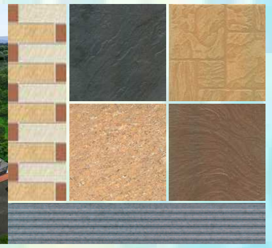
PRINCIPAL PLACE OF BUSINESS
Lot 16428 14KM Jalan Ipoh
Kawasan Perindustrian Selayang
68100 Batu Caves, Selangor Darul Ehsan
Tel : 603 - 6136 2494
Fax : 603 - 6136 2495
Website: www.seacera.com.my

SEACERA GROUP BERHAD (163751-H) *(Formerly known as Seacera Tiles Berhad)*

ANNUAL REPORT 2011

SEACERA
GROUP BERHAD (163751-H)
formerly known as Seacera Tiles Berhad



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Corporate Information

BOARD OF DIRECTORS

YBHG. DATUK MANSOR BIN MASIKON
Chairman, Non-Independent Non-Executive Director

ENCIK ZULKARNIN BIN ARIFFIN
Managing Director

TUAN HJ. BASAR BIN JURAIMI
Senior Independent Non-Executive Director

CIK NORHANUM BINTI NORDIN
Independent Non-Executive Director

TUAN HJ. HALIM @ AB HALIM BIN ISMAIL
Independent Non-Executive Director

COMPANY SECRETARIES

Ms Seow Fei San (MAICSA 7009732)
Ms Loh Lai Ling (MAICSA 7015412)

AUDIT COMMITTEE

Cik Norhanum Binti Nordin (Chairperson)
Independent Non-Executive Director

Tuan Hj. Basar Bin Juraimi (Member)
Senior Independent
Non-Executive Director

YBhg. Datuk Mansor Bin Masikon (Member)
Non-Independent Non-Executive Director

Tuan Hj. Halim @ Ab Halim Bin Ismail (Member)
Independent Non-Executive Director

NOMINATION COMMITTEE

Tuan Hj. Basar Bin Juraimi (Chairman)
Senior Independent
Non-Executive Director

Cik Norhanum Binti Nordin (Member)
Independent Non-Executive Director

YBhg. Datuk Mansor Bin Masikon (Member)
Non-Independent Non-Executive Director

Tuan Hj. Halim @ Ab Halim Bin Ismail (Member)
Independent Non-Executive Director

REMUNERATION COMMITTEE

Tuan Hj. Halim @ Ab Halim Bin Ismail (Chairman)
Independent Non-Executive Director

Tuan Hj. Basar Bin Juraimi (Member)
Senior Independent
Non-Executive Director

Cik Norhanum Binti Nordin (Member)
Independent Non-Executive Director

YBhg. Datuk Mansor Bin Masikon (Member)
Non-Independent Non-Executive Director

REGISTERED OFFICE

802, 8th Floor, Block C
Kelana Square
17, Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan
Tel: 603 - 7803 1126
Fax: 603 - 7806 1387

SHARE REGISTRAR

Tricor Investor Services Sdn. Bhd.(629261-T)
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: 603 - 2264 3883
Fax: 603 - 2282 1886

PRINCIPAL PLACE OF BUSINESS

Lot 16428 14KM Jalan Ipoh
Kawasan Perindustrian Selayang
68100 Batu Caves, Selangor Darul Ehsan
Tel : 603 - 6136 2494
Fax : 603 - 6136 2495
Website: www.seacera.com.my

AUDITOR

Afrizan Tarmili Khairul Azhar (AF 1300)
No. 2, Jalan Rampai Niaga 2
Rampai Business Park
53300 Kuala Lumpur
Tel: 603- 4143 9330
Fax: 603- 4142 9330

INTERNAL AUDITOR

MAC & Associates
Lot 29, 2nd Floor
Pandan Safari Shopping Complex
No. 1 Jalan Pandan Perdana 6/10A
53300 Kuala Lumpur
Tel/Fax: 603-9274 8110

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
CIMB Bank Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market - Industrial Products
(Syariah Approved Shares)

STOCK NAME : SEACERA
STOCK CODE : 7073

Corporate Structure

SEACERA
GROUP BERHAD (163751-H)

Tiles Division

- Seacera Ceramics Sdn. Bhd.
- Seacera Porcelain Sdn. Bhd.
- Seacera Tiles Marketing Sdn. Bhd.

Business Address
Lot 16428 14KM Jalan Ipoh
Kawasan Perindustrian Selayang
68100 Batu Caves, Selangor Darul Ehsan
Tel : 603 - 6136 2494 Fax : 603 - 6136 2495

Plastic Packaging Division

- Seacera Polymer Sdn. Bhd.
- Seacera Polyfilms Sdn. Bhd.
- Seacera Chemicals Sdn. Bhd.

Business Address
Lot 132, Lingkaran Taman Industri Integrasi Rawang 2
Taman Industri Integrasi Rawang
48000 Rawang, Selangor Darul Ehsan
Tel : 603 - 6091 3860 Fax : 603 - 6091 3873

Property Division

- Seacera Properties Sdn. Bhd.
- Seacera Land Sdn. Bhd.
- Seacera Builders Sdn. Bhd.
- Seacera Tech Sdn. Bhd.

Business Address
No. 32, Jalan SS19/1D
47500 Subang Jaya, Selangor Darul Ehsan
Tel : 603 - 5632 0088 Fax : 603 - 5632 2299

Directors' Profiles

YBHG. DATUK MANSOR BIN MASIKON
Malaysian, age 68
Chairman, Non-Independent Non-Executive Director

Datuk Mansor bin Masikon was appointed as Independent Non-Executive Director of Seacera Group Berhad on 24 May 2010. He is an associate member of Chartered Insurance Institute (London) and associate member of Chartered Institute of Secretaries (London). Datuk Mansor obtained his Master of Business Administration from University of California at Berkeley, USA in 2005.

Datuk Mansor has extensive experience in the insurance industry and has been an advisor to Cullis Reggett International Ltd, Lloyds Insurance Brokers, London since 1995. He served as Chief Executive Officer of several insurance companies. He was appointed as Chairman of the General Insurance Association of Malaysia (1981 – 1985) and Deputy Chairman of ASEAN Insurance Council (1981 – 1985). He was a member of Parliament Malaysia from 1995 till 1999. Currently, he is a director of KYM Holdings Berhad.

He does not have any family relationship with any director and/or substantial shareholder(s), nor has he any conflict of interest with the Company. He has no convictions for any offences within the past 10 years.

TUAN HJ. BASAR BIN JURAIMI
Malaysian, age 64
Senior Independent Non-Executive Director

Tuan Hj. Basar Bin Juraimi was appointed as Independent Non-Executive Director of Seacera Group Berhad on 2 November 2007. He holds a Diploma in Building Economics from Institut Teknologi MARA, Bachelor of Science in Building Economics from Southbank University London, and Master of Science in Building Maintenance Management from University of Reading, United Kingdom.

He had served in various organizations. He started his career in 1971 as Assistant Quantity Surveyor in Juruukur Bahan Bersekutu. He left to join Gordon Harris & Barton in London as Trainee Quantity Surveyor. In 1975, he worked as Lecturer in School of Architecture, Planning & Surveying, ITM Shah Alam and was appointed as Head of Quantity Surveying Department in 1980. He was a partner of Basar & Harun Sdn., Chartered Quantity Surveyors, Kuala Lumpur from 1982 to 1985 and presently the shareholder and advisor of Basar & Harun Sdn. Bhd., Chartered Quantity Surveyors Shah Alam. Currently, he also is a director of Grand Hoover Berhad, UEM Builders Berhad and KPJ Selangor Specialist Hospital Sdn. Bhd.

He does not have any family relationship with any director and/or substantial shareholder(s), nor has he any conflict of interest with the Company. He has no convictions for any offences within the past 10 years.

Directors' Profiles *(continue)*

ENCIK ZULKARNIN BIN ARIFFIN
Malaysian, age 39
Managing Director

Encik Zulkarnin Bin Ariffin was appointed to the Board on 16 February 2011. He holds Bachelor of Accounting (Hons) degree from International Islamic University. He is a member of Malaysian Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Accountant (MIA).

He joined KPMG in 1997 upon graduation and left in 2000. Subsequently, he served as an Assistant Manager, Finance in Malaysia Mining Corporation Berhad from 2000 to 2003. Prior to joining Seacera Group Berhad in September 2005, he was with Furqan Business Organisation Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad (Property Development) as Senior Manager, Group Finance.

Encik Zulkarnin does not hold any directorship in other public companies. He does not have any family relationship with any director and/or substantial shareholder(s), nor has he any conflict of interest with the Company. He has no convictions for any offences within the past 10 years.

CIK NORHANUM BINTI NORDIN
Malaysian, age 57
Independent Non-Executive Director

Cik Norhanum Binti Nordin was appointed to the Board on 2 November 2007. She holds Chartered Association of Certified Accountants (ACCA) at Professional Level from Emile College of Accountancy, London, United Kingdom. She started her career in London in 1990 when she joined John Cummings & Partners, Certified Accountants, London as audit senior. She joined Magna Resources Sdn. Bhd. in 1993 as Management Accountant & Admin Manager. In 1997, she assumed the position of Finance and Admin Manager at Magna Park Sdn. Bhd. (a subsidiary of Magna Prima Berhad) and from then on, between 2001 and 2006, she has held position as Executive Director for Finance and Admin.

Cik Norhanum does not hold any directorship in other public companies. She does not have any family relationship with any director and/or substantial shareholder(s), nor has she any conflict of interest with the Company. She has no convictions for any offences within the past 10 years.

TUAN HJ. HALIM @ AB HALIM BIN ISMAIL
Malaysian, age 47
Independent Non-Executive Director

Tuan Hj. Halim @ Ab Halim Bin Ismail was appointed as an Independent Non-Executive Director of Seacera Group Berhad on 24 May 2010. He holds a Degree in Shariah (Hons) from the University of Malaya.

Tuan Hj. Halim is currently the General Manager at Yayasan Dakwah Islamiah Malaysia (YADIM). He is also a Chairman of Islamic Bureau at UMNO Kelantan and Deputy Head of UMNO Machang Division.

Tuan Hj. Halim does not hold any directorships in other public companies. He does not have any family relationship with any director and/or substantial shareholder(s), nor has he any conflict of interest with the Company. He has no convictions for any offences within the past 10 years.

Chairman's Statement

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to have been given the privilege, to present to you the Annual Report and Audited Financial Statements of the Group for the financial year ended 31 December 2011.

FINANCIAL REVIEW

In Year 2011, Seacera Group Berhad has achieved the highest revenue since its inception amounting to RM96.1 million, an increase of 6.3% as compared to RM90.4 million recorded in previous financial year. The healthy growth in financial performance of the Group for the current financial year was attributed by the good management team. The gross profit increased by 17.2% to RM19.8 million as compared to RM16.9 million for the previous year.

The Operating Profit Before Tax for Year 2011 was RM2.99 million which was higher than Year 2010 (after excluding the one-off gain on disposal of subsidiary company of RM5.69 million in Year 2010 and the effects of fair value adjustments). This translated to an improved Operating Profit Before Tax of 106% in Year 2011 as compared to the previous financial year.

Chairman's Statement *(continue)*

PERFORMANCE REVIEW AND UPDATES

Tiles Division

The Tiles Division is one of the core businesses of the Group. During the financial year, the revenue of this Division was recorded at RM46.2 million, as compared to RM41.9 million during year 2010, an improvement of 10%.

Our success in securing and supplying our tiles to government and high profile developers had contributed to increase revenue for this Division. The effort will be vigorously pursued as an ongoing plan to strengthen our sales in these market segments.

A new production line aimed at increasing production of tiles will commence operation in the third quarter of 2012. The new line will increase our production capacity by 50% in the ensuing years. The increased production volume is expected to reduce costs and increase profit level.

The sale of our existing land in Selayang for Tiles Division is expected to complete by June 2012. This will provide an expected gain on disposal of approximately RM31 million. Subsequently, the land and building will be leased back for a period of three (3) to four (4) years by the Tiles Division.

As for the purchase of an industrial land at Kamunting Industrial Estate in Perak which is nearing completion, the Tiles Division is now planning for the development of the new tiles factory. Barring any unforeseen circumstances, the new factory is expected to commission by end of Year 2013 with an expected eventual capacity of at least two (2) to three (3) times more than the present plant capacity in Selayang.

Plastic Packaging Division

The Plastic Packaging Division, or used to be known as BOPP Films Division is among the major player in the domestic market. It is estimated that the Division commands 10% to 11% of the local market share. For the year 2011, this Division improved its revenue to RM48.0 million, compared to RM42.9 million in 2010, an increase of 12%.

The Plastic Packaging Division also recorded an operating profit of RM4.4 million as compared to RM2.8 million (after excluding the one off fair value adjustment of RM1.9 million) recorded in previous financial year, an increase of 57%. This was due to better profit margin and higher export selling price.

Due to ever changing market conditions, we are taking measures to ensure that our business is managed professionally and handle all matters innovatively. Necessary actions will be taken in a proactive and timely manner to resolve any operational issues.

Moving forward, the Company intends to further grow the Plastic Packaging Division by installing an additional manufacturing line in the near future. For this purpose, an allocation of RM10 million has been made from the proceeds of the Rights Issue exercise.

This move will enable us to capture a meaningful share of the expected increase in demand for BOPP Film products.

Property Division

In April 2012, Seacera Properties Sdn. Bhd. had entered into a Sale and Purchase Agreement with Duta Skyline Sdn. Bhd. to acquire a freehold land measuring 138 acres located at Mukim Ulu Semenyih District, Ulu Langat, Negeri Selangor Darul Ehsan for a consideration of RM78.1 million. This purchase will increase our land bank size to 251 acres which is planned for a mixed development. Based on current demand for landed homes and other commercial properties, the Company is ready to unlock the value of its land bank to meet those demands. The Government's initiative of PR1MA housing scheme is expected to provide further growth to this industry. The Group is exploring various options to develop this land with the main objective to eventually enhance the Shareholders' value.

In February 2012, the Group disposed off a piece of leasehold development land at Pekan Kayu Ara, District of Petaling Jaya, Selangor for a consideration of RM6.3 million. This has resulted in gain on disposal of approximately RM3.7 million for the Year 2012.

Chairman's Statement *(continue)*

OUTLOOK

Amid the more challenging external environment, Malaysia's economy is projected to experience a steady pace of growth of 4% – 5% in 2012. Domestic demand is expected to remain resilient and will continue to be the anchor for growth. Following the strong expansion in 2011, the growth of both private consumption and investment is projected to soften in 2012, as both income and capital expenditure in the external-related sectors of the economy are affected by the slower global growth.

Nevertheless, some measures announced in the 2012 Budget are expected to provide support to private consumption. These include the one-off financial assistance to low- and middle income groups and the higher increment of public sector wages. Private investment will be supported by continued investment by domestic-oriented industries and the ongoing implementation of projects under the Economic Transformation Programme ("ETP"). The public sector will remain supportive of growth in 2012, with higher capital expenditure by both the Federal Government and the non-financial public enterprises ("NFPEs"). The implementation of the Special Stimulus Package through Private Financing Initiative that was announced in the 2012 Budget would also provide further impetus to real activity during the year.

CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors of Seacera Tiles Berhad recognises the importance of practicing the Corporate Social Responsibility ("CSR") as it brings value to the Company's business operations and at the same time, delivers sustainable value to the society at large. The Group is committed to undertake its CSR practices, with the belief that these initiatives will have positive impact on the environment, workplace, community and marketplace. The CSR initiatives undertaken by the Group are summarized below:-

Human Capital

The Company recognised the importance of its human capital as its valuable asset. Both external and in-house training program were provided or conducted on a regular basis to enhance the skill and knowledge of employees. We believe continuous learning and training will improve competencies and job performance of the employees and ultimately contributes positively to the Company.

The Group is always improving its efforts towards providing safe and healthy working conditions for its employees. Protective gears and equipment were given to its factory and production staffs/workers. A Safety and Health Committee was in place to oversee the safety and occupational health issues in the workplace. Preventive actions and mitigation measures such as fire drills and safety briefing were conducted on site.

In recent years, a programme to recognise the contribution of outstanding employees on monthly basis was introduced. The outstanding employee which was recognised based on their positive contribution to the organisation and their family members would be rewarded accordingly. Hence, the motivation to excel and be the best would come from the employees themselves and the support they receive from their family members. The Group also started it special Management Training programme where a group of fresh graduates would be employed to join our company, and the company would provide them with on the job training, skills and experience.

The Community

The Group offered practical industrial and management training to universities undergraduates and polytechnic students to equip them with sufficient and relevant knowledge on the job training when they enter the job market.

Employment and job opportunities were created and priority is given to the local people particularly the fresh graduates, school leavers and unskilled workers. This will

Chairman's Statement *(continue)*

partly assist the government in overcoming unemployment and reduce social ills of the youth and improve the standard of living of the people. Donations and contributions were also made to various NGOs and the unfortunate members of the public.

The Environment

The Company has been pro-active in playing its role in preserving the environment on the site in which it operates. Measures were taken to ensure compliance with existing laws and regulations in relation to the environmental impact. Initiatives taken so far include the following: reduce the emission of carbon dioxide by switching to alternative less pollutant energy; developing efficient recycling plant to treat water from the production lines before discharging it to the public sewerage system, investing on relevant equipment and recycling of certain discarded raw materials to reduce wastages; reusing and recycling of paper and stationery; setting appropriate temperature for using air conditioners and switching off lighting whenever possible.

In caring for the environment also means that the Group's would increase its operation efficiency and effectiveness. This is to ensure that its productivity could be kept at high level all the time and hence reduce wastage of limited valuable sources such as gas, electricity, raw materials, etc.

Market Place

The Company strives to operate with good governance and sound management in order to enhance stakeholders' value. It believes in working in partnership with major customers and suppliers to create better value for both organizations in the long run. Additionally, the Group operates in tandem with its vision through sound business practices, effective management and good corporate governance with the aim of enhancing the stakeholders' value.

CORPORATE GOVERNANCE

The Board acknowledges the Malaysian Code on Corporate Governance issued by the Finance Committee on Corporate Governance, which sets out the principles, best practices and guidelines that may be applied in the operations of a company, so as to enhance the transparency and accountability of public listed companies in Malaysia. Steps have been taken to ensure the Group's commitment to the Corporate Governance procedures so as to enhance shareholders' value and to safeguard the assets of the Group.

Further elaboration can be found in our Corporate Governance Statement.

DIVIDEND

The Board of Directors is pleased to recommend a final dividend of three (3) sen for the Financial Year ended 31 December 2011, subject to the approval by the shareholders at the forthcoming Annual General Meeting.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to extend my heartiest thanks and appreciation to our Management team, staff, shareholders, business partners and associates, customers, suppliers, bankers, authorities for their continued support and valuable contributions to the Group.

I am particularly very please with the trust and support of the shareholders of the Company as evidenced by the success of the Company's first Right Issue with Warrants Exercise. The shareholders' trust and support would be the motivational factors for the management and all the staff to further enhance the value of the company.

Finally, I also like to take this opportunity to express my gratitude to the Board of Directors for their professionalism, dedication and valuable contribution to steer the Group's performance to a greater heights.

Datuk Mansor Bin Masikon
Chairman Non-Independent Non-Executive Director

Company Staff Activities 2011

Futsal Staff Tournament
16 April 2011

Hari Raya Eidil Fitri Celebration
29 September 2011

"Ping Pong Persahabatan" with SME Bank
20 July 2011

Muslim Staff Ibadah Qurban
9 November 2011

Statement on Corporate Governance

The Board of Directors ("Board") recognises the importance for the Company to maintain high standards of transparency, accountability and integrity in the conducts of the Company and its subsidiaries ("Group") business and affairs. The Board adopts and applies the principles and best practices as governed by the Bursa Malaysia Securities Berhad ("Bursa") Main Market Listing Requirements ("Listing Requirements") and Practice Note 9 on Corporate Governance, to undertake additional measures, principles and recommendation embodied in the Malaysian Code on Corporate Governance ("Code") and strives to adopt the substance and not merely the form behind the corporate governance prescription.

The Board delegates certain responsibilities to the Board Committees, all of which operate within the defined terms of reference to assist the Board in discharging its fiduciary duties and responsibilities. The Board Committees include the Audit Committee, Remuneration Committee, Nominating Committee and Employees Share Option Committee. The respective committees report to the Board on matters considered and their recommendation thereon for approval and decision-making.

(A) BOARD OF DIRECTORS

The Board is responsible for the Company's overall strategic direction and objectives, its acquisition and divestment policies, financial policy, major investments and the consideration of significant financial matters.

This Board's spectrum of skills and experience gives added strength to the leadership, thus ensuring the Group is under the guidance of an accountable and competent Board. The Board operates within a robust set of governance as set out below:-

1. Composition of the Board

The Board currently has five (5) members comprising one (1) executive director and four (4) non-executive members of which three (3) are independent, thus this complies with Paragraph 15.02 of the Listing Requirements that at least 2 directors or one-third (1/3) of the Board are Independent Directors. The presence of independent directors fulfils a pivotal role in corporate and the role of the independent directors is particularly important as they provide unbiased and independent views, advice and judgement.

A brief profile of each Board member is as set out on pages 4 to 5 of this Annual Report.

2. Board Meetings

The Board meets at least once in every quarter, to review the Group's operations and to approve the quarterly reports and annual financial statements. Additional meeting would be convened when urgent and important decision needs the Board's review and consideration.

During the financial year ended 3 December 2011, a total of six (6) board meetings were held and all Directors had complied with the requirements in respect of board meetings attendance as provided in the Listing Requirements. The details of the Directors' attendance at the Board Meeting are as follows:

Director	Total Attendance
Datuk Mansor Bin Masikon	5/6
Encik Zulkarnin Bin Ariffin (Appointed on 16 February 2011)	6/6
Tuan Hj. Basar Bin Juraimi	6/6
Cik Norhanum Binti Nordin	6/6
Tuan Hj. Halim @ Ab Halim Bin Ismail	6/6

During the course of a meeting, the Board deliberated and considered on matters including the Group's financial performance, business review, operating performance todate against the annual budget and the business strategies. The Audit Committee also reports the outcome of committee meetings to the Board and such reports are incorporated as part of the minutes of the Board meetings.

Where a potential conflict of interest may arise, it is mandatory practice for the Director concerned to declare his or her interest and abstain from the decision-making process.

3. Supply of and Access to Information and Advice

The Board has a formal schedule of matters reserved specifically for its decision. The Directors have full and timely access to all information pertaining to the Group's business and affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties. Prior to the Board meetings, the agenda for each meeting together with a full set of Board papers containing information relevant to the business of the meetings are circulated to the Directors. This allows sufficient time for any of the Board members to obtain further explanations or clarifications, as may be needed from senior management and/or to consult independent advisers before the meetings.

Senior management officers and external advisers are invited to attend the Board meetings to report on their areas of responsibilities when necessary, to furnish the Board with detailed explanations and clarifications on issues that are tabled or raised at the Board Meetings. All members of the Board have direct and unrestricted access to the advice and services of the management and company secretary and the Directors may seek external professional advice at the Company's expense, if required. All Directors have direct and unrestricted access to the senior management and the company secretary of the Company for information relating to business and affairs of the Group.

Statement on Corporate Governance *(continue)*

4. Directors' Training

All Directors have successfully attended the Mandatory Accreditation Programme ("MAP") prescribed by Bursa. The Board assumes the onus of determining or overseeing the training needs of the Directors. The Directors are encouraged to attend relevant seminars and courses to keep themselves updated on the various issues facing the changing business environment, regulatory and corporate governance developments to enhance their professionalism and knowledge to effectively discharge their duties and obligations.

During the financial year ended 31 December 2011, the Directors have attended the following conference/ seminars/training/talks:-

- *Sustainability Programme for Corporate Malaysia*
- *Annual Corporate Governance Week Hosted by Securities Commission and Bursa Malaysia Securities Berhad*

New director appointed during the financial year ended 31 December 2011, namely Encik Zulkarnin Bin Ariffin has successfully attended the MAP prescribed by Bursa.

The Board is also regularly updated by the Company Secretary on the latest updates and major amendments made to the Listing Requirements of Bursa Malaysia Securities Berhad and Companies (Amendment) Act 2007 and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities.

5. Appointment to the Board & Re-election

The Board had formed a Nominating Committee comprised exclusively of non-executive directors, majority of whom are independent with the responsibility for identifying and proposing new candidates for the Board and for assessing directors on an on-going basis. Any new appointment to the Board must be upon recommendation by the Nominating Committee after assessment is done with the consideration of mix skills and experience and other qualities that the new candidate should bring to the Board.

In accordance with the Company's Articles of Association, every director must retire from office at least once every three (3) years and can offer himself for re-election at the Annual General Meeting. Directors who are appointed by the Board are subject to re-election by shareholders at the next Annual General Meeting held following their appointment.

Further, pursuant to Section 129(6) of the Companies Act, 1965, Directors over the age of 70 are required to offer themselves for re-election at every annual general meeting.

6. Board Committees

The Board has established the following Committees to delegate specific powers and responsibilities to support the role of the Board to provide assurance and accountability to its shareholders, all of which have their own terms of reference:

a. Audit Committee

The Company has in place an Audit Committee which comprises of majority independent non-executive directors.

The members of the Audit Committee are:-

Name of Audit Committee	Designation
Cik Norhanum Binti Nordin (Chairperson)	Independent Non-Executive Director
Tuan Hj. Basar Bin Juraimi (Member)	Senior Independent Non-Executive Director
Datuk Mansor Bin Masikon (Member)	Non-Independent Non-Executive Director
Tuan Hj. Halim @ Ab Halim Bin Ismail (Member)	Independent Non-Executive Director

The role of the Audit Committee is to oversee the processes for preparation and completion of the financial data, review financial reports, related party transactions, potential conflict of interests' situations and the internal controls of the Company.

The composition of Audit Committee members and the Audit Committee Report for the financial year ended 31 December 2011 pursuant to Paragraph 15.16 of Bursa Malaysia Securities Berhad Main Market Listing Requirements are contained on page 16 of the Annual Report.

b. Remuneration Committee

The Remuneration Committee was established with the objective of providing a transparent and formal procedure for formulating and determining the remuneration policies for the Directors.

The members are:-

Name of Remuneration Committee	Designation
Tuan Hj. Halim @ Ab Halim Bin Ismail (Chairman)	Independent Non-Executive Director
Tuan Hj. Basar Bin Juraimi (Member)	Senior Independent Non-Executive Director

Statement on Corporate Governance *(continue)*

Name of Remuneration Committee	Designation
Cik Norhanum Binti Nordin (Member)	Independent Non-Executive Director
Datuk Mansor Bin Masikon (Member)	Non-Independent Non-Executive Director

The Remuneration Committee is to provide assistance and guidance to the Board in determining and recommending the remuneration package of the Directors. The Board as a whole determines the remuneration package of the Directors with the Director concerned abstaining from participating in decisions in respect of his individual package.

With the yearly approval from the shareholders, the Company pays its directors an annual fee.

The aggregate remuneration of the Directors paid by the Company for the financial year ended 31 December 2011 is as follows: -

Category	Fees	Benefits & Allowance
Executive	RM36,000	RM6,300
Non-Executive	RM157,454	RM11,500

The number of Directors who served during the financial year whose remuneration falls into the following bands:-

Range of Remuneration	Executive	Non-Executive
RM50,000 and below	-	5

c. ***Nominating Committee***

The committee comprises three (3) independent directors. The members are:-

Name of Nominating Committee	Designation
Tuan Hj. Basar Bin Juraimi (Chairman)	Senior Independent Non-Executive Director
Cik Norhanum Binti Nordin (Member)	Independent Non-Executive Director
Datuk Mansor Bin Masikon (Member)	Non-Independent Non-Executive Director
Tuan Hj. Halim @ Ab Halim Bin Ismail (Member)	Independent Non-Executive Director

The committee is responsible for proposing or reviewing new nominees for the Board and Board Committees, assessing the effectiveness of the Board as a whole and reviewing the required skills and core competencies of non-executive director. The committee also ensures that an orientation and education programme is in place for new Board members.

d. ***Employees Share Option Scheme ("ESOS") Committee***

The committee comprises of majority independent directors. The members are:-

Name of ESOS Committee	Designation
Datuk Mansor Bin Masikon (Chairman)	Non-Independent Non-Executive Director
Tuan Hj. Basar Bin Juraimi (Member)	Senior Independent Non-Executive Director
Cik Norhanum Binti Nordin (Member)	Independent Non-Executive Director
Tuan Hj. Halim @ Ab Halim Bin Ismail (Member)	Independent Non-Executive Director

The committee was formed on 16 December 2003 to administer the Company's ESOS. The Company had extended the duration of the ESOS which expired on 31 August 2009 for another 5 years to 31 August 2014.

As at the financial year ended 31 December 2011, a total of 2 million ESOS options allocated to the employees of the Group remain unexercised. There is no allocation of ESOS option to the Non-Executive Director of the Group during the financial year ended 31 December 2011.

(B) SHAREHOLDERS

1. ***Dialogue between the Company and Investors***

The Company strives to maintain an open and transparent channel of communication with its shareholders, institutional investors and the investing public at large with the objectives of providing as clear and complete a picture of the Group's performance and position as possible. Such information is communicated through the following channels: -

- The Annual Report;
- The various disclosures and announcements via Bursa Website including quarterly and annual results;
- The websites developed by the Group known as www.seacera.com.my; and
- Participating in Investor Forum with research analysts, fund managers and investors.

Statement on Corporate Governance *(continue)*

2. ***General Meeting***

The Annual General Meeting ("AGM") represents the principal communication channel and dialogue with shareholders. The Company values feedback from its shareholders and encourages them to actively participate in discussion and deliberations. AGM is held yearly to consider the ordinary business of the Company and any other special businesses. Each item of special businesses included in the notice is accompanied by a full explanation of the effects of the proposed resolution. During the annual and other general meetings, shareholders have direct access to Board members who are hands on to answer their questions, either on specific resolutions or on the Company generally. The Chairman ensures that a reasonable time is provided to the shareholders for discussion at the meeting before each resolution is proposed.

A press conference is normally held immediately after the meeting to facilitate media queries on the Group's financial performance and operations.

(C) ACCOUNTABILITY AND AUDIT

1. ***Financial Reporting***

The Board aims to present a fair, balanced, and meaningful assessment of the Group's financial performance for the current financial year and its prospects. This is achieved primarily through the announcements of quarterly financial results and annual financial statements to Bursa and the circulation of annual report to the shareholders. The Audit Committee assists the Board by reviewing the financial information to be disclosed, to ensure completeness, accuracy and adequacy prior to release to Bursa.

2. ***Relationship with the Auditors***

The Company has established a formal and transparent arrangement for maintaining appropriate relationships with the Group's auditors, both external and internal. The Audit Committee seeks regular assurance on the effectiveness of the internal control systems through independent appraisal by the auditors. Liaison and unrestricted communication exists between the Audit Committee and the external auditors.

3. ***Internal Control***

The Board acknowledges its overall responsibility for maintaining a sound system of internal control and the need to review its effectiveness regularly in order to safeguard the Group's assets and therefore shareholders' investments in the Group. This system, by its nature, can only provide reasonable but not absolute assurance against material misstatement, fraud or loss.

Currently, the Group does not maintain an Internal Audit Department but had outsourced its internal audit function to ensure independent reviews be carried out on the adequacy and integrity of the Group's system of internal controls. The Board considers the system of internal controls instituted throughout the Group is sound and sufficient.

The information of the internal control is presented in the Statement on Internal Control set out on page 15 of this Annual Report.

(D) RESPONSIBILITY STATEMENT BY DIRECTORS

The Directors are required by the Companies Act, 1965 to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year. In preparing the financial statements, the Directors have ensured that the applicable approved accounting standards in Malaysia, the provisions of the Companies Act, 1965 and the Listing Requirements of Bursa Securities have been applied.

In preparing the above financial statements, the Directors have:

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that are prudent and reasonable;
- Ensured that all applicable accounting standards have been followed; and
- Prepared financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have responsibility for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Group and Company and which enables them to ensure that the financial statements comply with the Companies Act, 1965. The Directors have overall responsibility for taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

(E) COMPLIANCE WITH THE CODE

The Board strives to ensure that the Company complies with the Principles and Best Practices of the Code. The Board will endeavour to improve and enhance the procedures from time to time. The Group has complied with the Best Practices of the Code.

Statement on Internal Control

The Board of Directors of Seacera Group Berhad recognises and accepts its responsibility in ensuring and maintaining a sound system of internal control to safeguard shareholders' investment and assets of the Company and the Group as stipulated in the Malaysian Code on Corporate Governance.

The Board takes cognizance that in a dynamic business environment, a system of internal control, in ensuring its relevancy, is a continuous process of risk identification and risk management and evaluation of integrity and adequacy of systems that are in place. As such, the Board's philosophy towards internal control systems per se is one of continuous improvement. However, the Board notes that internal control systems will not provide absolute assurance against all risks or any one risk but it serves to provide reasonable assurances and is designed to manage the likelihood and consequences of risk to acceptable levels.

The Board and its committees, monitor the performance of the Group at regular periods during the financial year. The Board is duly informed and updated by the Management on issues of significance and on matters requiring Board consideration.

In addition to reviewing the Group's performance, the Board via its Audit Committee, receives feedback and reports from the internal auditor in line with the internal audit plan as well as on any significant issues pertaining to risk and control. External auditors, also presents their external audit plan to the Audit Committee. For the financial year under review, a meeting was held between the external auditors and independent directors of the Audit Committee on the external audit plan.

The key management staff are responsible for the daily running of the Group. In monitoring Group performance, the Management team attend monthly scheduled meetings and review key performance indicators such as growth and performances, profitability, collection, production efficiency and productivity, etc. These meetings allow for timely identification of risks and proactive management decisions in line with changes in the business environment. Counter measures and action plans are correspondingly formulated to address such risks that may arise.

Key elements of internal control are as follows :-

- Clear terms of references of the Board and its Committees.
- Operational control procedures.
- The approval of Group budget by the Board and the explanations are sought for variances against actual performance on quarterly basis.
- Monthly performance reports are prepared and provided to the Management for deliberation.
- Quarterly reports provided by the Management to Board members.
- Internal audit plan and findings prepared on quarterly basis by the internal auditor and forwarded to the Audit Committee for review and deliberation.

The Board is strongly committed to an effective internal control system to further raise the level of transparency and accountability of Group's operations.

Audit Committee Report *(continue)*

MEMBERSHIP AND ATTENDANCE

During the financial year 1 January 2011 to 31 December 2011, a total of four (4) Audit Committee ("AC") meetings were held. The AC comprises the following members and details of attendance of each member at the AC meetings held during the financial year are as follows:-

Member of the Audit Committee	Number of AC Meetings Attended
Cik Norhanum Binti Nordin (Chairperson) Independent Non-Executive Director	4/4
Tuan Hj. Basar Bin Juraimi (Member) Senior Independent Non-Executive Director	4/4
Datuk Mansor Bin Masikon (Member) Non-Independent Non-Executive Director	4/4
Tuan Hj. Halim @ Ab Halim Bin Ismail (Member) Independent Non-Executive Director	4/4

TERMS OF REFERENCE

1. Objectives

The primary objective of the AC is to assist the Board in discharging its statutory duties and responsibilities for corporate governance, timely and accurate financial reporting and adequacy of internal controls within the Company and its subsidiaries.

2. Duties and Responsibilities

The functions of the AC are as follows:-

(a) to review the following and report the same to the Board:-

(i) with the external auditors, the audit plan, the evaluation of the system of internal controls, the audit report and the assistance given by the employees of the Company to the external auditors;

(ii) the adequacy of the scope, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;

(iii) the results of the internal audits or investigation undertaken and whether or not appropriate action is taken on the recommendations by the appointed Internal Auditor;

(iv) the quarterly results and year end financial statements, prior to the approval by the Board; and

(v) 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.

b. to meet with the external auditors, the internal auditors or both without the presence of the senior management;

c. to recommend the re-appointment/nomination of auditors and to review any letter of resignation from the external auditors of the Company;

d. to report promptly to Bursa where the AC is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements; and

e. to review allocation of share options to eligible employees as being in compliance with the by-laws approved by the Board of Directors and shareholders of the Company.

3. Authority

The AC shall have authority to investigate any matter within its terms of reference, have full and unrestricted access to any information pertaining to the Company and all the resources required to perform its duties. The AC shall have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity and be able to obtain independent professional advice and to secure the attendance of external advisers with relevant expertise, to convene meetings with the external auditors and/or the internal auditors, excluding the attendance of other Directors and employees of the Group at least twice a year.

4. Meetings

The AC shall meet at least four (4) times in a year subject to the quorum of at least two (2) independent directors or more frequently as circumstances may require or upon the request of any member of the AC, the external auditors, the internal auditors or the Chairman of the AC.

5. Membership

The Board shall appoint from amongst themselves not fewer than three (3) members all of whom must be non-executive directors, with a majority of independent non-executive directors. The Chairman of the AC shall be an independent director.

At least one (1) member of the AC must be a member of the Malaysian Institute of Accountants or a person who fulfills the requirements of the Listing Requirements.

Audit Committee Report *(continue)*

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The summary of the main activities carried out by the AC during the financial year under review is as follows:

1. Reviewed and assessed the adequacy of the scopes and functions of the Internal Audit Plan for the Company and the Group and authorized resources to address risk areas that have been identified.

2. Reviewed the External Audit Plan for the Company and the Group with the external auditors to ensure the audit scope and activities is adequately covered.

3. Reviewed quarterly and annual financial reports for the Company and the Group prior to submission to the Board for consideration and approval, focusing particularly on the following:-

   (i) significant and unusual events;
   (ii) changes in or implementation of major accounting policy; and
   (iii) compliance with accounting standards and other legal requirements;

4. Reviewed the related party transactions and ensured that they are not more favourable to the related parties than those generally available to the public and complies with the Listing Requirements.

5. Reviewed and approved the proposed final audit fees for the external auditors and internal auditors in respect of their audit of the Company and the Group.

6. Considered the re-appointment of the external auditors and renewal of internal audit engagement.

7. Met with the external auditors twice a year without the presence of any executive director and management personnel.

STATEMENT OF EMPLOYEES' SHARE OPTION SCHEME ("ESOS") BY THE AUDIT COMMITTEE

Seacera Group Berhad has implemented an ESOS since year 2004.

The Audit Committee is satisfied with the implementation of the scheme and the allocation of share options to eligible employees complied with the by-laws approved by the Board and Shareholders of the Company.

INTERNAL AUDIT FUNCTION

The Internal Audit function of the Group has been outsourced to MAC & Associates ("MAC"), who reports directly to the AC. MAC assists the Board in maintaining a sound system of internal controls and ensure that established policies and procedures are adhered to and continue to be effective and satisfactory.

The MAC has conducted ongoing review of the adequacy and effectiveness of the system of internal control. Some internal control weaknesses were identified during the financial year under review, all of which have been or are being addressed by the management. None of these weaknesses has resulted in any material loss that would require disclosure in the Group's financial statement.

The Group incurred RM30,766 of internal audit fees during the financial year ended 31 December 2011.

Other Corporate Disclosure

1. Share Buybacks

For the financial year ended 31 December 2011, the Company purchased a total of 21,000 shares, all of which are retained as treasury shares. The details of shares bought back during the financial year are as follows:-

Monthly Breakdown Bought Back	No. of shares purchased and retained as Treasury shares	Purchase Price per share (RM)		Average Cost per share (RM)	Total Cost (RM)
		Lowest	Highest		
January 2011	1,000	0.720	0.720	0.72	720.00
August 2011	20,000	0.630	0.675	0.653	13,190.00

As at the date of this statement, the total number of shares purchased by the Company is 138,300 shares and these shares are presently held as treasury shares.

2. Material Contracts

During the financial year, there was no material contracts entered into by the Company and/or its subsidiaries involving Directors' and major shareholders' interests.

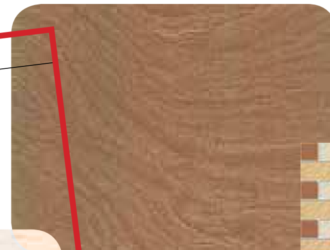
3. Recurrent Related Party Transaction of a Revenue or Trading Nature

During the financial year, the Company and its subsidiaries did not enter into any recurrent related party transactions, which are of revenue or trading nature, which requires shareholders' mandate.

SEACERA
GROUP BERHAD



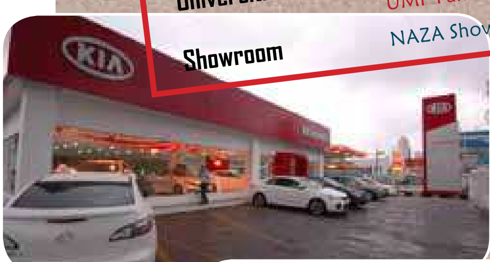


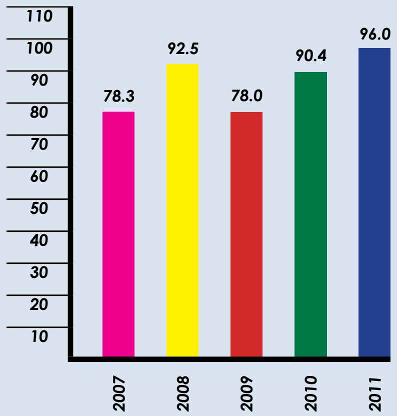

PROJECT REFERENCE

Airports	Subang, Senai
Banks	Maybank, Public Bank, EON Bank, AGRO Bank
Business Parks	Worldwide, Kelana Centrepoint, Amcorp Trade Centre, The Mines
Condominiums	Plaza Damas 3 - Shop Office & Service Apartment, Sri Hartamas, Kuala Lumpur. 38 Storey Regalia Service Apartment, Jalan Kuching, Kuala Lumpur. Cyberjaya, Alam Warisan Putrajaya, Villa Wangsa Mas, Wangsa Maju
Golf Club	Tropicana Golf & Country Club, KRTU Golf Club, Golden Valley Golf Club, Kelab Rahman Putra, Serendah Gold Club, Palm Springs Resort
Hospitals	Serdang Hospital, Ipoh Specialist Hospital, Sultanah Aminah Hospital, HUKM, Gua Musang Hospital, Alor Gajah Hospital, KK 3 Perlis,
Hotels	Crown Princess, Concorde, Allson Klana, Travellers Lodge, Abedeen Kepala Batas Penang
Housing Project	Taman Tun Razak, Taman Midah, Bandar Baru Nilai, Bandar Baru Klang, Cheras Utama, Taman Tun Dr. Ismail, Desa Sri Hartamas, Sierramas, Wangsa Maju, Desa Park City D' Resident Kayu Ara
Office Building	Menara Esso, Imc Tower, MBF Hq, UOA, Menara Tan & Tan, Lembaga Kemajuan Ikan(Ikim), Pertubuhan Peladang Kl. Balai Seni Lukis Negara, Kampus ILKAP, Bandar Baru Bangi, Selangor.
Servise Stations	Petronas, Shell, Mobil / Esso
Shopping Malls	The Mines, Amcorp Mall, Metrojaya, The Store, Warta Supermarket, Jaya Jusco Mydin, Wangsa Walk
Stadiums	Shah Alam Indoor Stadium, Kompleks Sukan Negara Bukit Jalil, Stadium MPPJ Kompleks Sukan Paralimpik Kg Pandan
Transport	KL Sentral, Puduraya Bus Terminal(PUDU Sentral)
Universities	WIT University Teknologi Malaysia, UIA, University Malaya, UITM, UTM Semarak UMP Pahang
Showroom	NAZA Showroom Petaling Jaya

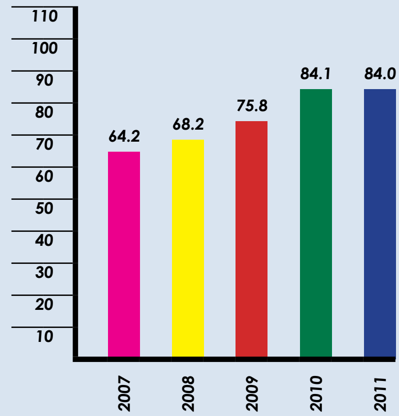




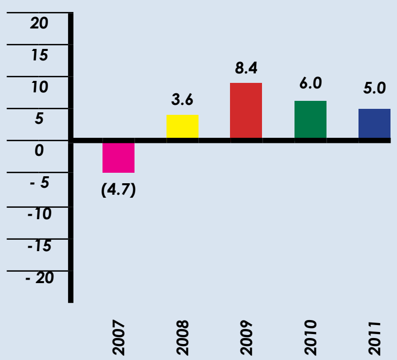

Financial Highlights



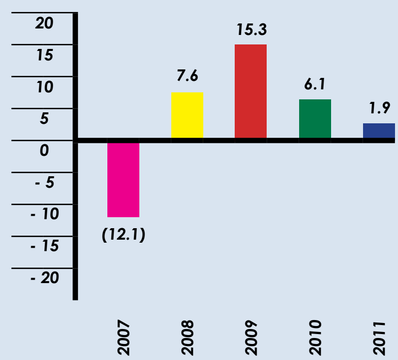
Sales Revenue (RM million)



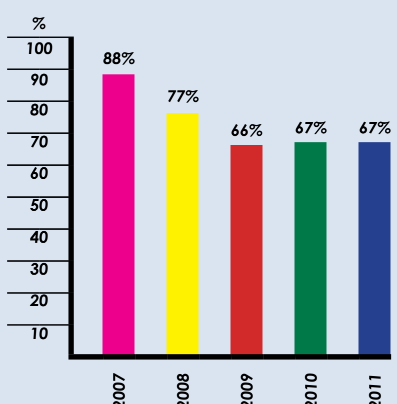
Shareholders' Funds (RM million)



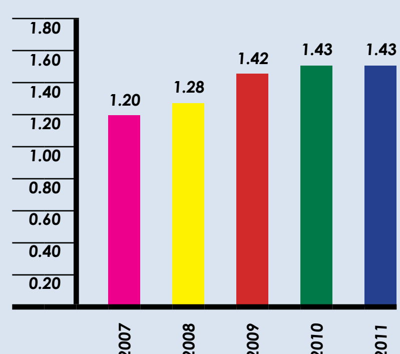
Profit/(Loss) Before Taxation (RM million)



Earnings/(Loss) Per Share (SEN)



Gearing Ratio (%)



Net Assets Per Share (RM)

FINANCIAL statements

Directors' Report

for the financial year ended 31 December 2011

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2011.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the manufacturing and trading of homogeneous and ceramic tiles. The principal activities of the subsidiaries are set out in Note 11 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

CHANGES OF NAME

On 7 July 2011, the Company has changed its name from Seacera Tiles Berhad to Seacera Group Berhad.

FINANCIAL RESULTS

	Group RM	Company RM
Net profit for the financial year	1,205,510	2,628,742

DIVIDENDS

The amounts of dividends paid by the Company since 31 December 2010 were as follows:

In the report of the financial year ended 31 December 2010, the proposed final dividend of RM0.03 per share less income tax at 25% was paid on 28 September 2011 amounted RM 1,316,138.

The Board of Directors recommends a final dividend of 3 sen (less tax of 25%) per share for the year ended 31 December 2011. The said final dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting to be held at a date to be announced later. The said final dividend will be paid on date to be announced in due course.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

SHARE CAPITAL

During the financial year, the Company has increased its authorized share capital from RM100,000,000 to RM200,000,000 by creation of 100,000,000 of ordinary share capital of RM1 each.

SHARES BUY-BACK

On 30 June 2009, the Company had obtained approval from its shareholders to buy-back its own shares. The latest approval obtained for the renewal of share buy-back Authority was on 30 June 2011.

During the year, the Company bought back from the open market 21,000 of its ordinary shares listed and quoted as "Local " on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") at an average price of RM0.66 per share. On a cumulative basis, as at 31.12.2011, the Company has purchased 137,300 ordinary shares for RM51,809, representing an average of RM0.37 per share.

DIRECTORS

The Directors in office since the date of the last report are :-

Datuk Mansor Bin Masikon
Zulkarnin Bin Ariffin
Basar bin Juraimi
Norhanum Binti Nordin
Halim @ Ab Halim Bin Ismail

Dato' Hj Shamsul Najmi bin Hj Shamsudin (Resigned on 30 June 2011)

DIRECTORS' INTEREST

The holdings in the ordinary shares of the Company and related corporations of those who were Directors at the financial year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM1 each			
Shareholdings in which Directors have indirect interests	**At 1.1.2011 / Date of appointment**	**Bought**	**Sold**	**At 31.12.2011**
Datuk Mansor bin Masikon	-	90,000	-	90,000
Zulkarnin bin Ariffin	2,535,400	8,572,000	-	11,107,400
Shareholdings in which Directors have indirect interest:-				
Datuk Mansor bin Masikon	-	5,300,000	-	5,300,000
Zulkarnin bin Ariffin	-	5,650,000	(5,515,000)	135,000

Datuk Mansor bin Masikon and Zulkarnin bin Ariffin are deemed to have interest in 5,300,000 and 135,000 shares in the Company by virtue of their interest in Noble Summer Sdn. Bhd. and Synergy Platform Sdn. Bhd. respectively, both are the shareholders of the Company.

The other Directors do not have any interest in the ordinary shares of the Company.

DIRECTORS' BENEFITS

During and at the end of the financial year, there is no arrangements subsisted to which the Company or its related corporations is a party with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the date of the last report, no Directors has received or become entitled to receive any benefit (other than Directors' remuneration as disclosed in Note 6 of the notes to the financial statements) by reason of a contract made by the Company or related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

OTHER STATUTORY INFORMATION

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

a) to ascertain that action has been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written-off and that adequate allowance had been made for doubtful debts; and

b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected to realise.

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

a) which would render the amounts written-off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

At the date of this report, there does not exist:

a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:-

a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to effect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

The auditors, AFRIZAN TARMILI KHAIRUL AZHAR, have expressed their willingness to continue in office.

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

……………………………………………………..…
DATUK MANSOR BIN MASIKON
Director

……………………………………………………..…
ZULKARNIN BIN ARIFFIN
Director

Kuala Lumpur, Malaysia

Date: 27 April 2012

Statement by Directors

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

We, DATUK MANSOR BIN MASIKON and ZULKARNIN BIN ARIFFIN, being two of the Directors of SEACERA GROUP BERHAD (formerly known as Seacera Tiles Berhad), do hereby state that, in our opinion of the Directors, the accompanying financial statements together with the notes thereto, are properly drawn up in accordance with the applicable Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Company as at 31 December 2011 and of the changes in equity, the results of their operations and the cash flows of the Group and of the Company for the financial year ended on that date.

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

……………………………………………………..…
DATUK MANSOR BIN MASIKON
Director

……………………………………………………..…
ZULKARNIN BIN ARIFFIN
Director

Kuala Lumpur, Malaysia

Date: 27 April 2012

Statutory Declaration

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

I, ZULKARNIN BIN ARIFFIN, being the Officer primarily responsible for the financial management of SEACERA GROUP BERHAD (formerly known as Seacera Tiles Berhad), do solemnly and sincerely declare that the accompanying financial statements are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the	}	
above named ZULKARNIN BIN ARIFFIN	}	
at Kuala Lumpur in the Federal Territory	}	
on 27 APRIL 2012	}	ZULKARNIN BIN ARIFFIN

Before me:

Salim Bin Zahid
W425

Commissioner for Oaths

Kuala Lumpur, Malaysia

Independent Auditors' Report

to the members of Seacera Group Berhad

SEACERA GROUP BERHAD
(Company No. 163751-H)
and its subsidiaries
Incorporated in Malaysia

Report on the Financial Statements

We have audited the financial statements of SEACERA GROUP BERHAD (formerly known as Seacera Tiles Berhad), comprise the statement of financial position as at 31 December 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and the statement of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 27 to 68.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with applicable Financial Reporting Standards in Malaysia and the Companies Act 1965 in Malaysia, and for such internal control as the Directors determine the necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with applicable Financial Reporting Standards in Malaysia and 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 of 31 December 2011 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
c) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

The supplementary information set out in Note 32 on page 68 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirement as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

AFRIZAN TARMILI KHAIRUL AZHAR
AF : 1300
Chartered Accountants (Malaysia)

MOHD AFRIZAN HUSAIN
Chartered Accountant (M)
1805/11/12 (J)
Partner

Kuala Lumpur, Malaysia
Date: 27 April 2012

SEACERA GROUP BERHAD
(Company No. 163751-H)
and its subsidiaries
Incorporated in Malaysia

Statements of Comprehensive Income

for the financial year ended 31 December 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Revenue		**96,117,650**	90,406,631	**26,658,489**	24,753,455
Cost of sales		**(76,230,847)**	(73,521,989)	**(23,757,209)**	(22,041,427)
Gross profit		**19,886,803**	16,884,642	**2,901,280**	2,712,028
Other income		**2,143,522**	7,094,212	**7,460,711**	18,395,849
Distribution costs		**(1,280,556)**	(2,570,911)	**(76,509)**	(96,457)
Administrative expenses		**(6,173,288)**	(4,202,560)	**(1,483,333)**	(1,238,014)
Other operating expenses		**(5,684,627)**	(7,920,803)	**(3,161,974)**	(10,078,167)
Operating profit		**8,891,854**	9,284,580	**5,640,175**	9,695,239
Interest income		**117,143**	47,376	**-**	-
Interest expense	5	**(3,980,125)**	(3,367,337)	**(1,959,787)**	(2,163,302)
Profit before taxation	6	**5,028,872**	5,964,619	**3,680,388**	7,531,937
Taxation	7	**(3,823,362)**	(2,380,845)	**(1,051,646)**	(858,309)
Net profit for the financial year		**1,205,510**	3,583,774	**2,628,742**	6,673,628
Other comprehensive income for the year, net of tax		**-**	-	**-**	-
Total comprehensive income for the year		**1,205,510**	3,583,774	**2,628,742**	6,673,628
Profit attributable to:					
Owners of the parent		**1,167,510**	3,567,652	**2,628,742**	6,673,628
Minority interests		**38,000**	16,122	**-**	-
		1,205,510	3,583,774	**2,628,742**	6,673,628
Earnings per share attributable to owners of the parent:					
- Basic	8	**1.99**	6.08		
- Diluted	8	**1.99**	6.08		

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

Statements of Financial Position

as at 31 December 2011

SEACERA GROUP BERHAD
(Company No. 163751-H)
and its subsidiaries
Incorporated in Malaysia

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Non-current assets					
Property, plant and equipment	10	**44,666,158**	42,885,824	**26,354,175**	26,715,245
Investment in subsidiaries	11	**-**	-	**43,861,174**	43,861,174
Goodwill	12	**6,495,096**	6,495,096	**-**	-
Other receivables	15	**12,061,000**	13,261,963	**42,537,030**	34,455,584
		63,222,254	62,642,883	**112,752,379**	105,032,003
Current assets					
Development property	13	**228,960**	228,960	**-**	-
Assets held for sale	10	**30,590,696**	31,032,288	**30,590,696**	31,032,288
Inventories	14	**22,133,144**	22,554,592	**18,165,035**	18,475,186
Trade and other receivables	15	**56,228,045**	53,489,681	**36,382,628**	10,361,159
Tax recoverable		**9,029**	180,553	**-**	-
Cash and bank balances	16	**6,212,746**	5,383,183	**53,429**	32,831
		115,402,620	112,869,257	**85,191,788**	59,901,464
Current liabilities					
Trade and other Payables	17	**30,691,191**	29,923,022	**49,416,355**	13,168,179
Tax payable		**520,108**	825,963	**596,543**	427,670
Loans and borrowings	18	**48,778,968**	51,463,815	**24,106,481**	27,093,033
		79,990,267	82,212,800	**74,119,379**	40,688,882
Net current assets		**35,412,353**	30,656,457	**11,072,409**	19,212,582
		98,634,607	93,299,340	**123,824,788**	124,244,585
Capital and reserves					
Share capital	19	**58,632,000**	58,632,000	**58,632,000**	58,632,000
Reserves	21	**25,380,431**	25,529,059	**19,817,929**	18,505,325
Treasury share	20	**(51,809)**	(37,809)	**(51,809)**	(37,809)
Total equity attributable to shareholders of the Company		**83,960,622**	84,123,250	**78,398,120**	77,099,516
Minority Interests		**54,322**	16,322	**-**	-
Total Equity		**84,014,944**	84,139,572	**78,398,120**	77,099,516
Non-current liabilities					
Loans and borrowings	18	**7,429,965**	4,560,913	**1,540,809**	1,020,865
Deferred tax liabilities	22	**6,145,674**	3,555,905	**3,924,911**	3,061,842
Provision for retirement benefits	23	**1,044,024**	1,042,950	**312,085**	289,670
Other payables	17	**-**	-	**39,648,863**	42,772,692
		14,619,663	9,159,768	**45,426,668**	47,145,069
		98,634,607	93,299,340	**123,824,788**	124,244,585

The accompanying notes form an integral part of these financial statements

SEACERA GROUP BERHAD
(Company No. 163751-H)
and its subsidiaries
Incorporated in Malaysia

Statements of Changes in Equity

for the financial year ended 31 December 2011

Group	Note	Share capital RM	← Reserves *Non-distributable* Share premium RM	*Distributable* Retained profits RM	→ Total reserves RM	Treasury Shares RM	Attributable to owners of the Company RM	Minority Interest RM	Total Equity RM
As at 1 January 2010		53,332,000	2,513,734	20,032,830	22,546,564	(37,399)	75,841,165	-	75,841,165
Profit for the financial year		-	-	3,567,652	3,567,652	-	3,567,652	16,122	3,583,774
Issuance of shares		5,300,000	-	-	-	-	5,300,000	-	5,300,000
Arising from disposal of a subsidiary		-	-	-	-	-	-	200	200
Buy-back of shares		-	-	-	-	(410)	(410)	-	(410)
Dividends to shareholders		-	-	(585,157)	(585,157)	-	(585,157)	-	(585,157)
As at 31 December 2010		58,632,000	2,513,734	23,015,325	25,529,059	(37,809)	84,123,250	16,322	84,139,572
As at 1 January 2011		**58,632,000**	**2,513,734**	**23,015,325**	**25,529,059**	**(37,809)**	**84,123,250**	**16,322**	**84,139,572**
Profit for the financial year		**-**	**-**	**1,167,510**	**1,167,510**	**-**	**1,167,510**	**38,000**	**1,205,510**
Buy-back of shares		**-**	**-**	**-**	**-**	**(14,000)**	**(14,000)**	**-**	**(14,000)**
Dividend to shareholders	25	**-**	**-**	**(1,316,138)**	**(1,316,138)**	**-**	**(1,316,138)**	**-**	**(1,316,138)**
As at 31 December 2011		**58,632,000**	**2,513,734**	**22,866,697**	**25,380,431**	**(51,809)**	**83,960,622**	**54,322**	**84,014,944**

Company	Note	Share capital RM	Share premium RM	Retained profits RM	Total reserves RM	Treasury Shares RM	Attributable to owners of the Company RM	Minority Interest RM	Total Equity RM
As at 1 January 2010		53,332,000	2,513,734	9,903,120	12,416,854	(37,399)	65,711,455		65,711,455
Issuance of shares		5,300,000	-	-	-	-	5,300,000		5,300,000
Profit for the financial year		-	-	6,673,628	6,673,628	-	6,673,628		6,673,628
Buy-back of shares		-	-	-	-	(410)	(410)		(410)
Dividend to shareholders		-	-	(585,157)	(585,157)	-	(585,157)		(585,157)
As at 31 December 2010		58,632,000	2,513,734	15,991,591	18,505,325	(37,809)	77,099,516		77,099,516
As at 1 January 2011		**58,632,000**	**2,513,734**	**15,991,591**	**18,505,325**	**(37,809)**	**77,099,516**		**77,099,516**
Profit for the financial year		**-**	**-**	**2,628,742**	**2,628,742**	**-**	**2,628,742**		**2,628,742**
Buy-back of shares		**-**	**-**	**-**	**-**	**(14,000)**	**(14,000)**		**(14,000)**
Dividend to shareholders	25	**-**	**-**	**(1,316,138)**	**(1,316,138)**	**-**	**(1,316,138)**		**(1,316,138)**
As at 31 December 2011		**58,632,000**	**2,513,734**	**17,304,195**	**19,817,929**	**(51,809)**	**78,398,120**		**78,398,120**

The accompanying notes form an integral part of these financial statements

Statements of Cash flows

for the financial year ended 31 December 2011

SEACERA GROUP BERHAD
(Company No. 163751-H)
and its subsidiaries
Incorporated in Malaysia

		Group		Company	
		2011	2010	**2011**	2010
	Note	**RM**	RM	**RM**	RM
Cash flows from/(used in) operating activities					
Profit before taxation		**5,028,872**	5,964,619	**3,680,388**	7,531,937
Adjustments for:-					
Gross dividend from unquoted subsidiaries		**-**	-	**(1,471,000)**	(973,000)
Provision for retirement benefits		**114,293**	108,455	**22,415**	22,415
Depreciation	10	**4,199,233**	4,137,393	**3,297,170**	3,376,156
Write down/ (Write back) of inventories		**715,000**	(289,665)	**939,986**	(289,665)
Interest expense	5	**3,980,125**	3,367,337	**1,959,787**	2,163,302
Interest income		**(117,143)**	(47,736)	**-**	-
Gain from disposal of property, plant and equipment		**(60,000)**	(12,725)	**(35,683)**	(12,725)
Gain from disposal of a subsidiary		**-**	(5,699,963)	**-**	(5,500,000)
Unrealised (gain)/loss from foreign exchange		**122,960**	(14,900)	**117,183**	628
Fair value gain on amount due to subsidiaries		**-**	-	**-**	(7,755,244)
Impairment loss on trade receivables		**563,593**	85,000	**-**	-
Impairment loss on other receivables		**782,520**	2,556,202	**-**	2,556,202
Impairment loss on amount due from subsidiaries		**-**	-	**-**	3,927,766
Write back of diminution in value of investment		**-**	(98,000)	**-**	-
Operating profit before working capital changes		**15,329,453**	10,056,017	**8,510,246**	5,047,772
Changes in working capital					
Decrease in property development costs		**-**	2,223,886	**-**	-
Inventories		**421,448**	(4,805,857)	**310,151**	(5,761,072)
Trade and other receivables		**(1,371,052)**	(32,640,328)	**(3,496,424)**	(18,427,305)
Payables		**4,595,018**	24,914,813	**3,221,993**	19,827,834
Cash flows from operations		**18,974,867**	(251,469)	**8,545,966**	687,229
Income taxes paid		**(1,251,901)**	(985,891)	**(21,492)**	-
Income taxes refund		**-**	1,074,254	**168,873**	-
Interest paid		**(3,980,125)**	(3,367,337)	**(1,959,787)**	(2,163,302)
Interest received		**117,143**	47,736	**-**	-
Retirement benefits paid		**(113,219)**	(48,551)	**-**	-
Net cash generated from operating activities		**13,746,765**	(3,531,258)	**6,733,560**	(1,476,073)

The accompanying notes form an integral part of these financial statements

SEACERA GROUP BERHAD
(Company No. 163751-H)
and its subsidiaries
Incorporated in Malaysia

Statements of Cash flows (continue)

for the financial year ended 31 December 2011

		Group		Company	
		2011	2010	**2011**	2010
	Note	**RM**	RM	**RM**	RM
Cash flows from/(used in) investing activities					
Proceeds from issuance of new shares		**-**	5,300,000	**-**	5,300,000
Treasury shares		**(14,000)**	-	**(14,000)**	-
Proceeds from disposal of property, plant and equipment		**303,795**	70,699	**496,306**	70,699
Purchase of property, plant and equipment		**(3,330,302)**	(3,573,712)	**(2,876,779)**	(2,642,701)
Proceeds from disposal of a subsidiary		**-**	655,288	**-**	655,288
Proceeds from disposal of investment		**-**	220,000	**-**	-
Net cash used in investing activities		**(3,040,507)**	2,672,275	**(2,394,473)**	3,383,286
Cash flows from/(used in) financing activities					
Dividend paid		**(1,316,138)**	(585,157)	**(1,316,138)**	(585,157)
Placement of deposit pledged		**(1,569,170)**	(2,795,155)	**-**	-
Proceeds from hire purchase		**-**	1,433,182	**-**	1,433,182
Repayment of hire purchase		**(1,736,000)**	(2,627,610)	**(363,755)**	(2,256,227)
Repayment of bank borrowing		**(3,129,000)**	-	**(155,798)**	-
Proceeds from/(Repayment of) bankers' acceptances		**859,871**	2,054,129	**373,000**	(12,000)
Drawdown of revolving credit		**-**	7,936,346	**-**	-
Repayment of revolving credit		**(1,972,874)**	(4,371,096)	**(500,000)**	(600,000)
Proceeds from/Repayment of revolving loan		**(2,200,000)**	(1,050,000)	**(2,200,000)**	(1,050,000)
Repayment of term loans		**(226,756)**	(70,046)	**-**	-
Net cash used in financing activities		**(11,290,067)**	(75,407)	**(4,162,691)**	(3,070,202)
Net (decrease)/increase in cash and cash equivalents		**(583,809)**	(934,390)	**176,396**	(1,162,989)
Cash and cash equivalents brought forward		**(2,836,191)**	(1,901,801)	**(3,737,776)**	(2,574,787)
Cash and cash equivalents carried forward	16	**(3,420,000)**	(2,836,191)	**(3,561,380)**	(3,737,776)

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011

1. GENERAL INFORMATION

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

The principal activities of the Company are the manufacturing and trading of homogeneous and ceramic tiles. The principal activities of the subsidiaries are set out in Note 11 to the financial statements. There have been no significant changes to these principal activities during the financial year.

The registered office of the Company and its principal place of business are located at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan and Lot 16428, 14km Jalan Ipoh, Kawasan Perindustrian Selayang, 68100 Batu Caves, Selangor Darul Ehsan respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements of the Group and of the Company expressed in Ringgit Malaysia ("RM") are prepared under the historical cost convention and comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia.

(b) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's statements of financial position at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(ii) Changes in Group composition

Where a subsidiary issues new equity shares to minority interests for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the statements of comprehensive income.

When a group purchases a subsidiary's equity shares from minority interests for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iii) Transactions eliminated on consolidation

Intra-group balances, and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(c) Business Combinations

The acquisition of subsidiary companies is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 3 are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the statements of comprehensive incomes.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(d) Goodwill on Consolidation

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses.

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

With the adoption of FRS 3 beginning 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in statements of comprehensive incomes.

Goodwill is allocated to cash-generating units (CGU) and is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in unit.

(e) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other operating expenses" respectively in the statements of comprehensive incomes.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statements of comprehensive income as incurred.

(iii) Depreciation

Depreciation is recognised in the statements of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Buildings	40 - 50 years
• Plant and equipment	5 - 10 years
• Furnitures and fittings	5 - 10 years
• Motor vehicles	5 - 10 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(f) Leased assets

(i) Finance lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Operating lease

Other leases are operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the Group's statements of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments, except for leasehold land classified as investment property.

Payments made under operating leases are recognised in the statements of comprehensive incomes on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(g) Land held for property development

Land held for property development is defined as land on which development is not expected to be completed within the normal operating cycle. Accordingly land held for property development is classified as non-current assets on statements of financial position and is stated at cost plus its related expenditure incurred to put the land in a condition ready for development. Cost associated with the acquisition of land includes the purchase price of land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

When significant development work have been undertaken and are expected to be completed within the normal operating cycle, the assets are classified as property development costs under current assets.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Land held for property development including its related expenditure are transferred to property development costs when development activities have commenced and where the development activities can be completed.

(h) 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 statements of comprehensive income 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.

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

(i) Foreign currency

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in Ringgit Malaysia, the currency of the primary economic environment in which the entities operate (its functional currency). The consolidated financial statements of the Group are presented in Ringgit Malaysia, which is also the functional currency.

(ii) Foreign Currency Transactions

In preparing the financial statements of the Group and of the Company, transactions in currencies other than the Group's and the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the statements of financial position date. Nonmonetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the profit or loss for the year. Exchange differences arising on the retranslation of nonmonetary items in respect of which gains and losses are recognised directly in equity.

For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity. The principal closing rates used in translation of foreign currency amount are as follows:-

	2011	2010
	RM	RM
1 US Dollar	**3.17**	3.15
1 Singapore Dollar	**2.44**	2.39
1 Australian Dollar	**3.23**	3.02
1 Euro	**4.11**	4.12
100 Japanese Yen	**4.12**	3.79

(j) Impairment of Non-Financial Assets

The carrying amounts of assets except for inventories and financial assets (other than investment in subsidiaries) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash- generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statements of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the statements of comprehensive income in the year in which the reversals are recognised.

(k) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(l) Financial Assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets it initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables and financial assets available-for-sale.

(i) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(iii) Financial assets available-for-sale

Financial assets available-for-sale are financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories.

After initial recognition financial assets available-for-sale are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss.

The cumulative gains or losses previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Financial assets available-for-sale are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

(iv) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on its collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

a) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for similar financial asset. Such impairment losses are not reversed in subsequent periods.

b) Financial assets available-for-sale

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as financial assets available-for-sale are impaired.

If a financial asset available-for-sale is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

(m) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. Financial liabilities, within the scope of FRS 139, are recognized in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognized in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(ii) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognized initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(iii) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the asset are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the asset are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognized initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognized as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognized less cumulative amortization.

(n) Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are reviewed at each statements of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(o) Dividends to Shareholders of the Company

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the statements of financial position date. A dividend proposed or declared after the statements of financial position date, but before the financial statements are authorised for issue, is not recognised as a liability at the statements of financial position date. When the dividend becomes payable upon the approval of members of the Company at the Annual General Meeting, it will be accounted for as a liability.

(p) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(q) Employee benefits

(i) Short term employee benefits

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

(ii) Defined contribution plans

The Group and the Company are required by law to make monthly contributions to the Employees' Provident Fund (EPF), a statutory defined contribution plan for all their eligible employees based on certain prescribed rates of the employees' applicable remuneration. The Group's contribution plans are charged to the statements of comprehensive income in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Defined benefit plans

The Group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value.

Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the statements of comprehensive income on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the statements of comprehensive income.

Actuarial valuation of the Funds is conducted by independent actuaries at regular intervals. The last valuation performed by the Group was on 31 December 2005.

(iv) Share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

The fair value of employee stock options is measured using a binomial lattice model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(r) Treasury shares

When the Company re-acquires its own equity shares, the amount of the consideration paid, including directly attributable costs, is recognized in equity. Shares re-acquired are held as treasury shares and presented as a deduction from equity. No gain or loss is recognized in the statements of comprehensive income on the sale, re-issuance or cancellation of the treasury shares. Should such treasury shares be reissued by re-sale in the open market, the difference between the sales consideration and the carrying amount are shown as a movement in equity, as appropriate. Where treasury shares are distributed as share dividends, the cost of the treasury shares are applied in the reduction of the share premium reserve or distributable retained profits or both.

(s) Revenue recognition

(i) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Dividend income

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

(t) Interest income and borrowing costs

Interest income is recognised as it accrues, using the effective interest method.

All borrowing costs are recognised in the statements of comprehensive income using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(u) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the statements of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statements of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the statements of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statements of financial position date.

Deferred tax liability is recognised for all taxable temporary differences.

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

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(v) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(w) Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and segment liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between group enterprises within a single segment.

3. CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FRS, AMENDMENTS TO FRS AND INTERPRETATIONS

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2011, the Group and the Company adopted the following new and amended FRSs and IC Interpretations:

Description	Effective for annual periods beginning on or after
FRS 1 First-time Adoption of Financial Reporting Standards	1 July 2010
Amendments to FRS 2 Share-based Payment	1 July 2010
FRS 3 Business Combinations	1 July 2010
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 127 Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 138 Intangible Assets	1 July 2010
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 132: Classification of Rights Issues	1 March 2010

Description	Effective for annual periods beginning on or after
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
Amendments to FRS 7 Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 1 Limited Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 1 Additional Exemptions for First-time Adopters	1 January 2011
IC Interpretation 4 Determining Whether an Arrangement contains a Lease	1 January 2011
Improvements to FRS issued in 2010	1 January 2011

Adoption of the above standards and interpretations did not have any significant effect on the financial performance and position of the Group and of the Company.

Malaysia Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture ("MFRS 141") and IC Interpretation 15 Agreements for Construction of Real Estate ("IC 15"), including its parent, significant investor and venturer.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2012.

The directors are of the opinion that the financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 would not be significantly different if prepared under MFRS Framework.

The following FRS and IC Interpretations have been issued by the MASB but are not yet effective:

Effective for annual periods commencing on or after 1 July 2011:
- IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

Effective for annual periods commencing on or after 1 January 2012:
- FRS 124 Related Party Disclosures
- Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to FRS 1)
- Disclosures-Transfers of Financial Assets (Amendments to FRS 7)
- Deferred tax: Recovery of Underlying Assets (Amendments to FRS 112)

Effective for annual periods commencing on or after 1 July 2012:
- Presentation of items of Other Comprehensive Income (Amendments to FRS 101)

Effective for annual periods commencing on or after 1 January 2013:
- FRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)
- FRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)
- FRS 10 Consolidated Financial Statements
- FRS 11 Joint Arrangements
- FRS 12 Disclosure of Interests in Other Entities
- FRS 13 Fair Value Measurement
- FRS 119 Employee Benefits (as amended in November 2011)
- FRS 127 Separate Financial Statements (as amended in November 2011)
- FRS 128 Investments in Associates and Joint Ventures (as amended in November 2011)
- IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the statements of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Income Taxes

Judgement is involved in determining the provision for income taxes. These are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the period in which such determination is made.

(b) Impairment of goodwill

The Group determines whether goodwill is impaired at least once annually. This requires an estimation of the value-in-use of the cash-generating-units to which the goodwill is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating-unit and also to apply a suitable discount rate in order to calculate the present value of those cash flows.

5. INTEREST EXPENSE

	Group		Company	
	2011	2010	**2011**	2010
	RM	RM	**RM**	RM
Term loans	**90,993**	75,631	**-**	-
Bankers' acceptances	**1,192,056**	1,198,465	**179,863**	162,591
Revolving loan	**718,083**	906,916	**718,083**	906,916
Revolving credits	**1,066,722**	435,496	**477,567**	435,496
Hire purchase	**283,998**	442,838	**243,895**	381,125
Bank Overdraft	**286,032**	262,997	**286,027**	262,997
Receivable financing	**138,230**	-	**24,926**	-
Others	**204,011**	44,994	**29,426**	14,177
	3,980,125	3,367,337	**1,959,787**	2,163,302

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived after charging and (crediting) the following items:

	Group		Company	
	2011	2010	**2011**	2010
	RM	RM	**RM**	RM
Auditors' remuneration	**105,367**	95,800	**37,200**	30,000
Depreciation	**4,199,233**	4,137,393	**3,297,170**	3,376,156
Write down/(write back) of inventories	**715,000**	(289,665)	**939,986**	(289,665)
Directors' remuneration (Note 9)				
- fees	**229,454**	213,000	**193,454**	189,000
- remuneration	**495,702**	47,788	**-**	-
- other emoluments	**160,609**	16,000	**17,800**	16,000
Write back of diminution in value of investment	**-**	(98,000)	**-**	-
Impairment loss on				
- trade receivables	**563,593**	85,000	**-**	-
- other receivables	**782,520**	2,556,202	**-**	2,556,202
- amount due from subsidiaries	**-**	-	**-**	3,927,766
Doubtful debts written off	**192,424**	-	**-**	-
Fair value gain on amount due to subsidiaries	**-**	-	**-**	(7,755,244)
Gross dividend income from unquoted subsidiaries	**-**	-	**(1,471,000)**	(973,000)
Gain from disposal of property, plant and equipment	**(60,000)**	(12,725)	**(35,683)**	(12,725)
Gain from disposal of a subsidiary	**-**	(5,699,963)	**-**	(5,500,000)
Realised loss from foreign exchange	**335,000**	335,897	**117,183**	241,694
Unrealised loss /(gain) from foreign exchange	**122,960**	(14,900)	**-**	628
Employees benefits				
- Contribution to Employees Provident Fund (EPF)	**672,486**	884,586	**424,797**	514,272
- Wages, salaries and others	**8,030,300**	10,304,734	**6,057,423**	6,090,764
- Provision for retirement benefits (Note 23)	**114,293**	108,455	**22,415**	22,415

7. TAXATION

	Group		Company	
	2011	2010	**2011**	2010
Taxation based on profit before taxation for the financial year:-	**RM**	RM	**RM**	RM
Malaysian income tax	**2,960,293**	1,392,536	**188,577**	-
Deferred taxation	**863,069**	857,309	**863,069**	712,309
	3,823,362	2,249,845	**1,051,646**	712,309
Under/(Over) provision in prior years				
Malaysian income tax	**-**	(15,000)	**-**	-
Deferred taxation	**-**	146,000	**-**	146,000
	-	131,000	**-**	146,000
	3,823,362	2,380,845	**1,051,646**	858,309

Income tax is calculated at the Malaysian statutory tax rate of 25% (2010:25%) of the estimated assessable results for the year.

The reconciliations of income tax expense applicable to 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 are as follows:

	Group		Company	
	2011	2010	**2011**	2010
	RM	RM	**RM**	RM
Profit before taxation	**5,028,872**	5,964,619	**3,680,388**	7,531,937
Taxation at Malaysia statutory tax rate of 25% (2010: 25%)	**1,257,218**	1,491,155	**920,097**	1,882,984
Tax effects on:-				
Effect of tax losses not recognised	**133,450**	-	**-**	-
Utilisation of previously unrecognised capital allowances & tax losses	**-**	-	**(1,078,430)**	-
Income not subject to tax	**(745,569)**	(4,858,503)	**(8,921)**	(3,316,992)
Expenses disallowed during the year	**2,832,048**	5,366,877	**1,218,900**	2,146,317
Deferred tax assets not recognised during the year	**346,215**	250,316	**-**	-
Under/(Over) provision of deferred tax in prior year	**-**	146,000	**-**	146,000
Under/(Over) provision of tax expenses in prior year	**-**	(15,000)	**-**	-
Tax expenses for the year	**3,823,362**	2,380,845	**1,051,646**	858,309

8. EARNINGS PER SHARE

a) Basic earnings per share

The basic earnings per share for the year has been calculated based on the consolidated profit after taxation and minority interests of RM1,167,510 (2010:RM3,567,752) and the weighted number of ordinary shares issued and paid up during the year of 58,632,000 (2010: 58,632,000).

b) Diluted earnings per share

The fully diluted earnings per share is calculated based on the consolidated profit after taxation and minority interests of RM1,167,510 (2010: RM3,567,752) and the weighted number of ordinary shares issued and paid up during the year of 58,632,000 (2010: 58,632,000). The number of shares that would have been issued arising from the exercise of the share options is anti-dilutive.

9. KEY MANAGEMENT PERSONNELS' COMPENSATION

The key management personnels' compensation are as follows:

	Group		Company	
	2011	2010	**2011**	2010
	RM	RM	**RM**	RM
Directors				
- Fees	**229,454**	213,000	**193,454**	189,000
- Remuneration	**495,702**	47,788	**-**	-
- Other short term employees' benefits (including estimated monetary value of benefits-in-kind)	**160,609**	16,000	**17,800**	16,000
Total compensation	**885,765**	276,788	**211,254**	205,000
Other key personnel management				
- Remuneration	**1,169,453**	1,230,070	**343,000**	330,237

10. PROPERTY, PLANT AND EQUIPMENT

GROUP	**Freehold land**	**Buildings**	**Motor vehicles**	**Plant and machinery**	**Fixtures, fittings and equipment**	**Plant in progress**	**Total**
	RM	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
Net Book Value							
As at 1 January 2011	**5,395,759**	**7,429,741**	**1,075,099**	**26,400,941**	**2,363,516**	**220,768**	**42,885,824**
Additions	**5,696**	**66,000**	**127,460**	**5,593,194**	**413,552**	**17,460**	**6,223,362**
Disposal	**-**	**-**	**(236,096)**	**-**	**(7,699)**	**-**	**(243,795)**
Depreciation	**-**	**(172,643)**	**(367,761)**	**(3,337,045)**	**(321,784)**	**-**	**(4,199,233)**
As at 31 December 2011	**5,401,455**	**7,323,098**	**598,702**	**28,657,090**	**2,447,585**	**238,228**	**44,666,158**

GROUP	Freehold land	Buildings	Motor vehicles	Plant and machinery	Fixtures, fittings and equipment	Plant in progress	Total
	RM	RM	RM	RM	RM	RM	RM
As at 31 December 2011							
Cost	**5,401,455**	**8,970,990**	**3,571,319**	**90,306,824**	**5,800,732**	**238,228**	**114,289,548**
Accumulated depreciation	**-**	**(1,647,892)**	**(2,972,617)**	**(61,649,734)**	**(3,353,147)**	**-**	**(69,623,390)**
Net book value	**5,401,455**	**7,323,098**	**598,702**	**28,657,090**	**2,447,585**	**238,228**	**44,666,158**
As at 31 December 2010							
Cost	5,395,759	8,904,990	3,679,955	84,713,630	5,394,879	220,768	108,309,981
Accumulated depreciation	-	(1,475,249)	(2,604,856)	(58,312,689)	(3,031,363)	-	(65,424,157)
Net book value	5,395,759	7,429,741	1,075,099	26,400,941	2,363,516	220,768	42,885,824

COMPANY	Motor vehicles	Plant and machinery	Fixtures, fittings and equipment	Plant in progress	Total
	RM	RM	RM	RM	RM
Net Book Value					
As at 1 January 2011	**541,764**	**24,944,844**	**1,117,637**	**111,000**	**26,715,245**
Additions	**11,381**	**3,093,165**	**12,699**	**279,478**	**3,396,723**
Disposal	**(135,214)**	**(165,460)**	**(7,699)**	**(152,250)**	**(460,623)**
Depreciation	**(90,845)**	**(2,766,842)**	**(439,483)**	**-**	**(3,297,170)**
As at 31 December 2011	**327,086**	**25,105,707**	**683,154**	**238,228**	**26,354,175**
As at 31 December 2011					
Cost	**1,518,212**	**46,586,241**	**3,191,879**	**238,228**	**51,534,560**
Accumulated depreciation	**(1,191,126)**	**(21,480,534)**	**(2,508,725)**	**-**	**(25,180,385)**
Net book value	**327,086**	**25,105,707**	**683,154**	**238,228**	**26,354,175**
As at 31 December 2010					
Cost	1,642,045	43,658,536	3,186,879	111,000	48,598,460
Accumulated depreciation	(1,100,281)	(18,713,692)	(2,069,242)	-	(21,883,215)
Net book value	541,764	24,944,844	1,117,637	111,000	26,715,245

	Group		Company	
	2011	2010	**2011**	2010
	RM	RM	**RM**	RM
Net book value of property, plant and equipment acquired under hire purchase contracts	**4,924,384**	2,236,580	**3,270,931**	541,764
Net book value of freehold and leasehold land and buildings pledged with the licensed banks for facilities granted as disclosed in Note 18	**12,724,553**	12,937,470	**-**	-

ASSET HELD FOR SALE

	Group and Company	
	2011	2010
	RM	RM
Carrying value as at 31 December	**30,590,696**	31,032,288

Details of assets held for sale as below:

Group and Company	Freehold land	Buildings	Total
	RM	**RM**	**RM**
Net Book Value			
As at 1 January 2011	**15,097,553**	**15,934,735**	**31,032,288**
Depreciation	**-**	**(441,592)**	**(441,592)**
As at 31 December 2011	**15,097,553**	**15,493,143**	**30,590,696**
As at 31 December 2011			
Cost	**15,097,553**	**22,078,442**	**37,175,995**
Accumulated depreciation	**-**	**(6,585,299)**	**(6,585,299)**
Net book value	**15,097,553**	**15,493,143**	**30,590,696**
As at 31 December 2010			
Cost	15,097,553	22,078,442	37,175,995
Accumulated depreciation	-	(6,143,707)	(6,143,707)
Net book value	15,097,553	15,934,735	31,032,288

The title for the freehold land and building with net book value of RM4,940,686 (2010: RM4,940,686) is registered in the name of a subsidiary in trust for the Company.

11. INVESTMENT IN SUBSIDIARIES

	Company	
	2011	2010
	RM	RM
Shares in unquoted corporations, at cost	**43,861,174**	43,861,174

The subsidiaries, which were incorporated in Malaysia, are as follows:

		Effective equity interest	
Name of Company	**Principal activities**	**2011**	2010
Seacera Ceramics Sdn. Bhd.	Marketing of all kinds of ceramic tiles	**100%**	100%
Seacera Tiles Marketing Sdn. Bhd.	Marketing of all kinds of ceramic tiles	**100%**	100%
Seacera Properties Sdn. Bhd.	Property development activities	**100%**	100%
Seacera Land Sdn. Bhd.	Property development activities	**100%**	100%
Seacera Tech Sdn. Bhd.	General construction and trading activities	**80%**	80%
Seacera Polymer Sdn. Bhd.	Investment holding	**100%**	100%

Name of Company	Principal activities	Effective equity interest 2011	2010
Seacera Porcelain Sdn. Bhd.	Dormant	**100%**	100%
Seacera Chemicals Sdn. Bhd.	Dormant	**-**	100%
Seacera Builders Sdn. Bhd.	Dormant	**100%**	100%
Subsidiary of Seacera Polymer Sdn. Bhd.			
Seacera Polyfilms Sdn. Bhd.	Manufacturing and sale of biaxially oriented polypropylene films for packing purposes	**100%**	100%
Subsidiary of Seacera Polyfilms Sdn. Bhd.			
Seacera Chemicals Sdn. Bhd.	Dormant	**100%**	-

All subsidiaries are audited by Messrs Afrizan Tarmili Khairul Azhar.

12. GOODWILL

	Group	
Cost	**2011**	2010
	RM	RM
At 1 January	**10,495,096**	7,495,896
Acquisition of a subsidiary	**-**	2,999,200
At 31 December	**10,495,096**	10,495,096
Accumulated impairment loss		
At 1 January/31 December	**(4,000,000)**	(4,000,000)
Net Carrying amounts		
At at 31 December	**6,495,096**	6,495,096

Impairment testing for cash-generating units containing goodwill

Goodwill arising from business combinations has been allocated to two individual cash generating units ("CGU") for impairment testing as follows:

- Film packing unit
- Property construction and trading unit

The carrying amounts of goodwill allocated to each CGU are as follows:

Goodwill	**2011**	2010
	RM	RM
Film packing unit	**3,495,896**	3,495,896
Property construction and trading unit	**2,999,200**	2,999,200
Total	**6,495,096**	6,495,096

13. PROPERTY DEVELOPMENT COSTS

Property development costs comprise the following:

	Group	
	2011	2010
	RM	RM
Property development costs:		
At the beginning of the year		
Development costs	**228,960**	228,960
Property development costs incurred		
Transfer from land held property development	**-**	2,523,886
Property development costs recognised	**-**	(2,523,886)
At the end of the year	**228,960**	228,960

The property development costs at the end of the year are analysed as follows:

	Group	
	2011	2010
	RM	RM
Development costs	**228,960**	228,960

14. INVENTORIES

	Group		Company	
	2011	2010	**2011**	2010
	RM	RM	**RM**	RM
At cost:				
Raw materials	**5,682,327**	3,352,597	**4,194,948**	1,752,997
Work in progress	**958,414**	966,904	-	-
Finished goods	**8,167,086**	8,678,809	**6,685,441**	7,165,907
Consumables	**859,786**	1,191,492	**859,786**	1,191,492
	15,667,613	14,189,802	**11,740,175**	10,110,396
At net realisable value:				
Consumables	**2,023,548**	3,697,894	**2,023,548**	3,697,894
Finished goods	**4,441,983**	4,666,896	**4,401,312**	4,666,896
	22,133,144	22,554,592	**18,165,035**	18,475,186

During the financial year, the write down and write back of inventory for the Group and Company are RM939,986 (2010: RM Nil) and RM Nil (2010: RM289,665) respectively.

15. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2011	2010	**2011**	2010
	Note	**RM**	RM	**RM**	RM
Current					
Trade					
Trade receivables	(a)	**17,253,985**	18,133,107	**2,254,489**	1,719,679
Less: Allowance for Impairment / doubtful debt		**(568,518)**	(197,349)	**-**	(102,349)
		16,685,467	17,935,758	**2,254,489**	1,617,330
Non-trade					
Other receivables		**39,158,024**	32,650,501	**7,300**	6,705,503
Less: Allowance for Impairment / doubtful debt		**(782,520)**	(371,169)	**-**	(371,169)
		38,375,504	32,279,332	**7,300**	6,334,334
Deposits and prepayments		**1,167,074**	3,274,591	**1,211,839**	2,409,495
Less: Allowance for Impairment / doubtful debt		**-**	-	**-**	-
		1,167,074	3,274,591	**1,211,839**	2,409,495
Amount due from subsidiaries	(b)	**-**	-	**32,909,000**	-
		39,542,578	35,553,923	**34,128,139**	8,743,829
Total		**56,228,045**	53,489,681	**36,382,628**	10,361,159
Non-Current					
Other receivables	(c)	**12,061,000**	15,818,165	**14,251,015**	15,818,165
Less: Impairment loss		**-**	(2,556,202)	**-**	(2,556,202)
		12,061,000	13,261,963	**14,251,015**	13,261,963
Amount due from subsidiaries		**-**	-	**28,286,015**	25,121,387
Less: Impairment loss		**-**	-	**-**	(3,927,766)
		-	-	**28,286,015**	21,193,621
Total		**12,061,000**	13,261,963	**42,537,030**	34,455,584
Total trade and other receivables (current and non-current)		**68,289,045**	66,751,644	**78,919,658**	44,816,743

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 120 days (2010: 30 to 120 days) terms. Other credit terms are assessed and approved on a case-by-case basis. They recognized at their original invoice amounts which represent their fair value on initial recognition.

(b) Amount due from subsidiaries

Amount due from subsidiaries are unsecured, interest free and not expected to be repaid within the next 12 months.

(c) Other receivables (non-current)

Included in other receivables is RM4.2 million (2010: RM5.4 million) due from Ong Kah Hoe and Ong Kim Chong @ Ong Hwee Choo the acquirer of Seacera Development Sdn. Bhd. (SDSB) arise from the disposal of the subsidiary during the year 2010. Under the term of share sales agreement, the amount outstanding is to be collectable progressively within 30 months.

Ageing analysis of trade receivables

The ageing analysis of the Group's and Company's trade receivables are as follows:

	Group		Company	
	2011 RM	2010 RM	**2011 RM**	2010 RM
Neither past due nor impaired	**6,246,508**	9,358,107	**179,332**	641,183
1 to 30 days past due not impaired	**3,261,276**	3,053,098	**851,864**	480,292
31 to 60 days past due not impaired	**2,498,420**	1,611,831	**842,686**	449
61 to 90 days past due not impaired	**2,055,869**	817,784	**194,095**	16,721
More than 90 days past due not impaired	**2,623,394**	3,094,938	**186,512**	478,685
	10,438,959	8,577,651	**2,075,157**	976,147
Impaired	**568,518**	197,349	**-**	102,349
	17,253,985	18,133,107	**2,254,489**	1,719,679

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

None of the Group's and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM10,438,959 (2010: RM8,577,651) and RM2,075,157 (2010: RM976,147) respectively that are past due at the reporting date but not impaired. The Directors are of the opinion that the receivables are collectable in view of long term business relationship with the customers. These receivables are unsecured in nature.

Receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group		Company	
	2011 RM	2010 RM	**2011 RM**	2010 RM
Trade receivable - nominal amounts	**568,518**	197,349	**-**	102,349
Less: Allowance for impairment	**(568,518)**	(197,349)	**-**	(102,349)
	-	-	**-**	-

Movement in allowance accounts:

	Group		Company	
	2011	2010	**2011**	2010
	RM	RM	**RM**	RM
At 1 January	**197,349**	112,349	**-**	102,349
Charge for the year (Note 6)	**563,593**	85,000	**-**	-
Written off	**(192,424)**	-	**-**	-
At 31 December	**568,518**	197,349	**-**	102,349

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011	2010	**2011**	2010
	RM	RM	**RM**	RM
Cash on hand and at banks	**194,809**	934,416	**53,429**	32,831
Deposits placed with licensed banks	**6,017,937**	4,448,767	**-**	-
Cash and bank balances	**6,212,746**	5,383,183	**53,429**	32,831
Less:				
Bank overdrafts	**(3,614,809)**	(3,770,607)	**(3,614,809)**	(3,770,607)
Deposits pledged	**(6,017,937)**	(4,448,767)	**-**	-
Cash and cash equivalents	**(3,420,000)**	(2,836,191)	**(3,561,380)**	(3,737,776)

Included in the deposits placed with licensed banks is RM6,017,937 (2010: RM4,448,767) pledged for a bank facility granted to the Group. The average effective interest rate of deposits as at 31 December 2011 for the Group and the Company is 3% (2010: 3%).

The bank overdrafts limit granted to the Group and the Company is RM3,800,000 (2010: RM3,800,000).

17. PAYABLES AND ACCRUALS

		Group		Company	
		2011	2010	**2011**	2010
	Note	**RM**	RM	**RM**	RM
Trade					
Trade payables		**11,806,121**	10,112,554	**6,323,669**	5,188,338
Non-trade					
Other payables		**18,312,345**	18,564,561	**9,862,419**	7,666,319
Accrued expenses		**572,725**	1,245,907	**321,267**	313,522
Financial guarantee		**-**	-	**32,909,000**	-
		18,885,070	19,810,468	**43,092,686**	7,979,841
Total	(a)	**30,691,191**	29,923,022	**49,416,355**	13,168,179

		Group		Company	
		2011	2010	**2011**	2010
	Note	**RM**	RM	**RM**	RM
Non-current					
Amount due to subsidiaries	(b)	**-**	-	**39,648,863**	50,527,936
Less: Allowance for fair value gain		**-**	-	**-**	(7,755,244)
		-	-	**39,648,863**	42,772,692
Total trade and other payables (current and non-current)		**30,691,191**	29,923,022	**89,065,218**	55,940,871

(a) Trade and other payables (current)

These amounts are non-interest bearing. The normal credit terms on trade and other payables vary from 30 days to 90 days (2010: 30 days to 90 days) from the invoice date.

(b) Amount due to subsidiaries

Amount due to subsidiaries are unsecured, interest free and expected to be repaid within the next 12 months.

18. LOANS AND BORROWINGS

	Group		Company	
	2011	2010	**2011**	2010
	RM	RM	**RM**	RM
Long Term Borrowings				
Secured:				
Term loans	**2,385,363**	2,182,615	**-**	-
Hire purchase liabilities	**5,044,602**	2,378,298	**1,540,809**	1,020,865
	7,429,965	4,560,913	**1,540,809**	1,020,865
Short Term Borrowings				
Secured:				
Term loans	**100,811**	76,803	**-**	-
Revolving credits	**11,158,370**	13,131,244	**6,600,000**	7,100,000
Revolving loan	**10,424,656**	12,624,656	**10,424,656**	12,624,656
Hire purchase liabilities	**2,081,322**	1,321,376	**711,016**	1,214,770
Bankers' acceptances	**21,399,000**	20,539,129	**2,756,000**	2,383,000
Bank overdrafts	**3,614,809**	3,770,607	**3,614,809**	3,770,607
	48,778,968	51,463,815	**24,106,481**	27,093,033

The term loans are secured as follows:

(i) first charge over the subsidiary's freehold and leasehold land and buildings;
(ii) general security agreement relating to goods held; and
(iii) general letter of pledge and a blanket counter indemnity.

The revolving loan is secured as follows:

(i) first charge over 80% equity interest in a subsidiary; and
(ii) second charge over the Company's freehold land and buildings.

The bank overdrafts, bankers' acceptances and revolving credit facilities are secured as follows:

(i) first charge over subsidiaries and the Company's freehold land and buildings;
(ii) general security agreement relating to goods held;
(iii) general letter of pledge and a blanket counter indemnity;
(iv) corporate guarantee to subsidiaries; and
(v) fixed deposits placed by the subsidiary companies.

Terms and debt repayment schedule

Group	**Carrying amount RM**	**Under 1 year RM**	**1 - 5 years RM**	**Over 5 years RM**	**Average effective interest rate (%)**
2011					
Term loans	**2,486,174**	**100,811**	**2,385,363**	**-**	**7.75**
Revolving credits	**11,158,370**	**11,158,370**	**-**	**-**	**5.55 - 7.85**
Revolving loan	**10,424,656**	**10,424,656**	**-**	**-**	**5.10 - 5.65**
Bankers' acceptances	**21,399,000**	**21,399,000**	**-**	**-**	**4.23 - 5.15**
Bank overdrafts	**3,614,809**	**3,614,809**	**-**	**-**	**6.60**
	49,083,009	**46,697,646**	**2,385,363**	**-**	
2010					
Term loans	2,259,418	76,803	391,380	1,791,235	7.75
Revolving credits	13,131,244	13,131,244	-	-	4.92 - 7.55
Revolving loan	12,624,656	12,624,656	-	-	6.60
Bankers' acceptances	20,539,129	20,539,129	-	-	3.5 - 4.5
Bank overdrafts	3,770,607	3,770,607	-	-	6.60
	52,325,054	50,142,439	391,380	1,791,235	

Company	**Carrying amount RM**	**Under 1 year RM**	**Average effective interest rate (%)**
2011			
Revolving credits	**6,600,000**	**6,600,000**	**5.55 - 7.85**
Revolving loan	**10,424,656**	**10,424,656**	**5.10 - 5.65**
Bankers' acceptances	**2,756,000**	**2,756,000**	**4.23 - 5.15**
Bank overdrafts	**3,614,809**	**3,614,809**	**6.60**
	23,395,465	**23,395,465**	

	Carrying amount RM	Under 1 year RM	Average effective interest rate (%)
Company			
2010			
Revolving credits	7,100,000	7,100,000	4.92 - 7.55
Revolving loan	12,624,656	12,624,656	6.60
Bankers' acceptances	2,383,000	2,383,000	3.5 - 4.5
Bank overdrafts	3,770,607	3,770,607	6.60
	25,878,263	25,878,263	

Hire purchase liabilities

Hire purchase liabilities are payable as follows:

	Payments 2011 RM	**Interest 2011 RM**	**Principal 2011 RM**	Payments 2010 RM	Interest 2010 RM	Principal 2010 RM
Group						
Less than 1 year	**2,246,506**	**165,184**	**2,081,322**	1,623,734	302,358	1,321,376
Between 1 and 5 years	**5,339,859**	**295,257**	**5,044,602**	2,966,930	588,632	2,378,298
	7,586,365	**460,441**	**7,125,924**	4,590,664	890,990	3,699,674
Company						
Less than 1 year	**820,356**	**109,340**	**711,016**	1,373,398	158,628	1,214,770
Between 1 and 5 years	**1,765,920**	**225,111**	**1,540,809**	1,218,037	197,172	1,020,865
	2,586,276	**334,451**	**2,251,825**	2,591,435	355,800	2,235,635

The effective interest rate was charged at rates ranging from 4.66% to 7.60% (2010: 4.66% to 7.60%).

19. SHARE CAPITAL

	Group	
	2011 RM	2010 RM
Authorised		
Ordinary shares of RM1 each At 1 January	**100,000,000**	100,000,000
Creation during the year	**100,000,000**	-
At 31 December	**200,000,000**	100,000,000
Issued and fully paid		
Ordinary shares of RM1 each At 1 January	**58,632,000**	53,332,000
Issued during the year	**-**	5,300,000
At 31 December	**58,632,000**	58,632,000

20. TREASURY SHARES

On 30 June 2009, the Company had obtained approval from its shareholders to buy-back its own shares. The latest approval obtained for the renewal of share buy-back authority was on 30 June 2011.

During the year, the Company bought back from the open market 21,000 of its ordinary shares listed and quoted as "Local" on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") at an average price of RM0.66 per share. On a cumulative basis, as at 31.12.2011, the Company has purchased 137,300 ordinary shares for RM51,809, representing an average of RM0.37 per share.

21. RESERVES

	← Reserves →		
	Non-Distributable Share Premium	**Distributable Retained Profit**	**Total Reserves**
Group	**RM**	**RM**	**RM**
As at 1 January 2010	2,513,734	20,032,830	22,546,564
Profit for the financial year	-	3,567,652	3,567,652
Dividends to shareholders	-	(585,157)	(585,157)
As at 31 December 2010	2,513,734	23,015,325	25,529,059
As at 1 January 2011	**2,513,734**	**23,015,325**	**25,529,059**
Profit for the financial year	**-**	**1,167,510**	**1,167,510**
Dividends to shareholders	**-**	**(1,316,138)**	**(1,316,138)**
As at 31 December 2011	**2,513,734**	**22,866,697**	**25,380,431**

	Non-Distributable Share Premium	**Distributable Retained Profits**	**Total Reserves**
	RM	**RM**	**RM**
Company			
As at 1 January 2010	2,513,734	9,903,120	12,416,854
Profit for the financial year	-	6,673,628	6,673,628
Dividends to shareholders	-	(585,157)	(585,157)
As at 31 December 2010	2,513,734	15,991,591	18,505,325
As at 1 January 2011	**2,513,734**	**15,991,591**	**18,505,325**
Profit for the financial year	**-**	**2,628,742**	**2,628,742**
Dividends to shareholders	**-**	**(1,316,138)**	**(1,316,138)**
As at 31 December 2011	**2,513,734**	**17,304,195**	**19,817,929**

Retained profits

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividends paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

Subject to approval of Inland Revenue Board, as at 31 December 2011, the Section 108 balance of the Company is RM21,292,996 (2010: RM21,292,996).

22. DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are disclosed in the balance sheets:-

	Group		Company	
	2011	2010	**2011**	2010
	RM	RM	**RM**	RM
Subject to income tax:				
Deferred tax liabilities	**6,145,674**	3,555,905	**3,924,911**	3,061,842
Total deferred tax	**6,145,674**	3,555,905	**3,924,911**	3,061,842
As at 1 January	**3,555,905**	2,552,596	**3,061,842**	2,203,533
Current year charged/(credited) to				
income statement arising from:-				
- property, plant and equipment	**1,883,070**	681,214	**157,044**	536,214
- tax losses	**142,266**	135,866	**142,266**	135,866
- provision and others	**564,433**	186,229	**563,759**	186,229
	2,589,769	1,003,309	**863,069**	858,309
As at 31 December	**6,145,674**	3,555,905	**3,924,911**	3,061,842

	Group		Company	
	2011	2010	**2011**	2010
	RM	RM	**RM**	RM
(a) Deferred Tax Assets				
Tax losses	**142,266**	135,866	**142,266**	135,866
Provisions and others	**564,433**	186,229	**563,759**	186,229
	706,699	322,095	**706,025**	322,095
Offsetting	**(706,699)**	(322,095)	**(706,025)**	(322,095)
Total Deffered Tax Assets After Offsetting	**-**	-	**-**	-
(b) Deferred Tax Liabilities				
Property, plant and equipment	**6,852,373**	3,878,000	**4,630,936**	3,383,937
	6,852,373	3,878,000	**4,630,936**	3,383,937
Offsetting	**(706,699)**	(322,095)	**(706,025)**	(322,095)
Total Deferred Tax Liabilities After Offsetting	**6,145,674**	3,555,905	**3,924,911**	3,061,842

23. PROVISION FOR RETIREMENT BENEFITS

	Group		Company	
	2011	2010	**2011**	2010
	RM	RM	**RM**	RM
Present value of unfunded obligation and net liability in statements of financial position	**1,044,024**	1,042,950	**312,085**	289,670

Movement in net liability recognised in the statements of financial position are as follows:

	Group		Company	
	2011	2010	**2011**	2010
	RM	RM	**RM**	RM
At 1 January	**1,042,950**	983,046	**289,670**	267,255
Expense recognised in the statements of comprehensive income	**114,293**	108,455	**22,415**	22,415
Benefit paid	**(113,219)**	(48,551)	**-**	-
At 31 December	**1,044,024**	1,042,950	**312,085**	289,670

The Group and Company have established a defined benefit plan that provides retirement benefits to eligible employees.

Under the plan, except for Seacera Polyfilms Sdn. Bhd., eligible employees who have completed 5 years continuous service with the respective companies at the date of retirement are entitled to benefits calculated at 3.38% on each year's total basic salary. The retirement age for male is 55 while for female is 50. In addition, for those who retire on the ground of ill health and have completed 3 years of continuous service with the companies at the date of retirement are also entitled to the retirement benefits mentioned above.

For Seacera Polyfilms Sdn. Bhd., eligible employees who have completed 5 years continuous service with the company at the date of retirement are entitled to benefits calculated at 8.33% on each year's total basic salary. The retirement age for male is 55 while female is 50. In addition, there is also an early retirement option at the age of 50 for male.

Principal actuarial assumptions used at the statements of financial position date are:

	Group		Company	
	2011	2010	**2011**	2010
Discount rate	**7.00%**	7.00%	**7.00%**	7.00%
Future salary increases	**5.00% - 6.00%**	5.00%-6.00%	**5.00%**	5.00%

The expense is recognised in the following line items in the statements of comprehensive income:

	Group		Company	
	2011	2010	**2011**	2010
	RM	RM	**RM**	RM
Cost of sales	**48,000**	57,000	**-**	-
Other operating expenses	**66,293**	51,455	**22,415**	22,415
	114,293	108,455	**22,415**	22,415

24. EMPLOYEES' SHARE OPTION SCHEME (Scheme)

The main features of the Scheme are as follows:

(a) Eligible employees are those full time and confirmed employees or executive directors, who have at least 3 continuous years of service in the Group.

Eligible non-executive directors are those who have served on the Board of the Group for at least 3 continuous years of service;

(b) A director is only eligible to participate in the Scheme if the specific allotment made to him/her has been approved by the shareholders of the Company in a general meeting;

(c) The aggregate number of shares to be issued under the Scheme shall not exceed:

(i) 10% of the shares available under the Scheme allocated to any individual director or employee of the Group who either singly or collectively through his/her associates holds 20% or more in the issued and paid up ordinary share of the Company; and

(ii) 50% of the shares available under the Scheme allocated in aggregate to the Directors and senior management of the Group.

(d) The options made be exercised in full or in lesser number of shares provided that the number shall be in multiples of 1,000 shares;

(e) The price at which the options are to be exercised shall be subject to a discount of not more than 10% to the weighted average market price of the shares based on the Daily Official List issued by the Bursa Malaysia Securities Berhad for the five Market days preceding date of offer and subject to the provision that the option price per share shall not in any event less that the par value of the shares;

(f) Options shall be valid only from the date of acceptance of the offer or the earliest of any of the following event:

(i) any of the termination events stipulated in bye-law 19;
(ii) upon liquidation of the company; or
(iii) upon expiration of the Scheme.

(g) The person whom the options have been granted have no right to vote at any general meeting of the Company; and

(h) Unexercised options granted under ESOS carry no dividend, rights or entitlement. Upon exercise of the option, shares issued rank pari-passu in all respects with existing ordinary shares of the Company.

25. DIVIDEND

Dividends paid in respect of ordinary shares are as follows:

	2011	2010
	RM	RM
Final dividend of 3 sen tax exempt per share for 2010 paid in 2011	**1,316,138**	-
Final dividend of 1 sen tax exempt per share for 2009 paid in 2010	**-**	585,157

26. SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's business segments. The business segments are based on the Group's management and internal reporting structure. Segment information by geographical segments is not provided as the activities of the Group are located principally in Malaysia. Inter-segment pricing is determined based on negotiated terms.

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

Business segments

The Group is organised into the following segments:

(i) Tiles - manufacturing, trading and marketing of all kinds of ceramic tiles and related products.

(ii) Plastic Packaging - manufacturing and sale of biaxially oriented polypropylene films for packing purposes.

(iii) Others - investment holding, property development and construction.

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 terms and conditions that are no materially different from those obtainable in transactions with unrelated parties.

Business segments

2011	Tiles	Plastic Packaging	Others	Eliminations	Consolidated
	RM	RM	RM	RM	RM
Revenue - external	60,068,355	48,000,388	1,900,000	(13,851,093)	**96,117,650**
Operating profit/(loss)	9,124,352	4,451,337	(754,729)	(3,811,963)	**9,008,997**
Interest expense					**(3,980,125)**
Interest income					**-**
Profit before taxation					**5,028,872**
Tax expense					**(3,823,362)**
Net profit for the year					**1,205,510**
Segment assets	190,253,000	85,146,000	59,511,000	(162,782,000)	**172,128,000**
Goodwill	-	3,495,896	2,999,200	-	**6,495,096**
Total assets					**178,623,096**
Segment liabilities	116,960,000	17,479,000	29,242,000	(69,073,000)	**94,608,000**
Depreciation and amortisation	3,788,659	410,574	-	-	**4,199,233**

2010	**Tiles**	**Plastic Packaging**	**Others**	**Eliminations**	**Consolidated**
	RM	**RM**	**RM**	**RM**	**RM**
Revenue - external	58,254,669	42,930,370	5,506,108	(16,284,516)	**90,406,631**
Operating profit/(loss)	11,656,168	914,986	1,046,564	(4,333,138)	**9,284,580**
Interest expense					**(3,367,337)**
Interest income					**47,376**
Profit before taxation					**5,964,619**
Tax expense					**(2,380,845)**
Net profit for the year					**3,583,774**
Segment assets	233,150,486	47,108,894	22,687,634	(136,523,404)	**166,423,610**
Goodwill	-	3,495,896	2,999,200	-	**6,495,096**
Total assets					**172,918,706**
Segment liabilities	68,721,821	19,633,196	1,007,579	(583,462)	**88,779,134**
Depreciation and amortisation	3,662,433	474,960	-	-	**4,137,393**
Non-cash expenses other than depreciation and amortisation	(2,351,537)	-	-	-	**(2,351,537)**

Geographical segments

The Group's production facilities are located in Malaysia only.

In determining the geographical segment of the Group, revenue is based on the geographical location of customers.

	Revenue	
	2011	2010
	RM	RM
Malaysia	**70,284,216**	66,924,376
Asean countries	**7,917,110**	10,715,593
Others	**17,916,324**	12,766,662
	96,117,650	90,406,631

27. RELATED PARTY TRANSACTIONS

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group has a related party relationship with its subsidiaries, directors and key management personnel.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group. The significant related party transactions of the Group and the Company, other than key management personnel compensation as disclosed in Note 9, are as follows:

Related party transactions

	Company	
	2011	2010
	RM	RM
Sales to subsidiaries		
- Seacera Ceramics Sdn. Bhd.	**30,688,927**	19,161,179
Share of expenses with subsidiaries		
- Seacera Ceramics Sdn. Bhd.	**1,470,750**	1,018,464
- Seacera Polyfilms Sdn. Bhd.	**1,183,974**	1,072,072
- Seacera Tiles Marketing Sdn. Bhd.	**130,399**	182,063
- Seacera Tech Sdn. Bhd.	**91,056**	-
- Seacera Land Sdn. Bhd.	**-**	362,577
Marketing services charged to a subsidiary		
- Seacera Polyfilms Sdn. Bhd.	**935,784**	786,859

Intercompany transactions have been eliminated during consolidation of Group financial statements.

28. SUBSEQUENT EVENTS

i) On 10 April 2012, the wholly-owned subsidiary of the Company, Seacera Properties Sdn. Bhd., entered into a Sale and Purchase Agreement with Duta Skyline Sdn. Bhd. to acquire a freehold land measuring approximately 137.9712 acres identified as provisional plot no. M.S 269/1996/8A, M.S.269/1996/10A and M.S 269/1996/11A (Target lands) located at a piece of land held under Lot 613, Geran 23940, Mukim Ulu Semenyih, District Ulu Langat, Negeri Selangor Darul Ehsan for a cash consideration of RM78,130,000.

ii) On 2 February 2012, Seacera Properties Sdn. Bhd., a wholly-owned subsidiary of the Company entered into Sale and Purchase Agreement with Megapower (Malaysia) Sdn. Bhd. to dispose part of that piece of leasehold land held under PN15982, Lot 13852, Pekan Kayu Ara, District of Petaling, Selangor measuring in area approximately 6,250 square meters for sale consideration of RM6.3 million.

29. CAPITAL COMMITMENTS

Principal actuarial assumptions used at the statements of financial position date are:

	Group		Company	
	2011	2010	**2011**	2010
	RM	RM	**RM**	RM
Contracted but not provided for	**28,303,964**	15,716,273	**-**	-

30. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's activities are exposed to a variety of financial risks, including liquidity risk, foreign currency risk, interest rate risk and credit risk.

The Group's overall financial risk management objective is to ascertain, address and control the risks to which the Group is exposed so as to minimise the financial downside risk at reasonable costs.

Liquidity risk

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Foreign currency risk

The Group is exposed to foreign currency risk as a result of transactions denominated in foreign currency entered into by the Group. The Group does not hedge against this foreign currency exposure as it does not form a significant portion of the Group's gross assets.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currency of Group entities, primarily RM. The foreign currencies in which this transaction are denominated are mainly United States Dollars ("USD"), Singapore Dollars ("SGD") and Australia Dollars ("AUD").

The Group ensures that the net exposure to this risk is kept to an exceptable level by buying or selling foreign currency at spot rates where necessary to address short term imbalances. Management does not enter into currency hedging transactions since it considers that the cost of such instruments outweight the potential risk of exchange rate fluctuations.

	Group		Company	
	2011	2010	**2011**	2010
	Functional currencies Ringgit Malaysia		**Functional currencies Ringgit Malaysia**	
	RM	RM	**RM**	RM
Financial assets and liabilities not held in functional currency				
Trade and other receivables				
US Dollar	**1,929,287**	1,097,555	**1,614,483**	128,222
Australian Dollar	**62,622**	71,100	**62,622**	71,100
Singapore Dollar	**1,316,236**	1,357,458	**1,314,390**	1,357,458
	3,308,145	2,526,113	**2,991,495**	1,556,780
Cash and bank balances				
US Dollar	**-**	90,405	**-**	-
Singapore Dollar	**-**	-	**-**	-

Sensitivity analysis for foreign currency risk

The following table demonstrate the sensitivity of the Group's net profit for the financial year to a reasonably possible change in the USD, SGD and AUD exchange rate against the respective functional currencies of the Group with all other variable held constant.

	Group 2011 Profit net of tax RM	Company 2011 Profit net of tax RM
USD/RM		
- strenghtened 1% (2010: 1%)	**19,293**	**16,145**
- weekend 1% (2010: 1%)	**(19,293)**	**(16,145)**
SGD/RM		
- strenghtened 1% (2010: 1%)	**13,162**	**13,144**
- weekend 1% (2010: 1%)	**(13,162)**	**(13,144)**
AUD/RM		
- strenghtened 1% (2010: 1%)	**626**	**626**
- weekend 1% (2010: 1%)	**(626)**	**(626)**

Credit risk

Management monitors the exposure to credit risk on an ongoing basis. Informal credit evaluations are performed on credit sales with a view of setting appropriate credit terms and limits.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

The carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 15.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group				Company			
	2011		2010		**2011**		2010	
	RM	**%**	RM	%	**RM**	**%**	RM	%
Ringgit Malaysia	**64,980,900**	**95**	64,225,531	96	**75,928,163**	**96**	43,199,963	97
Other countries	**3,308,145**	**5**	2,526,113	4	**2,991,495**	**4**	1,556,780	3
	68,289,045	**100**	66,751,644	100	**78,919,658**	**100**	44,756,743	100

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 15. Deposits with banks and other financial institutions are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 15.

Interest rate risk

The interest rate risk that financial instruments' values will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates on classes of financial assets and financial liabilities, are as follows: -

Group 2011 Financial liabilities	Carrying amount RM	Average effective interest rate (%)
Term Loans	**2,486,174**	**7.75**
Revolving credits	**11,158,370**	**5.55-7.85**
Revolving loan	**10,424,656**	**5.10-5.65**
Bankers' acceptances	**21,399,000**	**4.23-5.15**
Bank overdrafts	**3,614,809**	**6.60**
	49,083,009	
2010		
Financial liabilities		
Term Loans	2,259,418	7.75
Revolving credits	13,131,244	4.92-7.55
Revolving loan	12,624,656	6.60
Bankers' acceptances	20,539,129	3.5-4.5
Bank overdrafts	3,770,607	6.60
	52,325,054	

Company 2011 Financial liabilities	Carrying amount RM	Average effective interest rate (%)
Revolving credits	**6,600,000**	**4.92 - 7.55**
Revolving loan	**10,424,656**	**6.60**
Bankers' acceptances	**2,756,000**	**3.5 - 4.5**
Bank overdrafts	**3,614,809**	**6.60**
	23,395,465	
2010		
Financial liabilities		
Revolving credits	7,100,000	5.67-8.30
Revolving loan	12,624,656	7.35
Bankers' acceptances	2,383,000	4.25-5.25
Bank overdrafts	3,770,607	7.35
	25,878,263	

Fair values

The carrying amounts of cash and cash equivalents, receivables, deposits and prepayments, other payables and accruals, and short term borrowings, approximate fair values due to the relatively short term nature of these financial instruments. The fair value of other investments which comprises of quoted securities is approximately nil (2010: nil) at the statements of financial position date.

31. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong capital base and safeguard the Group's and the Company's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group and the Company manage its capital structure by monitoring the capital and net debt on an ongoing basis. To maintain the capital structure, the Group and the Company may adjust the dividend payment to shareholders or issue new shares. There were no changes in the Group's and the Company's approach to capital management during the financial year.

		Group		Company	
	Note	**2011**	2010	**2011**	2010
		RM	RM	**RM**	RM
Long Borrowings	18	**56,208,933**	56,024,728	**25,647,289**	28,113,898
Trade and other payables	17	**30,691,191**	29,923,022	**89,065,218**	55,940,871
Less: Cash and bank balances	16	**(6,212,746)**	(5,383,183)	**(53,429)**	(32,831)
Net debt		**80,687,378**	80,564,567	**114,659,078**	84,021,938
Total Equity		**83,960,622**	84,123,250	**78,398,120**	77,099,516
Debt-to-equity-ratio		**0.96**	0.96	**1.46**	1.09

The Group is also required to comply with the disclosures and necessary capital requirements as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

37. SUPPLEMENTARY INFORMATION- BREAKDOWN OF REALISED AND UNREALISED RETAINED EARNINGS

The breakdown of the retained earnings of the Group and the Company as at 31 December into realized and unrealized earnings is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1 Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group	
	2011	2010
	RM	RM
Total retained earning of Seacera and its subsidaries		
- Realised	**30,728,000**	29,915,266
- Unrealised	**6,145,000**	3,638,235
	36,873,000	33,553,501
Less: Consolidation adjustments	**(14,006,303)**	(10,538,176)
Total Group Retained Earning as per Consolidated Financial Statements	**22,866,697**	23,015,325

33. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issues in accordance with a resolution of the Boards of Directors on 27 April 2012.

SEACERA GROUP BERHAD
(Company No. 163751-H)
and its subsidiaries
Incorporated in Malaysia

List of Properties

Location	Tenure	Description Of Existing Use	Acquisition/ Revaluation Date	Approximate Age Of Building (Years)	Total Area (Sq. Ft.)	Net Book Value (RM)
HS (D) 17361 PT No. 16428 (Lot 46915) Mukim Batu, Daerah Gombak, Selangor Darul Ehsan.	Freehold	Industrial land cum office and factory	23 May 1998	17 - 37	549,699	28,322,395
HS (D) 29518 PT No. 16429 (Lot 46916) Mukim Batu, Daerah Gombak, Selangor Darul Ehsan.	Freehold	Transmission land reserve	23 May 1998	Not Applicable	48,621	404,455
HS (D) 29506 PT No.16430 (Lot 46917) Mukim Batu, Daerah Gombak, Selangor Darul Ehsan.	Freehold	Tenaga Nasional Bhd substation reserve	23 May 1998	Not Applicable	5,209	42,076
HS (D) 29507 PT No. 16431 (Lot 46918) Mukim Batu, Daerah Gombak, Selangor Darul Ehsan.	Freehold	Warehouse	19 July 1999	18	31,582	1,821,770
Lot No. 943 Mukim of Rawang Daerah Gombak Selangor Darul Ehsan.	Freehold	Industrial land cum office and factory	20 August 2002	19	239,580	10,115,721
Parcel No.A01-01, Ground Floor Kompleks Adorna Diamond Georgetown, Pulau Pinang. Held under Master Title Geran No. 62531, Lot 862, Section 10, Town of Georgetown, District of North East, State of Pulau Pinang.	Freehold	12-storey flattered factory/ warehouse (abandoned project) vacant	21 August 2008	10	15,328	1,621,134
No. 32, Jalan SS19/1D, SS19, Subang Jaya, 47500 Subang Jaya, Selangor Darul Ehsan. Held under Individual Title GRN 293193, Lot No. 6240, Bandar of Subang Jaya, District of Petaling, Selangor Darul Ehsan.	Freehold	Four storey shop for office	18 January 2008	33	4,065	2,033,993
No. 8-2A-B, Jalan OS 1/2, One Selayang, 68100 Batu Caves, Selangor Darul Ehsan, Held under Master Title H.S.(D) 20573, P.T No. 27148, Mukim of Batu, District of Gombak and State of Selangor Darul Ehsan.	Leasehold	Hostel	19 April 2010	4	827	111,308
No. 6-3B, Jalan OS 1/2, One Selayang, 68100 Batu Caves, Selangor Darul Ehsan, Held under Master Title H.S.(D) 20573, P.T No. 27148, Mukim of Batu, District of Gombak and State of Selangor Darul Ehsan.	Leasehold	Hostel	6 May 2010	4	827	107,186
No. 17-2A-B, Jalan OS 1/2, One Selayang, 68100 Batu Caves, Selangor Darul Ehsan, Held under Master Title H.S.(D) 20573, P.T No. 27148, Mukim of Batu, District of Gombak and State of Selangor Darul Ehsan.	Leasehold	Hostel	6 May 2010	4	827	105,537

List of Properties *(continue)*

SEACERA GROUP BERHAD
(Company No. 163751-H)
and its subsidiaries
Incorporated in Malaysia

Location	Tenure	Description Of Existing Use	Acquisition/ Revaluation Date	Approximate Age Of Building (Years)	Total Area (Sq. Ft.)	Net Book Value (RM)
No. 35-3B, Jalan OS 1/1, One Selayang, 68100 Batu Caves Selangor Darul Ehsan. Master Title H.S. (D) 20573, P.T No. 27148, Mukim Batu, District of Gombak and State of Selangor Darul Ehsan.	Leasehold	Hostel	5 July 2010	4	827	107,369
No. 11A-2AB, Jalan OS 1/1, One Selayang, 68100 Batu Caves Selangor Darul Ehsan. Master Title H.S. (D) 20573, P.T No. 27148, Mukim Batu, District of Gombak and State of Selangor Darul Ehsan.	Leasehold	Hostel	26 June 2010	4	827	107,324
No. B-5-3AA, Type 2L, Storey No. 4th Floor, Building No. B Bearing Postal Address Situated at 9-2A-B, Jalan OS 1/3, One Selayang, 68100 Batu Caves Selangor Darul Ehsan. Master Title H.S. (D) 20573, P.T No. 27148, Mukim Batu, District of Gombak and State of Selangor Darul Ehsan.	Leasehold	Hostel	20 October 2010	4	827	95,024
Total						**44,995,292**

Analysis of Shareholdings

as at 16 MAY 2012

Authorised Share Capital	:	RM200,000,000
Issued and Paid-up Capital	:	RM58,632,000
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting rights	:	One vote for one ordinary share

1. DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares	% of Holdings
Less than 100 shares	292	16.84	11,667	0.02
100 – 1,000 shares	127	7.32	94,634	0.16
1,001 – 10,000 shares	998	57.56	3,443,888	5.89
10,001 – 100,000 shares	261	15.05	8,199,593	14.02
100,001 to less than 5% of issued shares	53	3.06	28,893,618	49.39
5% and above of issued shares	3	0.17	17,850,300	30.52
Total	**1,734**	**100.00**	**58,493,700**	**100.00**

Total issued shares as at 16 May 2012 : 58,632,000
Treasury shares as per Record of Depositors dated 16 May 2012 : 138,300
"Adjusted" capital after netting treasury shares as at 16 May 2012 : 58,493,700

2. SUBSTANTIAL SHAREHOLDERS
(as per register of substantial shareholders)

		Direct Interest		Indirect Interest	
No.	**Name**	**No. of Shares**	**%**	**No. of Shares**	**%**
1.	Zulkarnin Bin Ariffin	11,107,400	18.99	735,000 [a]	1.26
2.	Noble Summer Sdn. Bhd.	5,300,000	9.06	-	-
3.	Ong Chong Realty Sdn. Bhd.	3,307,300	5.65	-	-
4.	Ong Kim Chong @ Ong Hwee Choo	350,000	0.60	3,307,300 [b]	5.65
5.	Ong Kah Hoe	1,500,000	2.56	3,307,300 [b]	5.65
6.	Datuk Mansor Bin Masikon	90,000	0.15	5,300,000 [c]	9.06
		21,654,700	37.01	12,649,600	21.62

Note: [a] Deemed interest by virtue of Section 6A of the Companies Act, 1965 pursuant to his substantial interest in Synergy Platform Sdn. Bhd.

[b] Deemed interest by virtue of Section 6A of the Companies Act, 1965 pursuant to his substantial interest in Ong Chong Realty Sdn. Bhd.

[c] Deemed interest by virtue of Section 6A of the Companies Act, 1965 pursuant to his substantial interest in Noble Summer Sdn. Bhd.

Analysis of Shareholdings *(continue)*

as at 16 MAY 2012

3. **DIRECTORS' SHAREHOLDINGS**
(as per register of directors' shareholdings)

	Direct Interest		Indirect Interest	
Name	**No. of Shares**	**%**	**No. of Shares**	**%**
Datuk Mansor Bin Masikon	90,000	0.15	5,300,000 [(b)]	9.06
Encik Zulkarnin Bin Ariffin	11,107,400	18.99	735,000 [(a)]	1.26
Tuan Hj. Basar Bin Juraimi	-	-	-	-
Cik Norhanum Binti Nordin	-	-	-	-
Tuan Hj. Halim @ Ab Halim Bin Ismail	-	-	-	-
	11,197,400	19.14	6,035,000	10.32

Note: [(a)] Deemed interest by virtue of Section 6A of the Companies Act, 1965 pursuant to his substantial interest in Synergy Platform Sdn. Bhd.

[(b)] Deemed interest by virtue of Section 6A of the Companies Act, 1965 pursuant to his substantial interest in Noble Summer Sdn. Bhd.

4. **THIRTY LARGEST SHAREHOLDERS**

No.	**Name**	**No. of Shares**	**Percentage %**
4.1	BIMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Zulkarnin Bin Ariffin	9,243,000	15.80
4.2	JF Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Noble Summer Sdn. Bhd.	5,300,000	9.06
4.3	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Chong Realty Sdn. Bhd.	3,307,300	5.65
4.4	CIMB Group Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Azizi Bin Yom Ahmad	2,514,172	4.30
4.5	AEV Engineering & Trading Sdn. Bhd.	2,360,000	4.03
4.6	Grand Monarch Corporation Sdn. Bhd.	2,242,721	3.83
4.7	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Zainab Binti Mansor	1,531,100	2.62
4.8	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Ong Kah Hoe	1,500,000	2.56
4.9	BIMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Asiah Binti Ismail	1,468,800	2.51
4.10	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Zulkarnin Bin Ariffin	1,214,400	2.08
4.11	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Asiah Binti Ismail	1,167,400	2.00
4.12	Tan Poo Yot	975,500	1.67
4.13	Tan Kim San & Sons Sdn. Bhd.	922,666	1.58
4.14	Lau Kim Seng	800,000	1.37
4.15	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Suhairie Bin Sulaiman	763,000	1.30

Analysis of Shareholdings *(continue)*

as at 16 MAY 2012

No.	Name	No. of Shares	Percentage %
4.16	Synergy Platform Sdn. Bhd.	735,000	1.26
4.17	Tan Chah Boh @ Tan Yoke Kee	675,396	1.15
4.18	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Zulkarnin Bin Ariffin	650,000	1.11
4.19	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Mohamad Suffian Bin Ismail	543,000	0.93
4.20	Fairul Iskandar Bin Faizil De Souza	476,900	0.82
4.21	Khatijah Binti Abdullah	475,900	0.81
4.22	Lee Mee Fong	416,613	0.71
4.23	Tan Kok Heng	411,500	0.70
4.24	Hazri Bin Hamid	407,000	0.70
4.25	CIMB Group Nominees (Tempatan) Sdn. Bhd. CIMB Commerce Trustee Berhad for TA Small Cap Fund	400,000	0.68
4.26	AIBB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tung Han Bee	394,800	0.67
4.27	Lee Chen Ye	382,666	0.65
4.28	Mary Ho	373,366	0.64
4.29	Ong Kim Chong @ Ong Hwee Choo	350,000	0.60
4.30	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Ng Yu Yi	300,000	0.51
	Total	**42,302,200**	**72.30**

Notice of Twenty-Seventh Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Seventh Annual General Meeting of Seacera Group Berhad ("Seacera" or "Company") will be held at Room Templer 1, Perangsang Templer Golf Club ("PTGC"), No. 1, Templer Park Resort, 48000 Rawang, Selangor Darul Ehsan on Thursday, 28 June 2012 at 10.00 a.m. to transact the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2011 and the Reports of Directors and Auditors thereon. **Ordinary Resolution 1**

2. To approve the payment of final dividend for the financial year ended 31 December 2011. **Ordinary Resolution 2**

3. To re-elect the following directors who retire pursuant to Article 67(a) of the Company's Articles of Association:-

   3.1 Norhanum Binti Nordin **Ordinary Resolution 3**

   3.2 Datuk Mansor Bin Masikon **Ordinary Resolution 4**

4. To re-appoint Messrs Afrizan Tarmili Khairul Azhar as Auditors of the Company and authorise the Directors to determine their remuneration. **Ordinary Resolution 5**

5. Authority to Issue Shares **Ordinary Resolution 6**

   As Special Business to consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications: -

   "THAT subject always to the Companies Act, 1965 ("Act") and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised pursuant to Section 132D of the Act to issue shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes that the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being."

6. Proposed Renewal of Share Buy-back Authority **Ordinary Resolution 7**

   As Special Business to consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications: -

   "THAT subject to the Companies Act, 1965 ("Act"), provisions of the Company's Memorandum and Articles of Association and the requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, and other relevant approvals, the Directors of the Company be and are hereby authorised to purchase its own shares through Bursa Securities, subject to the following:-

   (a) The maximum number of shares which may be purchased by the Company shall not exceed ten per centum (10%) of the issued and paid-up ordinary share capital of the Company at any point in time;

   (b) The maximum fund to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits of the Company. As at the latest financial year ended 31 December 2011, the audited retained earnings and share premium of the Company stood at RM17.3 million and RM2.5 million respectively;

Notice of Twenty-Seventh Annual General Meeting *(continue)*

(c) The authority conferred by this resolution will be effective upon passing of this resolution and will continue in force until:-

(i) the conclusion of the next Annual General Meeting ("AGM") at which time the said authority will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first;

(d) Upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt with in the following manner:-

(i) cancel the shares so purchased;
(ii) retain the shares so purchased as treasury shares;
(iii) distribute the treasury shares as dividends to shareholders;
(iv) resell the treasury shares on Bursa Securities in accordance with the relevant rules of Bursa Securities; and
(v) any combination of the above (i), (ii), (iii) and (iv).

THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary and entering into all other agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares."

7. Proposed Amendments to the Articles of Association of the Company **Special Resolution 1**

As Special Business to consider and if thought fit, to pass the following Special Resolution, with or without modifications: -

"THAT the amendments to the Articles of Association of the Company as detailed in Appendix I of the Annual Report 2011 be and are hereby approved."

8. To transact any other business of which due notice shall have been received.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT a Final Dividend of 3 sen (less tax of 25%) per ordinary share for the financial year ended 31 December 2011, if approved by the shareholders, will be paid on 31 July 2012 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 11 July 2012.

A Depositor shall qualify for entitlement only in respect of:-

(a) shares transferred to the Depositor's Securities Account before 4.00 p.m. on 11 July 2012 in respect of transfers; and

Notice of Twenty-Seventh Annual General Meeting *(continue)*

(b) shares bought on Bursa Malaysia Securities Berhad on a cum-entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

SEOW FEI SAN
LOH LAI LING
Secretaries

Petaling Jaya

Date: 6 June 2012

NOTES:

1. Only depositor whose names appear in the Record of Depositors as at 21 June 2012 shall be regarded as members and entitled to attend, speak and vote at the Annual General Meeting.

2. An instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the Company.

3. An instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument.

4. A member can appoint up to two (2) proxies and if a member appoints two (2) proxies to attend at the same meeting, the instrument of proxy must specify the proportion of his shareholdings to be represented by each proxy.

5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty eight (48) hours before the time for holding the Annual General Meeting or any adjournment thereof.

6. Explanatory Notes on Special Business:

   Ordinary Resolution 6 : Authority to Issue Shares

   At last year's Annual General Meeting, mandate was given to Directors to issue and allot at no more than 10% of the issued share capital of the Company. However, the mandate was not utilized and accordingly will lapse at the forthcoming Annual General Meeting. As such, the Board would like to seek for a renewal of the mandate.

   The proposed Ordinary Resolution 6, if passed, will empower the Directors of the Company to issue and allot not more than 10% of the issued share capital of the Company subject to the approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the interest of the Company.

   The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

   This authorisation will, unless revoked or varied by the Company in a general meeting, expire at the next Annual General Meeting of the Company.

   Ordinary Resolution 7 : Proposed Renewal of Share Buy-back Authority

   The proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company to purchase the Company's shares up to ten percent (10%) of the issued and paid-up share capital of the Company ("Proposed Share Buy-back") by utilizing the funds allocated which shall not exceed the retained earnings and share premium of the Company. Further information on the Proposed Share Buy-back is set out in the Circular to Shareholders dated 6 June 2012, which is despatched together with the Company's Annual Report 2011.

   Special Resolution 1 : Proposed Amendments to the Articles of Association of the Company

   The proposed Amendments to the Articles of Association of the Company are made to incorporate and reflect the recent amendments made to the Bursa Malaysia Securities Berhad Main Market Listing Requirements. Further information on the Proposed Amendments to the Articles of Association of the Company is set out in Appendix I which is despatched together with the Company's Annual Report 2011.

APPENDIX I

DETAILS OF THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

It is proposed that the Articles of Association of the Company be amended in the following manner:

1. Article 1(a) - Definitions

THAT the following additional definition be and is hereby inserted after the definition of "Authorised Nominee" in Article 1(a):-

"Exempt Authorised Nominee	…	An authorised nominee defined under Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act."

2. Article 57A – Voting right of Proxy

THAT the existing Article 57A which reads as follows:-

"A proxy shall be entitled to vote on a show of hands on any question at any general meeting."

be and is hereby deleted in its entirety and be substituted with the following new Article 57A:-

"A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. A proxy appointed to attend and vote at a meeting of a company shall have the same rights as the member to speak and to vote on a show of hands on any question at any general meeting."

3. Article 59 – Appointment of more than one proxy

THAT the existing Article 59 which reads as follows:-

"Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said Securities Account."

be and is hereby amended by adding the following additional paragraph:-

"Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary share in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds."

and that the amended Article 59 shall read as follows:

"59. Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary share in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds."

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SEACERA GROUP BERHAD
(163751-H) Incorporated in Malaysia
(Formerly known as Seacera Tiles Berhad)

PROXY FORM

I/We, ______________________________ NRIC/Company No. ____________
(Full Name - Please Use Block Capitals)

of ____
(Full Address)

being a member(s) of SEACERA GROUP BERHAD, hereby appoint ______________________________
(Full Name)

of ______________________________ NRIC No. ____________
(Full Address)

or failing him/her ______________________________
(Full Name)

of ______________________________ NRIC No. ____________
(Full Address)

as my/our proxy to vote for me/us on my/our behalf at the Twenty-Seventh Annual General Meeting of the Company to be held at Room Templer 1, Perangsang Templer Golf Club ("PTGC"), No. 1, Templer Park Resort, 48000 Rawang, Selangor Darul Ehsan on Thursday, 28 June 2012 at 10.00 a.m. and at any adjournment thereof.

The proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an "X" in the appropriate places. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his discretion, as he will on any other matter arising at the Meeting.

	FOR	AGAINST
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		
Special Resolution 1		

Dated :

CDS Account No.	*No. of Shares held*

....
Signature(s)/Common Seal of Shareholder

Notes:-

1. Only depositor whose names appear in the Record of Depositors as at 21 June 2012 shall be regarded as members and entitled to attend, speak and vote at the Annual General Meeting.
2. An instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the Company.
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4. A member can appoint up to two (2) proxies and if a member appoints two (2) proxies to attend at the same meeting, the instrument of proxy must specify the proportion of his shareholdings to be represented by each proxy.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty eight (48) hours before the time for holding the Annual General Meeting or any adjournment thereof.

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affix stamp

SEACERA GROUP BERHAD (163751-H)
802, 8th Floor, Block C
Kelana Square
17, Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

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