
Unsecured trust receipts	4.21	2,566,301	2,566,301	-	-	-
Unsecured bankers' acceptances	4.27	4,614,000	4,614,000	-	-	-
		59,436,058	12,361,121		48,450,067	1,197,879
						47,252,188
Company						
Financial assets						
Deposits placed with other corporations	3.75	393,806	393,806	-	-	-
Other investments						
Unquoted bonds	6.50	4,000,000	-	6.50	4,000,000	-
Loans to subsidiaries	4.85	56,860,204	-	6.50	51,871,237	-
		61,254,010	393,806		55,871,237	-
						55,871,237
Financial liabilities						
Term loans – Unsecured	7.00	40,000,000	-	7.00	40,000,000	-
		40,000,000	-		40,000,000	-

Notes to the financial statements (cont'd)

27. FINANCIAL INSTRUMENTS (cont'd)

Fair values

Recognised financial instruments

The carrying amounts in respect of inventories, trade and other receivables, cash and cash equivalent, trade and other payables approximate their fair values due to the relatively short term nature of these financial instruments.

The aggregate fair values of the other financial assets and liabilities carried on the balance sheet as at 31 December 2004 are represented in the following table:

	2004		2003	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group				
Financial assets				
Other investments				
Unquoted bonds	4,000,000	4,000,000	9,042,500	9,042,500
Quoted shares	1,500,054	1,500,054	194,452	189,382
	5,500,054	5,500,054	9,236,952	9,231,882
Financial liabilities				
Term loans				
- unsecured	40,000,000	40,000,000	40,000,000	40,000,000
- secured	12,255,757	12,255,757	8,450,067	7,707,009
	52,255,757	52,255,757	48,450,067	47,707,009
Company				
Financial assets				
Other investments				
Unquoted bonds	4,000,000	4,000,000	4,000,000	4,000,000
Quoted shares	1,500,054	1,500,054	194,452	189,382
	5,500,054	5,500,054	4,194,452	4,189,382
Financial liabilities				
Term loan – unsecured	40,000,000	40,000,000	40,000,000	40,000,000

The fair value of quoted securities is their quoted bid price at the balance sheet date. For other financial instruments listed above, fair values have been determined by discounting the relevant cash flows using current interest rates for similar instruments at the balance sheet date.

In respect of the long-term borrowings with variable interest rates, the carrying amounts approximate fair values as they are on floating rates and reprice to market interest rates for liabilities with similar risk profiles. As for the other long term borrowings with fixed interest rates, the Directors are of the opinion that the fair values approximate the carrying amounts.

In respect of the loan to subsidiaries, a reasonable estimate of fair value could not be made as the long term repayment terms are not specified.

Other Information Required by the Listing Requirement of the Bursa Malaysia Securities Berhad

Utilisation of Proceeds from Corporate Proposal

There were no proceeds raised from any corporate proposal during the financial year 2004.

Share Buy Back

There was no share buy-back carried out during the financial year.

Options / Warrants / Convertible Securities

There were no options, warrants and convertible securities exercised during the financial year other than that offered under the Executive Share Option Scheme as disclosed in the Directors' Report.

American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme

During the financial year, the Company did not sponsor any ADR and GDR programme.

Imposition of Sanctions and Penalties

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

Non-Audit Fees

There were no non-audit fees paid to the external auditors of the Group for the financial year 2004.

Profit Estimate, Forecast or Projection

The Group's audited net profit of RM1.57 million for the financial year was lower than the year to date unaudited results announced in the condensed

consolidated Income Statement for the Group in respect of the 4th Quarter ended 31 December 2004 of RM2.17 million. The difference of RM0.6 million which represents more than 10% variance relates to an additional allowance for doubtful debt being made on the ground of prudence after due consideration that the debt recovery process may take more than one year due to process of the court case involved in this matter.

Other than the above, there were no profit forecast or projection given during the financial year.

Profit Guarantee

There was no profit guarantee given during the financial year.

Material Contracts involving Directors' and Major Shareholders' Interests

There were no material contracts entered into by the Company and its subsidiaries involving the Directors' and major shareholders' interests.

Revaluation Policy

The Group does not have a revaluation policy on landed properties.

Nature of Recurrent Related Party Transactions Contemplated.

The Company proposes to seek shareholders' mandate in respect of recurrent related party transactions of revenue or trading nature during the forthcoming Annual General Meeting.

The relationship of the related parties with Jotech Holdings Berhad Group of Companies is as follows:

Related Party	Relationship with Jotech Group
AIC Corporation Berhad ("AIC")	An affiliated company with 31.6% interest in Jotech
AIC Semiconductor Sdn. Bhd. ("AICS")	A subsidiary of AIC
Autoventure Electronics Sdn. Bhd. ("AVE")	A company in which a Director, Datuk Haji Sarip bin Hamid, is deemed to have substantial financial interests
HKR Manufacturing Sdn. Bhd. ("HKR")	A company in which a Director, Datuk Haji Sarip bin Hamid, is deemed to have substantial financial interests
Autovisor Plastic Sdn. Bhd. ("AVP")	A company in which a Director, Datuk Haji Sarip bin Hamid, is deemed to have substantial financial interests

Other Information (cont'd)

Related Party	Relationship with Jotech Group
Aventur Door System Sdn. Bhd. ("ADSSB") (Formerly known as Autokorsia Sdn. Bhd.)	A company in which a Director, Datuk Haji Sarip bin Hamid, is deemed to have substantial financial interests
Nobel Decree Sdn. Bhd. ("NDSB")	A company in which a Director, Datuk Haji Sarip bin Hamid, is deemed to have substantial financial interests
Direct Past Sdn. Bhd. ("DPSB")	A company in which a Director, Datuk Haji Sarip bin Hamid, is deemed to have substantial financial interests
Automako Sdn. Bhd. ("AMSB")	A company related to a Director, Datuk Haji Sarip bin Hamid, is deemed to have substantial financial interests
Brimal Holdings Sdn. Bhd. ("BHSB")	A company related to a Director, Datuk Haji Sarip bin Hamid, is deemed to have substantial financial interests
AIC Display Sdn. Bhd. ("AICD") (Formerly known as – MTN Corporation Sdn. Bhd.)	A company related to a Director, Datuk Haji Sarip bin Hamid, is deemed to have substantial financial interests

Details of the recurrent related party transactions of revenue or trading nature and in the normal course of business of the Group for the year ended 31 December 2004 are as follows:-

Transaction	Vendor/ Provider	Purchaser/ Recipient	Aggregate Value from 1 January 2004 to 31 December 2004 (RM)
a) Sales to a subsidiary of an affiliated company	Prodelcon Sdn Bhd ("Prodelcon")	AICS	1,067,285
b) Sales to a company in which a Director is deemed to have substantial financial interests	JP Metal Sdn Bhd ("JPM")	AVE	3,820
c) Sales to a company in which a Director is deemed to have substantial financial interests	JPM	HKR	126,905
d) Sales to a company in which a Director is deemed to have substantial financial interests	JPM	AVP	124,481
e) Sales to a company in which a Director is deemed to have substantial financial interests	JPM	AKSB	626,274
f) Sales to a company in which a Director is deemed to have substantial financial interests	JPM	ADSSB	152,738
g) Sales to a company in which a Director is deemed to have substantial financial interests	JPM	DPSB	286,324
h) Sales to a company in which a Director is deemed to have substantial financial interests	JPM	AMSB	24,526
i) Sales to a company in which a Director is deemed to have substantial financial interests	JPM	BHSB	50,701
j) Sales to a company in which a Director is deemed to have substantial financial interests	JPM	AICD	355,207

Statistics on Shareholdings

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 31 MARCH 2005

Size of shareholdings	No. of shareholders	%	No. of shares	%
Less than 100	8	0.52	400	0.00
100 – 1,000	74	4.85	59,400	0.09
1,001 – 10,000	1,167	76.42	3,592,047	5.56
10,001 – 100,000	229	15.00	5,879,250	9.10
100,001 to less than 5% of issued shares	45	2.95	27,699,974	42.88
5% and above of issued shares	4	0.26	27,369,429	42.37
Total	1,527	100.00	64,600,500	100.00

LIST OF TOP 30 SHAREHOLDINGS AS AT 31 MARCH 2005

No.	Name	No. of ordinary shares of RM1.00 each	Percentage of issued capital (%)
1	RHB Merchant Nominees (Tempatan) Sdn. Bhd. AIC Corporation Berhad	13,599,993	21.05
2	AIC Corporation Berhad	6,799,997	10.53
3	Lim Siok Hui	3,508,489	5.43
4	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for OSK-UOB Small Cap Opportunity Unit Trust	3,460,950	5.36
5	Chew Siew Hong	3,030,599	4.69
6	Ooi Boon Pin	2,968,898	4.60
7	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB For Liew Cheng York	2,800,000	4.33
8	Liew Cheng York	1,638,531	2.54
9	Ooi Boon Pin	1,619,604	2.51
10	Liew Cheng York	1,613,417	2.50
11	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Liew Cheng York	1,500,000	2.32

Statistics on Shareholdings (cont'd)

LIST OF TOP 30 SHAREHOLDINGS AS AT 31 MARCH 2005 (cont'd)

No.	Name	No. of ordinary shares of RM1.00 each	Percentage of issued capital (%)
12	Citicorp Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Liew Cheng York	1,010,000	1.56
13	Mayban Securities Nominees (Tempatan) Sdn. Bhd. Mayban Ventures Sdn Bhd For Liew Cheng York	832,500	1.29
14	Malaysia Nominees (Tempatan) Sendirian Berhad Malaysian Trustees Berhad For Alliance Vision Fund	750,000	1.16
15	Kuala Lumpur City Nominees (Tempatan) Sdn. Bhd. KLCS Asset Management Sdn Bhd For Rin Mei Kei	719,000	1.11
16	Lim Gaik See	615,900	0.95
17	Hoo Kuong	542,248	0.84
18	Kuala Lumpur City Nominees (Tempatan) Sdn. Bhd. KLCS Asset Management Sdn Bhd For Alpha-Grace Sdn. Bhd.	474,000	0.73
19	Lim Siok Hui	471,424	0.73
20	Sarip Bin Hamid	465,289	0.72
21	HSBC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Juay Cheng Piah	460,217	0.71
22	Chang Chuen Lee	450,000	0.70
23	Liew Cheng York	441,949	0.68
24	Lim Kian @ Lim Chow Yang	381,324	0.59
25	Chen Shun Ching @ Hoo Chen Shun Ching	381,000	0.59
26	Wai Ka Leng	349,600	0.54
27	Goo Chin Teong	328,014	0.51
28	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Uma Devi A/P N Nadarajah	300,000	0.46
29	Goo Chooi Lian	263,650	0.41
30	Leong Beng Kong	247,950	0.38
	Total	52,024,543	80.53

Statistics on Shareholdings (cont'd)

Substantial Shareholdings as at 31 March 2005 (As per the Register of Substantial Shareholders of Jotech Holdings Berhad)

Name	Direct		Indirect	
	No. of shares	%	No. of shares	%
AIC Corporation Berhad	20,399,990	31.58	-	-
Liew Cheng York	9,976,397	15.44	-	-
Lim Siok Hui	3,979,913	6.16	-	-
Ooi Boon Pin	4,588,502	7.10	-	-
Asteria Consolidated Sdn. Bhd.	-	-	20,399,990 (a)	31.58
Golden Prism Sdn. Bhd.	-	-	20,399,990 (b)	31.58
Nadi Mal Sdn. Bhd.	-	-	20,399,990 (b)	31.58
Datuk Haji Sarip Bin Hamid	465,289	0.72	20,399,990 (c)	31.58
Hakikat Seri Sdn. Bhd.	-	-	20,399,990 (d)	31.58
Maznah Bte Mohamad	1,500	0.00	20,399,990 (e)	31.58
HSBC Holdings plc	3,556,750	5.51	-	-

Notes:-

- Deemed interest by virtue of its substantial shareholdings in AIC Corporation Berhad.
- Deemed interest by virtue of its substantial shareholdings in AIC Corporation Berhad through Asteria Consolidated Sdn. Bhd.
- Deemed Interest by virtue of his substantial shareholdings in AIC Corporation Berhad through Asteria Consolidated Sdn. Bhd. and Golden Prism Sdn. Bhd.
- Deemed interest by virtue of its substantial shareholdings in AIC Corporation Berhad through Asteria Consolidated Sdn. Bhd. and Nadi Mal Sdn. Bhd.
- Deemed interest by virtue of her substantial shareholdings in AIC Corporation Berhad through Asteria Consolidated Sdn. Bhd., Nadi Mal Sdn. Bhd. and Hakikat Seri Sdn. Bhd.

Statistics on Shareholdings (cont'd)

DIRECTORS' SHAREHOLDINGS AS AT 31 MARCH 2005

(As per the Register of Directors' Shareholdings)

Name	Direct Interest		Indirect Interest	
	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
Datuk Haji Sarip Bin Hamid	465,289	0.72	* 20,399,990	31.58
Tuan Haji Mohd Ali Bin Bawal	15,000	0.02	-	-
Ooi Boon Pin	4,588,502	7.10	-	-
Chew Siew Hong	3,030,599	4.69	-	-
Lim Siok Hui	3,979,913	6.16	-	-
Liew Cheng York	9,976,397	15.44	-	-
Ashari Bin Ayub	15,000	0.02	-	-
Lasa Bin Mat Desa	15,000	0.02	-	-
Lt. Jen (B) Datuk Haji Abdul Aziz Bin Hasan	-	-	-	-
Total	22,085,700	34.17	* 20,399,990	31.58

* Deemed interest by virtue of his substantial shareholdings in AIC Corporation Berhad through Asteria Consolidated Sdn. Bhd. and Golden Prism Sdn. Bhd.

Properties of JHB Group

Location/ Address	Description and Existing Use	Date of Purchase	Approximate Age of Building	Land Area (Sq. Ft.)	Built Up Area (Sq. Ft.)	Tenure of Land	Net Book Values as at 31/12/2003
Plot 78, Bayan Lepas Industrial Park IV, Mukim 12, South West District, Pulau Pinang.	Office and factory building: Manufacture of semiconductor tooling products and automation systems for semiconductor industries.	June 1996	9 years	66,000	51,000	60 years leasehold land expiring in year 2056	6,925,671
No. 20 & 22, Jalan Masyhur 1, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor Darul Takzim.	Office and factory building: Manufacture and fabrication of tools and dies and precision stamping parts for electronic and electrical industries.	November 1997	7.5 years	78,400	63,000	Freehold	7,322,562
Kawasan Industri KIIC, C-7C Jl. Tol, Jakarta – Cikampek, KM 47 Teluk Jambe, Karawang 41361, Indonesia.	Office and factory building: Manufacture and fabrication of tools and dies and precision stamping parts for electronics and automotive industries.	April 1997	8 years	46,467	68,245	30 years leasehold land expiring in year 2027	3,087,090
Lot 7, Lintang Bayan Lepas 2 Phase IV, Kawasan Perindustrian Bayan Lepas, 11900 Pulau Pinang.	Office and factory building: Manufacture of high precision machining parts.	March 2003	5 years	16,458	5,856	60 years leasehold land expiring in year 2058	1,096,673
Lot 6, Jalan 6/4, Kawasan Perindustrian Seri Kembangan, 43300 Seri Kembangan, Daerah Petaling, Selangor Darul Ehsan.	Office and factory building: Manufacture of precision stamping parts for electronic and automotive industries.	September 2003	15 years	48,320	23,014	99 years leasehold land expiring in year 2089	3,738,974
Kong Yue Industrial Park, Jing Gu Zhou Zone, XinHui District, JiangMen City, GuangDong Province, People Republic of China.	Office and factory building: Manufacture and fabrication of tools and dies and precision stamping parts for electronic and electrical industries.	September 2003	2 years	355,220	79,925	50 years leasehold land expiring in year 2052	1,939,177

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of JOTECH HOLDINGS BERHAD (Company No.: 334818-P) will be held at Eastin Hotel, Ballroom 2, LG Level, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan on Thursday, 26 May, 2005 at 10.30 a.m. for the following purposes:-

10th Annual General Meeting

AGENDA

ORDINARY BUSINESS:-

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2004 together with the Directors' and Auditors' Reports thereon.
2. To declare a Final Dividend of 3% per ordinary share comprising of 2% less tax per ordinary share and 1% tax exempt dividend per ordinary share of the Company for the year ended 31 December 2004.
3. To approve the payment of Directors' fees for the year ended 31 December 2004.
4. To re-elect the following Directors who are retiring in accordance with Article 82(1) of the Company's Articles of Association:-
 - 4.10 Lim Siok Hui
 - 4.11 Chew Siew Hong
 - 4.12 Yg. Bhg. Lt. Jen (B) Datuk Haji Abdul Aziz Bin Hassan
5. To re-appoint Messrs KPMG as the Company's Auditors and to authorise the Board of Directors to fix their remuneration.

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3

Ordinary Resolution 4

Ordinary Resolution 5

Ordinary Resolution 6

Ordinary Resolution 7

SPECIAL BUSINESS:-

6. To consider and, if thought fit, pass with or without modifications, the following Ordinary Resolution:

Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

"THAT subject always to the approvals of the relevant authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued share capital of the Company at the time of issue and the Directors are hereby further empowered to obtain approval for the listing of and quotation of the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

Ordinary Resolution 8

ANY OTHER BUSINESS:-

7. To transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

Ordinary Resolution 9

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a Final Dividend of 3% per ordinary share comprising of 2% less tax per ordinary share and 1% tax exempt dividend per ordinary share of the Company in respect of the financial year ended 31 December 2004 will be payable on 15 August 2005 to Depositors registered in the Record of Depositors at the close of business on 1 August 2005.

A Depositor shall qualify for entitlement only in respect of:

- a) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 1 August 2005 in respect of ordinary transfers; and
- b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

NG YIM KONG (LS 0008343)
LEONG LUP YAN (MIA 11572)
Company Secretaries

Selangor

4 May 2005

Notes:-

1. A member entitled to attend and vote at the Tenth Annual General Meeting is entitled to appoint a proxy/proxies, to attend and vote instead of him. A proxy may but need not be a member of the Company, and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his/her shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company Secretary's Office at Strategy Corporate Secretariat Sdn. Bhd., Unit 07-02, Level 7, Menara Luxor, 6B Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
5. **Explanatory Notes on Special Business of the Agenda**

Resolution pursuant to Section 132D of the Companies Act, 1965

The Ordinary Resolution proposed under item 6 is in line with the Company's expansion plan which may involve the issue of new shares. Under Section 132D of the Companies Act, 1965, the Directors would have to call for a general meeting to approve the issue of new shares even though the number of shares involved is less than 10% of the issued share capital of the Company for the time being. In order to avoid any delay and costs involved in convening a general meeting, it is thus considered appropriate to seek the shareholders' approval for Directors of the Company to issue shares in the Company up to an aggregate amount of not exceeding 10% of the issued share capital of the Company at the time of issue for such purposes as they consider would be in the best interest of the Company and also to empower Directors to obtain approval from the Bursa Malaysia Securities Berhad for the listing of and quotation for additional shares issued. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company

Statement Accompanying Notice Of Tenth Annual General Meeting

1. Place, date and time of the Tenth Annual General Meeting.

Date of Meeting	Time of Meeting	Place of Meeting
26 May, 2005	10.30 a.m.	Eastin Hotel, Ballroom 2, LG Level, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan

2. A total of seven Board of Directors' Meetings were held during the financial year ended 31 December 2004. The place, date and time of the Board of Directors' Meeting are as follows:-

Date of Meeting	Time of Meeting	Place of Meeting
12 February 2004	3.00 p.m.	Seri Kembangan
10 March 2004	3.00 p.m.	Seri Kembangan
14 April 2004	2.30 p.m.	Seri Kembangan
10 May 2004	3.00 p.m.	Seri Kembangan
9 August 2004	4.30 p.m.	Seri Kembangan
12 August 2004	2.30 p.m.	Seri Kembangan
27 October 2004	2.30 p.m.	Seri Kembangan

3. Details of Directors' attendance at Board of Directors' Meetings held during the financial year ended 31 December 2004.

Name of Directors	Attendance	%
Yg. Bhg. Datuk Haji Sarip bin Hamid	7/7	100.0
Lim Siok Hui	7/7	100.0
Tuan Haji Mohd Ali Bin Bawal	6/7	85.7
Liew Cheng York	7/7	100.0
Ooi Boon Pin	7/7	100.0
Chew Siew Hong	6/7	85.7
Ashari Bin Ayub	7/7	100.0
Lasa Bin Mat Desa	6/7	85.7
Yg. Bhg. Lt. Jen (B) Datuk Haji Abdul Aziz Bin Hasan	6/7	85.7

4. Directors who are standing for election or re-election at the Tenth Annual General Meeting of Jotech Holdings Berhad.

- i. Lim Siok Hui
- ii. Chew Siew Hong
- iii. Yg. Bhg. Lt. Jen (B) Datuk Haji Abdul Aziz Bin Hassan

The profile of the Directors who are standing for re-election are set out on page 22 to page 24 of this Annual Report.

Form of Proxy



JOTECH HOLDINGS BERHAD

(Company no: 334818-P)
(Incorporated in Malaysia)

Tenth Annual General Meeting

I/We _____ of _____
_____ being a member/members of JOTECH HOLDINGS BERHAD
hereby appoint * the Chairman of the meeting or _____ of _____
or failing whom _____ of _____
_____ as my/our proxy to vote for me/us and on my/our behalf at the Tenth Annual
General Meeting of the Company to be held at Eastin Hotel, Ballroom 2, LG Level, 13, Jalan 16/11, Pusat Dagang Seksyen
16, 46350 Petaling Jaya, Selangor Darul Ehsan on Thursday, 26 May 2005 at 10.30am and at any adjournment thereof.

*My/*Our proxy(ies) is/are to vote as indicated below:-

RESOLUTIONS	FOR	AGAINST
ORDINARY BUSINESS		
1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2004 together with the Directors' and Auditors' Reports thereon. Ordinary Resolution 1		
2. To declare a Final Dividend of 3% per ordinary share comprising of 2% less tax per ordinary share and 1% tax exempt dividend per ordinary share of the Company for the year ended 31 December 2004. Ordinary Resolution 2		
3. To approve the payment of Directors' fees for the year ended 31 December 2004. Ordinary Resolution 3		
4. To re-elect the following Directors who are retiring in accordance with Article 82(1) of the Company's Articles of Association:- 4.10 Lim Siok Hui Ordinary Resolution 4 4.11 Chew Siew Hong Ordinary Resolution 5 4.12 Yg. Bhg. Lt. Jen (B) Datuk Haji Abdul Aziz Bin Hassan Ordinary Resolution 6		
5. To re-appoint Messrs KPMG as the Company's Auditors and to authorise the Board of Directors to fix their remuneration. Ordinary Resolution 7		
SPECIAL BUSINESS:-		
6. Authority to issue shares pursuant to Section 132D of the Companies Act, 1965 Ordinary Resolution 8		

[Please indicate with (X) how you wish your vote to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion]

Dated this _____ day of _____ 2005.

Number of ordinary shares held:

Signature/Common Seal of Shareholder(s)

[* Delete if not applicable]

Notes:-

1. A member entitled to attend and vote at the Tenth Annual General Meeting is entitled to appoint a proxy/proxies, to attend and vote instead of him. A proxy may but need not be a member of the Company, and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his/her shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

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4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company Secretary's Office at Strategy Corporate Secretariat Sdn. Bhd., Unit 07-02, Level 7, Menara Luxor, 6B Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
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The Company Secretary

STAMP

JOTECH HOLDINGS BERHAD (334818-P)

Unit 07-02, Level 7,
Menara Luxor, 6B Persiaran Tropicana,
47410 Petaling Jaya,
Selangor Darul Ehsan

P.O. Box 12547
50782 Kuala Lumpur

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