



**TIME ENGINEERING BERHAD  
(10039-P)**

**UNAUDITED INTERIM FINANCIAL REPORT**

**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2004**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2004

CONTENTS	Page
Condensed Consolidated Income Statements .....	2
Condensed Consolidated Balance Sheet.....	4
Condensed Consolidated Statement Of Changes In Equity.....	5
Condensed Consolidated Cash Flow Statement .....	6
<u>Part A – Explanatory Notes Pursuant to MASB 26</u>	
1 Accounting Policies .....	7
2 Status Of Audit Qualification .....	7
3 Seasonal Or Cyclical Factors .....	7
4 Changes In Estimates.....	7
5 Debt And Equity Securities .....	7
6 Dividends .....	7
7 Segmental Information .....	8
8 Property, Plant & Equipment .....	8
9 Material Events Subsequent To The Financial Period .....	8
10 Changes In The Composition Of The Group.....	9
11 Contingent Liabilities .....	9
12 Capital Commitments .....	9
<u>Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of BMSB</u>	
13 Performance Review For The Current Quarter And Year-to-Date .....	10
14 Comparison Between The Current Quarter And The Immediate Preceding Quarter.....	10
15 Prospects For The Financial Year 2005.....	10
16 Variance For Actual And Forecast Profit.....	10
17 Income Tax Credit/(Expense) .....	11
18 Disposal Of Unquoted Investments And/Or Properties .....	11
19 Acquisitions And Disposals Of Quoted Securities .....	11
20 Status Of Corporate Proposals Announced But Not Completed As At The Date Of This Announcement .....	11
21 Group Borrowings And Debt Securities.....	12
22 Cash And Cash Equivalents .....	12
23 Off Balance Sheet Financial Instruments .....	12
24 Material Litigation .....	12
25 Earnings Per Share (“EPS”) .....	13

**TIME ENGINEERING BERHAD (10039-P)**  
**Incorporated in Malaysia**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2004**

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31.12.2004 RM'000	Preceding year corresponding quarter 31.12.2003 RM'000	Twelve months to 31.12.2004 RM'000	Preceding year corresponding period 31.12.2003 RM'000
Revenue	13,096	201,839	444,077	403,829
Operating expenses	(21,553)	(182,692)	(431,257)	(381,884)
Other operating income (Note A)	595	28,281	85,306	42,019
Profit/(Loss) from operations	<u>(7,862)</u>	<u>47,428</u>	<u>98,126</u>	<u>63,964</u>
Interest Income	82	539	626	2,834
Finance costs	(20,427)	(20,575)	(71,258)	(99,226)
Loss on dilution of interest in subsidiary	-	-	(14,983)	-
Share in results of associate Companies (Note B)	<u>(355,732)</u>	<u>587</u>	<u>(371,549)</u>	<u>167,437</u>
Profit/(Loss) before taxation	<u>(383,939)</u>	<u>27,979</u>	<u>(359,038)</u>	<u>135,009</u>
Income tax credit/(expense)	<u>6,011</u>	<u>(4,164)</u>	<u>8,744</u>	<u>(1,654)</u>
Profit/(Loss) after tax ation	<u>(377,928)</u>	<u>23,815</u>	<u>(350,294)</u>	<u>133,355</u>
Minority interests	<u>(1,163)</u>	<u>(2,922)</u>	<u>(16,837)</u>	<u>(9,974)</u>
Net profit/(loss) attributable to shareholders	<u>(379,091)</u> =====	<u>20,893</u> =====	<u>(367,131)</u> =====	<u>123,381</u> =====
Earnings /(Loss) per share				
- basic	(51.3) sen	2.7 sen	(49.8) sen	16.4 sen
- diluted	NA	NA	NA	NA

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2004**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31.12.2004 RM'000	Preceding year corresponding quarter 31.12.2003 RM'000	Twelve months to 31.12.2004 RM'000	Preceding year corresponding period 31.12.2003 RM'000
<b>(Note A)</b>				
Other Operating Income comprises the following:				
Debt waiver from creditors of a subsidiary company	-	-	53,334	-
Gain on disposal of investment	-	22,777	-	22,777
Others	595	5,504	31,972	19,242
	595	28,281	85,306	42,019

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31.12.2004 RM'000	Preceding year corresponding quarter 31.12.2003 RM'000	Twelve months to 31.12.2004 RM'000	Preceding year corresponding period 31.12.2003 RM'000
<b>(Note B)</b>				
Included in the share in results of associate companies are the shares in exceptional items as follows:				
Additional impact on telecommunications network depreciation charge as a result of change in depreciation method from revenue base to straight line	319,924	-	319,924	-
Additional impact on the provision for doubtful debt as a result of change in basis of allowance for doubtful debt	11,718	-	11,718	-
	331,642	-	331,642	-

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2003.

Note: NA denotes "Not Applicable"

**TIME ENGINEERING BERHAD (10039-P)**  
**Incorporated in Malaysia**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2004**

**CONDENSED CONSOLIDATED BALANCE SHEET**

	<b>Unaudited as at 31.12.2004 RM'000</b>	<b>Audited as at 31.12.2003 RM'000</b>
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	12,096	49,181
Investments in associate companies	866,101	1,327,703
Long term investments	170,618	534
Intangible assets	1,235	2,317
Deferred tax	4,731	-
	1,054,781	1,379,735
<b>CURRENT ASSETS</b>		
Inventories	1,637	294,949
Trade receivables and other receivables	620,197	265,193
Investments held for disposal	-	280,129
Deposits, cash and bank balances	57,123	187,392
	678,957	1,027,663
<b>CURRENT LIABILITIES</b>		
Trade payables	78,841	452,479
Other payables	41,238	88,597
Short term borrowings (Note 21)	958,975	136,574
Current portion of long term borrowings	224,177	107,819
Provision for taxation	2,648	502
	1,305,879	785,971
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	(626,922)	241,692
	427,859	1,621,427
	=====	=====
<b>FINANCED BY:</b>		
Issued capital	768,155	765,029
Loan stocks	21,199	14,228
Reserves	(369,329)	5,153
	420,025	784,410
Shareholders' fund	420,025	784,410
Minority interests	7,645	4,346
Long term borrowings	189	832,666
Deferred taxation	-	5
	427,859	1,621,427
	=====	=====
<b>Net Tangible Assets per share (RM)</b>	0.55	1.02
	=====	=====

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2003.

**TIME ENGINEERING BERHAD (10039-P)**  
Incorporated in Malaysia

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2004**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<u>Issued Capital</u> RM'000	<u>Loan Stocks</u> RM'000	<u>Share Premium</u> RM'000	<u>Capital Reserve</u> RM'000	<u>Accumulated Loss</u> RM'000	<u>Reserves</u> RM'000	<u>Total</u> RM'000
<b>Balance as at 31 December 2004</b>							
Balance at beginning of the year	765,029	14,228	1,696,684	18,419	(1,709,950)	5,153	784,410
Net loss for the year	-	-	-	-	(367,131)	(367,131)	(367,131)
Interest expense on loan stocks	-	-	-	-	(596)	(596)	(596)
Disposal of Loan Stocks held by subsidiaries	-	16,316	-	-	(12,974)	(12,974)	3,342
Conversion of loan stocks	3,126	(9,345)	6,219	-	-	6,219	-
Balance at end of the year	768,155	21,199	1,702,903	18,419	(2,090,651)	(369,329)	420,025
<b>Balance as at 31 December 2003</b>							
Balance at beginning of the year	746,413	69,892	1,659,636	18,419	(1,829,823)	(151,768)	664,537
Net profit for the year	-	-	-	-	123,381	123,381	123,381
Interest expense on loan stocks	-	-	-	-	(3,508)	(3,508)	(3,508)
Conversion loan stocks	18,616	(55,664)	37,048	-	-	37,048	-
Balance at end of the year	765,029	14,228	1,696,684	18,419	(1,709,950)	5,153	784,410

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2003.

**TIME ENGINEERING BERHAD (10039-P)**  
Incorporated in Malaysia

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2004**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 DECEMBER 2004**

	<b>Twelve months to 31.12.2004 RM'000</b>	<b>Twelve months to 31.12.2003 RM'000</b>
<b>CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES</b>		
Net profit/(loss) before taxation	(359,038)	135,009
Adjustments for:		
Depreciation and Amortisation	13,054	32,771
Interest expense	71,258	99,226
Interest income	(1,704)	(5,761)
Share of results of associate companies	371,549	(167,437)
Allowance for diminution in value of other investments	(4,481)	10,329
Gain on disposal of property, plant and equipment	(455)	(2,418)
Loss on dilution of interest in subsidiary	14,983	-
Waiver of debts owing to creditors	(53,334)	-
Realised gain on investments	-	(22,777)
Other non-cash items	(709)	(3,437)
Other non-operating items	-	(629)
Operating profit before changes in working capital	51,123	74,876
Changes in working capital:		
Net change in current assets	(162,070)	(408,199)
Net change in current liabilities	(287,273)	359,649
Cash generated from/(utilized in) operations	(398,220)	26,326
Taxation recovered/(paid)	5,126	(5,362)
Interest received	897	-
<b>Net cash flow from/(used in) operating activities</b>	<b>(392,197)</b>	<b>20,964</b>
<b>CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES</b>		
Net proceeds from disposals of property, plant and equipment	2,122	67,301
Additions to property, plant and equipment	(4,743)	(11,641)
Capital repayment from an associate company	169,798	565,994
Net cash outflow from disposal of subsidiary companies	(5,222)	(48,192)
Net proceeds from disposals of loan stock held by subsidiaries	3,342	-
Purchase of EPE right issue	(3,298)	-
Others	(547)	(7,068)
<b>Net cash flow from investing activities</b>	<b>161,452</b>	<b>566,394</b>
<b>CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES</b>		
Drawdown of bank borrowings	414,741	23,656
Repayment of bank borrowings/redemption of Bonds	(206,125)	(444,841)
Interest paid	(99,616)	(119,449)
Others	(475)	6,243
<b>Net cash flow from/(used in) financing activities</b>	<b>108,525</b>	<b>(534,391)</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>(122,220)</b>	<b>52,967</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>178,686</b>	<b>125,719</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>56,466</b>	<b>178,686</b>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2003.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2004

**PART A – EXPLANATORY NOTES PURSUANT TO MASB 26, PARAGRAPH 16**

**1 ACCOUNTING POLICIES**

The Quarterly Consolidated Financial Statements have been prepared in accordance with MASB 26 Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (formerly known as Malaysia Securities Exchange Berhad), and should be read in conjunction with the Group's financial statements for the year ended 31 December 2003. The accounting policies, method of computation and basis of consolidation adopted for the interim financial reports are consistent with those adopted for the annual financial statements for the year ended 31 December 2003, other than the adoption of MASB 31 - Accounting for Government Grants which was adopted in compliance with MASB requirements.

In compliance with MASB requirements, the Group adopted MASB 31 with effect from 1 January 2004. The adoption of MASB 31 has no significant impact on the Consolidated Financial Statements and does not give rise to any adjustments to the opening balances of accumulated loss of the prior year and the Income Statement of the current year or to the comparatives.

**2 STATUS OF AUDIT QUALIFICATION**

The audit report on the Group's financial statements for the year ended 31 December 2003 was not qualified.

**3 SEASONAL OR CYCLICAL FACTORS**

The Group's operations are not subject to any seasonal or cyclical factors.

**4 CHANGES IN ESTIMATES**

The financial statements for the quarter ended 31 December 2004 does not have any material changes in estimates reported in the previous quarter.

**5 DEBT AND EQUITY SECURITIES**

There were no issuances, cancellations, repurchases, resale and/or repayments of debt and equity securities during the financial year ended 31 December 2004 other than as follows:

**(a) Conversion of Loan Stocks**

The Company allotted and issued 3,126,000 new ordinary shares of RM1.00 each pursuant to the conversion of RM9,345,000 of the Company's Irredeemable Convertible Unsecured Loan Stocks 2000/2005 ("Loan Stocks") at the conversion price of RM2.99 per new ordinary share of RM1.00 each. As a result of the conversion, the enlarged issued and paid up share capital of the Company has increased to 768,155,000 ordinary shares of RM1.00 each as at 31 December 2004.

**(b) USD Bonds**

The Company made a redemption of its Tranche II amounting to RM106.6 million and made partial early redemption of its Tranche III due on 30 June 2005 amounting to RM52.9 million.

**(c) Term Loan**

The Company prepaid its term loan due on 30 June 2005 amounting to RM38.4 million.

**6 DIVIDENDS**

The Directors do not recommend payment of any dividend for the financial year ended 31 December 2004 (2003:Nil).



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2004**

**PART A – EXPLANATORY NOTES PURSUANT TO MASB 26, PARAGRAPH 16**

**7 SEGMENTAL INFORMATION**

(a) Segment information for the financial year ended 31 December 2004.

<b>Business Segments</b>	<b>Information Communication Technology RM'000</b>	<b>Power RM'000</b>	<b>Corporate &amp; Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidation RM'000</b>
Revenue					
- External sales	427,856	9,641	7,091	(511)	444,077
- Gross dividend income from subsidiary company	-	-	32,149	(32,149)	-
<b>Total revenue</b>	<u>427,856</u> =====	<u>9,641</u> =====	<u>39,240</u> =====	<u>(32,660)</u> =====	<u>444,077</u> =====
<b>Results</b>					
Profit from Operations	39,018	131	37,582	(31,313)	45,418
Finance costs	(20,924)	7,539	(57,873)	-	(71,258)
Debt waiver from creditors of a subsidiary company	-	53,334	-	-	53,334
Loss on disposal of investment in a subsidiary company					(14,983)
Net Profit before share in results of associate companies					<u>12,511</u>
Share in results of associate companies					(371,549)
Loss before taxation					(359,038)
Income tax credit					8,744
Loss after taxation					<u>(350,294)</u> =====

**(b) DISCONTINUING OPERATIONS**

With the completion of the EPE Acquisitions (as previously reported) on 25 February 2004, the Company's equity interest in EPE Power Corporation Berhad ("EPE") (now known as Ranhill Power Berhad) was diluted from 54.96% to 5.46%. Consequently, the Group no longer consolidates the results of EPE Group with effect from 1 March 2004 and the Company's investment in EPE is diluted to a simple investment. The Group's results for the financial year ended 31 December 2004 however does include the results of EPE Group ("Power Business") for January and February 2004, prior to its deconsolidation as disclosed in Note 7(a) above.

**8 PROPERTY, PLANT & EQUIPMENT**

The valuations of property, plant and equipment used in the condensed consolidated financial statements have been brought forward without amendment from the previous annual financial statements.

**9 MATERIAL EVENTS SUBSEQUENT TO THE CURRENT FINANCIAL PERIOD**

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 31 December 2004 to the date of this announcement which would substantially affect the financial results of the Group for the financial year ended 31 December 2004.

**PART A – EXPLANATORY NOTES PURSUANT TO MASB 26, PARAGRAPH 16**

**10 CHANGES IN THE COMPOSITION OF THE GROUP**

For the financial year ended 31 December 2004, the Group did not undertake any material business combination, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinuing of operations, other than as disclosed in Note 7(b) and Note 18.

**11 CONTINGENT LIABILITIES**

There were no material changes in the contingent liabilities as at the date of this announcement since the preceding financial year ended 31 December 2003.

**12 CAPITAL COMMITMENTS**

There were no material capital commitments as at the date of this announcement.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2004

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BMSB**

**13 PERFORMANCE REVIEW FOR THE CURRENT QUARTER AND YEAR TO DATE**

The Group's revenue for the current quarter was RM13.1 million as compared to RM201.8 million in the corresponding quarter of 2003 when the full recognition of revenue from the Ministry of Education ("MOE") Phase II project was made in 3<sup>rd</sup> Quarter 2004. On 4 November 2004, TIME Systems Integrators Sdn Bhd, a wholly-owned subsidiary received a Letter of Award from MOE for the supply, testing and commissioning, and maintenance of teaching equipment for a second term (Phase III project) following its successful implementation of the Phase II project. The Phase III is expected to be completed in first quarter of 2005.

Current quarter showed loss before taxation of RM383.9 million mainly due to the share of loss in results of an associate company of RM355.7 million. The loss in associate company was mainly due to a change in depreciation method from revenue base to straight line and additional provision for bad and doubtful debts as a result of a change in basis of provisioning.

The Group's revenue for the financial year ended 31 December 2004 increased to RM444.1 million from RM403.8 million in the preceding year of 2003 largely from revenue from the MOE project, despite the deconsolidation of its Power Business's results in February 2004. The Group's loss before taxation of RM359.0 million in 2004 was solely due to share of loss in an associate company of RM372.4 million.

**14 COMPARISON BETWEEN THE CURRENT QUARTER AND THE IMMEDIATE PRECEDING QUARTER**

In the current quarter, the Group's revenue was RM13.1 million compared to RM33.8 million in the immediate preceding quarter mainly attributed to full recognition of revenue from MOE Phase II project in 3<sup>rd</sup> Quarter 2004.

The Group's loss before taxation in the current quarter was RM383.9 million as compared to a loss before taxation of RM5.5 million in the immediate preceding quarter. The loss before taxation in the current quarter was largely due to the share of loss of an associate company of RM355.7 million.

**15 PROSPECTS FOR THE FINANCIAL YEAR 2005**

The Group anticipates that its 2005 performance will improve in view of opportunities in the Information Communication Technology sector in the next few years.

However, the performance of an associate company will affect the Group's results.

**16 VARIANCE FOR ACTUAL AND FORECAST PROFIT**

The Company did not issue any profit forecast or profit guarantee during the financial year.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2004**

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BMSB**

**17 INCOME TAX CREDIT/(EXPENSE)**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31.12.2004 RM'000	Preceding year corresponding quarter 31.12.2003 RM'000	Twelve months to 31.12.2004 RM'000	Preceding year corresponding period 31.12.2003 RM'000
Malaysian taxation				
- Current taxation	(1,826)	(1,399)	(7,540)	(3,294)
- Over/(under) provision in prior year	3,756	(280)	3,756	(280)
- deferred taxation	731	(2,152)	4,731	(6,901)
- Share in taxation expense of associate companies	(284)	(333)	(597)	(419)
- Recovery of tax deducted at source on dividend received from subsidiary companies	3,634	-	8,394	9,240
	6,011	(4,164)	8,744	(1,654)

The estimated income taxation expense of RM7.5 million in current year was accrued by profitable subsidiaries .

**18 DISPOSAL OF UNQUOTED INVESTMENTS AND/OR PROPERTIES**

There were no disposal of unquoted investments and/or properties in the financial year ended 31 December 2004 other than as follows:

With the completion of the acquisition of X-Calibre Online Sdn Bhd from UEM Land Sdn Bhd (for merly known as "Renong Berhad") on 9 January 2004, the following assets were transferred to UEM Land Sdn Bhd for the full settlement of the purchase consideration of RM800,000:

- 17,195,000 ordinary shares of RM1.00 each representing 17.2% of the equity interests in Probalance Sdn Bhd ("Probalance"), held by Toplink Advisory & Management Services Sdn Bhd ("Toplink"), a wholly-owned subsidiary of TIME, to UEM Land for a consideration of RM500,000; and
- a piece of freehold agricultural land ("Land") owned by Eternaland Sdn Bhd, a wholly-owned subsidiary of TIME, measuring approximately 2.022 acres (8,182 sq meter) which is located at Lot No. 247, Title No. GM 237 in the Mukim of Pulai, Johor Bahru to UEM Land for a consideration of RM300,000.

**19 ACQUISITIONS AND DISPOSALS OF QUOTED SECURITIES**

a) There were no acquisitions or disposals of quoted securities in the financial year ended 31 December 2004.

b) Investments in quoted securities as at 31 December 2004.

	<b>RM'000</b>
At carrying value	1,035,501
At market value	820,471

**20 STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED AS AT THE DATE OF THIS ANNOUNCEMENT**

There are no corporate proposals announced but not completed as at the date of this announcement.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2004**

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BMSB**

**21 GROUP BORROWINGS AND DEBT SECURITIES**

	<b>As at 31.12.2004 RM'000</b>
<b>Long Term Borrowings (Secured)</b>	
USD Bonds	224,177
Bank borrowings from domestic banks	189
	224,366
Less:	
Current portion shown under current liabilities	(224,177)
	189
	=====
<b>Short Term Borrowings (Secured)</b>	
Project financial from domestic banks	438,397
Bank borrowings from domestic banks	520,578
	958,975
	=====

**22 CASH AND CASH EQUIVALENTS**

	<b>As at 31.12.2004 RM'000</b>
Deposits, cash and bank balances	57,123
Bank overdrafts (included in short term borrowings)	(657)
	56,466
	=====

**23 OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There were no financial instruments with off-balance sheet risks as at the date of this announcement.

**24 MATERIAL LITIGATION**

The Company and its subsidiaries have no outstanding material litigation as at the date of this announcement.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2004

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BMSB**

25 EARNINGS PER SHARE (“EPS”)	Current	Current year
	quarter	to date
	31.12.2004	31.12.2004
Basic EPS		
Net loss attributable to shareholders (RM'000)	(379,091)	(367,131)
Other movements in accumulated losses as per Statement of Changes in Equity (RM'000)	(13,570)	(13,570)
	-----	-----
Weighted average number of shares ('000)	(392,661)	(380,701)
Basic EPS (sen)	765,739	765,221
	(51.3) sen	(49.8) sen

The fully diluted earnings per share for the year ended 31 December 2004 is not presented as the average market value of the shares of the Company is lower than the subscription price for the outstanding warrants and the conversion of the convertible loan stocks to ordinary shares would result in an anti-dilution situation.

By Order of the Board

Kuala Lumpur  
28 February 2005

SAPIAH JAMALUDIN (MAICSA 0807355)  
Secretary