

SEACERA TILES BERHAD (Company No. 163751-H)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST FINANCIAL QUARTER ENDED 31 MARCH 2006

CONDENSED CONSOLIDATED BALANCE SHEETS

	As At End of Current Quarter 31/03/2006 RM'000	(Audited) As At Preceding Financial Year End 31/12/2005 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	71,596	67,587
Investment In Quoted Securities	177	177
Goodwill	3,496	7,496
Investments In Associates	3,961	3,961
	<u>79,230</u>	<u>79,221</u>
Current Assets		
Inventories	29,895	29,325
Trade Receivables	21,186	23,415
Other Current Assets	4,997	4,643
Tax Recoverable	1,234	1,160
Cash and Cash Equivalents	2,461	2,474
	<u>59,773</u>	<u>61,017</u>
Total Assets	<u>139,003</u>	<u>140,238</u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Share Capital	53,332	53,332
Reserves	2,805	2,871
Retained Earnings	24,318	28,167
	<u>80,455</u>	<u>84,370</u>
Minority Interests	4,082	4,107
Total Equity	<u>84,537</u>	<u>88,477</u>
Non-Current Liabilities		
Long Term Borrowing	1,434	1,230
Deferred Tax	1,703	1,703
Long Term Provisions	651	651
Total Non-Current Liabilities	<u>3,788</u>	<u>3,584</u>
Current Liabilities		
Trade And Other Payables	11,137	11,131
Short Term borrowings	38,576	36,081
Current Portion of Long Term Borrowings	965	965
Total Current Liabilities	<u>50,678</u>	<u>48,177</u>
Total Liabilities	54,466	51,761
Total Equity and Liabilities	<u>139,003</u>	<u>140,238</u>
Net Assets per share attributable to ordinary equity holders of the parent (RM)	<u>1.51</u>	<u>1.58</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31st December 2005)

SEACERA TILES BERHAD (Company No. 163751-H)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST FINANCIAL QUARTER ENDED 31 MARCH 2006

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES EQUITY

Attributable to Equity Holders of the Parent

	Share Capital RM'000	Share Premium RM'000	Reserve on Consolidation	Translation Reserve RM'000	Retained Earnings RM'000	Sub-total RM'000	Minority Interest RM'000	Total Equity RM'000
Balance at 01 January 2005	53,332	2,514	331	26	26,700	82,903	4,011	86,914
Profit for the period					352	352	81	433
Balance at 31 March 2005	<u>53,332</u>	<u>2,514</u>	<u>331</u>	<u>26</u>	<u>27,052</u>	<u>83,255</u>	<u>4,092</u>	<u>87,347</u>
Balance at 01 January 2006	53,332	2,514	331	(40)	28,233	84,370	4,107	88,477
Adjustment on the opening goodwill b/f					(4,000)	(4,000)	0	(4,000)
Restated balance	53,332	2,514	331	(40)	24,233	80,370	4,107	84,477
Profit / (Loss) for The Period					85	85	(25)	60
Balance at 31 March 2006	<u>53,332</u>	<u>2,514</u>	<u>331</u>	<u>(40)</u>	<u>24,318</u>	<u>80,455</u>	<u>4,082</u>	<u>84,537</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st December 2005)

SEACERA TILES BERHAD (Company No. 163751-H)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST FINANCIAL QUARTER ENDED 31 MARCH 2006

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current Quarter Ended 31/03/2006 RM'000	Corresponding Quarter Ended 31/03/2005 RM'000	Current Year to date Ended 31/03/2006 RM'000	Corresponding Year to date Ended 31/03/2005 RM'000
Revenue	20,994	19,025	20,994	19,025
Operating Expenses	(20,385)	(17,883)	(20,385)	(17,883)
Finance Cost	(541)	(534)	(541)	(534)
Profit Before Taxation	68	608	68	608
Taxation	(8)	(175)	(8)	(175)
Profit for the Period	60	433	60	433
Attributable to :				
Equity holders of the parent	85	352	85	352
Minority interest	(25)	81	(25)	81
	60	433	60	433
EPS				
Earnings per share (sen) - Basic	0.16	0.66	0.16	0.66
- Diluted	0.16	0.66	0.16	0.66

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31st December 2005)

SEACERA TILES BERHAD (163751-H)

Condensed Consolidated Cash Flow Statements
For the period ended 31 March 2006

	Current Year To Date Ended 31 Mar 2006 (RM '000)	Corresponding Year To Date Ended 31 Mar 2005 (RM '000)
Profit before tax	68	608
Adjustment for non-cash flow :-		
Non-cash items	934	890
Non-operating items	<u>0</u>	<u>111</u>
Operating profit before changes in working capital	1,002	1,609
Changes in working capital :-		
Net Change in current assets	1,371	1,551
Net change in current liabilities	<u>-61</u>	<u>-555</u>
Cash inflows from operations	2,312	2,605
Tax paid	<u>-82</u>	<u>-43</u>
Net cash inflows from operating activities	2,230	2,562
Investing Activities		
Other investments	-4,943	-1,054
Financing Activities		
Bank borrowings	2,163	-1,523
Net Change in Cash & Cash Equivalents	-550	-15
Cash & Cash Equivalents at beginning of year	797	2,348
Cash & Cash Equivalents at end of period	<u>247</u>	<u>2,333</u>
Cash & Cash Equivalents	2006	2005
	RM	RM
Cash and bank balances	2,461	5,120
Bank overdraft	<u>-2,214</u>	<u>-2,787</u>
Total cash and cash equivalents	<u>247</u>	<u>2,333</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2005)

**SEACERA TILES BERHAD (Company No : 163751-H)
FINANCIAL REPORTING STATEMENT FOR THE FIRST
QUARTER ENDED 31 MARCH 2006**

NOTES TO THE FINANCIAL STATEMENTS

A. Notes Required Under FRS 134

A1. Basis of Preparation

This Quarterly Report has been prepared in accordance with FRS 134 "Interim Financial Reporting" issued by Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Bursa Malaysia Securities Berhad's Listings Requirements and should be read in conjunction with the Group's annual audited accounts for the financial year ended 31 December 2005. These explanatory notes accompanied the Quarterly Report provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last financial year ended 31 December 2005.

The MASB issued a total of 21 new and amended Financial Reporting Standards and other Interpretations ("the FRSs") effective for the financial statements commencing 1 January 2006 for 18 FRSs and 1 October 2006 for 2 other FRSs. The Board has decided for an early adoption of the two FRSs with effective date commencing 1 October 2006. Unless mentioned in the foregoing paragraphs, the same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the year ended 31 December 2005. Up to 31 December 2005, the Group's financial statements were prepared in accordance with MASB standards with effective dates before 1 January 2006. The comparative figures in of the financial statements have therefore been restated to reflect the relevant adjustments.

Among the major changes of the accounting standards that have material effect to the Group's financial statements for the current quarter is FRS 3 'Business Combination'. The adoption of FRS has resulted in the Group ceasing annual goodwill amortisation. Goodwill is now carried at cost less accumulated impairment losses. In the previous year of the corresponding quarter, the amount of goodwill amortised was RM111,000. Based on impairment test done on the goodwill's balance brought forward, an impairment amount of RM4.0 million was adjusted to the opening retained earnings as allowed by the standards.

FRS 101 'Presentation of Financial Statements' has affected the presentation of the financial statements of the Quarterly Report as compared to the financial statements of the previous year. This Quarterly Report's presentation is based on the revised FRS 101, with comparatives restated to conform with current quarter's presentation.

A2. Qualification in Auditor's Report

There are no qualifications in the Auditors' Report of the 2005 annual audited accounts.

A3. Seasonality or Cyclicity of Operations

The Group's performance is directly related to the level of market activity which invariably experiences slowdown during the festive seasons.

A4. Unusual Items

There are no unusual items affecting assets, liabilities, equity, net income or cash flow that are unusual because of their nature, sizes, or incidence.

SEACERA TILES BERHAD (Company No : 163751-H)

A5. Changes in Estimates

There were no changes in estimates of amounts reported in prior interim periods of the current quarter or in prior financial years that have a material effect in the current interim period.

A6. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial year ended 31 March 2006.

A7. Dividend Paid

No dividend was paid for the quarter under review.

A8. Segmental Reporting

	Turnover RM'000	Profit before Taxation RM'000	Total Assets RM'000
Manufacturing	20,994	107	134,513
Property Development	-	(39)	1,047
Others	-	-	3,443
Total	<u>20,994</u>	<u>68</u>	<u>139,003</u>

A9. Valuations of Property, Plant & Equipment

The property, plant and equipment have not been revalued since the previous annual report.

A10. Material Events Subsequent to End of Interim Period

There are no material events subsequent to the end of the quarter under review that have not been reflected in the financial statements.

A11. Changes in the Composition of the Group

No material changes in the composition of the Group including business combination, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations except for the Joint Venture Development Agreement and a sale of a wholly owned subsidiary as disclosed in Note B 8.

A12. Changes in contingent Liabilities

There were no changes in contingent liabilities and contingent assets since the last annual balance sheet date.

SEACERA TILES BERHAD (Company No : 163751-H)

B. Notes Required Under Bursa Malaysia Securities Berhad's Listing Requirements

B1. Review of Performance

The Group has recorded revenue of RM 20.99 million in the current quarter compared to RM19.03 million of the preceding year corresponding quarter due to sales promotion and marketing strategy resulting to an improved sales volume. The profit before tax was lower compared to the corresponding quarter of the previous year was mainly due to reduced gross profit margin as a result of higher material and operating costs.

B2. Material Changes for the Current and Preceding Quarter

The Group recorded lower profit before tax of RM68,000 in the current quarter compared to RM0.61 million in the preceding quarter on the back of lower revenue by RM1.97 million.

B3. Prospects

Barring unforeseen circumstances, the Board of Directors expects that the performance of the Group for the current year is to be satisfactory.

B4. Provision of Profit Forecast or Profit Guarantee in Public Document

The Company did not provide a profit forecast or profit guarantee in a public document.

B5. Taxation

	2006 quarter ended 31 March RM '000	2005 quarter ended 31 March RM '000
Tax expense	8	175
	<u>8</u>	<u>175</u>

Current year tax expense is lower was mainly due to losses incurred by subsidiary companies

B6. Profit/Loss on Sale of Unquoted Investments and / or Properties

There were no sale of unquoted investments or properties during the financial quarter.

B7. Purchase / Disposal of Quoted Securities

There were no purchase/sale of quoted investments or properties during the financial quarter.

As at 31 March 2006, the market value of the quoted investments was approximately RM136,000.

SEACERA TILES BERHAD (Company No : 163751-H)

B8. Status of Corporate Proposals

On 5 April 2005, Seacera Properties Sdn Bhd (formerly known as Seacera Marketing Sdn Bhd), a wholly owned subsidiary of the Company entered into a conditional Joint Venture Development Agreement ("JVDA") with Duta Skyline Sdn Bhd ("DSSB") to develop pieces of freehold land owned by DSSB. The JVDA is pending completion on certain terms and conditions and is further extended to 5 August 2006.

On 27 April 2006, the Company entered into a Share Sale Agreement with Encik Ahmad bin Zainudin to dispose its wholly owned subsidiary company E-Seacera Sdn Bhd for a cash consideration of RM50,000. The sale is pending completion on certain terms and conditions.

B9. Group Borrowings

Group borrowings consist of the following:

	As at
	31/03/2006
	RM '000
Secured	
Long term loan	<u>1,434</u>
Secured	
Short term loan	17,000
Term loan payable within 12 months	965
Bankers acceptance	19,362
Bank overdraft	<u>2,214</u>
	<u>39,541</u>

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments entered into by the Group as at the date of this report.

B11. Changes in the Material Litigation

There were no pending material litigation as at the date of this report.

B12. Dividend

For the current quarter under review, no interim dividend was declared on the ordinary shares.

Subject to the approval of the Shareholders at the forthcoming Annual General Meeting, the Board has recommended a final dividend of 1 sen (tax exempt) for the financial year ended 31 December 2005.

B13. Earnings per Ordinary Share (EPS)

The earnings per ordinary share of the Group as at the end of this period are calculated as follows :

	2006	2005
	quarter ended	quarter ended
	31 March	31 March
Net profit for the period (RM'000)	85	352
No. of ordinary shares ('000)	53,332	53,332
EPS (sen) -Basic	0.16	0.66
-Diluted	0.16	0.66