



SINMAH RESOURCES BERHAD
301653-V



Our customers **keep coming back for more of the same**. For **Farm's Best**. Naturally

Pelanggan kami **terus datang balik untuk mendapat lebih banyak yang sama**. Semestinya Untuk **Farm's Best**

As one of the nation's leading integrated poultry producers, we are engaged in the production, processing, marketing and distribution of fresh and frozen chicken and other prepared food items. Our chicken products are primarily marketed under the Farm's Best brand name to retailers, distributors and markets that we serve. We ensure that every piece that goes into every packaging is the finest, most wholesome quality available. So no matter where our customers buy our products, when they see the Farm's Best label, they know they are getting delicious, natural, 100% chicken. That's why our customers keep coming back for more of the same. For Farm's Best, naturally.

Sebagai salah satu daripada pengeluar ayam bersepadu negara yang terunggul, kami terlibat dalam pengeluaran, pemprosesan, pemasaran dan pengedaran ayam segar dan disejukkan dan barangan makanan yang disediakan. Produk ayam kami kebanyakannya dipasarkan di bawah nama jenama Farm's Best kepada peruncit, pengedar dan pasaran yang kami beri khidmat. Kami pastikan bahawa setiap unit yang masuk ke setiap pembungkusan adalah yang terbaik, kualiti paling selamat dimakan boleh didapati. Jadi tidak kira di mana pelanggan kami membeli produk kami, bila mereka melihat label Farmbest, mereka ketahui bahawa mereka mendapat 100% ayam, lebih banyak benda lazat, semula jadi. Itulah sebabnya pelanggan kami terus datang balik untuk mendapat lagi yang sama. Semestinya untuk Farm's Best.



kandungan

Notis Mesyuarat Agung Tahunan	2
Penyata Mengiringi Notis	
Mesyuarat Agung Tahunan Ke-Sebelas	4
Struktur Korporat	8
Maklumat Korporat	9
Profil Para Pengarah	10-19
Penyata Pengerusi	22-27
Penyata Tadbir Urus Korporat	30-35
Penyata Kawalan Dalaman	42-43
Laporan Jawatankuasa Audit	46-48

contents

Notice of Annual General Meeting	3
Statement Accompanying	
Notice of Eleventh Annual General Meeting	5
Corporate Structure	8
Corporate Information	9
Directors' Profile	10-19
Chairman's Statement	22-27
Corporate Governance Statement	36-41
Statement on Internal Control	44-45
Audit Committee Report	49-51
Financial Statements	52-99
Statistics on Shareholdings	100-102
Statistics on Warrantholdings	103-104
List of Properties	105-111
Proxy Form	

notis mesyuarat agung tahunan

NOTIS ADALAH DENGAN INI DIBERI bahawa Mesyuarat Agung Tahunan Ke-Sebelas Syarikat akan diadakan di Bilik Bunga Teratai, Tingkat Tujuh, Renaissance Melaka Hotel, Jalan Bendahara, 75100 Melaka pada hari Selasa, 28 Jun 2005 jam 11.00 pagi untuk menimbang urusan-urusan berikut:-

AGENDA

URUSAN BIASA:

- Untuk menerima dan melulus Penyata Kewangan Teraudit bagi tempoh berakhir 31 Disember 2004 dan Laporan Pengarah dan Laporan Juruaudit berhubung dengannya.
Resolusi Biasa 1
- Untuk melulus yuran-yuran para Pengarah bagi tempoh berakhir 31 Disember 2004.
Resolusi Biasa 2
- Untuk melantik semula Pengarah-pengarah berikut yang bersara selaras dengan Artikel 106, Tataurusan Pertubuhan:-
 - Encik Fong Kok Yong
Resolusi Biasa 3
 - Encik Ng Cheu Kuan
Resolusi Biasa 4
 - Encik Mohd Khasan Bin Ahmad
Resolusi Biasa 5
- Untuk menimbang dan, sekiranya difikirkan wajar, meluluskan dengan atau tanpa pengubahsuaian, Resolusi berikut:
"BAHAWA Tuan Haji Baharom Bin Abd. Wahab, seorang Pengarah yang bersara mengikut Seksyen 129 (2) Akta Syarikat, 1965, adalah dan dengan ini dilantik semula sebagai Pengarah Syarikat selaras dengan Seksyen 129 (6) Akta Syarikat, 1965 dan untuk memegang jawatan sehingga tamatnya Mesyuarat Agung Tahunan Syarikat yang akan datang.
Resolusi Biasa 6

- Untuk melantik semula Tetuan Ernst & Young sebagai Juruaudit Syarikat dan memberi kuasa kepada Lembaga Pengarah untuk menetapkan ganjaran mereka.
Resolusi Biasa 7

URUSAN KHAS:

- Untuk menimbang dan sekiranya difikirkan wajar untuk meluluskan resolusi berikut dengan atau tanpa ubahsuaian, Resolusi Biasa berikut:

- Pertukaran Nama Syarikat

"BAHAWA kelulusan adalah dengan ini diberikan kepada Syarikat untuk menukar namanya daripada Sinmah Resources Berhad kepada Farm's Best Berhad, berkuatkuasa daripada tarikh pengeluaran Sijil Perakuan Pemerbadanan atas Pertukaran Nama Syarikat oleh Suruhanjaya Syarikat Malaysia dan dengan menggantikan nama Sinmah Resources Berhad kepada Farm's Best Berhad di dalam Memorandum dan Artikel Tataurusan Pertubuhan Syarikat dan di mana-mana nama Syarikat terpacar **DAN BAHAWA** mana-mana Pengarah dan Setiausaha Syarikat adalah dan dengan ini diberi kuasa untuk menjalankan urusan-urusan rasmi yang diperlukan untuk melaksanakan pertukaran nama tersebut."
Resolusi Khas 1

LAIN-LAIN URUSAN:

- Untuk membincang lain-lain urusan biasa yang mana notis telah diberi sewajarnya selaras dengan Artikel Tataurusan Pertubuhan Syarikat dan Akta Syarikat, 1965.

ATAS PERINTAH LEMBAGA PENGARAH

**NURULUYUN BINTI ABDUL JABAR (MIA 9113)
LIEW SENG AUN (MIA 13109)**
Setiausaha-setiausaha Syarikat

Melaka
6 Jun 2005

Nota:

- Setiap Ahli yang berhak untuk hadir dan mengundi pada Mesyuarat adalah berhak untuk melantik proksi atau proksi-proksi untuk hadir dan mengundi bagi pihak beliau. Seorang proksi boleh tetapi tidak semestinya merupakan seorang ahli Syarikat dan peruntukan-peruntukan Seksyen 149(1)(a), (b), (c) dan (d) Akta Syarikat 1965 tidak akan terpakai kepada Syarikat.
- Di mana seorang ahli melantik dua (2) orang atau lebih proksi, pelantikan tidak akan sah kecuali beliau menyatakan bahagian daripada pemegangan saham beliau untuk diwakili oleh setiap proksi.
- Borang Proksi hendaklah ditandatangani oleh pelantik atau wakil beliau yang diberi kuasa sewajarnya secara bertulis atau, sekiranya ahli merupakan perbadanan, hendaklah disempurnakan di bawah meterai biasa atau oleh wakil atau pegawai yang dibenarkan.
- Instrumen melantik proksi hendaklah diserahkan di Level 17, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur, tidak lewat daripada 48 jam sebelum masa yang ditetapkan bagi Mesyuarat atau mana-mana penangguhannya.

5. Nota Penjelasan

Perlantikan Semula Pengarah melebihi usia 70 tahun

Resolusi Biasa No. 6 dicadangkan di bawah perkara (4) di atas adalah mengikut Seksyen 129(6) Akta Syarikat, 1965 yang memerlukan agar resolusi berasingan diluluskan untuk melantik Tuan Haji Baharom Bin Abd. Wahab yang melebihi usia 70 tahun sebagai Pengarah Syarikat dan untuk memegang jawatan sehingga tamatnya Mesyuarat Agung Tahunan Syarikat yang akan datang. Resolusi hendaklah diluluskan oleh majoriti tidak kurang daripada tiga perempat daripada Ahli-ahli tertentu Syarikat yang berhak untuk mengundi secara sendiri atau di mana proksi dibenarkan, melalui proksi pada Mesyuarat Agung Tahunan Syarikat.

Cadangan Pertukaran Nama

Resolusi Khas No. 1 dicadangkan di bawah perkara (6), adalah untuk menukar nama Syarikat untuk mengambil peluang ke atas kepopularan tanda niaga "Farm's Best" sebagaimana didaftarkan di bawah nama anak Syarikat, Sinmah Food Industries Sdn Bhd. Cadangan pertukaran nama kepada "Farm's Best Berhad" adalah untuk menggambarkan dengan lebih baik kegiatan dan pemilikan Syarikat. Resolusi khas akan memerlukan kelulusan oleh majoriti tiga perempat daripada ahli-ahli yang hadir dan mengundi secara sendiri atau melalui proksi.

notice of annual general meeting

NOTICE IS HEREBY GIVEN THAT the Eleventh Annual General Meeting of the Company will be held at Bilik Bunga Teratai, 7th Floor, Renaissance Melaka Hotel, Jalan Bendahara, 75100 Melaka on Tuesday, 28 June 2005 at 11.00 a.m. for the following purposes:

AGENDA

ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the period ended 31 December 2004 together with the Reports of the Directors and Auditors thereon.

Ordinary Resolution 1

2. To approve the Directors' fees for the period ended 31 December 2004.

Ordinary Resolution 2

3. To re-elect the following Directors retiring pursuant to Article 106 of the Articles of Association:-

(a) Mr Fong Kok Yong

Ordinary Resolution 3

(b) Mr Ng Cheu Kuan

Ordinary Resolution 4

(c) Encik Mohd Khasan Bin Ahmad

Ordinary Resolution 5

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

"THAT Tuan Haji Baharom Bin Abd. Wahab, a Director who retires pursuant to Section 129 (2) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company pursuant to Section 129 (6) of the Companies Act, 1965 and to hold office until the conclusion of the next Annual General Meeting of the Company."

Ordinary Resolution 6

5. To re-appoint Messrs Ernst & Young as the Company's Auditors and to authorise the Board of Directors to fix their remuneration.

Ordinary Resolution 7

SPECIAL BUSINESS:

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

- Proposed Change of Name

"THAT the name of the Company be changed from SINMAH RESOURCES BERHAD to FARM'S BEST BERHAD with effect from the date of the issuance of the Certificate of Incorporation on Change of Name of the Company by the Companies Commission of Malaysia and by substituting the name of Sinmah Resources Berhad to Farm's Best Berhad in the Company's Memorandum and Articles of Association and wherever the name of the Company appears **AND THAT** the Directors and the Secretary of the Company be and are hereby authorised to carry out all the necessary formalities in effecting the change of name."

Special Resolution 1

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.

BY ORDER OF THE BOARD

**NURULUYUN BINTI ABDUL JABAR (MIA 9113)
LIEW SENG AUN (MIA 13109)**
Company Secretaries

Melaka

6 June 2005

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote on his (her) behalf. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a), (b), (c) and (d) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he (she) specifies the proportion of his (her) shareholdings to be represented by each proxy.
3. The Proxy Form shall be signed by the appointor or his (her) attorney duly authorized in writing or, if the member is a corporation, must be executed under its common seal or by its authorized attorney or officers.
4. The instrument appointing a proxy shall be deposited at Level 17, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur, not less than 48 hours before the time set for the Meeting or any adjournment thereof.

5. Explanatory Notes:-

Re-appointment of Director over 70 years of age

The Ordinary Resolution No. 6 proposed under item (4) above is in accordance with Section 129(6) of the Companies Act, 1965 which requires that a separate resolution be passed to re-appoint Tuan Haji Baharom Bin Abd. Wahab who is over 70 years of age as Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company. The Resolution must be passed by a majority of not less than three-fourths of such Members of the Company as being entitled to vote in person or where proxies are allowed, by proxy at the Annual General Meeting of the Company.

Proposed Change of Name

The Special Resolution No. 1 proposed under item (6), is to change the name of the Company to take advantage on the popularity of the trade mark "Farm's Best" as registered under the name of the Company's subsidiary, Sinmah Food Industries Sdn Bhd. The proposed change of name to "Farm's Best Berhad" is to better reflect the Company's activities and ownership. The special resolution will require the passing by a three-fourths majority of the members present and voting in person or by proxy.

penyata mengiringi notis notis mesyuarat agung tahunan ke-sebelas

1. Pengarah-pengarah yang menawarkan diri untuk pelantikan atau pelantikan semula pada Mesyuarat Agung Tahunan Ke-Sebelas Sinmah Resources Berhad:
 - i. Encik Fong Kok Yong **(Resolusi Biasa 3)**
 - ii. Encik Ng Cheu Kuan **(Resolusi Biasa 4)**
 - iii. Encik Mohd Khasan Bin Ahmad **(Resolusi Biasa 5)**
 - iv. Tuan Haji Baharom Bin Abd. Wahab **(Resolusi Biasa 6)**

2. Butir-butir kehadiran pengarah-pengarah pada Mesyuarat Lembaga diadakan bagi tempoh kewangan berakhir 31 Disember 2004:

Nama Pengarah	Kehadiran
Y. Bhg. Datuk Haji Abdul Razak Bin Alias	4 daripada 5
Y. Bhg. Datuk Ng Peng Hay @ Ng Peng Hong	4 daripada 5
Mr Fong Kok Yong	5 daripada 5
Mr Fong Kiah Yeow	5 daripada 5
Mr Fong Ngan Teng	5 daripada 5
Mr Fong Choon Kai	5 daripada 5
Mr Ng Cheu Kuan	5 daripada 5
Tuan Haji Baharom Bin Abd Wahab	5 daripada 5
Encik Mohd Khasan Bin Ahmad	5 daripada 5

3. Tempat, tarikh dan masa Mesyuarat Agung Tahunan Ke-Sebelas:

Tarikh Mesyuarat	Masa Mesyuarat	Tempat Mesyuarat
28 Jun 2005 (Selasa)	11.00 pagi	Bilik Bunga Teratai Tingkat Tujuh Renaissance Melaka Hotel Jalan Bendahara 75100 Melaka

statement accompanying of notice of eleventh annual general meeting

1. Directors who are standing for re-election at the Eleventh Annual General Meeting of Sinmah Resources Berhad:
 - i. Mr Fong Kok Yong **(Ordinary Resolution 3)**
 - ii. Mr Ng Cheu Kuan **(Ordinary Resolution 4)**
 - iii. Encik Mohd Khasan Bin Ahmad **(Ordinary Resolution 5)**
 - iv. Tuan Haji Baharom Bin Abd. Wahab **(Ordinary Resolution 6)**

2. Details of attendance of Directors at Board Meetings held during the financial period ended 31 December 2004:

Name of Directors	Attendance
Y. Bhg. Datuk Haji Abdul Razak Bin Alias	4 out of 5
Y. Bhg. Datuk Ng Peng Hay @ Ng Peng Hong	4 out of 5
Mr Fong Kok Yong	5 out of 5
Mr Fong Kiah Yeow	5 out of 5
Mr Fong Ngan Teng	5 out of 5
Mr Fong Choon Kai	5 out of 5
Mr Ng Cheu Kuan	5 out of 5
Tuan Haji Baharom Bin Abd Wahab	5 out of 5
Encik Mohd Khasan Bin Ahmad	5 out of 5

3. Place, date and time of the Eleventh Annual General Meeting:

Date of Meeting	Time of Meeting	Place of Meeting
28 June 2005 (Tuesday)	11.00 a.m.	Bilik Bunga Teratai 7th Floor Renaissance Melaka Hotel Jalan Bendahara 75100 Melaka

everybody's



It's true. Most people prefer chicken for a variety of reasons. To them, a meal is never complete without their favourite white meat, prepared to suit their taste buds. It's not surprising then that our wide range of processed chicken products continue to remain popular amongst Malaysians and markets that we serve. Because, when it comes to quality, they know that we deliver, always!



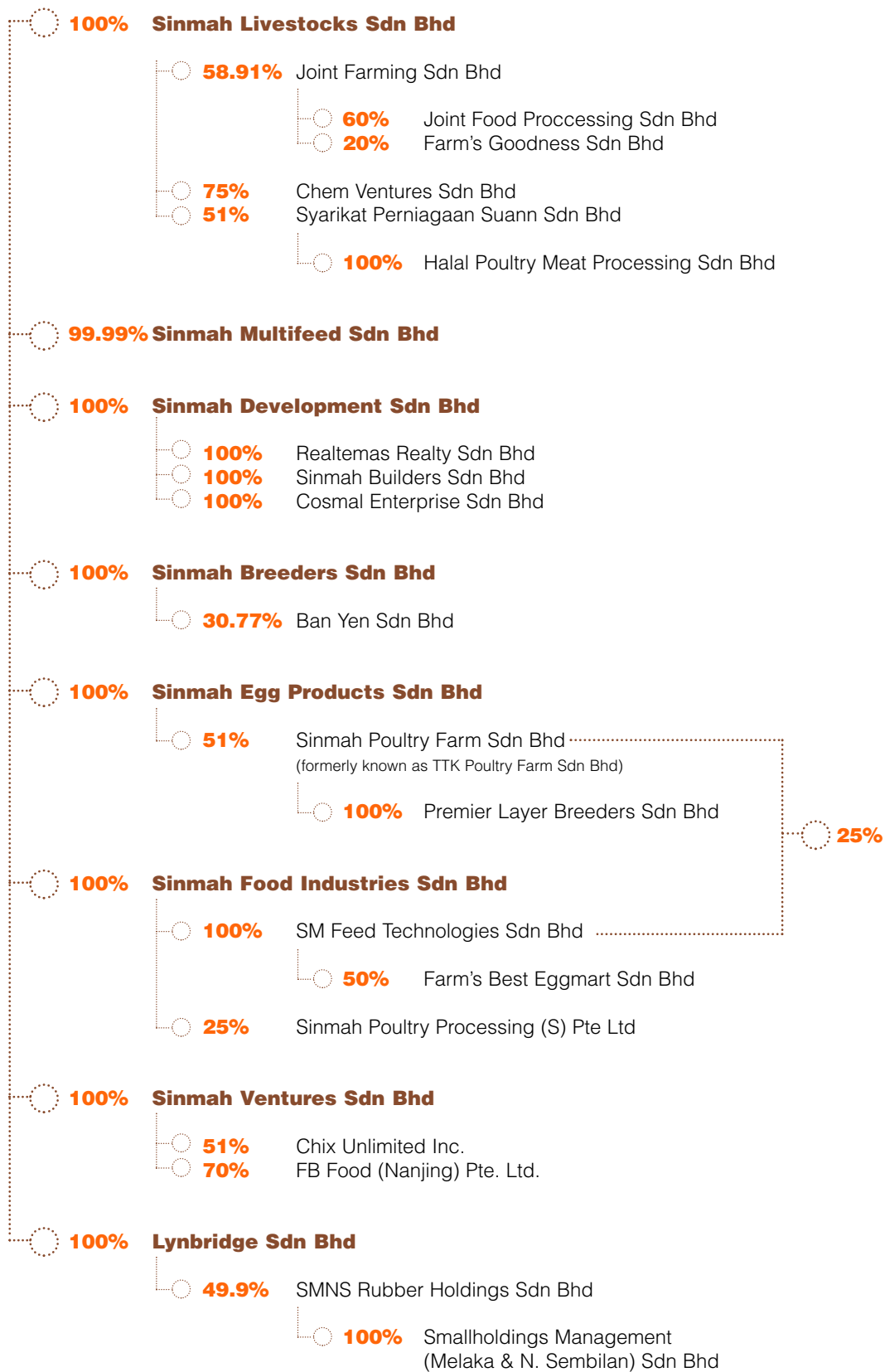
Memang benar. Ramai orang memilih ayam untuk pelbagai alasan. Bagi mereka, makanan tidak akan lengkap tanpa daging putih kegemaran mereka, disediakan mengikut selera mereka. Maka tidak hairanlah bahawa rangkaian produk ayam diproses kami yang luas terus kekal popular di kalangan warga Malaysia dan pasaran yang kami hidangkan. Sebab apabila bercakap fasal kualiti, mereka tahu yang kami boleh sediakan, sentiasa!

favourite choice

semua orang sukaramai



struktur korporat corporate structure



maklumat korporat corporate information

LEMBAGA PENGARAH BOARD OF DIRECTORS

Y. Bhg. Datuk Haji Abdul Razak
Bin Alias
Pengerusi/Chairman

Mr Fong Kok Yong
Pengarah Urusan/Managing Director

Mr Fong Kiah Yeow
Pengarah Eksekutif/Executive Director

Mr Fong Ngan Teng
Pengarah Eksekutif/Executive Director

Mr Fong Choon Kai
Pengarah Eksekutif/Executive Director

Mr Ng Cheu Kuan
Pengarah Eksekutif/Executive Director

Y. Bhg. Datuk Ng Peng Hay
@ Ng Peng Hong
Pengarah Eksekutif/Executive Director

Tuan Haji Baharom Bin Abd. Wahab
Pengarah Bukan Eksekutif/
Independent Non-Executive Director

Encik Mohd Khasan Bin Ahmad
Pengarah Bukan Eksekutif/
Independent Non-Executive Director

SETIAUSAHA-SETIAUSAHA SYARIKAT COMPANY SECRETARIES

Nuruluyun Binti Abdul Jabar
(MIA 9113)
Liew Seng Aun (MIA 13109)

PENDAFTAR REGISTRAR

Symphony Share Registrars Sdn. Bhd.
(formerly known as Malaysian Share Registration
Services Sdn. Bhd.)
Level 26, Menara Multi-Purpose
Capital Square
No.8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 03-2721 2222
Fax : 03-2721 2530/1

PEJABAT BERDAFTAR REGISTERED OFFICE

AG 5730
Alor Gajah Industrial Estate
78000 Alor Gajah
Melaka
Tel : 06-556 1293
Fax : 06-556 2445

ALAMAT MENYIMPAN DAFTAR OPSYEN PLACE WHERE REGISTER OF OPTIONS KEPT

AG 5730
Alor Gajah Industrial Estate
78000 Alor Gajah
Melaka
Tel : 06-556 1293
Fax : 06-556 2445

JURUAUDIT AUDITORS

Ernst & Young
Akauntan Bertauliah/Chartered
Accountants
Lot 1, 6th Floor, Menara Pertam
Jalan BBP 2,
Taman Batu Berendam Putra
Batu Berendam
75350 Melaka
Tel : 06-336 2399
Fax : 06-336 2899

Bank-bank Utama Principal Bankers

Hong Leong Bank Berhad
Affin Bank Berhad
EON Bank Berhad
Bumiputra-Commerce Bank Berhad

Penyenaraian Di Bursa Saham
Stock Exchange Listing

Bursa Malaysia Securities Berhad
(formerly known as Malaysia Securities Exchange
Berhad)
– Papan Kedua/Second Board

profil para pengarah **directors' profile**



Y. BHG. DATUK HAJI
ABDUL RAZAK
BIN ALIAS

**Pengerusi, Pengarah Bukan Eksekutif
Bebas & Pengerusi Jawatankuasa Audit
Chairman, Independent Non-Executive
Director & Chairman of Audit Committee**

**Berumur 66 tahun
- Warganegara Malaysia
66 years of age - Malaysian**

Y. Bhg. Datuk Haji Abdul Razak dilantik ke Lembaga Pengarah Sinmah Resources Berhad ("Sinmah") pada 2 Ogos 1996 dan kemudian menjadi Pengerusi Sinmah pada 24 Julai 2001. Beliau merupakan Pengerusi dan ahli-ahli Jawatankuasa Audit dan Penamaan dan juga ahli Jawatan kuasa Imbuhan Sinmah.

Y. Bhg. Datuk Haji Abdul Razak tamat pendidikan menengah beliau di Tampin, Negeri Sembilan. Beliau adalah Speaker Dewan Undangan Negeri Melaka dari 1982 hingga 1986, ahli Jawatankuasa Eksekutif Negeri Melaka dari 1978 hingga 1982 dan Wakil Rakyat dari 1974 hingga 1986. Sejak daripada itu, beliau telah secara aktifnya terlibat dengan kegiatan kebajikan dan pada masa ini memegang beberapa jawatan seperti Presiden Majlis Bekas Wakil Rakyat (MUBARAK) Malaysia dan Pengerusi Cawangan Melaka. Selain daripada itu, beliau juga Pengerusi bagi beberapa Persatuan Ibu Bapa & Guru-guru di beberapa Sekolah dan Pertubuhan Ko-operasi. Beliau juga menganggotai lembaga beberapa syarikat sendirian berhad.

Pada tarikh laporan tahunan ini, Y. Bhg. Datuk Haji Abdul Razak tidak mempunyai apa-apa kepentingan dalam Sinmah. Datuk Haji Abdul Razak telah menghadiri empat (4) daripada lima (5) mesyuarat lembaga dalam tempoh kewangan berakhir 31 Disember 2004.

Y. Bhg. Datuk Haji Abdul Razak was appointed to the Board of Sinmah Resources Berhad ("Sinmah") on 2 August 1996 and later became the Chairman of Sinmah on 24 July 2001. He is the Chairman and the member of the Audit and Nomination Committees and is also a member of the Remuneration Committee of Sinmah.

Y. Bhg. Datuk Haji Abdul Razak completed his secondary education in Tampin, Negeri Sembilan. He was the Speaker of the Melaka State Assembly from 1982 to 1986, a member of the Melaka State Executive Committee from 1978 to 1982 and a State Assemblyman from 1974 to 1986. Since then, he has been actively involved in welfare activities and is currently holding various positions such as President of the Majlis Bekas Wakil Rakyat (MUBARAK) Malaysia and the Chairman of the Melaka Branch. In addition, he is also the Chairman of various School Parents & Teachers Associations and Co-operative Societies. He also sits on the boards of several private limited companies.

As at the date of this annual report, Y. Bhg. Datuk Haji Abdul Razak does not have any interest in Sinmah. Y. Bhg. Datuk Haji Abdul Razak has attended four (4) of the five (5) board meetings held during the financial period ended 31 December 2004.



FONG KOK YONG

Pengarah Urusan/Managing Director

**Berusia 54 tahun – Warganegara Malaysia
54 years of age – Malaysian**

Fong Kok Yong dilantik ke Lembaga Sinmah pada 10 Februari 1995 dan pada masa ini adalah Pengarah Urusan Sinmah. Beliau juga adalah ahli Jawatankuasa Imbuhan Sinmah.

Fong Kok Yong tamat pengajian dari University of Singapore pada 1975 dengan ijazah Sarjana Muda Pentadbiran Perniagaan. Beliau menyertai Sinmah Multifeed Sdn Bhd, sebuah anak syarikat milik penuh Sinmah pada 18 Oktober 1976 sebagai Pengarah. Pada masa ini beliau menyelia operasi Kumpulan Sinmah.

Beliau pada masa ini adalah,

- (i) Penasihat kepada Persekutuan Persatuan Peladang Ternakan Malaysia (sejak 1995)
- (ii) Ahli, Panel Pembangunan Pertanian Negara, yang dipengerusikan oleh yang berhormat Menteri Pertanian dan Industri Berasaskan Tani.
- (iii) Ahli, Institut Pengurusan Malaysia (sejak 1990)
- (iv) Ahli, Institut Pertanian Malaysia (sejak 1985)

Fong Kok Yong telah berkhidmat dalam beberapa jawatan/badan dalam tahun-tahun yang lepas:-

- (i) Ketua Setiausaha, Persekutuan Persatuan Peladang Ternakan Malaysia (1986 – 1991)
- (ii) Presiden, Persekutuan Persatuan Peladang Ternakan Malaysia (1991 – 1995)
- (iii) Presiden, Persekutuan Pengeluar Ayam Itik Asean (Mac 2003 – Mac 2005)
- (iv) Pengarah, Dewan Perniagaan dan Industri China Selangor (1991 – 1995)
- (v) Pengarah, Dewan Perniagaan dan Industri China Melaka (1995 – 2000)

Pada tarikh laporan tahunan ini, Fong Kok Yong mempunyai kepentingan tidak langsung sebanyak 20,348,705 saham dalam Sinmah. Beliau telah menghadiri kesemua lima (5) mesyuarat lembaga yang diadakan pada tempoh kewangan berakhir 31 Disember 2004.

Fong Kok Yong was appointed to the Board of Sinmah on 10 February 1995 and is currently the Managing Director of Sinmah. He is also a member of the Remuneration Committee of Sinmah.

Fong Kok Yong graduated from the University of Singapore in 1975 with a Bachelor of Business Administration. He joined Sinmah Multifeed Sdn Bhd, a wholly owned subsidiary of Sinmah on 18 October 1976 as a Director. He presently oversees the Sinmah Group's operations.

He is currently,

- (i) Advisor to the Federation of Livestock Farmers' Associations of Malaysia (since 1995)
- (ii) Member, National Agricultural Development Panel, which is chaired by the honourable Minister of Agriculture and Agro-based Industries
- (iii) Member, Malaysian Institute of Management (since 1990)
- (iv) Member, Agricultural Institute of Malaysia (since 1985)

Fong Kok Yong had served in the various positions/bodies during the past years:-

- (i) Secretary General, Federation of Livestock Farmers' Associations of Malaysia (1986 – 1991)
- (ii) President, Federation of Livestock Farmers' Associations of Malaysia (1991 – 1995)
- (iii) President, Federation of Asean Poultry Producers (March 2003 – March 2005)
- (iv) Director, Selangor Chinese Chamber of Commerce and Industry (1991 – 1995)
- (v) Director, Malacca Chinese Chamber of Commerce and Industry (1995 to 2000)

As at the date of this annual report, Fong Kok Yong has an indirect interest of 20,348,705 shares in Sinmah. He has attended all five (5) board meetings held during the financial period ended 31 December 2004.



FONG KIAH YEOW

Pengarah Eksekutif/Executive Director

**Berusia 50 tahun – Warganegara Malaysia
50 years of age – Malaysian**

Fong Kiah Yeow dilantik ke Lembaga Pengarah Sinmah pada 10 Februari 1995. Beliau juga adalah ahli Jawatankuasa Imbuhan Sinmah.

Fong Kiah Yeow tamat kursus perakaunan pada 1975 dari Tottenham College of Technology, United Kingdom. Beliau juga pernah menjadi ahli bersekutu Chartered Association of Certified Accountants, United Kingdom. Sebaik sahaja, tamat pengajian beliau, Fong Kiah Yeow menyertai perniagaan keluarganya dan telah bertanggungjawab bagi perniagaan penjualan borong beras keluarganya. Beliau kemudiannya telah dilantik ke Lembaga Pengarah Sinmah Multifeed Sdn Bhd pada 31 Januari 1980. Pada masa ini beliau bertanggungjawab bagi hal ehwal korporat dan hal-hal kewangan Kumpulan. Beliau juga menganggotai lembaga beberapa syarikat sendirian berhad.

Pada tarikh laporan tahunan ini, Fong Kiah Yeow mempunyai kepentingan tidak langsung sebanyak 20,348,705 saham dalam Sinmah. Beliau telah menghadiri kesemua lima (5) mesyuarat lembaga yang diadakan dalam tempoh kewangan berakhir 31 Disember 2004.

Fong Kiah Yeow was appointed to the Board of Sinmah on 10 February 1995. He is also a member of the Remuneration Committee of Sinmah.

Fong Kiah Yeow completed an accountancy course in 1975 from the Tottenham College of Technology, United Kingdom. He was also an associate member of the Chartered Association of Certified Accountants, United Kingdom. Immediately, upon completion of his studies, Fong Kiah Yeow joined his family business and was responsible for his family's rice wholesale business. He was later appointed to the Board of Sinmah Multifeed Sdn Bhd on 31 January 1980. He is presently responsible for the Group's corporate affairs and financial matters. He also sits on the board of several private limited companies.

As at the date of this annual report, Fong Kiah Yeow has an indirect interest of 20,348,705 shares in Sinmah. He has attended all five (5) board meetings held during the financial period ended 31 December 2004.



FONG NGAN TENG

Pengarah Eksekutif/Executive Director

**Berusia 47 tahun – Warganegara Malaysia
47 years of age – Malaysian**

Fong Ngan Teng dilantik ke Lembaga Pengarah Sinmah pada 10 Februari 1995. Beliau tamat pengajian pada 1982 dengan ijazah Sarjana Muda Sastera (Kepujian) dari The City of London Polytechnic di United Kingdom. Beliau menyertai Sinmah Multifeed Sdn Bhd selepas beliau tamat pengajian dan telah dilantik sebagai Pengarah Sinmah Multifeed Sdn Bhd pada 1 Mac 1983. Pada masa ini beliau adalah Pengarah Pemasaran Kumpulan dan juga bertanggungjawab bagi pembiakan, penetasan dan perladangan kontrak Kumpulan Sinmah. Beliau juga menganggotai lembaga beberapa syarikat sendirian berhad.

Pada tarikh laporan tahunan ini, Fong Ngan Teng mempunyai kepentingan tidak langsung sebanyak 20,348,705 saham dalam Sinmah. Beliau telah menghadiri kesemua lima (5) mesyuarat lembaga dalam tempoh kewangan berakhir 31 Disember 2004.

Fong Ngan Teng was appointed to the Board of Sinmah on 10 February 1995. He graduated in 1982 with a Bachelor of Arts (Honours) degree from The City of London Polytechnic in United Kingdom. He joined Sinmah Multifeed Sdn Bhd upon his graduation and was appointed as a Director of Sinmah Multifeed Sdn Bhd on 1 March 1983. He is currently the Group's Marketing Director and is also responsible for the breeding, hatchery and contract farming of the Sinmah Group. He also sits on the boards of several private limited companies.

As at the date of this annual report, Fong Ngan Teng has an indirect interest of 20,348,705 shares in Sinmah. He has attended all five (5) board meetings held during the financial period ended 31 December 2004.



FONG CHOON KAI

Pengarah Eksekutif/Executive Director

**Berusia 43 tahun – Warganegara Malaysia
43 years of age – Malaysian**

Fong Choon Kai dilantik ke Lembaga Sinmah pada 10 Februari 1995. Beliau tamat pengajian pada 1985 dengan ijazah Sarjana Muda Sains Aktuari (Kepujian) dari London School of Economics, United Kingdom dan kemudiannya pada 1987, dengan ijazah Sarjana dalam Analisis Sistem dan Rekabentuk dari The City University, United Kingdom. Selepas itu, beliau telah berkhidmat dengan firma perakaunan bertauliah awam, Lewis, Berman & Partners di United Kingdom selama 2 tahun. Sebelum beliau dilantik ke Lembaga Sinmah Multifeed Sdn Bhd pada 15 Januari 1992, beliau telah terlibat dengan syarikat pembinaan dan pembangunan hartanah, Hanover Construction Ltd., serta dalam perniagaan eksport dan import Hanover Trading Ltd., United Kingdom selama 2 tahun. Fong Choon Kai pada masa ini bertanggungjawab bagi semua hal-hal pentadbiran dalam Kumpulan Sinmah. Beliau juga menganggotai lembaga beberapa syarikat sendiri berhad.

Pada tarikh laporan tahunan ini, Fong Choon Kai mempunyai kepentingan tidak langsung sebanyak 20,348,705 saham dalam Sinmah. Beliau telah menghadiri kesemua lima (5) mesyuarat lembaga yang diadakan dalam tempoh kewangan berakhir 31 Disember 2004.

Fong Choon Kai was appointed to the Board of Sinmah on 10 February 1995. He graduated in 1985 with a Bachelor of Actuarial Science (Honours) degree from London School of Economics, United Kingdom and later in 1987, with a Masters degree in Systems Analysis and Design from The City University, United Kingdom. Thereafter, he was attached to a public chartered accounting firm, Lewis, Berman & Partners in United Kingdom for 2 years. Prior to his appointment to the Board of Sinmah Multifeed Sdn Bhd on 15 January 1992, he was engaged in a construction and property development company, Hanover Construction Ltd, as well as in export and import business of Hanover Trading Ltd, United Kingdom for 2 years. Fong Choon Kai is currently responsible for all administrative matters in the Sinmah Group. He also sits on the boards of several private limited companies.

As at the date of this annual report, Fong Choon Kai has an indirect interest of 20,348,705 shares in Sinmah. He has attended all five (5) board meetings held during the financial period ended 31 December 2004.



NG CHEU KUAN

Pengarah Eksekutif/Executive Director

**Berusia 50 tahun – Warganegara Malaysia
50 years of age – Malaysian**

Ng Cheu Kuan dilantik ke Lembaga Sinmah pada 10 Februari 1995 dan bertanggungjawab bagi operasi pembangunan hartanah Kumpulan. Beliau tamat pengajian dengan ijazah Kejuruteraan Awam (Kepujian) dari University of Southampton, United Kingdom pada Julai 1977. Beliau merupakan Jurutera Profesional berdaftar dengan Lembaga Jurutera, Malaysia dan telah dikurniakan keahlian Fellow Institusi Kejuruteraan Malaysia pada 1990, menjadikan beliau ahli Fellow termuda Institusi ketika itu. Beliau juga adalah Pengerusi Institusi Jurutera, Cawangan Melaka dari 1988 hingga 1990. Selepas beliau tamat pengajian pada 1977, beliau menyertai Dewan Bandaraya, Kuala Lumpur sebagai jurutera projek dan pada 1980 beliau menjadi jurutera rekabentuk di Angkasa Gutteridge Haskins & Davey Consulting Engineers, Kuala Lumpur, yang menyediakan perkhidmatan kejuruteraan profesional kepada pelanggan-pelanggan daripada sektor swasta dan awam. Pada 1982, beliau menyertai Bolton Properties Berhad sebagai pengurus projek sebelum menjadi pengurus projek dan kemudian pengurus kanan Supreme Corporation Berhad (sekarang dikenali sebagai Lion Land Berhad) selama 10 tahun. Di antara 1992 dan Mei 1994, beliau berkhidmat di Lion Land Berhad. Beliau kemudiannya memulakan perniagaan pembangunan hartanah dan pembinaan sendiri. Beliau juga adalah pengarah beberapa syarikat sendiri berhad.

Pada tarikh laporan tahunan ini, Ng Cheu Kuan memegang 19,000 saham. Beliau telah menghadiri kesemua lima (5) mesyuarat lembaga yang diadakan dalam tempoh kewangan berakhir 31 Disember 2004.

Ng Cheu Kuan was appointed to the Board of Sinmah on 10 February 1995 and is in charge of the Group's property development operations. He graduated with a degree in Civil Engineering (Honours) from the University of Southampton, United Kingdom in July 1977. He is a Professional Engineer registered with the Board of Engineers, Malaysia and was conferred a Fellow of the Institution of Engineers, Malaysia in 1990, making him one of the youngest Fellow of the Institution then. He was also the Chairman of the Institution of Engineers, Malacca Branch from 1988 to 1990. Upon his graduation in 1977, he joined Dewan Bandaraya, Kuala Lumpur as the project engineer and in 1980 he became design engineer in Angkasa Gutteridge Haskins & Davey Consulting Engineers, Kuala Lumpur, which provides professional engineering services to clients from the private and public sectors. In 1982, he joined Bolton Properties Berhad as a project manager before becoming the project manager and later senior manager of Supreme Corporation Berhad (now known as Lion Land Berhad) for 10 years. Between 1992 and May 1994, he worked in Lion Land Berhad. He then started his own property development and construction businesses. He is also a director of several private limited companies.

As at the date of this annual report, Ng Cheu Kuan holds 19,000 shares in Sinmah. He has attended all five (5) board meetings held during the financial period ended 31 December 2004.



Y. BHG. DATUK
NG PENG HAY
@ NG PENG HONG

Pengarah Eksekutif/ Executive Director

**Berusia 53 tahun – Warganegara Malaysia
53 years of age – Malaysian**

Y. Bhg. Datuk Ng Peng Hay @ Ng Peng Hong dilantik ke Lembaga Sinmah pada 10 Februari 1995. Beliau juga adalah ahli Jawatankuasa Audit Sinmah.

Y. Bhg. Datuk Ng Peng Hay adalah Ahli Dewan Undangan Negeri bagi Kawasan Tengkeru Barisan Nasional di antara 1982 dan 1986. Beliau kemudian berkhidmat sebagai Senator dalam Parlimen Malaysia dari 1987 hingga 1993. Penglibatan pertama beliau dalam kegiatan sosial adalah selepas tamat pendidikan menengah. Beliau telah dilantik sebagai Penyelaras Pelaburan oleh Perbadanan Pembangunan Negeri Melaka untuk mengendalikan pelaburan langsung dalam Negeri Melaka sejak 1988. Bersama dengan pasukan pegawai beliau dan hubungan awam beliau yang baik, beliau telah membantu dalam menarik ramai pelabur-pelabur Taiwan, Singapura dan Cina ke dalam Negeri Melaka. Sebagai pengiktirafan usaha dan dedikasi beliau, beliau telah dianugerahkan Darjah Mulia Seri Melaka oleh Yang Dipertua, Gabenor Melaka pada 1992. Pada 17 Julai 1999, Kerajaan Taiwan menganugerahkan beliau Piala Ekonomi. Beliau juga pada masa ini merupakan seorang ahli Lembaga Dewan Perdagangan dan Perindustrian Cina Melaka,

Y. Bhg. Datuk Ng Peng Hay juga adalah Pengerusi MCA, Cawangan Melaka Ketujuh sejak 1982. Beliau merupakan Pengarah Bukan Eksekutif Bebas Bonia Corporation (M) Berhad sejak 1994, Komarkcorp Berhad sejak 1997 dan Ta Win Holdings Berhad sejak 2000.

Pada tarikh laporan tahunan ini, Y. Bhg. Datuk Ng memegang 13,500 saham dan juga mempunyai kepentingan tidak langsung sebanyak 100 saham dalam Sinmah. Beliau telah menghadiri empat (4) daripada lima (5) mesyuarat lembaga yang diadakan dalam tempoh kewangan berakhir 31 Disember 2004.

Y. Bhg. Datuk Ng Peng Hay @ Ng Peng Hong was appointed to the Board of Sinmah on 10 February 1995. He is also a member of the Audit Committee of Sinmah.

Y. Bhg. Datuk Ng Peng Hay was the State Assemblyman for Tengkeru Constituency of Barisan Nasional between 1982 and 1986. He then served as a Senator in the Malaysian Parliament from 1987 to 1993. His first involvement in social activities was upon completing his secondary education. He has been appointed as the Investment Co-ordinator by the Melaka State Development Corporation to handle direct investments in the State of Melaka since 1988. Together with his teams of officials and his excellent public relations, he has helped in attracting numerous Taiwanese, Singaporean and Chinese investors into the State of Melaka. In recognition of his efforts and dedication, he was conferred the Darjah Mulia Seri Melaka by His Excellency, the Governor of Melaka in 1992. On 17 July 1999, the Taiwanese Government awarded him the Economics Medal. He is also presently a Board member of the Melaka Chinese Chamber of Commerce and Industry.

Y. Bhg. Datuk Ng Peng Hay is also the Chairman of MCA, 7th Branch Melaka since 1982. He is also the Independent Non-Executive Director of Bonia Corporation (M) Berhad since 1994, Komarkcorp Berhad since 1997 and Ta Win Holdings Berhad since 2000.

As at the date of this annual report, Y. Bhg. Datuk Ng holds 13,500 shares in Sinmah. He has attended four (4) of the five (5) board meetings held during the financial period ended 31 December 2004.



HAJI BAHAROM BIN ABD. WAHAB

**Pengarah Bukan Eksekutif Bebas/
Independent Non-Executive Director**

**Berusia 70 tahun – Warganegara Malaysia
70 years of age – Malaysian**

Haji Baharom Bin Abd. Wahab dilantik ke Lembaga Sinmah pada 14 Jun 1999. Beliau juga adalah ahli-ahli Jawatankuasa Audit, Penamaan dan Imbuhan Sinmah.

Haji Baharom mendapat sijil mengajar beliau dari Maktab Perguruan Sultan Idris, Tanjung Malim pada 1955. Haji Baharom memulakan kerjaya mengajar beliau sejak 1955 dan telah berada dalam bidang perguruan lebih daripada 35 tahun. Beliau kemudiannya telah dinaikkan pangkat kepada jawatan sebagai guru besar pada 1976 dan memegang jawatan ini sehingga beliau memilih persaraan awal pada 1990. Beliau menghadiri kursus-kursus bagi "Pentadbiran dan Pengurusan moden bagi Guru-Guru Besar" di Universiti Sains Malaysia Pulau Pinang, pada 1976 dan "Pengurusan dan Kepimpinan Pendidikan" di Universiti Malaya, Kuala Lumpur pada 1982. Dalam tempoh beliau berkhidmat dengan Kementerian Pendidikan, beliau telah ditugaskan untuk membantu dalam menyelesaikan beberapa krisis untuk beberapa sekolah. Beliau merupakan pengerusi Majlis Guru Besar Melaka Tengah dari 1986 hingga 1990 dan setiausaha bagi Persatuan Perpustakaan Sekolah-Sekolah Melaka dari 1984 hingga 1990. Haji Baharom telah secara aktif terlibat dengan kedua-dua kerja politik dan komuniti sejak awal lagi. Beliau telah dilantik sebagai setiausaha UMNO cawangan Klebang Kecil pada 1962. Dalam sepuluh tahun yang lepas, Haji Baharom telah secara aktif terlibat dalam koperasi dan telah dilantik sebagai pengarah bagi Koperasi Guru-guru Melayu Melaka dari 1986 hingga 1991. Sebagai mengiktiraf sumbangan beliau kepada persatuan, Haji Baharom telah dianugerahkan P.J.K (Pingat Jasa Kebaktian) pada 1985 oleh Yang Dipertua, Gabenor Melaka. Sejak persaraan beliau pada 1990, Haji Baharom telah dilantik dan menganggotai Lembaga beberapa syarikat sendirian berhad. Beliau juga merupakan bendahari dan naib pengerusi masing-masing untuk Masjid Al-Ehsan Limbongan dan Persatuan Penduduk Taman Anggerik.

Pada tarikh laporan tahunan ini, Haji Baharom memegang 4,500 saham dalam Sinmah. Beliau telah menghadiri kesemua lima (5) mesyuarat lembaga yang diadakan dalam tempoh kewangan berakhir 31 Disember 2004.

Haji Baharom Bin Abd Wahab was appointed to the Board of Sinmah on 14 June 1999. He is also a member of the Audit, Nomination and Remuneration Committees of Sinmah.

Haji Baharom obtained his teaching certificate from Sultan Idris Teachers' College, Tanjung Malim in 1955. Haji Baharom started his teaching career since 1955 and was in the teaching profession for more than 35 years. He was later promoted to the position of headmaster in 1976 and held this position until his optional retirement in 1990. He attended courses for "Modern Administration and Management for Headmasters" in University Sains Malaysia, Penang, in 1976 and "Management and Leadership in Education" in University Malaya, Kuala Lumpur in 1982. During his attachment with the Ministry of Education, he had been assigned to assist in solving several crisis for a few schools. He was the chairman for Majlis Guru Besar Melaka Tengah from 1986 to 1990 and a secretary for Persatuan Perpustakaan Sekolah-Sekolah Melaka from 1984 to 1990. Haji Baharom has been very active in both political and community work since his early days. He was elected secretary for UMNO Klebang Kecil branch in 1962. In the past ten years, Haji Baharom was actively involved in the co-operative and was appointed director for Koperasi Guru-Guru Melayu Melaka from 1986 to 1991. In recognition of his contribution to the society, Haji Baharom was conferred the P.J.K. (Pingat Jasa Kebaktian) in 1985 by His Excellency, the Governor of Melaka. Since his retirement in 1990, Haji Baharom was appointed and sits on the Board of several private limited companies. He was also the treasurer and vice chairman for the Masjid Al-Ehsan Limbongan and Persatuan Penduduk Taman Anggerik respectively.

As at the date of this annual report, Haji Baharom holds 4,500 shares in Sinmah. He has attended all five (5) board meetings held during the financial period ended 31 December 2004.



MOHD KHASAN
BIN AHMAD

**Pengarah Bukan Eksekutif Bebas/
Independent Non-Executive Director**

**Berusia 44 tahun – Warganegara Malaysia
44 years of age – Malaysian**

Mohd Khasan Bin Ahmad dilantik ke Lembaga Sinmah pada 10 Januari 2002 Beliau juga adalah Pengerusi Jawatankuasa Imbuhan dan ahli-ahli Jawatankuasa Audit dan Penamaan Sinmah. Selain daripada yang dinyatakan di atas, beliau juga bertindak sebagai Pengarah Bebas Bukan Eksekutif Kanan Lembaga Sinmah.

Mohd Khasan mendapat sijil diploma dalam Perakaunan dan kemudian tamat pengajian dengan ijazah dalam Perakaunan dari Universiti Teknologi Mara. Beliau adalah ahli Institut Akauntan Malaysia ("MIA"). Beliau berkhidmat dengan Bank Negara Malaysia bagi tempoh selama 7 tahun, 2 tahun terakhir yang mana beliau telah berkhidmat dengan Jawatankuasa Terbitan Modal ("CIC") sebagai Penolong Setiausaha Utama. Kemudiannya, beliau menyertai Suruhanjaya Sekuriti bagi tempoh selama 6 tahun dan jawatan terakhir beliau adalah sebagai Penolong Pengurus dalam Bahagian Terbitan dan Pelaburan. Semasa memegang jawatan-jawatan di atas, beliau telah terlibat dalam beberapa langkah korporat dari tawaran awam awal, percantuman dan pengambilalihan, pengambilalihan terbalik, penerbitan bon dan lain-lain langkah mendapatkan modal. Beliau menyertai sektor swasta pada 1997 dan memegang beberapa jawatan pengurusan kanan. Mohd Khasan juga menganggotai Lembaga Intan Utilities Berhad dan Ta Win Holdings Berhad dan Crest Builder Holdings Berhad dan MOL Accessportal Berhad sebagai Pengarah Bukan Eksekutif. Tambahan ini, beliau juga adalah pengarah Salwan Corporation Berhad.

Pada tarikh laporan tahunan ini, Mohd Khasan tidak mempunyai apa-apa kepentingan dalam Sinmah. Beliau telah menghadiri kesemua lima (5) mesyuarat lembaga yang diadakan dalam tempoh kewangan berakhir 31 Disember 2004.

Mohd Khasan Bin Ahmad was appointed to the Board of Sinmah on 10 January 2002. He is also the Chairman of the Remuneration Committee and a member of the Audit and Nomination Committees of Sinmah.

Mohd Khasan obtained a diploma in Accountancy and later graduated with a degree in Accountancy from University Teknologi Mara. He is a member of the Malaysian Institute of Accountants ("MIA"). He served Bank Negara Malaysia for a period of about 7 years, the last 2 years of which he was seconded to the Capital Issues Committee ("CIC") as its Principal Assistant Secretary. Subsequently, he joined the Securities Commission for a period of about 6 years and his last capacity was an Assistant Manager in its Issues and Investment Division. During the tenure of his above appointments, he was involved in various corporate exercises ranging from initial public offerings, mergers and acquisitions, reverse take-overs, issuance of bonds and other capital raising exercises. He joined the private sector in 1997 and held various senior management positions. Mohd Khasan also sits on the Board of Intan Utilities Berhad, Ta Win Holdings Berhad, Crest Builder Holdings Berhad and MOL Accessportal Berhad as a Non-Executive Director. In addition, he is also a director in Salwan Corporation Berhad.

As at the date of this annual report, Mohd Khasan does not have any interest in Sinmah. He has attended all five (5) board meetings held during the financial period ended 31 December 2004.

MAKLUMAT TAMBAHAN

(i) Percanggahan kepentingan

Tiada pengarah mempunyai apa-apa percanggahan kepentingan dengan Syarikat.

(ii) Perhubungan keluarga dengan mana-mana Pengarah dan/atau Pemegang Saham Utama

Tiada pengarah mempunyai apa-apa perhubungan keluarga dengan mana-mana Pengarah dan/atau pemegang saham utama Syarikat kecuali bagi Fong Kok Yong, Fong Kiah Yeow, Fong Ngan Teng dan Fong Choon Kai yang merupakan adik-beradik.

(iii) Sabitan bagi Kesalahan (dalam 10 tahun yang lepas, selain daripada kesalahan trafik)

Kecuali bagi Fong Kok Yong, Fong Kiah Yeow, Fong Ngan Teng dan Fong Choon Kai, tidak ada Pengarah mempunyai apa-apa sabitan bagi apa-apa kesalahan selain daripada kesalahan trafik. Pada 11 Disember 2001, Fong Kok Yong, Fong Kiah Yeow, Fong Ngan Teng dan Fong Choon Kai telah diberi amaran secara awam oleh Suruhanjaya Sekuriti di bawah Seksyen 32 Akta Suruhanjaya Sekuriti 1993 bagi ketiadaan pematuhan cadangan terbitan hak Sinmah.

ADDITIONAL INFORMATION

(i) Conflict of interest

None of the Directors have any conflict of interest with the Company.

(ii) Family Relationship with any Director and/or Major Shareholder

None of the Directors have family relationship with any Director and / or major shareholder of the company except for Fong Kok Yong, Fong Kiah Yeow, Fong Ngan Teng and Fong Choon Kai who are brothers.

(iii) Conviction for offences (within the past 10 years, other than traffic offences)

Except for Fong Kok Yong, Fong Kiah Yeow, Fong Ngan Teng and Fong Choon Kai, none of the directors have any convictions for any offences other than traffic offences. On 11 December 2001, Fong Kok Yong, Fong Kiah Yeow, Fong Ngan Teng and Fong Choon Kai were publicly reprimanded by the Securities Commission under Section 32 of the Securities Commission Act 1993 for the non-completion of Sinmah's proposed rights issue.

anytime



There's always an occasion to celebrate whether it is held indoors or outdoors. And guess what? Chances are at least one food preparation would comprise chicken. That's because it's the right meal for any occasion, be it a 10-course wedding dinner or a barbecue party. Whatever the occasion, our nutritious Farm's Best products can help spice things up!



Sentiasa terdapat upacara untuk meraikan sama ada ia diadakan di dalam atau di luar. Dan cuba teka? Kemungkinan sekurang-kurangnya satu hidangan makanan pastinya terdiri daripada ayam. Sebabnya ia adalah makanan yang sesuai untuk sebarang acara, sama ada majlis perkahwinan 10 hidangan makanan atau barbeku. Tidak kira apa jua upacara, produk Farmbest berkhasiat kami, boleh membantu menambahkan selera.

anywhere

bila-bila masa
walau di mana jua



penyata
pengerusi
chairman's
statement

BAGI PIHAK LEMBAGA PENGARAH KUMPULAN SYARIKAT SINMAH RESOURCES BERHAD ("KUMPULAN"), SAYA DENGAN SUKACITA MEMBENTANGKAN KEPADA ANDA LAPORAN TAHUNAN DAN PENYATA KEWANGAN BERAUDIT KUMPULAN BAGI TEMPOH KEWANGAN BERAKHIR 31 DISEMBER 2004.

ON BEHALF OF THE BOARD OF DIRECTORS OF SINMAH RESOURCES BERHAD GROUP OF COMPANIES ("THE GROUP"), I AM PLEASED TO PRESENT TO YOU THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2004.



**DATUK HAJI
ABDUL RAZAK
BIN ALIAS**
Pengerusi/Chairman

TINJAUAN PRESTASI

Pengenalan

Bagi tempoh kewangan yang ditinjau, Kumpulan telah berjaya mencapai perolehan sebanyak RM341.8 juta, meningkat hampir 7.0% berbanding perolehan yang dilaporkan pada tahun kewangan sebelumnya sebanyak RM319.7 juta. Tempoh kewangan berakhir 31 Disember 2004 adalah bergitu mencabar bagi Kumpulan secara keseluruhan. Walaupun perolehan bagi tempoh 11 bulan berakhir 31 Disember 2004 adalah lebih tinggi berbanding tahun kewangan yang lepas, namun Kumpulan telah mencatat kerugian selepas cukai dan kepentingan minoriti sebanyak RM33.51 juta berbanding keuntungan bersih selepas cukai dan kepentingan minoriti sebanyak RM7.24 juta bagi tahun kewangan berakhir 31 Januari 2004. Ini bermakna kerugian sesaham adalah sebanyak 66.32 sen bagi tempoh kewangan yang ditinjau berbanding pendapatan sesaham sebanyak 14.33 sen pada tahun kewangan sebelumnya.

Operasi Penternakan Bersepadu

Kumpulan memulakan tempoh kewangan yang ditinjau dalam keadaan yang amat mencabar. Kumpulan telah dilanda keadaan di mana harga bagi bahan makanan ternakan mentah diimport seperti makanan ternakan jagung dan kacang soya meningkat sepanjang tempoh kewangan yang ditinjau. Ini memberi kesan kepada asas keteguhan Kumpulan apabila kos pengeluaran terus meningkat.

Keadaan yang telah sedia lembap disebabkan oleh harga melambung bagi bahan makanan ternakan mentah yang diimport telah menjadi semakin buruk apabila industri penternakan di negara-negara jiran seperti Thailand, Vietnam, Indonesia dan Kemboja dilaporkan telah dilanda oleh penyakit Avian Influenza yang boleh membawa maut atau lebih dikenali sebagai penyakit sesesema burung. Berita wabak sesesema burung di negara-negara jiran itu telah memberi pandangan negatif kepada masyarakat pengguna tempatan berhubung penggunaan produk-produk penternakan. Ini telah menyebabkan permintaan bagi produk penternakan jatuh dengan teruk lantas menurunkan harga jualan di bawah kos pengeluaran.

Apabila Kumpulan memasuki suku tahun kedua pada tempoh kewangan yang ditinjau, keyakinan para pengguna kembali pulih dan permintaan untuk produk penternakan turut meningkat dengan ketara hasil daripada harga yang lebih baik untuk produk-produk penternakan. Kumpulan turut memperolehi manfaat daripada sekatan eksport yang dikenakan oleh beberapa negara terhadap produk perternakan dari Thailand disebabkan oleh wabak sesesema burung di sana. Kesan daripada keadaan ini, Sinmah Food Industries Sdn Bhd berpeluang mengeksport kontena pertamanya yang mengandungi produk-produk telah diproses ke negara Jepun pada bulan Mac 2004.

PERFORMANCE REVIEW

Introduction

For the financial period under review, the Group achieved turnover of RM341.8 million, an increase of nearly 7.0% when compared to the turnover of RM319.7 million reported in the previous financial year. The financial period ended 31 December 2004 was a very challenging one for the Group as a whole. Although the turnover for the 11 months period ended 31 December 2004 was higher than the previous financial year, the Group reported a loss after taxation and minority interest of RM33.51 million as opposed to a net profit after taxation and minority interest of RM7.24 million for the financial year ended 31 January 2004. This translates to a loss per share of 66.32 sen for the financial period under review as opposed to earnings per share of 14.33 sen in the preceding financial year.

Integrated Poultry Operations

The Group entered into the financial period under review in very trying circumstances. The Group was hit with the situation of mounting prices of imported raw feedstuffs such as corn and soya bean meal throughout the entire financial period under review. This had caused a major strain on the Group's bottom line as production costs continued rising.

The already dampened situation brought about by the mounting prices of imported raw feedstuffs was made worst as the poultry industry in the neighbouring countries such as Thailand, Vietnam, Indonesia and Cambodia were reported to be infected by the deadly Avian Influenza disease which is better known as the bird flu disease. The news of the outbreak of bird flu in the neighbouring countries gave the local consuming public a negative perception on poultry products consumption. This had caused the demand for poultry products to fall drastically thus plunging the selling prices below the cost of production.

As the Group entered into the second quarter of the financial period under review, consumers' confidence had returned and demand for poultry products had improved significantly resulting in better prices for poultry products. The Group had also benefited from the export ban imposed by many importing countries on poultry products from Thailand due to the bird flu outbreak there. As a result of this, Sinmah Food Industries Sdn Bhd was able to export its first container of processed products to Japan in March 2004.



Dalam pada permintaan dan harga bagi produk penternakan baru sahaja menunjukkan tanda-tanda untuk pulih apabila Kumpulan memasuki suku tahun ketiga tempoh kewangan ini, berita wabak selesema burung telah dilaporkan pula di Kelantan pada bulan Ogos 2005. Natiujahnya, Kumpulan terpaksa menghadapi tempoh yang paling mencabar dalam sejarah Kumpulan disebabkan oleh industri penternakan Malaysia yang sememangnya telah dilanda masalah harga bahan makanan ternakan mentah diimport yang tinggi, kini terpaksa berhadapan dengan kesan berita wabak selesema burung di negeri Kelantan. Ini menyebabkan Kumpulan kehilangan semua hasil eksportnya secara serta-merta dalam dua bulan pertama suku tahun ketiga yang telah membawa kepada kerugian selepas cukai dan kepentingan minoriti paling tinggi pernah dicatat oleh Kumpulan sebanyak RM23.45 juta, hanya bagi suku tahun ketiga sahaja. Wabak selesema burung yang dilaporkan di negeri Kelantan sekali lagi telah menyebabkan permintaan dan harga tempatan bagi produk penternakan menjunam turun. Namun begitu, dengan usahasama dan kerjasama erat antara Malaysia dan Lembaga Makanan Pertanian dan Veterinari Singapura (AVA), pada bulan Oktober 2004, kerajaan Singapura telah membuka semula pintu negara tersebut untuk import ayam daging hidup dari ladang-ladang ternakan yang diakreditasi oleh AVA di negeri Johor dan Melaka.

Pada suku akhir tempoh kewangan ini, Kumpulan telah menukar akhir tahun perakaunannya dari 31 Januari 2005 ke 31 Disember 2004 agar selaras dengan akhir tahun kewangan syarikat induknya, F.C.H. Holdings Sdn Bhd. Dalam pada itu, harga bagi bahan makanan ternakan mentah diimport telah turun sedikit dan permintaan bagi produk penternakan terus meningkat. Harga purata keluar dari pusat penternakan bagi ayam daging telah meningkat dan ini menghasilkan keputusan yang lebih baik bagi suku tahun terakhir berbanding suku tahun sebelumnya. Kumpulan mencatat keuntungan selepas cukai dan kepentingan minoriti sebanyak RM1.07 juta pada suku tahun akhir tersebut.

Pembangunan Perumahan

Bahagian pembangunan perumahan terus memberi sumbangan positif dalam tempoh kewangan semasa dengan mencatat perolehan sebanyak kira-kira RM24 juta, satu peningkatan ketara berbanding RM15 juta yang dicatat pada tahun sebelumnya.

Just as the demand and prices of poultry products had shown signs of recovering as the Group enters into the third quarter of the financial period, the news of outbreak of bird flu was reported in the state of Kelantan in August 2005. As a result, the Group had to face one of the most challenging times in the Group's history, as the Malaysian poultry industry which was already hit by high prices of imported raw feedstuffs, had to contend with the impact of the news of bird flu outbreak in the State of Kelantan. This caused the Group to immediately lose all its export revenues in the first two months of the third quarter resulting in the Group reporting a record loss after taxation and minority interests of RM23.45 million for the third quarter itself. The outbreak of bird flu reported in the state of Kelantan had once again caused the domestic demand and prices for poultry products to dwindle downwards. However, with close collaboration and co-operations between Malaysian Ministry of Agriculture and our Department of Veterinary Services (DVS) in Malaysia and Singapore's Agri-food and Veterinary Authority of Singapore (AVA), the Singapore government had, in October 2004, re-opened its doors to the importation of live-broilers from AVA accredited farms in the states of Johore and Malacca.

During the final quarter of this financial period, the Group had changed its accounting year-end from 31 January 2005 to 31 December 2004 to be co-terminous with its holding company, F.C.H. Holdings Sdn Bhd year end. Meanwhile, the prices of imported raw feedstuffs had softened and demand for poultry products continued rising. The average farm-gate price of broilers had increased and this had resulted in a better set of results for the final quarter than in the preceding quarter. The Group reported a profit after taxation and minority interests of RM1.07 million in the final quarter.

Housing Development

The housing development division continued to contribute positively in the current financial period as it reported a turnover of about RM24 million, a significant increase if compared to the RM15 million achieved in the preceding financial year.



Bahagian pembangunan hartanah di bawah Sinmah Development Sdn Bhd ("S/Dev") telah melancarkan Taman Saujana Indah (Fasa 1) pada tahun-tahun kewangan lepas yang mengandungi 578 unit rumah kediaman. Daripada jumlah unit yang disediakan, 398 unit adalah rumah setingkat dan dua tingkat di mana 92% daripada unit-unit yang dilancarkan telah dijual dengan kerja-kerja pembinaan selesai sepenuhnya; 186 unit adalah rumah bandar kos rendah dan kos sederhana di mana 100% daripada unit yang dilancarkan telah habis dijual dengan kerja-kerja pembinaan diselesaikan sepenuhnya. 66 unit rumah teres dijangka akan dilancarkan pada tahun kewangan yang akan datang. Ini akan mempunyai nilai pembangunan kasar ("GDV") sebanyak RM8.0 juta.

Cosmal Enterprise Sdn Bhd ("Cosmal"), anak syarikat S/Dev, telah melancarkan Taman Saujana Indah (Fasa II), bersebelahan dengan Fasa 1 pada tahun-tahun kewangan lepas yang meliputi 350 unit rumah kediaman. Daripada jumlah unit yang disediakan, 56 unit adalah rumah berkembar di mana 85% daripada unit-unit tersebut telah dijual dan 80% dijual dengan kerja-kerja pembinaan diselesaikan sepenuhnya. Cosmal, sebagai sebahagian daripada tanggungjawab sosialnya, turut memperuntukkan 106 unit rumah kos rendah dalam projek mereka di mana 74% daripada unit-unit tersebut telah dijual, manakala 69% telah dijual dengan kerja-kerja pembinaan diselesaikan sepenuhnya. Pada tempoh kewangan ini, Cosmal telah melancarkan 46 unit rumah teres dua tingkat di mana 54% daripadanya telah dijual dengan 52% kerja-kerja pembinaan disiapkan. Cosmal dijangka akan melancarkan baki 25 unit rumah teres dua tingkatnya yang mempunyai GDV sebanyak RM4.8 juta pada tahun kewangan akan datang.

Penyatuan dan Pengurusan Pekebun Kecil Getah

Pengurusan operasi pekebun kecil getah Kumpulan telah mula mencatat keuntungan pada suku tahun ketiga dan terakhir tempoh kewangan ini. Ini sebahagian besarnya disebabkan oleh pertambahan keluasan, hasil dan juga harga getah pada tempoh kewangan yang ditinjau.

Jumlah keluasan yang ditoreh pada tempoh kewangan yang ditinjau bertambah berbanding dengan tahun kewangan sebelumnya. Ini sebahagian besarnya disebabkan oleh kawasan baru yang diperolehi pada tempoh kewangan ini, iaitu Ladang Sabai di Karak.

The property development division under Sinmah Development Sdn Bhd ("S/Dev") had launched Taman Saujana Indah (Phase 1) in the previous financial years consisting of 578 units of residential houses. From the total units available, 398 units are single and double storey houses where 92% of the units launched have been sold with work fully completed; 186 units are low cost and medium cost townhouses of which 100% of units launched have been sold with work fully completed. 66 units of terrace houses are expected to be launched in the coming financial year. This will have a gross development value ("GDV") of RM8.0 million.

S/Dev's subsidiary, Cosmal Enterprise Sdn Bhd ("Cosmal"), launched the adjacent Taman Saujana Indah (Phase II) in the previous financial years consisting of 350 units of residential houses. From the total units available, 56 units are semi-detached houses where 98% of the units have been sold with work fully completed; 117 units of single storey terrace houses where 85% of the units have been sold, of which 80% sold with work fully completed. Cosmal, as part of their social obligation have also allocated 106 units of low cost houses in their project where 74% of the units have been sold, of which 69% have been sold with work fully completed. During the financial period, Cosmal launched 46 units of double storey terrace houses where 54% of the units have been sold with 52% work completed. Cosmal is expected to launch the remaining 25 units of double storey terrace houses in the coming financial year which have a GDV of RM4.8 million.

Consolidation and Management of Rubber Smallholdings

The Group's management of rubber smallholders' operations has begun to turn in profits during the third and the final quarters of the financial period. This is mainly due to increases in the acreage, yield and also rubber prices during the financial period under review.

Total acreage tapped during the financial period under review increased compared to that during the preceeding financial year. This was mainly brought about by a new area obtained during the financial period namely, Sabai Estate in Karak.



PELAKSANAAN KORPORAT

Kumpulan terus mengambil langkah mengurangkan kedudukan penggearannya. Selepas berakhir tempoh kewangan yang ditinjau, Kumpulan telah memeterai perjanjian jual beli untuk menjual tanah dan ladang penternakan ayam dagingnya yang tertentu dengan nilai sebanyak RM5.0 juta. Penjualan ini telah diumumkan kepada Bursa Sekuriti pada 24 Mac 2005. Penjualan tersebut dijangka akan menghasilkan pendapatan modal kepada Kumpulan sebanyak kira-kira RM0.43 juta bagi tahun kewangan berakhir 31 Disember 2005. Kutipan dari jualan ini akan digunakan untuk mengurangkan pinjaman bank Kumpulan. Ini adalah sejajar dengan objektif Kumpulan untuk menangani masalah penggearannya yang tinggi.

Sementara itu, untuk memastikan bekalan ayam daging tidak terganggu yang mana amat penting kepada operasi, Kumpulan akan memeterai perjanjian pajakan selama 10 tahun, selepas Perjanjian Jual Beli diselesaikan, dengan Pembeli ladang-ladang penternakan ayam daging tersebut untuk menyewakannya bagi kegunaan kontrak penternakan ayam daging kami.

MEMANDANG KE HADAPAN

Pada 4 Januari 2005, Kementerian Pertanian Malaysia telah mengumumkan bahawa negara adalah bebas daripada selesema burung dan produk-produk penternakan ayam boleh diekspor. Dengan penurunan harga bahan makanan ternakan mentah serta pengukuhan permintaan bagi produk penternakan di negara kita, unjuran bagi industri penternakan pada tahun yang akan datang dijangka baik. Keadaan pasaran pada masa ini telah pulih sejak akhir tempoh kewangan yang ditinjau. Kumpulan berkeyakinan apabila memasuki tahun kewangan baru dengan keyakinan orang ramai terhadap penggunaan produk perternakan kembali pulih. Dengan situasi selesema burung di negara kita berada di bawah kawalan sementara negara-negara lain seperti Thailand dan Vietnam masih bergelut untuk mengatasi kesan wabak selesema burung di negara masing-masing, Kumpulan yakin bahawa permintaan bagi produknya akan kekal memberangsangkan.

Kumpulan juga turut berusaha meningkatkan bahagian pasarnya dalam pasaran eksport terutamanya di Asia Tenggara kerana kebanyakan perniagaan penternakan di negara-negara jiran telah dilumpuhkan oleh serangan penyakit selesema burung tersebut. Salah sebuah daripada negara pengeksport utama di Asia Tenggara iaitu Thailand

CORPORATE EXERCISE

The Group is continuously taking steps to reduce its gearing position. Subsequent to the end of the financial period under review, the Group entered in sale and purchase agreements to sell off certain of its land and broiler farms for a consideration of RM5.0million. These disposals were duly announced to the Bursa Securities on 24 March 2005. The said disposals are expected to result in a capital gain to the Group of about RM0.43 million for the financial year ending 31 December 2005. The proceeds from these sales would be utilized to reduce the Group's bank borrowings. This is in line with the Group's objective to address its high gearing problem.

Meanwhile, in order to ensure an uninterrupted broiler supply which is crucial to our Group's operations, the Group will enter into a 10-years long term lease agreement, upon completion of the Sale & Purchase Agreements, with the Purchaser of these broiler farms to rent these broiler farms for our contract broiler rearing purposes.

LOOKING FORWARD

On 4 January 2005, the Ministry of Agriculture of Malaysia had declared that the country is bird-flu free and chicken poultry products can be exported. With the softening of the prices of raw feedstuffs coupled with the strengthening of the demand for the poultry products in our country, the outlook for poultry industry in the coming year looks good. The current market condition has improved since the end of the financial period under review. The Group is optimistic as it starts the new financial year with renewed public confidence towards consumption of poultry products. With the bird flu situation in the country very much under control whilst other countries such as Thailand and Vietnam are still struggling to overcome the impact of the bird flu outbreak in their respective countries, the Group is confident that demand for its products will remain vibrant.

Meanwhile, the Group is also working towards increasing its market share in the export market especially in South East Asia as most of the poultry business in neighbouring countries had been crippled by the deadly bird flu disease. One of the major exporting countries in South East Asia, namely Thailand had also been badly hit by the deadly bird



juga dilanda dengan teruk oleh wabak tersebut. Kesannya, Thailand telah disekat daripada mengeksport produk ayam mentah yang telah diproses ke beberapa negara di dunia.

Ringkasnya, tahun kewangan akan datang dijangka akan menjadai satu tahun yang baik bagi operasi penternakan Kumpulan dan Kumpulan percaya bahawa permintaan yang kukuh untuk produk penternakannya akan berterusan untuk jangka masa yang agak panjang.

Berhubung usahasama ("JV") perniagaan pengurusan pekebun kecil getah, Kumpulan akan terus mencari kawasan-kawasan baru untuk ditoreh dengan mengadakan lebih banyak perbincangan dengan pekebun kecil bagi meningkatkan keluasan pengeluaran pada tahun kewangan akan datang. Dengan harga yang teguh pada masa ini bagi getah mentah, Kumpulan menjangka segmen perniagaan ini akan memberi sumbangan positif kepada asas Kumpulan pada tahun kewangan akan datang.

Sementara itu, Kumpulan menjangka bahagian hartanah akan terus menyumbang pada tahun kewangan yang akan datang. Kumpulan kini dalam proses mengenalpasti beberapa kawasan tanah simpanan dan sedang berusaha mencari jalan untuk membangunkan kawasan-kawasan tersebut.

Secara keseluruhannya, tahun kewangan akan datang menjanjikan satu tahun yang baik bagi Kumpulan kerana operasi perternakan dijangka akan menyumbangkan keputusan positif bersama-sama dengan jangkaan sumbangan positif dari bahagian hartanahnya dan perniagaan JV pengurusan pekebun kecil getah.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin mengambil peluang ini untuk mengucapkan ribuan terima kasih kepada para pekerja, pengurusan dan kakitangan kami, para pelanggan, pembekal, bank-bank dan para pemegang saham kami atas sokongan berterusan mereka. Penghargaan tulus ikhlas juga ingin kami sampaikan kepada Kerajaan Negeri Melaka, Jabatan Perkhidmatan Veterinari, Kementerian Pertanian, MITI, MIDA, Jabatan Imigresen dan kementerian-kementerian serta agensi-agensi lain atas panduan dan bantuan mereka.

Terima kasih,
Thank you,

DATUK HAJI ABDUL RAZAK BIN ALIAS

Pengerusi/Chairman

flu disease. As a result, Thailand had been banned from exporting its raw processed chicken products to many countries in the world.

In short, the coming financial year is expected to be a good one for the Group's poultry operations and the Group believes that strong demand for its poultry products will continue for sometime.

In respect to the joint venture ("JV") business of rubber smallholdings management, the Group will continue to look for new areas to tap by having more discussions with rubber smallholders in order to increase its production acreage during the next financial year. With the current buoyant prices of raw rubber, the Group expects this business segment to contribute positively to the Group's bottom line in the coming financial year.

Meanwhile, for the property division, the Group expects this division to continue contributing into the next financial year. The Group is in the process of identifying some new land banks and is in the process of looking into ways of developing these areas.

Overall, the next financial year promises to be a good year for the Group as its poultry operations expect to turn in a positive set of results coupled by an anticipated positive contribution from its property division and its JV business of rubber smallholdings management.

ACKNOWLEDGEMENT

On behalf of the Board, I wish to take this opportunity to thank our employees, management and staff, customers, suppliers, bankers and shareholders for their continued support. Our deepest appreciation also goes to the State Government of Melaka, Department of Veterinary Services, the Agriculture Ministry, MITI, MIDA, Immigration Department and other ministries and agencies for their guidance and assistance.

satisfaction



Customer satisfaction enhances brand loyalty. Once lost, it's difficult to regain. Don't let people tell you otherwise. That's why it has always remained a top priority of ours. It helps drives us constantly to introduce a product line that reflects the changing taste preferences of consumers, and provides the assurance of always serving their families fresh, high quality chicken. Simply stated, our customers know that the Farm's Best brand stands for quality, trust and total satisfaction



Kepuasan pelanggan meningkatkan kesetiaan jenama. Sekali hilang, amat sukar untuk mendapat balik. Jangan biarkan orang lain bagi tahu anda sebaliknya. Itulah sebabnya ia sentiasa menjadi keutamaan teratas kami. Ia membantu mendorong kami untuk sentiasa memperkenalkan barisan produk yang menggambarkan keutamaan selera pengguna yang sentiasa berubah, dan menyediakan jaminan sentiasa menyajikan keluarga mereka ayam segar, berkualiti tinggi. Dalam perkataan, pelanggan kami tahu bahawa jenama Farm's Best bermaksud kualiti, kepercayaan dan kepuasan keseluruhan.

guaranteed

kepuasan dijamin



penyata tadbir urus korporat

Lembaga Pengarah komited untuk memastikan agar standard tertinggi urus tadbir korporat diamalkan pada seluruh peringkat di Sinmah Resources Berhad ("Sinmah") dan Kumpulan anak-anak syarikatnya sebagai sebahagian penting dalam melaksanakan tanggungjawabnya untuk mengawal dan mengukuhkan nilai pemegang saham dan prestasi kewangan Kumpulan.

Lembaga Pengarah dengan sukacitanya melaporkan kepada pemegang-pemegang saham mengenai cara Kumpulan mengamalkan prinsip-prinsip, dan tahap pematuhan amalan dan urus tadbir terbaik sebagaimana dikemukakan dalam Bahagian 1 dan Bahagian 2 Kod Malaysia mengenai Urus Tadbir Korporat ("Kod").

1. LEMBAGA PENGARAH

1.1 Lembaga

Sinmah diketuai dan diuruskan oleh Lembaga yang berpengalaman terdiri daripada ahli dengan pelbagai pengalaman dalam bidang yang relevan seperti penternakan, pentadbiran perniagaan, perancangan, pembangunan dan pemasaran. Lembaga terdiri daripada sembilan (9) orang ahli.

Tiga (3) daripada sembilan (9) orang ahli Lembaga adalah Pengarah bukan eksekutif bebas. Dengan yang demikian, satu pertiga (1/3) daripada Lembaga terdiri daripada Pengarah bukan eksekutif bebas. Kehadiran Pengarah-pengarah bukan eksekutif bebas memenuhi peranan penting dalam kebertanggungjawapan korporat. Sungguhpun semua Pengarah mempunyai tanggungjawab yang sama terhadap Kumpulan, peranan Pengarah-pengarah bukan eksekutif bebas ini secara khususnya penting memandangkan mereka menyediakan pandangan nasihat dan pemikiran yang tidak berat sebelah

dan bebas, untuk mengambil kira bukan sahaja kepentingan Kumpulan, tetapi juga kepentingan pemegang saham, kakitangan, pelanggan dan banyak komuniti dalam mana Kumpulan menjalankan perniagaannya. Syarikat mengiktiraf sumbangan Pengarah bukan eksekutif sama seperti ahli Lembaga ke arah pembangunan strategi Syarikat, menjaga kepentingan pemegang-pemegang saham awam dan menyediakan pandangan yang seimbang dan bebas kepada Lembaga. Kesemua Pengarah bukan eksekutif adalah bebas daripada pengurusan dan tidak terikat dengan apa-apa perhubungan yang boleh mengganggu pembuatan keputusan bebas mereka.

Pengarah Bukan Eksekutif menyumbang secara ketara dalam bidang-bidang seperti polisi dan strategi, pengawasan prestasi, peruntukan sumber, serta juga mempertingkatkan urus tadbir dan kawalan. Encik Mohd Khasan Bin Ahmad bertindak sebagai Pengarah Bebas Bukan Eksekutif Kanan Lembaga kepada siapa dimana apa-apa kebimbangan boleh dikemukakan.

1.2 Mesyuarat Lembaga

Lembaga bermesyuarat sekurang-kurangnya empat (4) kali setahun dan mesyuarat tambahan diadakan pada dan apabila diperlukan. Hanya bermesyuarat dua (2) bulan selepas akhir setiap suku tahunan kewangan, dimana, keputusan kewangan suku tahunan Kumpulan Sinmah akan dibincang dan dipertimbangkan.

Dalam tempoh kewangan berakhir 31 Disember 2004, Lembaga bermesyuarat sebanyak lima (5) kali. Butir-butir kehadiran adalah seperti berikut:

No.	Pengarah	Jawatan	Bil. Mesyuarat Lembaga yang Dihadiri
1	Y. Bhg. Datuk Haji Abdul Razak Bin Alias	Pengerusi, Pengarah Bukan Eksekutif Bebas	4 daripada 5
2	Fong Kok Yong	Pengarah Urusan	5 daripada 5
3	Fong Kiah Yeow	Pengarah Eksekutif	5 daripada 5
4	Fong Ngan Teng	Pengarah Eksekutif	5 daripada 5
5	Fong Choon Kai	Pengarah Eksekutif	5 daripada 5
6	Ng Cheu Kuan	Pengarah Eksekutif	5 daripada 5
7	Y. Bhg. Datuk Ng Peng Hay @ Ng Peng Hong	Pengarah Eksekutif	4 daripada 5
8	Tuan Haji Baharom Bin Abd. Wahab	Pengarah Bukan Eksekutif Bebas	5 daripada 5
9	Mohd Khasan Bin Ahmad	Pengarah Bukan Eksekutif Bebas	5 daripada 5

1.3 Bekalan Maklumat

Semua Pengarah disediakan dengan agenda dan satu set kertas Lembaga tujuh (7) hari sebelum mesyuarat Lembaga bagi membolehkan para Pengarah mendapat maklumat atau penerangan lanjut, apabila diperlukan, untuk diberi penerangan ringkas sewajarnya sebelum mesyuarat. Minit-minit mesyuarat Lembaga yang sebelumnya juga diedarkan kepada Pengarah dan disahkan pada setiap mesyuarat. Minit-minit mesyuarat Lembaga disimpan oleh Setiausaha Syarikat.

Terdapatnya jadual mengenai perkara-perkara yang secara khususnya dirizab untuk keputusan Lembaga, termasuk keputusan kewangan Kumpulan Sinmah, rancangan perniagaan, arah tuju Kumpulan, pelaburan baru dan cadangan perniagaan, pengurusan atau prestasi perniagaan anak-anak syarikat, rancangan korporat dan belanjawan tahunan, pengambilalihan dan pelupusan usahaniaga dan hartanah yang mempunyai nilai yang besar, pelaburan utama dan keputusan kewangan, perubahan kepada pengurusan dan struktur kawalan dalam Kumpulan, termasuk polisi dan prosedur penting dan had kuasa budi bicara.

Pengarah mendapat nasihat profesional bebas dalam melanjutkan tugas-tugas mereka, atas perbelanjaan Syarikat dan semua Pengarah mempunyai akses kepada nasihat dan khidmat Setiausaha Syarikat dalam membantu menjalankan tugas-tugas mereka.

1.4 Pelantikan Semula Para Pengarah

Selaras dengan Tataurus Pertubuhan Syarikat, satu pertiga (1/3) atau hampir dengan satu pertiga (1/3) daripada para Pengarah yang pada masa ini akan bersara daripada jawatannya dan menjadi layak untuk Pelantikan Semula dengan syarat tetap bahawa semua para Pengarah hendaklah bersara daripada jawatan mereka sekurang-kurangnya sekali dalam setiap tiga (3) tahun tetapi adalah layak untuk Pelantikan Semula. Mana-mana orang yang dilantik oleh Lembaga samaada untuk mengisi kekosongan biasa atau sebagai tambahan kepada para Pengarah sedia ada, akan memegang jawatan hanya sehingga mesyuarat agung tahunan yang akan datang dan akan selepas itu layak untuk Pelantikan Semula.

2. JAWATANKUASA LEMBAGA

Jawatankuasa Lembaga berikut telah ditubuhkan untuk membantu Lembaga dalam penyempurnaan tanggungjawab mereka. Semua Jawatankuasa disenaraikan di bawah tidak mempunyai kuasa eksekutif tetapi akan melapor kepada Lembaga bagi semua perkara yang dipertimbangkan dan mengemukakan pengesyoran untuk kelulusan Lembaga (kecuali kuasa Jawatankuasa Audit untuk melaporkan kepada Bursa Malaysia Securities Berhad ("Bursa Sekuriti") dalam keadaan-keadaan yang diterangkan dalam Laporan Jawatankuasa Audit):

2.1 Jawatankuasa Audit

Jawatankuasa Audit mengkaji isu-isu polisi perakaunan dan pembentangan bagi pelaporan kewangan luar, mengawasi fungsi audit dalaman dan memastikan objektif dan hubungan profesional dikekalkan dengan juruaudit luar. Jawatankuasa mempunyai akses penuh kepada juruaudit, yang sebaliknya, mempunyai akses pada sepanjang masa kepada Pengerusi Jawatankuasa.

Bidang tugas Jawatankuasa Audit dinyatakan pada muka surat-muka surat 46 hingga 48 Laporan Tahunan. Kegiatan Jawatankuasa Audit dalam tempoh berakhir 31 Disember 2004 juga dibentangkan di bawah Laporan Jawatankuasa Audit.

2.2 Jawatankuasa Imbuan Pengarah

Jawatankuasa Imbuan bagi tempoh kewangan berakhir tahun 31 Disember 2004 adalah terdiri daripada seperti berikut:

No.	Pengarah	Jawatan
1	Mohd Khasan Bin Ahmad	Pengerusi, Pengarah Bebas Bukan Eksekutif
2	Y. Bhg. Datuk Haji Abdul Razak Bin Alias	Pengarah Bebas Bukan Eksekutif
3	Tuan Haji Baharom Bin Abd. Wahab	Pengarah Bebas Bukan Eksekutif
4	Fong Kok Yong	Pengarah Eksekutif
5	Fong Kiah Yeow	Pengarah Eksekutif

Jawatankuasa bertanggungjawab untuk membangunkan polisi imbuan dan menentukan pakej imbuan bagi Pengarah-pengarah Eksekutif Sinmah. Jawatankuasa membuat pengesyoran kepada Lembaga bagi kesemua elemen imbuan, terma-terma pekerjaan, struktur ganjaran dan faedah sampingan kepada Pengarah Eksekutif.

Penentuan imbuan para Pengarah Bukan Eksekutif merupakan urusan Lembaga secara keseluruhannya.

2.3 Jawatankuasa Penamaan

Bagi tempoh kewangan bertakhir 31 Disember 2004, Jawatankuasa adalah terdiri daripada seperti berikut:

No.	Pengarah	Jawatan
1	Y. Bhg. Datuk Haji Abdul Razak Bin Alias	Pengerusi, Pengarah Bebas Bukan Eksekutif
2	Tuan Haji Baharom Bin Abd. Wahab	Pengarah Bebas Bukan Eksekutif
3	Mohd Khasan Bin Ahmad	Pengarah Bebas Bukan Eksekutif

Jawatankuasa bertanggungjawab untuk mengenal pasti dan mengesyorkan nomini baru kepada Lembaga serta Jawatankuasa Lembaga. Selain daripada itu, Jawatankuasa juga diberi kepercayaan dengan tugas menilai Pengarah-pengarah sedia ada atas dasar berterusan. Jawatankuasa Penamaan juga menimbangkanimbangan keahlian lembaga dan menentukan keupayaan dan kemahiran teras yang diperlukan daripada Lembaga.

2.4 Jawatankuasa Skim Opsyen Saham Kakitangan ("ESOS")

Terdapat Jawatankuasa ESOS ditubuhkan untuk mentadbir Skim Opsyen Saham Kakitangan Syarikat ("SKIM"). Jawatankuasa ESOS terdiri daripada kakitangan pengurusan kanan. Tidak ada para Pengarah Syarikat yang menduduki Jawatankuasa ESOS.

Jawatankuasa ESOS mempunyai kuasa untuk mentadbir Skim dan untuk menerbitkan saham berhubung dengan ESOS pada bila-bila masa tertakluk kepada terma-terma dan syarat-syarat tertentu selaras dengan Peruntukan Undang-undang Kecil sebagaimana diluluskan oleh pihak berkuasa relevan dan untuk tujuan tertentu sebagaimana Jawatankuasa ESOS mungkin anggap wajar dengan syarat bahawa agregat bilangan saham yang akan diterbitkan tidak melebihi 10% modal saham Syarikat yang akan diterbitkan pada masa tawaran.

3. LATIHAN PENGARAH

Sebagai elemen penting proses pelantikan Pengarah baru, Lembaga memastikan agar terdapat program orientasi dan pendidikan untuk ahli-ahli Lembaga yang baru. Ini disokong dengan lawatan ke lokasi-lokasi penting dan bermesyuarat dengan eksekutif-eksekutif kanan penting yang lain. Pengarah juga mendapat latihan selanjutnya dari masa ke masa, khususnya

mengenai undang-undang dan peraturan baru yang berkaitan serta risiko-risiko komersil yang sentiasa berubah.

Semua Pengarah telah menghadiri dan dengan jayanya menamatkan Program Pentauliahan Mandatori ("MAP") yang dijalankan oleh Institusi Penyelidikan Juru Analisis Pelaburan Malaysia ("RIIAM").

4. IMBUHAN PENGARAH

Butir-butir jumlah imbuhan para Pengarah dalam tempoh kewangan adalah seperti berikut:

	Pengarah Eksekutif RM'000	Pengarah Bukan Eksekutif RM'000	Jumlah RM'000
Jumlah imbuhan			
Yuran	–	84	84
Gaji & lain-lain emolumen	2,061	–	2,061
Bonus	–	–	–
Kos pencen-pelan caruwan dinyatakan	247	–	247
	2,308	84	2,392

Bilangan Pengarah-pengarah yang imbuhanannya termasuk dalam kumpulan berikut:

	Pengarah Eksekutif	Pengarah Bukan Eksekutif	Jumlah
Bawah RM50,000	–	3	3
RM200,001 hingga RM250,000	2	–	2
RM450,001 hingga RM500,000	4	–	4

5. KOMUNIKASI PEMEGANG SAHAM DAN HUBUNGAN PELABUR

Lembaga mengiktiraf keperluan bagi pemegang-pemegang saham untuk dimaklumkan mengenai kesemua perkara perniagaan yang secara materialnya melibatkan Syarikat. Dengan yang demikian, Syarikat berkomunikasi dengan pemegang-pemegang sahamnya, pelabur-pelabur institusi dan berpotensi melalui pelbagai pengumuman yang dibuat dalam tahun semasa. Selain daripada itu, Lembaga juga memastikan penyiaran keputusan-keputusan kewangan tepat pada masa atas dasar suku tahunan untuk menyediakan pemegang-pemegang sahamnya dengan gambaran keseluruhan prestasi kewangan dan operasi Kumpulan Sinmah.

Mesyuarat Agung Tahunan ("AGM") Syarikat juga adalah satu cara komunikasi dengan pemegang-pemegang sahamnya. Pemegang-pemegang saham yang tidak dapat hadir dibenarkan untuk melantik proksi bagi menghadiri dan mengundi bagi pihak mereka. Ahli-ahli Lembaga, serta juga juruaudit luar dan penasihat undang-undang Syarikat hadir untuk menjawab soalan yang ditimbulkan pada mesyuarat. Lembaga juga menggalakkan penyertaan daripada pemegang-pemegang saham melalui sesi soal dan jawab dalam AGM, di mana para Pengarah bersedia untuk menjawab soalan mengenai prestasi kewangan, operasi perniagaan dan prospek Kumpulan.

6. KEBERTANGGUNGJAWAPAN DAN AUDIT

6.1 Pelaporan Kewangan

Bagi pelaporan kewangan melalui laporan suku tahunan kepada Bursa Sekuriti dan laporan tahunan kepada pemegang-pemegang saham, para Pengarah mempunyai tanggungjawab untuk membentangkan penilaian yang adil mengenai kedudukan kewangan Kumpulan. Jawatankuasa Audit membantu Lembaga dalam meneliti maklumat bagi pendedahan untuk memastikan ketepatan dan kesempurnaan maklumat.

6.2 Kawalan Dalaman

Lembaga bertanggungjawab dalam memastikan bahawa sistem kawalan dalaman Kumpulan dilaksanakan dan keberkesannya dikaji secara kerap bagi memastikan kecukupan sistem ini.

Sebagai sebahagian daripada kawalan dalaman dan dalam pengurusan risiko harian, sistem-sistem berikut mengenai pelaporan dan proses serta prosedur standard wujud dalam Kumpulan:-

- a) Pelaporan sebenar bulanan – menyediakan prestasi kewangan yang relevan, boleh dipercayai dan terkini berbanding belanjawan, bulan sebelumnya dan tahun terdahulu termasuk penerangan terperinci mengenai apa-apa perbezaan yang besar.
- b) Pembahagian jelas autoriti yang wujud di antara Pengurusan anak-anak syarikat dan Lembaga Pengarah Kumpulan. Sejauh mana yang mungkin, anak-anak syarikat diberi autonomi manakala beroperasi dalam persekitaran kawalan dalaman yang mantap.

Kajian mengenai sistem kawalan dalaman dinyatakan di bawah Penyata Kawalan Dalaman pada muka surat 42 hingga 43 Laporan Tahunan.

6.3 Hubungan dengan Juruaudit

Peranan Jawatankuasa Audit berhubung dengan juruaudit luar diterangkan dalam Laporan Jawatankuasa Audit di muka surat-muka surat 46 hingga 48 Laporan Tahunan. Syarikat akan sentiasa mengekalkan perhubungan yang rapat dan telus dengan juruaudit-juruaudit luarnya dalam mendapatkan nasihat profesional dan memastikan pematuhan piawaian-piawaian perakaunan di Malaysia.

6.4 Perhubungan dengan Pengurusan

Lembaga mengekalkan perhubungan yang rapat dan telus dengan semua kakitangan pengurusan. Lembaga mempunyai semua maklumat berhubung dengan pengurusan operasi daripada pelbagai laporan yang disediakan oleh kakitangan pengurusan. Ini akan membolehkan mereka untuk memahami operasi dengan lebih baik dan membuat keputusan dalam memandu Syarikat ke arah perniagaan yang menguntungkan. Selain itu, para Pengarah Eksekutif juga sering mengadakan mesyuarat pengurusan bulanan dengan kakitangan pengurusan untuk membincangkan dan merancang untuk operasi Syarikat.

7. PENYATAAN PEMATUHAN DENGAN AMALAN TERBAIK KOD

Syarikat komited untuk mencapai standard tinggi urus tadbir korporat di semua peringkat Kumpulan dan tahap ketulusan dan standard etika tertinggi dalam kesemua urusan perniagaannya. Lembaga menganggap bahawa ia telah mematuhi pada sepanjang tempoh kewangan dengan Prinsip dan Amalan Terbaik sebagaimana dikemukakan dalam Kod.

8. PENYATA TANGGUNGJAWAB PARA PENGARAH

Lembaga Pengarah dikehendaki di bawah Perenggan 15.27(a) Syarat-syarat Penyenaraian untuk mengeluarkan pernyataan yang menjelaskan tanggungjawab mereka dalam penyediaan penyata kewangan tahunan. Para Pengarah dikehendaki oleh Akta Syarikat 1965 untuk menyediakan penyata kewangan bagi setiap tahun kewangan yang memberi gambaran sebenar dan saksama akan hal ehwal Syarikat dan Kumpulan pada akhir tahun kewangan dan untung rugi Syarikat dan Kumpulan bagi tahun kewangan. Dalam menyediakan penyata-penyata kewangan ini, para Pengarah telah:

- Menggunakan polisi perakaunan yang sesuai dan menggunakannya secara konsisten;
- Membuat keputusan dan anggaran yang munasabah dan berhemah; dan
- Menyatakan sama ada piawai perakaunan terpakai telah diikuti tertakluk kepada apa-apa pemesongan material yang dinyatakan dan dijelaskan dalam penyata kewangan

Para Pengarah bertanggungjawab bagi menyimpan rekod perakaunan, yang dinyatakan dengan ketepatan munasabah pada bila-bila masa akan kedudukan kewangan Syarikat dan Kumpulan dan yang membolehkan mereka untuk memastikan bahawa penyata kewangan mematuhi Akta Syarikat 1965 dan piawai perakaunan terpakai di Malaysia.

Para Pengarah juga bertanggungjawab untuk mengambil langkah tertentu munasabah yang terbuka kepada mereka untuk melindungi aset-aset Kumpulan dan untuk mencegah dan mengesan fraud dan lain-lain yang di luar aturan.

9. LAIN-LAIN MAKLUMAT

9.1 Penggunaan perolehan

Tidak ada perolehan telah dikumpul oleh Syarikat daripada mana-mana langkah korporat dalam tempoh kewangan.

9.2 Belian Balik Saham

Dalam tempoh kewangan, tidak ada belian balik saham oleh Syarikat.

9.3 Opsyen, Waran atau Sekuriti Boleh Tukar

Tidak ada opsyen, waran atau sekuriti boleh tukar baru diterbitkan dalam tempoh kewangan.

9.4 Program American Depository Receipt (“ADR”) atau Global Depository Receipt (“GDR”)

Syarikat tidak menaja apa-apa program ADR atau GDR dalam tempoh kewangan.

9.5 Pengenaan Sanksi dan/atau Penalti

Tidak ada sanksi dan/atau penalti yang dikenakan ke atas Syarikat atau anak-anak syarikatnya, para pengarah atau pengurusan oleh mana-mana pihak berkuasa berkaitan bagi tempoh kewangan berakhir 31 Disember 2004, kecuali bagi kesalahan trafik.

9.6 Yuran Bukan Audit

Terdapat jumlah yuran bukan audit sebanyak RM138,000 untuk fungsi audit dalaman yang telah dibayar atau perlu dibayar kepada juruaudit luar dan syarikat-syarikat gabungan mereka melalui Kumpulan bagi tempoh kewangan berakhir 31 Disember 2004.

9.7 Variasi dalam Keputusan

Tidak ada pelencongan sebanyak 10% atau lebih di antara kerugian selepas cukai dan kepentingan minoriti dinyatakan dalam pengumuman pada 28 Februari 2005 mengenai keputusan tidak diaudit bagi tempoh kewangan berakhir 31 Disember 2004.

9.8 Jaminan Keuntungan

Syarikat tidak memberi apa-apa jaminan keuntungan dalam tempoh kewangan.

9.9 Kontrak Material

Tidak ada kontrak material yang ditandatangani oleh Syarikat dan anak-anak syarikatnya yang melibatkan para Pengarah dan pemegang-pemegang saham utama yang masih wujud pada akhir tempoh kewangan atau jika tidak wujud pada ketika itu, ditandatangani sejak akhir tempoh kewangan sebelumnya.

9.10 Dasar Penilaian Semula ke atas Hartanah

Syarikat tidak menerima pakai apa-apa dasar penilaian semula ke atas hartanah dalam tempoh kewangan.

corporate governance statement

The Board of Directors is committed to ensure the highest standard of corporate governance is practiced throughout Sinmah Resources Berhad ("Sinmah") and its Group of subsidiaries as a fundamental part of discharging its responsibilities to protect and enhance shareholders value and the financial performance of the Group.

The Board of Directors is pleased to report to the shareholders on the manner of which the Group has applied with the principles, and the extent of compliance with the best practices and good governance as set out in Part 1 and Part 2 respectively of the Malaysian Code on Corporate Governance ("the Code").

1. BOARD OF DIRECTORS

1.1 The Board

Sinmah is led and managed by an experienced Board comprising of members with a range of experience in relevant fields such as poultry farming, business administration, planning, development and marketing. The Board comprises of nine (9) members.

Three (3) out of nine (9) members of the Board are independent non-executive Directors. As such, one third (1/3) of the Board comprises of independent non-executive Directors. The presence of independent non-executive Directors fulfils a pivotal role in corporate accountability. Although all the Directors have an equal responsibility to the Group, the role of these independent non-executive Directors is particularly important as they provide unbiased

and independent views, advice and judgement to take account of the interests not only of the Group, but also of the shareholders, employees, customers and many communities in which the Group conducts its business. The Company recognises the contribution of non-executive Directors as equal Board members to the development of the Company's strategy, the importance of representing the interests of public shareholders and providing a balanced and independent view to the Board. All non-executive Directors are independent of management and free from any relationship which could interfere with their independent judgement.

The Non-Executive Directors contribute significantly in areas such as policy and strategy, performance monitoring, allocation of resources as well as improving governance and controls. Encik Mohd Khasan bin Ahmad acts as the Senior Independent Non-Executive Director of the Board to whom any concerns may be conveyed.

1.2 Board Meetings

The Board meets at least four (4) times a year and additional meetings are held as and when required. It meets two (2) months after the end of every quarter of the financial year, whereat, the Sinmah Group's financial statements are deliberated and considered.

During the financial period ended 31 December 2004, the Board met a total of five (5) times. Details of the attendance are as follows:

No	Directors	Description	No of board meetings attended
1	Y. Bhg. Datuk Haji Abdul Razak Bin Alias	Chairman, Independent Non Executive Director	4 out of 5
2	Fong Kok Yong	Managing Director	5 out of 5
3	Fong Kiah Yeow	Executive Director	5 out of 5
4	Fong Ngan Teng	Executive Director	5 out of 5
5	Fong Choon Kai	Executive Director	5 out of 5
6	Ng Cheu Kuan	Executive Director	5 out of 5
7	Y. Bhg. Datuk Ng Peng Hay @ Ng Peng Hong	Executive Director	4 out of 5
8	Tuan Haji Baharom Bin Abd. Wahab	Independent Non-Executive Director	5 out of 5
9	Mohd Khasan Bin Ahmad	Independent Non-Executive Director	5 out of 5

1.3 Supply of Information

All Directors are provided with an agenda and a set of Board papers for seven (7) days prior to Board meetings to enable the Directors to obtain further information or explanations, where necessary, in order to be properly briefed before the meeting. The Minutes of the previous Board meetings are also circulated to the Directors and confirmed at each meeting. Minutes of the Board meetings are maintained by the Company Secretary.

There is a schedule of matters reserved specifically for the Board's decision, including Sinmah Group's financial results, the business plan, the direction of the Group, new investment and business proposals, the management or performance of the business of subsidiaries, corporate plans and annual budgets, acquisitions and disposals of undertakings and properties of a substantial value, major investments and financial decision, changes to the management and control structure within the Group, including key policies and procedures and discretionary authority limits.

Directors may obtain independent professional advice in the furtherance of their duties, at the Company's expenses and all Directors have access to the advice and services of the Company Secretary in carrying out their duties.

1.4 Re-election of the Directors

In accordance with the Company's Articles of Association, one-third (1/3) or nearest to one-third (1/3) of the Directors for the time being shall retire from their office and be eligible for re-election provided always that all the Directors shall retire from their office once at least in each three (3) years but shall be eligible for re-election. Any person appointed by the Board either to fill a casual vacancy or as an addition to the existing Directors, shall hold office only until the next annual general meeting and shall then be eligible for re-election.

2. BOARD COMMITTEES

The following Board Committees have been established to assist the Board in the execution of its responsibilities. All the Committees listed below do not have executive powers but report to the Board on all matters considered and submit recommendations for the Board's approval (except the power of the Audit Committee to report to the Bursa Malaysia Securities Berhad ("Bursa Securities") in circumstances described in the Audit Committee Report):

2.1 Audit Committee

The Audit Committee reviews issues of accounting policy and presentation for external financial reporting, monitors the work of the internal audit function and ensures an objective and professional relationship is maintained with the external auditor. The Committee has full access to the auditors, who in turn, have access at all times to the Chairman of the Committee.

The Audit Committee terms of reference together with the Audit Committee Report are disclosed on pages 49 to 51 of the Annual Report. The activities of the Audit Committee during the period ended 31 December 2004 are also set out under the Audit Committee Report.

2.2 Remuneration Committee

The Remuneration Committee for the financial period ended 31 December 2004 comprises the following:

No	Directors	Description
1	Mohd Khasan Bin Ahmad	Chairman, Independent Non-Executive Director
2	Y. Bhg. Datuk Haji Abdul Razak Bin Alias	Independent Non-Executive Director
3	Tuan Haji Baharom Bin Abd. Wahab	Independent Non-Executive Director
4	Fong Kok Yong	Executive Director
5	Fong Kiah Yeow	Executive Director

The Committee is responsible for developing a remuneration policy and determining remuneration packages for Executive Directors of Sinmah. The Committee makes recommendations to the Board for all elements of remuneration, terms of employment, reward structures and fringe benefits for Executive Directors.

The determination of the remuneration of the Non-Executive Directors is a matter for the Board as a whole.

2.3 Nomination Committee

For the financial period ended 31 December 2004 the Committee comprises the following:

No	Directors	Description
1	Y. Bhg. Datuk Haji Abdul Razak Bin Alias	Chairman, Independent Non-Executive Director
2	Tuan Haji Baharom Bin Abd. Wahab	Independent Non-Executive Director
3	Mohd Khasan Bin Ahmad	Independent Non-Executive Director

The Committee is responsible for identifying and recommending new nominees to the Board as well as Committees of the Board. In addition, the Committee is also entrusted with the task of assessing existing Directors on an ongoing basis. The Nomination Committee also considers the balance of the board membership and determines the core competencies and skills required of the Board.

2.4 Employees' Share Option Scheme ("ESOS") Committee

There was an ESOS Committee set up to administer the Company's Employees' Share Option Scheme ("the Scheme"). The ESOS Committee comprises of the senior management staff. None of the Directors of the Company sits in the ESOS Committee.

The ESOS Committee has the power to administer the Scheme and to issue shares in respect of the ESOS at any time upon such terms and conditions in accordance with the provisions of the By-Laws as approved by the relevant authorities and for such purposes as the ESOS Committee may deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company at the time of offer.

3. DIRECTORS' TRAINING

As an integral element of the process of appointing new Directors, the Board ensures that there is an orientation and education programme for new Board members. This is supplemented by visits to key locations and meetings with other key senior executives. Directors also receive further training from time to time, particularly on relevant new laws and regulations and changing commercial risks.

All the Directors have attended and successfully completed the Mandatory Accreditation Programme (MAP) conducted by the Research Institute of Investment Analyst Malaysia (RIIAM).

4. DIRECTORS' REMUNERATION

The details of the total remuneration of the Directors during the financial period are as follows:

	Executive Directors RM'000	Non-Executive Directors RM'000	Total RM'000
Total remuneration			
Fees	–	84	84
Salaries & other emoluments	2,061	–	2,061
Bonus	–	–	–
Pension costs defined contribution plan	247	–	247
	2,308	84	2,392

Number of Directors whose remuneration falls within the following bands:-

	Executive Directors	Non-Executive Directors	Total
Below RM50,000	–	3	3
RM200,001 to RM250,000	2	–	2
RM450,001 to RM500,000	4	–	4

5. SHAREHOLDERS' COMMUNICATIONS AND INVESTORS RELATIONS

The Board acknowledges the need for the shareholders to be informed of all material business matters affecting the Company. As such, the Company communicates with its shareholders, institutional and potential investors through the various announcements made during the year. In addition, the Board also ensures timely release of the financial results on a quarterly basis in order to provide its shareholders with an overview of Sinmah Group's financial and operational performance.

The Annual General Meeting (AGM) of the Company is also a means of communication with its shareholders. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Members of the Board, as well as the external auditors and legal advisers of the Company are present to answer questions raised at the meeting. The Board has also been encouraging the participation from shareholders through questions and answers session during the AGM, where the Directors are available to answer questions on the financial performances and the business operations of the Group.

6. ACCOUNTABILITY AND AUDIT

6.1 Financial Reporting

For financial reporting through quarterly reports to Bursa Securities and the annual report to the shareholders, the Directors have a responsibility to present a fair assessment of the Group's financial position. The Audit Committee assists the Board in scrutinizing information for disclosure to ensure accuracy and completeness of information.

6.2 Internal Controls

The Board is responsible in ensuring that the Group's systems of internal control are in place and that its effectiveness be constantly reviewed to ensure the adequacy of these systems.

As part of internal control and in the daily management of risks, the following systems of reporting and standard processes and procedures exist within the Group:-

- a) Monthly actual reporting – providing relevant, reliable and up to-date financial performance against budget, previous month and prior year including detailed explanation of any major variances.
- b) Clear lines of authority exist between Management of the subsidiaries and the Group's Board of Directors. As far as possible, the subsidiaries are given autonomy whilst operating within the established internal control environment.

The review on the systems of internal control is set out under the Statement on Internal Control on page 44 to 45 of the Annual Report.

6.3 Relationship with the Auditors

The role of the Audit Committee in relation to the external auditors is described in the Audit Committee Report on pages 49 to 51 of the Annual Report. The Company has always maintained a close and transparent relationship with its external auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia.

6.4 Relationship with the Management

The Board maintains a close and transparent relationship with all the management staff. The Board has all its information related to running of the operations from various reports prepared by the management staff. This will allow them to understand the operations better and make decisions in steering the Company towards a profitable business. In addition, the Executive Directors also hold frequent monthly management meetings with the management staff in order to discuss and plan for the Company's operations.

7. STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE

The Company is committed to achieving high standards of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings. The Board considers that it has complied throughout the financial period with the Best Principles as set out in the Code.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors is required under Paragraph 15.27(a) of the Listing Requirements to issue a statement explaining their responsibility in the preparation of the annual financial statements. The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year and of the profit and loss of the Company and of the Group for the financial year. In preparing these financial statements, the Directors have:-

- Used appropriate accounting policies and consistently applied them;
- Made judgements and estimates that are reasonable and prudent; and
- Stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping proper accounting records, which are disclosed with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with the Companies Act 1965 and applicable accounting standards in Malaysia.

The Directors are also responsible for taking such steps that are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

9. OTHER INFORMATION

9.1 Utilisation of proceeds

No proceeds were raised by the Company from any corporate exercise during the financial period.

9.2 Share Buy-backs

During the financial period, there were no share buy-backs by the Company.

9.3 Options, Warrants or Convertible Securities

There were no new options, warrants or convertible securities issued during the financial period.

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

The Company did not sponsor any ADR or GDR programme during the financial period.

9.5 Imposition of Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company or its subsidiaries, directors or management by any relevant authority for the financial period ended 31 December 2004, except for traffic offences.

9.6 Non-Audit Fee

There was a total amount of non-audit fees of RM138,000 for internal audit function which was paid or payable to the external auditors and their affiliated companies by the Group for the financial period ended 31 December 2004.

9.7 Variation in Results

There was no deviation of 10% or more between the loss after taxation and minority interest stated in the 28 February 2005 announcement of unaudited results for the financial period ended 31 December 2004 and the audited financial statements of the Group for the financial period ended 31 December 2004.

9.8 Profit Guarantee

The Company did not give any profit guarantee during the financial period.

9.9 Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest which were still subsisting at the end of the financial period or if not then subsisting, entered into since the end of the previous financial year.

9.10 Revaluation Policy on Landed Properties

The Company did not adopt any revaluation policy on landed properties during the financial period.

penyata kawalan dalaman

1. PENGENALAN

Penyata mengenai Kawalan Dalaman ini dibuat selaras dengan Kod Malaysia mengenai Urus Tadbir Korporat dan perenggan 15.27(b) Syarat-syarat Penyenaian Bursa Malaysia Securities Berhad, yang memerlukan syarikat-syarikat awam berhad untuk membuat penyata berkenaan tahap kawalan dalaman mereka, sebagai kumpulan, dalam laporan tahunan mereka.

2. TANGGUNGJAWAB

Lembaga mengakui tanggungjawabnya bagi sistem kawalan dalaman Kumpulan, yang termasuk penubuhan persekitaran kawalan dan rangka kerja yang sesuai serta mengkaji kelayakan dan integriti. Sistem kawalan dalaman ini dimaksudkan untuk mengawal pelaburan pemegang-pemegang saham dan aset-aset Kumpulan dan ia merangkumi kawalan-kawalan kewangan, operasi, pematuhan dan berperaturan.

Walau bagaimanapun, disebabkan batasan yang sedia ada dalam mana-mana sistem kawalan dalaman, sistem ini direka untuk mengurus, dan bukannya melupuskan, risiko kegagalan untuk mencapai objektif korporat. Selaras dengan itu, ia hanya boleh menyediakan jaminan munasabah tetapi bukan jaminan sepenuhnya terhadap salah nyataan atau kerugian material.

3. SISTEM KAWALAN DALAMAN KUMPULAN

Lembaga berpendapat bahawa Kumpulan mempunyai persekitaran kawalan yang mencukupi dan kondusif baginya untuk melaksanakan objektif perniagaannya. Sistem kawalan dalaman Kumpulan merangkumi Lembaga dan beberapa Jawatankuasa Lembaganya dengan bidang-bidang tugas khusus, pengurusan eksekutif yang bertanggungjawab bagi semua tindakannya dan juga beberapa prosedur pengawasan dan kajian yang terdapat dalam proses-proses Kumpulan. Lembaga juga percaya bahawa proses-proses kawalan ini hendaklah disemak secara kerap untuk memastikan agar sistem kawalan dalaman yang berkesan dikekalkan dalam Kumpulan.

Beberapa elemen penting daripada sistem kawalan dalaman Kumpulan digambarkan di bawah:

- Terdapat struktur organisasi rasmi dengan saluran yang dijelaskan tentang kuasa, tanggungjawab dan kebertanggungjawaban dalam Kumpulan.
- Had kuasa telah diwujudkan dalam Kumpulan untuk menyediakan fungsi rangka kerja kuasa dalam meluluskan perbelanjaan hasil dan modal.
- Pelaburan besar, pengambilalihan dan pelupusan telah ditaksir sebelum diluluskan oleh Lembaga
- Butir-butir proses bajet di mana unit operasi menyediakan bajet untuk tahun akan datang yang telah diluluskan pada kedua-dua peringkat unit operasi dan oleh Pengarah Eksekutif. Kumpulan mengawal prestasinya dengan membandingkan keputusan bulannya terhadap bajet dan terhadap keputusan bulan sebelumnya, yang memerlukan semua varians material untuk dikenal pasti dan dikaji oleh pengurusan atas dasar tepat pada masa.
- Pengarah Eksekutif mengkaji akaun pengurusan bulanan semua syarikat seluruh Kumpulan melainkan bagi syarikat-syarikat bersekutu tertentu.
- Pengarah Eksekutif mengendalikan mesyuarat pengurusan bulanan dengan pengurusan semua unit perniagaan penting dalam Kumpulan melainkan bagi syarikat bersekutu tertentu dan anak-anak syarikat asing. Daripada mesyuarat pengurusan bulanan ini, Pengarah Eksekutif akan mengenal pasti bidang risiko-risiko penting dan sekiranya perlu, meminta fungsi audit dalaman untuk mengkaji risiko kewangan dan operasi perniagaan unit berkenaan.
- Pengarah Eksekutif dan ahli-ahli pasukan pengurusan membuat lawatan kerap ke unit-unit operasi untuk memastikan bahawa unit-unit operasi telah diuruskan dengan baik oleh personel bertanggungjawab.

- Kumpulan mendapat khidmat luar ke atas fungsi audit dalaman kepada Tetuan Ernst & Young untuk dua tempoh kewangan terakhir. Ruang lingkup kerja yang dijalankan oleh Tetuan Ernst & Young termasuk melaksanakan kajian proses perniagaan untuk menilai keberkesanan kawalan dalaman, dan menonjolkan kepada Jawatankuasa Audit risiko-risiko penting yang memberi kesan ke atas unit-unit perniagaan berkenaan.

Dalam tempoh di bawah kajian, Tetuan Ernst & Young menjalankan audit ke atas bidang-bidang berikut:

- Laporan Kewangan Kumpulan
- Bajet dan Komitmen Modal
- Perbendaharaan dan Pengurusan Tunai
- Fungsi Pemprosesan Senarai Gaji, Perekrutan dan Penaksiran Prestasi di Alor Gajah, Melaka
- Jualan, Kutipan Kredit dan Inventori dan Penjadualan Logistik fungsi pengedarannya
- Operasi Depot Kumpulan tertentu

Laporan mengenai penemuan audit dalaman dan susulan oleh pengurusan mengenai pengesyoran ke atasnya telah dikaji dan diambil perhatian oleh Jawatankuasa dalam Mesyuarat Jawatankuasa Audit diadakan sepanjang tempoh di bawah kajian. Beberapa kelemahan kawalan dalaman kecil telah dikenal pasti oleh Tetuan Ernst & Young dalam pengauditan operasi mereka. Semua kelemahan kawalan dalaman kecil dikenal pasti dalam tempoh telah, atau sedang ditangani. Tidak ada kelemahan telah mengakibatkan sebarang kehilangan material, kontigensi atau tidak pasti yang akan memerlukan pendedahan dalam laporan tahunan Kumpulan.

Lembaga tidak secara kerap mengkaji sistem kawalan dalaman daripada syarikat bersekutunya memandangkan Lembaga tidak mempunyai sebarang kawalan langsung ke atas operasi mereka. Namun demikian, kepentingan Kumpulan diawasi melalui penerimaan dan kajian akaun pengurusan dan pertanyaan mengenainya.

Berdasarkan yang di atas, Lembaga berpendapat bahawa terdapat dalam Kumpulan sistem kawalan dalaman yang mencukupi yang akan membolehkan pengurusan risiko ke arah pencapaian objektif korporatnya.

4. PENGURUSAN RISIKO

Kumpulan mewujudkan rangka kerja pengurusan risiko rasmi dalam tahun kewangan sebelum ini yang membolehkan pengurusan dan Lembaga untuk berkongsi model yang sama dalam komunikasi dan penilaian berkesan semua risiko dan kawalan utama. Proses-proses melibatkan pengenalan pasti oleh pengurusan eksekutif akan risiko-risiko, penaksiran risiko dan kawalan dan perumusan rancangan tindakan yang sesuai sebelum perkara-perkara ini telah dibawa ke hadapan kepada Lembaga untuk kajian.

Proses Pengurusan Risiko telah dikaji di mesyuarat Lembaga. Kajian termasuk perkara-perkara berkaitan dengan risiko-risiko penting yang mungkin menghalang objektif perniagaan.

5. KESIMPULAN

Lembaga dalam memenuhi tanggungjawabnya, telah memberi jaminan bahawa Kumpulan mempunyai rangka kerja pengurusan dan kawalan risiko yang teratur yang perlu untuk mencapai sistem kawalan dalaman yang kukuh. Lembaga diberi jaminan bahawa sistem kawalan dalaman ini, yang dikaji atas dasar berterusan adalah mencukupi bagi Kumpulan untuk mengurus risiko-risikonya dan untuk mencapai objektif perniagaannya.

statement on internal control

1. INTRODUCTION

This Statement on Internal Control is made in accordance with the Malaysia Code on Corporate Governance and paragraph 15.27(b) of the Bursa Malaysia Securities Berhad Listing Requirements, which requires public listed companies to make a statement about their state of internal control, as a group, in their annual report.

2. RESPONSIBILITY

The Board acknowledges its responsibility for the Group's system of internal control, which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. This system of internal control is meant to safeguard shareholders' investments and the Group's assets and it covers financial, operational, compliance and regulatory controls.

However, because of the limitations that are inherent in any system of internal control, this system is designed to manage, rather than eliminate, the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable assurance but not absolute assurance against material misstatement or loss.

3. THE GROUP'S SYSTEM OF INTERNAL CONTROL

The Board is of the opinion that the Group has an adequate and conducive control environment for it to accomplish its business objectives. The Group's internal control system encompasses the Board and its various Board Committees with its specific terms of reference, executive management that is accountable for all its actions and also various monitoring and review procedures that is embedded in the Group's processes. The Board also believes that these control processes should be regularly reviewed to ensure that an effective system of internal control is maintained within the Group.

Some of the key elements of the Group's internal control systems are described below:

- There is a formal organizational structure with delineated lines of authority, responsibility and accountability within the Group.
- Authority limits are established within the Group to provide a functional framework of authority in approving revenue and capital expenditures.
- Major investments, acquisitions and disposals are appraised prior to approval by the Board.
- A detailed budgeting process where operating units prepare budgets for the coming year which are approved both at operating unit level and by the Executive Directors. The Group monitors its performance by comparing its monthly results against the budget and against the previous month's results, which requires all material variances to be identified and reviewed by management on a timely basis.
- The Executive Directors review monthly management accounts of all companies throughout the Group except for certain associated companies.
- The Executive Directors conduct monthly management meetings with management of all significant business units within the Group except for certain associated companies and foreign subsidiaries. From these monthly management meetings, the Executive Directors would identify areas of significant risks and if necessary, request the internal audit function to review the financial and operational risks of the business unit concerned.
- The Executive Directors and members of the management team make regular visits to operating units to ensure that the operating units are being well-managed by responsible personnel.

- The Group outsourced its internal audit function to Messrs. Ernst & Young for the last two financial periods. The scope of work performed by Messrs Ernst & Young includes performing reviews of business processes to assess the effectiveness of internal controls, and highlighting to the Audit Committee significant risks impacting the business units concerned.

During the period under review, Messrs. Ernst & Young carried out audits on the following areas:

- Group's Financial Reporting
- Budgeting and Capital Commitments
- Treasury and Cash Management
- Payroll Processing, Recruitment and Performance Appraisal functions in Alor Gajah, Melaka
- Sales, Credit Collection and Inventory and Logistic Scheduling of its distribution function
- Certain of the Group's Depot Operations.

The report on internal audit findings and follow up by management on the recommendations thereon was reviewed and noted by the Committee during the Audit Committee Meetings held throughout the period under review. A number of minor internal control weaknesses were identified by Messrs. Ernst & Young during their operations audit. All the minor internal control weaknesses identified during the period have been, or are being addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

The Board does not regularly review the internal control system of its associated companies as the Board does not have any direct control over their operations. Notwithstanding, the Group's interests are served through receipt and review of management accounts and enquiries thereon.

Based on the above, the Board is of the opinion that there exists within the Group an adequate system of internal controls that would enable the management of risks towards the achievement of its corporate objectives.

4. RISK MANAGEMENT

The Group established a formal risk management framework during the previous financial year which enabled management and the Board to share a common model in the effective communication and evaluation of all principal risks and controls. The process involved executive management's identification of risks, assessment of risks and controls and formulation of appropriate action plans before these are escalated to the Board for review.

Risk Management processes were reviewed at the Board meetings. The review includes matters relating to significant risks which may impede business objectives.

5. CONCLUSION

The Board in fulfilling its responsibilities, has ensured that the Group has a proper risk management and control framework that is necessary to achieve a sound system of internal control. The Board is assured that this system of internal control, which is reviewed on an ongoing basis, is adequate for the Group to manage its risks and to achieve its business objectives.

laporan jawatankuasa audit

Lembaga Pengarah dengan sukacitanya menyampaikan Laporan Jawatankuasa Audit berikut dan kegiatannya bagi tempoh kewangan berakhir 31 Disember 2004.

1. AHLI JAWATANKUASA

Ahli-ahli Jawatankuasa Audit terdiri daripada ahli-ahli berikut:-

Y. Bhg. Datuk Haji Abdul Razak Bin Alias

Pengerusi Jawatankuasa dan Pengarah Bukan Eksekutif Bebas

Y. Bhg. Datuk Ng Peng Hay @ Ng Peng Hong

Pengarah Eksekutif

Tuan Haji Baharom Bin Abd Wahab

Pengarah Bukan Eksekutif Bebas

Encik Mohd Khasan Bin Ahmad

Pengarah Bukan Eksekutif Bebas

2. BIDANG TUGAS

2.1 Komposisi

Syarikat akan melantik Jawatankuasa Audit daripada kalangan para pengarahnya dan akan terdiri tidak kurang daripada tiga (3) ahli yang mana majoriti merupakan pengarah bebas. Tidak ada pengarah silih ganti boleh dilantik sebagai ahli Jawatankuasa dan sekurang-kurangnya seorang (1) ahli Jawatankuasa:-

- (a) hendaklah merupakan ahli Institut Akauntan Malaysia; atau
- (b) sekiranya beliau bukan merupakan ahli Institut Akauntan Malaysia, beliau hendaklah mempunyai sekurang-kurangnya tiga (3) tahun pengalaman kerja dan:-
 - (i) beliau hendaklah lulus peperiksaan yang ditetapkan dalam Bahagian 1 Jadual Pertama Akta Akauntan 1967; atau
 - (ii) beliau hendaklah ahli salah sebuah persatuan akauntan yang dinyatakan dalam Bahagian II Jadual I Akta Akauntan 1967, atau
 - (iii) memenuhi syarat-syarat lain tertentu sebagaimana ditetapkan oleh bursa.

Ahli Jawatankuasa Audit hendaklah memilih seorang Pengerusi daripada bilangan kalangan mereka yang hendaklah merupakan pengarah bebas. Sekiranya mana-mana kekosongan dalam Jawatankuasa mengakibatkan ketidakpatuhan syarat-syarat yang dinyatakan di atas, Syarikat hendaklah mengisi kekosongan dalam masa tiga (3) bulan. Lembaga Pengarah Syarikat hendaklah mengkaji bidang tugas dan prestasi Jawatankuasa Audit dan setiap ahlinya sekurang-kurangnya sekali dalam setiap tiga (3) tahun untuk menentukan sama ada jawatankuasa audit dan ahli tersebut telah melaksanakan tugas mereka selaras dengan bidang-bidang tugas mereka.

2.2 Hak

Jawatankuasa Audit hendaklah, selaras dengan prosedur yang akan ditentukan oleh Lembaga Pengarah dan atas kos Syarikat:-

- (a) mempunyai kuasa untuk menyiasat apa-apa perkara dalam bidang-bidang tugasnya;
- (b) mempunyai sumber yang diperlukan untuk melaksanakan tugas-tugasnya;
- (c) mempunyai akses penuh dan tidak terbatas kepada mana-mana maklumat yang berkaitan dengan Syarikat;
- (d) mempunyai saluran komunikasi langsung dengan juruaudit luar dan individu (individu-individu) yang melaksanakan fungsi atau kegiatan audit dalaman (sekiranya ada);
- (e) boleh mendapatkan nasihat profesional bebas atau lain-lain nasihat; dan
- (f) boleh mengadakan mesyuarat dengan juruaudit luar, tanpa kehadiran ahli-ahli jawatankuasa eksekutif, apabila dianggap perlu.

Di mana Jawatankuasa berpendapat bahawa perkara yang dilaporkan olehnya kepada Lembaga Pengarah Syarikat telah tidak diselesaikan secara memuaskan mengakibatkan pemungkiran Syarat-syarat Penyenaian Bursa Malaysia Sekuriti Berhad ("Bursa Sekuriti"), Jawatankuasa Audit hendaklah dengan segera akan melaporkan perkara sedemikian kepada Bursa Sekuriti.

2.3 Mesyuarat

Jawatankuasa Audit hendaklah bermesyuarat sekurang-kurangnya setiap suku tahunan dalam tahun kewangan dan mengadakan mesyuarat tambahan tertentu sebagaimana Pengerusi akan putuskan untuk melaksanakan tugas-tugasnya. Setiausaha Syarikat atau mana-mana orang yang dilantik oleh Jawatankuasa Audit hendaklah bertindak sebagai Setiausaha Jawatankuasa Audit dan akan bertanggungjawab, berunding dengan Pengerusi, untuk menyediakan agenda dan lain-lain dokumentasi penjelasan sokongan bagi edaran kepada Ahli-ahli Jawatankuasa sebelum setiap mesyuarat. Setiausaha juga akan bertanggungjawab bagi memastikan minit-minit mesyuarat Jawatankuasa Audit, dan mengedarkannya kepada lain-lain Ahli jawatankuasa Lembaga Pengarah. Pengerusi Jawatankuasa Audit hendaklah mengadakan mesyuarat Jawatankuasa Audit untuk menimbang apa-apa perkara yang juruaudit luar fikirkan perlu untuk dibawa kepada perhatian Pengarah-pengarah dan pemegang-pemegang saham. Lain-lain Pengarah dan kakitangan hendaklah menghadiri mesyuarat Jawatankuasa Audit tertentu hanya atas pelawaan Jawatankuasa Audit, khusus untuk mesyuarat yang berkaitan.

Korum hendaklah terdiri daripada majoriti ahli-ahli yang hadir yang hendaklah merupakan pengarah-pengarah bebas.

2.4 Fungsi

Fungsi Jawatankuasa Audit adalah seperti berikut:-

1. Mengkaji perkara yang berikut dan melaporkan yang sama kepada Lembaga Pengarah syarikat:-
 - (a) rancangan audit dengan juruaudit luar.
 - (b) penilaian sistem kawalan dalaman dengan juruaudit luar.
 - (c) laporan audit dengan juruaudit luar.
 - (d) bantuan yang diberikan oleh kakitangan Syarikat kepada juruaudit luar.

- (e) kecukupan skop, fungsi dan sumber bagi fungsi audit dalaman dan bahawa ianya mempunyai autoriti yang sewajarnya untuk menjalankan kerjanya.
- (f) program audit dalaman, proses-proses, keputusan program audit dalaman, proses atau penyiasatan yang dijalankan dan sama ada atau tidak tindakan sewajarnya telah diambil atas pengesyoran fungsi audit dalaman.
- (g) keputusan suku tahunan dan penyata kewangan akhir tahun, sebelum kelulusan oleh Lembaga Pengarah, dengan menumpukan secara khususnya ke atas:
 - (i) perubahan dalam atau pelaksanaan mana-mana perubahan penting polisi perakaunan;
 - (ii) peristiwa penting dan luar biasa; dan
 - (iii) pematuhan dengan piawaian-piawaian perakaunan dan lain-lain syarat undang-undang.
- (h) mana-mana urusan pihak berkaitan dan keadaan percanggahan kepentingan yang mungkin timbul dalam Syarikat atau Kumpulan termasuk apa-apa urusan, prosedur atau perjalanan tindakan yang menimbulkan soalan-soalan ketulusan pengurusan.
 - (i) apa-apa surat perletakan jawatan juruaudit luar Syarikat; dan
 - (j) sama ada terdapat sebab (disokong oleh alasan-alasan) untuk mempercayai bahawa juruaudit luar Syarikat tidak sesuai untuk pelantikan semula; dan
2. Untuk mengesyorkan penamaan seseorang atau beberapa orang sebagai juruaudit luar.

3. MESYUARAT

Terdapat lima (5) mesyuarat Jawatankuasa Audit dalam tempoh kewangan berakhir 31 Disember 2004 yang mana kehadiran setiap Ahli Jawatankuasa adalah seperti berikut:

Nama Ahli Jawatankuasa	Jumlah Mesyuarat yang dihadiri
1. Y. Bhg. Datuk Haji Abdul	4 daripada 5 Razak Bin Alias
2. Tuan Haji Baharom	5 daripada 5 Bin Abd. Wahab
3. Y. Bhg. Datuk Ng Peng Hay	4 daripada 5 @ Ng Peng Hong
4. Encik Mohd Khasan	5 daripada 5 Bin Ahmad

4. KEGIATAN JAWATANKUASA AUDIT

Dalam tempoh kewangan, kegiatan Jawatankuasa termasuk:

- Mengkaji pengumuman keputusan kewangan suku tahunan Kumpulan bagi setiap suku tahunan sebelum kelulusan Lembaga Pengarah.
- Mengkaji laporan juruaudit luar berhubung dengan audit dan isu-isu perakaunan yang timbul daripada audit, dan mengemas kini perkembangan baru ke atas piawaian-piawaian perakaunan yang dikeluarkan oleh Lembaga Piawaian Perakaunan Malaysia.
- Mengkaji rancangan audit juruaudit luar.
- Mengkaji urusan antara syarikat dan mana-mana urusan pihak berkaitan/berkepentingan yang mungkin timbul dalam Syarikat dan Kumpulan untuk memastikan pematuhan dengan Lembaga Piawaian Perakaunan Malaysia, Syarat-syarat Penyenaian Bursa Malaysia dan lain-lain pihak berkuasa berkanun yang relevan dan untuk memastikan bahawa urusan sedemikian:-

- Dilaksanakan dalam perjalanan biasa perniagaan;
 - Dijalankan atas terma-terma komersil biasa dan berdasarkan terma-terma komersil yang seimbang dengan amalan dan polisi perniagaan biasa Kumpulan;
 - Atas terma-terma yang tidak begitu memihak kepada pihak-pihak berkaitan yang secara keseluruhannya tersedia kepada orang awam; dan
 - Tidak mendatangkan kemudaratan kepada pemegang-pemegang saham minoriti Syarikat;
- Mengkaji penyata kewangan tahunan Kumpulan dan Syarikat dan membuat pengesyoran sewajarnya yang berkaitan mengennainya.
 - Mengkaji laporan audit dalaman yang telah disediakan oleh Tetuan Ernst & Young dan susulan ke atas pelaksanaan pengurusan terhadap tindakan-tindakan yang disyorkan.

5. FUNGSI AUDIT DALAMAN

Jawatankuasa menyedari bahawa fungsi audit dalaman adalah penting untuk membantu dalam mendapatkan jaminan yang ia perlukan berhubung dengan keberkesanan sistem kawalan dalaman. Dengan yang demikian, sebelum tempoh kewangan di bawah kajian, jawatankuasa melantik Tetuan Ernst & Young untuk menjalankan fungsi audit dalamannya.

Peranan utama fungsi audit dalaman adalah untuk mengkaji keberkesanan sistem kawalan dalaman dan ini dilaksanakan dengan adil, cekap dan dengan sifat berjaga-jaga profesional sewajarnya.

Ringkasan kegiatan audit dalaman dilaksanakan oleh Tetuan Ernst & Young dalam tahun kewangan di bawah kajian dinyatakan dalam Penyata Kawalan Dalaman pada muka surat 42 Laporan Tahunan.

report of the audit committee

The Board of Directors is pleased to present the following Audit Committee Report and its activities for the financial period ended 31 December 2004.

1. MEMBERS OF THE COMMITTEE

The Audit Committee comprises the following members:-

Y. Bhg. Datuk Haji Abdul Razak Bin Alias

Chairman of the Committee and Independent Non-Executive Director

Y. Bhg. Datuk Ng Peng Hay @ Ng Peng Hong

Executive Director

Tuan Haji Baharom Bin Abd Wahab

Independent Non-Executive Director

Encik Mohd Khasan Bin Ahmad

Independent Non-Executive Director

2. TERMS OF REFERENCE

2.1 Composition

The Company shall appoint an Audit Committee from amongst its directors and shall consist of not less than three (3) in numbers of whom a majority shall be independent directors. No alternate director is appointed as a member of the Committee and at least one (1) member of the Committee:-

- (a) shall be a member of the Malaysian Institute of Accountants; or
- (b) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:
 - (i) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or

- (ii) he must be member of one of the association of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967;
- (iii) or fulfils such other requirements as prescribed by the Exchange.

The members of the Audit Committee shall elect a Chairman from among their number who shall be an independent director. In the event of any vacancy in Committee resulting in the non-compliance of the above stated conditions, the Company shall fill the vacancy within three (3) months. The Board of Directors of the Company shall review the term of office and performance of the Audit Committee and each of its members at least once every three (3) years to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.

2.2 Rights

The Audit Committee shall, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:-

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company;
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- (e) be able to obtain independent professional or other advice; and
- (f) be able to convene meeting with the external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary.

Where the Committee is of the view that a matter reported by it to the Board of Directors of the company has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Audit Committee shall promptly report such matter to the Bursa Securities.

2.3 Meeting

The Audit Committee shall meet at least each quarter of a financial year and such additional meetings as the Chairman shall decide in order to fulfill its duties. The Company Secretary or any person appointed by the Audit Committee shall act as Secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and other supporting explanatory documentation for circulation to the Committee Members prior to each meeting. The Secretary will also be responsible for keeping the minutes of the meetings of the Audit Committee, and circulating them to Committee Members and to other members of the Board of Directors. The Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matter the external auditor believes should be brought to the attention of the Directors or shareholders. Other Directors and employees must attend any particular Audit Committee meeting only at the Audit Committee's invitation, specific to the relevant meeting.

A quorum shall consist of a majority of members present who must be independent directors.

2.4 Functions

The functions of the Audit Committee are as follows:-

1. Review the following and report the same to the Board of Directors of the Company:-
 - (a) the audit plan with the external auditor.
 - (b) with the external auditor its evaluation of the system of internal controls.

- (c) the audit report with the external auditors.
 - (d) the assistance given by the employees of the Company to the external auditor.
 - (e) the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work.
 - (f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.
 - (g) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant and unusual events; and
 - (iii) compliance with accounting standards and other legal requirements.
 - (h) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity.
 - (i) any letter of resignation from the external auditors of the Company; and
 - (j) whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment; and
2. To recommend the nomination of a person or persons as external auditors.

3. MEETINGS

There were five (5) meetings of the Audit Committee held during the financial period ended 31 December 2004 to which the attendance of each Committee Member is as follows:

Names of Committee Members	Total Meetings attended
1. Y. Bhg. Datuk Haji Abdul Razak Bin Alias	4 out of 5
2. Tuan Haji Baharom Bin Abd Wahab	5 out of 5
3. Y. Bhg. Datuk Ng Peng Hay @ Ng Peng Hong	4 out of 5
4. Encik Mohd Khasan Bin Ahmad	5 out of 5

4. ACTIVITIES OF THE AUDIT COMMITTEE

During the financial period, the activities of the Committee included:

- Review the quarterly Group financial result announcements of the Group for each quarter prior to the Board of Directors' approval.
- Review the external auditors' reports in relation to audit and accounting issues arising from the audit, and updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board.
- Review the audit plan of the external auditors.
- Review the inter-company transactions and any related/interested party transactions that may arise within the Company and the Group to ensure compliance with Malaysian Accounting Standards Board, Bursa Malaysia Listing Requirements and other relevant statutory authorities and to ensure that such transactions are:-

- Undertaken in the ordinary course of business;
 - Carried out at arm's length and based on normal commercial terms consistent with the Group's usual business practices and policies;
 - On terms not more favourable to the related parties than those generally available to the public; and
 - Not detrimental to the minority shareholders of the Company.
- Review the annual financial statements of the Group and the Company and making the appropriate recommendations relating thereto.
 - Review the internal audit reports prepared by Messrs. Ernst & Young, and the follow up on management's implementation of the recommended actions.

5. INTERNAL AUDIT FUNCTION

The Committee is aware that this internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the system of internal controls. As such, during the previous financial period, the Committee appointed Messrs Ernst & Young to run its internal audit function.

The main role of the internal audit function is to review the effectiveness of the system of internal controls and this is performed with impartiality, proficiency and due professional care.

A summary of internal audit activities performed by Messrs. Ernst & Young during the financial period under review is stated in the Statement on Internal Control on page 44 to 45 of the Annual Report.

financial statements



Directors' Report	53-56
Statement by Directors	57
Statutory Declaration	57
Report of the Auditors	58
Income Statements	59
Balance Sheets	60
Statements of Changes in Equity	61
Cash Flow Statements	62-63
Notes to the Financial Statements	64-99

directors' report

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are described in Note 12 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial period.

RESULTS

	Group RM'000	Company RM'000
Loss after taxation	(34,797)	(19,072)
Minority interests	1,286	-
Net loss for the period	<u>(33,511)</u>	<u>(19,072)</u>

There were no material transfers to or from reserves or provisions during the financial period other than as disclosed in the statements of changes in equity.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend any dividend to be paid in respect of the current financial period.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Fong Kok Yong
Fong Kiah Yeow
Fong Ngan Teng
Fong Choon Kai
Ng Cheu Kuan
Y. Bhg. Datuk Ng Peng Hay @ Ng Peng Hong
Y. Bhg. Datuk Haji Abdul Razak Bin Alias
Baharom Bin Abd Wahab
Mohd. Khasan Bin Ahmad

DIRECTORS' BENEFITS

Neither at the end of the financial period, nor at any time during that period, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, other than those relating to warrants held by certain directors entitling them to subscribe for new ordinary shares of RM1 each in the Company at an exercise price of RM5.95 per share.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 6 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest other than deemed benefits which may be derived from those transactions disclosed in Note 29 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial period in shares and warrants in the Company and in its related corporations during the financial period were as follows:

	Number of Ordinary Shares of RM1 Each			
	1.2.2004	Bought	Sold	
The holding company				
F.C.H. Holdings Sdn. Bhd. ("FCH")				
Direct interest				
Fong Kok Yong	85,000	–	–	85,000
Fong Kiah Yeow	85,000	–	–	85,000
Fong Ngan Teng	85,000	–	–	85,000
Fong Choon Kai	85,000	–	–	85,000
The Company				
Direct interest				
Y. Bhg. Datuk Ng Peng Hay @ Ng Peng Hong	13,500	–	–	13,500
Ng Cheu Kuan	19,000	–	–	19,000
Baharom Bin Abd Wahab	4,500	–	–	4,500
Indirect interest				
Fong Kok Yong	20,348,705 *	–	–	20,348,705
Fong Kiah Yeow	20,348,705 *	–	–	20,348,705
Fong Ngan Teng	20,348,705 *	–	–	20,348,705
Fong Choon Kai	20,348,705 *	–	–	20,348,705

* Restated in accordance to Section 6A of Companies Act, 1965.

DIRECTORS' INTERESTS (CONT'D)

	1.2.2004	Number of Warrants Bought Sold		31.12.2004
The Company				
Direct interest				
Y. Bhg. Datuk Ng Peng Hay @ Ng Peng Hong	400	–	–	400
Baharom Bin Abd Wahab	4,000	–	–	4,000
Indirect interest				
Fong Kok Yong	7,482	–	–	7,482
Fong Kiah Yeow	7,482	–	–	7,482
Fong Ngan Teng	7,482	–	–	7,482
Fong Choon Kai	7,482	–	–	7,482

By virtue of their interests in FCH, Fong Kok Yong, Fong Kiah Yeow, Fong Ngan Teng and Fong Choon Kai are deemed interested in the shares of all the subsidiaries of the Company to the extent that FCH has an interest.

None of the other directors in office at the end of the financial period had any interest in shares in the Company or in its related corporations during the financial period.

WARRANTS

On 21 October 1997, the Company issued 14,799,260 warrants in conjunction with the issue of RM50 million Redeemable Guaranteed Bonds which have since been redeemed. Each warrant entitles the holder to subscribe for one new ordinary share of RM1 each in the Company at an exercise price of RM5.95 per share within a period of four and a half years from the date of issue. The exercise price of the warrants is subject to adjustments from time to time in accordance with the conditions stipulated in the Deed Poll.

Pursuant to a Supplemental Deed Poll dated 16 August 1999, the subscription period of the said warrants was extended by a further five and a half years to expire on 17 September 2007.

As at 31 December 2004, the entire 14,799,260 warrants remained unexercised.

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:
- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and
 - to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would:
- require any amount to be written off as bad debts or render the amount of the provision for doubtful debts inadequate to any substantial extent; and
 - render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

OTHER STATUTORY INFORMATION (CONT'D)

- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of Company which has arisen since the end of the financial period.
- (f) In the opinion of the directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial period in which this report is made.

CHANGE OF FINANCIAL YEAR END

During the financial period, the Company changed its financial year end from 31 January to 31 December so as to be coterminous with the financial year end of its holding company.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

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

FONG KOK YONG

FONG KIAH YEOW

Melaka, Malaysia
27 April 2005

statement by directors

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

We, **FONG KOK YONG** and **FONG KIAH YEOW**, being two of the directors of **SINMAH RESOURCES BERHAD**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 59 to 99 are drawn up in accordance with applicable MASB Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2004 and of the results and the cash flows of the Group and of the Company for the period then ended.

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

FONG KOK YONG

FONG KIAH YEOW

Melaka, Malaysia
27 April 2005

statutory declaration

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

I, **FONG KOK YONG**, being the director primarily responsible for the financial management of **SINMAH RESOURCES BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 59 to 99 are in my opinion, 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, **FONG KOK YONG**,)
at Melaka in the State of Melaka)
on 27 April 2005.) **FONG KOK YONG**

Before me,

A. SUPRAMANIAM PIS
Commissioner for Oaths

report of the auditors

to the members of Sinmah Resources Berhad

We have audited the accompanying financial statements set out on pages 59 to 99. These financial statements are 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 applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Group and of the Company as at 31 December 2004 and of the results and the cash flows of the Group and of the Company for the period then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports thereon of the subsidiaries of which we have not acted as auditors, as indicated in Note 12 to the financial statements, being financial statements that have been included in the consolidated financial statements.

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

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174 (3) of the Act.

Without qualifying our opinion, we draw attention to Note 2(a) to the financial statements which discloses that the accompanying financial statements have been prepared assuming that the Group will continue as a going concern. As at 31 December 2004, the Group's current liabilities exceeded its current assets by approximately RM61.7 million. The ability of the Group to continue as a going concern is dependent upon the Group's ability in achieving future profitable operations and generating sufficient cashflows from such operations to enable the Group to meet its liabilities as and when they fall due. The financial statements of the Group do not include any adjustments relating to the amounts and classification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

ERNST & YOUNG
AF: 0039
Chartered Accountants

LEE AH TOO
No. 2187/09/05(J)
Partner

Melaka, Malaysia
27 April 2005

income statements

for the period ended 31 December 2004

	Note	Group		Company	
		1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000
Revenue	3	341,783	319,693	1,590	1,798
Cost of sales	4	(331,847)	(272,026)	–	–
Gross profit		9,936	47,667	1,590	1,798
Other operating income		1,739	8,076	28	92
Selling, marketing, administrative and general expenses		(31,700)	(32,474)	(1,353)	(2,813)
Other operating expenses		(2,408)	–	(19,262)	(6,733)
(Loss)/profit from operations	5	(22,433)	23,269	(18,997)	(7,656)
Finance costs, net	8	(11,962)	(13,247)	(75)	(41)
Share of profit/(loss) of associates		34	(452)	–	–
(Loss)/profit before taxation		(34,361)	9,570	(19,072)	(7,697)
Taxation :					
Company and subsidiaries		(414)	(596)	–	(108)
Associates		(22)	(61)	–	–
	9	(436)	(657)	–	(108)
(Loss)/profit after taxation		(34,797)	8,913	(19,072)	(7,805)
Minority interests		1,286	(1,674)	–	–
Net (loss)/profit for the period/year		(33,511)	7,239	(19,072)	(7,805)
(Loss)/earnings per share :					
Basic (sen)	10	(66.3)	14.3		

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

balance sheets

as at 31 December 2004

	Note	Group		Company	
		31.12.2004 RM'000	31.1.2004 RM'000	31.12.2004 RM'000	31.1.2004 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	11	160,864	167,306	1,030	1,588
Investment in subsidiaries	12	–	–	28,061	28,061
Investment in associates	13	8,555	8,383	–	–
Other investments	14	62	62	–	–
Land held for property development	15	2,552	2,526	–	–
Goodwill on consolidation	16	–	2,408	–	–
		<u>172,033</u>	<u>180,685</u>	<u>29,091</u>	<u>29,649</u>
CURRENT ASSETS					
Property development costs	15	11,026	21,465	–	–
Inventories	17	50,261	47,275	–	–
Trade receivables	18	102,870	100,140	–	–
Other receivables	19	15,212	30,270	63,033	84,274
Tax recoverable		1,680	1,319	649	649
Cash and bank balances	20	6,818	4,620	1	–
		<u>187,867</u>	<u>205,089</u>	<u>63,683</u>	<u>84,923</u>
CURRENT LIABILITIES					
Short term borrowings	21	146,615	165,556	17,153	17,045
Trade payables	23	72,473	53,977	–	–
Other payables	24	29,706	22,510	3,716	1,762
Tax payable		745	311	–	–
		<u>249,539</u>	<u>242,354</u>	<u>20,869</u>	<u>18,807</u>
NET CURRENT (LIABILITIES)/ASSETS					
		<u>(61,672)</u>	<u>(37,265)</u>	<u>42,814</u>	<u>66,116</u>
		<u>110,361</u>	<u>143,420</u>	<u>71,905</u>	<u>95,765</u>
FINANCED BY:					
Share capital	25	50,530	50,530	50,530	50,530
Share premium	26	61,584	61,584	61,584	61,584
Foreign exchange reserve	27	(131)	(238)	–	–
Accumulated losses		(50,057)	(16,546)	(62,520)	(43,448)
Shareholders' equity		<u>61,926</u>	<u>95,330</u>	<u>49,594</u>	<u>68,666</u>
Minority interests		6,234	7,520	–	–
		<u>68,160</u>	<u>102,850</u>	<u>49,594</u>	<u>68,666</u>
Long term borrowings	21	38,944	36,027	22,311	27,099
Deferred tax liabilities	28	3,257	4,543	–	–
Non-current liabilities		<u>42,201</u>	<u>40,570</u>	<u>22,311</u>	<u>27,099</u>
		<u>110,361</u>	<u>143,420</u>	<u>71,905</u>	<u>95,765</u>

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

statements of changes in equity

for the period ended 31 December 2004

Group	Share capital RM'000	Share premium RM'000	Foreign exchange reserve RM'000	Accumulated losses RM'000	Total RM'000
At 1 February 2003	50,530	61,584	(228)	(23,785)	88,101
Currency translation differences representing net loss not recognised in the income statement	–	–	(10)	–	(10)
Net profit for the year	–	–	–	7,239	7,239
At 31 January 2004	50,530	61,584	(238)	(16,546)	95,330
Currency translation differences representing net profit not recognised in the income statement	–	–	107	–	107
Net loss for the period	–	–	–	(33,511)	(33,511)
At 31 December 2004	50,530	61,584	(131)	(50,057)	61,926
Company					
At 1 February 2003	50,530	61,584	–	(35,643)	76,471
Net loss for the year	–	–	–	(7,805)	(7,805)
At 31 January 2004	50,530	61,584	–	(43,448)	68,666
Net loss for the period	–	–	–	(19,072)	(19,072)
At 31 December 2004	50,530	61,584	–	(62,520)	49,594

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

cash flow statements

for the period ended 31 December 2004

	Group		Company	
	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/profit before taxation	(34,361)	9,570	(19,072)	(7,697)
Adjustments for:				
Depreciation	11,128	11,151	124	138
Gain on disposal of property, plant and equipment	(1,642)	(2,367)	(2)	(47)
Gain on disposal of other investments	–	(3)	–	–
Impairment of goodwill	2,408	–	–	–
Provision for doubtful debts	1,985	365	19,263	4,033
Dividend income	(2)	(2)	–	(1,350)
Impairment of investment in subsidiaries	–	–	–	2,700
Interest expense	12,067	13,460	75	200
Interest income	(105)	(213)	–	(159)
Loan waived by licensed bank	–	(3,537)	–	–
Share of (profit)/loss of associates	(34)	452	–	–
Operating (loss)/profit before working capital changes	(8,556)	28,876	388	(2,182)
Decrease in property development costs	10,413	1,255	–	–
Increase in inventories	(2,986)	(10,086)	–	–
Decrease/(increase) in receivables	10,343	(7,124)	(514)	3,993
Increase/(decrease) in payables	25,692	8,971	(724)	(763)
Cash generated from/(used in) operations	34,906	21,892	(850)	1,048
Interest paid	(12,067)	(13,460)	(75)	(200)
Tax paid	(1,627)	(2,232)	–	–
Net cash generated from/(used in) operating activities	21,212	6,200	(925)	848
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(4,891)	(4,344)	(38)	(66)
Purchase of additional shares in subsidiary	–	(252)	–	–
Acquisition of associate	(160)	–	–	–
Proceeds from disposal of property, plant and equipment	3,260	14,437	528	51
Proceeds from disposal of other investments	–	15	–	–
Dividend received	2	2	–	–
Interest received	105	54	–	–
Net cash (used in)/generated from investing activities	(1,684)	9,912	490	(15)

cash flow statements

for the period ended 31 December 2004 (cont'd)

	Group		Company	
	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Holding company's account	-	(4)	-	-
Subsidiaries' accounts	-	-	5,170	1,412
Payment of dividend to minority shareholders	-	(180)	-	-
Repayment of revolving credit	-	(37,000)	-	(37,000)
Repayment of hire purchase payables	(1,295)	(996)	(27)	(17)
Drawdown of term loan	11,750	37,000	-	37,000
Repayment of term loans	(5,904)	(3,755)	(4,200)	(2,800)
Short term borrowings	(18,205)	(3,011)	-	-
Net cash (used in)/generated from financing activities	(13,654)	(7,946)	943	(1,405)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	5,874	8,166	508	(572)
EFFECTS OF EXCHANGE RATE CHANGES	115	49	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	(32,512)	(40,727)	(9,816)	(9,244)
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR (NOTE 20)	(26,523)	(32,512)	(9,308)	(9,816)

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

notes to the financial statements

31 December 2004

1. CORPORATE INFORMATION

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are described in Note 12. There have been no significant changes in the nature of the principal activities during the financial period.

The Company is a public limited liability company incorporated and domiciled in Malaysia and is listed on the Second Board of Bursa Malaysia Securities Berhad. The registered office of the Company is located at AG 5730, Alor Gajah Industrial Estate, Alor Gajah, 78000 Melaka.

The directors regard F.C.H. Holdings Sdn. Bhd., a company incorporated in Malaysia, to be its immediate and ultimate holding company.

The numbers of employees in the Group and in the Company at the end of the period/year were 1,990 (31.1.2004 : 1,790) and 31 (31.1.2004 : 32) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 April 2005.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements have been prepared assuming that the Group will continue as a going concern. As at 31 December 2004, the Group's current liabilities exceeded its current assets by approximately RM61.7 million. The ability of the Group to continue as a going concern is dependent upon the Group's ability in achieving future profitable operations and generating sufficient cashflows from such operations to enable the Group to meet its liabilities as and when they fall due. The financial statements of the Group do not include any adjustments relating to the amounts and classification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

The financial statements of the Group and of the Company have been prepared under the historical cost convention.

The financial statements comply with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia.

During the financial period, the Company adopted the following MASB Standards for the first time:

MASB 31 Accounting for Government Grants and Disclosure of Government Assistance
MASB 32 Property Development Activities

The adoption of MASB 31 and MASB 32 has not given rise to any adjustments to the opening balances of accumulated losses of the prior year and of the current period except that certain comparatives have either been presented for the first time or reclassified as disclosed in Note 33.

(b) Basis of Consolidation

(i) Subsidiaries

The consolidated financial statements include the financial statements of the Company and all its subsidiaries. Subsidiaries are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (cont'd)

(i) Subsidiaries (cont'd)

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated balance sheet.

Intra-group transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill and exchange differences.

As allowed by the transitional provisions of MASB 21 Business Combination, minority interest is measured at the minorities' share of the pre-acquisition carrying values of the identifiable assets and liabilities of subsidiaries acquired on or prior to 31 January 2002. For subsidiaries acquired subsequent to 31 January 2002, minority interest is measured at the minorities share of the post-acquisition fair values of the identifiable assets and liabilities of the subsidiaries.

(ii) Associates

Associates are those entities in which the Group exercises significant influence but not control, through participation in the financial and operating policy decisions of the entity.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting based on the audited or management financial statements of the associates. Under the equity method of accounting, the Group's share of profits less losses of associates during the year is included in the consolidated income statement. The Group's interest in associates is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves.

Unrealised gains on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated unless cost cannot be recovered.

(c) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or associate at the date of acquisition, while negative goodwill represents the excess of the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or associate at the date of acquisition over the cost of acquisition.

Goodwill is stated at cost less impairment losses and negative goodwill is stated at cost. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(o). Goodwill or negative goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet while goodwill or negative goodwill arising on the acquisition of associate is included within the carrying amount of investment in associates. Goodwill or negative goodwill is not amortised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Investments in Subsidiaries and Associates

The Company's investments in subsidiaries and associates are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(o).

On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised in the income statement.

(e) Property, Plant and Equipment and Depreciation

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

Freehold land and capital work-in-progress are not depreciated. Leasehold land is depreciated on a straight line basis over the periods of the respective leases which range from 80 years to 99 years. Depreciation of other property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life at the following annual rates:

Buildings	2% – 10%
Motor vehicles	10% – 20%
Piping, fencing and tubewell	15%
Plant and machinery	2% – 20%
Electrical installation	5% – 10%
Furniture, fixtures and fittings	10%
Office equipment	5% – 20%
Renovation and improvement	5%

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement.

(f) Land Held for Property Development and Property Development Costs

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(o).

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Land Held for Property Development and Property Development Costs (cont'd)

(ii) Property development costs (cont'd)

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

(g) Construction Contracts

Where the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(h) Inventories

Inventories are stated at the lower of cost and net realisable values. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Cost of raw materials, medical and consumable supplies and finished goods (determined on the weighted average basis) consists of the original purchase price plus the costs of bringing the stocks to their present location.

Breeder and layer stocks are stated at cost (determined on a first-in, first-out basis) adjusted for amortisation which is calculated based on the economic egg-laying lives less net realisable value. Cost includes cost of day old chicks, feed, medication, labour and attributable overheads to the point of maturity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Inventories (cont'd)

Pullet and broiler stocks consist of original purchase price of day-old chicks plus growing costs which include feed and vaccines, direct labour costs and a proportion of farm overheads.

Cost of hatching eggs, processed chickens and feed (determined on the weighted average basis) include materials, labour and a proportion of overhead costs.

Cost of completed shops and houses include land costs, construction costs and direct expenses incurred during the period of development (determined on the specific identification basis).

(i) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at banks, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(j) Hire Purchase

Assets acquired by way of hire purchase are stated at an amount equal to the lower of their fair values and the present value of the minimum hire purchase payments at the inception of the hire purchase, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum hire purchase payments, the discount factor used is the interest rate implicit in the hire purchase, when it is practicable to determine; otherwise, the incremental borrowing rate is used.

Hire purchase payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total hire purchase commitments and the fair value of the assets acquired, are recognised as an expense in the income statement over the term of the relevant hire purchase so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for hire purchase assets is in accordance with that for depreciable property, plant and equipment as described in Note 2(e).

(k) Income Tax

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

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Income Tax (cont'd)

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

(l) Employee Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by 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. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

(m) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) Sale of goods

Revenue relating to sale of goods is recognised net of sales taxes and discounts upon the transfer of risks and rewards.

(ii) Income from property development and construction

Income from sale of development properties and construction contracts are accounted for under the stage of completion method. The stage of completion is determined by reference to the proportion of total cost incurred to-date to the total estimated costs where the outcome of the projects can be reliably estimated. All anticipated losses are fully provided for.

(iii) Interest income

Interest is recognised on a time proportion basis that reflects the effective yield on the asset.

(iv) Dividend income

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

(v) Rental income

Rental income is recognised on the accrual basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Revenue Recognition (cont'd)

- (vi) Revenue from management services

Management fee is recognised net of any service taxes and discounts as and when the services are performed.

(n) Foreign Currencies

(i) Foreign currency transactions

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at exchange rates ruling at the dates of transaction. At each balance sheet date, foreign currency monetary items are reported in Ringgit Malaysia at exchange rates ruling at that date. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are recorded using the historical rate as of the date of acquisition and non-monetary items which are carried at fair values are recorded using the exchange rate that existed when the values were determined.

All exchange rate differences are taken to the income statement.

(ii) Foreign entities

Financial statements of foreign consolidated subsidiaries are translated at exchange rates ruling at the balance sheet date with respect to the assets and liabilities, and at exchange rates ruling at the dates of the transactions with respect to the income statement. All resulting translation differences are included in the foreign exchange reserve in shareholders' equity.

Goodwill arising on the acquisition of a foreign entity are treated as assets of the Group and translated at the exchange rates ruling at the date of the transaction.

The principal exchange rates for every unit of foreign currency ruling at balance sheet date used are as follows:

	31.12.2004	31.1.2004
	RM	RM
United States Dollar	3.80	3.80
Philippines Peso	0.07	0.07
Singapore Dollar	2.33	2.21
China, Yuan Renminbi	0.46	0.46

(o) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset no longer exist or have decreased.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

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

(i) Other Non-Current Investments

Non-current investments other than investments in subsidiaries and associates are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(o).

On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is recognised in the income statement.

(ii) Trade Receivables

Trade receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iii) Trade Payables

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

(iv) Interest-Bearing Borrowings

Interest-bearing loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

Borrowing costs directly attributable to the acquisition and construction of development properties and property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

(v) Equity Instruments

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

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

3. REVENUE

	Group		Company	
	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000
Sales of goods net of discounts	311,059	302,731	–	–
Property development	30,724	16,962	–	–
Management fees receivable	–	–	330	448
Procurement and project management fee	–	–	1,260	–
Gross dividends received from subsidiaries	–	–	–	1,350
	341,783	319,693	1,590	1,798

4. COST OF SALES

	Group		Company	
	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000
Inventories sold	315,549	258,971	–	–
Development properties sold	16,298	13,055	–	–
	331,847	272,026	–	–

5. (LOSS)/PROFIT FROM OPERATIONS (CONT'D)

(Loss)/profit from operations is stated after charging/(crediting) :

	Group		Company	
	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000
Auditors' remuneration				
– statutory audits	134	134	12	12
– other services	138	135	65	57
Depreciation	11,128	11,151	124	138
Provision for doubtful debts				
– amount due from subsidiaries	–	–	19,263	4,033
– others	1,985	365	–	–
Loan waived by licensed bank	–	(3,537)	–	–
Executive directors' emoluments (Note 6)	3,801	4,068	–	–
Non-executive directors' emoluments (Note 6)	84	84	84	84
Gross dividend income from shares quoted in Malaysia	(2)	(2)	–	(1,350)
Impairment of goodwill	2,408	–	–	–
Gain on disposal of property, plant and equipment	(1,642)	(2,367)	(2)	(47)
Gain on disposal of other investments	–	(3)	–	–

5. (LOSS)/PROFIT FROM OPERATIONS

	Group		Company	
	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000
Gain on foreign exchange (realised)	(399)	(702)	–	–
Impairment of investment in subsidiaries	–	–	–	2,700
Rental expenses	5,412	3,521	–	–
Rental income	(286)	(232)	(26)	(44)
Other staff costs (Note 7)	27,026	24,614	683	821

6. DIRECTORS' EMOLUMENTS

	Group		Company	
	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000
Directors of the Company				
Salaries and other emoluments	2,061	2,106	–	–
Fees	84	84	84	84
Pension costs – defined contribution plan	247	253	–	–
	2,392	2,443	84	84
Other directors of subsidiaries				
Salaries and other emoluments	1,340	1,555	–	–
Pension costs – defined contribution plan	153	154	–	–
	1,493	1,709	–	–
Total directors' emoluments	3,885	4,152	84	84
Analysis :				
Executive directors' emoluments (Note 5)	3,801	4,068	–	–
Non-executive directors' emoluments (Note 5)	84	84	84	84
	3,885	4,152	84	84

The above emoluments do not include the monetary value of benefits-in-kind for the Group in respect of the directors of the Company of RM5,000 (31.1.2004 : RM5,000) and of other directors of subsidiaries of RM33,000 (31.1.2004 : RM27,000) respectively.

6. DIRECTORS' EMOLUMENTS (CONT'D)

The number of directors of the Company with total emoluments within the following bands is as follows :

	Number of directors	
	31.12.2004	31.1.2004
Executive directors:		
RM200,001 to RM250,000	2	2
RM450,001 to RM500,000	4	4
Non-executive directors:		
Below RM50,000	3	3
	<u>9</u>	<u>9</u>

7. OTHER STAFF COSTS

	Group		Company	
	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000
Wages and salaries	23,646	21,673	578	716
Pension costs - defined contribution plan	1,910	1,936	69	80
Other staff related expenses	1,470	1,005	36	25
	<u>27,026</u>	<u>24,614</u>	<u>683</u>	<u>821</u>

8. FINANCE COSTS, NET

	Group		Company	
	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000
Interest expense	12,144	13,460	1,986	2,155
Interest recouped from:				
– holding company	(77)	–	(77)	–
– subsidiaries	–	–	(1,834)	(1,955)
Interest income	(105)	(213)	–	(159)
	<u>11,962</u>	<u>13,247</u>	<u>75</u>	<u>41</u>

9. TAXATION

	Group		Company	
	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000
Tax expense for the period/year:				
Malaysian income tax	1,891	1,262	–	108
(Over)/underprovided in prior years	(169)	150	–	–
	<u>1,722</u>	<u>1,412</u>	<u>–</u>	<u>108</u>
Deferred tax (Note 28):				
Relating to origination and reversal of temporary differences	(1,431)	(305)	–	–
Relating to reduction in income tax rate	–	(12)	–	–
Under/(over)provided in prior years	145	(438)	–	–
	<u>(1,286)</u>	<u>(755)</u>	<u>–</u>	<u>–</u>
	<u>436</u>	<u>657</u>	<u>–</u>	<u>108</u>

Domestic income tax is calculated at Malaysian statutory tax rate of 28% (31.1.2004 : 28%) of the estimated assessable profit for the period/year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable to (loss)/profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000
(Loss)/profit before taxation	<u>(34,361)</u>	<u>9,570</u>	<u>(19,072)</u>	<u>(7,697)</u>
Taxation at Malaysian statutory tax rate of 28% (31.1.2004 : 28%)	(9,621)	2,679	(5,340)	(2,155)
Effect of income at Malaysian tax rate of 20% (31.1.2004 : 20%)	(160)	(195)	–	–
Effect of opening deferred tax of change in effective tax rate	–	(12)	–	–
Effect of different tax rates in other countries	–	(16)	–	–
Effect of expenses not deductible for tax purposes	2,232	3,036	5,466	2,297
Effect of income not subject to tax	–	(1,124)	–	(9)
Deferred tax asset recognised on unabsorbed allowances previously not recognised	(105)	(2,250)	–	(25)
Deferred tax asset not recognised on:				
– unutilised losses and unabsorbed allowances	2,675	1,021	–	–
– unabsorbed allowances previously recognised	5,866	–	13	–

9. TAXATION (CONT'D)

	Group		Company	
	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000
Effect of utilisation of:				
– current year reinvestment allowances	(245)	(144)	–	–
– unabsorbed allowances and tax losses previously not recognised	(182)	(2,050)	(139)	–
(Over)/underprovision of income tax in prior years	(169)	150	–	–
Under/(over) provision of deferred tax in prior years	145	(438)	–	–
Tax expense for the period/year	436	657	–	108
Tax saving arising from utilisation of brought forward tax losses	57	1,018	–	–

10. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share is calculated by dividing the Group's net loss for the period of RM32,982,000 (31.1.2004 : profit of RM7,239,000) by 50,530,263 (31.1.2004 : 50,530,263) ordinary shares in issue during the financial period/year.

Fully diluted earnings per share on the basis of assumed conversion of warrants has not been disclosed as the effect is anti-dilutive.

11. PROPERTY, PLANT AND EQUIPMENT

	* Land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	** Other assets RM'000	Total RM'000
Group					
Cost					
At 1 February 2004	108,550	124,256	18,042	13,053	263,901
Additions	1,801	2,852	1,224	435	6,312
Reclassification	188	–	–	(188)	–
Disposals	(1,916)	(2)	(999)	(31)	(2,948)
Translation difference	(5)	(11)	(2)	(2)	(20)
At 31 December 2004	108,618	127,095	18,265	13,267	267,245
Accumulated Depreciation					
At 1 February 2004	26,072	49,745	12,561	8,217	96,595
Charge for the period	3,866	5,274	1,268	720	11,128
Disposal	(424)	(1)	(896)	(9)	(1,330)
Translation difference	(4)	(5)	(1)	(2)	(12)
At 31 December 2004	29,510	55,013	12,932	8,926	106,381

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	* Land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	** Other assets RM'000	Total RM'000
Net Book Value					
At 31 December 2004	79,108	72,082	5,333	4,341	160,864
At 31 January 2004	82,478	74,511	5,481	4,836	167,306
Details at 1 February 2003					
Cost	120,981	122,755	17,794	13,313	274,843
Accumulated depreciation	25,547	43,985	13,036	7,708	90,276
Depreciation charge from 1.2.2003 to 31.1.2004	3,597	5,940	954	660	11,151

** Other assets consist of furniture, fixtures and fittings, office equipment, piping, fencing and tubewell, renovations and improvements and capital work-in-progress. The cost of capital work-in-progress as at 31.12.2004 was RM Nil (31.1.2004 : RM188,000).

* Analysis of land and buildings

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Planting and development expenditure RM'000	Total RM'000
Cost					
At 1 February 2004	25,603	9,628	73,144	175	108,550
Additions	235	7	1,531	28	1,801
Reclassification	-	126	62	-	188
Disposal	(555)	-	(1,361)	-	(1,916)
Translation difference	-	-	(5)	-	(5)
At 31 December 2004	25,283	9,761	73,371	203	108,618
Accumulated Depreciation					
At 1 February 2004	-	456	25,616	-	26,072
Charge for the period	-	521	3,343	2	3,866
Disposal	-	-	(424)	-	(424)
Translation difference	-	-	(4)	-	(4)
At 31 December 2004	-	977	28,531	2	29,510
Net Book Value					
At 31 December 2004	25,283	8,784	44,840	201	79,108
At 31 January 2004	25,603	9,172	47,528	175	82,478

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Planting and development expenditure RM'000	Total RM'000
Details at 1 February 2003					
Cost	29,594	9,630	81,757	–	120,981
Accumulated depreciation	–	408	25,139	–	25,547
Depreciation charge from 1.2.2003 to 31.1.2004					
	–	48	3,549	–	3,597
Company					
Cost					
At 1 February 2004		1,207	495	548	2,250
Additions		–	66	26	92
Disposal		(607)	(46)	–	(653)
At 31 December 2004		600	515	574	1,689
Accumulated Depreciation					
At 1 February 2004		139	297	226	662
Charge for the period		19	53	52	124
Disposal		(81)	(46)	–	(127)
At 31 December 2004		77	304	278	659
Net Book Value					
At 31 December 2004		523	211	296	1,030
At 31 January 2004		1,068	198	322	1,588
Details at 1 February 2003					
Cost		1,188	478	551	2,217
Accumulated depreciation		115	408	175	698
Depreciation charge from 1.2.2003 to 31.1.2004					
		24	59	55	138

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) The net book values of property, plant and equipment of the Group pledged to financial institutions for bank borrowings as referred to in Note 21 are as follows:

	31.12.2004 RM'000	31.1.2004 RM'000
Land and buildings	11,062	11,209
Plant and machinery	8,010	8,152
Other assets	450	547
	<u>19,522</u>	<u>19,908</u>

Certain assets of the Group with net book value amounting to RM115,882,000 (31.1.2004 : RM94,378,000) were subject to negative pledges in relation to banking facilities granted to the Group.

- (b) Property, plant and equipment acquired during the period/year were by way of the following:

	Group		Company	
	31.12.2004 RM'000	31.1.2004 RM'000	31.12.2004 RM'000	31.1.2004 RM'000
Outright purchase	4,891	4,344	38	66
Hire purchase financing	1,421	1,934	54	145
	<u>6,312</u>	<u>6,278</u>	<u>92</u>	<u>211</u>

- (c) The net book values of property, plant and equipment held under hire purchase are as follows:

	Group		Company	
	31.12.2004 RM'000	31.1.2004 RM'000	31.12.2004 RM'000	31.1.2004 RM'000
Farm construction	627	673	-	-
Motor vehicles	2,715	3,144	191	162
Plant and machinery	2,671	2,265	-	-
	<u>6,013</u>	<u>6,082</u>	<u>191</u>	<u>162</u>

- (d) Certain freehold land and motor vehicles of the Group with net book value of RM476,000 (31.1.2004 : RM895,000) are held in trust by third parties and certain directors of subsidiaries, namely Siah Kim Hew @ Sia Kian Heng and Ng Hua Boon.
- (e) Title deeds for certain long term leasehold land and building of the Group and of the Company with net book value of RM8,197,000 (31.1.2004 : RM9,175,000) and RM523,000 (31.1.2004 : RM1,068,000) respectively are pending issuance from the relevant authorities.
- (f) Subsequent to the balance sheet date, the Group obtained the release of charge on 2 pieces of freehold land, stated at cost of RM2,000,000 (31.01.2004 : RM2,000,000), and transferred the 2 pieces of freehold land back to the original vendors in full discharge of the amount due to them as disclosed in Note 24.

12. INVESTMENT IN SUBSIDIARIES

	Company	
	31.12.2004	31.1.2004
	RM'000	RM'000
Unquoted shares at cost	30,761	30,761
Less: Impairment in value	(2,700)	(2,700)
	28,061	28,061

Details of the subsidiaries are as follows:

Name of Subsidiary	Country of Incorporation	Equity Interest Held (%)		Principal Activities
		31.12.2004	31.1.2004	
Subsidiaries of the Company				
Sinmah Multifeed Sdn. Bhd.	Malaysia	99.99	99.99	Manufacturing and wholesale of animal feeds
Sinmah Breeders Sdn. Bhd.	Malaysia	100	100	Poultry breeding and hatchery operations
Sinmah Livestocks Sdn. Bhd.	Malaysia	100	100	Contract farming and trading of feeds, day old chicks and vaccines
Sinmah Food Industries Sdn. Bhd.	Malaysia	100	100	Poultry processing, contract farming, marketing and distribution of poultry products
Sinmah Development Sdn. Bhd.	Malaysia	100	100	Property development
Sinmah Egg Products Sdn. Bhd.	Malaysia	100	100	Investment holding
Sinmah Ventures Sdn. Bhd.	Malaysia	100	100	Investment holding
Farm's Best Eggmart Sdn. Bhd.	Malaysia	75	75	Trading of eggs
Lynbridge Sdn. Bhd.	Malaysia	100	100	Dormant
Subsidiaries of Sinmah Livestocks Sdn. Bhd.				
Chem Ventures Sdn. Bhd.	Malaysia	75	75	Trading of chemicals medication and related equipment
Syarikat Perniagaan Suann Sdn. Bhd.	Malaysia	51	51	Trading of feeds, medication and poultry farming
Joint Farming Sdn. Bhd.	Malaysia	59	59	Poultry farming and trading of feedmeal, medication, day-old-chicks and broilers

12. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Subsidiary	Country of Incorporation	Equity Interest Held (%)		Principal Activities
		31.12.2004	31.1.2004	
Subsidiary of Syarikat Perniagaan Suann Sdn. Bhd.				
Halal Poultry Meat Processing Sdn. Bhd	Malaysia	100	100	Poultry meat processing
Subsidiary of Sinmah Food Industries Sdn. Bhd.				
SM Feed Technologies Sdn. Bhd.	Malaysia	100	100	Temporarily ceased operations
Subsidiaries of Sinmah Development Sdn. Bhd.				
Realtemas Realty Sdn. Bhd.	Malaysia	100	100	Property development
Sinmah Builders Sdn. Bhd.	Malaysia	100	100	Building and general contracting and provision of management services
Cosmal Enterprise Sdn. Bhd.	Malaysia	100	100	Property development
Subsidiary of Sinmah Egg Products Sdn. Bhd.				
Sinmah Poultry Farm Sdn. Bhd. (formerly known as TTK Poultry Farm Sdn. Bhd.)	Malaysia	51	51	Poultry farming and investment holding
Subsidiary of Sinmah Poultry Farm Sdn. Bhd. (formerly known as TTK Poultry Farm Sdn. Bhd.)				
Premier Layer Breeders Sdn. Bhd.	Malaysia	100	100	Dormant
Subsidiaries of Sinmah Ventures Sdn. Bhd.				
Chix Unlimited Inc.*	Philippines	51	51	Hatchery operations
FB Food (Nanjing) Pte. Ltd. *	People's Republic of China	70	70	International trade, import and export of poultry products, value-added production and sales and marketing

* Audited by firms of auditors other than Ernst & Young

12. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) The auditors' reports on the financial statements of the following subsidiaries emphasised that continuance of these subsidiaries as going concerns is dependent upon their future profitable operations and sufficient cashflows and the continued financial support from their holding companies:

- i) Sinmah Food Industries Sdn. Bhd.
- ii) SM Feed Technologies Sdn. Bhd.
- iii) Sinmah Ventures Sdn. Bhd.
- iv) Sinmah Egg Products Sdn. Bhd.
- v) Sinmah Poultry Farm Sdn. Bhd. (formerly known as TTK Poultry Farm Sdn. Bhd.)
- vi) Premier Layer Breeders Sdn. Bhd.
- vii) Farm's Best Eggmart Sdn. Bhd.
- viii) Syarikat Perniagaan Suann Sdn. Bhd.
- ix) Halal Poultry Meat Processing Sdn. Bhd.
- x) Lynbridge Sdn. Bhd.

13. INVESTMENT IN ASSOCIATES

	Group	
	31.12.2004	31.1.2004
	RM'000	RM'000
Unquoted shares, at cost	6,659	6,499
Share of post acquisition reserves	1,896	1,884
	<u>8,555</u>	<u>8,383</u>
Represented by:		
Share of net assets	6,332	6,160
Goodwill on acquisition	2,223	2,223
	<u>8,555</u>	<u>8,383</u>

Details of the associates are as follows:

Name of Subsidiary	Country of Incorporation	Equity Interest Held (%)		Principal Activities
		31.12.2004	31.1.2004	
Sinmah Poultry Processing (S) Pte. Ltd.	Singapore	25	25	Poultry processing and trading in poultry products
Ban Yen Sdn. Bhd.	Malaysia	30.8	30.8	Poultry breeding and hatchery operations
SMNS Rubber Holdings Sdn. Bhd.	Malaysia	49.9	49.9	Management of rubber small holdings
Farm's Goodness Sdn. Bhd.	Malaysia	20	–	Processing of poultry meat and trading of meat products

14. OTHER INVESTMENTS

	Group	
	31.12.2004	31.1.2004
	RM'000	RM'000
Quoted shares in Malaysia, at cost	152	152
Less : Impairment in value	(90)	(90)
	62	62
Market value of quoted shares in Malaysia	66	71

15. DEVELOPMENT PROPERTIES

(a) Land Held for Property Development

	Group	
	31.12.2004	31.1.2004
	RM'000	RM'000
Cost		
At beginning of period/year	2,526	2,512
Incurred during the period/year	26	14
	2,552	2,526
At end of period/year		
Comprising:		
Freehold land	2,178	2,178
Development expenditure	374	348
	2,552	2,526

(b) Property Development Costs

	Group	
	31.12.2004	31.1.2004
	RM'000	RM'000
Cost		
At beginning of period/year	50,230	36,908
Incurred during the period/year	9,679	13,322
Completed during the period/year	(35,772)	-
Transferred to inventories	(3,820)	-
	20,317	50,230
At end of period/year		
Comprising:		
Freehold land	6,898	19,041
Development expenditure	13,419	31,189
	20,317	50,230

15. DEVELOPMENT PROPERTIES (CONT'D)

(b) Property Development Costs (cont'd)

	Group	
	31.12.2004	31.1.2004
	RM'000	RM'000
Cost recognised in income statement		
At beginning of period/year	28,765	15,710
Recognised in current period/year	16,298	13,055
Completed during the period/year	(35,772)	–
	<hr/>	<hr/>
At end of period/year	9,291	28,765
	<hr/>	<hr/>
Net carrying value	11,026	21,465
	<hr/>	<hr/>

16. GOODWILL ON CONSOLIDATION

	Group	
	31.12.2004	31.1.2004
	RM'000	RM'000
Goodwill	11,314	11,314
Less : Accumulated impairment loss	(5,922)	(3,514)
	<hr/>	<hr/>
	5,392	7,800
	<hr/>	<hr/>
Negative goodwill	(5,392)	(5,392)
	<hr/>	<hr/>
	–	2,408
	<hr/>	<hr/>

17. INVENTORIES

	Group	
	31.12.2004	31.1.2004
	RM'000	RM'000
At cost :		
Raw materials, medical supplies and chemicals	13,773	12,011
Poultry livestocks	14,640	13,503
Processed chickens	9,832	12,634
Hatching eggs	1,555	1,876
Consumable supplies	6,180	5,419
Completed houses and shops	3,865	1,582
Others	416	250
	<hr/>	<hr/>
	50,261	47,275
	<hr/>	<hr/>

18. TRADE RECEIVABLES

	Group	
	31.12.2004	31.1.2004
	RM'000	RM'000
Due from associates	3,473	448
Other trade receivables	116,612	117,419
Retention sums	1,327	874
Accrued billings in respect of property development costs	1,887	–
	<hr/>	<hr/>
	123,299	118,741
Less : Provision for doubtful debts	(20,429)	(18,601)
	<hr/>	<hr/>
	102,870	100,140

The Group's normal trade credit terms range from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

19. OTHER RECEIVABLES

	Group		Company	
	31.12.2004	31.1.2004	31.12.2004	31.1.2004
	RM'000	RM'000	RM'000	RM'000
Due from holding company	6,099	6,022	4,770	4,693
Due from subsidiaries				
– Dividend receivable	–	–	–	972
– Others	–	–	113,501	115,021
Purchaser of property, plant and equipment	433	15,459	43	–
Other receivables	3,769	5,016	23	17
Deposits and prepayments	4,911	3,773	23	25
	<hr/>	<hr/>	<hr/>	<hr/>
	15,212	30,270	118,750	120,728
Less : Provision for doubtful debts	–	–	(55,717)	(36,454)
	<hr/>	<hr/>	<hr/>	<hr/>
	15,212	30,270	63,033	84,274

The amount due from holding company is unsecured, has no fixed terms of repayment and is interest-free except that interest of RM77,000 (31.1.2004 : interest-bearing at 3.5% per annum) was recouped from holding company during the period as disclosed in Note 8. The amounts due from subsidiaries are unsecured, have no fixed terms of repayment and are interest-free except that interest of RM1,834,000 (31.1.2004 : RM1,955,000) was recouped from certain subsidiaries during the period/year as disclosed in Note 8.

There were no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors except for exposures to the holding company and subsidiaries, the amounts of which account for 39% (31.1.2004 : 19%) and 99% (31.1.2004 : 99%) of the gross receivables of the Group and of the Company respectively.

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	31.12.2004	31.1.2004	31.12.2004	31.1.2004
	RM'000	RM'000	RM'000	RM'000
Cash on hand and at banks	6,624	4,490	1	–
Deposits with licensed banks	194	130	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
	6,818	4,620	1	–
Less : Bank overdrafts (Note 21)	(33,341)	(37,132)	(9,309)	(9,816)
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>(26,523)</u>	<u>(32,512)</u>	<u>(9,308)</u>	<u>(9,816)</u>

Included in cash at banks of the Group is an amount of RM2,323,000 (31.1.2004 : RM477,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore restricted from use in other operations.

Deposits with licensed banks of the Group are pledged to banks for banking facilities granted to the Group.

The weighted average effective interest rates and the average maturities of deposits at the balance sheet date were as follows:

	Weighted Average Interest Rates (%)		Average Maturities (Days)	
	31.12.2004	31.1.2004	31.12.2004	31.1.2004
Deposits with licensed banks	4.00	4.00	365	365

21. BORROWINGS – SECURED

	Group		Company	
	31.12.2004	31.1.2004	31.12.2004	31.1.2004
	RM'000	RM'000	RM'000	RM'000
Short Term Borrowings				
Bank overdrafts (Note 20)	33,341	37,132	9,309	9,816
Bankers' acceptances	93,127	111,255	–	–
Term loans	13,260	10,138	7,801	7,200
Trust receipts	4,729	5,413	–	–
Al-Murabahah	607	–	–	–
Hire purchase payables (Note 22)	1,551	1,618	43	29
	<hr/>	<hr/>	<hr/>	<hr/>
	146,615	165,556	17,153	17,045
Long Term Borrowings				
Term loans	37,473	34,748	22,199	27,000
Hire purchase payables (Note 22)	1,471	1,279	112	99
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>38,944</u>	<u>36,027</u>	<u>22,311</u>	<u>27,099</u>

21. BORROWINGS – SECURED (CONT'D)

	Group		Company	
	31.12.2004 RM'000	31.1.2004 RM'000	31.12.2004 RM'000	31.1.2004 RM'000
Total Borrowings				
Bank overdrafts	33,341	37,132	9,309	9,816
Bankers' acceptances	93,127	111,255	–	–
Term loans	50,733	44,886	30,000	34,200
Trust receipts	4,729	5,413	–	–
Al-Murabahah	607	–	–	–
Hire purchase payables	3,022	2,897	155	128
	<u>185,559</u>	<u>201,583</u>	<u>39,464</u>	<u>44,144</u>
Maturity of borrowings (excluding hire purchase)				
Within one year	145,064	163,938	17,110	17,016
Later than one year and not later than 2 years	10,750	9,354	7,200	7,200
Later than 2 years and not later than 5 years	24,797	24,190	14,999	19,800
Later than 5 years	1,926	1,204	–	–
	<u>182,537</u>	<u>198,686</u>	<u>39,309</u>	<u>44,016</u>

The weighted average effective interest rates at the balance sheet date for borrowings, excluding hire purchase payables, were as follows:

	Group		Company	
	31.12.2004 %	31.1.2004 %	31.12.2004 %	31.1.2004 %
Bank overdrafts	7.30	8.20	8.50	8.50
Bankers' acceptances	2.63	3.84	–	–
Term loans	6.32	5.99	4.29	3.12
Trust receipts	8.26	10.00	–	–

The borrowings of the Group are secured by way of fixed and floating charges and negative pledges over certain assets of the Group as disclosed in Note 11 and corporate guarantees given by the Company.

The term loans of the Company are secured against the following :

- (i) Corporate guarantees from the Company's existing and future major operating subsidiaries;
- (ii) Undertaking by the holding company to fully repay the facilities should the Company be unable to meet its obligations;
- (iii) Assignment of funds realised from the exercise of the Company's warrants; and
- (iv) Cross defaults, rights of set-off, negative pledges and pari passu ranking with all other debts of the Company, except where the obligations are preferred by applicable laws.

22. HIRE PURCHASE PAYABLES

	Group		Company	
	31.12.2004 RM'000	31.1.2004 RM'000	31.12.2004 RM'000	31.1.2004 RM'000
Minimum hire purchase payments				
Not later than one year	1,698	1,740	49	39
Later than one year and not later than 2 years	889	679	49	39
Later than 2 years and not later than 5 years	809	802	82	72
	<u>3,396</u>	<u>3,221</u>	<u>180</u>	<u>150</u>
Less : Future finance charges	(374)	(324)	(25)	(22)
Present value of hire purchase liabilities	<u>3,022</u>	<u>2,897</u>	<u>155</u>	<u>128</u>
Present value of hire purchase liabilities				
Not later than one year	1,551	1,618	43	29
Later than one year and not later than 2 years	786	654	42	29
Later than 2 years and not later than 5 years	685	625	70	70
	<u>3,022</u>	<u>2,897</u>	<u>155</u>	<u>128</u>
Analysed as				
Due within 12 months (Note 21)	1,551	1,618	43	29
Due after 12 months (Note 21)	1,471	1,279	112	99
	<u>3,022</u>	<u>2,897</u>	<u>155</u>	<u>128</u>
Interest rate per annum	3.30 to 6.50	3.30 to 6.50	3.40 to 3.75	3.40

23. TRADE PAYABLES

	Group	
	31.12.2004 RM'000	31.1.2004 RM'000
Due to associates	1,298	969
Other trade creditors	69,852	51,788
Progress billings in respect of property development costs	–	253
Retention sums	1,323	967
	<u>72,473</u>	<u>53,977</u>

The normal trade credit terms granted to the Group range from 30 to 90 days.

24. OTHER PAYABLES

	Group		Company	
	31.12.2004 RM'000	31.1.2004 RM'000	31.12.2004 RM'000	31.1.2004 RM'000
Due to subsidiaries *	–	–	3,011	333
Due to an associate *	43	27	–	–
Due to Tang Tze Kang Realty Sdn. Bhd. and Maju Tangs Sdn. Bhd. *	2,000	2,000	–	–
Due to directors of subsidiary *	357	756	–	–
Supplier of property, plant and equipment	2,207	3,037	–	–
Other payables	20,796	12,594	522	1,165
Accruals	4,303	4,096	183	264
	<u>29,706</u>	<u>22,510</u>	<u>3,716</u>	<u>1,762</u>

* Unsecured, interest-free and with no fixed terms of repayment.

Tang Tze Kang Realty Sdn. Bhd. and Maju Tangs Sdn. Bhd. are companies in which certain directors of a subsidiary, namely Tang Kian Woo and Tang Tok Woo, have interest. The amount is in respect of the purchase of 2 pieces of freehold land in previous years. Subsequent to the balance sheet date, the Group transferred the 2 pieces of freehold land back to them in full discharge of the liability as mentioned in Note 11(f).

The above mentioned directors of a subsidiary are Siah Kim Hew @ Sia Kian Heng, Sia Keng Choon and Sia Kian Koon.

25. SHARE CAPITAL

Group and Company	Number of Shares of RM1 Each		Amount	
	31.12.2004 '000	31.1.2004 '000	31.12.2004 RM'000	31.1.2004 RM'000
Authorised	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
	Number of Ordinary Shares of RM1 Each		Amount	
	31.12.2004 '000	31.1.2004 '000	31.12.2004 RM'000	31.1.2004 RM'000
Issued and fully paid	<u>50,530</u>	<u>50,530</u>	<u>50,530</u>	<u>50,530</u>

Warrants

On 21 October 1997, the Company issued 14,799,260 warrants in conjunction with the issue of RM50 million Redeemable Guaranteed Bonds which has since been redeemed. Each warrant entitles the holder to subscribe for one new ordinary share of RM1 each in the Company at an exercise price of RM5.95 per share within a period of four and a half years from the date of issue. The exercise price of the warrants is subject to adjustments from time to time in accordance with the conditions stipulated in the Deed Poll.

25. SHARE CAPITAL (CONT'D)

Pursuant to a Supplemental Deed Poll dated 16 August 1999, the subscription period of the said warrants was extended by a further five and a half years to expire on 17 September 2007.

As at 31 December 2004, the entire 14,799,260 warrants remained unexercised.

26. SHARE PREMIUM

This is a non-distributable reserve which arose from the issue of the Company's shares in previous years.

27. FOREIGN EXCHANGE RESERVE

This is a non-distributable reserve which comprises all foreign exchange differences arising from the translation of financial statements of foreign subsidiaries.

28. DEFERRED TAX LIABILITIES

	Group		Company	
	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000
At beginning of period/year	4,543	5,298	-	-
Recognised in income statements (Note 9)	(1,286)	(755)	-	-
At end of period/year	<u>3,257</u>	<u>4,543</u>	<u>-</u>	<u>-</u>

The components and movements of deferred tax liabilities and assets during the financial period/year prior to offsetting are as follows:

Group

	At beginning of period/ year RM'000	Recognised in income statement RM'000	At end of period year RM'000
1.2.2004 to 31.12.2004			
Property, plant and equipment	25,977	(465)	25,512
Provision for interest receivable	44	-	44
Trade receivables	-	73	73
Unutilised tax allowances	(8,998)	5,272	(3,726)
Unutilised tax losses	(4,359)	(56)	(4,415)
Unabsorbed capital allowances	(8,121)	(6,110)	(14,231)
	<u>4,543</u>	<u>(1,286)</u>	<u>3,257</u>

28. DEFERRED TAX LIABILITIES (CONT'D)

	At beginning of period/ year RM'000	Recognised in income statement RM'000	At end of period year RM'000
1.2.2003 to 31.1.2004			
Property, plant and equipment	27,318	(1,341)	25,977
Provision for interest receivable	–	44	44
Unutilised tax allowances	(7,034)	(1,964)	(8,998)
Unutilised tax losses	(5,283)	924	(4,359)
Unabsorbed capital allowances	(9,703)	1,582	(8,121)
	5,298	(755)	4,543
Company			
1.2.2004 to 31.12.2004			
Property, plant and equipment	74	(13)	61
Provision for interest receivable	–	44	44
Unutilised tax losses	–	(25)	(25)
Unabsorbed capital allowances	(74)	(6)	(80)
	–	–	–
1.2.2003 to 31.1.2004			
Property, plant and equipment	84	(10)	74
Unabsorbed capital allowances	(84)	10	(74)
	–	–	–

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	31.12.2004 RM'000	31.1.2004 RM'000
Unutilised tax losses	69,412	56,818
Unabsorbed reinvestment allowances	26,183	26,858
Unabsorbed capital allowances	5,791	4,342
Unutilised investment tax allowances	29,862	8,545
Other temporary differences	26	26
	131,274	96,589

28. DEFERRED TAX LIABILITIES (CONT'D)

	Company	
	Unused tax losses	Unabsorbed capital allowances
	RM'000	RM'000
31.12.2004		
Amounts available for offset against future taxable profits	2,465	285
Recognised for deferred tax asset	(90)	(285)
	<hr/>	<hr/>
Not recognised for deferred tax asset	2,375	–
	<hr/>	<hr/>
31.1.2004		
Amounts available for offset against future taxable profits	2,465	781
Recognised for deferred tax asset	–	(264)
	<hr/>	<hr/>
Not recognised for deferred tax asset	2,465	517
	<hr/>	<hr/>

The above items are available indefinitely for offset against future taxable profits of the subsidiaries in which they arose.

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group		Company	
	1.2.2004	1.2.2003	1.2.2004	1.2.2003
	to	to	to	to
	31.12.2004	31.1.2004	31.12.2004	31.1.2004
	RM'000	RM'000	RM'000	RM'000
Transactions with holding company				
Interest recouped	77	–	77	–
Interest receivable	–	159	–	159
	<hr/>	<hr/>	<hr/>	<hr/>
Transactions with subsidiaries				
Interest recouped from:				
Sinmah Food Industries Sdn. Bhd.	–	–	695	526
Sinmah Multifeed Sdn. Bhd. ("SMSB")	–	–	24	1,067
Sinmah Development Sdn. Bhd. ("SDSB")	–	–	237	362
Cosmal Enterprise Sdn. Bhd. ("CESB")	–	–	1	–
Sinmah Breeders Sdn. Bhd.	–	–	565	–
Sinmah Livestocks Sdn. Bhd. ("SLSB")	–	–	73	–
Sinmah Ventures Sdn. Bhd.	–	–	17	–
Sinmah Eggs Products Sdn. Bhd.	–	–	222	–

29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

	Group		Company	
	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000	1.2.2004 to 31.12.2004 RM'000	1.2.2003 to 31.1.2004 RM'000
Gross dividend from:				
SDSB	-	-	-	1,200
SMSB	-	-	-	150
Management fees from:				
SLSB	-	-	-	240
SDSB	-	-	240	120
SMSB	-	-	18	16
Sinmah Builders Sdn. Bhd. ("SBSB")	-	-	72	36
CESB	-	-	-	36
Procurement and project management fee from SBSB	-	-	1,260	-
Transactions with associates				
Sales to Sinmah Poultry Processing (S) Pte. Ltd.	5,684	10,481	-	-
Purchases from Ban Yen Sdn. Bhd.	4,154	5,854	-	-

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

30. CONTINGENT LIABILITIES

	Group		Company	
	31.12.2004 RM'000	31.1.2004 RM'000	31.12.2004 RM'000	31.1.2004 RM'000
Corporate guarantee issued to financial institutions for credit facilities granted to subsidiaries (unsecured)	-	-	135,620	164,562
Legal claim by supplier	2,398	2,398	-	-

On 2 February 1999, a supplier filed a civil suit against the Company, for a claim for goods delivered amounting to approximately RM2,398,000. The directors are of the opinion that such claim is without basis as the goods delivered by the supplier were not of merchantable quality and unfit for its purpose and hence, no provision for any liabilities have been made in the financial statements. The matter has been fixed for further trial at a later date.

31. COMMITMENTS

	Group		Company	
	31.12.2004	31.1.2004	31.12.2004	31.1.2004
	RM'000	RM'000	RM'000	RM'000
Capital expenditure approved and contracted for: Property, plant and equipment	16,844	–	100	–
Future minimum lease payments on non-cancellable operating leases :				
Within one year	1,875	1,875	–	–
Later than one year and not later than 2 years	1,875	1,875	–	–
Later than 2 years and not later than 5 years	5,625	5,625	–	–
Later than 5 years	6,719	8,438	–	–
	<u>16,094</u>	<u>17,813</u>	<u>–</u>	<u>–</u>

32. SEGMENT INFORMATION

(a) Business segment

The Group is organised into two major business segments:

- (i) Poultry – Manufacturing and wholesale of animal feeds, poultry breeding, hatchery operations, contract farming, poultry processing and trading of feeds, day-old chicks, medications and vaccines.
- (ii) Housing development – Development and construction of residential and commercial properties.

Other business segments include investment holding and provision of management services, none of which are of a sufficient size to be reported separately.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on term and conditions that are not materially different from that obtainable in transactions with unrelated parties.

32. SEGMENT INFORMATION (CONT'D)

(a) Business segment (cont'd)

1.2.2004 to 31.12.2004

	Poultry RM'000	Housing development RM'000	Others RM'000	Group RM'000
Revenue				
External sales	311,059	30,724	–	341,783
Results				
(Loss)/profit from operations	(26,758)	4,343	(18)	(22,433)
Finance costs, net	(9,947)	(106)	(1,909)	(11,962)
Shares of results of associates	34	–	–	34
(Loss)/profit before taxation	(36,671)	4,237	(1,927)	(34,361)
Taxation	1,032	(1,468)	–	(436)
(Loss)/profit after tax	(35,639)	2,769	(1,927)	(34,797)
Minority interests	1,286	–	–	1,286
Net (loss)/profit for the period	(34,353)	2,769	(1,927)	(33,511)
Assets and liabilities				
Segment assets	322,661	30,171	7,068	359,900
Segment liabilities	240,984	10,495	40,261	291,740
Other Information				
Capital expenditure	6,029	191	92	6,312
Depreciation	10,873	112	143	11,128
Impairment of goodwill	2,408	–	–	2,408
Non-cash expenses other than depreciation, amortisation and impairment	1,985	–	–	1,985

32. SEGMENT INFORMATION (CONT'D)

(a) Business segment (cont'd)

1.2.2003 to 31.1.2004

	Poultry RM'000	Housing development RM'000	Others RM'000	Group RM'000
Revenue				
External sales	302,731	16,962	–	319,693
Results				
Profit/(loss) from operations	24,983	1,268	(2,982)	23,269
Finance costs, net	(11,161)	(89)	(1,997)	(13,247)
Shares of results of associates	(452)	–	–	(452)
Profit/(loss) before taxation	13,370	1,179	(4,979)	9,570
Taxation	140	(797)	–	(657)
Profit/(loss) after tax	13,510	382	(4,979)	8,913
Minority interests	(1,674)	–	–	(1,674)
Net profit/(loss) for the year	11,836	382	(4,979)	7,239
Assets and liabilities				
Segment assets	344,556	33,927	7,291	385,774
Segment liabilities	227,886	9,340	45,698	282,924
Other Information				
Capital expenditure	5,045	898	335	6,278
Depreciation	10,916	89	146	11,151
Non-cash expenses other than depreciation and amortisation	365	–	–	365

(b) Secondary reporting segment – Geographical segments

As the Group's activities are principally conducted in Malaysia, segment reporting by geographical segment is not prepared.

33. COMPARATIVES

During the period, the Company changed its financial year from 31 January to 31 December so as to be coterminous with the financial year end of its ultimate holding company. Accordingly, comparative amounts for income statements, statements of changes in equity, cash flow statements and related notes are not comparable.

Following the adoption of MASB 32 as mentioned in Note 2(a), the following comparatives have been reclassified to conform with the current period's presentation:

	Originally reported RM'000	Reclassified RM'000	Restated RM'000
Balance Sheet – Group			
Property development costs	21,212	253	21,465
Trade payables	53,724	253	53,977

34. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange, liquidity and credit risks. The Group operates within clearly defined guidelines and the Group's policy is not to engage in speculative transactions.

(b) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debt, as the Group had no substantial long-term interest-bearing assets as at 31 December 2004.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against interest rate hikes.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

(c) Foreign Exchange Risk

The Group is exposed to market fluctuations of various foreign currencies, mainly the United States Dollar and Singapore Dollar. Foreign currency denominated assets and liabilities together with expected cash flows from purchases and sales give rise to foreign exchange exposures. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. The Group does not enter into derivative foreign exchange contracts to hedge its foreign currency risk.

34. FINANCIAL INSTRUMENTS (CONT'D)

(c) Foreign Exchange Risk (con'd)

The unhedged financial assets/liabilities of the Group that are not denominated in their functional currencies are as follows:

	Denominated in USD RM'000	SGD RM'000	Total RM'000
31 December 2004			
Trade receivables	322	2,400	2,722
Other receivables	-	-	-
	322	2,400	2,722
Trade payables	9,191	-	9,191
Borrowings	29,999	-	29,999
	39,190	-	39,190
31 January 2004			
Trade receivables	-	415	415
Other receivables	503	-	503
	503	415	918
Trade payables	4,266	-	4,266
Borrowings	34,200	-	34,200
	38,466	-	38,466

(d) Liquidity Risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from capital market and financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

34. FINANCIAL INSTRUMENTS (CONT'D)

(e) Credit Risk

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

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments except as disclosed in Note 19.

(f) Fair Values

It is not practical to estimate the fair values of the Company's investment in subsidiaries and the Group's investment in associates due to lack of quoted market prices and the inability to estimate fair values without incurring excessive costs.

It is also not practical to estimate the fair values of the amounts due from holding company and from subsidiaries as disclosed in Note 19, and the amounts due to subsidiaries and to companies in which certain directors of a subsidiary have interest as disclosed in Note 24, due to lack of repayment terms entered into by the parties involved and the inability to estimate fair values without incurring excessive costs.

The fair value of long term borrowings approximate their book value as these borrowings are pegged to and vary with the prevailing market rates.

There are no material differences between the book values and the fair values of the Group's other financial assets and liabilities due to their relatively short term maturity.

statistics on shareholdings

as at 5 May 2005

AUTHORISED SHARE CAPITAL : RM 500,000,000
ISSUED AND FULLY PAID UP CAPITAL : RM 50,530,263
CLASS OF SHARES : ORDINARY SHARES OF RM1.00 EACH
VOTING RIGHTS : ONE VOTE PER ORDINARY SHARE

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 5 MAY 2005

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	110	2.25	1,258	0.00
100 to 1,000	1,412	28.93	1,180,790	2.34
1,001 to 10,000	2,850	58.39	11,420,760	22.60
10,001 to 100,000	481	9.86	12,678,850	25.09
100,001 to less than 5% of issued shares	26	0.53	4,899,900	9.70
5% of issued shares and above	2	0.04	20,348,705	40.27
Total	4,881	100.00	50,530,263	100.00

THIRTY (30) LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS AS AT 5 MAY 2005

Name	No. of Shares	Percentage (%)
1. Cimsec Nominees (Tempatan) Sdn Bhd - Pengurusan Danaharta National Berhad for F.C.H. Holdings Sdn Bhd	10,249,155	20.28
2. Cimsec Nominees (Tempatan) Sdn Bhd - Pengurusan Danaharta National Berhad for F.C.H. Holdings Sdn Bhd	10,099,550	19.99
3. TCL Nominees (Tempatan) Sdn Bhd - Pledged securities account for Teo Wee Kee	458,900	0.91
4. Mayban Nominees (Tempatan) Sdn Bhd - Pledged securities account for Robert Tan	402,000	0.80
5. Yeo Kiam Yam @ Yeo Kian Yam	365,000	0.72
6. Teh Sen Siew	284,700	0.56
7. Gew Chin Heng	239,300	0.47
8. Mayban Nominees (Tempatan) Sdn Bhd - Pledged securities account for Low Ngok Ming	236,000	0.47
9. TCL Nominees (Tempatan) Sdn Bhd - Pledged securities account for E Pian	224,000	0.44
10. OSK Nominees (Asing) Sdn Berhad - UOB Kay Hian Private Limited for Ng Sok Meng Evelyn	220,000	0.43

**THIRTY (30) LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS AS AT 5 MAY 2005
(cont'd)**

Name	No. of Shares	Percentage (%)
11. Yeo Jin Hui	200,000	0.39
12. Bumiputra-Commerce Trustee Berhad - Amanah Saham Darul Iman	200,000	0.39
13. Eueh Soy Ing	175,900	0.35
14. OSK Nominees (Asing) Sdn Berhad - UOB Kay Hian Private Limited for Wong Fong Hong	160,000	0.32
15. TA Nominees (Tempatan) Sdn Bhd - Pledged securities account for Loh Tai Cheong @ Chin Tai Cheong	150,000	0.30
16. Suffian Bin Othman @ Heng Fok Boon	150,000	0.30
17. HSBC Nominees (Asing) Sdn Bhd - Global Base Industries Limited	150,000	0.30
18. TA Nominees (Tempatan) Sdn Bhd - Pledged securities account for Tan Siew Tin	142,000	0.28
19. MIDF Sisma Nominees (Tempatan) Sdn Bhd - Pledged securities account for Lim Geok Hoon	136,800	0.27
20. Permodalan Nasional Berhad	123,200	0.24
21. K Leela A/P S.R Krishnan	122,800	0.24
22. Tai Lee Fah	115,000	0.23
23. Toh Cheng Hai	114,000	0.23
24. Neo Heap (Hiap) Eng	110,000	0.22
25. Tai Siew Koon	110,000	0.22
26. Teo Hua Poh	107,100	0.21
27. RHB Nominees (Tempatan) Sdn Bhd - Pledged securities account for Chia Siew Fung	103,000	0.20
28. Mayban Securities Nominees (Tempatan) Sdn Bhd - Pledged securities account for Eng Hock Seng @ Ong Seng Hock	100,200	0.20
29. Mayban Securities Nominees (Tempatan) Sdn Bhd - Pledged securities account for Sum Chi Lin	100,000	0.20
30. OSK Nominees (Asing) Sdn Berhad - UOB Kay Hian Private Limited for Ng Ser Miang	100,000	0.20
Total	25,448,605	50.36

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 5 MAY 2005

Name	Direct	Shareholdings		%
		%	Indirect	
Y. Bhg. Datuk Haji Abdul Razak Bin Alias	–	–	–	–
Fong Kok Yong	–	–	20,348,705 *	40.27
Fong Kiah Yeow	–	–	20,348,705 *	40.27
Fong Ngan Teng	–	–	20,348,705 *	40.27
Fong Choon Kai	–	–	20,348,705 *	40.27
Ng Cheu Kuan	19,000	0.04	–	–
Y. Bhg. Datuk Ng Peng Hay @ Ng Peng Hong	13,500	0.03	–	–
Haji Baharom Bin Abd. Wahab	4,500	0.01	–	–
Mohd Khasan Bin Ahmad	–	–	–	–

* Deemed interest by virtue of his interest in F.C.H. Holdings Sdn Bhd.

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 5 MAY 2005

Name	Direct	Shareholdings		%
		%	Indirect	
F.C.H. Holdings Sdn Bhd	20,348,705	40.27	–	–
Fong Kok Yong	–	–	20,348,705 *	40.27
Fong Kiah Yeow	–	–	20,348,705 *	40.27
Fong Ngan Teng	–	–	20,348,705 *	40.27
Fong Choon Kai	–	–	20,348,705 *	40.27

* Deemed interest by virtue of his interest in F.C.H. Holdings Sdn Bhd.

statistics on warrant holdings

as at 5 May 2005

ANALYSIS BY SIZE OF WARRANT HOLDINGS AS AT 5 MAY 2005

Size of Holdings	No. of Holders	%	No. of Warrants	%
Less than 100	20	0.84	708	0.00
100 to 1,000	688	29.01	657,770	4.45
1,001 to 10,000	1,370	57.76	5,857,282	39.58
10,001 to 100,000	288	12.14	7,625,800	51.53
100,001 to less than 5% of issued warrants	6	0.25	657,700	4.44
5% of issued warrants and above	0	0.00	0	0.00
Total	2,372	100.00	14,799,260	100.00

THIRTY (30) LARGEST WARRANT HOLDERS AS PER THE RECORD OF DEPOSITORS AS AT 5 MAY 2005

Name	No. of Warrants	Percentage (%)
1. Eng Lee Choo	120,000	0.81
2. AB Ghani Bin Haji Mahmood	111,000	0.75
3. Liew Siew Ling	109,000	0.74
4. Chang Hee Foon	106,300	0.72
5. Neoh Hung Por	106,000	0.71
6. Khor Wooi Chen	105,400	0.71
7. Tan Kim Fatt @ Tan Kim Huat	100,000	0.67
8. TCL Nominees (Tempatan) Sdn Bhd - Pledged securities account for Foo Chin Mui	97,400	0.66
9. Lau Loon Sin	97,200	0.65
10. RHB Capital Nominees (Tempatan) Sdn Bhd - Chan Chiau Hee	92,200	0.62
11. Mak Teck Kiong	91,400	0.62
12. Ho Tau Tai	84,000	0.57
13. Mayban Nominees (Tempatan) Sdn Bhd - Pledged securities account for Ng Lian Kiong	78,000	0.53
14. Mayban Nominees (Tempatan) Sdn Bhd - Pledged securities account for Lim Teng Chuan	75,000	0.51
15. Lim Chee Keong	75,000	0.51

THIRTY (30) LARGEST WARRANT HOLDERS AS PER THE RECORD OF DEPOSITORS AS AT 5 MAY 2005 (cont'd)

Name	No. of Warrants	Percentage (%)
16. Gerard Chen Woon Ming	73,500	0.50
17. Chan Teck Watt	72,000	0.49
18. Kwang Shean Eng	70,000	0.47
19. Choo Yook Choo	70,000	0.47
20. Lim Ooi Tai	70,000	0.47
21. Bobby Lim Chee Wee	67,000	0.45
22. Hong Chong Chay	65,000	0.44
23. Affin Nominees (Tempatan) Sdn Bhd - Pledged securities account for Choo Chee Mooi	63,000	0.42
24. Shamugam A/L Muniandy	60,000	0.41
25. Leow Leong Hai	60,000	0.41
26. Stanley Teo Kwang Yaw	60,000	0.41
27. Ong Tun Poo	59,000	0.40
28. ECM Libra Securities Nominees (Tempatan) Sdn Bhd - Pledged securities account for Chin Hai Hong	58,000	0.39
29. Ong Young Muang	53,800	0.36
30. Ng Shau Lin @ Ng Siow Hin	50,000	0.34
TOTAL	2,399,200	16.21

DIRECTORS' WARRANTHOLDINGS AS AT 5 MAY 2005

Name	Direct	Warrantholdings		%
		%	Indirect	
Y. Bhg. Datuk Haji Abdul Razak Bin Alias	-	-	-	-
Fong Kok Yong	-	-	7,482 *	0.05
Fong Kiah Yeow	-	-	7,482 *	0.05
Fong Ngan Teng	-	-	7,482 *	0.05
Fong Choon Kai	-	-	7,482 *	0.05
Ng Cheu Kuan	-	-	-	-
Y. Bhg. Datuk Ng Peng Hay @ Ng Peng Hong	400	@	-	-
Haji Baharom Bin Abd. Wahab	4,000	0.03	-	-
Mohd Khasan Bin Ahmad	-	-	-	-

* Deemed interest by virtue of his interest in F.C.H. Holdings Sdn Bhd.

@ Negligible

list of properties

LOCATION	DESCRIPTION & DETAILS	TENURE	NET BOOK VALUE RM	Date of Revaluation/ Date of Acquisition
100% OWNED SUBSIDIARIES				
Lot 5253, 5254, 5255, 5256 & 236 GM 551, 552, 527, 528 & EMR 1369 Mukim Jeram Batu Johor	Broiler Farm	Freehold	2,391,780	1994
Lot 331 & 332 EMR 110 & 119 Mukim Api-api, Pontian Johor	Broiler Farm	Freehold	172,554	1994
Lot 3206 H.S. (D) 444 Titian Bintagor Negeri Sembilan	Broiler Farm	Freehold	88,290	1994
Lot 4332, C.T. No. 11382 Mukim of Rantau District of Seremban Negeri Sembilan	Broiler Farm	Freehold	370,290	1994
Lot No. 799 & 800 Mukim of Sungai Siput District of Alor Gajah Melaka	Breeder Farm	Freehold	1,585,779	1987
Lot No. 2893 - 2899 Mukim of Sungei Baru Ilir District of Alor Gajah Melaka	Breeder Farm	Freehold	3,163,980	1993
Lot 142 Mukim of Sungei Baru Ilir District of Alor Gajah Melaka	Breeder Farm	Freehold	1,778,621	1983
Lot No. 401 & 731 Mukim of Ramuan Cina Besar District of Alor Gajah Melaka	Breeder Farm	Freehold	787,739	1981
Lot 1618, 1854, 1855, 0963, 959, 639 & 640 EMR 1660 Grant No. 4926, 4905, 3113, 2374 EMR 1122 & 1059 Mukim Lenga, Muar Johor	Breeder Farm	Freehold	1,686,975	1996

LOCATION	DESCRIPTION & DETAILS	TENURE	NET BOOK VALUE RM	Date of Revaluation/ Date of Acquisition
Lot 458 & 459 C.T. No. 8770 & 8771 Tebong, Tampin Negeri Sembilan	Breeder Farm	Freehold	2,068,331	1994
L.O. No. 1039 & 1040 Q.T.(R) 15 & 16 Mukim Keru, Tampin Negeri Sembilan	Broiler Farm	Freehold	124,933	1994
Lot 9467 Q.T.(M) No. 182 Tanjong Sembrong Batu Pahat Johor	Broiler Farm	Freehold	991,758	1995
MLO 8663 H.S.(D) 2631 Mukim Sembrong Johor	Broiler Farm	Freehold	646,007	1995
Lot 637, Grant No. 8072 Parit Melana, Alor Gajah Land Melaka	Agricultural	Freehold	1,497,609	1994
Lot 647 & 658 Mukim Tanjong Minyak Melaka	Vacant Land	Freehold	1,333,524	1996
P.T. No. 197 H.S.(D) 33179 Kawasan Bandar XXXIX Daerah Melaka Raya Melaka	3 1/2 Storey Intermediate shoplot	Leasehold (expiring 2075)	426,524	2003
Lot 1599, C.T. 6270 Port Dickson Negeri Sembilan	Broiler Farm	Freehold	2,173,894	1995
Lot 3937 & 3938 C.T. 12192 & 12193 Land Juasseh, Kuala Pilah Negeri Sembilan	Agricultural	Freehold	446,156	1995
Taman Mewah Alor Gajah Melaka	6 Units of 2- bedroom Apartment	Leasehold (Expiring in 2091)	150,476	1995
PTD 64217 H.S.(D) 208128 Mukim Tebrau Johor	1 1/2 Storey Terrace Factory	Freehold	359,890	1995

LOCATION	DESCRIPTION & DETAILS	TENURE	NET BOOK VALUE RM	Date of Revaluation/ Date of Acquisition
P.T.No.20, Plot 6 Mukim Kelemak District of Alor Gajah Melaka	Industrial Land	Leasehold (Expiring in 2073)	1,687,237	1994
P.T.No.18 H.S.(M) 1940 Mukim Kelemak District of Alor Gajah Melaka	Industrial Land	Leasehold (Expiring in 2073)	5,055,751	1994
Lot 3, 4 & 5 Masjid Tanah Ind. Estate Masjid Tanah, Alor Gajah Melaka	Industrial Land	Leasehold (Expiring in 2095)	12,111,710	1995
Lot 319, C.T. 107 Mukim Triang Ilir Negeri Sembilan	Broiler Farm	Freehold	825,654	1995
Lot 982, C.T. 295 Mukim Selandar, Jasin Land Melaka	Agricultural	Freehold	232,188	1995
Lot No. 7688, HS(M) 1733 Tanjong Sembrong (VII) District of Batu Pahat Johor	Broiler Farm	Freehold	428,087	1996
MLO No. 8497 H.S.(M) 2270 Mukim Tanjong Sembrong VII, Batu Pahat Johor	Broiler Farm	Freehold	562,749	1997
Holding No. 2628, SG574/62 Mukim Sungei Baru Tengah Alor Gajah Melaka	Industrial Land	Freehold	910,944	1997
Lot 6343, EMR 5758 Tangkak, Muar Johor	Vacant Land	Freehold	467,340	1997
PT 9176 & 9177 H.S.(M) 433 & 434 Tanjong Sembrong Johor	Vacant Land	Freehold	312,905	1997
Lot 2404, EMR 7566 Mukim Jementah Johor	Vacant Land	Freehold	376,160	1997

LOCATION	DESCRIPTION & DETAILS	TENURE	NET BOOK VALUE RM	Date of Revaluation/ Date of Acquisition
MLO 8698, H.S.(M) 4303 Tanjong Sembrong Johor	Vacant Land	Freehold	172,012	1997
Block D2-01-01, Type B1 Genting View Resort Phase 4, Bentong Pahang	1 unit of 2 bedrooms apartment	Freehold	165,011	1998
Block D1-19, Type P2 Genting View Resort Phase 4, Bentong Pahang	1 unit of bedrooms apartment	Freehold	338,198	1998
Lot No. 54, Seksyen 4 Pulau Indah Industrial Park Selangor	Industrial Land	Leasehold (99 years)	5,591,377	1997
PT No.6901, HS(D) No. 34536 Mukim Bukit Katil Daerah Melaka Tengah Negeri Melaka	Double Storey Shop / Office	Freehold	349,836	2000

JOINT VENTURE SUBSIDIARIES

Lot 3892, GM153 Mukim Rimba Terjun Batu 28, Jalan Johor	Broiler farm	Freehold	974,094	1996
Lot 4645 & Lot 4646 H.S. (M) 846, Mukim Jeram Batu Batu 31, Jalan Johor Johor	Broiler farm	Freehold	434,094	1996
Lot 3021, Mukim Jeram Batu Johor	Broiler farm	Freehold	239,094	1996
Lot 2620, H.S. (M) 849 Mukim Jeram Batu Batu 28, Johor	Broiler farm	Freehold	304,094	1996
Lot 4255, GM301 Mukim Pontian Johor	Broiler farm	Freehold	549,094	1996
Lot 116, (Lot 14), Mukim Pontian Johor	Broiler farm	Freehold	354,094	1996
Lot 3664, Mukim Jeram Batu Johor	Broiler farm	Freehold	797,951	1996

LOCATION	DESCRIPTION & DETAILS	TENURE	NET BOOK VALUE RM	Date of Revaluation/ Date of Acquisition
EMR 877, Lot 698 Mukim Chaah Baru Batu Pahat Johor	Broiler farm	Freehold	727,535	1996
Lot 420, GM59, Mukim Pengkalan Raja Pontian Johor	Broiler farm	Freehold	285,316	1996
H.S.(D) 68575, Mukim Pulai Johor Bahru house	Double storey	Leasehold (99 years)	240,000	1996
Lot 2289 & Lot 2290 Lot 7119, Kuala Kabong Mukim Sedenak Johor	Broiler farm	Leasehold (99 years)	515,651	1996
PT 3744, H.S.(D) 5993 Simpang Kanan Batu Pahat, Johor	Double storey terrace shophouse	Freehold	182,833	1982
Grant 9216, Lot Ptd 857 Mukim Chaah Johor	Broiler farm	Freehold	488,032	1987
Lot 1310, GN47071 Minyak Beku 6, Batu Pahat Johor	Poultry processing plant & coldrooms / office block	Freehold	1,776,904	1991
Lot 976, M.K. GM 419 Minyak Beku 6 Batu Pahat Johor	Broiler farm	Freehold	224,658	1995
EMR 773, Lot 979 Minyak Beku 6 Batu Pahat Johor	Broiler farm	Freehold	120,000	1995
H.S.(M) 1745, MLO 8674 Tanjung Sembrong 14 Batu Pahat Johor	Broiler farm	Freehold	140,000	1995
Lot 8255, H.S.(M) 4751 Mukim Tanjung Labuh Batu Pahat Johor	Vacant land	Freehold	244,262	1997

LOCATION	DESCRIPTION & DETAILS	TENURE	NET BOOK VALUE RM	Date of Revaluation/ Date of Acquisition
Lot 3233, EMR 5066 Minyak Beku 6 Batu Pahat Johor	Broiler farm	Freehold	589,945	1997
Lot 1730, CT 2851 Bandar Penggaram District of Batu Pahat Johor	Double storey terrace shophouse	Freehold	329,947	1998
PTD 2163, H.S.(D) 5124 Mukim Grisek District of Muar Johor	Layer farm	Freehold	1,167,957	1997
PTD 2164, H.S.(D) 5125 Mukim Grisek District of Muar Johor	Layer farm	Freehold	547,658	1997
PTD 2165, H.S.(D) 5126 Mukim Grisek District of Muar Johor	Agricultural land	Freehold	256,232	1997
PTD 2166, H.S.(D) 5127 Mukim Grisek District of Muar Johor	Agricultural land	Freehold	256,232	1997
PTD 2167, H.S.(D) 5128 Mukim Grisek District of Muar Johor	Layer farm	Freehold	930,979	1997
PTD 2168, H.S. (D) 5129 Mukim Grisek District of Muar Johor	Layer farm	Freehold	980,774	1997
PTD 2169, H.S. (D) 5130 Mukim Grisek District of Muar Johor	Layer farm	Freehold	387,187	1997
PTD 2170, H.S. (D) 5131 Mukim Grisek District of Muar Johor	Layer farm	Freehold	701,469	1997

LOCATION	DESCRIPTION & DETAILS	TENURE	NET BOOK VALUE RM	Date of Revaluation/ Date of Acquisition
PTD 2171, H.S. (D) 5132 Mukim Grisek District of Muar Johor	Layer farm	Freehold	638,440	1997
PTD 6321 Grant 4778 Mukim Grisek District of Muar Johor	Layer farm	Freehold	292,485	1997
PTD 976, Grant 45584 Bandar Maharani District of Muar Johor	Office space	Freehold	1,482,520	1999
PTD 802 Mukim Grisek District of Muar Johor	Agricultural land	Freehold	580,000	1999
Lot 3256 & 3257 EMR 1113 & 1148 Mukim Pontian Johor	Broiler Farm	Freehold	317,780	1994

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form of Proxy



SINMAH RESOURCES BERHAD
301653-V

I/We _____
(Full Name in Capital Letters)

of _____
(Full Address)

being a Member of **SINMAH RESOURCES BERHAD** hereby appoint _____

_____ of _____
(Full Name in Capital Letters) (Full Address)

or failing him, _____ of _____
(Full Name in Capital Letters)

_____ of _____
(Full Address)

or failing him, the CHAIRMAN OF MEETING, as *my/our proxy to attend and vote for *me/us and on *my/our behalf at the Eleventh Annual General Meeting to be held at Bilik Bunga Teratai, 7th Floor, Renaissance Melaka Hotel, Jalan Bendahara, 75100 Melaka on Tuesday, 28 June 2005 at 11.00 a.m. and at any adjournment thereof.

Please indicate with an "X" in the space provided below how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his (her) discretion.

No	Resolutions	For	Against
1	Receive the Audited Financial Statements for the period ended 31 December 2004 together with the Reports of the Directors and Auditors thereon.		
2	Approve the Directors' fees for the period ended 31 December 2004.		
3	Re-election of Mr. Fong Kok Yong who retires pursuant to Article 106 of the Articles of Association.		
4	Re-election of Mr. Ng Cheu Kuan who retires pursuant to Article 106 of the Articles of Association.		
5	Re-election of Encik Mohd Khasan Bin Ahmad who retires pursuant to Article 106 of the Articles of Association.		
6	Re-appointment of Tuan Haji Baharom Bin Abd. Wahab who retires pursuant to Section 129 (2) of the Companies Act, 1965.		
7	Re-appointment of Messrs Ernst & Young as the Company's Auditors and to authorise the Directors to fix their remuneration.		
8	Proposed Change of Company's Name from Sinmah Resources Berhad to Farm's Best Berhad.		

* Strike out whichever is not applicable.

Dated this _____ day of _____ 2005

Number of shares held:

Signature of Member/Common Seal

Notes:

- A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote on his (her) behalf. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a), (b), (c) and (d) of the Companies Act, 1965 shall not apply to the Company.
- Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he (she) specifies the proportion of his (her) shareholdings to be represented by each proxy.
- The Proxy Form shall be signed by the appointor or his (her) attorney duly authorized in writing or, if the member is a corporation, must be executed under its common seal or by its authorized attorney or officers.
- The instrument appointing a proxy shall be deposited at Level 17, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur, not less than 48 hours before the time set for the Meeting or any adjournment thereof.
- Explanatory Note:-**

Re-appointment of Director over 70 years of age

The Ordinary Resolution No. 6 proposed under item (4) above is in accordance with Section 129(6) of the Companies Act, 1965 which requires that a separate resolution be passed to re-appoint Tuan Haji Baharom bin Abd. Wahab who is over 70 years of age as Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company. The Resolution must be passed by a majority of not less than three-fourths of such Members of the Company as being entitled to vote in person or where proxies are allowed, by proxy at the Annual General Meeting of the Company.

Proposed Change of Name

The Special Resolution No. 1 proposed under item (6), is to change the name of the Company to take advantage on the popularity of the trade mark "Farm's Best" as registered under the name of the Company's subsidiary, Sinmah Food Industries Sdn Bhd. The proposed change of name to "Farm's Best Berhad" is to better reflect the Company's activities and ownership. The special resolution will require the passing by a three-fourths majority of the members present and voting in person or by proxy.

Depot-depot FARM'S BEST
di Semenanjung Malaysia

FARM'S BEST depots in Peninsula Malaysia



RAWANG

25, Jalan BJ7,
Taman Perindustrian Belmas Johan
48000 Rawang, Selangor
Tel : 03-6092 2024
Fax: 03-6091 9936

MELAKA

No. 154, Jalan Suria 2
Taman Malim Jaya
75200 Melaka
Tel : 06-337 5992
Fax: 06-335 8266

KUANTAN

B-32, Jalan Air Putih
25300 Kuantan
Pahang
Tel : 09-567 0223
Fax: 09-567 0221

SELAYANG

Lot A10 & A11
Wira Business Centre
Jalan Besar Selayang Baru
68100 Kuala Lumpur
Tel : 03-6136 2358
Fax: 03-6136 2355

JOHOR BAHRU

9, Jalan Bayu 2/5
Taman Perindustrian Tampoi Jaya
81200 Johor Bahru, Johor
Tel : 07-235 0310
Fax: 07-235 0306

REPRESENTATIVE OFFICE

KOTA BHARU

No. 11, Jalan Hospital
Kedai MPKB, Berek 12
15200 Kota Bharu
Kelantan
Tel/Fax : 09-747 9636

KLANG

225, Jalan Pekan Baru
Off Jalan Meru, Kawasan 17
41050 Klang
Selangor
Tel : 03-3343 5359/5516
Fax: 03-3343 5516

IPOH

80, Jalan Leong Boon Siew
30000 Ipoh, Perak
Tel : 05-242 5081
Fax: 05-242 5082

PUCHONG

No. 14439, Ground Floor
Jalan Puchong, Batu 7 1/2
Puchong 47100
Selangor
Tel : 03-8070 5826
Fax: 03-8070 2301

BUTTERWORTH

No. 8, (Plot 48)
Taman Industri Beringin @
Juru Industrial Park
Juru Mukim 13
Seberang Prai Tengah
14100 Pulau Pinang
Tel : 04-507 6449
Fax: 04-507 7068

SEREMBAN

No. 1, Taman Harapan Baru
Jalan Rasah
70300 Seremban
Negeri Sembilan
Tel : 06-632 5708
Fax: 06-632 5706

TEMERLOH

53, Jalan Ahmad Shah
28000 Temerloh
Pahang
Tel : 09-296 8223
Fax: 09-296 6223